

FARM BILL ACCOMPLISHMENTS

USDA's goal over the past seven months has been to implement the 2008 Farm Bill as quickly and efficiently as possible. Immediately after enactment, a farm bill implementation team composed of key sub-cabinet and career officials from every mission area of the Department was established to ensure that the law was implemented promptly and efficiently. Although it has been a difficult task, we have achieved our goal to cut the red tape and get the job done.

Thanks to the hard work and dedication of USDA employees across the country, USDA has implemented major provisions of the bill over the past seven months. The 2008 Farm Bill is approximately 50 percent larger than its predecessor, the 2002 Farm Bill, with 15 titles and more than 600 provisions. In total, 170 regulatory actions and over 100 reports and studies have been identified that the Department is required to complete to fully implement this important legislation.

Within weeks of its enactment USDA began delivering program benefits for 2008 and efforts continue today to ensure the delivery of additional program benefits in 2009. We have held hundreds of meetings with stakeholders on almost all titles of the Farm Bill. Areas of discussion have included: Country of Origin Labeling, Supplemental Nutrition Assistance Program, Specialty Crops, School Nutrition Assistance, Forestry, the Chesapeake Bay Watershed, Conservation, the BioPreferred Labeling Program, Bio-Energy, Beginning Farmer and Rancher Development, and Biotechnology.

USDA representatives have also made themselves available to participate in stakeholder conferences to discuss farm bill implementation, including: Forestry Partners Meeting, the National Cooperative Agricultural Pest Survey Meeting, National Sorghum Producers Meeting, the National Association of Counties, Southwest Learning and Listening Tour, National Association of Development Associations, Chesapeake Bay Listening Session, Fifth Annual USDA/Community-Based Organization Partners Meeting, the Hispanic-Serving Agricultural Colleges and Universities.

USDA employees continue to work hard to implement all the provisions of the farm bill in an efficient and expeditious manner. Producers and consumers should be confident that USDA has laid the foundation for the next Administration to continue this success.

During Secretary Ed Schafer's tenure, the following key farm bill accomplishments in implementing the law have been achieved:

Farm Programs/Commodities:

Fiscal Year 2008 Accomplishments:

- Issued multiple *Federal Register* Notices announcing program parameters for marketing assistance loans, loan deficiency payments, and direct and counter-cyclical payment (DCP) programs for the 2008 crop.

- Began crop year 2008 DCP signup on June 25, 2008 (one week after enactment) and ended September 30, 2008. The sign up for farms with 10 base acres or less ended November 26, 2008 following the legislative change enacted in October. USDA enrolled 1.8 million DCP contracts for 2008 and issued \$5.1 billion in direct payments.
- Issued a *Federal Register* Notice on July 14, 2008, providing 2008 payment limitation, payment eligibility and average adjusted gross income limitation provisions for Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) programs.
- Published regulations on August 20, 2008 implementing Federal milk marketing agreements and orders provisions.
- Published regulations on August 21, 2008 implementing the fruit, vegetable, and nut marketing agreements and orders provisions.

Fiscal year 2009 Accomplishments:

- Implemented the 2008-2012 Cotton Marketing Assistance Loans and Economic Adjustment Assistance for Domestic Users of Upland Cotton on November 5, 2008.
- Implemented the Milk Income Loss Contract Program (MILC) provisions on December 4, 2008.
- Implemented Payment Limitation and Payment Eligibility provisions for FSA and NRCS programs for the 2009-2012 crop or fiscal years on December 29, 2008.
- Implemented the 2009-2012 DCP and Average Crop Revenue Election (ACRE) Program on December 29, 2008. Signup for 2009 DCP is underway and will continue through June 1, 2009, advance payments are currently being issued.
- Announced initial parameters for the Fiscal Year 2009 sugar program. Established the Fiscal Year 2009 overall allotment quantity at 8,925,000 short tons, raw value, which is 85 percent of the estimated FY 2009 domestic human sugar consumption.
- Implemented the Dairy Forward Pricing Program on October 31, 2008.
- Conducted National Training in October 2008, for over 400 FSA field staff covering major program changes in 2008 Farm Bill.

