

2018 Farm Bill Items of Importance for NCBA Members:

Title I – Commodities:

Supplemental Agricultural Disaster Assistance (LIP, LFP, and ELAP):

The bill amends the Livestock Indemnity Program (LIP) to cover death or sale loss as a result of diseases that are caused or transmitted by a vector and that is not able to be controlled by vaccination or other acceptable management practices.

It also allows the Secretary to provide assistance for coverage under LIP for the death of unweaned livestock due to adverse weather, including those that have not been vaccinated, and makes available ELAP (Emergency Assistance for Livestock, Honey Bees and Farm Raised-Fish) funds for inspections of cattle tick fever, and removes the arbitrary payment limitation on ELAP assistance.

Livestock Forage Program (LFP) provides feed cost replacement for livestock producers in the event of forage loss due to severe drought.

Title II – Conservation:

Conservation Reserve Program (CRP):

The overall acreage limit is increased to 27 million by FY 2023, including 8.6 million acres to be devoted to continuous practices, and a 2 million acre floor (this went from a ceiling of 2 million to a floor of 2) for grasslands. At least 40% of the 8.6 million acres has to be CLEAR eligible for the 30 year easement Pilot program. Contract lengths will be between 10 and 15 years, after which the land is eligible for reenrollment, with some exceptions. The Clean Lakes, Estuaries, and Rivers Initiative (“CLEAR”) was codified in this bill, in order to guarantee that it remains a priority in CRP. The expectation is that the Farm Service Agency (“FSA”) will target CLEAR practices in high priority watersheds where they will maximize environmental benefits.

Conservation practices cost-share and soil rental rate payments are authorized, as well as haying and grazing, with conditions. Natural disasters may fulfill contractual land management requirements imposing conditions on haying and grazing, including restricting it to non-primary wildlife nesting season.

It provides for greater flexibility for haying and grazing on acres enrolled in CRP, with appropriate protections to maintain the conservation and wildlife value. The Secretary is directed to allow for these specified activities on both general

and continuous acres, including on acres enrolled in practices like CP-25 rare and declining bird habitat.

Specifically, as part of the authority for the Secretary to allow emergency haying, grazing or other emergency use of forage outside the primary nesting season, the intent is for FSA to maintain the current procedures where the respective county committees have the ability to request such authorization from the respective state FSA committee when any part of the county is designated as a level "D2 Drought - Severe" or worse according to the U.S. Drought Monitor.

This bill limits practice cost-share payments to actual cost of practice installation, and 50 percent for the cost of seed. Soil rental rates for general and continuous enrollment are limited to 85 percent and 90 percent of the county average, respectively, with secretarial requirement to account for potential impact on local farmland rental market. Incentive payments for continuous practices and forest management are also authorized. It amends the rental rate calculation methods for reenrolled land, to allow for state and Conservation Reserve Enhancement Program ("CREP") partner input, and to maintain incentives for specific practices or areas like wellhead protection zones.

The bill increased CRP's annual enrollment acreage cap and reduced the soil rental rate limits in hopes that CRP will more accurately serve one of its fundamental purposes: retiring the most sensitive lands without competing with local farmland rental market.

Conservation Reserve Enhancement Program (CREP):

The bill adopts language limiting eligible partners and requiring a 30 percent minimum contribution from nongovernmental organizations. CREP is expressly authorized, including drought and water conservation agreements to address regional drought concerns.

The bill incentivizes more enrollment of riparian buffers, including forested riparian buffers, in CREP by authorizing the Secretary to make-cost share payments for forested riparian buffer maintenance throughout the length of the agreement and to cover up to 100 percent of the cost incurred by the owner or operator.

The expectation is that USDA will make cost-share payments for installing stream fencing, crossings, and alternative water development on marginal pastureland to reflect the fair market value of the cost of installation.

Conservation Reserve Easements (CRE):

This bill changes the easement authority to a pilot program for 30 year contracts for Clean Lakes Estuaries and Rivers (CLEAR) practices and includes a Soil Health and Income Protection Pilot Program. FSA is required to carry out a pilot to incentivize the use of 30-year contracts for the water quality practices authorized through the CLEAR initiative.

Conservation Stewardship Program (CSP):

Funding for CSP is reduced from \$1.8 billion per year to no more than \$1 billion per year with the savings being used to fund EQIP, ACEP, and RCCP.

The bill also directs the NRCS to ensure that existing and future CSP participants are given the opportunity to renew expiring contracts before their original 5-year contract is set to expire. Given that expiring contracts will no longer be eligible for automatic renewals and instead must compete within the same pool as applicants applying for a new contract, the bill directs NRCS to ensure that the renewal process begins at the beginning of the fifth year of the original contract so that contracts are re-enrolled before they expire. The expectation is that USDA will rank the renewal offers according to the same two primary ranking criteria used for new contracts, in addition to including the results from previous contracts.

Also, the bill removes the acre-based funding method and the \$18 per acre national average payment rate for CSP. This change is intended to give NRCS greater flexibility in administering the program to maximize the Federal investment to achieve higher conservation benefits. The intent is for NRCS to limit contract offers that have an exceptionally high per-acre or per-unit cost or that score lower for addressing applicable priority resource concerns.

