UNITED STATES SENATE COMMITTEE ON
AGRICULTURE, NUTRITION, & FORESTRY
U.S. SENATOR DEBBIE STABENOW, CHAIRWOMAN

Certainty for All Farmers

Farming is a very risky business, and volatile global markets and extreme weather events driven by the climate crisis can wipe out a farmer's bottom line.

The bill improves the tools that are the foundation of the farm safety net to *keep farmers farming and rural communities strong* by building on a successful, market-based approach that provides support to farmers when disasters outside of their control strike.

It continues the bipartisan 2014 Farm Bill transition away from annual, guaranteed government payments, which were not enough in bad years and not appropriate in good years.

It focuses assistance on the farmers with dirt under their fingernails and not absentee landowners or wealthy Wall Street investors. It provides more choices so that more farmers can access timely and flexible assistance that meets their needs, and it takes new steps to address the emerging risks they face while ensuring that farmers are planting to meet market demand and not to receive government payments.

While these provisions cover what some call the "traditional" farm safety net, **farmers are on every page of the Farm Bill**.

The bill provides critical support for farmers by expanding markets, funding research, increasing food access for families, supporting the rural communities farmers live in, and building the next generation of agriculture professionals.

Crop Insurance:
Crop insurance is the #1 risk management tool available to farmers, covering more than 600 varieties of 134 crops and protections for dairy and livestock operations. Unlike the Agriculture Risk Coverage and Price Loss Coverage programs, **crop insurance is tied to what is actually being planted on farms** and not "base

acres," which were established in the 1980s and may not reflect what is grown today.

The bill builds on the bipartisan 2018 Farm Bill to extend the reach of crop insurance to more farmers. This includes:

- **More Affordable Options:** The bill makes the most common area-based crop insurance more affordable and directs USDA to expand it, or similar coverage, to more crops and farmers. This streamlines policies and reduces paperwork for farmers and crop insurance agents and is not limited to larger farms. Importantly, these improvements leave in place all of the existing options farmers can use now through the commodity programs.

- **Supporting Beginning Farmers:** The bill increases and extends premium discounts on crop insurance for new and beginning farmers and ranchers.

- **Streamlining and Incentivizing Policies for Diversified and Local Food Producers:** The bill strengthens Whole Farm Revenue Protection and Micro Farm insurance policies and creates incentives for small farmers and underserved regions to access these improved policies.

- **Voluntary Tools to Address the Climate Crisis:** The bill incentivizes less risky production in a changing climate and rewards farmers using popular, voluntary, incentive-based conservation practices.

- **Ensuring Access:** The bill ensures that USDA has the right tools to step in if farmers or crop insurance agents are being denied or discouraged from purchasing or selling certain insurance products and makes sure that farmers are not being overcharged for crop insurance. It also takes steps to address the underlying issues with premium rates.

Commodity Programs:
The bill builds on the success of the bipartisan 2018 Farm Bill by making meaningful improvements to the foundation of the traditional commodity programs. This includes:

- **Improved Marketing Loans when Input Costs Are High:** Marketing Assistance Loans (MAL) provide temporary cash flow and a price floor for commodities based on what farmers are actually producing. The improvements to the MAL program target active farmers and provides better protection against increased input costs by creating a new “escalator” provision that increases support based on the cost of production. If this new provision had been in place, it would have triggered in each of the past five years and hit the maximum 10% increase during the last three.

- **Better Risk Protection for Sugar Farmers:** The bill provides better protection for sugar farmers by also adjusting loan rates to account for recent increases in production costs.

- **Price Loss Coverage (PLC):** The bipartisan 2018 Farm Bill improved assistance to farmers when commodity prices dropped by including a new provision – an “escalator” – that is expected to increase the effective reference price starting this year, and in the coming years, for over 90% of program acres. The bill builds on this success by improving the escalator formula for all commodities, makes targeted statutory reference price changes, and brings PLC in line with ARC by establishing a payment band on PLC payments. **Under the bill, all major covered commodities will see at least a 5% increase in reference prices during the 2024 Farm Bill, with many seeing 10-15% increases.**

- **Agriculture Risk Coverage (ARC):** The bill lowers the threshold for triggering payments for all covered commodities to provide more certainty to farmers when their revenue drops due to low prices or weather disasters.

