

# MISSISSIPPI HIGHLIGHTS

## **The Agricultural Act of 2014 reduces the deficit by \$23 billion dollars at the same time it:**

- Reforms SNAP payments and saves \$8 billion in a responsible manner
- Invests over \$1 billion dollars into agricultural research and extension
- Invests almost \$900 million into bioenergy and forestry programs
- Provides \$261 million to help beginning farmers and rancher participate in risk management programs such as crop insurance
- Provides \$40 million to develop margin crop insurance for rice and similar crops
- Funds the cotton STAX program at over \$3 billion and peanut revenue insurance at over \$100 million.

## **Commodity Programs:**

- **Producer Choice:** Allows producers of all crops in all regions to choose the counter-cyclical program that is best suited to manage their risks.
  - **Price protection:** Price Loss Coverage (PLC) is a risk management tool that addresses deep, multiple-year price declines and complements federal crop insurance. PLC uses an index of below cost-of-production prices to establish a market-oriented risk management tool for producers. Limits budget exposure by only addressing deep, multiple-year price losses.
  - **Revenue protection:** Agriculture Risk Coverage (ARC) is a risk management tool that addresses revenue losses. ARC is triggered when crop revenue (price x yield) drops below a specified percentage of historical or "benchmark" revenue. ARC requires a producer to experience at least a 14 percent loss relative to historic average revenue. To contain costs, support is limited to just 10 percent of historic revenue.
- **Base Acre Reallocation:** Allows producers to retain or reallocate their base acres to ensure that risk management tools are relevant to the crops actually being grown on the farm.
- **Generic Base Acres:** Provides owners of farms who currently have cotton base acres with the flexibility to follow market signals in planting decisions and still qualify for commodity programs.
- **Reference Prices:** Designed to accurately reflect market signals in recent history and ensure a price-based risk management tool for producers.
- **Limits:** Like current law, ensures that the actively engaged rules for those qualifying for assistance do not mandate physical labor. Limits payments to \$125,000—a limit for combined payments under ARC, PLC and the marketing loan program—a level that is responsible but will provide meaningful assistance in the event of a significant loss. Sets overall limit of \$900,000 on adjusted gross income to qualify for farm programs.

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## Conservation:

- **Conservation Reserve Program (CRP):** Provides \$10 million for incentive payments to conduct practices that would promote forest management, enhance overall health of tree stands, improve the condition of resources, or provide valuable habitat for wildlife.
- **Environmental Quality Incentives Program (EQIP)**
  - Increases funding to provide \$1.75 billion per year.
  - Maintains funding targets for livestock production and wildlife habitat.
  - Consolidates the Wildlife Habitat Incentive Program (WHIP) authority into EQIP to help farmers and ranchers improve wildlife habitat on working lands.
- **Agricultural Conservation Easement Program (ACEP)**
  - Consolidates the easement program authorities for the Wetlands Reserve Program (WRP), Grassland Reserve Program (GRP) and the Farmland Protection Program (FPP) into a single program funded at \$1 billion per year.
  - Reduces land ownership requirements for wetland easements from seven to two years.
  - Removes wetlands with certain land class capabilities from being counted against statutory county cap limitations.
- **Regional Conservation Partnership Program (RCP)**
  - Establishes a new program to implement conservation projects on a regional or watershed scale through partnership agreements or direct producer contracts.
  - Allows the Secretary to establish critical conservation areas to target funding for watersheds with significant natural resource concerns. This approach continues regional partnerships that have been useful in the Mississippi River Basin and Gulf of Mexico.
  - Allows the Healthy Forests Reserve Program to be conducted on a regional and landscape scale providing safe harbor to producers who maintain habitat for endangered species.
- **Emergency Watershed Protection Program:** Provides authority for the termination or modification of floodplain easements.

## Trade:

- Reauthorizes trade-related programs, such as the Market Access Program, to help increase exports of American agriculture products. Mississippi exported \$1.3 billion of agriculture products in 2012, and these programs will help producers continue to reach new customers overseas.

## Nutrition:

- Increases funding for food banks and hunger relief organizations (church pantries, food cupboards, etc.) by \$200 million. Mississippi received over \$4 million in The Emergency Food Assistance Program funding in FY 2013, in addition to federal food donations through this program.

