

# 2014 Farm Bill

Then & Now

Matt Schertz & Bart Fischer  
House Committee on Agriculture

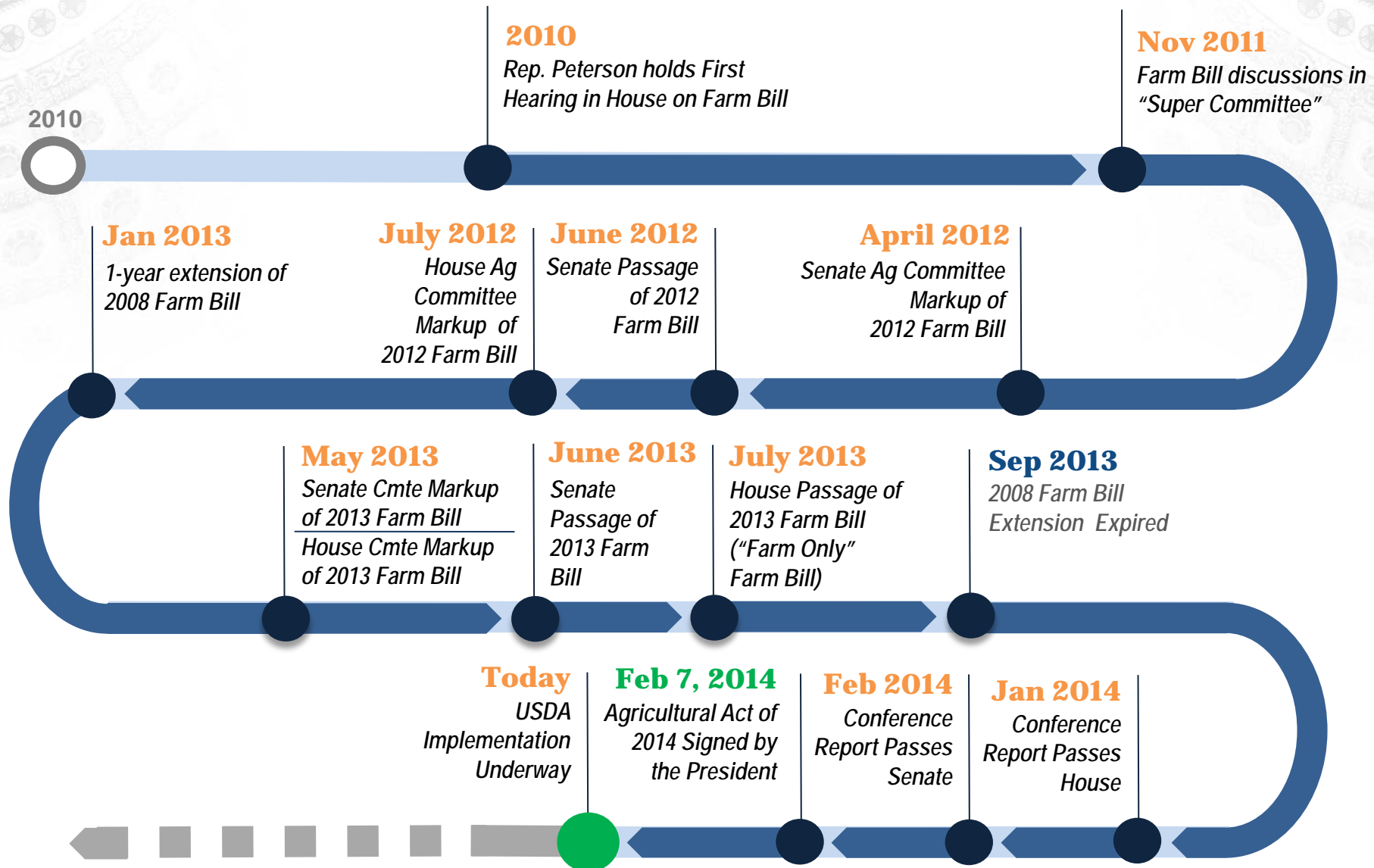
Texas Ag Forum  
Austin, TX  
February 20, 2015



