

## **Summary: Farms, Food, and Jobs Act of 2012**

As the senior member of the Senate Agriculture, Nutrition and Forestry Committee, Senator Leahy has fought hard to make sure that issues important to Vermont are included in the Agriculture Committee's 2012 Farm Bill. The Farms, Food, and Jobs Act of 2012 that was reported out of the Senate Agriculture Committee on a bipartisan vote has many positive attributes: it supports initiatives that help farmers, ranchers and small business owners; helps create American jobs that will jumpstart our economy, consolidates and streamlines a number of agricultural programs to save taxpayers' money, and advances anti-hunger and environmental policies that are important to all Vermonters as well as the entire country. Senator Leahy is committed to continuing to improve and strengthen the bill passed out of Committee on April 26<sup>th</sup> as it moves ahead to a full Senate debate on the floor and eventually conference with the House of Representatives. Some highlights from the Farms, Food, and Jobs Act of 2012 include:

### **Dairy**

Vermont dairy farmers are very excited to see the Farms, Food, and Jobs Act of 2012 include new dairy reform measures that will replace the flawed MILC safety net. The new approach, endorsed by major dairy producers and farmer owned cooperatives in Vermont and across the country represents consensus in the dairy industry for reform that will help producers, consumers, and processors alike.

This reform has two key parts. First, it gives dairy farmers the opportunity to buy margin insurance that would provide a protection to their bottom line between their cost of producing milk -- based on feed prices -- and what they are paid. If either the price drops or their costs rise significantly, then the insurance program would kick in to offer them the difference between their costs and their income. Under the Farms, Food, and Jobs Act of 2012, dairy farmers would be allowed to choose the margin level that they want to insure at and they could then pay a premium for the level they choose to insure. This insurance program will give farmers more choices, while providing a safety net that is stronger than the current MILC program, and at less cost to the federal government.

This reform package also includes the Dairy Market Stabilization Program for those farmers that choose to participate in the margin program would also participate in a program aimed at stabilizing the volatile price of milk nationally, helping to end this rollercoaster that has long punished dairy farmers. A board of dairy producers and USDA would track milk supply closely, and they would send price signals to farmers if overproduction becomes a problem, to slow up growth in supply until demand can catch up. This Stabilization Program is designed to trigger in quickly, and trigger out quickly, to allow it to be growth-oriented.

The current price rollercoaster for milk has been devastating for Vermont farmers, making it impossible for them to plan their businesses. This has also hurt consumers and processors. The new dairy reform package provides superior protection at less cost to the federal government. The program also helps Vermont's smaller dairy farmers by offering a lower insurance premium for their first 4 million pounds of milk, equivalent to approximately a 200 cow farm. A key

element of this new program is a “market management” provision that will work to end the extreme dairy market price roller coaster that we have experienced in recent years when supply and demand have gotten so out of synch.

## **Nutrition**

The bill the Agriculture Committee passed makes important improvements and offers continued support for critical anti-hunger programs such as the Supplemental Nutrition Assistance Program and the Emergency Food Assistance Program. Ensuring these programs can continue to serve Vermonters and all Americans in need is a key part to enacting a strong Farm Bill for this country. As more and more Vermonters and Americans are struggling to make ends meet, supporting programs that help keep food pantries stocked and help families put food on the table is essential. This bill includes over \$100 million in extra resources for the Emergency Food Assistance Program, which supports food distribution to our nation’s food banks helping those most hungry in our communities. The bill also places a greater emphasis on healthy foods, and helping those on the Supplemental Nutrition Assistance Program (SNAP), or 3SquaresVT, have more choices. An amendment authored by Senator Leahy will help SNAP beneficiaries purchase Community Supported Agriculture (CSA) shares with their benefit dollars so they can choose healthy, local foods straight from farms.

In addition, the bill includes the Healthy Food Financing Initiative, which will help improve access to healthy foods in underserved areas, restores cuts to funding for education and training programs for SNAP participants, funding to support and expand community food projects, and grant funding to help retailers serving SNAP recipients modernize their technology, including online food delivery options.

## **Conservation**

Agricultural water quality impacts are a major concern in Vermont and a large focus of the Senator’s work on Lake Champlain. The Environmental Quality Incentives Program (EQIP), will continue to address water quality issues, among other conservation issues, by providing financial and technical help on agricultural land.

The Farms, Food, and Jobs Act of 2012 includes an important Sodsaver measure that will limit the federal incentives for converting native grasslands to crop production. The country’s grasslands are incredibly productive from a fish and wildlife standpoint, and this sensible Sodsaver provision will help to ensure that grassland ecosystems remain intact and functional. The sodsaver language in the Farm Bill will ensure that taxpayer funds will not be used to promote the loss of valuable native grasslands and farmers will maintain their ability to manage their lands however they see fit.

The bill also includes Senator Leahy’s important Regional Equity provision that he first authored in the 2002 Farm Bill and continues to ensure an equitable distribution of USDA’s conservation programs to small states like Vermont that may otherwise be left out.

## **Organics**

Senator Leahy was instrumental in finding a way to provide mandatory funding for the National Organic Certification Cost-Share Program. This program has proven highly effective at helping organic producers with the rising costs of certifying their organic operations. The Farms, Food, and Jobs Act of 2012 funds the National Organic Certification Cost-Share Program at \$11.5 million in mandatory funding annually. The bill allows the Secretary to run one single national program for cost-share and streamline their current work for certification across the country.

