

# Farm Security and Rural Investment Act of 2002

## 2002 Farm Bill Titles

### Title I: Commodities

Marketing Loan Assistance – Direct Payments – Counter Cyclical Payments

### Title II: Conservation

CRP – GRP – EQIP – CSP – WRP – FPP - WHIP

### Title III: Trade

Market Access Program – Foreign Market Development – Food for Progress

### Title IV: Nutrition Programs

Food Stamps – Commodity Distribution – Child Nutrition

### Title V: Credit

Farm Ownership Loans – Operating Loans – Emergency Loans – Farm Credit

### Title VI: Rural Development

Value-Added Market Grants – Broadband Services – Rural Business Investment

### Title VII: Research

Extension – Farmer and Rancher Development

### Title VIII: Forestry

Cooperative Forestry Assistance Act

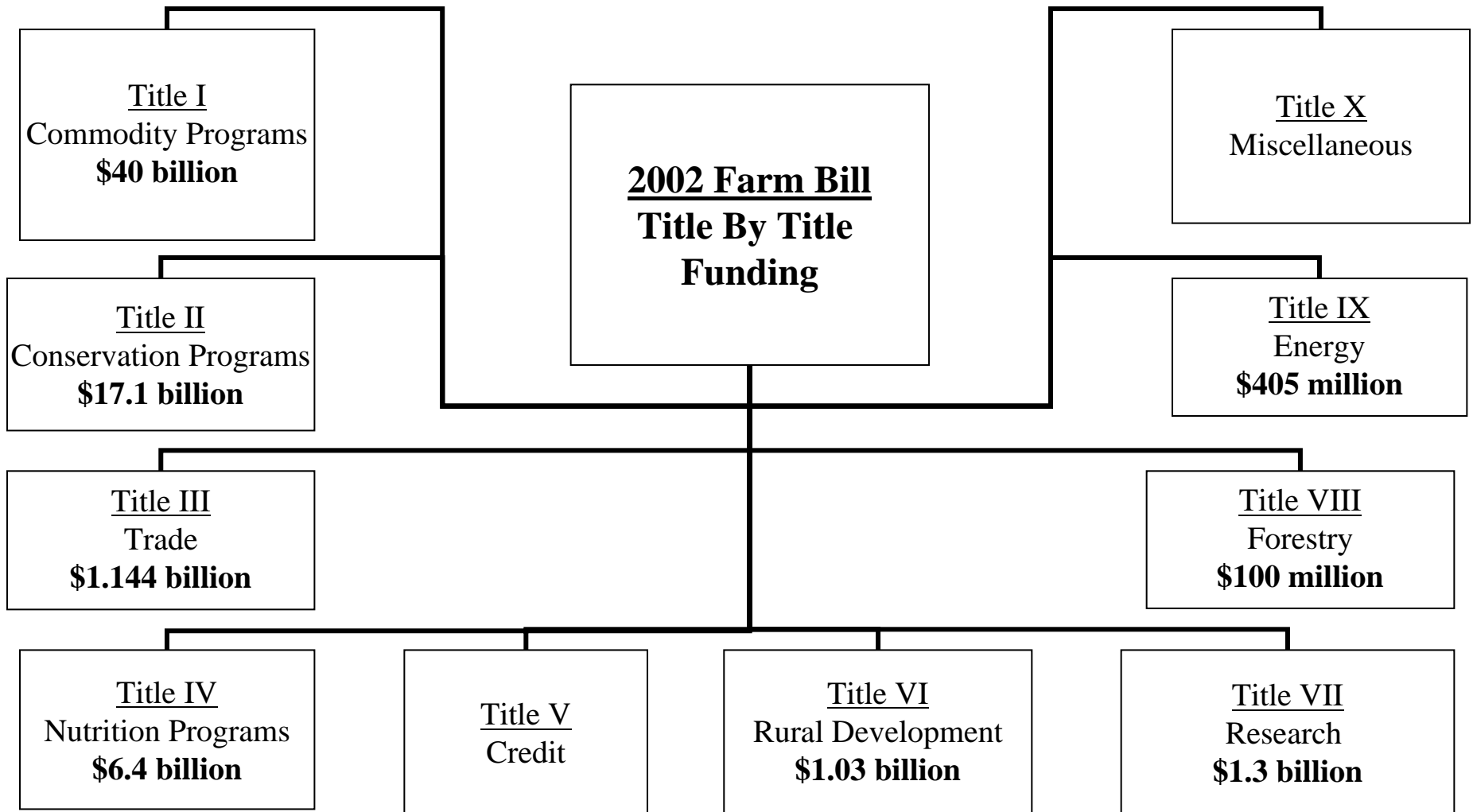
### Title IX: Energy

CCC – Biofuel Purchasing Preference – Biofuel Education – Biomass Research

### Title X: Miscellaneous

COOL – Animal Welfare – Disaster Assistance – Animal Health Protection

# 2002 Farm Bill Authorizations



## *Title I - Commodities*

|                     | Loan Rate |           | Payment Target | Direct Price |           |
|---------------------|-----------|-----------|----------------|--------------|-----------|
|                     | 2002-2003 | 2004-2007 | 2002-2007      | 2002-2003    | 2004-2007 |
| Corn (bu)           | \$1.98    | \$1.95    | \$0.28         | \$2.60       | \$2.63    |
| Sorghum (bu)        | \$1.98    | \$1.95    | \$0.35         | \$2.54       | \$2.57    |
| Barley (bu)         | \$1.88    | \$1.85    | \$0.24         | \$2.21       | \$2.24    |
| Oats (bu)           | \$1.35    | \$1.33    | \$0.024        | \$1.40       | \$1.44    |
| Wheat (bu)          | \$2.80    | \$2.75    | \$0.52         | \$3.86       | \$3.92    |
| Soybeans (bu)       | \$5.00    | \$5.00    | \$0.44         | \$5.80       | \$5.80    |
| Minor Oilseeds (lb) | \$0.096   | \$0.093   | \$0.008        | \$0.098      | \$0.101   |
| Cotton (lb)         | \$0.52    | \$0.52    | \$0.0667       | \$0.724      | \$0.724   |
| Rice (cwt)          | \$6.50    | \$6.50    | \$2.35         | \$10.50      | \$10.50   |

- Three- Piece Safety Net
  - *Marketing Loan Assistance*: Extension of previous marketing loans, with increased loan rates for all crops except soybeans
  - *Direct Decoupled Payments*
  - *Counter-Cyclical Payments*: Government payments made to producers when the market price falls below an established “target price”
- New Payment Limits:
  - Direct Payment Limit: \$40,000
  - Counter-Cyclical Payment Limit: \$65,000
  - Loan Deficiency Payment Limit: \$75,000

## *Title II - Conservation*

| <b>Program</b>                                  | <b>Notes</b>  | <b>\$\$ Authorized</b> |
|---|---|------------------------|
| Conservation Reserve Program (CRP)              | Increased acreage cap from 36.4 to 39.2 million acres.<br>Expanded wetlands pilot to 1 million acres with all states eligible | \$1.517 billion        |
| Wetlands Reserve Program (WRP)                  | Increased acreage cap to 2.275 million acres  | \$1.5 billion          |
| Grasslands Reserve Program (GRP)                | Started this program for up to 2 million acres of virgin and improved crop land   | \$254 million          |
| Farmland Protection Program (FPP)               | Increased funding by 20 times over 1996 allocation  | \$985 million          |
