Summary of the Senate Agriculture Committee 2013 Farm Bill mark

The Senate Agriculture Committee's Farm Bill mark that was released May 9 is over 1,100 pages long. This brief summary is intended to point out some of the major changes – it is not an all-inclusive list of the proposed legislative reforms.

Title I: Commodity title:

Direct Payments, counter-cyclical payments, the Average Crop Revenue Election (ACRE) program are eliminated after 2013.

Creates a new Adverse Market Payment (AMP) program for all covered commodities, similar to "deficiency" payments, which pays producers when actual prices fall below a certain reference price (previously referred to as target prices). Reference prices will be equal to the target prices established in the 2008 farm bill, with exceptions for rice and peanuts.

Reference prices for rice will be $13.30/cwt, up from the current target price of $10.50/cwt. The peanut target price will be increased from $495/ton to $523.77/ton.

With the exception of rice, the actual price will be equal to the higher of the national average price received by producers during the 12-month marketing year and the national average loan rate for a marketing assistance loan.

For long-grain and medium grain rice, the actual price for each class of rice is the national average market price received by producers during the 12-month marketing year for the type or class of rice or the national average loan rate for a marketing assistance loan in effect.

For the purpose of making AMD, rice producers will have a one-time chance to adjust yields that were established under the 2002 farm bill and peanut producers can update yields and base acres.

Agriculture Risk Coverage

The Agriculture Risk Coverage (ARC) program, which was introduced in last year's Senate mark, remains. But in order to trim costs, the price band is set at a slightly lower range of payment (88 percent instead of 89 percent) and prices will be calculated on a 12-month time frame, rather than the first five months of the marketing year.

Producers would need to make a one-time-irrevocable election to be covered under the ARC for 2014-2018 to receive either individual coverage, or in the case of a county with sufficient data, county coverage.

Payments would be made whenever the actual crop revenue for the crop year for the covered commodity is less than the agriculture risk coverage guarantee for the crop year for the covered commodity.

The program covers planted acres for wheat, corn, grain sorghum, barley, oats, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds and peanuts. The Secretary should study the feasibility of adding popcorn as a covered commodity by 2014. To be eligible, producers must meet conservation and wetland protection requirements.

The program has two tiers. Payments would be made when the actual crop revenue for the covered commodity in any one year is less than the agricultural risk coverage guarantee. The ARC guarantee is 88% (one percentage point lower than last year's bill) of the benchmark revenue. The bill directs the Secretary to make a separate ARC guarantee for irrigated and non-irrigated commodities and to differentiate by type or class the national average price of sunflower seeds, barley (using malting barley values), and wheat.

The calculation for establishing the amount of actual crop revenue was changed. The actual crop revenue, in the case of individual coverage, is the actual average individual yield for the covered commodity, and, in the case of county coverage, the actual average yield for the county for the covered commodity (as determined by the Secretary) multiplied by the higher of the national average market price received by producers during the 12-month marketing year for the covered commodity, as determined by the Secretary or, if applicable, the reference price.

In last year's farm bill, the yield was multiplied by the higher of the midseason price (midseason price is the national average market price received by producers for the first five months of the marketing year) or the national marketing assistance loan rate for the covered commodity.

The actual average individual yield will be determined by the Secretary, as will the actual average yield for the county for the covered commodity. For individual coverage, the average individual yield, as determined by the Secretary, would be based on an Olympic average: the most recent 5 years, excluding the highest and lowest yields. Individual coverage is the total acreage in a county of the covered commodity that is planted or intended to be planted

The benchmark revenue shall be the product obtained by multiplying, in the case of individual coverage, subject to clause (ii), the average individual yield, as determined by the Secretary, for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields; or in the case of county coverage, the average county yield, as determined by the Secretary, for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yield and the average national marketing year average price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices.

The payment rate shall be equal to the lesser of: the amount that the agriculture risk coverage guarantee for the covered commodity; exceeds the actual crop revenue for the crop year of the covered commodity; or 10 percent of the benchmark revenue for the crop year of the covered commodity.

For the county coverage, the rate would be based on the average historical county yield, as determined by the Secretary, for the most recent 5 years, excluding the highest and lowest yield years. There is a provision for a transitional yield at 60% for 2012 and 70% for 2013 and after.

