HR 2642, *The Agricultural Act of 2014*

TITLE 1: COMMODITY

Eliminates Direct, Average Crop Revenue Election, and Counter-Cyclical Payments

The Title I safety net programs are streamlined and simplified to ensure that farmers receive support only when it is needed and triggered by losses in the market. A fixture of farm programs since the 1996 farm bill, direct payments are repealed for all covered commodities and peanuts, starting in 2014, however, cotton growers will be eligible for transition payments, based on 60 percent of their past direct payments for the 2014 crop and 36.5 percent for the 2015 crop years, in counties where the new STAX program is not available

Payment Limits

The 2014 farm bill provides for one payment cap for all commodity programs, set at $125,000 ($250,000 for married couples). This is a departure from the 2008 farm bill that provided a payment cap for each program (i.e., $40,000 for Direct Payments, $65,000 for Counter-cyclical Payments, $100,000 for SURE for a total of $205,000). Under the 2008 farm bill Marketing Loan Gains (MLGs) and Loan Deficiency Payments (LDPs) were unlimited. Now payments received under the newly created PLC and ARC programs as well as LDPs and MLGs must fit under the new cap. Marketing assistance loans continue to operate as non-recourse.

The two income test approach from the 2008 farm bill (farm and non-farm income) is eliminated in the 2014 farm bill and a single AGI of $900,000 is established for certain commodity programs as well as conservation programs. Defines “farming income” to also include “the processing (including packing), storing (including shedding), and transporting” when determining an individual’s AGI. A person or legal entity from receiving benefits under subtitle A if the average gross income of the person or legal entity exceeds $900,000 by using a moving three-year average.

Payments Limited to Active Farmers

The farm bill requires that within 180 days of date of enactment, the Secretary must promulgate regulations to define significant contribution of active personal management. The Secretary is also directed, if the Secretary determines appropriate, to establish limits for varying types of farming operations on the number of individuals who may be considered to be actively engaged in farming on the basis of management.

PLC or ARC ?

Growers will have a choice of either the Price Loss Coverage (PLC) counter cyclical program or the Agricultural Risk Coverage (ARC) revenue program (with a county or farm level option), with the exception of farms with 10 acres or less of planted acres of a covered commodity. There is an exception to the 10-acre requirement for socially disadvantaged or limited resource farmers. If no choice is made, USDA will assume PLC as a default. All producers on a farm are required to make the same election.

For the 2014-18 crop years, each farm has a one-time, irrevocable opportunity to elect either Price Loss Coverage (PLC) or county Agricultural Risk Coverage (ARC) on a crop by crop basis. The producer may also elect individual farm ARC, but this election applies to the entire farm. If no choice is made, the farm defaults to PLC. All producers on a farm must make the same election or face potential loss of payments for the 2014 crop. Despite the one-time decision to enroll in either ARC or

PLC, USDA's Farm Service Agency (FSA) will continue to hold annual signup for programs so farmers can inform the agency about changes in ownership, adjusted gross income or other necessary information.

PLC is a risk management tool that addresses deep, multiple-year price declines. It is intended to complement federal crop insurance, which is not designed to cover multiple-year price declines.

- **PLC will utilize updated yields.**
- **Payments on a covered commodity are made when the effective price for the crop year is less than the reference price, with the effective price being the higher of the midseason price or the national average loan rate for the covered commodity.**

PLC Payment Made When Effective Price < Reference Price
PLC Payment Rate = Reference price – Effective Price
PCL Payment Amount = Payment Rate x Payment Yield x Payment Acres

Producers who select PLC will only receive payments if the U.S. average market prices for the crop year are less than the crop's "reference" or target price (See prices for each commodity in table below). County ARC payments only occur when actual crop revenue is below the ARC revenue guarantee for a crop year.

Agriculture Risk Coverage (ARC) is a risk management tool that addresses revenue losses.

- **Producers who elect ARC must unanimously select whether to receive county-wide coverage on a commodity-by-commodity basis or choose individual coverage that applies to all of the commodities on the farm.**
- **85% of base acres are covered for the county option; 65% of base acres for the individual coverage.**
- **ARC requires a producer to experience at least a 14% loss (shallow loss) relative to historic average revenue.**
- **Coverage under ARC is 76% to 86% of the benchmark revenue and historic yield.**
- **Payment rate is equal to the lesser of the amount that the ARC guarantee exceeds the actual crop revenue or 10% of the benchmark revenue.**

County revenue is based on an Olympic average of county yield and U.S. crop year average prices for the past five years.

