

# 2014 Farm Bill Insights and Thoughts for the Future

Ag In Uncertain Times Webinar  
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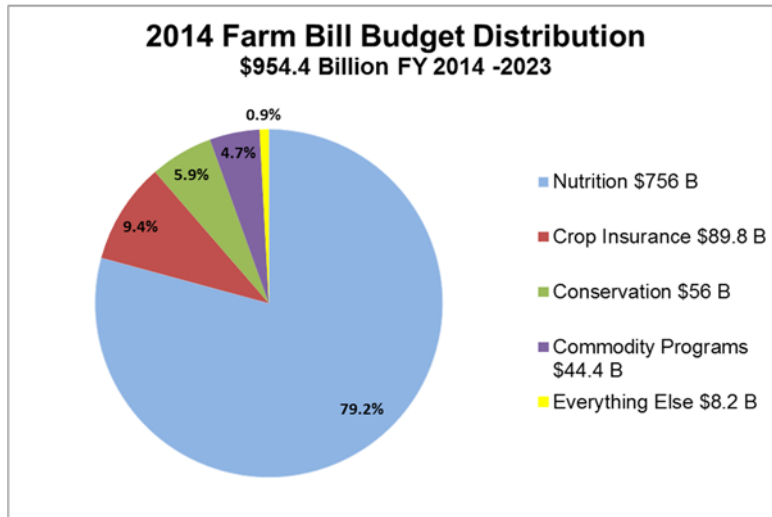
## Farm Bill - Review

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1. The Farm Bill is the primary agricultural and food policy tool of the United States to authorize nutrition and agriculture programs.
  - History dates back to 1933 – Agricultural Adjustment Act
2. Previous Farm Bill was the Food, Conservation and Energy Act of 2008
  - Expired December 2012 extended for one year through the 2013 crop year
  - Expired a second time on October 1, 2013
3. 2014 Agricultural Act – 2014 Farm Bill
  - February 7, 2014 President Obama signed the bill into law citing it creates jobs, cuts waste and assures that America's children don't go hungry.



## Farm Bill Budget Distribution



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## AIUT Farm Bill Webinar Series Recap

- Farm Bill signed into law February 7
- Organized Farm Bill Education Consortium
  - Loosely organized collection of organizations and individuals that recognizes the importance of Farm Bill Policy and are committed to providing education and policy analysis.
- Initial AIUT Farm Bill Webinar Series - March 3
  - 6 Webinars
  - 17 Webinar presentations
  - <http://www.farmmanagement.org/aginuncertaintimesenglish/>

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## AIUT Farm Bill Webinar Series Recap

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The initial webinar series objectives were:

1. To provide timely overview information on Farm Bill titles and issues
2. To provide a Farm Bill education resource
  - Directly through the live and archived webinar presentations
  - Re-broadcast to audiences using the internet link
  - Integrate the webinar or webinar segments into producer presentations
    - [Instructions for embedding webinar segments into a PowerPoint presentation](#)

## 2014 – Farm Bill Insights

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1. Fundamental changes in the farm safety net programs
  - Direct payments replaced with risk management based programs
    - Moved from single year sign-up horizon to life of the Farm Bill
    - Forces producers to make multi-year risk variant decisions
    - New programs requires a complex multitude of decision variables
  - MILC replaced with Dairy Margin Protection Program
    - Premium payment variant on margin coverage level and coverage percentage
    - Sign up decisions based on margin outlook and individual risk preference

## 2014 – Farm Bill Insights

2. Conservation program moving from CRP to working lands programs
  - Conversion of CRP to crop production
  - Pictures taken 4/10/2014



In CRP since 1990



Spring work 2014

## 2014 – Farm Bill Insights

3. Overall 2014 Farm Bill presents tremendous education opportunities
  - Farm Bill program mechanics and sign up decisions
  - Application and interpretation of decision aid models
  - Risk weighted decision making
  - Integrated portfolio of risk management strategies

U.S. farm sector financial indicators, 2010-2014F

| United States                    | 2010  | 2011  | 2012       | 2013F | 2/11/2014<br>2014F |
|----------------------------------|-------|-------|------------|-------|--------------------|
|                                  |       |       |            |       |                    |
|                                  |       |       | \$ billion |       |                    |
| <b>Cash income statement</b>     |       |       |            |       |                    |
| a. Cash receipts                 | 321.0 | 367.9 | 395.1      | 398.3 | 372.8              |
| Crops 1/                         | 179.5 | 202.0 | 223.5      | 216.1 | 189.4              |
| Livestock                        | 141.4 | 165.9 | 171.6      | 182.2 | 183.4              |
| b. Direct Government payments 2/ | 12.4  | 10.4  | 10.6       | 11.2  | 6.1                |
| c. Farm-related income 3/        | 18.3  | 26.1  | 33.6       | 35.7  | 33.3               |
| d. Gross cash income (a+b+c)     | 351.7 | 404.5 | 439.3      | 445.2 | 412.3              |

## Where are we now

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We are in the rule making process


see [Jonathan Coppess](#) webinar March 3

**Regulation Process Basics**

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**General Steps:**

- 1) Agency writes the regulation
- 2) Goes through Departmental clearance process
- 3) Goes to the Office of Management and Budget (OMB) for inter-agency review and clearance process
- 4) Federal Register for public review and comment
- 5) Congressional review
- 6) Final rule published in the Federal Register

 [www.farmdoc.illinois.edu](http://www.farmdoc.illinois.edu)

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## Where are we now

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Farm Bill language concerning decision aids and producer education –  
Subtitle F SEC. 1614, pg. 154

(A) IN GENERAL.—Of the funds made available under paragraph (1), the Secretary shall **provide \$3,000,000 to State extension services** for the purpose of **educating** farmers and ranchers on the options made available subtitles A, D, and E of this title and under section 196 of the Federal Agriculture Improvement and Reform Act of 1996.

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## Where are we now

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Farm Bill language concerning decision aids and producer education –  
Subtitle F SEC. 1614, pg. 154

B) WEB-BASED DECISION AIDS.— Of the funds made available under paragraph (1), the Secretary **shall use \$3,000,000** to support qualified universities (or university-based organizations) that represent a diversity of regions and commodities (including dairy), **possess expertise** regarding the programs authorized by this Act, **have a history in the development of decision aids and producer outreach initiatives regarding farm risk management programs**, and are able to meet the deadline established pursuant to clause (ii) **to develop web-based decision aids** to assist producers in understanding available options described in subparagraph (A) **and to train producers** to use these decision aids.

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## Where are we now

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1. USDA Announces Sign-up date for Farmer Rancher Disaster Assistance Programs
2. Sign up begins April 15 for Livestock, Honeybee Fruit Grower Program
3. See [Eric Belasco](#) March 17 webinar
4. [USDA Disaster Program News Release](#)

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## Future Farm Bill Education

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1. As the program rules are published and decision aids become available a webinar series will be developed with the objective to present detailed farm bill decision support education.
2. The Farm Bill Education Consortium with support from the ERME Centers will organize and host a national train the trainer Farm Bill Conference.
3. Further discuss the potential to develop regional collaborations to provide producer Farm Bill education

## Future Farm Bill Education

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4. Ag Risk & Farm Management Library is a source and clearinghouse of Farm Bill fact sheets and information  
[Ag Risk Library](#)



The Ag Risk & Farm Management Library organizes thousands of materials to help agricultural producers and professionals quickly find the information you need on risk management, marketing, financial management and more.

Thanks for your time and attention

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