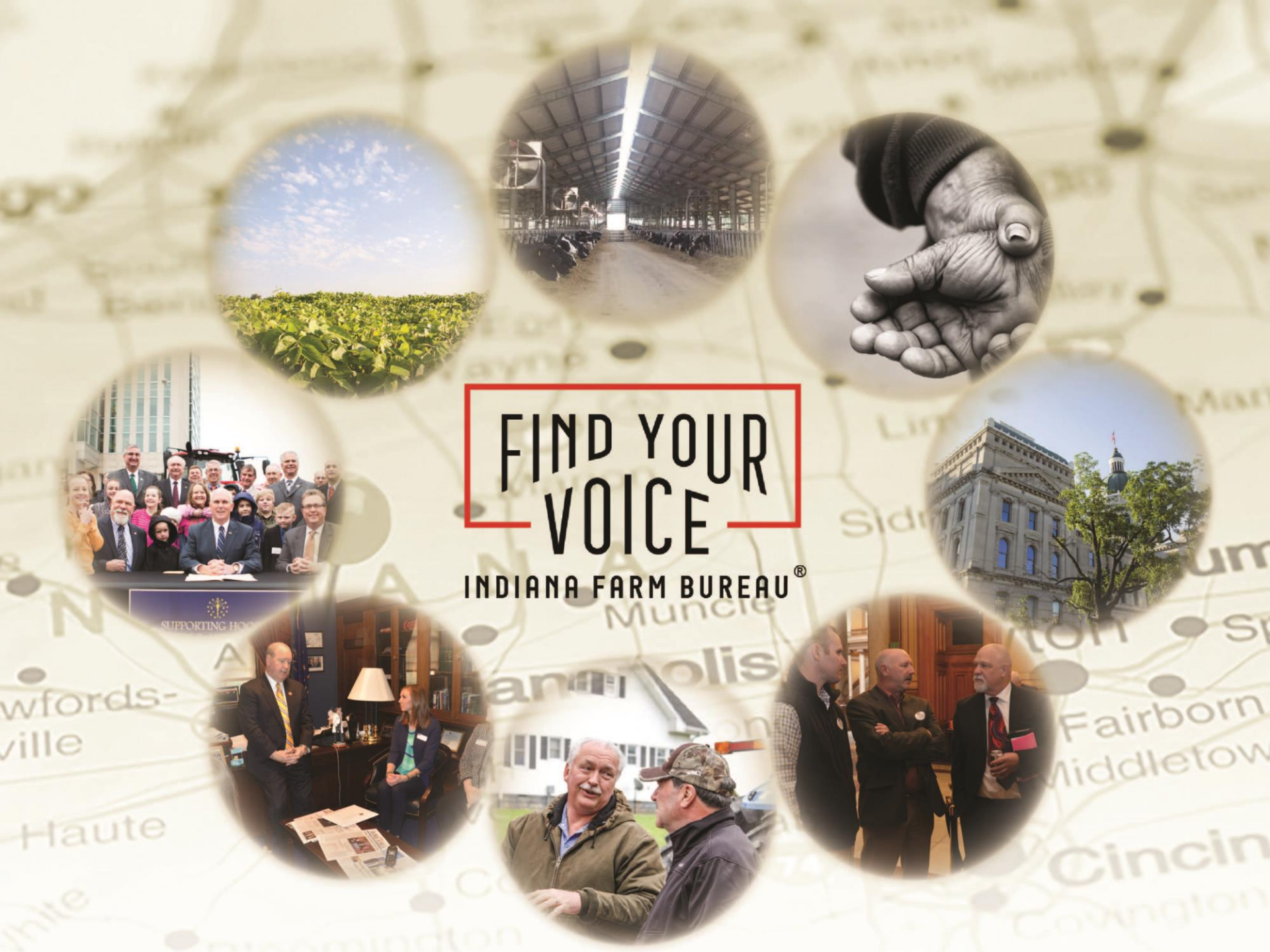




FIND YOUR VOICE

INDIANA FARM BUREAU®



Questions to Consider

- What are the goals for Indiana's future in agriculture?
- Given the farm economic conditions, what do farmers need help with?
- What are your farm's priorities moving forward?
- What role do you see yourself having in the next years related to agriculture?
- What role would you like to see the Farm Bill play?