| Wildlife Habitat Incentives Program (WHIP)      | 10 fold increase over the amount committed to this program since the previous farm bill                                       | \$700 million          |
| Environmental Quality Incentives Program (EQIP) | Funds split 60/40 between livestock and crop producers  | \$9 billion            |
| Water Conservation Program                      | Provides cost-share incentives and assistance for efforts to conserve ground and surface water                                | \$600 million          |
| Conservation Security Program (CSP)             | New incentive program aimed at maintaining and increasing farm and ranch stewardship practices                                | \$2 billion            |
| Small Watershed Rehabilitation Program          | Funding for the rehabilitation of aging small watershed impoundments  | \$275 million          |
| Underserved States                              | Continuation of the Agricultural Risk Protection Act of 2000  | \$50 million           |
| Desert Terminal Lakes                           | Funds to help conserve desert terminal lakes.   | \$200 million          |
|   |   | <b>\$17.1 Billion</b>  |

### *Title III - Trade*

| Program   | Notes   | Authorized           | \$\$ Spent             |                        |                        |                        |
|---|---|----------------------|------------------------|------------------------|------------------------|------------------------|
| Market Access Program (MAP)                         | Uses funds from the USDA's Commodity Credit Corporation to aid in the creation, expansion, and maintenance of foreign markets for U.S. agricultural products. | \$650 million        | <u>2003</u><br>\$110m  | <u>2004</u><br>\$125m  | <u>2005</u><br>\$140m  | <u>2006</u><br>\$200m  |
| Technical Assistance for Specialty Crops (TASC)     | Assistance to address barriers that restrict U.S. specialty crop exports  | \$19 million         |                        |                        |                        |                        |
| Foreign Market Development Cooperator Program (FMD) | Increases program spending from \$27.5 to \$35 million/year   |                      | <u>2003</u><br>\$34.5m | <u>2004</u><br>\$34.5m | <u>2005</u><br>\$34.5m | <u>2006</u><br>\$34.5m |
| Food for Progress                                   | Provides commodities to developing countries and emerging democracies committed to introducing and expanding free enterprise in the agricultural sector.      | \$308 million        |                        |                        |                        |                        |
| Global Food for Education Initiative                | Continues the pilot program into FY 2003  | \$100 million        |                        |                        |                        |                        |
|   |   | <b>\$1.1 billion</b> |                        |                        |                        |                        |

## ***Title IV - Nutrition***

### *Subtitles:*

- Food Stamp Program
  - Continued to authorize funding via the Food Stamp Act.
- Commodity Distribution
  - Emergency Food Assistance (Addition of \$40 million per year to TEFAP)
- Child Nutrition and Related Programs
  - Commodities for school lunch program (\$100 million)
- Miscellaneous
  - Partial restoration of benefits to legal immigrants.
  - Restoration of benefits to disabled legal immigrants and all qualified alien children.