Environmental Quality Incentives Program Plan (EQIP):

EQIP received an increase in funding to \$2.025 billion by fiscal year 2023. However, the livestock carveout for EQIP went from 60 percent to 50 percent, including for grazing management practices, and the wildlife carveout increased from 5 percent to 10 percent.

This bill does include language that requires a CAFO plan of operation to include “progressive” implementation. The intent is for the Comprehensive Nutrient Management Plan (“CNMP”) to remain a comprehensive and whole farm plan. However, during a particular EQIP contract period, it is not necessary for an existing facility with a CNMP to achieve every aspect of the CNMP all at once if doing so would be practically or economically infeasible. In such instances, progressive implementation should include an appropriate and realistic timeframe for the remaining implementation factors after the end of the contract period, including, if warranted, with additional EQIP assistance.

Regional Conservation Partnership Program (RCPP):

The 2014 Farm Bill consolidated the authorities of the many regional programs into RCPP, where USDA partners with private organizations to address natural resource concerns. Targeted conservation initiatives are developed on the local level and selected by USDA through a

competitive, merit-based application process. The 2018 Farm Bill increased RCCP funding to \$300 million per year. (NCBA does have some concerns about this program and we will be keeping a close eye on the continued implementation)

Conservation of Private Grazing Land Program:

This bill reauthorized this program.

Agricultural Conservation Easement Program(ACEP):

Funding for ACEP was restored to \$450 million per year and provides additional flexibility for ACEP to make the program more efficient for farmers, stakeholders, and USDA. It also bolsters language that will enhance the performance functions of ACEP to conserve agricultural lands through Agriculture Land Easements (ALE) and wetlands through Wetland Reserve Easements (WRE). Important changes are made to streamline the requirements for ALE plans, add flexibility to matching fund requirements, reform the right of enforcement, clarify the need for conservation plans, and lift burdens on land trust certification. It narrows the existing limitation on nonagricultural uses to those that negatively affect agricultural and conservation values while expanding cost-share and program eligibility, including land subject to buy-protect-sell transactions, and broadens secretarial authority to set application criteria and modifies authority to conduct enforcement, subordination, modification, exchange, and termination of easements. It also provides additional allowable conditions an easement holder may place on the agreement and prioritizes water quality improvement on wetland reserve easements. Land enrolled under ALE may simultaneously be enrolled under a CRP contract also.

Emergency Conservation Program (ECP):

Losses due to wildfire are made eligible under ECP. Fencing repair and replacement cost-share are authorized for up to 75 percent of the total cost, with an advance disbursement option available to the producer. A payment limit of \$500,000 is established.

Feral Swine Eradication and Control Pilot:

The Feral Swine Eradication and Control Pilot Program is established with \$75 million for threat assessment, control methods, and land restoration. This money is mandatory funding.

Additional Items:

The language includes the removal of impediments to conservation adoption by eliminating requirements for entities to have a SAM/DUNS number and providing USDA the ability to waive AGI limits for environmentally sensitive land of special significance.

Title III – Trade:

Priority Trade Promotion, Development, and Assistance:

This bill consolidates the current MAP (Market Access Program), FMD (Foreign Market Development), TASC (Technical Assistance for Specialty Crops), and EMP (Emerging Markets Program) programs under one Agricultural Trade Promotion and Facilitation section in the Agricultural Trade Act of 1978. The amendment provides a total of \$255 million in annual mandatory funding subject to allocation as follows: MAP not less than \$200 million annually; FMD not less than \$34.5 million annually; EMP not more than \$8 million annually; TASC at \$9 million annually; and the Priority Trade Fund at \$3.5 million annually to be distributed at the Secretary's discretion. The request to USDA is that the unique functions of each program be maintained.

Title VII – Research:

Rangeland Research Program:

This Program was reauthorized until 2023.

Agricultural Genome Initiative:

The bill reauthorizes the National Genetics Resources Program through 2023 while also authorizing appropriations of \$40 million for each of fiscal years 2019 through 2023.

This language recognizes the importance of animal genomics research conducted and supported by USDA and strongly supports increased efforts in genomics research on agriculturally important animals to address critical goals including: (1) understanding how environment and production systems impact the growth and productivity of livestock, poultry, and aquaculture to help predict and improve performance under variable conditions; (2) leveraging livestock, poultry, and aquaculture genomic information with phenotypic and environmental data to assist in selection of superior genetics and improved management; (3) understanding gene function in production environments to improve livestock, poultry, and aquaculture performance; and (4) developing improved data analytics to enhance understanding of the biological function of genome sequences in livestock, poultry, and aquaculture.

Title VIII - Forestry:

Watershed Condition Framework:

Requires the Secretary of Agriculture to establish and maintain a watershed condition framework for National Forest System lands. For each National Forest, the Secretary shall identify up to five priority watersheds, and two for every national grassland. Further, the Secretary is directed to develop a watershed protection and restoration action plan for priority watersheds. (NCBA fought against this amendment and will continue to work with USDA as it moves forward.)