The Organic Production and Market Data Initiatives program received \$5 million in mandatory funding in the Farms, Food, and Jobs Act of 2012 and an authorization for an additional appropriation of \$5 million per fiscal year. The Bill includes a new reporting requirement that requires the USDA to detail how data collection agencies are coordinating with data user agencies on issues such as the development of organic price elections.

The Farms, Food, and Jobs Act of 2012 includes \$5 million in mandatory funding for technology upgrades and improvements for the National Organic Program. These funds will be well-used and will help to usher the National Organic Program into the 21<sup>st</sup> Century as the United States expands its organic exports as well as imports.

## **Local Food / Rural Development**

The Farmers Market Promotional Program, renamed the Farmers Market and Local Food Promotion Program, received \$20 million in mandatory funding each year and a new authorization for work on food hubs and local farm to plate initiatives like the ones thriving in Vermont . With more and more American's heading to their local Farmers Market to buy healthy and local food, this funding is sorely needed.

Funding for the Community Food Project surged \$5 million a year for the next 5 years. This will allow the program to continue its fight against food insecurity by developing even more community food projects to promote self-sufficiency in low-income communities.

The Farms, Food, and Jobs Act of 2012 clarified the definition of the term "rural," ending years of confusion and bringing about greater consistency in USDA programs. Importantly, the Farm Bill includes language allowing a city or town to appeal the USDA's "rural" determination and requires the USDA consider such factors as population density, economic conditions, commuting patterns, community development, and economic development impacts.

The manager's amendment for the Farm Bill included an amendment offered by Senator Leahy to reauthorize the Rural Economic Area Partnership Zones, referred to as REAP Zones, that have been highly successful in Vermont other rural states. The Senator's amendment will not only ensure the continuation of the existing REAP Zones but also creates a competitive process for determining additional REAP Zones. His amendment will require the Secretary to use an open, competitive process and give priority to rural areas with excessive unemployment, underemployment, a high percentage of low income residents, or outmigration. This reauthorization will help our struggling rural communities regain economic vitality.

The Farms, Food, and Jobs Act of 2012 will help family farmers by making it easier to sell their products locally and increasing support for farmers' markets. The Healthy Food Financing Initiative in the bill will support efforts to provide access to healthy food by establishing an initiative to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities. Even rural states like Vermont have so-called "food deserts" that this initiative will seek to put an end to while improving the quality and nutritional content of school lunches, and spur growth in our rural communities.

## **Foreign Aid**

The Local and Regional Procurement Project, authorized as a pilot program under the 2008 Farm Bill, helps to enhance U.S. foreign assistance efforts by locally sourcing procurement of food aid. The Local and Regional Procurement work from the 2008 Farm Bill is included in the Farms, Food, and Jobs Act of 2012 to allow this important work to continue into the future. As global food insecurity and the number of undernourished people continue to rise, the Farm Bill's international food aid programs provide even more critical, life-saving support that will be strengthened through the reforms to improve effectiveness and efficiency in this bill. Emergency relief and development programs supported through this bill will help to make a difference in the lives of people in need around the globe.

## **Protecting Vermont's Farmers**

The manager's amendment for the Farms, Food, and Jobs Act of 2012 also includes Senator Leahy's amendment that will patch the hole in the safety-net for our farmers that do not have crop insurance or other traditional commodity programs. For those farmer that are producing non-insurable crops, often fruits and vegetables, the level of risk protection they are provided with the current Non-Insured Crop Disaster Assistance Program, also referred to as NAP, only protects them from losses that could put them out of business as we saw after Hurricane Irene. Senator Leahy's NAP Buy up amendment will allow the program to continue to offer the catastrophic level of coverage under NAP, but also give producers the opportunity to elect higher coverage levels, which they would pay a premium for based upon the value of their production

The draft farm bill directs USDA to create a Whole Farm Diversified Risk Management Insurance product for diversified operations, including specialty crops and mixed grain/livestock and dairy operations finally beginning to offer Vermont's diversified specialty crop and the same protection as other traditional commodity crops!

## **Protecting and Supporting Vermont's Forests**

There are many significant improvements in the Farm Bill that will help to keep America's forests healthy and productive for years to come. For example, Senator Leahy fought hard to protect two programs that are dear to Vermonter's hearts: the Forest Legacy Program, which he helped create in the 1990 Farm Bill, and the Community Forest and Open Space Program that was created in the 2008 Farm Bill. Vermont has historically benefitted from both of these

programs and Senator Leahy was determined that they receive the support they need in order to continue their important work.

The Forest Legacy Program is a powerful tool to permanently conserve treasured working forest lands and he was able to make sure Legacy and the new Community Forest program received an appropriate funding authorization level.

The bill also includes an important change in the Biobased Markets Program that will increase demand for forest products, which in turn helps family forest owners keep their forests as forests. Vermont's forestland owners know that healthy forests need healthy markets. Improving markets for wood products help Vermont families continue to invest in forest management. The bill also creates new opportunities to improve working forests, removing artificial limits to forest owners' ability to access Farm Bill tools and implement conservation practices on their land.