## ***Title V - Credit***

### *Subtitles:*

- Farm Ownership Loans
- Operating Loans
- Emergency Loans
- Administrative Provisions
- Farm Credit
- General Provisions

## *Title VI – Rural Development*

| <b>Program</b>   | <b>Notes</b>  | <b>\$\$ Authorized</b> | <b>\$\$ Spent</b>             |                               |                             |
|--|---|------------------------|-------------------------------|-------------------------------|-----------------------------|
| Rural Local Television Broadcast Signal Loan Guarantees  | Funding for under served areas to access local television   | \$80 million           |                               |                               |                             |
| Broadband Service in Rural Areas                         | Funding for rural internet improvement  | \$100 million          |                               |                               |                             |
| Value-Added Agricultural Market Development Grants       | Grants to assist producer owned value-added businesses  | \$240 million          | <u>2006</u><br>\$20.5<br>mil. | <u>2005</u><br>\$15.5<br>mil. | <u>2004</u><br>\$15<br>mil. |
| Rural Strategic Investment Program                       | Creates regional investment boards that may receive up to \$3 million for economic development                  | \$100 million          |                               |                               |                             |
| Rural Business Investment Program                        | \$280 million in guarantees for rural business investment companies to provide equity investment for businesses | \$100 million          |                               |                               |                             |
| Funding for Rural Development Backlogs Program           | Funds backlogged applications for water and wastewater programs   | \$360 million          |                               |                               |                             |
| Rural Firefighters and Emergency Personnel Grant Program | Funding for training  | \$50 million           |                               |                               |                             |
|  |   | <b>\$1.03 billion</b>  |                               |                               |                             |

## *Title VII - Research*

### *Subtitles:*

- Extension of previously established programs
  - Continuing animal health and disease research programs
  - University research and extension services
- Modification to previously established programs
  - Increased funding for the Initiative for Future Agriculture and Food Systems by increasing program level spending to \$200 million/year in FY 2006
- Repeal of certain activities and authorities
- New Authorities
  - Farmer and rancher development program
    - Program administered under the direction of the Secretary of Agriculture aimed at providing training, education, outreach, and technical assistance to initiatives for farmers or ranchers who have operated a farm or ranch for less than 10 years
- Miscellaneous

## *Title VIII - Forestry*

### *Subtitles:*

- Cooperative Forestry Assistance Act of 1978
  - Repeal of forestry incentives program and stewardship incentive program
  - Enhanced community fire protection
- Amendments to Other Laws
- Miscellaneous Provisions

## *Title IX - Energy*

| <b>Program</b>   | <b>Notes</b>  | <b>\$\$ Authorized</b> |
|--|---|------------------------|
| CCC Bioenergy Program                                    | Payments to bioenergy producers who purchase agricultural commodities for the purpose of expanding production of biodiesel and ethanol        | \$204 million          |
| Biobased Product Purchasing Preference                   | New program for Federal agencies to purchase biobased products  | \$6 million            |
| Biodiesel Fuel Education                                 | Funding to educate government and private fuel consumers about the benefits of biodiesel fuel use.  | \$5 million            |
| Renewable Energy System & Energy Efficiency Improvements | Loans, loan guarantees and a grant program to assist farmers in purchasing renewable energy systems and making energy efficiency improvements | \$115 million          |
| Biomass Research and Development Act of 2000             | Reauthorized through FY 2007  | \$75 million           |
|  |   | <b>\$405 million</b>   |

## *Title X – Miscellaneous*

### *Subtitles:*

- General Provisions
  - Country of Origin Labeling: Would have established a mandatory country of origin labeling program by September 30, 2004; however, following recent Congressional action that time has been delayed until September 30, 2008.
  - Practices regarding non-ambulatory animals.
- Crop Insurance
- Disaster Assistance
- Animal Welfare
  - Enforcement of Humane Methods of Slaughter Act of 1958.
  - Penalties and foreign commerce provisions of the Animal Welfare Act.
- Animal Health Protection
- Livestock Disclosure
  - Clarifies that livestock producers can discuss contracts with state and federal agencies having a fiduciary or familial relationship.