Categorical exclusion for greater sage-grouse and mule deer habitat:

The language includes the development and use of a categorical exclusion (CE) for both the Secretary of Agriculture, with respect to NFS land, and the Secretary of the Interior, with respect to public land, for certain forest management activities with the primary purpose of protecting, restoring, or improving habitat for the greater sage-grouse or mule deer. Projects through this authority must be developed and implemented through a collaborative process and based on the best available scientific information. The authority establishes a cap of 4,500 acres for projects utilizing the categorical exclusion.

**Unfortunately, the Senate stripped from this final bill many of the House provisions within this title that would have addressed forest management and wildfire management that would have proved very helpful to our producers.

Title XI – Crop Insurance:

Treatment of Forage and Grazing:

Insurance for forage and grazing: Crops that can be both grazed and harvested—like winter wheat—are now eligible for separate policies on each intended use to provide livestock producers and pasture owners with additional insurance options. This provision allows producers to purchase separate policies for each intended use, as determined by the FCIC, and any indemnity paid under those policies for each intended use shall not be considered to be for the same loss.

Title XII: Miscellaneous:

Animal Disease Prevention and Management:

This bill provides programs and funding to ensure that USDA and its partners have the tools necessary to identify, diagnose, and respond to a potential outbreak, by addressing three critical components of a robust animal health protection system. The language provides \$300 million over 10 years to be allocated amongst these animal disease prevention and management programs in addition to authorizing supplemental funding through the appropriations process.

- National Animal Health Laboratory Network: Reauthorizes the National Animal Health Laboratory Network for rapid disease diagnosis.
- **National Animal Vaccine and Veterinary Countermeasures Bank (FMD Vaccine Bank): Establishes a U.S.-only vaccine bank to respond to the accidental or intentional introduction of animal diseases—foot-and-mouth disease (FMD) in particular.**
- National Animal Disease Preparedness and Response Program: Establishes the National Animal Disease Preparedness and Response Program to leverage local, state, and national resources to prevent and respond to threats such as FMD, cattle fever tick, and more.

Mandatory Funding Provided:

\$300 Million total for all three Animal Disease Prevention and Management requests: over ten years (means there will be baseline for the next farm bill)

During life of the 5-year farm bill:

FY19-22: \$120M lump sum available until expended; of that \$5M each year set aside for National Animal Disease Preparedness and Response Program (\$20M total); leaves \$100M available to be divided among all three components (NAHLN, Disease Preparedness, Vaccine Bank) at USDA Secretary's discretion.

FY23 and each year thereafter: \$30M each year with \$18M each year set aside for Disease Program; remainder to be divided among the three components at Secretary's discretion.

Discretionary Money Provided:

\$30 million authorization of appropriations for NAHLN through FY23.

Such sums as necessary for Disease and Vaccine Bank through FY23.

Study on Livestock Dealer Statutory Trust:

This bill directs considerations under the study to include: how the

establishment of a livestock dealer statutory trust would affect seller recovery in the event of a livestock dealer payment default; whether authorizing the Secretary to appoint an independent trustee under the livestock dealer statutory trust would improve seller recovery; and how the establishment of a livestock dealer statutory trust would affect the treatment of sellers of livestock as it relates to preferential transfer in bankruptcy. The study shall be completed 1 year after the date of enactment of the Act.

Definition of Livestock:

The bill adds language that includes alpacas, llamas, live fish, and crawfish in the definition for livestock under the Emergency Livestock Feed Assistance Act. This change clarifies the types of livestock that are covered under Department of Transportation regulations.

Report on FSIS Guidance and Outreach to Small Meat Processors:

This language directs the Secretary to enter into contract with a land-grant college or university or a non-land-grant college of agriculture to review the effectiveness of existing FSIS guidance materials used by small and very small establishments operating under Federal inspection and provide recommendations on measures FSIS should take to improve regulatory clarity and consistency. A report is required considering the effectiveness of USDA outreach to small meat processors operating under federal inspection. The report shall be provided to House and Senate Ag Committees.

Regional Cattle and Carcass Grading Correlation and Training Centers:

The bill requires the Secretary to establish up to three regional centers to be known as “Cattle and Carcass Grading Correlation and Training Centers” to: (1) provide education and training for cattle and carcass beef graders of AMS, cattle producers, and other professionals involved in the reporting, delivery, and grading of feeder cattle, live cattle, and carcasses for the purpose of limiting the subjectivity in the application of beef grading standards; (2) provide producers with greater confidence in the price of the producers’ cattle; (3) provide investors with both long and short positions more assurance in the cattle delivery system; and (4) coordinate USDA and state and local resources. The language also requires that no funds are to be used for construction of any new facilities.

Improved Soil Moisture and Precipitation Monitoring:

The bill instructs the Secretary to coordinate with the Director of the National Drought Mitigation Center and the Administrator of the National Oceanic and Atmospheric

Administration to enhance the collection of data to improve the accuracy of the United States Drought Monitor, review the type of data utilized by the Drought Monitor and the geographic coverage of data sites, and make improvements.