

Title I: Commodity



-Safety Net Overview-

- **Spending** - Commodity title programs account for 13% of the farm bill budget. Commodities that qualify for support include corn, wheat, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, sesame seed and others), rice, cotton, sugar, peanuts, grain sorghum, barley, oats, wool, mohair, honey, dry peas, lentils, small chickpeas, and dairy products.
- **Safety Net** - 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. Payment acres are 85 percent of base acres for direct and counter-cyclical payments with the exception of 2009, 2010, and 2011, when direct payments will be made on 83.3 percent of base acres. Establishes a permanent disaster assistance program to aid producers who suffer losses from weather-related disasters.
- **Reform** - Establishes direct attribution of farm program payments to individuals. Reduces Adjusted Gross Income (AGI) 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. Eliminates the triple-entity rule. The bill continues the current limit on direct payments of \$40,000 and on counter-cyclical payments of \$65,000. These limits are adjusted for participants in the new Average Crop Revenue Election (ACRE) program to reflect the cut in direct payments and with the amount cut added to the limit for ACRE payments. Loan deficiency payments (LDP) and marketing loan gains unlimited, but subject to AGI limits.
- **Dairy Safety Net** - Continues the Milk Income Loss Contract (MILC) program for the duration of the bill.
 - Increases payment rate 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.
 - Replaces the current milk price support of \$9.90 per hundred weight with separate support prices for cheddar cheese, butter and nonfat dry milk. If price for one of these is lower than the support price, then USDA will purchase the product at the support level.
- **Sugar** - Modifies and extends the current sugar program. Raises the loan rate for sugar a quarter cent a year for three years (to 18.75 cents for cane sugar and 24 cents for beet sugar) and changes overall allotment quota to a minimum of 85% of domestic consumption. Establishes sugar-to-ethanol program for surplus import stocks and includes 85% domestic market allocation system.
- **ACRE** - Beginning in the 2009 crop year, establishes new, optional revenue-based program called Average Crop Revenue Election (ACRE). Provides state-level revenue guarantee. Producers must forfeit 20% of all direct payments and 30% in loan rates to participate. Creates a total payment cap for ACRE participants of \$32,000 in direct payments and \$73,000 in countercyclical payments.
- **Crop Insurance** - Cuts federal payments to crop insurance companies by \$5.7 billion and total direct farm payments by \$300 million. Complements existing crop insurance program by providing additional assistance based on loss of crop revenue for whole farm operations.
- **Beneficial Interest** - Revises beneficial interest rules by establishing a 30-day rolling average to determine posted-county price for the purpose of calculating repayment rates for Loan Deficiency Payments.