The payment rate equals the lesser of the amount that the ARC guarantee exceeds the actual crop revenue for the crop year or 10% of the benchmark revenue for the crop of the covered commodity.

If agriculture risk coverage payments are required to be paid, the amount of the agriculture risk coverage payment for the crop year shall be equal to the product obtained by multiplying the payment rate and, in the case of individual coverage, 65 percent of the planted eligible acres of the covered commodity and 45 percent of the eligible acres that were prevented from being planted to the covered commodity.

In the case of county coverage, the payment rate would be multiplied by 80 percent of the planted eligible acres of the covered commodity; and 45 percent of the eligible acres that were prevented from being planted to the covered commodity.

(In last year's Senate mark, the ARC payment rate was lower: for those who selected individual coverage: 60% for planted acres and 45% for acres prevented from being planted. For those who select county coverage, payments would be made on 75% of planted acres and 45% of prevented plantings.)

County level covers all acreage in a county that is planted or intended to be planted by a producer. The yield is determined by the average county yield.

However, the Secretary can make adjustments for cases where:

- Conservation Reserve Program (CRP) land is released
- The Secretary designates additional oilseeds
- A producer has land not cropped but placed into an annual rotation for conservation purposes

Nonrecourse marketing assistance loans will be available for covered commodities. Producers will have to meet conservation and wetland protection requirements to be eligible.

Special rules apply to peanuts. A marketing assistance loan can be obtained through a designated marketing cooperative approved by the Secretary or the Farm Service Agency. For peanuts under loan, the Secretary shall pay handling and associated costs (other than storage) incurred at the time at which the peanuts are placed under loan. But repayment of handling and other costs is required for all peanuts pledged as collateral for a loan that's redeemed.

Loan rates remain basically the same:
Wheat, $2.94 per bushel.
Corn, $1.95 per bushel
Grain sorghum, $1.95 per bushel.
Barley, $1.95 per bushel.
Oats, $1.39 per bushel.
Upland cotton, for the 2013 and each subsequent crop year, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, as determined by the

Secretary and announced October 1 preceding the next domestic plantings, but in no case less than $0.45 per pound or more than $0.52
per pound.
Extra long staple cotton, $0.7977 per pound. Long grain rice, $6.50 per hundredweight. Medium grain rice, $6.50 per hundredweight. Soybeans, $5.00 per bushel.
Other oilseeds, $10.09 per hundredweight for each of the following kinds of oilseeds

(A) Sunflower seed.
(B) Rapeseed.
(C) Canola.
(D) Safflower. (E) Flaxseed.
(F) Mustard seed. (G) Crambe.
(H) Sesame seed.
(I) Other oilseeds designated by the Secretary
Dry peas, $5.40 per hundredweight
Lentils, $11.28 per hundredweight
Small chickpeas, $7.43 per hundredweight
Large chickpeas, $11.28 per hundredweight
Grade wool, $1.15 per lb.
Nongraded wool, $0.40 per lb.
Mohair, $4.20 per lb.
Honey, $0.69 per lb.
Peanuts, $355 per ton

For most commodities, loans can be repaid at the lesser of the loan rate plus interest or at a rate calculated by the Secretary, which is based on average market prices for the loan commodity during the preceding 30-day period or at an alternative rate determined by the Secretary.

For upland cotton, long grain rice and medium grain rice, loans can be repaid at the lesser of the loan rate plus interest or the prevailing world market price, adjusted for quality and location. For ELS cotton, the repayment should be at the loan rate plus interest.

Cotton storage payments will be available at the same rates as the Secretary provided for the 2006 cotton crops, with rates reduced by 20%

The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan, agrees to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

Producers who would be eligible for a loan deficiency payment for wheat, barley or oats and triticale, but elect to use for livestock grazing instead, can enter into an agreement with the Secretary for a payment if he or she agrees to forgo harvesting on that acreage. Crop insurance indemnity payments and Noninsured crop assistance payments on that same acreage would be prohibited.