Cotton producers cannot participate in PLC or ARC, but may purchase an area-wide, group-risk crop insurance policy (STAX) and a transition is provided for producers while the new program is being implemented.

Marketing loans are the same as current law for all commodities except cotton which is set an average of the prior two years and not more than 52 cents per pound or less than 45 cents per pound.

Target prices are those passed by the House and represent a significant increase from prior law.

Target Prices under the 2008 Farm Bill vs. 2014 Farm Bill

Crop	2010-12 Target Price	2014 Target Price
Wheat	$ 4.17 bushel	$ 5.50 bushel
Corn	$ 2.63 bushel	$ 3.70 bushel
Grain Sorghum	$ 2.63 bushel	$ 3.95 bushel
Barley	$ 2.63 bushel	$ 4.95 bushel
Oats	$ 1.79 bushel	$ 2.40 bushel
Long Grain Rice (with an adjustment for California medium grain)	$ 10.50 cwt.	$ 14.00 cwt.
Soybeans	$ 6.00 bushel	$ 8.40 bushel
Other oilseeds	$ 12.68 cwt.	$ 20.15 cwt.
Peanuts	$ 495 ton	$ 535 ton
Dry Peas	$ 8.32 cwt.	$11.00 cwt.
Lentils	$ 12.81 cwt.	$ 19.97 cwt
Small chickpeas	$ 10.36 cwt.	$ 19.04 cwt.
Large chickpeas	$ 12.81 cwt	$ 21.54 cwt.

DAIRY REFORMS

A new Dairy Producer Margin Protection Program (DPMPP) is authorized, but without the controversial supply management feature. The MPP will provide dairy producers with indemnity payments when actual dairy margins are below the margin coverage levels the producer chooses on an annual basis, ranging from between and $4 and $8/cwt. The program is to be established no later than September 1, 2014. The MILC payments will be temporarily available for dairy producers until the implementation of the Margin Protection Program or September 1, 2014, whichever occurs first.

Under the MPP, the “margin” will be calculated monthly by USDA and is defined as the all-milk price minus the average feed cost. During year one of the MPP, coverage will be limited solely to the volume of milk equivalent to the producer’s production history. Production history is defined as the highest level of annual milk production during 2011, 2012 or 2013. In subsequent years, annual adjustments to the producer’s production history will be made based on the national average growth in overall US milk production as estimated by USDA. Any growth beyond the national average increase will not be protected by the program.

Coverage levels and premiums for the Margin Protection Program are outlined below. During calendar years 2014 and 2015, premiums are reduced by 25 percent for each coverage level (except for $8.00) for production under 4 million pounds. Producers can annually select their preferred coverage percentage (allowable between 25% and 90% of their prior established production history) and margin threshold (in $0.50 increments between $4 and $8).

Premiums are:

Coverage Level	Premium/cwt (first 4 million lbs of production)	Permium/cwt (excess 4 million lbs of production)
$4.00	None	None
$4.50	$0.010	$0.020
$5.00	$0.025	$0.040
$5.50	$0.040	$0.100
$6.00	$0.055	$0.155
$6.50	$0.090	$0.290
$7.00	$0.217	$0.830
$7.50	$0.300	$1.060
$8.00	$0.475	$1.360

A new donation program for dairy products is established. The Dairy Product Donation Program would trigger only when dairy margins are under $4.00 for two consecutive months. USDA would be authorized to purchase a variety of dairy products for no more than 3 months during or until margins rebound above $4.00. USDA is required to distribute these products to food banks or other non-profit organizations. USDA cannot store these products and organizations receiving USDA purchased dairy products are prohibited from selling the products back into commercial markets.

Summary of Other Dairy Programs:

- Reauthorization of the following programs:
  - Dairy Forward Pricing Program
  - Dairy Indemnity Program
  - Dairy Promotion and Research Program
- Repeal of the following programs:
  - Dairy Product Price Support Program
  - Milk Income Loss Contract Program (MILC)
    - Provides a short term extension of MILC during the transition of implementing the new Margin Protection Program
  - Dairy Export Incentive Program

<u>Livestock & Supplemental Disaster Program:</u>
Provides assistance for producers whose livestock has been affected by high mortality rates caused by severe weather, disease, or other acts of nature. These programs will cover retroactive losses dating back to October 2011 and will have permanent baseline going forward.

