



2023 FARM BILL PRIORITIES

Discussion Draft

TABLE OF CONTENTS

<i>Introduction</i>	3
<i>Farm Bill Priorities by Title</i>	4
Title I, Commodities:	4
Title II, Conservation:	5
Title III, Trade:	5
Title IV, Nutrition:	6
Title V, Credit:	6
Title VI, Rural Development:	6
Title VII, Research, Extension, and Related Matters:	7
Title VIII, Forestry:	8
Title IX, Energy:	9
Title X, Horticulture:	9
Title XI, Crop Insurance:	10
Title XII, Miscellaneous:	11
<i>Conclusion</i>	11

Introduction

What is the Farm Bill?

The Farm Bill authorizes multiyear wide-ranging policies that cover agricultural commodities, crop insurance, conservation, forest health, agriculture research, and domestic and international food aid programs. Typically renewed every five years, the Farm Bill impacts agriculture policy over multiple years. The original Farm Bill in the 1930s was only two titles and focused on commodity programs to support farm income as part of President Roosevelt's New Deal legislation in the Great Depression. The two original titles have now expanded to the 12 titles that made up the 2018 Farm Bill, the Agriculture Improvement Act. The Farm Bill gives Members of Congress a consistent opportunity to make changes to agriculture policy and to update these policies to meet the ever-changing needs of agriculture.

Why is the Farm Bill important?

The Farm Bill impacts all Americans whether they live in rural America or not, so it is vital that this legislation be carefully crafted to promote American agriculture, preserve our premiere research institutions, improve forest health to prevent catastrophic wildfires, and provide a safety net to help Americans get back on their feet when in need.

The economic impact of U.S. food and agriculture industries is \$3 trillion in direct output and these industries create jobs for 21 million Americans while an additional 22 million Americans work in jobs that are economically created by farming and ranching activities. The output from these farms and ranches feeds and clothes Americans and protects our national security by ensuring a stable food supply chain. One does not need to look far in this time of global turmoil to see the disasters that could occur if food security is threatened – Sri Lanka riots, the war in Ukraine upending world wheat markets, countries like China and India banning the export of wheat and other commodities, or Dutch farmer protests. Even here in the U.S., supply chain bottlenecks have delayed the on-time delivery of farm inputs like seed, fertilizer, livestock feed, and diesel to farmers and ranchers while natural disasters from freezes to hurricanes to wildfires have damaged crops and killed livestock.

Additionally, Farm Bill conservation policy is helping farmers, ranchers, and forest landowners conserve resources while increasing their farm yields. American farmers have increased production by 278% since the 1940s while farm inputs, such as land usage and equipment, have remained mostly level. Farmers and ranchers are implementing the use of cover crops and crop rotation, changing tillage practices, and using precision technology to select the best fertilizer for soil conditions and to determine placement and quantity in the field. Forest landowners are improving management of the trees that produce timber, pulp and paper products, and chips and pellets for biomass energy while also providing conservation benefits that improve soil and water health, air quality, and wildlife habitat.

The Farm Bill also contains domestic and international food aid programs to support those in need with programs ranging from the Supplemental Nutrition Assistance Program to Food for Peace.

What is the Congressional Western Caucus' interest in the Farm Bill?

The Congressional Western Caucus is comprised of nearly 80 Members of Congress who represent a wide array of districts across the United States, each with its unique agricultural practices and needs. Western Caucus Members are united in ensuring a healthy farm economy, which will boost rural success and support urban needs for food, fiber, and fuel. The Farm Bill must work for farmers, ranchers, forest landowners, consumers, and those in need.

Farm Bill Priorities by Title

While titles in each Farm Bill are different, these priorities are based on the 2018 Farm Bill titles.

Title I, Commodities:

The Commodities title includes programs to support price and income for major commodity crops (including wheat, corn, soybeans, peanuts, rice, dairy, and sugar), as well as permanent disaster programs.

The main field crop support programs are Price Loss Coverage (PLC), Agriculture Risk Coverage (ARC), and Marketing Assistance Loans (MAL). The dairy program protects a portion of the margin between milk and feed prices while the sugar program provides a combination of price support, limits on imports, and processor/refiner marketing allotments.

The permanent disaster programs help prevent the need for ad hoc disaster programs and include the Noninsured Crop Assistance Program (NAP), Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), Tree Assistance Program (TAP), and Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP).

Priority: The Farm Bill should update the commodities programs to maintain strong safety net support for farmers in difficult economic times. It should also ensure that standing disaster programs continue to assist producers whose crops were damaged or destroyed by natural disasters while reducing the need for ad hoc disaster assistance.