The Secretary shall make economic adjustment assistance available with requires domestic users of upland cotton - regardless of the cotton's origin – at a rate of 3 cents per pound. The program is retroactive to August 1, 2012. "Economic adjustment assistance shall be made available only to domestic users of upland cotton that certify that the assistance shall be used only to acquire, construct, install, modernize, develop, convert, or expand land, plant, buildings, equipment, facilities, or machinery," the document notes.

The Secretary is also directed to carry out "special competitive provisions for extra long staple cotton" to, among other things, "ensure that ELS cotton produced in the U.S. remains competitive in world markets."

The Secretary shall make payments to domestic users whenever, for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton, as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton, and the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

Sugar

The sugar program is continued.

Dairy

The draft incorporates most of the National Milk Producers Federation's Foundation for the Future plan on margin protection and market stabilization, but does not include any changes to milk marketing orders. Repeals the Dairy Product Price Support Program, Milk Income Loss Contract Program (MILC) and Dairy Export Incentive Program. It extends the Dairy Forward Pricing Program, Dairy Indemnity Program, Dairy Promotion and Research Program and Federal Milk Marketing Order Review Commission authority to 2018.

Creates a new Dairy Production Margin Protection Program and a Dairy Market Stabilization Program. Any dairy operation that signs up in the basic production margin protection program also participates in the stabilization program.

To participate, a dairy operation would be required to pay an annual administration fee, depending on marketing volume. User fees shall be used to cover the costs of the program, reporting of dairy market news, and related costs. Exceptions can be made for limited-resource dairies.

Pounds Marketed (in millions	Administration Fee
Less than 1	$100
1 to 5	$250
More than 5 to 10	$350
More than 10 to 40	$1,000
More than 40	$2,500

The bill allows a nine-month transition period between the existing MILC Program and the new margin protection program. A dairy operation could elect to participate in either.

The Secretary will calculate the actual dairy production margins for each month. Dairy operations would be paid when actual dairy production margins are less than the threshold levels and if supplemental margin protection payments have been purchased.

Actual margin is the difference between the all-milk price (average price received, per hundredweight, by dairies for all milk sold to plants and dealers in the U.S.) and the average feed costs (the average cost of feed used by a dairy to produce a hundredweight of milk). The average is the sum of the product by multiplying 1.0728 by the price of corn per bushel; multiplying .00735 by the price of soybean meal per ton; and by multiplying .0137 by the price of alfalfa per ton. Prices are calculated for consecutive 2-month periods.

Production history is equal to the highest annual milk marketings of the dairy operation during any 1 of the 3 calendar years immediately preceding the calendar year in which the dairy operation first signed up to participate in the production margin protection program. New dairy operation can elect one of two methods to determine history. Once the history is set, it cannot be changed for purposes of determining margin protection.

For the supplemental margin protection, the annual production history is equal to the milk marketings of the dairy operation during the preceding calendar year.

Under the basic margin protection program, payments will be made whenever the actual dairy production margin for a consecutive 2-month period is less than $4.00/cwt. The payment shall equal the product obtained by multiplying the difference between the average actual dairy production margin for the consecutive 2-month period and $4.00, unless the difference is more than $4.00. In that case, the Secretary shall use $4.00 by the lesser of 80% of the production history of the dairy operation divided by 6 or the actual quantity of milk marketed by the operation during the consecutive 2-month period.

Supplemental margin protection can be purchased in increments of $0.50 above the basic margin program, but not to exceed $8.00. Participants can elect a coverage level between 25-90% of the annual production history of the dairy operation. Annual premiums are calculated by multiplying the percentage selected, the annual production history, and the premium per hundredweight of milk. Premiums vary by coverage level and producers who market under 4 million pounds (with about 200 cows) annually pay lower premiums, than those who market more than 4 million pounds.

Participants in the margin protection program are required to participate in the stabilization program. Producers can elect each calendar year which of the two following methods they will use for calculating their volume:

- the volume of the average monthly milk marketings for the three months immediately preceding the announcement by the Secretary that the stabilization program will become effective, or
- the volume of the monthly milk marketings of the diary operation for the same month in the preceding year as the month for which the Secretary announced the stabilization program will become effective.

If the stabilization program kicks in, margin payments will be reduced for any dairy operation that exceeds its stabilization program base on a sliding scale, based on the production margin.

