



# Highlights

## Title I – Commodity

- Rebalances target prices and loan rates of existing commodities beginning with the 2010 crop year and provides additional program coverage for certain pulse crops beginning with the 2009 crop year.
- Reforms commodity title.
  - Reduces Adjusted Gross Income eligibility from \$2.5 million to \$500,000 for non-farmers and prohibits farmers with AGI of more than \$750,000 from receiving direct payments.
  - Establishes direct attribution of farm program payments to individuals, as opposed to corporations and partnerships.
  - Eliminates triple-entity rule.
- Continues the Milk Income Loss Contract (MILC) program for the duration of the farm bill. Payment rate is increased from 34% to 45% of the difference between Boston Class I prices and the target price; target price is modified to account for changes in the cost of feed.
- Establishes a permanent disaster assistance program to aid producers who suffer from weather-related disasters. Complements existing crop insurance program by providing additional assistance based on loss of crop revenue for whole farm operations.
- Establishes new optional revenue-based program called Average Crop Revenue Election (ACRE) with the 2009 crop. Provides state-level revenue guarantee on acres planted equal to 90% of the product of a state average yield factor times the national season average price for the previous two years of the specific commodity. A producer must give up 20% of direct payments and 30% in loan rates and cannot opt out after enrolling.
- Increased loan rate for sugar in 2010 – \$0.1875/lb cents for cane and \$0.24/lb for beets; requires collection of information on production, consumption, stocks and trade of sugar in Mexico; establishes a sugar-to-ethanol program for surplus import stocks; and includes 85% domestic market allocation system.
- Revises beneficial interest rules by establishing a 30-day rolling average as the basis for calculating repayment rates for Loan Deficiency Payments and provides Secretary with authority to adjust repayment rate in the event of major market disruptions.

## Title II – Conservation

- Spending on conservation programs is increased by \$7.9 billion.
- Continues the Conservation Reserve Program (CRP) at a 32 million acre cap.
  - Includes a new provision to allow retired landowners participating in CRP to modify contracts if the land is being transferred to a beginning, limited resource or socially disadvantaged farmer or rancher.
- Extends and increases funding for Environmental Quality Incentives Program (EQIP) by \$3.4 billion.
  - Conservation practices related to organic certification and transition are eligible for payments.
  - Limits EQIP payments to \$300,000 over 6 years; but allows the Secretary to grant waivers to \$450,000.

- Renamed Conservation Stewardship Program (CSP) incentivizes new conservation practices and rewards producers who address local priority resources of concern. Provides \$1.1 billion in new funding, enrolling nearly 13 million acres per year.
- Re-establishes a baseline for the Wetlands Reserve Program (WRP) at \$1.4 billion and extends the program through 2012. Increases maximum enrollment to 3,041,200 acres and establishes a revised procedure for valuing property.
  - Clarifies payout rates for WRP contracts
- Doubles funding for the Farm Protection Program to \$773 million to protect agricultural lands from urban and suburban development.
- Provides for the enrollment of 1.22 million acres of fragile grazing land in the Grasslands Reserve Program (GRP).
- Establishes income eligibility caps for participation in conservation programs. An individual's AGI can not exceed \$1 million, unless 2/3 of the income is derived from farming, ranching or forestry.
- Creates an Open Fields Program to encourage public access to private lands for hunting and fishing. Provides \$50 million in funding for 2009-2012

### **Title III – Trade**

- Increases technical assistance funding by \$27 million over 5 years for specialty crops program to help with sanitary/phytosanitary and technical barriers that keep fruits/veggies out of certain markets.
- Food for Peace
  - Establishes a pilot program, overseen by USDA, to evaluate the effectiveness of local or regional food procurement in emergency situations. The program is funded with \$60 million over four years.
  - Establishes a firm minimum of \$375 million in 2009 for development assistance programming that cannot be used for emergency assistance. This 'safe box' will increase annually to \$450 million in 2012 and is necessary so that aid organizations can guarantee funding and continuity in their development projects.
- Modifies the Bill Emerson Humanitarian Trust to allow releases from the trust to be used for humanitarian emergencies.
- Reauthorizes the McGovern-Dole International Food for Education and Child Nutrition Program and provides \$84 million in mandatory funding.

### **Title IV – Nutrition**

- Increases funding by \$10.361 billion.
- Increases funding for food stamps by \$7.8 billion and renames the program the Supplemental Nutrition Assistance Program.
- Expands the Supplemental Nutrition Assistance Program to more needy families by updating eligibility requirements, increasing the minimum benefit and excluding the value of retirement and education savings accounts when determining eligibility.
- Provides \$1.25 billion to food banks to ensure they are able to purchase enough food to meet the needs of low-income families. Provides \$50 million in 2008 to meet immediate needs.
- Expands the Fresh Fruit and Vegetable Snack Program to all 50 states and provides \$1.02 billion to bring fresh, healthy snacks to school children.
- Provides the Community Food Projects program with \$5 million per year for projects that promote food self-sufficiency in low-income communities, such as community gardens.

- Provides the Senior Farmers Market Nutrition Program with \$62 million in new funding over the next ten years to help low-income seniors purchase food at farmers' markets and food stands.
- Establishes the Healthy Urban Food Enterprise Development Center and provides \$3 million to promote fresh foods in urban areas.