Potential Areas of Consideration:

- 1. Whether increases in reference prices are needed for commodity crops given the sharp increase in food prices and whether these reference prices should be tied to inflation to provide coverage in times of rampant inflation**
- 2. Whether to increase the annual payment limitations for these disaster programs given the rising cost of production and farm inputs**
 - a. Consider limiting these increased payments to individuals who receive more than 75% of their income from farming, ranching, or silviculture**

Title II, Conservation:

The Conservation title covers voluntary programs that incentivize and help cover the implementation cost of natural resource conservation efforts on farms, ranchlands, and forest lands through working lands programs or land retirement and easement programs on the most sensitive habitat areas.

These conservation programs include the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Conservation Reserve Program (CRP), Regional Conservation Partnership Program (RCPP), and Agricultural Conservation Easement Program (ACEP).

Priority: The Farm Bill must ensure that conservation programs remain voluntary, with needed flexibility for the unique needs of the different regions throughout the country. Given the drought conditions across the West, this includes ensuring that water conservation, groundwater sustainability, drought practices, and innovative irrigation solutions continue to be covered for producers. It should also ensure that the Conservation title is focused on programs that work well and are proven effective – rather than siphoning funding and technical staff for unproven climate projects – and that conservation practices are not tied to crop insurance policies because a one-sized-fits-all approach will disrupt the tailored method already reflected in current crop insurance policies.

Potential Areas of Consideration:

- 1. How the application process for conservation programs can be streamlined to reduce paperwork and shorten the approval times in order to encourage producer participation**
- 2. Whether the adjusted gross income (AGI) cap should be increased given the rising cost of land and commodity prices**

Title III, Trade:

The Trade title covers food export programs and international food aid programs.

The Market Access Program (MAP) is the main export promotion program and helps producers promote American agricultural products to increase export markets.

Similar to MAP, the Foreign Market Development Program (FMD-P) plays an important role in establishing new international markets for American agricultural products in foreign countries.

The three main international food programs are Food for Peace, Food for Progress, and the McGovern-Dole International Food for Education and Child Nutrition program. In the past, these programs have relied on U.S. commodities that were donated to the country in need, but recent Farm Bills have included the ability to purchase food in the local food markets or provide cash directly to needy recipients.

Priority: The Farm Bill must ensure that agricultural exports are supported through trade agreements and market promotion and that U.S. food aid continues to support American

producers. It should reauthorize and consider expanding the Market Access Program, the Foreign Market Development Program, the Emerging Markets Program, and Technical Assistance for Specialty Crops, as well as food aid programs that emphasize purchase of U.S. grown commodities and food products.

Title IV, Nutrition:

The Nutrition title of the Farm Bill provides an important safety net for low-income households, but reforms are needed to ensure that taxpayer dollars are spent wisely and that individuals are helped to self-sufficiency where possible. For example, the Supplemental Nutrition Assistance Program (SNAP) is the largest food safety net program that provides over \$113 billion in benefits each year to 41 million SNAP recipients. A program of this size will always have room for improvement that will better accomplish the two-fold goal of feeding those in need and empowering those who are able to move toward autonomy.

Priority: The Farm Bill must ensure that programs have an emphasis on workforce development and training programs to help individuals attain self-sufficiency and amend work requirements for SNAP able-bodied adults without dependents (ABAWD) recipients to encourage workforce and work-training participation. It should also increase fraud prevention measures.

Potential Areas of Consideration:

- 1. Which broad-based categorical eligibility limits could increase program compliance**

Title V, Credit:

The Credit title covers federal loan programs that help farmers and ranchers access credit – including both direct loans and loan guarantees – to build their farming operations. The Farm Bill sets the maximum loan size for guaranteed loans and the size of direct loans.

Priority: The Farm Bill should ensure that programs help producers expand operations and beginning farmers enter the industry and that loan limits are in line with rising land and equipment costs. It should also ensure the Farm Credit Administration can continue to do its work without imposing unhelpful Dodd-Frank era reporting standards, such as the proposed rule on Small Business Lending Data Collection.

Potential Areas of Consideration:

- 1. How to streamline the loan process to ensure that farmers and ranchers using USDA loans can compete in fast-moving land markets, as current loan processes can move too slowly for producers to compete with other purchasers**

Title VI, Rural Development:

The Rural Development title covers programs that promote rural economic growth through broadband expansion, rural housing, rural health programs, utility programs, and infrastructure development.