With one exception, the stabilization program will be required whenever:

1. The actual dairy production margin has been $6.00 or less per hundredweight of milk for each of the immediately preceding 2 months; or

2. The actual diary production margin has been $4.00 or less per hundredweight of milk for the immediately preceding month.

When the stabilization program is in effect, handlers must remit the difference between the regular payments and the reduced payments to the Secretary. These funds can be used to make commodity donations to food banks or other programs or to expand consumption and demand for dairy products. However, those programs must be compatible with and not duplicate programs supported by the National Dairy Research and Promotion Board.

The Secretary may conduct periodic audits of participating dairy operations and handlers to ensure compliance.

The Mandatory Reporting for Dairy Products section of the Agricultural Marketing Act is amended by giving the Secretary authority to require manufacturers to report, more than once each month, prices and quantities of any dairy products sold by the manufacturer.

Creates a clearinghouse for Federal Milk Marketing Order information and requires notification of upcoming referendums, how a cooperative votes and how a producers may cast individual ballot, including online voting.

Requires the Secretary to study the feasibility of a 2-class system of milk pricing (fluid and manufacturing) to replace the current 4-class system

Supplemental Agricultural Disaster Assistance Programs

The SURE program for commodities is eliminated but programs for livestock are continued. The Livestock Indemnity Payment program is continued with payment rates based on 65% of the applicable livestock value on the day before the death of the livestock.

The Livestock Forage Disaster Program is continued, but modified to provide one source for livestock forage disaster assistance for weather-related losses, combining the noninsured crop disaster assistance program, the emergency assistance for livestock, honey bees and farm-raised fish program under the Federal Crop Insurance Act (FCIS), and the livestock forage disaster program under FCIC. The bill authorizes up to $5 million (rather than $10 million last year) in Commodity Credit Corporation funds to provide emergency relief to eligible producers of livestock, honeybees and farm-raised fish due to disease, adverse weather or other conditions.

A Tree Assistance Program helps eligible orchardists and nursery tree growers hit by natural disasters with over 15% damage. Payments cannot exceed $100,000 for any crop year.

Payment limitations and AGI

The total amount of payments under ARC may not exceed $50,000, but both qualified spouses on a farm can be eligible.

Producers would not be eligible for commodity programs if their adjusted gross income over the 3 taxable years preceding the actual program year exceeds $900,000, including both farm and non-farm income. Currently, the AGI limit stands at $750,000 in on-farm income and $500,000 off-farm.

Title II: Conservation

Conservation Reserve Program

The program is extended through 2017 and the acreage enrollment cap is gradually dropped from 30 million acres in 2014 to 25 million acres in 2018.

Enrollment periods stay the same, but a special rule is added for land devoted to hardwood trees, shelterbelts, windbreaks or wildlife corridors under which the owner or operator can specify the duration of the contract, within certain limitations.

In exchange for a reduction of not less than 25% of the annual rental rate, producers can engage those acres for managed harvesting of biomass and other commercial use, limited grazing, and the installation of wind turbines.

The Transition Incentives Program is reauthorized, which promotes the sale of land coming out of the Conservation Reserve Program to beginning farmers and ranchers. The program ris maintained and provided with level funding of $25 million in funding over five years.

Overall, the conservation title combines 23 current conservation program areas into 13 programs, including:

Conservation Stewardship Program

The Conservation Stewardship Program (CSP) is amended and continued. Conservation activities under the program means conservation systems, practices and management measure designed to address one or more priority resource concerns. It also includes structural measures and land management measures, including agricultural drainage management systems.

Between Oct. 1, 2013 and Sept. 30, 2022, the Secretary shall enroll an additional 10,348,000 acres for each fiscal year and achieve a national average rate of $18/acre, which includes the costs of all financial assistance, technical assistance and other expenses.

Producers who agree to adopt resource-conserving crop rotations can receive supplemental payments.

Payments to any one person or entity are capped at $200,000 under all contracts between 2014 and 2018.

Environmental Quality Incentives Program (EQIP)

The program is continued with at least 60% of the funds from 2013 to 2017 to be targeted at practices related to livestock production and at least 5% of the funds targeted at practices benefitting wildlife habitat.