UNITED STATES  
**HOUSE** of  
REPRESENTATIVES

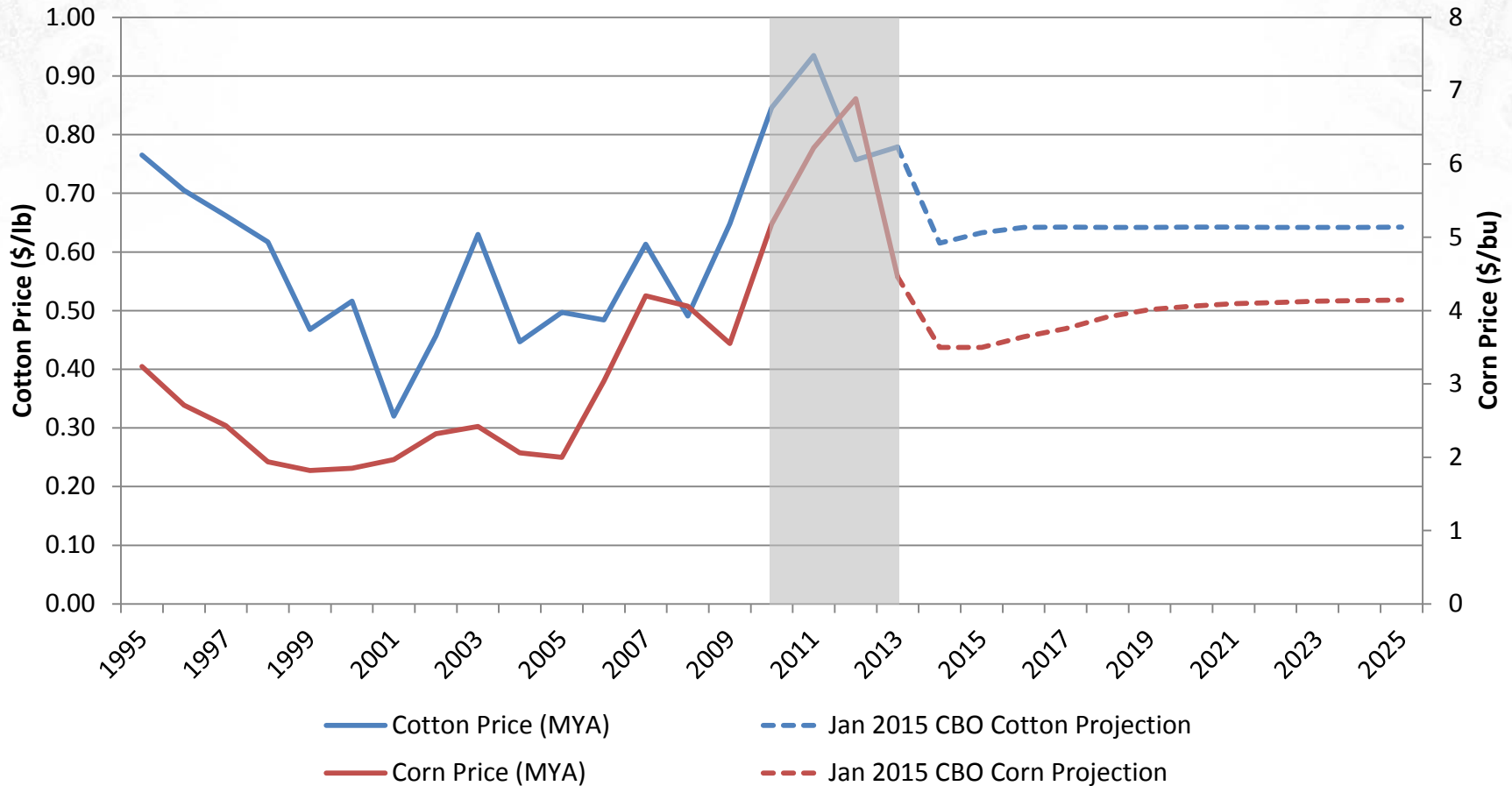
# Farm Bill Process

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