

2014 Farm Bill/Title III (Trade)

Just a quick overview, the Agricultural Act of 2014, or what we call the 2014 Farm Bill has 12 titles (which are the different sections) in the Farm Bill. The various titles cover Commodities, Conservation, Trade, Nutrition, Credit, Rural Development, Research, Extension & Related Matters, Forestry, Energy, Specialty Crops & Horticulture, Crop Insurance, and Miscellaneous, which covers Beginning Farmers, Veterans, Outreach, Labor Safety and Workforce Development, and Livestock Health. The costs of the 2014 Farm Bill over its five (5) year life is approximately \$489 billion dollars. Today, I am going to cover highlights of Title III, which is the Trade title. Title III makes up less than ½ percent of the entire Farm Bill. The highest percentage of the Farm Bill covers Nutrition, Crop Insurance, Conservation, and Commodities, which make up 99 percent of the 2014 Farm Bill.

Title III is home to programs focused in international food aid and agricultural exports. The reforms of the 2014 Farm Bill deal with improving food aid quality, complying with WTO trade issues and avoiding disruptions in small foreign markets. There are nine separate programs that fall under Title III. They are as follows:

Food for Peace Act: This program consists of four titles that authorizes foreign food assistance. This program covers **Economic Assistance & Food Security** which allows developing countries and private entities to receive long-term, low-interest loans for their purchase of U.S. Agricultural Products to support specific projects. The **Emergency & Private Assistance**, allows for the donation of U.S. agricultural commodities to meet emergency and non-emergency food needs. The Food for Peace Act of 1966 created the basic structure of these programs along with Title III but have been inactive since 2002.

Food for Progress Program: Provides commodities to support countries that have made commitments to expand free enterprise and strengthen their agricultural economies. This program is administered by USDA's Foreign Agricultural Service. The Commodity Credit Corporation carries out the sale and export of U.S agricultural commodities on a credit or grant basis. This program was created under the Food for Progress Act of 1985.

McGovern-Dole International Food for Education and Child Nutrition Program: This makes U.S. agricultural commodities as well as financial and technical assistance available to carry out food for education and child nutrition programs in foreign countries. This program is administered by USDA's Foreign Agricultural Service. This program is to receive such funds as necessary and was created in the 2002 Farm Bill.

Local and Regional Procurement Program (LRP): The purpose of this program is for local and regional procurement of commodities for food for vulnerable populations. This program is also administered by USDA's Foreign Agricultural Service. \$80 million is to be appropriated annually through Federal FY2018. This was created as a pilot program in the 2008 Farm Bill.

Export Credit Guarantee Program: This guarantees that credit be made available to finance commercial export sales of agricultural commodities. The Secretary of Agriculture is called upon to implement this program to meet such terms as agreed upon between the United States and Brazil in the WTO cotton case. 45.5 billion is to be made available annually until federal FY 2018. Administered also by FAS.

Market Access Program (MAP): Provides funding for export market development for U.S. agricultural commodities (generic & branded) by eligible trade organizations, as well as market development for organically-produced products. This is considered a WTO “Green Box” program. This program is administered by FAS and funding is appropriated at \$200 million annually through federal FY 2008. This program was created in the 1996 farm Bill.

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Foreign Market Development Program (FMDF): This authorizes the USDA to establish and carry out a program to maintain and develop foreign agricultural markets for bulk generic U.S. agricultural commodities and products. This program as well is administered by FAS. 34.5 million is to be made available annually through federal FY 2018. The FMDF was created in 1955.

Emerging Markets Program (EMP): Is to assist U.S organizations in the promotion of U.S. agricultural exports to countries that have or are to developing market oriented economies and have the potential to be viable commercial markets. This program is funded at \$10 million annually through federal FY 2018. It is administered by FAS.

Technical Assistance for Specialty Crops (TASC): Allows the USDA to address barriers prohibiting or threatening exports of U.S. specialty crops (all cultivated plants except for wheat, feed grains, oil seeds, cotton, rice, peanuts, sugar, and tobacco). This program is administered by FAS and is funded \$9 million annually through federal FY 2018.