

# CONGRESS AGREES ON A 2018 FARM BILL



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The 2018 Farm Bill Committee leaders in Congress have released a final bill. If passed and signed into law by President Trump, the bill will better connect beginning and socially disadvantaged producers with the tools and resources they need to start and sustain vibrant food and farm businesses. It would also help both established and beginning farmers to tap growing markets by providing permanent, mandatory funding for local and regional food production and organic research.

Previous drafts of the 2018 Farm Bill, put forth on purely partisan lines, threatened major cuts to vital food and farm programs. In contrast, the current bill provides permanent, baseline funding and also makes significant policy improvements to the following “tiny but mighty” farm bill programs:

- Beginning Farmer and Rancher Development Program (BFRDP),
- Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program (also known as “Section 2501”),
- Value-Added Producer Grant (VAPG) program, and
- Farmers Market and Local Food Promotion Program (FMLFPP).

The final farm bill combines BFRDP and Section 2501 into the new Farming Opportunities Training and Outreach (FOTO) program, and merges VAPG and FMLFPP into the Local Agriculture Market Program (LAMP). The legislative compromises required to get a final bill included provisions addressing expansion of our nation’s farm-to-fork initiatives, investment in healthy food, support for the next generation of farmers and other underserved producers, and continued efforts to advance organic agriculture research (appropriating \$50 million for organic research, more than double its current amount), all of which will allow for technological advances and their concomitant commercial opportunities.

The final bill also rejects the House's efforts to eliminate the [Conservation Stewardship Program](#) (CSP) and preserves current funding across the conservation title. Additionally, the House and Senate Agriculture Committees' conference report makes important policy improvements to encourage cover cropping, resource-conserving crop rotation, and advanced grazing systems.

All of that said, numerous constituencies still have major concerns regarding certain provisions in the bill. The 2018 Farm Bill as drafted fails to restore the \$6 billion cut to conservation funds made in the 2014 Farm Bill; bill sponsors argue that due to limited available funds the only way to provide for other necessary increases within the Conservation Title was to cut funding from working lands conservation. That cut may start out small, but for the next farm bill in 2023, it amounts to a \$5 billion reduction in combined budget authority for CSP and the Environmental Quality Incentives Program.

Another voiced concern relates to the new bill's inaction on crop insurance and commodity subsidy reform, and a perceived failure to address issues like low farm income or farm consolidation. Instead of making much-needed reforms to the nation's farm safety net programs, the 2018 Farm Bill as now proposed *expands* existing government subsidies for large, industrial farms. It also provides up to \$125,000 in support payments for each farm family member using a definition that can include cousins, nieces and nephews of qualified farmers, regardless of whether those relatives actually work on a farm.

Perhaps the most contentious debate related to Republican efforts to impose substantial work requirements on the existing SNAP (Food Stamps) program. The proposed changes would have expanded work requirements to all "able-bodied" adults capable of work, mandating that they work or do work training for 20 hours per week. SNAP feeds approximately 42 million Americans each year, with an average cost of \$1.86 per meal, according to the [National Conference of State Legislatures](#). Ironically, 28 percent of agricultural graders and sorters rely on SNAP for their own livelihoods, the highest of any job category, according to the [Center on Budget and Policy Priorities](#). Observers feel that the 2018 Midterm Elections forced the Republicans to compromise on their SNAP amendments, or risk renegotiating the entire Farm Bill with the 116<sup>th</sup> Congress that included a Democratic majority in the House.

**One Unexpected Result: the 2018 Farm Bill Now Includes Within Its Text the  
*Hemp Legalization Act of 2018.***

If the Farm Bill of 2018 becomes law, industrial hemp will be legalized -- thanks in large part to the efforts of Senate Majority Leader Mitch McConnell (R-Ky), who seeks to expand the hemp industry in his home state of Kentucky. Hemp is a cannabis relative of marijuana, but it contains low levels of THC, the psycho-active chemical that produces a euphoric "high" for marijuana users. Industrial hemp is used to make everything from apparel, foods and pharmaceuticals to personal care products, car dashboards and building materials.

Legalization is predicted to have a substantial impact on the growing CBD (cannabinol) industry, which already is creating new opportunities for farming and likely will grow into a multibillion-dollar industry. The National Conference of State Legislatures (NCSL) has determined that 40

US states allow the "cultivation of hemp for commercial, research, or pilot programs." In 2018, hemp-derived CBD rose 80 percent to \$590 million in sales. Legalizing domestic hemp production could increase the hemp-derived CBD market substantially, with a recent report predicting \$22 billion by 2022.

Passage of the 2018 Farm Bill removes industrial hemp from the federal government's list of controlled substances under the Controlled Substances Act of 1972, making it a lawful agricultural commodity. The hemp component of the new bill also enables researchers to apply for federal grants and makes the crop eligible for crop insurance.

If signed into law by the President, this legislation will vest oversight of domestic hemp production with each state's Department of Agriculture. However, the Food and Drug Administration (FDA) has ruled that CBD is not an approved food ingredient, food additive or dietary supplement, which may limit the scope of the legislation. For example, in July of 2018, In fact, the California Department of Public Health issued a new state policy that prohibits hemp-derived CBD in food products, aligning with the FDA's position.

Next stop for the 2018 Farm Bill: The White House.