

Publications

President Trump Signs Bipartisan Farm Bill

Related Attorneys

Thomas H. Fusonie

Andrew P. Guran

Related Industries

Agriculture

AUTHORED ARTICLE | 12.26.2018

On December 20, 2018, President Trump signed the Agriculture Improvement Act of 2018 (Farm Bill) into law. The Farm Bill passed both the Senate (87 to 13) and House of Representatives (369 to 47) easily, reflecting strong bipartisan support of the approximately \$867 billion measure.

Every five years, Congress passes legislation that sets national agriculture, nutrition, conservation, and forestry policy. Significantly, the Farm Bill contains various provisions that will impact the agriculture industry. Several key agricultural provisions include:

- **Dairy:** Replaces the prior dairy margin protection program with Dairy Margin Coverage, and modifies coverage levels and premiums. Participating dairy operations will be paid when actual dairy production margins are less than threshold levels for dairy risk coverage payment. Also includes provisions allowing milk donations to food banks and additional incentives for milk purchases for people on SNAP.
- **Animal Health Provisions:** Mandatory funding for animal disease prevention and preparedness efforts. The Farm Bill includes \$120 million for the first four years for animal health and disease preparedness, with a minimum of \$5 million a year reserved to the National Animal Disease Preparedness and Response Program—to address the increasing risk of the introduction and spread of animal pests and diseases in the United States. Also establishes the National Animal Vaccine and Veterinary Countermeasures Bank to maintain sufficient quantities of vaccines against the most damaging animal diseases, with an emphasis on foot-and-mouth disease.
- **Industrial Hemp:** Legalizes hemp as a crop to be treated as an agricultural product and removes it from the federal list of controlled substances. The Farm Bill also authorizes new state and federal programs to regulate the production and distribution of hemp.
- **Commodity Programs:** Reauthorizes Price Loss Coverage (PLC), Agriculture Risk Coverage County (ARC-co), and Agriculture Risk Coverage Individual (ARC-i). Producers must make a new five-year election for 2019-2023. The PLC program generally provides

assistance to producers when the market price for a commodity falls below a statutory reference price. The ARC-co and ARC-i programs generally provide payments when actual crop revenue falls below 86 percent of benchmark revenue.

- **Organic Programs:** Tightens traceability of organic-labeled imports, and boosts funding for the National Organic Program and Organic Agriculture Research and Extension Initiative.
- **Crop Insurance Program:** Retains structure for crop insurance program, as well as makes industrial hemp eligible for crop insurance.
- **Loan Provisions:** Increases loan rates for many commodities and authorizes the Farm Service Agency to increase guaranteed loan limits to \$1,750,000, direct operating loans to \$400,000, and direct farm ownership loans to \$600,000.
- **Actively Engaged in Farming:** Expands the definition of family members to include first cousins, nieces, and nephews.
- **International Market Development Program:** Consolidates programs that support export markets for United States farm goods, including the Market Access Program and Foreign Market Development Program, which will be funded annually not less than \$200 million and not less than \$34.5 million, respectively.
- **Conservation Provisions:** Modifies funding and requirements for several conservation programs, including the Environmental Quality Incentive Program (EQIP) and Agricultural Conservation Easement Program (ACEP). The EQIP's funding increases and promotes farming practices that improve soil health, authorizes conservation innovation grants, and conservation innovation trials. The Farm Bill restored funding to the ACEP, which, in part, helps conserve agricultural lands and wetlands, to \$450 million per year.