## Credit:

- Reauthorizes farm loan programs providing Mississippi farmers and ranchers access to credit to own and operate farms and ranches. It also offers beginning farmers and ranchers training and access to capital.

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## **Rural Development:**

- Reauthorizes Water, Waste Disposal and Wastewater Facility grants and loans, and includes \$150 million in mandatory funds to reduce the backlog of pending applications.
- Extends and expands eligibility for participation in USDA's Rural Housing programs. If communities have qualified for participation in these programs in recent decades, the bill allows these communities to remain eligible until data from the 2020 census is received. Additionally, the population cap for participation in these programs has been raised from 25,000 to 35,000.

## **Research:**

- Reauthorizes the primary research, education and extension authorities at USDA, including authorities for the Agriculture Research Service (ARS) and the Land Grant University formula funds (Hatch Act, Smith-Lever, and McIntire-Stennis).
- Authorizes a new Forestry Products Advanced Utilization Research program to address emerging issues affecting the forestry sector.

## **Forestry:**

- Provides permanent authority to the Forest Service for Stewardship-End Result Contracting projects.
- Reauthorizes the primary State and Cooperative Forestry programs that benefit State and private forest land in Mississippi and the Southeast.
- Includes a provision that clarifies forest roads are not point sources and are not subject to permit requirements under the Clean Water Act.

## **Energy:**

- Includes \$880 million in mandatory funding for renewable energy programs.
- Clarifies that forest products are included in the Biobased Markets Program.

## **Specialty Crops:**

- Enhances the Farmers Market Promotion program to increase efficiency and ensure that food businesses, including those in Mississippi, receive the funding originally intended for by the program.
- Calls for review of service to local and regional agriculture systems, including the direct and indirect costs of federal regulation and other barriers to businesses.
- Addresses regulatory issues at EPA, including provisions to minimize duplicative regulation of imported seeds, allow use of sulfuranyl fluoride, and enhance coordination of pesticide registrations.

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## Crop Insurance:

- **Stacked income protection for producers of upland cotton (STAX) and the Supplemental Coverage Option (SCO):** Creates STAX, a new program for cotton producers, which indemnifies losses in county revenue of greater than 10% of expected revenue. Also creates the SCO which allows producers of all other crops to purchase an area-wide group-risk policy, designed to address a portion of losses not covered by individual crop insurance policies.
- **Transition assistance for producers of upland cotton:** Provides transition assistance for the 2014 crop year to upland cotton producers and for the 2015 crop year in counties where STAX is not available for that crop year.
- **Catfish Margin Insurance:** Directs the Federal Crop Insurance Corporation (FCIC) to conduct research and development on a crop insurance policy for catfish producers.
- **Peanut Revenue Insurance:** Requires FCIC to make available insurance for peanut producers.
- **Beginning Farmer and Ranchers:** Provides beginning farmers and ranchers with a 10 percentage point crop insurance premium reduction. Also allows for improved production histories where natural disasters have depressed current Actual Production History (APH) yields.
- **Expands Risk Management for Specialty Crops and Underserved Commodities:** Provides authority for the development of improved risk management tools for underserved crops and regions.
- **Improved Actual Production History in the Event of Multiple Year Disasters:** Addresses problems with declining APHs by allowing yield adjustments when losses are widespread and beyond the control of producers.
- **Program Integrity:** Requires that the Farm Service Agency and the Risk Management Agency share information and encourages correction of errors in order to ensure accuracy of reported information.

## Other Highlights:

- Directs USDA to continue implementation of the Catfish Inspection Program. This program requires all producers and processors of catfish, at home and abroad, to abide by the same food safety standards, and it will ensure that American consumers have access to safe, farm-raised catfish.
- Contains important provisions for animal agriculture including authorization of the National Animal Health Laboratory Network and the National Poultry Improvement Program. Also authorizes important tools to help livestock producers manage risks, including the Livestock Indemnity Program, Livestock Forage Disaster Program, and Emergency Assistance for Livestock producers.
- Includes a one year extension of Payment In Lieu of Taxes (PILT) to local governments that help offset losses in property taxes due to non-taxable Federal lands within their boundaries. In recent history, Mississippi has received more than \$1.5 million in PILT funding annually.