Livestock Indemnity Program (LIP) covers 75% of the fair market value of the animal that has died.

Livestock Forage Program (LFP) covers grazing losses due to drought.

Emergency Livestock Assistance Program (ELAP) covers losses not covered in LIP and LFP. ELAP is funded at $20 million per year.

Tree Assistance Program (TAP) covers losses to tree growers and orchardists for replanting, pruning, or removal of trees as the result of a natural disaster.

TITLE 2: CONSERVATION

The new farm bill maintains the core conservation functions that farmers and ranchers may use to achieve their economic and environmental objectives while making a contribution to deficit reduction. This legislation consolidates 23 conservation programs into 13, reduces spending by $6 billion over 10 years, increases program flexibility while improving program performance, and provides conservation opportunities for farmers and ranchers to help them improve water quality, enhance wildlife habitat, and address other related natural resource concerns.

Conservation Compliance

Requires Highly Erodible Land compliance and Wetland Compliance for eligibility for crop insurance benefits on lands that produce annually tilled agricultural commodities. Also included is $10 million for a Water Bank Mitigation Program to assist producers coming into compliance.

Conservation Reserve Program (CRP)

- Strengthens and clarifies authority for managed haying and grazing while under contract, allows for two million acres of grassland to be enrolled, and gradually reduces the overall acreage cap to 24 million acres.
- Provides a one-time early out provision for certain contract holders.
- <u>Funding:</u> Steps down maximum amount of acreage to be enrolled from 27.5 million in FY 2014 to 24 million in FY 2018 resulting in a savings of $3.3 billion over 10 years.

Environmental Quality Incentives Program (EQIP)

- Maintains the role of helping agricultural producers to meet Federal, state and local regulatory requirements.
- Continues the function and flexibility of EQIP to address multiple natural resource concerns and agriculture production types—crop, livestock, forestry, fruits and vegetables. And, preserves the allocation of at least 60 percent of funds to livestock production practices.
- Consolidates the authorities of EQIP and the Wildlife Habitat Incentive Program, while retaining clear wildlife priorities in a combined program.
- <u>Funding:</u> Provides a gradual increase in mandatory funding to $1.75 billion per year by FY 2018 while maintaining at least a 5 percent allocation for wildlife priorities.

Conservation Stewardship Program (CSP)

- Retains basic program structure as re-written in the 2008 Farm Bill with small changes to increase program flexibility and administration. However, the acreage enrollment cap is reduced to 10 million acres.
- <u>Funding:</u> Reduces the acreage to be enrolled for a savings of $2.2 billion in mandatory funding over 10 years.

Agricultural Conservation Easement Program (ACEP)

- Consolidates the easement authorities of the Wetlands Reserve Program, Grassland Reserve Program, and Farmland Protection Program and establishes a 10 year funding baseline.
- Funding: Provides increased funding for FY 2014-2018 then decreases to $250 million per year in FY 2018 for over $1 billion in mandatory funding over 10 years.

TITLE 3: TRADE

Trade Programs

- The Market Access Program (MAP) and the Foreign Market Development Cooperator (FMD) program are reauthorized at existing levels.
- The Conference Agreement updates and improves the Export Credit Guarantee Program (GSM-102) is updated and improved to facilitate resolution of the Brazil WTO case.
- The Food for Progress Act of 1985, the Bill Emerson Humanitarian Trust, promotion of agricultural exports to emerging markets, McGovern-Dole, Technical Assistance for Specialty Crops and the Global Crop Diversity Trust are also reauthorized at existing levels.

TITLE 4: NUTRITION

Nutrition program spending is reduced by $8.645 billion over 10 years, and reinvestments are designated to enhance fraud detection, create work requirements, support local food banks, and improve other programs.