Conservation Programs:

- Made available additional Farm Bill funding for conservations programs in FY 2008, including an additional \$200 million for the Environmental Quality Incentives Program (EQIP), to help farmers and ranchers nationwide to solve natural resource problems; \$150 million for the Wetlands Reserve Program (WRP); and \$7.5 million for Agricultural Management Assistance (AMA).

- Made available more than \$4 billion for conservation program funding in FY 2009, including \$1.8 billion for the Conservation Reserve Program (CRP), \$1 billion for the EQIP, \$570 million for the WRP, \$100 million for the Farm and Ranchland Protection Program (FRPP), and \$74 million for the Wildlife Habitat Incentives Program (WHIP).
- Published 8 program regulations between November 2008 and January 2009 for the implementation of CRP, EQIP, WRP, FRPP, WHIP, AMA, the Healthy Forest Reserve Program (HFRP), and the Grassland Reserve Program (GRP). These regulations were necessary before financial awards and payments could be made through the various conservation programs.
- Published 3 other regulations for State Technical Committees, Technical Service Providers, and the Regional Equity provisions of the 2008 Farm Bill. These regulations directly affect the operation, management, and support of the major conservation programs.
- Announced the availability of funding for the Chesapeake Bay Watershed Initiative, which will be operated under the EQIP program. The Notice of Funding Availability, published in the Federal Register during January 2009, announces approximately \$23 million has been set aside to help agricultural producers improve the environment in the targeted Chesapeake Bay Watershed.
- Published requests for proposals during January 2009 for the Agricultural Water Enhancement Program (AWEP) and the Conservation Cooperative Partnership Initiative (CCPI). Approximately \$58 million will be available for AWEP contracts in 2009. Also part of the EQIP program, the goal of AWEP is to promote ground and surface water conservation and water quality improvement. CCPI will operate through EQIP, WHIP and the Conservation Stewardship Program and can be funded by up to 6 percent of the funds or acres for these three programs.

Rural Development:

- Made available \$547 million for 232 projects to provide clean, safe drinking water in rural America — the majority of that funding from the Farm Bill. In addition, Rural Development implemented a Farm Bill provision that reduced the interest rate on loans for such projects.

Nutrition Programs:

- The Farm Bill renamed the Food Stamp Program, as the Supplemental Nutrition Assistance Program, or SNAP, effective October 1, 2008. The Food and Nutrition Service (FNS) worked hard to implement the name change and raise awareness among States, partners, retailers, current and potential clients, as well as USDA employees.
- A number of important improvements to SNAP took effect that same day, including an increase in the minimum benefit and standard deduction, elimination of retirement and education savings accounts counting as offsetting income resources, combat pay as income when determining eligibility and application of full cost associated with child care costs. To ensure that program clients received the full benefit of these changes, USDA held conference

calls with State SNAP agencies, shared information on the new law, and posted questions and answers. All States implemented the mandatory provisions on October 1.

- FNS published a final rule on December 30, 2008 that implemented changes to SNAP retailer policies to require stores that have been disqualified or penalized for more than 6 months to furnish a collateral bond or irrevocable letter of credit to cover the value of benefits that the store may redeem in violation of the Act. The provisions will become effective March 2, 2009.
- Information about and support for changes in other nutrition programs, including the Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program, the Food Distribution Program on Indian Reservations, the Fresh Fruit and Vegetable Program, and the Senior Farmer's Market Nutrition Program were provided in advance to program partners and stakeholders to ensure prompt and complete implementation.
- Substantial funding increases for nutrition programs were made available soon after the new law was enacted, including:
 - A total of \$390 million in fruits and vegetables were purchased in 2008 for distribution through domestic feeding programs; \$393 million is planned for 2009.
 - \$40 million for the Fresh Fruit and Vegetable Program for School Year (SY) 2008/2009 was provided to increase the consumption of fresh fruits and vegetables by elementary school children.
 - A total of \$21 million was provided in grants to 49 State agencies and tribal organizations for the Senior Farmers' Market Nutrition Program for 2008.
 - An additional \$50 million was provided for TEFAP for 2008, bringing total distributions to \$190 million.