The Wildlife Habitat Incentive Program is now incorporated as a practice area under EQIP. Funding is set at:

- $1,500,000,000 for fiscal year 2014;
- $1,600,000,000 for fiscal year 2015;
- $1,650,000,000 for each of fiscal years 2016 through 2018.

Agricultural Conservation Easement Program

This program incorporates and combines the Wetlands Reserve Program, the Grasslands Reserve Program and the Farmland Protection Program.

Funding is authorized at:

- $450,000,000 for fiscal year 2014;
- $475,000,000 for fiscal year 2015;
- $500,000,000 for fiscal year 2016;
- $525,000,000 for fiscal year 2017;
- $250,000,000 for fiscal year 2018

In the conservation title, the Farm and Ranch Land Protection Program was consolidated into a conservation easement program and renamed the Agricultural Land Easements Program. Most of the program structure remains in place, but there are no specific priorities made for beginning farmers.

Regional Conservation Partnership Program

This program combines the agricultural conservation easement program, the Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiative, and the Great Lakes Basin Program and encourages partners to work across states and regions to achieve conservation goals using the agricultural conservation easement program, the environmental quality incentives program and the conservation stewardship program.

Eligible partners include producers or groups of producers, a state or unit of government, and Indian tribe, farmer cooperatives, an institution of higher education, or an organization with a history of working with producers on agricultural lands.

For 2014 to 2018, Commodity Credit Corporation Funds shall use $100 million to fund this program.

Anyone who receives crop insurance payments would be subject to comply with conservation requirements in 5 years from enactment.

<u>Title III - Trade</u>

The Market Access Program and the Foreign Market Development programs are extended through 2018 and funded at $200 million and no less than $34.5 millionm respectfully. The Food for Peace program is extended through 2018. There is a limit on the monetization of commodities donated so that no commodity shall be made available unless the rate of the return for the commodity is at least 70%.

Export Credit Guarantee Program extended to 2018 up to $4.5 billion in credit guarantees. To address concerns related to the Brazil WTO case, current levels of export credit guarantees are reduced from $5.5 billion to $4.5 billion.

The Food for Progress Program is extended to 2018.

Specialty crops are authorized to receive $9 million to fight technical barriers to trade for each year 2014 to 2018.

The draft authorizes appropriators to spend $40 million to help procure local and regional food aid. Preference is given to eligible organizations that have, or are working toward, projects under the McGovern-Dole International Food for Education and Child Nutrition Program established under section 3107 of the Farm Security and Rural Investment Act of 2002.

Calls for a study of programs to support resilience in the Horn of Africa conducted by other donor countries, the World Food Program, the World Bank, the Agency for International Development, USDA, the Treasury Department, the Millennium Challenge Corporation, the Peace Corps and other relevant Federal Agencies.

The amount made available to carry out nonemergency food assistance shall not be less than $275 million for years 14-18.

Title IV – Nutrition

Like last year's Senate farm bill, tightens eligibility under the Low Income Heating and Energy Program for the SNAP program.

Ends SNAP eligibility for people who have substantial lottery or gambling winnings.

Secretary can require retail food stores to pay all the costs of acquiring Electronic Benefit Transfer (SNAP or food stamp dollars) equipment. Makes clear that retail establishments are not allowed to charge fees for the redemption of SNAP benefits.

Secretary is given two years to disburse unique identification numbers for EBT services.

Manual vouchers will no longer be allowed. If a household makes excessive requests for replacement of the electronic benefit transfer card, the request may be declined.

Establishes a pilot program for mobile technology to accept EBT at farmers markets and other direct marketing outlets. Secretary must report back to Congress with results of the pilot by January 1, 2016.

Will allow retailers to accept SNAP benefits through online transactions, but only after USDA conducts a pilot program. Online transactions will begin, barring negative pilot findings, by January 1, 2015.

Eliminates language from Senate-passed 2012 farm bill that would have set a $25 quality control error for government issuing errors related to SNAP benefits. This means that over- or under-issued errors over $25 would have been recorded and recorded. The quality control error number was moved from $25 to $50 after 2008's American Recovery and Reinvestment Act (ARRA), and this new bill has the number remaining at that $50 level.

Funding for state agency employment and training programs cut from $90 million to $85 million between FY 2014 and FY 2018. Funding levels cut to $79 million thereafter.

