Summary of the Senate Agriculture Committee's 2012 Farm Bill

The Agriculture Reform, Food, and Jobs Act of 2012

The Senate Agriculture Committee approved a new 2012 Farm Bill on April 26 by a 16-5 vote. This brief summary is intended to point out some of the major changes and is not intended to be all inclusive of the legislative reforms included in the 980-page bill.

Title I. Commodity

Direct Payments, Counter-cyclical payments, and the Average Crop Revenue Election (ACRE) program are eliminated after 2012.

Creates a new Average Risk Coverage (ARC) program which 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 shall study the feasibility of including popcorn by 2014. To be eligible, producers must meet conservation and wetland protection requirements.

The program has two tiers: During 2013 – 2017, producers must make a one-time, irrevocable election to receive either individual coverage or county coverage (in counties with sufficient data) that is applicable to all acres under the producer's operational control.

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 89% of the benchmark revenue. The bill directs the Secretary of Agriculture to make a separate ARC guarantee for irrigated and non-irrigated commodities.

The actual crop revenue is the yield 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, if applicable, 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.

The coverage operates the same for both individual and county levels; it is merely which yields are used in the calculation. In the individual, the producer's actual yields are used (5-year Olympic average for the benchmark), whereas for the county level coverage it is county average yields that are used (also on a 5-year Olympic average basis for the benchmark). Actual revenue is calculated the same: individual yields or county average yields multiplied by the midseason (first 5 months) price with the loan rate.

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.

A special rule was added for rice and peanuts. If the national marketing year average price for any of the applicable crop years is lower than the price for the covered commodity, the Secretary shall use the following price for that crop year: $13.00/cwt for long grain rice; $13.00/cwt for medium grain rice and $530.00/ton for peanuts.

The ARC payment rate will be multiplied by a lower rate for those who selected individual coverage: 65% for planted acres and 45% for acres prevented from being planted. For those who select county coverage, payments would be made on 80% of planted acres and 45% of prevented plantings.

County level covers all acreage of a covered commodity in a county that is planted or intended to be planted by a producer. The yield is determined by the average county yield. The total number of eligible acres shall not exceed the average total acres planted or prevented from being planted to the covered crops for the 2009 through 2012 crop years.

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

In carrying out ARC, the Secretary shall check for anomalies in determining payments, calculate a separate guarantee for irrigated and nonirrigated covered commodities and differentiate by type or class of crop for the national average price of sunflower seeds, barley (using malting barley varieties), and wheat, and use representative farm yield history data if yields cannot otherwise be established or if the yield determined is an “unrepresentative average yield” for the farm.

Nonrecourse marketing assistance loans will be available for covered commodities with a 9-month term. 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 two immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic plantings, but in no case less than $0.47 per pound or more than $0.52 per pound. (The cotton loan rate is allowed to adjust from $0.47 to $0.52 to in an attempt to resolve the Brazilian lawsuit.)
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%

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.

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, milk income loss contract program and the dairy export incentive program. Extends the dairy forward pricing program and dairy indemnity program to 2017.

Two amendments were approved to the dairy title. One amendment extends the MILC program through June 2012, at a reduced rate, maintaining a safety net while USDA implements the new margin protection plan. The other amendment seeks a review of the market stabilization program at the end of the five-year Farm Bill.

Creates a new Dairy Production Margin Protection and Dairy Market Stabilization Programs. Anyone who signs up in the basic production margin protection program also participates in the Stabilization program.

To participate, dairy operations would be required to pay an annual administration fee, depending on pounds marketed. 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 for a transition period between the existing Milk Income Loss program and the new production margin protection program, under which a dairy operation could elect to participate in either program.

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 dairy production 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 0.00735 by the price of soybean meal per ton; and by multiplying 0.0137 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 operations 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 their 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 and not duplicate programs supported by the dairy research and promotion board activities.

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 strengthened by adding more transparency and requiring more timely reporting.

Creates a clearinghouse for Federal Milk Marketing Order information and requires notification of upcoming referendums.