Research and Marketing:

- A final rule for country of origin labeling has been cleared for publication, under which retailers are required to notify their customers of the country of origin for covered commodities, including muscle cuts of beef (including veal), lamb, chicken, goat, and pork; specified ground meat; wild and farm-raised fish and shellfish; perishable agricultural commodities; macadamia nuts; pecans; ginseng; and peanuts.
- Laid the groundwork for development of the National Clean Plant Network to establish a network of clean plant centers for diagnostic and pathogen elimination services to produce clean propagative plant material and maintain blocks of pathogen-tested plant material in sites located throughout the United States.
- Published proposed regulations intended to help prevent unauthorized release of genetically engineered material while providing greater flexibility to biotechnology companies and

universities. Extensive outreach, including three public meetings across the country, was conducted to solicit public input on the proposal.

- USDA has moved very quickly to implement the Specialty Crop Research Initiative for 2008. The Cooperative State Research, Education, and Extension Service (CSREES) completed the review of applications and awarded nearly \$28 million for FY 2008. Applicants who failed to receive funding during this initial solicitation will have another opportunity early in FY 2009 when additional applications will be sought. The request for applications for 2009 will be announced shortly.
- The following funding was made available in support of specialty crops in 2008:
 - \$10 million for the Specialty Crop Block Grant Program;
 - \$22 million for the Organic Cost-Share Program (no year);
 - \$3.4 million for Farmers Market Promotion Program;
 - \$3.5 million to enhance market news reporting for organic products; and
 - \$1.5 million for Agricultural Management Assistance to aid in the transition to organic agriculture.
- Laid the groundwork for the establishment of the National Institute of Food and Agriculture (Institute) which will help ensure transparency and accountability and enhance the status of food and agricultural science. USDA published a *Federal Register* Notice on January 2, 2009, requesting written stakeholder input on the establishment of the Institute. This stakeholder input will be valuable in assisting the next Administration in strengthening the research capacity of the Department.

Energy:

- USDA published a Notice of Funding Availability for the Biorefinery Assistance Program on November 19, 2008. This action invited applications for \$75 million in mandatory budget authority that has been provided in 2009. At the same time, USDA published an Advanced Notice of Proposed Rulemaking to solicit public input for establishing regulations for the program.

Credit Programs:

- Changes to loan limits for direct loans were implemented within days of enactment of the Farm Bill through a notice to the FSA field staff. The first loan to use the higher loan limits was written within just a few days.

Crop Insurance:

- Implemented all mandatory 2009 Standard Reinsurance Agreement amendments prior to July 1, 2008, less than 2 weeks after enactment.

- Published regulations on June 27, 2008 (9 days after enactment), increasing the Catastrophic (CAT) coverage administrative fee from \$100 to \$300.
- Implemented changes to Enterprise and Whole Farm Units. Spring planted crops have been updated through the Actuarial documents for the 2009 crop year. Fall planted crops will be changed with the 2010 Actuarial documents.
- Implemented the reduction of premium subsidy for area plans of insurance through the 2009 crop year actuarial documents.
- Implemented provisions pertaining to Malting Barley quality provisions through the 2009 crop year actuarial documents.
- Announced new procedures to provide advance payments for the development of private sector crop insurance proposals.

Other Farm Bill Activities:

- CSREES issued Requests for Applications (RFA) for the Hispanic Serving Agricultural Colleges and Universities, (RFA closes on January 30, 2009) and for the Socially Disadvantaged Farmers and Ranchers Program (RFA closed on December 12, 2008.)
- The Forest Service issued directions to their regions on how to implement the economic relief to timber sale purchases required under the Qualified Timber Contract Options provisions of the Farm Bill. Currently, purchasers for over 450 timber sales on National Forest System lands have requested a rate re-determination or cancellation and nearly 400 sales are requesting Market Related Contract Term Adjustment provisions pursuant to the Qualified Timber Contract Options provisions of the Farm Bill.
- USDA announced its plan to create an Office of Ecosystems Services and Markets and the establishment of a Federal Conservation and Land Management Environmental Services Board to fulfill the Environmental Services Markets of the Farm Bill. This office and the Federal board will assist the Secretary in the development of new technical guidelines and science-based methods to assess environmental service benefits which will in turn promote markets for ecosystem services including carbon trading to mitigate climate change.