### **Title V – Credit**

- Increases direct farm ownership and direct operating loan limitation amounts to \$300,000.
- Creates a beginning farmer and rancher individual development accounts pilot program administered through the Farm Service Agency.
- Expands the Land Contract guaranteed loan pilot program to facilitate private land sales on contract that transfer farms from retiring to new farmers.
- Increases direct and guaranteed loan fund set-asides for beginning farmers and ranchers.
- Provides \$100 million in mandatory funding to allow Pigford late filers to resubmit claims.

### **Title VI – Rural Development**

- Extends Rural Cooperative Development Grant program
- Provides \$120 million for critical water and watershed projects in rural areas.
- Clarifies the definition of areas that are not eligible for USDA rural development programs.
- Improves access to broadband telecommunication services in rural areas with an emphasis on rural communities of greatest need.
- Provides \$15 million for the Value-Added Agricultural Product Market Development Grant program.
  - Establishes a 10% set-aside for beginning farmers/ranchers.
  - Establishes a 10% set-aside for strategic marketing alliances between small to mid-size farms and ranches and other supply chain partners.
- Provides \$15 million in mandatory funding for the creation of a new Rural Microenterprise Assistance Program to provide technical and financial assistance to micro-enterprises and small businesses in rural areas. Funds provide for long-term, small loans of \$50,000 or less.

### **Title VII – Research**

- Creates a National Institute of Food and Agriculture (NIFA) to coordinate USDA's research activities. All authorities under the Cooperative State Research, Education and Extension Service (CSREES) are transferred to NIFA.
- Provides \$78 million in mandatory funds for the Organic Research and Extension Initiative.
- Provides \$230 million in mandatory funding for a new Specialty Crop Research Initiative.
- Provides \$75 million in mandatory funds for the Beginning Farmer and Rancher Development Program to provide education and training in areas such as financial management, risk management, marketing, etc.

## **Title VIII – Forestry**

- Establishes national priorities for assisting private forest conservation
- Establishes a new community forest and open space program
- Strengthens the ability of USDA to work with Indian tribes related to cultural use of forests.
- Assists emergency forest restoration.

## **Title IX – Energy**

- Provides \$1 billion to help the renewable energy industry invest in new technologies that utilize sources beyond feed grains.
- Provides \$320 million in mandatory funding for grants and loan guarantees for the development of biorefineries for advanced biofuels. Percentage of local ownership will be a factor in awarding grants and loan guarantees.
- Encourages farmers to grow biomass crops in areas around biomass facilities by offsetting costs to establish perennial energy crops and annual payments for production of energy crops.
- Includes \$300 million in mandatory funding for payments to biofuels producers to support the production of advanced biofuels, including biodiesel and cellulosic biofuels.
- Provides \$35 million to help existing ethanol facilities reduce their fossil fuel use by converting to renewable biomass energy systems.
- Reduces volumetric ethanol excise tax credit six cents, and establishes cellulosic ethanol production tax credit. Extends the ethanol tariff through January 1, 2011
- Establishes the Rural Energy for America Program (REAP) to provide \$250 million in grants and loan guarantees for agricultural producers to purchase renewable energy systems and make energy efficiency improvements
- Expands biomass research and development program providing \$118 million in mandatory funding.
- Creates federal procurement preference for biobased products and creates USDA Certified Biobased Product program

## **Title X – Horticulture and Organics**

- In total, provides nearly \$1 billion for specialty crop investments, including \$33 million in mandatory funding to develop and expand farmers markets throughout the country. Provides \$466 million for the specialty crop block grant program.
- Provides new funding to support organic farmers - \$22 million in mandatory funding for USDA's cost-share program.
- Invests \$377 million for a new Pest and Disease Program to combat invasive species and threats to plant health.
- Invests \$5 million in organic data collection initiative to help provide USDA and organic producers with national production and market data.
- Supports beekeepers by extending the honey marketing loan and creating a high-priority research area to address Colony Collapse Disorder.

- Establishes the National Clean Plant Network and provides \$20 million to develop a national source for clean plant stocks for horticulture crops.

#### **Title XI – Livestock**

- Requires mandatory country-of-origin labeling for meat and produce by September 30, 2008. Meat and poultry products must specify where the animal was born, raised and slaughtered.
- Creates a program for the interstate sale and shipment of meat products from certain state-inspected processing facilities.
- Requires market information be posted online to improve public access to information published under the Livestock Mandatory Reporting Act.
- Includes optional arbitration and other contract reforms.
- Requires USDA to conduct an annual review of investigation and potential violations of the Packers and Stockyards Act to improve oversight and enforcement.

#### **Title XII – Crop Insurance**

- Reduces the Administrative and Operating (A&O) reimbursement by 2.3%.
- Authorizes renegotiation of the Standard Reinsurance Agreement (SRA) by 2011 and every 5 years thereafter.
- Assists organic producers by requiring a risk analysis on differences between conventional and organic crops.
- Prohibits crop insurance coverage for crops grown on native grassland/prairie in the Prairie Pothole Region.

#### **Title XIII – Commodity Futures**

- Reauthorizes the Commodity Futures Trading Commission through 2013.
- Strengthens regulatory authority over retail foreign currency transactions.
- Extends oversight to exempt commercial markets that trade significant price contracts.
- Increases criminal and civil penalties for market manipulation

#### **Title XIV – Miscellaneous**

- Provides \$75 million in mandatory funding for fiscal years 2009-2012 for the Socially Disadvantaged Farmers and Ranchers Outreach and Technical Assistance Program.
- Permanently bans anyone convicted of defrauding USDA from subsequent participation in USDA programs, except food assistance.
- Prohibits the closure or relocation of Farm Service Agency (FSA) county or field offices for two years.
- Bans the importation of dogs under 6 months of age.