Supplemental Agricultural Disaster Assistance Programs

The SURE program for commodities expired in 2011, but will still provide funding for losses incurred on or before September 30, 2011. Attempts to extend SURE beyond the 2012 crop year were not successful. The extension was struck to help pay for the costs of moving the ARC individual coverage to 65% of planted acres and the county to 80%.

Disaster programs for livestock are continued. The Livestock Indemnity Program (LIP), the Livestock Forage Disaster Assistance Program (LFP), the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Catfish Program (ELAP) and the Tree Assistance Program (TAP) were extended through 2017 and are now part of Title I, so these program will be on the same reauthorization schedule and with permanent baseline going forward (this includes picking up the 2012 fiscal year that was not included in the 2008 farm bill). The rates are slightly modified in LIP and less money is available in ELAP.

Under LIP, payment rates are based on 65% of the applicable livestock value on the day before the death of the livestock.

The Livestock Forage Disaster Program is continued with assistance for producers on private lands and for losses due to fire on public lands. The bill authorizes up to $10 million in Commodity Credit Corporation funds to provide emergency relief to eligible producers of livestock, honey bees and farm-raised fish due to disease, adverse weather or other conditions.

The 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 for up to $100,000. Payments for peanuts may not exceed $50,000 and one or more other covered commodities may not exceed $50,000.

Payments are limited to active farmers. Provisions for “active personal management” are eliminated. One person who doesn’t provide labor for the farming operation will still be able to qualify for farm payments by helping manage the farm.

An individual would not be eligible for commodity programs if their adjusted gross income over the three taxable years preceding the actual program year exceeds $750,000, including both farm and non-farm income. That limit is doubled for married couples. Currently, the AGI limit stands at $750,000 in on-farm income and $500,000 off-farm.

At least twice a year, the bill directs the Secretary to reconcile Social Security numbers of all individuals who receive payments with the Commissioner of Social Security to determine if the individuals are alive.

Calls for improved coordination and information sharing between the Risk Management Agency and the Natural Resources Conservation Service.

Title II. Conservation

Extends and places a new cap on Conservation Reserve Program enrollment. Combines and streamlines 23 current conservation program areas into 13 programs. Highlights include:

Conservation Reserve Program

The program is extended through 2017 and the acreage enrollment cap is gradually dropped from 32 million acres in fiscal year 2012 to 25 million acres in 2017. The Secretary shall make enrollment in the program available at least once during the fiscal year and priority may be given to land with expiring CRP contracts.

Under the acreage cap, 1.5 million acres are now set aside for grasslands, which will operate similar to the short term grasslands contracts under the Grasslands Reserve Program. This is designed to give flexibility for more grazing and haying uses on those lands within the CRP structure. Those lands will be under the cap as it is reduced, not separate from it.

Enrollment periods stay the same, but a special rule was 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.

The Farmable Wetland Program was extended through 2017 and the definition of eligible acreage is amended by striking “flow from a row crop agriculture drainage system” and changed to “surface and subsurface flow from row crop agricultural production.”

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

The Transition Incentives Program was reauthorized, which promotes the sale of land coming out of the Conservation Reserve Program to beginning farmers and ranchers. The program received $50 million in funding over five years.

Conservation Stewardship Program

The Conservation Stewardship Program (CSP) is amended and continued through 2017. The program is designed to encourage producers to address priority resource concerns and improve and conserve the quality and condition of natural resources under five-year contracts. 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, 2012 and Sept. 30, 2021, 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.

Payments shall not be provided for the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or conservation activities for which there is no cost incurred or income forgone.

The bill calls for outreach and technical assistance to specialty crop and organic producers and the ability for organic producers to initiate organic certification while under a CSP contract.

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 2013 and 2017.

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 2013;
$1,600,000,000 for fiscal year 2014;
$1,650,000,000 for each of fiscal 17 years 2015 through 2017.

Agricultural Conservation Easement Program

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

Funding is authorized at:
$450,000,000 for fiscal year 2013;
$475,000,000 for fiscal year 2014;
$500,000,000 for fiscal year 2015;
$525,000,000 for fiscal year 2016;
$250,000,000 for fiscal year 2017

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 Water Enhancement 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, an Indian tribe, a farmer cooperative, an institution of higher education, and an organization with a history of working with producers on agricultural land. Partnership agreements shall be for 5 years.