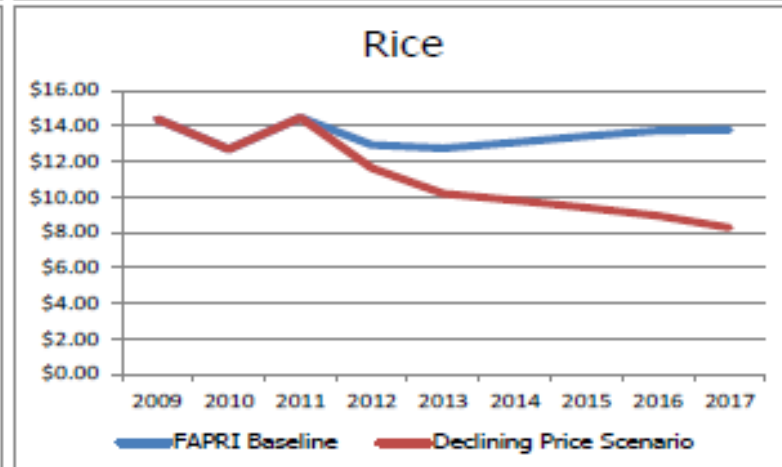
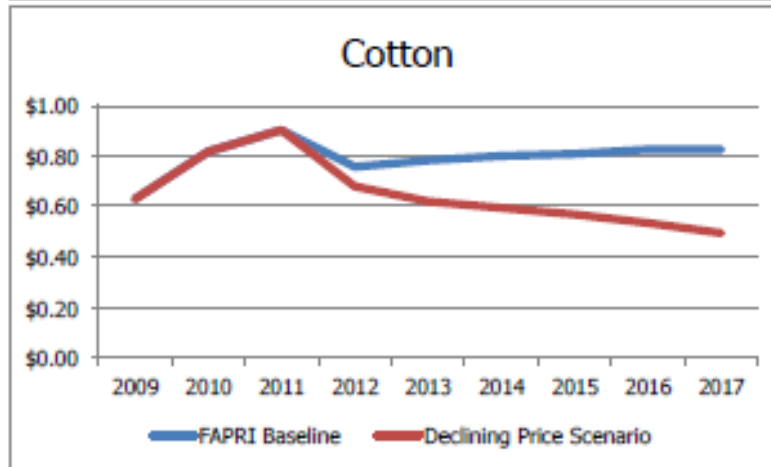
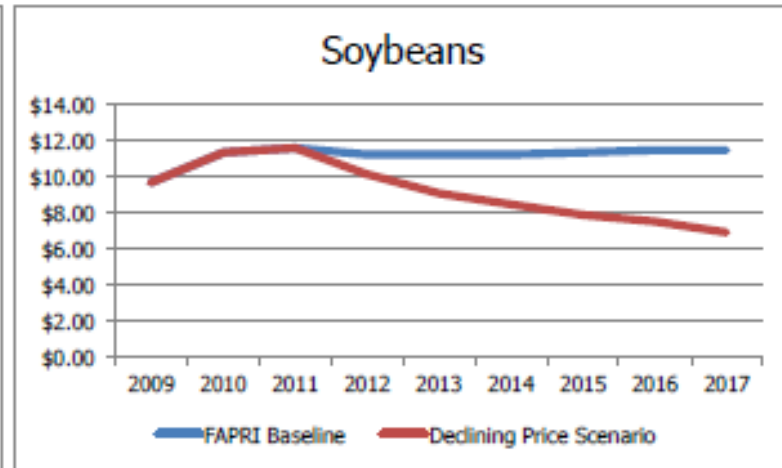
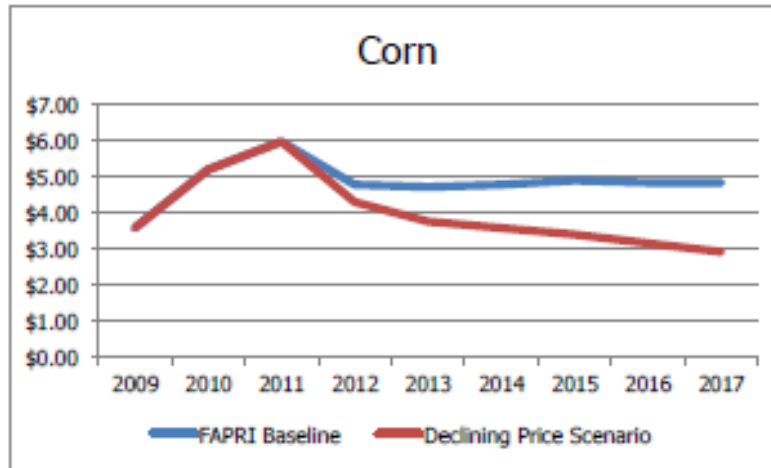