**Why is the Farm
Bill so
Important?**

Three Methods We May Gain Wisdom

Confucius

- First, by Reflection - which is noblest;
- Second, by Imitation - which is easiest;
- Third, by Experience - which is bittersweet.

Reflection



Easiest Way



Experience



Two Part Discussion

- The Tale of Two Farm Bills

- All the Other Stuff

As important as the farm bill

All The Other Stuff ?

- Political Climate
- Economic Climate
- Budget Climate
- Administration Climate
- Players
 - Outside
 - Inside
- Global Climate
- History

A Little History

We have come
a long way.



Since the passage of the first Agricultural Adjustment Act (AAA) in 1933, farm price and income support programs have been the core of agricultural policy in the United States. This policy initially arose as an emergency response to post-World War I economic distress in agriculture that worsened with the onset of the Depression. However, the programs have been adjusted over time as policymakers have responded to the political, social, and economic pressures that agricultural productivity growth, market integration, and structural change have imposed on the farm sector.

Farm Bill History

What was the thinking prior to 1933 ?

1886 Yearbook of Agriculture

1912 Yearbook of Agriculture

1920 Yearbook of Agriculture

Farm Bill History

- **1933**

Agricultural Adjustment Act:

First “farm bill” established the New Deal mix of commodity-specific price and income support programs.

- **1936**

Soil Conservation and Domestic Allotment Act:

First direct links created between soil conservation and commodity programs.

Farm Bill History

- 1940 Yearbook of Agriculture

 - Income Disparity between Urban and Rural

 - Rural Poverty

 - Rural Education

 - Land Use Planning and Policy

 - Rural standards of Living

 - Philosophical Rural Articles

Farm Bill History

- **1949**

Agricultural Act:

Established policy of high, fixed-price supports and acreage allotments as permanent farm policy. Programs revert to the 1949 provisions should a new farm bill fail to pass.

- **1954**

Agricultural Act:

Introduced flexible price supports to commodity programs.

Farm Bill History

- **1956**

Agricultural Act:

Established Soil Bank, which introduced use of conservation reserve in addition to acreage control for supply management. The program ended after only 2 years.

- **1965**

Food and Agricultural Act:

Introduced new income support payments in combination with reduced price supports and continued supply controls.

Farm Bill History

- **1973**

Agriculture and Consumer Protection Act:

Introduced target prices and deficiency payments to replace price supports, coupled with low commodity loan rates, to increase producer reliance on markets and allow for free movement of commodities at world prices.

- **1977**

Food and Agriculture Act:

First inclusion of title for Food Stamps and other commodity distribution programs in a farm bill.

Farm Bill History

- **1985**

Food Security Act:

Introduced marketing loan provisions to commodity loan programs to reduce forfeitures by allowing repayment of loans at lower rate when market prices fell, with the intention of aiding in reducing Government-held surplus grain.

Re-established a conservation reserve called the Conservation Reserve Program (CRP).

Ken Cook – EWG / Maureen Ferguson –NWF / Senator Richard Lugar. Basic premise - \$\$ into farmers hands quickly 35 million acres

Farm Bill History

- **1996**

Federal Agriculture Improvement and Reform Act:

Replaced price support and supply control program with program of direct payments based on historical production. Introduced nearly complete planting flexibility.

FAIR Act – gave farm programs to FSA as changes would be out of business

Farm Bill History

- **2002**

Farm Security and Rural Investment Act:

Introduced counter-cyclical payments program triggered when current prices fall below a target level. Introduced Conservation Security Program. Continued planting flexibility based on historical production.

Farm Bill History

- **2008**

- Food, Conservation & Energy Act of 2008**

- Renames the Food Stamp Program to

- Supplemental Nutrition Assistance Program (SNAP)

2013 Farm Bill

- Political Climate
- Economic Climate
- Budget Climate

2013 Farm Bill

- Administration Climate
- Players
- Global Climate

2013 Farm Bill

- Timeline

- May 2012 Senate Passed Bill
- July 2012 House Committee Passed Bill
- Sept 2012 House & Senate Extension
- Dec 2012 Extension to 9-30-13
- January 2013 2013 Congress Begins