For 2013 to 2017, the Secretary shall use $100 million of Commodity Credit Corporation funds to carry out the program. The bill provides $30 million for the Conservation of Private Grazing Land program from 2013-2017, $15 million for the Grassroots Source Water Protection Program and $40 million for the Voluntary Public Access and Habitat Incentive Program.

Title III. Trade

The Market Access Program and the Foreign Market Development programs are extended through 2017 and funded at $200 million and at no less than $34.5 million, respectively.

The Food for Peace program is extended through 2017. 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%.

The Export Credit Guarantee Program is extended to 2017 with up to $4,500,000,000 in funding for each of fiscal years 2013 to 2017.

The Food for Progress Program is extended to 2017. 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%.

The McGovern-Dole International Food for Education and Child Nutrition Program is reauthorized to 2017.

Specialty crops are authorized to receive $9 million to fight technical barriers to trade for each year from 2013 to 2017.

The bill 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, multilateral institutions, including the World Bank, and the Agency for International Development. USDA, the Treasury Department, the Millennium Challenge Corporation, the Peace Corps and other relevant Federal Agencies.

Title IV. Nutrition

Reauthorizes all nutrition programs and tightens the Supplemental Nutrition Assistance Program (SNAP) in several areas.

Tightens eligibility under the Low Income Heating and Energy Program for the SNAP program, but gives a state the option to implement a policy that eliminates or minimizes the impact of some of the changes.

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

Retailers would be required to pay 100% of the costs of acquiring and implementing electronic benefit transfer point of sale equipment and supplies.

The Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number information.

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.

The bill establishes a pilot program for mobile technology to accept Electronic Benefit Transfer (SNAP or food stamp dollars) at farmers markets and other direct marketing outlets.

The Emergency Food Assistance program is reauthorized through 2017, with $260 million authorized for the purchase of commodities in fiscal 2012, $28 million in 2013, $24 million for 2014, $20 million for 2015, $18 million for 2016 and $10 million for 2017 and each following year.

Funding of employment and training programs is reduced from $90 million to $79 million.

Additional funds are provided, not less than $18.5 million annually, to prevent trafficking.

Under Nutrition Education, adds “physical activity” to language that already required education on “healthy food choices.”

The Commodity Supplemental Food Program is reauthorized through 2017.

The program to purchase fresh fruits and vegetables for schools and service institutions is extended through 2017, as is the Seniors’ Farmers’ Market Nutrition Program.

A program to promote consumption of whole grain products is extended and funded with $10 million for 2014 to 2015.

Provides incentive grants for nonprofits, cooperatives, farmers’ markets and others who focus on Hunger-Free Communities.

Establishes the Healthy Food Financing Initiative to improve access to healthy foods in underserved areas by providing loans and grants.

Title V. Credit

Continues USDA’s direct and guaranteed loans for farm ownership, operating and conservation and emergency loans for not more than $4,226,000,000 for each of fiscal years 2012 to 2017.

Increases the value of land that can be financed under the Down Payment Loan Program to an amount equal to 45% of the following three criteria: The lesser of the purchase price of the farm or ranch, the appraised value of the farm or ranch or $667,000. 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.

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 catastropic risk protection coverage.

A Beginning Farmer and Rancher Individual Development Accounts Pilot program asks the 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%. Grant funds should not exceed $250,000 for each demonstration project.

Military veterans would receive priority for loans.

Title VI. Rural Development

The Agriculture Reform, Food and Jobs Act of 2012 does not provide mandatory funding for the Rural Development Title, which received $150 million in the 2008 Farm Bill.

Defines a rural area as any area other than a city or town of 50,000 or more people and those urban areas contiguous or adjacent to these cities and towns. However, units of local government in these urbanized areas are allowed to petition the Under Secretary for Rural Development to determine if part of one of these ineligible areas is actually rural based on population density, economic conditions and commuting patterns. This change provides one definition of rural under the Rural Development programs, but still provides priority for communities given the old population criteria standards of 10,000 inhabitants and under for water programs and 20,000 inhabitants and under for community facility projects. The business programs already had the 50,000 and under population criteria standard.