The legislation improves the integrity of the administration of SNAP, formerly known as food stamps, through the following:

- Eliminating automatic eligibility for SNAP standard utility allowance based on nominal annual LIHEAP payments.
- Eliminating the Secretary's authority to waive penalties for high administrative error rates.
- Terminating SNAP benefits to lottery winners, closing the college student loophole, ensuring that SNAP benefits do not go to illegal immigrants, and requiring additional income verification.
- Requiring the Secretary to employ data mining and data warehousing technologies to combat waste, fraud and abuse. The agreement includes additional funding for data mining activities.
- Instituting additional fraud prevention in electronic benefit transfer systems and cards.
- Requiring a documented need for the state restaurant meal option and improving oversight.
- Allowing state law enforcement to partner with federal agencies to reduce retailer fraud.
- Instituting additional prevention measures regarding SNAP participants that are deceased, disqualified, or simultaneously participating in more than one state.
- Preventing improper deposit payments and excluding medical marijuana deductions.
- Prohibiting government-sponsored recruitment activities and promotion of SNAP with foreign governments.
- Preventing USDA from excluding erroneous benefit payments.

- Increasing oversight and monitoring of current state employment and training activities.

States will be allowed to create mandatory TANF-type work, job training, and other programs to reduce dependency on public assistance and increase employment and work activities among SNAP participants.

TITLE 5: CREDIT

All existing farm loan programs are reauthorized, including:

- Farm Ownership Loans
- Operating Loans
- Emergency Loans
- Conservation Loan and Loan Guarantee Program
- Beginning Farmer and Rancher Individual Development Accounts Pilot Program

Other Provisions of Note:

- Authorizes USDA to conduct targeted pilot programs within farm loan programs.
- Allows USDA to update eligibility requirements for operating loans to recognize certain legal entities, while requiring that an owner-operator own at least 75 percent of an embedded entity.
- Eliminates 15 year term limits for guaranteed operating loans, which allows lending institutions more flexibility in lending to farmers.

TITLE 6: RURAL DEVELOPMENT

Rural Development programs, including the Distance Learning and Telemedicine program; Water, Waste Disposal and Wastewater Facility grants and loans; and the Rural Water and Wastewater Circuit Rider program are reauthorized.

Summary of Mandatory Funding:
Title VI maintains several mandatory funding streams from the Senate-passed Farm Bill. The Rural Micro-entrepreneur Assistance Program is funded at $15 million over five years, the Value-Added Agricultural Product Market Development Grant program is funded at $63 million over 5 years, and $150 million is allocated to reduce the backlog of pending rural water, waste disposal, and wastewater facility grant and loan applications.

Other Provisions of Note:
The farm bill retains the rural housing extension of eligibility for communities for purposes of the Housing Act of 1949 until the 2020 Census data is received, and it adjusts the population cap from 25,000 to 35,000.

Additionally, the bill included language which revises the Broadband Loan program to insure that funds are directed towards the unserved areas most in need of broadband.

TITLE 7: RESEARCH

Primary USDA research, education and extension authorities that are currently utilized and funded are reauthorized. The authorities for the Agriculture Research Service (ARS) and the Land Grant University formula funds (Hatch Act, Smith-Lever and McIntire-Stennis) have been extended without any changes. The language attempts to reduce the overall authorization level of the Farm Bill by reducing program authorization levels to more closely reflect actual appropriated funding levels. It also includes provisions which promote greater transparency and accountability of how USDA invests federal resources for agricultural research. The Research Title includes the Foundation for Food and Agriculture Research which would foster new public/private partnerships in the agricultural research community.

Reduction in overall discretionary authorization levels: Approximately $780 million over five years.

Mandatory Funding: The Research title includes $1 billion in mandatory funding for the following programs:

- Specialty Crop Research Initiative – $600 million over 10 years and establishes baseline for the program
- Organic Research and Extension Initiative – $100 million over five years
- Beginning Farmer and Rancher Development Program – $100 million over five years
- Foundation for Food and Agriculture Research – $200 million

TITLE 8: FORESTRY

The farm bill reauthorizes the primary State and Cooperative Forestry programs, while also consolidating and eliminating unused and unfunded program authorities.

Reauthorizations:

- State-Wide Assessment and Strategies for Forest Resources
  - Reauthorized at $10 million annually through FY 2018
- Rural Revitalization Technologies
  - Reauthorized at $5 million annually through FY 2018
- Office of International Forestry
  - Reauthorized through FY 2018
- Healthy Forest Reserve Program
  - Reauthorized at $12 million annually through FY 2018
- Forest and Rangeland Renewable Resource Research Priorities
  - Includes Congressional direction on Forest Inventory & Analysis Program

TITLE 9: ENERGY

USDA's energy programs are reauthorized. The Energy Title includes $880 million in mandatory funding.