2013 Farm Bill

- Timeline

- | | |
|-----------------|----------------------------|
| - June 2013 | Senate Passed Version |
| - June 2013 | House Version Failed |
| - June 2013 | H – Passed Ag Only |
| - July 2013 | Senate Conferees |
| - Sept 2013 | H – Passed Nutrition Title |
| - Sept 30, 2013 | Farm Bill Expires |

2013 Farm Bill

- Title I Commodity Title
 - Most complicated farm program ever
 - Eliminates Direct Commodity Payments
 - Saves \$16B for deficit reduction
 - Additional Risk Management Programs

2013 Farm Bill

- Title II Conservation

Reduces the Conservation Reserve Program Acres

Reduces the EQIP Payment from \$300K to \$200K

Consolidates 23 existing programs into four programs

\$5B deficit reduction

Focus on Regional Partnerships

2013 Farm Bill

- Title III Trade

World Trade Organization Compliance

Food Aid Provisions

Increased funding for Market Access Program

Repeals Authority for Export Enhancement (EEP)

International Food Aid Programs

Food for Peace / McGovern-Dole / others

2013 Farm Bill

- Title IV Nutrition

Reauthorizes and decreases Funding

Increases Benefits

The Emergency Food Assistance Program

Expands Fresh Fruit and Vegetable Program

Increase \$\$ for Senior Farmer's Market Nutrition

2013 Farm Bill

- Title V Credit

Increases per farmer limits to \$300K

New pilot program – low income beginning Farmers

Enhances existing programs