Risk Management for Specialty Crop Farmers:
The bill includes the first-ever “Specialty Crops” crop insurance subtitle; builds on years of progress in expanding risk management options for fruit, vegetable, nut, and other specialty crop growers; and makes improvements to the Tree Assistance Program and the Noninsured Crop Disaster Assistance Program.

- **Improving Crop Insurance for Specialty Crops:** The bill makes a series of changes to make crop insurance work better for specialty crop growers, including the creation of a new Specialty Crop Insurance Advisory Committee to leverage the industry’s expertise to prioritize specialty crops in the development and expansion of crop insurance policies.

- **Improving and Expanding Coverage:** The bill provides direction to USDA to prioritize internal and private development and expansion of individual insurance options for fruits and vegetables, including improvements to Whole Farm and Micro Farm insurance policies to provide better revenue protection for specialty crops. It also directs USDA to consider new protections for frost and other perils, and it requires USDA to conduct research and development into new policies for mushrooms, walnuts, wine grapes, and cut flowers, among other crops.

Targeting Resources to Beginning and Underserved Farmers

Keeping farmers farming means ensuring risk management programs work for all farmers. The bill creates new opportunities by expanding access to the ARC and PLC programs and cutting red-tape and paperwork to make crop insurance and disaster programs more accessible and responsive to beginning and underserved farmers.

- **Opportunity to add base acres:** The bill expands the ARC and PLC programs by providing an opportunity for beginning and underserved producers to access these programs. This is the first expansion of the reach of this safety net in more than 20 years.

- **Makes crop insurance more affordable for beginning farmers** and increases underserved producers' representation in crop insurance decision-making process at USDA.

- **Makes risk management more accessible:** It improves the Whole Farm and Micro Farm insurance plans and the Noninsured Crop Disaster Assistance Program (NAP) with a focus on increasing accessibility for beginning farmers and small farms.

Restricting Foreign Landowners and Wealthy Investors from Accessing Commodity Payments

- **The bill bans commodity payments to foreign landowners** to ensure that the farm safety net is using American tax dollars to support American farmers.

- **For the first time, the bill eliminates a loophole that has been letting Wall Street investors siphon away assistance meant for farmers**.

Disaster Programs:

While the bill continues to prioritize crop insurance as the core risk management tool for producers, **it authorizes a permanent, emergency disaster assistance program** to provide supplemental aid.

The bill also includes important improvements to established disaster assistance programs, including:

- **Improving the Tree Assistance Program** (TAP) by removing excessive requirements for triggering assistance and making the program more flexible for producers, especially those looking to invest in newer varieties or innovative production practices.

- **Improving the Noninsured Crop Disaster Assistance Program** (NAP) by allowing specialty crop producers to buy-up coverage to 75% of production, authorizing a revenue coverage option for beginning farmers, streamlining application paperwork, and clarifying that producers using community ditches, like acequias, are eligible for NAP.

- **Extending and improving the successful livestock disaster programs** to ensure farmers are paid based on more accurate livestock market prices, expands coverage to include losses of winter stockpile grazing, and covers transportation costs for feed and water due to shortages during drought. The bill also establishes a Drought Monitor Interagency Working Group to help improve accuracy of the U.S. Drought Monitor, which is used to trigger certain disaster programs.

Dairy:
The bill builds on the significant improvements in the bipartisan 2018 Farm Bill by making further investments in the Dairy Margin Coverage (DMC) safety net to help dairy farmers protect against milk price drops or high feed costs.

- All participating dairy farmers will **update their production history** to better reflect the realities on their farms today.

- It extends the option for producers to receive a **25% discount** on their premium cost when they lock in their coverage for 5 years.

- It improves coverage for all dairy farms by **increasing the cap on enhanced "Tier I" coverage** from 5 million pounds of production to the first 6 million pounds of production.

- It directs USDA to conduct **mandatory plant cost studies** every two years to provide better data to inform milk pricing.

- It directs USDA to **collect better organic dairy market data** to support this growing industry.