



# HOUSE AGRICULTURE COMMITTEE

## WHY EXTENDING THE CURRENT FARM BILL WON'T WORK

If advocates of extending the 2014 Farm Bill get their way – rather than passing a new farm bill in 2018 – critical programs for trade, SNAP, beginning farmers, organic agriculture and others will lose funding.

There are **around 40 programs** that do not have baseline beyond FY2018. A one year extension would:

- **Stop funding for certain trade promotion programs** at a time when concern about trade imbalances and trade opportunities is of critical importance for agriculture. The Foreign Market Development (FMD) program, Technical Assistance for Specialty Crops (TASC), and the Emerging Markets Program (EMP) would all lapse;
- **Stop outreach for socially disadvantaged and veteran producers;**
- **Stop funding programs for beginning farmers and ranchers**, the most vulnerable at a time when the U.S. farm economy is at historic lows;
- **Stop funding for nutrition programs that incentivize healthy eating**, including the Food Insecurity Nutrition Incentive (FINI); and
- **Stop funding for organic agriculture**, through the Organic Agricultural Research and Extension Initiative, the Organic Production and Market Data Initiative, and the National Organic Program Technology Upgrade.

Other notable programs among this group include certain conservation programs; authorization would lapse for most of the bioenergy, rural development, and research programs; various nutrition pilot programs and studies; and farmers' market programs.

Beyond lapses in funding, critical program improvements cannot be made in an extension, further delaying the much-needed corrections and advances in various parts of farm bill programming.

**Finally, and perhaps most importantly**, even with a one-year extension in place, farmers and ranchers are denied the certainty that comes with a 5-year farm bill. The farm economy is in a precarious position, and the last thing farmers and ranchers need is more uncertainty.



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**With an extension, the following select programs would lose funding:**

### **TITLE II: CONSERVATION**

#### ***Grassroots Source Water Protection (\$5 million, available until expended)***

The program is designed to help prevent pollution of surface and ground water used as the primary source of drinking water by rural residents. It is a joint project between USDA FSA and the National Rural Water Association. These teams collaborate to create a Rural Source Water Protection plan to promote clean source water. The plan identifies voluntary actions that farmers and ranchers can install to prevent source water pollution.

- Agriculture & Nutrition Act of 2018: reauthorization with \$5 million in mandatory funding, available until expended.

#### ***Voluntary Public Access and Habitat Incentive (\$40 million for FY2014-FY2018)***

The Voluntary Public Access and Habitat Incentive Program is a competitive grants program that helps state and tribal governments increase public access to private lands for wildlife-dependent recreation, such as hunting, fishing, nature watching or hiking.

- Agriculture & Nutrition Act of 2018: reauthorization with \$50 million in mandatory funding for the period of FY2019- FY2023

#### ***Small Watershed Rehabilitation (\$250 million in FY2014, available until expended)***

The Watershed Protection and Flood Prevention Program helps units of federal, state, local and tribal of government (project sponsors) protect and restore watersheds up to 250,000 acres. Partners work together to prevent erosion; prevent floodwater and sediment damage; to further the conservation development, use and disposal of water; and to further the conservation and proper use of land in authorized watersheds. As a component of the program, the Watershed Rehabilitation Program helps project sponsors rehabilitate aging dams that are reaching the end of their 50-year design lives. This rehabilitation addresses critical public health and safety concerns.

- Agriculture & Nutrition Act of 2018: reauthorization with \$100 million in mandatory funding for each of FY2019 -FY2023, to remain available until expended.

#### ***Wetlands Mitigation Banking (\$10 million, available until expended)***

Wetland mitigation banking is the restoration, creation or enhancement of wetlands for the purpose of compensating for unavoidable impacts to wetlands at another location. Producers may purchase credits to remain in compliance with conservation compliance, commonly known as "swampbuster".

- Agriculture & Nutrition Act of 2018: reauthorization with \$10 million in mandatory funds available until expended



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### TITLE III: TRADE

#### ***Foreign Market Development Program (\$34.5 million per year)***

The Foreign Market Development (FMD) Program, also known as the Cooperator Program, helps create, expand and maintain long-term export markets for U.S. agricultural products. Under the program, FAS partners with U.S. agricultural producers and processors, who are represented by non-profit commodity or trade associations called "cooperators," to promote U.S. commodities overseas.

- Agriculture & Nutrition Act of 2018: streamlines the existing market development programs, including FMD, under the new International Market Development Program. FMD is funded at no less than \$34.5 million.

#### ***Technical Assistance for Specialty Crops (\$9 million per year)***

The Technical Assistance for Specialty Crops (TASC) Program provides funding to U.S. organizations for projects that address sanitary, phytosanitary and technical barriers that prohibit or threaten the export of U.S. specialty crops. Eligible activities include seminars and workshops, study tours, field surveys, pest and disease research, and pre-clearance programs. Eligible crops include all cultivated plants and their products produced in the United States except wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar and tobacco.

- Agriculture & Nutrition Act of 2018: streamlines the existing market development programs, including TASC, under the new International Market Development Program. TASC is funded at not more than \$9 million.

### TITLE IV: NUTRITION

#### ***Food Insecurity Nutrition Incentive Program (\$35M for FY14-15, \$20M for FY16-17, & \$25M for FY18)***

FINI is a competitive grant program that incentivizes the purchase of fruits and vegetables by SNAP clients.

