

NYFEA UPDATE

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A FARM BILL SUMMARY

The new Farm Bill is a similar sized document to its predecessor. However, it does have certain first-time features. The following are highlights to the 10-year bill:

It is a \$965.4 billion bill that amounts to around 2 percent of all federal spending over the decade.

The Supplemental Nutrition Assistance Program is a major part of the bill. It helps low income families buy food. The total food stamp and nutrition portion of the bill consists of \$765 billion in spending over 10 years. Likewise, the bill has a component that encourages people that are on food stamps to pursue jobs.

The commodity program contains \$44.4 billion over 10 years. It reduces the previous farm bill's amount by \$14 billion. It is designed to protect farmers from the sharp "ups and downs" in the prices of the corn, wheat, soybean, cotton, rice, peanut and dairy products. The new commodity program policy replaces the traditional "direct payments." This is arguably the most dramatic change in the farm bill. To replace the direct payment, the bill establishes additional disaster assistance and crop insurance programs. The removal of direct payments carved \$19 billion from the old farm bill's expenditures. The new bill provides \$90 billion for crop insurance and adds \$7 billion for subsidies for the deductibles that farmers would have to pay before the insurance would be allowed to work.

Conservation programs received \$57.6 billion to protect against erosion, encourage irrigation and promote more production on less land. Trade received \$3.5 billion to promote United States goods overseas and provide food aid and technical assistance in other nations. Energy programs have \$1.1 billion in the bill. They promote the use and development of biofuels, biochemicals, etc.

Finally the 10-year bill has a number of smaller pro-



THANKS TO THE TEXAS INSTITUTE COMMITTEE

grams totaling around \$2.3 billion. These range from forestry to rural development to farmers markets to research and development. Like all bills of this size, the content is too enormous to summarize everything. However this article does identify the major components.

(Information for this article was taken from The Washington Post summaries of the Farm Bill.)

Join your friends and agricultural peers in Washington D.C. for the Agriculture's Promise conference. Held on March 2-4, it will help open the eyes of the participants and show interested young and beginning farmers "how the process works." It will include discussions on the Farm Bill. It is open to all interested individuals.

Register at www.nyfea.org

