FARM FOUNDATION® FORUM

WHAT TO EXPECT FROM THE 2023 FARM BILL

DECEMBER 6, 2022

Today’s webinar is made possible by a grant from Farm Credit

#FarmFoundationForum
TIM BRENNAN
Vice President, External Relations
Farm Foundation
MEET FARM FOUNDATION

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Farm Foundation is an ACCELERATOR of practical solutions for agriculture.

We accelerate PEOPLE AND IDEAS into ACTION.
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GUIDE OUR WORK

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To **build** trust and understanding at the intersections of agriculture and society.

VISION:
To **build** a future for farmers, our communities, and our world.
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IMPORTANT NOTES

- Submit questions by clicking on the **Q&A Button** at the bottom of your screen.
- Please **include your name and company** so questions may be contextually understood.
- Due to **time limits**, we may not be able to ask all questions submitted.
- This Forum is being recorded and will be posted on our website at [farmfoundation.org](http://farmfoundation.org) as well as the Farm Foundation **YouTube** channel.
- Please take the **short survey** at the conclusion of the Forum.

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#FarmFoundationForum
U.S. CONGRESSMAN
GLENN G.T. THOMPSON
Pennsylvania’s 15th District
U.S. House of Representatives
CHUCK CONNER
President and CEO
National Council of Farmer Cooperatives
The 2023 Farm Bill—Evolution or Revolution...Or Somewhere in Between

Chuck Conner
Farm Bill Titles

Title I: Commodities
Title II: Conservation
Title III: Trade
Title IV: Nutrition
Title V: Credit
Title VI: Rural Development
Title VII: Research, Extension & Related Matters
Title VIII: Forestry
Title IX: Energy
Title X: Horticulture
Title XI: Crop Insurance
Title XII: Miscellaneous
The “Four Corners”
Where Farm Bill Money is Spent

2018 Farm Bill Spending

Nutrition: 76%
Crop Insurance: 9%
Commodities: 7%
Conservation: 7%
Other: 1%

2023 Farm Bill Projection

Nutrition: 84%
Crop Insurance: 6%
Commodities: 5%
Conservation: 4%
Other: 1%

Legend:
- Nutrition
- Crop Insurance
- Commodities
- Conservation
- Other
Four key areas will shape the debate on the next farm bill.
2023?
Expect three areas to drive discussion when the ag committees begin debate on the shape of the next Title II:

- **Incentives**: Cost share and technical assistance
- **Denial of payments/subsidies**: Conservation compliance, Sodbuster, Swampbuster, climate (?)
- **Mandates**: USDA versus EPA

*FACA will have a critical role to play in representing agriculture.*
*Will this be a climate-friendly farm bill?*
JONATHAN COPPESS
Director, Gardner Agriculture Policy Program; Associate Professor, University of Illinois, Urbana-Champaign

CHRIS ADAMO
Former Staff Director Senate Committee on Agriculture, Nutrition and Forestry
REVOLUTIONARY FARM BILL IN 2023?

*A Discussion for The Farm Foundation*

Chris Adamo
Jonathan Coppess
DEFINING REVOLUTIONARY FARM BILL.

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<thead>
<tr>
<th>Status Quo</th>
<th>Evolutionary</th>
<th>Revolutionary</th>
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<tr>
<td>Most common; Congress makes very few or minor changes; tinkers around edges</td>
<td>Congress makes substantive changes, but mostly within a direction or trend established by previous farm bills.</td>
<td>Least common; Congress makes major changes that go against previous evolutions or push in a new and different direction.</td>
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<td><strong>1933 Agricultural Adjustment Act (AAA)</strong> ✓</td>
<td><strong>1936 Soil Conservation &amp; Domestic Allotment Act (SCDAA)</strong> ✓ Replaced support system after Supreme Court decision &amp; in middle of Dust Bowl</td>
<td><strong>1948 Agricultural Act (AA)</strong></td>
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<td><strong>1973 Agriculture &amp; Consumer Protection Act (ACPA)</strong> ✓ Combined food stamps &amp; farm policy, opening farm bill coalition; farm policy shifted to target prices &amp; deficiency payments instead of parity</td>
<td><strong>1938 Agricultural Adjustment Act (AAA)</strong> ✓ Created parity system of price supports, acreage controls &amp; marketing quotas; created crop insurance.</td>
<td><strong>1949 Agricultural Act (AA)</strong></td>
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<td><strong>1938 Agricultural Adjustment Act (AAA)</strong> ✓ Created parity system of price supports, acreage controls &amp; marketing quotas; created crop insurance.</td>
<td><strong>1970 Agricultural Act (AA)</strong> ✓ Effective end of parity, replaced acreage controls with set-aside acres.</td>
<td><strong>1958 Agricultural Act (AA)</strong></td>
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<td><strong>2018 Agricultural Improvement Act (AIA)</strong></td>
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**Honorable Mention:**