- Agriculture & Nutrition Act of 2018: Enhances current FINI language to include a training, evaluation, and information center, and prioritize grantees who coordinate with a variety of stakeholders and offer year-round access to an incentive program. This farm bill allocates \$275 million over five years in mandatory funding.



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**With an extension, the following select programs would lose funding:**

### TITLE IV: NUTRITION (cont.)

***Retail Food Store and Recipient Trafficking Retail Food Store and Recipient Trafficking (\$15M available until expended and an authorization for appropriations of \$5M annually, through 2018)***

This provided additional resources for USDA to prevent trafficking in SNAP by strengthening recipient and retail food store integrity. The funds were to be used for information technologies including data mining and data warehousing and other information technologies.

- Agriculture & Nutrition Act of 2018: Extends discretionary funding (\$5M annually) through 2023 to provide USDA with additional resources to prevent trafficking in SNAP by strengthening recipient and retail food store program integrity.

### TITLE VII: RESEARCH & EXTENSION

***Organic Agricultural Research and Extension Initiative (\$20 million per year)***

Consumer demand for organically produced goods continues to show double-digit growth, providing market incentives for U.S. farmers across a broad range of products. U.S. farms and ranches sold \$7.6 billion in certified organic commodities in 2016, up 23 percent from \$6.2 billion the year before. However, increases in domestic production have not been enough to keep up with increases in demand, leading to fraudulent imports of organic products coming into the U.S., undercutting domestic producers and creating distrust among organic consumers. In order to ensure adequate domestic supply, organic agriculture research must provide tools and resources that American farmers and ranchers can use to take advantage of higher premiums and a robust organic market.

- Agriculture & Nutrition Act of 2018: Increases mandatory funding to \$30 million per year.

***Beginning Farmer and Rancher Development Program (\$20 million per year)***

The Beginning Farmer and Rancher Development Program assists beginning farmers, ranchers, and foresters entering the industry and helps enable them for success through dynamic education, mentoring, and technical assistance projects.

- Agriculture & Nutrition Act of 2018: maintains mandatory funding of \$20 million per year.

### TITLE IX: HORTICULTURE

***Organic Production and Market Data Initiative (\$5 million)***

The Organic Production and Market Data Initiative supports the basic data collection activities on organic agriculture at USDA's National Agricultural Statistics Service, Economic Research Service, and



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### TITLE IX: HORTICULTURE (cont.)

the Agricultural Marketing Service. The 2014 Farm Bill allocated \$5 million in mandatory funding for this program.

- Agriculture & Nutrition Act of 2018: maintains mandatory funding of \$5 million.

#### ***National Organic Program Technology Upgrade (\$5 million)***

In an effort to maintain program integrity, the 2014 Farm Bill authorized \$5 million in mandatory funding to modernize database and technology systems for the National Organic Program, ensuring that the agency has the necessary tools to enforce the label.

- Agriculture & Nutrition Act of 2018: allocates an additional \$5 million to maintain and upgrade technology systems and data collections and gives the National Organic Program further authority to require additional documentation, access available data from cross-border documentation systems administered by other Federal agencies, and provide oversight and approval for certifying agents operating in foreign countries.

### TITLE XI: MISCELLANEOUS

#### ***Sheep Production and Marketing Grant Program (\$1.5 million in FY2014, available until expended)***

The program provided funds on a competitive basis to national organizations whose mission is to strengthen and enhance the production and marketing of sheep and sheep products in the United States including the improvement of infrastructure business, resource development, and the development of innovative approaches to solve long-term needs.

- Agriculture & Nutrition Act of 2018: reauthorizes the program with \$2 million in mandatory funding.

#### ***Outreach for Socially Disadvantaged and Veteran Producers (\$10 million per year)***

The primary purpose of the program is to enhance the coordination of outreach, technical assistance, and education efforts, to reach socially disadvantaged and veteran farmers, ranchers and forest landowners and to improve their participation in the full range of USDA programs. The program was provided \$10 million in yearly funding over the life of the 2014 Farm Bill.

- Agriculture & Nutrition Act of 2018: reauthorizes the program with \$10 million in mandatory funding.



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**With an extension, the following select programs would lose funding:**

### **TITLE XI: MISCELLANEOUS (cont.)**

#### ***Pima Cotton Trust Fund (\$16 million per year, available until expended)***

The Pima Cotton Trust Fund was created to reduce the economic injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric.

- Agriculture & Nutrition Act of 2018: streamlines the Pima Trust, Wool Apparel Trust, and Wool Research Fund under the new Textile Trust Fund. Pima Cotton is funded at \$8 million per year.

#### ***Wool Apparel Manufacturers Trust Fund (\$30 million per year, or amount deemed necessary)***

The Agriculture Wool Apparel Manufacturers Trust Fund was created to reduce the economic injury to domestic manufacturers resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool fabric.

- Agriculture & Nutrition Act of 2018: streamlines the Pima Trust, Wool Apparel Trust, and Wool Research Fund under the new Textile Trust Fund. Wool Apparel is funded at \$15 million per year.

#### ***Wool Research and Promotion Fund (\$2.25 million per year, available until expended)***

The Wool Research, Development, and Promotion Trust was created to assist United States wool producers in improving the quality of wool and providing expertise in the development and promotion of the wool market.

- Agriculture & Nutrition Act of 2018: streamlines the Pima Trust, Wool Apparel Trust, and Wool Research Fund under the new Textile Trust Fund. Wool Research is funded at \$2.25 million per year.