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Broadband is critically important to rural America given the digital world we have entered, where everything from precision agriculture to allowing rural businesses to compete with the increasingly digital marketplace relies on broadband access. Federal grant and loan programs have helped expand broadband access, but many rural areas are still unserved or severely underserved. Estimates on the digital divide show that 17% of rural Americans lack access to the Federal Communications Commission's broadband minimum speed standards. The Rural Development title can be used to unleash American ingenuity by continuing to connect Americans.

Rural Development also includes the Rural Energy Savings Program, the Emergency and Imminent Community Assistance Water Program, and revolving water and wastewater loan funds.

Priority: The Farm Bill must ensure that Rural Development continues to help rural communities grow and thrive by supporting programs for water storage infrastructure projects and emergency grants following a natural disaster and by encouraging public/private partnerships to provide capital for rural businesses and communities.

Potential Areas of Consideration:

- 1. Adding the ReConnect program to the Farm Bill and making necessary updates to ensure that communities with zero broadband connectivity are prioritized**
- 2. Allowing rural utility service providers to refinance their USDA loans to encourage increased development during times of record-high inflation**

Title VII, Research, Extension, and Related Matters:

The Research title supports agricultural research and extension programs designed to increase innovation and help farmers and ranchers be more productive. This includes authorization to support cooperative research, extension, and post-secondary agricultural education programs in states through formula funds and competitive grants to land-grant universities.

An important example included in recent Farm Bills is the Specialty Crop Research Initiative (SCRI), a competitive grant program designed to address the unique research needs of specialty crops. SCRI helps to provide essential research into plant genomics, pest management, handling and processing efficiency, food safety sciences, and other research areas that improve the quality, nutrition, and marketability of these high-value commodities.

Priority: The Farm Bill must ensure that American agricultural research continues to provide innovative technology to farmers and ranchers, so they can continue to increase farm yields and be competitive in world markets. It should support Land Grant Universities as they continue agricultural research and support both commodity and specialty crop research and pest detection and eradication programs, including the SCRI. Lastly, it should include funding to combat contagious animal diseases such as African Swine Fever Virus and Chronic Wasting Disease.

Title VIII, Forestry:

The Forestry title covers management of National Forest System (NFS) and Bureau of Land Management (BLM) lands, as well as forestry research and assistance to non-federal forest landowners.

Past Farm Bills have changed how the Forest Service and BLM comply with the National Environmental Policy Act (NEPA) by establishing categorical exclusions for specific activities to streamline the process and improve forest management.

The West has faced some of the most destructive wildfires in our nation's history just in the past several years, and our national forests have never been in more urgent need of increased management and restoration. This has resulted in a sharpened focus on how the Forestry title can improve federal policy to address this crisis. Rural and forested communities nationwide can either benefit from forest management activities or suffer from the impacts of mismanaged forests, including catastrophic wildfire. For decades forest health has declined as active forest management has stalled or stopped completely due in large part to over-litigation. Over-litigation slows or stops necessary forest management and many acres tied up in lawsuits have now been completely burnt, destroying the forests and devastating downstream watersheds. Some of these forests will take hundreds of years to recover. Both the 2014 and 2018 Farm Bills included expansions of the Forestry title that created authorities for insect and disease management, as well as collaborative programs such as the Good Neighbor Authority and Stewardship Contracting. While these improvements were a critical first step, there are still many policies that can be streamlined and optimized.

Priority: The Farm Bill must increase the pace and scale of vegetation management work on public lands to improve forest and habitat health to help prevent catastrophic wildfires. It should expand the Good Neighbor Authority to empower both the Forest Service and the Bureau of Land Management to collaborate with local partners, allow Tribes and counties to retain timber receipts, and allow non-federal entities to use revenues generated on non-Federal lands in accordance with conditions specified in Good Neighbor Agreements. Additionally, it should streamline and expedite permitting for forest management projects in order to encourage economic generation in rural communities, create resilient forests, and protect wildlife habitat.

Potential Areas of Consideration:

- 1. Clarifying when reinitiation of consultation under the Endangered Species Act (ESA) is needed to fix the disastrously decided Cottonwood decision**
- 2. Expanding the size and scope of categorical exclusions to increase hazardous fuels reduction work, for forest health improvement treatments, and for routine maintenance work including at facilities and on roads and trails**
- 3. Allowing for expedited ESA review if forest management activities are not likely to adversely affect listed species**
- 4. Creating a streamlined pathway for timber salvage and reforestation work following a wildfire**

5. **Allowing the Secretaries of Agriculture or Interior to consider only a proposed action and no-action alternative when preparing an environmental impact statement or an environmental assessment pursuant to NEPA for forests at high risk of catastrophic fire**
6. **Curbing frivolous litigation that slows necessary management work on the forests by directing courts reviewing a forest management activity to balance the short- and long-term effects of taking and not taking the action when considering a request for an injunction**

Title IX, Energy:

The Energy title encourages development of biofuels and bioproducts, helps with the installation of renewable energy systems, and supports research related to energy. The 2018 Farm Bill authorized 12 programs that focused mainly on energy related to agricultural and forestry feedstocks – the most common of which is ethanol.