**Food Security Act of 1985** ✓ Foundation for modern conservation policies & programs; Conservation Reserve Program and conservation compliance; largely status-quo for farm support system.
# CATEGORIZING FARM BILLS

https://www.farmfoundation.org/2022/09/30/could-climate-change-produce-a-revolutionary-2023-farm-bill/

## Categorization of Farm Bills

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<td>First direct assistance to farmers; set course for next 40 years of farm policy.</td>
<td>Replaced support system after Supreme Court decision &amp; in the middle of the Dust Bowl.</td>
<td><strong>1949 Agricultural Act (AA)</strong></td>
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<td>Combined food stamps &amp; farm policy, opening farm bill coalition; farm policy shifted to target prices &amp; deficiency payments instead of parity.</td>
<td>Created parity system of price supports, acreage controls &amp; marketing quotas, created crop insurance.</td>
<td><strong>1958 Agricultural Act (AA)</strong></td>
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<td>Decoupled farm supports from planting decisions and market prices; base acreage system continued through 2018.</td>
<td>Initiated brief existence of Soil Bank (acreage reserve &amp; conservation reserve).</td>
<td><strong>1964 Agricultural Act (AA)</strong></td>
</tr>
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<td><strong>Honorable Mention</strong></td>
<td><strong>1970 Agricultural Act (AA)</strong></td>
<td><strong>1965 Food &amp; Agricultural Act (FAA)</strong></td>
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<td><strong>Food Security Act of 1985</strong></td>
<td>Effective end of parity, replaced acreage controls with set-aside acres.</td>
<td><strong>1981 Agriculture &amp; Food Act (AFA)</strong></td>
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<td>Foundation for modern conservation policies &amp; programs; Conservation Reserve Program and conservation compliance; largely status quo for farm support system.</td>
<td><strong>1977 Food &amp; Agriculture Act (FAA)</strong></td>
<td><strong>1990 Food Agriculture, Conservation &amp; Trade Act (FACT)</strong></td>
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<td>Removed food stamp purchase requirement.</td>
<td><strong>2002 Food Conservation &amp; Energy Act (FCEA)</strong></td>
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<td>Recreated target prices, continued direct payments; created Conservation Security Program (CSP).</td>
<td>Replaced direct payments with Agricultural Risk Coverage (ARC) &amp; Price Loss Coverage (PLC) choice.</td>
<td><strong>2018 Agricultural Improvement Act (AIA)</strong></td>
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• Consumers awareness & demands on the food value chain for transparency and positive food attributes

• Local & regionalized natural resource/watershed challenges (drought, alga blooms, biodiversity loss, pollinators)

• Organic food industry growth

• Local food system demands

• Diversity, Equity, & Inclusion on our food systems

• Climate Change and Agriculture’s need to fore resilience and mitigation solutions

• Thought-leaders connecting nutrition to farm policy—demands for more nutritious food access (e.g. sustainable nutrition)
Farm, Conservation and Nutrition groups have made up the core of interests groups represented in Farm Bill for decades. The coalition, however has grown:

- Variety of environmental & climate advocates (more than conservation or “hook & bullet” groups
- Consumer advocates
- Hunger & Nutrition Advocates
- Urban Agriculture Advocates
- Local Food Movement
- Energy and Intensive Manufacturers
- Underrepresented Farmers and Farmers of Color
CLIMATE CHANGE AS DRIVER OF REVOLUTIONARY FARM BILL?