Gradually decreases the money the Secretary must spend to buy commodities for emergency food assistance

- FY 2014 cut from $28,000,000 to $22,000,000
- FY 2015 cut from $24,000,000 to $18,000,000
- FY 2016 cut from $18,000,000 to $10,000,000
- FY 2017 and every year thereafter cut from $10,000,000 to $4,000,000

Secretary must devote some funding to data tracking of SNAP.

The power to fund anti-trafficking efforts transferred in part to Appropriations, which receives $12 million in FY 2014, while mandatory funding is cut to $5 million from $18 million in 2012 Senate Farm Bill.

Reauthorizes Hunger-Free Communities grants at Senate Farm Bill 2012 levels.

Creates a multiagency task force responsible for evaluating a monitoring commodity program. Task force will include one representative from the Food Distribution Division of FNS, one from AMS, one from FSA and one from FSIS.

Establishes a Food and Agriculture Service Learning Program "to increase knowledge of agriculture and improve the nutritional health of children." Program will be supported by $25 million in appropriated funds.

Title V. Credit

Continues USDA's direct and guaranteed loans for farm ownership, operating and conservation and emergency loans.

The Conservation Loan Program is modified to require applicants are no larger than a family farm and otherwise unable to obtain credit from private lenders.

Increases the value of land that can be financed under the Down Payment Loan Program to $667,000 and gives the secretary discretion to determine how many years of managerial experience is required for a beginning farmer to qualify for a direct farm ownership loan.

Authorizes USDA to guarantee a loan for a beginning farmer or rancher or socially disadvantaged farmer and rancher for farm ownership purchases made on contract.

Removes lending limits on USDA's Farm Service Agency guaranteed loans and reauthorizes all current FSA loan levels until 2018.

Requires the secretary to set annual targets for lending to socially disadvantaged borrowers and to report annually to Congress on the progress.

Requires borrowers to obtain at least catastrophic risk protection coverage.

Extends the 2010 reauthorization of the USDA's State Agricultural Mediation Program until 2018.

A new Beginning Farmer and Rancher Individual Development Accounts Pilot program requires Secretary to establish 5 year demonstration programs in at least 15 states, under which a qualified entity could establish a reserve fund with a non-Federal match of 50%.

Funding for the Beginning Farmer and Rancher Development Program cut by $25 million. Military veterans will receive priority for loans.

Title VI – Rural Development

Raises population eligibility caps to towns of 50,000, unless otherwise specified. For example, rural water programs will be targeted at towns with 5,500 or fewer residents.

The Rural Business Enterprise Grants (RBEG) and Rural Business Opportunity Grants (RBOG) are combined into a single program called Rural Business Development Grants.

The Rural Microentrepreneur Assistance Program is continued and modified. The program provides business loans up to $50,000 to a rural microenterprise and can provide grants to support training for microentrepreneurs. Given $3 million a year in discretionary funding and $40 million in discretionary funding.

The Specialty Crop Block Grant Program (SCBGP) receives a mandatory funding increase from $55 million to $70 million per year.

Authorizes discretionary and mandatory funding under the Value Added Producer Grants.

Authorizes $75 million in discretionary funding for the Business and Industry Guaranteed Loans Program to invest in renewable energy and bioenergy projects. Makes changes to that program.

Authorizes $5 million in discretionary funding for the Appropriate Technology Transfer Program.

Gives the Secretary authority to collect all claims and obligations administered by the Farm Service Agency, the Rural Utilities Service, the Rural Housing Service, or the Rural Business-Cooperative Service, or under any mortgage, lease, contract, or agreement entered into or administered by the Agency or Service.

Creates new penalties for USDA workers who profit from land receiving federal grants.

Adjusts Housing Area Act to account for results of the 2010 census. Rural areas, for the purposes of this act, increase from 25,000 to 35,000.

Title VII – Research, Extension and Related Matters

Funding of $100 million to establish the Foundation for Food and Agriculture Research, a nonprofit corporation designed to supplement USDA's basic and applied research activities.

Authorizes $10 million annually for a program under which the Secretary can make competitive grants designed to address the shortage of veterinarians in the U.S.

Assigns $5 million for each of fiscal years 2014 through 2018 for competitive grants for international agricultural science and education programs.

