

NOW IS THE TIME TO DEFEND IMPORTANT FARM SUPPORT PROGRAMS



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Focused on cutting federal spending, recent proposals from the **Republican Study Committee**, whose membership includes four of every five Republicans in the House of Representatives, would sever public nutrition programs from the upcoming 2023 Farm Bill, eliminate several farm support programs, and significantly reduce federal support for crop insurance. The primary goal of these proposed changes is to reduce federal spending; collateral aims include eliminating programs addressing climate change and stripping out initiatives intended to advance what the proposers refer to as “the liberal agenda.”

Unfortunately, now is not the time to be cutting agriculture support programs that America's farmers and ranchers rely on. Regardless of partisan preferences, the facts are that an ongoing pandemic, extraordinary inflation, rising interest rates, the ongoing droughts affecting major food producers in India and Southwest Asia as well as the American Midwest, and of course Russia's invasion of Ukraine – all these disruptions combine to present the United States and the world with the greatest agricultural challenges since the Agricultural Depression of 1920-1934. ***Now is not the time to cut federal farm and ranch programs that support American agriculture when the nation and the world face these extraordinary threats to food security.***

BACKGROUND

The **Agriculture Improvement Act**, often referred to as “the Farm Bill,” is one of the most important pieces of federal legislation produced by the U.S. Congress. It provides regulatory guidance and program funding to almost everything involved in farming and ranching, including emergency price support, disaster assistance, farmland preservation initiatives, and supplemental crop insurance options, as well as food bank/food stamp programs for consumers that are vital to America's social safety net.

A new version of the Farm Bill generally is drafted by Congress once every five years. The 2018 Farm Bill encompassed \$867 billion in federal funding for all things agricultural, from essential crop insurance programs to irrigation and clean water conservation, to a new Local Food Policy that helps connect farmers and ranchers with local and regional food systems to have better access to support programs for their operations.

The 2018 Farm Bill also attracted extraordinary public attention when the Senate, then led by Mitch McConnell (R-Kentucky), successfully included provisions reclassifying hemp to distinguish it from marijuana and remove it from Schedule 1 of the Controlled Substances Act. As part of that effort, the 2018 Farm Bill also included extensive provisions directing the U.S. Department of Agriculture to (i) create a federal program for certifying and regulating hemp production and commercialization, and (ii) work with state Secretaries of Agriculture and related officials to assist in setting up similar state-based programs to assure that the rebirth of America's hemp industry is undertaken safely and responsibly.

FAST FORWARD TO TODAY

Members of the House of Representatives' Agriculture Committee already are beginning the process of putting together a 2023 Farm Bill to succeed the existing 2018 legislation, which expires in December of 2023. Key issues will continue to be land conservation, climate change, and access to water.

But changing times have added a new pile of critical issues to the mix:

- Inflation and its impact on fuel, fertilizer and other inputs;
- Rising interest rates;
- The impact of COVID on farm productivity and ag-markets;
- The spread of intensive drought conditions that have materially impacted food production and reduced the export capacities of historical suppliers like India, Western Asia, and the American Midwest; and
- The global imbalance in food stocks due to Russia's invasion of Ukraine.

Against this backdrop, a group of conservative Republican members of Congress are proposing a significant restructuring of the Farm Bill.

A NEW APPROACH TO AG-SUPPORT

The **Republican Study Committee**, a working group whose ranks include 80% of all House Republicans, has adopted a proposed [RSC Fiscal Year 2023 Budget](#) that would implement significant funding cuts when voices across America's agriculture community are calling for increases. For example, facing higher input costs, farmer and rancher organizations along with economists from different land-grant universities, currently are calling for increases to the reference prices for **Price Loss Coverage** (PLC), as well as ad-hoc assistance; however, the RSC's proposed budget takes an opposite approach and cuts at least \$90.4 billion in commodity, crop insurance, and conservation programs over the next decade. The RSC fiscal austerity plan also would eliminate the PLC program entirely, as well as the federal program providing **Agriculture Risk Coverage** (ARC), the two main federal commodity title programs available to farmers.

Other budget cutting proposals include:

- On crop insurance, the RSC proposes a "modest reform" of reducing premium subsidies from 60% to 30% of premium costs and eliminate USDA paying for the administrative costs of crop insurance companies.
- Under the **Commodity Credit Corp.**, the RSC budget would require any action by USDA to use CCC funds to be approved by Congress. The requirement for Congressional approval, a significant roadblock given the partisan divide in Congress,

represents a new direction for Republicans, given that the Trump administration unilaterally used CCC funds for nearly \$23 billion in aid to farmers via the **Market Facilitation Program** (MFP) during height of America's escalated trade tensions with China.

- The RSC budget reduces funding for conservation acreage, prohibits new enrollment in the **Conservation Reserve Program** (CRP) and the **Conservation Stewardship Program** (CSP), essentially phasing down acreage in CRP and CSP over the decade. The RSC stated that such reductions in federal support would save more than \$11.5 billion over ten years.
- The RSC budget abolishes the **Conservation Technical Assistance Program** (CTA), which costs about \$780 million a year on 18.9 million acres. At a time when many of the food industry's largest players are insisting that producers farm and ranch more sustainably, the proposed austerity initiative would eliminate an important clearing house that provides farmers and ranchers across America with strategic guidance and operational support to achieve more sustainable productivity. The counter argument embraced by opponents of the CTA? "The RSC budget would eliminate this program, which liberals hope to use to push their radical climate agenda."

Perhaps the most impactful Farm Bill proposal, one that would affect over 100 million Americans, comes from members of the House Agriculture Committee who are proposing changes to food-aid programs. While farmers and consumers alike are being hit hard by extraordinary inflation, the RSC plan would remove food stamps from the Farm Bill entirely. Instead, the proposed budget for 2023 would convert existing federal funding for the **Supplemental Nutrition Assistance Program** (*i.e.*, food stamps) into discretionary block grants with states sharing the cost of food assistance. The RSC budgeters also endorse stricter work requirements for SNAP recipients, and advocate combining all child nutrition programs into a block grant.

THE BOTTOM LINE

Fiscal responsibility is important, but these are extraordinary times. Right now, America and the world need U.S. farmers and ranchers to do what they do best.

Effective and sufficiently-funded federal programs that support American agriculture are needed to successfully fill existing and projected gaps caused by grain and food commodity shortages, while helping the neediest among us avoid hunger and food insecurity. A strong and effective 2023 Farm Bill that is tailored to the reasonable requests of America's farmers and ranchers, rather than electoral objectives of partisan politicians, must remain a top government priority.

For more information on the upcoming 2023 Farm Bill, access the USDA website by clicking [here](#) or contact **GrayRobinson's Nationwide Food Law Group** via e-mail at foodlaw@gray-robinson.com or via telephone at **(866) 382-5132**.



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