2013 Farm Bill

- Title VI Rural Development

Water and Waste backlog funding

Requires USDA to define rural

New Regional investment strategy program

2013 Farm Bill

- Title VII Research

New National Institute of Food and Agriculture

New Coordination efforts

Increases indirect cost from 19 % to 22 %

2013 Farm Bill

- Title VIII Forestry

Establishes three priorities

Requires state assessment to receive federal \$\$

Community forest and open space program

2013 Farm Bill

- Title IX Energy

Increased funding to existing programs

Infrastructure studies

Possible fertilizer production

2013 Farm Bill

- Title X Specialty Crops & Horticulture

USDA / NASS census of specialty crops

\$33M over 5 years for farmers markets

\$224M over 5 years – specialty block grants

USDA data collection for organics

2013 Farm Bill

- Title XI Crop Insurance

Provides Revenue Crop Insurance for Cotton and Peanut Producers

Expands Crop Insurance for Fruit and Vegetable Producers

Expands Ways to Decrease Risk for Farmers

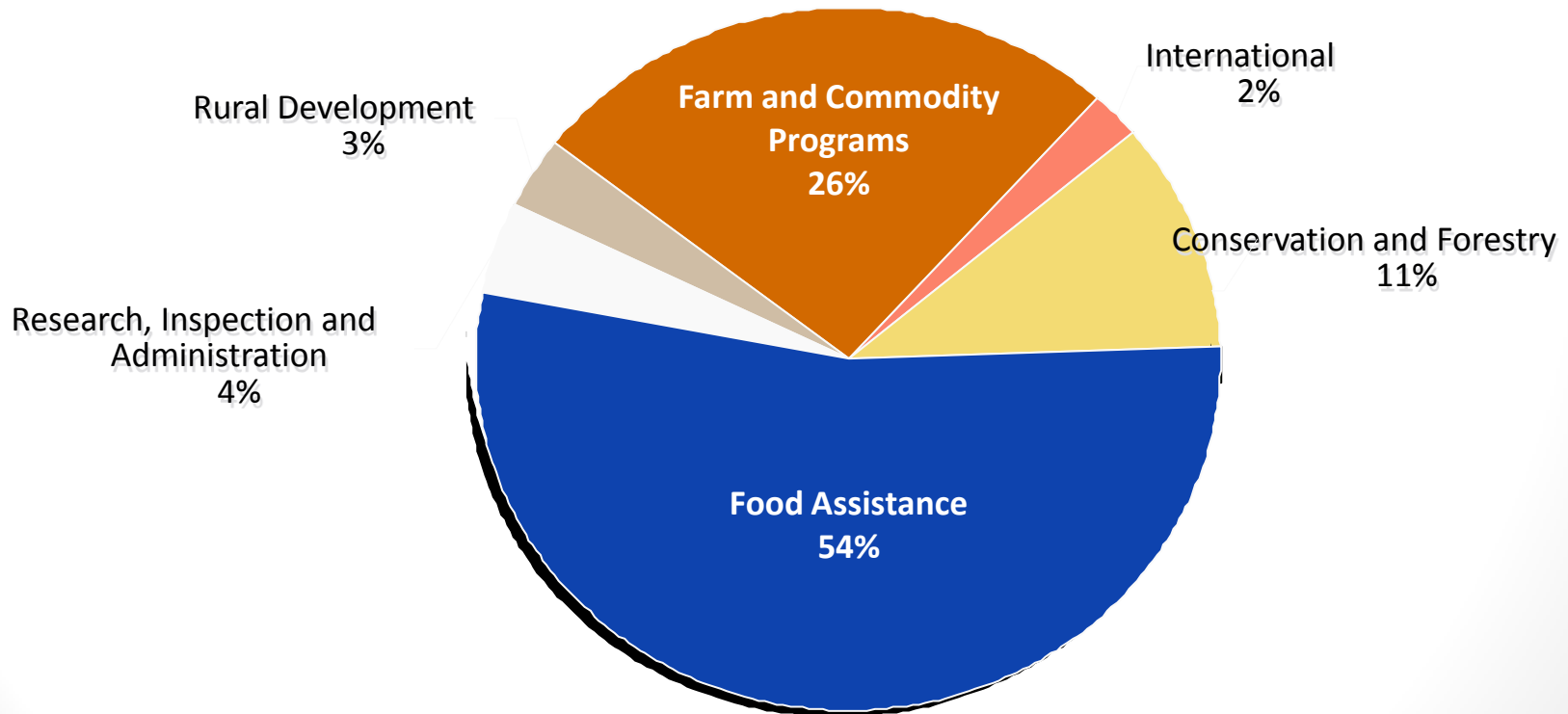
2013 Farm Bill

- What does this all mean and what are the implications ?
 - Most complicated farm program ever
 - No direct payments to 5 program crops (House Version still there)
 - Emphasis on ways to decrease risk

(2002 Lugar Bill S1571)

USDA Budget

FY 2006 Budget Outlays



What Does 10-Year Federal Spending Look Like?

(Big Budget)