CLIMATE CHANGE & FARM POLICY

2021 RMA Crops' Indemnities
(As of 07/25/2022)

2021 Indemnity by County:
- No Indemnity ($0.00)
- $0.01 - $500,000.00
- $500,001.01 - $1,000,000.00
- $1,000,001.01 - $5,000,000.00
- $5,000,001.01 - $10,000,000.00
- over $10,000,000.01

USDA Risk Management Agency

USDA Risk Manager

USDA Risk M

USDA Risk Managem
Mandatory Farm Bill Programs: Outlays by Fiscal Year in Millions of Dollars
(Congressional Budget Office (May 2022) Baseline

![Bar chart showing outlays by fiscal year in millions of dollars. The chart includes Mandatory Farm Bill Programs: Supplemental Nutrition, Crop Insurance, and Conservation, and Commodities.]
Inflation Reduction Act of 2022: Budget Authority
All of the conservation program spending in the IRA is for “1 or more agricultural conservation practices or enhancements that the Secretary determines directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions, associated with agricultural production”
**CLIMATE CHANGE & FARM POLICY**

- **EQIP Challenges & Opportunities**
  - Cost-share budget limitations
  - Single practice v. multi-practice
  - Optimal incentives for outcomes

- **Private Sector Leverage & Partnership**
  - Resources to leverage towards scale
  - Desire for verifiable outcomes

- **Leveraging the Scale of Title I Programs**
  - Coordinating Title I & Title 2 to create a more consistent base of funding for farms.
  - PLC/ARC = foundational practices & Title 2 could drive innovation and infrastructure/equipment investments
SNAP—STEPS FORWARD

• Bipartisan = Revolutionary...

• Incentives as a solution for increased nutrition outcomes

• A lever for climate solutions, expanding consumer options, or both?

• What about procurement?
SNAP—FOOD FOR THOUGHT

GusNIP Competitive Grant Programs

1. Nutrition Incentive Program—develop and evaluate projects to increase the purchase of fruits and vegetables by providing incentives at the point of purchase among income eligible consumers participating in the USDA Supplemental Nutrition Assistance Program (SNAP) in all 50 States, the District of Columbia, Guam, and the United States Virgin Islands, in addition to income-eligible consumers participating in the USDA Nutrition Assistance Program (NAP) in Puerto Rico, American Samoa, and the Commonwealth of the Northern Marianas Islands,

2. Produce Prescription Program—conduct projects that demonstrate and evaluate the impact of fresh fruit and vegetable prescriptions to increase procurement and consumption of fruits and vegetables, reduce individual and household food insecurity, and reduce healthcare usage and associated costs, and;

3. Training, Technical Assistance, Evaluation, and Information Centers Cooperative Agreements—offer training, technical assistance, evaluation, and informational support services to potential applicants, nutrition incentive projects, produce prescription projects, and to GusNIP as a whole.
What About Agricultural Trade?

Trade in the Farm Bill; Limited Options

✓ Title III provides mandatory funding for trade promotion activities and foreign food aid (Food for Progress).

✓ Approximately $251 million per fiscal year in the baseline for the next farm bill, mostly in MAP and FMD as indicated in the graph.

✓ USDA’s Foreign Agricultural Service (FAS) partners with U.S. agricultural trade associations and businesses to share in the cost of overseas marketing and promotional activities to develop export markets for U.S. commodities and products.

✓ Additional $230 million per fiscal year in the baseline for Food for Progress activities (donations, transportation, and administration).
DEFINING REVOLUTIONARY FARM BILL.

Revolutionary or Practical Next Steps?

- Creating a greater equitable farm support system
- Continuing to link consumer demands to farm policy
- Modernizing conservation programs to meet the demands on the land
- Leveraging SNAP to create more consumer choices
Thank you!

Questions?
THANK YOU

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We hope to see you at a future event!

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