Given the high cost of gasoline, there is interest in additional sources of fuels as a way to decrease fuel costs, and the Energy title provides an opportunity to explore how this interest might help rural America.

Priority: The Farm Bill should continue to support bioenergy research and development and ensure that programs for on-farm and rural renewable energy systems remain voluntary and flexible. It should also continue programs to encourage wood energy systems and innovative wood product facilities.

Potential Areas of Consideration:

1. **How policies can be changed to incentivize research and production of biofuels**

Title X, Horticulture:

The Horticulture title supports the production and research of specialty crops (which includes fruits, vegetables, and nuts), organic food certification, local foods programs, and hemp production.

Specialty crops range from cranberries, hops, and mint to tropical crops such as taro and papaya, so it is important to maintain program flexibility to support the unique needs of each crop as they face their own diseases and pests.

Organic production is a growing market as consumers look for the *USDA Organic* label on their produce. Organic practices also come with their own risks and challenges, so research plays an important role in improving yields and controlling pests. The National Organic Program (NOP) is the regulatory program housed within the USDA Agricultural Marketing Service responsible for developing standards for certified organic agricultural products. These standards assure consumers that products with the USDA organic seal meet consistent, uniform standards. The NOP is vital to meeting consumer demand for organic products.

The Organic Transition Research Program (ORG) supports the development and implementation of research extension and education higher education programs to improve the competitiveness

CONGRESSIONAL WESTERN CAUCUS 2023 FARM BILL PRIORITIES

of organic livestock and crop producers, as well as those who are adopting organic practices and transitioning to organic certification.

As the supply chain crisis continues, many consumers are looking to local producers and farmers' markets to source their food. Past Farm Bills have expanded opportunities for local marketing and value-added processing.

The Floriculture and Nursery Initiative (FNRI) is a managed research program that creates advances in mechanization and reduces inputs and crop protections of all sections of horticulture, including ornamental and nursery stock for fruit and trees, berries, hops, and other specialty crops.

Priority: The Farm Bill must continue to support specialty crops and organic producers. It should also strengthen Specialty Crop Block Grants, which allow states to increase the competitiveness of specialty crops and are vital to continued research efforts for hops, tree fruit, berries, potatoes, and all specialty crops.

Potential Areas of Consideration:

- 1. If there are crops that should be defined as specialty crops that are not currently listed**

Title XI, Crop Insurance:

While crop insurance is permanently authorized by the Federal Crop Insurance Act of 1938, this title gives Congress the opportunity to make improvements to this important tool to protect farmers and ranchers from risk. Additionally, the Crop Insurance title supports premiums for farmers to protect against losses in yield, crop revenue, or whole farm revenue. It also provides the Risk Management Agency (RMA) with the authority to research, develop, and modify insurance policies.

Priority: The Farm Bill must maintain the strength and integrity of crop insurance policies and make updates to encourage additional participation.

Potential Areas of Consideration:

- 1. Making necessary changes to ensure that crop insurance works for specialty crop producers**
- 2. Ensuring that crop insurance policies do not force conservation practices on farmers or ranchers because a one-sized-fits-all model will distort market conditions and may not incentivize best conservation practices**

Title XII, Miscellaneous:

The Miscellaneous title is a catch-all section that covers programs dealing with livestock health, beginning farmers and ranchers, agricultural labor safety, and workforce development.

Priority: The Farm Bill should update and streamline programs that assist beginning farmers to encourage an agricultural career path as the American farmer population continues to age. It should also reauthorize the National Animal Health Laboratory Network, the National Animal Disease Preparedness and Response Program, and the National Animal Vaccine and Countermeasures Bank.

Conclusion

American farms, ranches, and forests produce the food, fiber, and fuel that provide for the world. Members of the Congressional Western Caucus know that a healthy farm economy in America is vital for food security, both at home and abroad. The Farm Bill will play an important role in rural America for multiple years, so the Western Caucus will work to ensure that rural voices are heard through the development of the 2023 Farm Bill. These high-level priorities will do much to assist rural communities, and we look forward to continuing to engage with farmers, ranchers, industry stakeholders, and members of the House and Senate Agriculture Committees as they work to draft the Farm Bill.