Grants $1 million for each of fiscal years 2014 through 2018 for National Agricultural Weather Information Systems.

Grants $17 million for each of fiscal years 2014 through 2018 for the Beginning Farmer and Rancher Development Program

Grants $16 million for each of fiscal years 2014 through 2018 for the Organic Agricultural Research and Extension Initiative

Funding of the Commodity Credit Corporation is assigned for the Specialty Crop Research Initiative with $200 million over 5 years.

The Secretary, acting through the National Agricultural Library, shall support the dissemination of objective, scholarly, and authoritative agricultural and food law research, legal tools, and information by entering into cooperative agreements with institutions of higher education that on the date of enactment of this Act are carrying out objective programs for research, legal tools, and information in agricultural and food law. For each fiscal year, the Secretary may use not more than $5 million of the amounts made available to the National Agricultural Library to carry out this section. The amount is raised from $1 million in last year's bill.

Title VIII – Forestry

Repeals the Forest Land Enhancement Program, the Watershed Forestry Assistance Program, the Expired Cooperative National Forest Products Marketing Program, the Hispanic-serving Institution Agricultural Land National Resources Leadership Program and the Tribal Watershed Forestry Assistance Program.

Reauthorizes the Cooperative Forestry Assistance Act of 1978 programs and authorizes appropriations at $55 million annually.

Title IX - Energy

Repeals the Forest Biomass for Energy programs and the Repeal of Renewable Fertilizer study.

Does not repeal the Repowering Assistance Program.

Extends the feedstock flexibility program for bioenergy producers through FY2018.

Funds Bioenergy Program for Biofuels at $20 million for each year 2014-2018.

Assigns mandatory funding for the Biomass Research and Development program at $26 million for each of fiscal years 2014 through 2018.

Assigns mandatory funding of $48 million for 2014-2018 for the Rural Energy for America Program and appropriates $20 million for each year 2014-2018 for REAP.

Includes $150 million discretionary and $130 million in mandatory funding for Biomass Research and Development (BRDI).

Includes $193 million in mandatory funding for Biomass Crop Assistance (BCAP).

Title X - Horticulture

Specifies procedures for violators of organic accreditation.

Farmers Market Promotion Program is renamed the Farmers Market and Local Food Promotion Program and authorized at $20 million annually, double the current level.

Creates a study on local food production and program evaluation, expands the Agricultural Resource Management Survey to include questions on locally or regionally produced foods, and expands private-public partnerships to facilitate data collection on locally or regionally produced products.

Includes important modifications to the Organic Agriculture and Research Extension Initiative (OREI) to address emerging research issues such as food safety, rural economic development, and producer research needs to comply with National Organic Program regulations.

Includes $5 million in mandatory funding for data collection and another $15 million annually for technology upgrades and improvements for the National Organic Program.

Under the Coordinated Plant Management Program, calls for the Secretary to establish a National Clean Plant Network and calls for $60 million annually for 2014-2017 and $65 million for each following year.

Reauthorizes specialty crop block grants and allow for multistate projects. Funding levels are set at $1 million for fiscal 2014; $2 million for 2015; $3 million for 2016; $4 million for 2017; and $5 million for 2018.

Calls for the Secretary to issue a report on a federal standard to identify honey.

Title XI - Crop insurance

Includes a Supplemental Coverage Option (SCO) whereby program crop producers, as well as producers of specialty crops, can purchase a revenue policy on top of their individual crop insurance coverage to cover all or part of a producer’s deductible portion of their individual insurance policy. A minimum of 65% of the premium would be subsidized by the Federal Crop Insurance Corporation. (The level was 70 percent in last year’s mark.)

In the case of a producer who participates in the Title I ARC program, the deductible is 22 percent of the expected value of the crop of the producer covered by the underlying policy. For all other producers, the deductible is 10 percent of the expected value of the crop of the producer covered by the underlying policy.

Allows for separate coverage for irrigated and non-irrigated crops for SCO, STAX and enterprise unit crop insurance.

Allows adjustments in actual production history (APH) to establish insurable yields to be based on 65% of the applicable transitional yield, starting in 2014, rather than 70% of the transitional yield.