Adds a new technical assistance component for community facilities, streamlines applications and includes a new focus on funding coordinated and strategic regional rural development efforts.

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

The Intermediary Relending Program was reauthorized.

The Rural Microentrepreneur Assistance Program was 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.

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

Authorizes discretionary funding under the Value Added Producer Grants, the Appropriate Technology Transfer Program, and the Business and Industry Guaranteed Loans Program to invest in renewable energy and bioenergy projects. Under the Value Added Producer Grants program, 10% of the funds will be set aside for beginning farmers and ranchers.

The Rural Broadband programs are maintained with the Distance Learning and Telemedicine Grant Program reauthorized with no changes.

The Broadband Access Program is changed substantially. The program is amended to have a grant and loan component, similar to the stimulus broadband programs, unlike the previous Farm Bill program that relied solely on loans for broadband expansion. The program will also focus funding on areas with a population of 20,000 and less. Priority will also be given to areas experiencing outmigration, isolation and low income.

Under rural water provisions, the bill reauthorizes Circuit Riders, Wastewater Techs, and Sourcewater Techs; Authorizes USDA to guarantee tax-exempt bonds, Sets-aside technical assistant to be prioritized to assistance to systems with low-income residents and water supplies that are unhealthful, and retains current 1926(b) protections.

Title VII. Research, Extension and Related Matters

Authorizes a new tax-exempt Foundation for Food and Agriculture Research, a public/private foundation to solicit private donations to enhance research for meeting global food demands. The Foundation would receive $100 million in mandatory CCC funds upon enactment of the bill.

Expands State Block Grants for Specialty Crops program

Contains a new initiative aimed at improving the data collection efforts regarding local and regional food systems, and also evaluating programs that seek to benefit local food systems.

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.

Authorizes $5 million in annual funding for farm and rural policy research centers for 2012 and each subsequent year.

Provides $5 million in mandatory funding and $5 million in appropriated funds for the Organic Production and Market Data Initiatives, and includes a new reporting requirement for USDA to detail how data collection agencies are coordinating with data user agencies on issues like the development of organic price elections

Creates a new food safety training program with an authorization for appropriations of $20 million per year. The new program is created for the purposes of "establishing a Comprehensive Food Safety Training Network."

The Organic Agriculture Research and Extension Initiative (OREI), was extended with lower funding of $16 million annually, down from $20 million currently.

The Specialty Crop Research Initiative is reauthorized with permanent funding, starting at $25 million for fiscal year 2013 and then increasing to $65 million for 2016 and dropping to $50 million for 2017 and each year after.

Establishes a Pulse Crop Health and Extension Initiative from and authorizes $25 million for each fiscal year from 2013 to 2017.

Establishes a Comprehensive Food Safety Training Network and authorizes $20 million for each fiscal year from 2013 to 2017.

The Sun Grant Program (for biomass research and development) is reauthorized without any mention of funding.

The Beginning Farmer and Rancher Development Program is extended and funded at $50 million for 2013.

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.

Amends the Healthy Forests Restoration Act to address threats associated with the mountain pine beetle in the Western U.S. Authorizes $100 million for each fiscal year from 2013 to 2017.

Title IX. Energy

Reauthorizes most of the Energy Title programs with the exception of the Repowering Assistance Program and Forest Biomass for Energy Program.

An amendment offered by Senator Kent Conrad (D-ND), Richard Lugar (R-IN) and a bipartisan group of Senators restored $800 million in mandatory funding for the title's programs. The Conrad-Lugar amendment includes over five years:

- $241 million over five years for the Rural Energy for America Program
- $216 million for the Biorefinery Assistance Program,
- $193 million for Biomass Crop Assistance Program
- $130 million for the Biomass Research and Development Program,
- $15 million for the Biobased Markets Program, and
- $5 million for the Biodiesel Education Program.

Authorizes annual appropriations for $20 million annually for the Biomass Crop Assistance Program. Does not allow any overlap with CRP payments.

Authorizes annual appropriations for $2.0 million for the Community Wood Energy Program

Requires the Secretary to conduct a study to assess the economic impact of the biobased products industry.

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

Title X. Horticulture

Continues an allocation for the Specialty Crops Market News

Repeals section 10002, a grant program to improve movement of specialty crops.

