

The Agriculture Reform, Food and Jobs Act

The Senate's bipartisan 2012 Farm Bill represents the **most significant reform** of American agriculture policy in decades.

With the Agriculture Reform, Food and Jobs Act, **the era of direct payments is over**—no more paying farmers for crops they don't grow, or when prices and yields are already on the rise.

By ending these subsidies, streamlining and consolidating programs and cracking down on abuse, the bill **reduces the deficit by \$23 billion**. This is over double the amount the Simpson-Bowles commission and Gang of Six recommended in agriculture cuts.

The Senate's 2012 Farm Bill saves taxpayers money while strengthening top priorities that help farmers, ranchers and small business owners **continue growing our economy**.

The current Farm Bill expires this year. A new Farm Bill **must be passed this year** to provide farmers the certainty they need to keep growing America's agriculture economy and driving our economic recovery.

Sixteen million jobs hang in the balance.

The 2012 Senate Farm Bill passed out of the Agriculture Committee with **overwhelming bipartisan support**, 16-5, and cleared its first procedural vote on the Senate floor **90-8**. The Farm Bill is broadly supported by Democrats and Republicans across the country for its major reforms, common sense deficit reduction and strengthened job creation initiatives.

Major Reform: Ending Direct Payments; Creating Market-Based Risk Management

Farmers face unique risks unlike other businesses. Weather and market conditions outside a producer's control can have devastating effects. Responsible risk management tools help ensure that farmers – and farm jobs – are not wiped out by disasters, and protect all American families from sudden spikes in food prices.

However, for too long farm programs have existed as subsidies that pay farmers for crops they don't grow and provide payments even when farmers are already doing well. The 2012 Senate Farm Bill reforms farm programs to save taxpayer dollars, while providing farmers with a responsible risk management system that is market-based, treats all commodities fairly and only helps farmers when they experience substantial losses on crops they are actually growing. This proposal:

- **Eliminates direct payments.** Farmers will no longer be paid for crops they are not growing, will not be paid for acres that are not actually planted, and will not receive payments when prices are rising and support is not needed.
- **Ends Farm Payments to Non-Farmers.** This bill closes the “management loophole,” through which people who were not actually farming—in many cases not even setting foot on the farm—were designated as farm “managers” so they could receive farm payments.
- **Strengthens crop insurance** and expands access so farmers are not wiped out by a few days of bad weather.
- **Consolidates three remaining farm programs into one** (the Agriculture Risk Coverage, or ARC, program), to help farmers control risks not covered by crop insurance. ARC offers farmers support only when they experience a significant drop below average market prices or when there are significant drops in yield. This is a market-based approach that is fair for all commodities and all regions of the country.
- **Caps payments for ARC** at \$50,000 per person, less than half of what farmers could previously get from direct payment and other farm programs.
- Reforming farm programs, ending direct payments and implementing fair, market-oriented programs to help farmers manage risk saves **\$15 billion dollars.**

Consolidating and Streamlining Programs

By eliminating duplicative programs, funds are concentrated in the areas in which they will have the greatest impact, reducing the deficit while strengthening top priorities. The Senate Farm Bill *eliminates over 100 programs* and authorizations under the Agriculture Committee’s jurisdiction. For example:

- The bill **consolidates 23 existing conservation programs into 13 programs—while maintaining existing tools** to protect and conserve land, water and wildlife.
- Streamlining programs provides added flexibility and focuses conservation around four primary functions: working lands conservation, the Conservation Reserve Program, regional partnerships, and easements to help prevent sprawl and protect wetlands.
- These reforms save money while still **increasing resources for top priorities.**
- Because we are truly doing more with less, changes to conservation policies are supported by nearly **650 conservation organizations from all 50 states.**

Improving Program Accountability

At a time when many out-of-work Americans are in need of food assistance for the first time in their lives, it is more critical than ever that resources go only to those who are struggling—not those attempting to game the system. By closing loopholes, cracking down on abuse and improving program integrity, the Farm Bill reduces the deficit while maintaining our commitment to a strong nutrition program for families truly in need. The Senate Farm Bill **increases accountability in the Supplemental Nutrition Assistance Program (SNAP)** by:

- Eliminating gaps in standards to **stop overpayments and improve program integrity**.
- **Stopping lottery winners** from continuing to receive assistance.
- Ending misuse by **college students** whose families are not truly low-income.
- Cracking down on retailers and recipients engaged in **benefit trafficking**.
- Increasing requirements to **prevent liquor and tobacco stores** from accepting food assistance benefits.
- The above savings reduce the deficit while continuing **support for food banks, seniors' food programs and healthy school lunch initiatives**.

Continuing Growth in America's Diverse Agricultural Economy

The Agriculture Reform, Food and Jobs Act increases efficiency and accountability, saving tens of billions of dollars overall, while still strengthening agricultural jobs initiatives through:

- **Export opportunities** to help farmers find new global markets for their goods.
- Help for **family farmers** to sell locally, increasing support for **farmers' markets** and spurring the creation of food hubs to connect farmers to schools and other community-based organizations.
- Training and access to capital to make it easier for **beginning farmers** to get off the ground.
- Initiatives to help **American veterans** start agriculture businesses.
- Growth in **bio-based manufacturing** (businesses producing goods in America from raw agricultural products grown in America) to create rural agriculture and urban manufacturing jobs.
- Innovation in **bio-based manufacturing** production, supporting non-food based advanced biomass energy production such as cellulosic ethanol and woody biomass power.
- **Research** to promote the commercialization of new agricultural innovations.
- **Rural development initiatives** to help rural communities upgrade infrastructure, extend broadband internet availability and create a better environment for small businesses.