Mandatory Funding: The Energy title includes $880 million in mandatory funding for the following programs:

- **Biobased Markets Program**
  - $3 million annually through FY 2018
- **Biorefinery, Renewable Chemical and Biobased Product Manufacturing Assistance**
  - $100 million for FY 2014 and $50 million for each of FY 2015 and FY 2016
- **Repowering Assistance Program**
  - $12 million for FY 2014
- **Bioenergy Program for Advanced Biofuels**
  - $12 million annually through FY 2018
- **Biodiesel Fuel Education Program**
  - $1 million for each of FY 2014-2018
- **Rural Energy for America Program (REAP)**
  - $500 million and establishes a 10 year baseline at $50 million per year for the program. Blender pumps are no longer eligible for this program.
- **Biomass Research and Development Initiative**
  - $3 million annually through FY 2017
- **Biomass Crop Assistance Program (BCAP)**
  - $25 million annually through FY 2018

TITLE 10: SPECIALTY CROPS

The following provisions are included:

- Repeal of the Grant Program to Improve Movement of Specialty Crops.
- Reauthorization of the Farmers Market and Local Food Promotion Program. Includes a 4 percent limit on administrative expenses, a matching fund requirement, prohibition on construction activities, and a designation of funds for food businesses.
- Reauthorization of Organic Production and Market Data Initiatives, modernization of the National Organic Program, creation of permission for an organic promotion order, and additional oversight and enforcement authorities for products that are being fraudulently marketed as organic.
- Reauthorization of Food Safety Education Initiatives.
- Consolidation of the National Clean Plant Network into a single program focused on plant pest and disease management, early detection and surveillance, and disaster prevention projects.
- Reauthorization of and changes to Specialty Crop Block Grants. Changes include adjustments to the grant allocation formula and the allowance of funding for multistate projects related to pest and disease, food safety, and commodity-specific projects.
- Requirement for the Secretary to submit a report to FDA regarding a Federal Standard of Identification of honey.
- Direction to the Secretary to conduct a study on locally or regionally produced agricultural products, including the direct and indirect costs and other effects of federal regulation.
- Address regulatory issues at EPA, including treatment of imported seeds, use of sulfuryl fluoride, and pesticide registrations.

TITLE 11: CROP INSURANCE

No adjusted gross income eligibility criteria were included to determine premium subsidies.

As prescribed in Title II, conservation compliance will be required for participation in federal crop insurance. The requirements will apply to all crops annually tilled. Permanent crops (i.e. orchards, shrubs and vines) are not subject to compliance requirements. Specialty crops and other new participants will have a phase-in time period to comply (5 years for highly erodible land requirements, 2 years for wetlands). Specialty crop producers have first priority to access technical assistance.

Publication of information on violation of prohibition on premium adjustments
Requires RMA to make public any violations of the ban on premium adjustments so it can be used as guidance for other agents and AIPs. Privacy is to be protected when violations are disclosed.

Supplemental Coverage Option
Allows for the combination of individual coverage with area coverage. A 10% deductible is required. Producers who participate in ARC (the Title I revenue program) are not eligible, although those who participate in PLC (the Title I target price program) are eligible. A 65% subsidy is provided, and the maximum coverage level is 86%. The language dictates that USDA implement the program starting with the 2015 crop year.

Crop margin coverage option
Allows for margin insurance to be combined with individual crop insurance coverage and notes that the Corporation should approve margin coverage in time for the 2015 crop year because timely approval is important to wheat, rice and other producers.

Premium amounts for catastrophic risk protection
This is a re-rate of CAT coverage, which the Administration was going to do with or without action by Congress.

Permanent enterprise unit subsidy
Makes the authority to continue the additional premium subsidy for enterprise units permanent.

Enterprise units for irrigated and non-irrigated crops
Allows for separate enterprise units for irrigated and non-irrigated crops beginning in 2015.

Data collection
Provides RMA with flexibility in using different sources of data to develop area-wide policies.

Adjustment in actual production history to determine insurable yields
Both the House and Senate bills provided a straightforward bump in the yield plug to account for disaster years and declining yields. This bill takes a different approach. A producer may choose to exclude any year from their APH if their yield in that year is less than 50% of the ten year county average. This also applies to contiguous counties and allows for the separation of irrigated and non-irrigated acres.