Farmers Market Promotion Program is renamed the Farmers Market and Local Food Promotion Program and authorized at $20 million annually from 2013 to 2017, double the current level.

Requires USDA to study local food production and program evaluation and report back to Congress.

Funding for Community Food Projects receives an increase of $5 million a year for the next 5 years, above its permanent funding of $5 million a year.

The bill provides mandatory funding for organic certification cost-share, at $11.5 million annually.

Provides level funding at $5 million in mandatory funding (and $5 million in appropriated funds) for the Organic Production and Market Data Initiatives (ODI), and includes a new reporting requirement for USDA to detail how data collection agencies are coordinating with data user agencies.

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 technology upgrades and improvements for the National Organic Program.

The Specialty Crop Block Grants are funded at $70 million per year

Requires the Secretary to submit a report describing how an appropriate Federal standard for the identity of honey would promote "honesty and fair dealing."

Title XI. Crop insurance

Includes a Supplemental Coverage Option (SCO) whereby program crop producers, as well as producers of specialty crops, could 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.

Coverage may be purchased at any level not to exceed 85% of the individual yield and 95% of the area yield.

Coverage under the SCO would be triggered only if losses exceed 10% of normal levels. Coverage shall cover the first loss incurred by the producer, not to exceed the difference between 100% and the coverage level selected by the producer for the underlying policy or plan of insurance.

Under the SCO, coverage shall be subject to a deductible in an amount equal to, for a producer who participates in the agriculture risk coverage program, 21% of the expected value of the crop covered by the underlying crop insurance plan.

The amount of premium paid by the FCIC for the SCO would be equal to 70% of the additional premium associated with the SCO and the amount needed to cover administrative and operating expenses.

Allows FCIC to pay a higher portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit that is higher than would otherwise be paid.

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

Allows adjustments in actual production history (APH) to establish insurable yields to be based on 70% of the applicable transitional yield, starting in 2013, rather than 60% of the transitional yield.

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, may significantly depart from budget neutrality."

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

Stacked Income Protection Plan

Creates a Stacked Income Protection Plan (STAX) for producers of Upland Cotton for the 2013 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, coverage would be provided for losses between 10 and 30% 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% of expected county revenue.

Coverage would be 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 and administrative and operating expenses.

Other provisions

Requires the Risk Management Agency to make available a revenue crop insurance program for peanuts. The effective price will equal the Rotterdam price index for peanuts, as adjusted to reflect the farmer stock price of peanuts in the U.S.

Includes provisions that allow agents and companies to correct eligibility information after sales closing.

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.

Requires FCIC to contract with a person to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.

Requires FCIC to contract with a qualified entity to conduct research and development regarding a policy to insure catfish producers against the reduction in the margin between the market value of catfish and selected production costs.

Authorizes $6 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.

Reduces crop insurance benefits for native sod converted to crop production and also eliminates policies that have encouraged the misuse of crop insurance, adding an additional $200 million in savings to the bill.

Authorizes the Federal Crop Insurance Corporation to conduct a pilot program to provide financial assistance for producers of underserved crops and livestock, including specialty crops, to purchase an index-based weather insurance product from a private insurance company. The FCIC may pay a portion of the premium -not to exceed 60% - for producers who purchase index-based protection for a crop and policy that is not reinsured, as determined by FCIC.

Allows FCIC to rerate Catastrophic (CAT) risk protection premiums for each crop in which CAT coverage is available. The premium shall be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100%, plus a reasonable reserve. Saves $437 million.

Provides an additional 10 percent premium on crop insurance policies sold to beginning farmers and ranchers.

Title XII. Miscellaneous

Authorizes $20 million in annual appropriations for outreach to Socially Disadvantaged Producers and Limited Resource Producers and Veteran Farmers and Ranchers. 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.

Authorizes the Secretary to establish a feral swine eradication pilot program.

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

Asks the Secretary to establish a Military Veterans' Agricultural Liaison within the Department.

The bill calls for the removal of Canadian Geese that may prove to be a risk to flight safety near national parks and airports and specifically calls for USDA to take action near JFK airport in New York City.

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