Also, the 2013 chairman's mark includes the same limitation on premium subsidy based on average adjusted gross income (AGI) as last year's bill. Beginning with the 2014 reinsurance year, the provision would reduce the federal payment of the crop insurance premium by 15% for farm businesses with AGIs above $750,000.

However, the AGI limit will only go into effect after a study conducted by USDA and GAO determines that the limit: does not significantly increase the premium amount paid by producers with an average adjusted gross income of less than $750,000; result in a decline in the crop insurance coverage available to producers; or increase the total cost of the Federal crop insurance program.

Directs the Federal Crop Insurance Corporation board to ensure that any Standard Reinsurance Agreement (SRA) negotiated with crop insurance companies be budget-neutral and "in no event…significantly depart from budget neutrality."

If there are any budget savings realized in an SRA renegotiation, the savings shall be used for programs administered by the Risk Management Agency.

Creates a Stacked Income Protection Plan (STAX) for producers of Upland Cotton for the 2014 crop. Coverage is deemed to be consistent with the Group Risk Income Protection Plan and the associated Harvest Revenue Option Endorsement offered for the 2011 crop year.

Under STAX, is would be provided for losses between 10 percent and 30 percent of expected county revenue, specified in increments of 5%. The deductible is the minimum percent of revenue loss at which indemnities are triggered under the plan, not to be less than 10 percent of expected county revenue.

Coverage is based on a price that is the higher of the expected price established under existing GRIP or area wide policies and an expected county yield that is the higher of the expected county yield for existing area plans or the Olympic average of yield data in a county or area for the last 5 years.

The plan also calls for a "protection factor" to establish maximum protection per acre of not less than the higher of the level established on a program wide basis or 120%.

Indemnities under STAX should not include the amount of deductible selected.

A producer who participates in the Supplemental Coverage Option will not be eligible for STAX.

The FCIC would pay 80% of the STAX premium for the coverage level selected.

Calls for USDA's Risk Management Agency (RMA) to establish a new peanut revenue crop insurance program.

Includes an acreage report streamlining initiative, calling on the Secretary to develop a project that allows producers to report acreage and other information directly to the department.

FCIC already offers whole farm insurance plans, but adds a directive to USDA to do research and development on a Whole Farm Diversified Risk Management Insurance product with a liability up to $1.5 million for diversified operations, including specialty crops and mixed grain/livestock and dairy operations. Allows FCIC to provide "diversification-based" additional coverage payments rates, premium discounts or other enhanced benefits in recognition of the risk management benefits of growing multiple crops and livestock.

Requires the Secretary to provide organic certification cost-share assistance and to support risk management education and community outreach

Authorizes $23 million in agricultural management assistance grants to producers in states in which there has traditionally been a low level of crop insurance participation for constructing or improving watershed management structures, irrigation structures, planting trees, mitigating risk through conservation practices, organic farming or value-added processing with payments capped at $50,000.

<u>Title XII - Miscellaneous</u>

Authorizes $20 million in annual appropriations for outreach to Socially Disadvantaged Producers and Limited Resource Producers. Authorizes appropriations for USDA's Office of Advocacy and Outreach of $2 million annually.

Adds a Wildlife Reservoir Zoonotic Disease Initiative to the research title, with $7 million authorized annually.

Authorizes the secretary to establish a competitive grant program to improve the U.S. sheep industry. The secretary shall use $1.5 million in FY 2014 to carry out the program.

Authorizes the secretary to establish a feral swine eradication pilot program at $2 million annually.

Authorizes $10 million annually for grants to improve the supply, stability, safety and training of the agricultural labor force.

Authorizes $15 million annually to fund a national animal health laboratory network to enhance the capability to respond to bioterrorist threats to animal health.

Requires the secretary to ensure USDA continues to administer the avian influenza surveillance program in commercial poultry through the Nation Poultry Improvement Program.

Requires the secretary to establish the position of military veterans agricultural liaison who would be tasked with providing information to returning veterans about beginning farmer training.

Authorizes $20 million for FY 2014 and FY 2015 for the secretary to provide grants to states and tribal governments to support efforts to promote the domestic maple syrup industry.

Establishes fines for attending an animal fight or causing a minor to attend an animal fight.

#30