Submission of policies and board review and approval
Requires RMA to consider pilot programs under the 508(h) program in order to make them permanently available to producers. Provides a “marketability standard” for products in the 508(h) process to ensure that products that are approved actually have a market for them and will overall

improve the program. This provision will also allow FCIC to prioritize products through the 508(h) process for unserved or underserved commodities. It specifically names the development of a peanut revenue insurance program, rice margin insurance and a product that separates enterprise units by risk rating as priorities. Finally, this provision allow RMA to provide up to 75% of development costs to be paid in advance.

Consultation
Requires the FCIC Board to consult with producer groups prior to approving any specialty crop product through the 508(h) process.

Budget limitations on renegotiation of the Standard Reinsurance Agreement
Requires 1) budget neutrality for underwriting gains, as compared to the previous SRA, 2) budget neutrality for A&O as compared to the previous year, and 3) overarching budget neutrality for the entire SRA. If any incidental savings occur, these savings must be put back into A&O or underwriting gains.

Test weight for corn
Require RMA to promulgate rules to settle claims on low test weight corn within 120 days. This provision sunsets after 5 years.

Crop production on native sod
Establishes that if producer breaks native sod and then purchases crop insurance on that land, the yield utilized to calculate the yield guarantee can only by 65% of the county average yield, and the premium subsidy will be reduced by 50 percentage points. If a producer purchases NAP coverage on broken native sod, then the fee is increased 200%. This provision only applies to the Prairie Pothole and Nebraska. It also requires an annual report to Congress on new cropland acreage.
Coverage levels by practice. Producers can separate individual crop insurance policies by irrigated and non-irrigated acres.

Beginning farmer and rancher provisions
Provides a definition of beginning farmer and rancher for crop insurance purposes. It allows for beginning farmers or ranchers to receive premium assistance 10 percentage points greater than premium assistance that would be otherwise is available; a beginning farmer previously involved in a farming operation to use the previous producer’s production history or assigned yield in determining yield coverage; and beginning farmers or ranchers to replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.

Stacked income protection plan for producers of upland cotton
Allows upland cotton producers to stack area insurance on top of individual insurance programs. The subsidy for this coverage is 80%, and the deductible in 10%. Coverage is available up to 90% of area yield or revenue.

Authority to correct errors
Allows agents and AIPs to correct unintentional errors on crop insurance applications and FSA reporting associated with crop insurance policies. Reporting dates shall not apply to these corrections.

Implementation
Provides implementation funding to RMA of $14 million in 2014 and between $9 and $14 million for years 2015 through 2018, dependent on RMA meeting certain technology deliverables. Requires that RMA hardware and software be compatible with other USDA agencies.

Crop insurance fraud
Provides up to $9 million annually to "reimburse expenses incurred for the operations and review of policies, plans of insurance, and related materials (including actuarial and related information); and to assist the Corporation in maintaining program actuarial soundness and financial integrity."

Research and development priorities
Allows RMA to conduct research and development. Also prioritizes research into policies that will increase participation by underserved commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress and specialty crops. Authorizes research and development to be done on margin coverage for catfish, biomass and sweet sorghum energy crop insurance, swine catastrophic disease insurance, poultry catastrophic disease insurance, poultry business interruption coverage, alfalfa insurance and a whole farm diversified risk management insurance plan.

Crop insurance for organic crops
Requires RMA to offer, by the 2015 reinsurance year, organic price elections for crop insurance products.

Program compliance partnerships
Authorizes FCIC to enter into partnerships with public and private entities to increase the availability of risk management tools for producers and to improve the analysis and technologies available for program compliance.

Pilot programs
Provides necessary language for RMA to be able to submit pilot programs through the 508(h) process for permanent approval.

Index-based weather insurance pilot program
Allows RMA to conduct no more than two pilot programs based on weather indices. These pilots must be for specialty crops or livestock and only AIPs are eligible to submit proposals for the program. Submissions will be reviewed similarly to 508(h) submissions, but only the AIP that submits the policy proposal will be allowed to sell the product. The premium subsidy for the pilot can be no greater than 60% with a $12.5 million per year cap on funding for the pilot(s). Funding is only available for 2015 to 2018.

