

House-Senate Negotiators Announce Bipartisan Agreement on Final Farm Bill

Bill Reforms Agriculture Policy, Reduces Deficit; Grows Agriculture Economy

Monday, January 27, 2014

House and Senate agriculture leaders today announced a bipartisan, bicameral agreement on a five-year farm bill that will reduce the deficit, grow the economy and provide certainty to the 16 million Americans whose jobs depend on agriculture. The Agricultural Act of 2014 contains major reforms including eliminating the direct payment program, streamlining and consolidating numerous programs to improve their effectiveness and reduce duplication, and cutting down on program misuse. The bill also strengthens our nation's commitment to support farmers and ranchers affected by natural disasters or significant economic losses, and renews a national commitment to protect land, water, and other natural resources.

"I am proud of our efforts to finish a farm bill conference report with significant savings and reforms," said **Rep. Frank Lucas** (R-OK), Chairman of the House Agriculture Committee. "We are putting in place sound policy that is good for farmers, ranchers, consumers, and those who have hit difficult times. I appreciate the work of everyone who helped in this process. We never lost sight of the goal, we never wavered in our commitment to enacting a five-year, comprehensive farm bill. I ask my colleagues to join me in supporting its passage."

"Today's bipartisan agreement puts us on the verge of enacting a five-year Farm Bill that saves taxpayers billions, eliminates unnecessary subsidies, creates a more effective farm safety-net and helps farmers and businesses create jobs," said **Sen. Debbie Stabenow** (D-MI), Chairwoman of the Senate Agriculture Committee. "This bill proves that by working across party lines we can reform programs to save taxpayer money while strengthening efforts to grow our economy. Agriculture is a bright spot in our economy and is helping to drive our recovery. It's time for Congress to finish this Farm Bill and give the 16 million Americans working in agriculture the certainty they need and deserve."

"This bill reflects a lot of hard work and conscientious effort to help strengthen American agriculture and assure consumers of food and fiber that it is nutritious and affordable," said **Sen. Thad Cochran** (R-Miss.), Ranking Member of the Senate Agriculture Committee. "The reforms, savings and other significant changes in this agreement will provide greater certainty to producers and rural communities, as well as American consumers. It deserves to be considered and enacted as soon as possible."

"I am pleased that we were able to work together, putting aside partisanship to finally advance a five-year farm bill," said **Rep. Collin Peterson** (D-MN), Ranking Member of the House Agriculture Committee. "Compromise is rare in Washington these days but it's what is needed to actually get things done. While it's no secret that I do not support some of the final bill's provisions, I believe my reservations are outweighed by the need to provide long term certainty for agriculture and nutrition programs. This process has been going on far too long; I urge my colleagues to support this bill and the President to

quickly sign it into law."

The Agricultural Act of 2014 Overview

Enacting the Agricultural Act of 2014 will reform agriculture programs, reduce the deficit, and help farmers, ranchers and business owners grow the economy. The legislation:

- Repeals the direct payment program and strengthens risk management tools
- Repeals outdated programs and consolidates duplicative ones, eliminating nearly 100 programs or authorizations
- Helps farmers and ranchers create jobs and provides certainty for the 16 million Americans working in agriculture
- Strengthens conservation efforts to protect land, water and wildlife for future generations
- Maintains food assistance for families while addressing fraud and misuse in SNAP
- Reduces the deficit by billions of dollars in mandatory spending

Ends Direct Payments, Strengthens Risk Management

The Agricultural Act of 2014 reforms farm programs and saves taxpayer dollars by ending direct payments and other farm programs. The bill provides risk management tools that help American farmers and ranchers survive weather disasters and market volatility.

The bill also strengthens crop insurance, which is an essential cost-effective risk management tool. With crop insurance, farmers invest in their own risk management by purchasing insurance policies so they are protected in difficult times. Crop insurance also helps protect Americans from spikes in food prices. Without crop insurance farmers would have no way to recover from disaster unless the government steps in and provides unplanned disaster assistance. The effectiveness of crop insurance was underscored during the historic droughts of 2012, which impacted more than 80% of the country. Crop insurance protected farmers without the need for an emergency disaster relief bill.

Additionally, the bill provides a permanent livestock disaster assistance program for producers affected by natural disasters, and also covers producers who were affected by recent droughts, winter storms that hit the Northern Plains last year, and spring freezes that affected fruit growers in the Midwest.

Streamlines Programs, Strengthens Conservation

The Agricultural Act of 2014 consolidates 23 existing conservation programs into 13 programs while strengthening tools to protect and conserve land, water and wildlife. By streamlining programs, the farm bill provides added flexibility and ensures conservation programs are working for producers in the most effective and efficient way – an approach supported by nearly 650 conservation organizations from all 50 states.

Protects SNAP for Families, Reduces Fraud and Misuse

The bipartisan farm bill conference agreement maintains critical assistance for families while stopping fraud and misuse to achieve savings in the Supplemental Nutrition Assistance Program (SNAP). The farm bill agreement closes a loophole being used by some states to artificially inflate benefits for a small number of recipients. Additionally, the bipartisan agreement stops lottery winners from continuing to receive assistance, increases program efficiency, cracks down on trafficking, fraud and misuse, and invests in new pilot programs to help people secure employment through job training and other services. Savings in this section are reached **without removing anyone from the SNAP program**, and will ensure that every person receives the benefits they are intended to get under the current rules of the program.

Grows the Agricultural Economy

The Agricultural Act of 2014 reduces the deficit while strengthening top priorities that help to grow the agricultural economy. The bill:

- Boosts export opportunities** to help farmers find new global markets for their goods
- Continues investments to meet growing consumer demand for fresh fruits and vegetables, local foods and organics** by helping family farmers sell locally, increasing support for farmers' markets, and connecting farmers to schools and other community-based organizations
- Supports beginning farmers and ranchers** with training and access to capital
- Invests in state-run pilot projects to encourage and incentivize employment and training opportunities for families in need**
- Creates initiatives to help veterans** start agriculture businesses
- Grows American bio-based manufacturing** (manufacturing processes using raw agricultural products grown in America)
- Expands bio-energy** production, supporting non-food based advanced biomass energy production such as cellulosic ethanol and woody biomass power
- Invests in research** to promote productivity and new agricultural innovations
- Strengthens rural development** initiatives to help rural communities upgrade infrastructure and create a better environment for small businesses
- Increases assistance for food banks**
- Reduces regulatory barriers**