Total Federal Spending

\$46.7 trillion

Health Care, Social Security,
Net Interest on Public Debt

\$29.9 trillion

National Defense

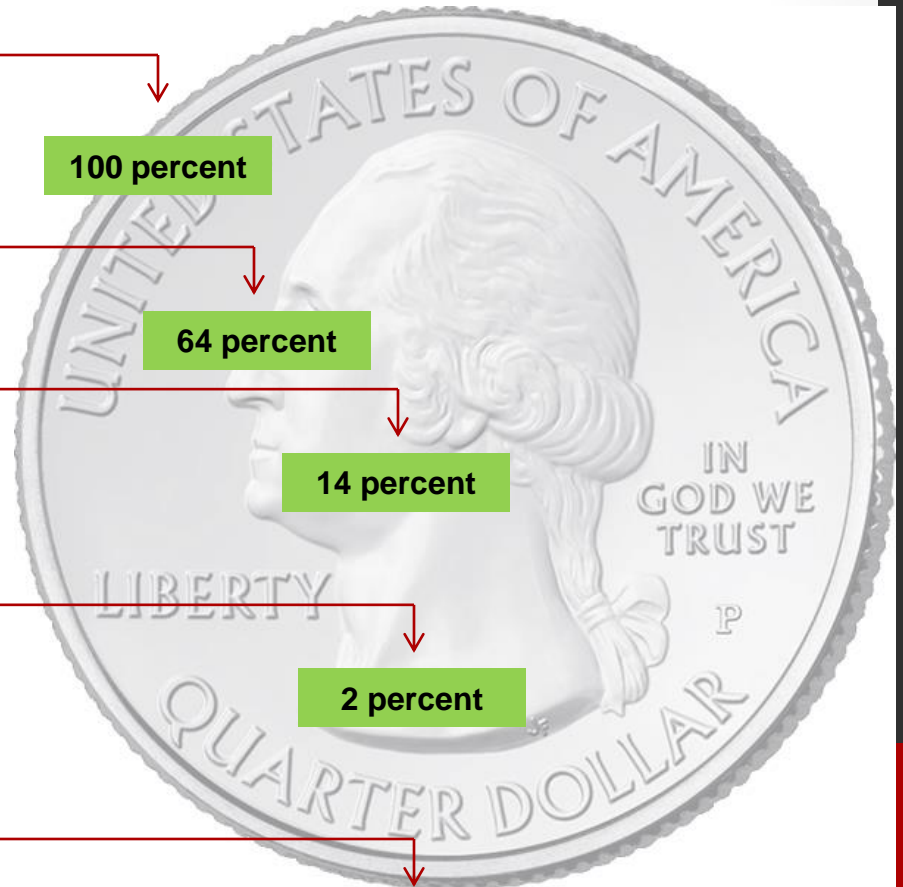
\$6.5 trillion

Agriculture Baseline
INCLUDING food assistance
and nutrition programs

\$975 billion

Agriculture Baseline
MINUS food assistance and
Nutrition programs

\$211 billion



100 percent

64 percent

14 percent

2 percent

(less than .5 percent)

What Does FY 2013 USDA Spending Look Like?

Total USDA Spending

\$155 Billion

Food Assistance
And Nutrition Programs

\$111.6 billion

Agriculture Programs

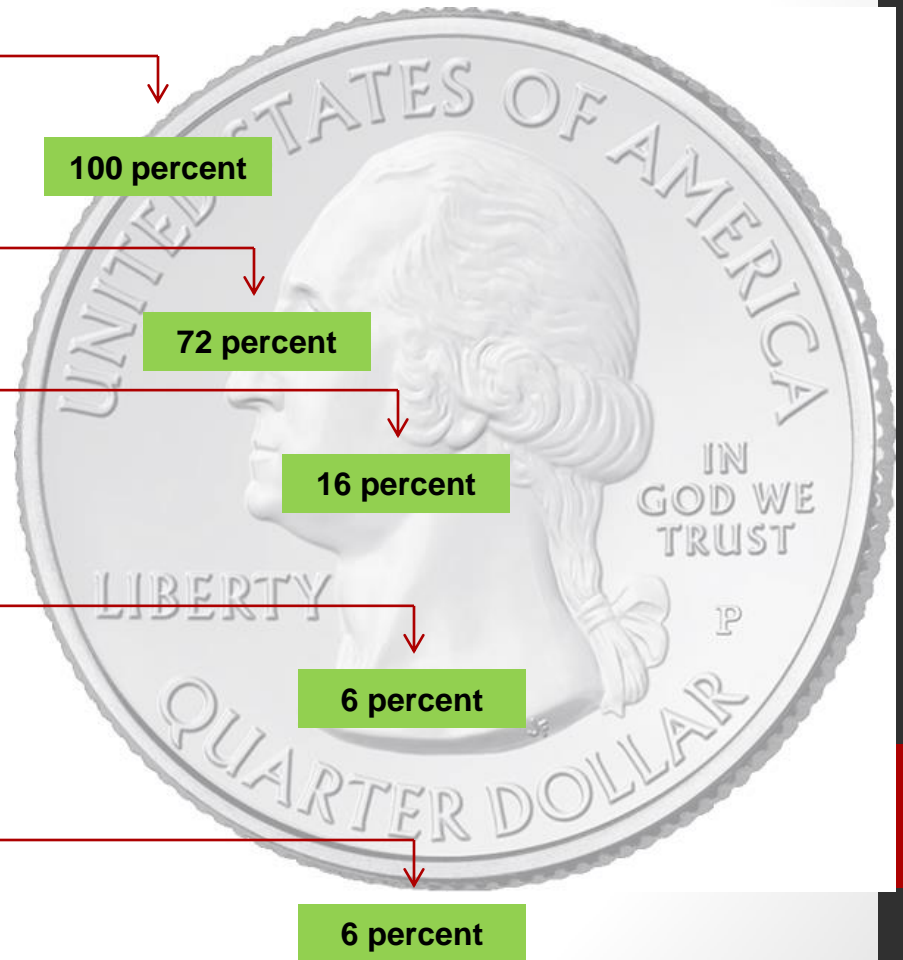
\$24.8 billion

Conservation
And Forestry programs

\$9.3 billion

Food Safety, Rural
Development, Research & Marketing
And Regulatory Programs

\$ 9.3 billion





***Let Us Reflect on –
Building a Prosperous Future
for Rural Indiana***

***Where Food & Energy are
Clean, Abundant, Reliable, and Affordable***