Enhancing producer self-help through farm financial benchmarking
Allows risk management education dollars to be used to educate producers on farm financial benchmarking.

Technical amendments
Eliminates the requirement for CRP acres to be covered by crop insurance or for the holders of CRP contracts to waive this requirement.

Producers are required to comply with conservation measures in order to receive premium support. Producers who already meet conservation compliance guidelines will not be required to implement any new practices, but producers who are subject to conservation compliance requirements for the first time as a condition of purchasing crop insurance will have a period of five years to move into compliance before losing crop insurance subsidies. Producers who are currently out of compliance on wetlands regulations will have two years to comply.

In the case of wetland conversion, a person will be considered ineligible for crop insurance premium subsidies during the following reinsurance year, unless certain exemptions apply. In cases where the violation involves less than five acres, a producer can pay a portion of the wetlands restoration and remain eligible for crop insurance.

TITLE 12: MISCELLANEOUS

Livestock

- **Trichinae Certification Program:** Reauthorizes the Trichinae Certification Program. Directs the Secretary to amend the 2008 Trichinae Certification Regulation to include a requirement to establish an alternative surveillance program based on other methods consistent with international standards.

- **Sheep Production and Marketing Grant Program:** Establishes a competitive grant program to improve the sheep industry; funded at $1.5 million per year.

- **National Aquatic Health Plan:** Reauthorizes the National Aquatic Health Plan.

- **Country of Origin Labeling:** Requires the Secretary to conduct an economic analysis of USDA's final rule on country of origin labeling for beef, chicken, and pork.

- **National Animal Health Laboratory Network (NAHLN):** Codifies the NAHLN and authorizes it at $15 million per year.

- **Food Safety Inspection:** Amends section 11016 of the 2008 Farm Bill to direct FSIS and FDA to enter into a memorandum of understanding to ensure no duplication of inspection activities; to provide direction to the Secretary regarding covered species; and to otherwise expedite implementation.

- **National Poultry Improvement Plan (NPIP):** Requires the Secretary to administer the surveillance program for low pathogenic avian influenza for commercial poultry.

- **Sense of Congress Regarding Feral Swine Eradication:** The Secretary should recognize the threat that feral swine pose to the agriculture industry.

Socially Disadvantaged Producers and Limited Resource Producers

- **Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers:** Extends the program with an authorization level of $20 million per year and $10 million in mandatory funding per year. Includes veteran farmers and ranchers.

- **Office of Advocacy and Outreach:** Extends the program with an authorization level of $2 million per year.

Other Provisions

- **Grants to Improve Supply, Stability, Safety, and Training of Agricultural Labor Force:** Reauthorizes at $10 million per year.

- **Military Veterans Agricultural Liaison:** Establishes a military veterans liaison to connect returning veterans with beginning farmer training and other USDA programs.

- **Noninsured Crop Disaster Assistance Program:** Removes overlap between NAP and disaster programs. Allow producers to elect higher coverage levels (55-65%). Producers who elect higher coverage levels would pay a premium based upon the value of their production and acres planted.

- **Science Advisory Board:** Establishes a standing agriculture committee as part of the EPA Science Advisory Board to provide advice on matters that have a significant direct impact on the production of food and fiber, ranching and raising livestock, aquaculture, and all other farming- and agriculture-related industries.

- **Amendments to Animal Welfare Act:** Amends the Animal Welfare Act (AWA) to prohibit knowingly attending an animal fight as well as causing a minor to attend an animal fight. The Conference Agreement also amends the AWA to allow USDA to determine whether certain exhibition businesses are *de minimus* and to exempt such businesses from licensing requirements.

- **American Produce Fraud:** Requires USDA to provide technical assistance to U.S. Customs and Border Patrol regarding produce falsely represented as grown in the United States.

- **Scientific and economic analysis of the FDA Food Safety Modernization Act:** Requires USDA, when publishing the final rule on Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption, to include analysis of the information used in promulgating the final rule; an analysis on the economic impact of the rule; and a plan to evaluate any impacts and respond to producer concerns.

- **Forest Roads:** Includes a provision that clarifies forest roads are not point sources and are not subject to permit requirements under the Clean Water Act.

- **Agriculture Wool Apparel Manufacturers Trust Fund:** Establishes a trust fund in the Treasury to be funded through the CCC for the support and promotion of wool.