***Farm bills are written for the bad times, not the good times...***





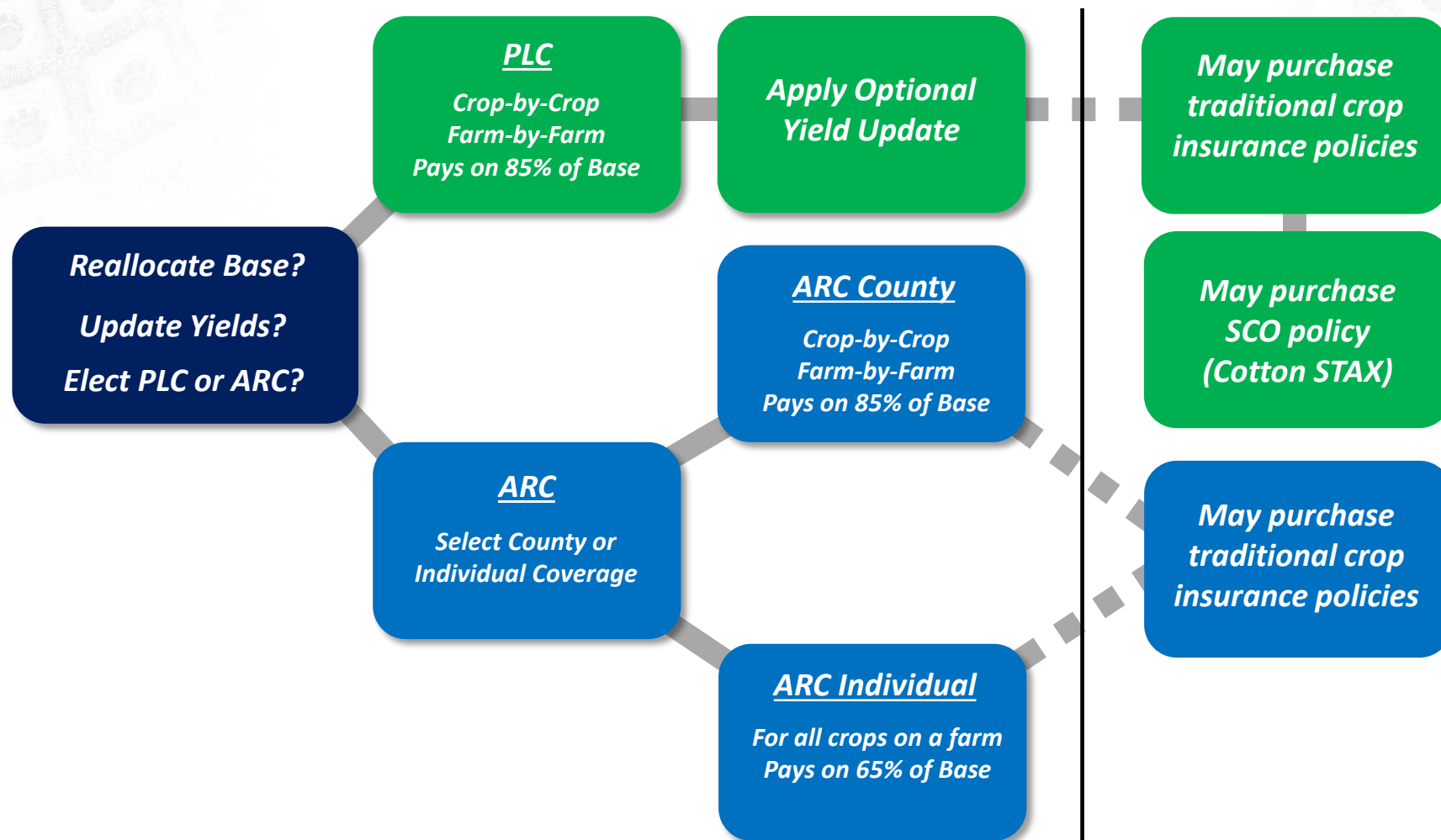
## *Why didn't we see this coming?*







## *The new farm safety net...*





## *New Crop Insurance Tools...*



# Yield Exclusion



## *Dryland Cotton Example*

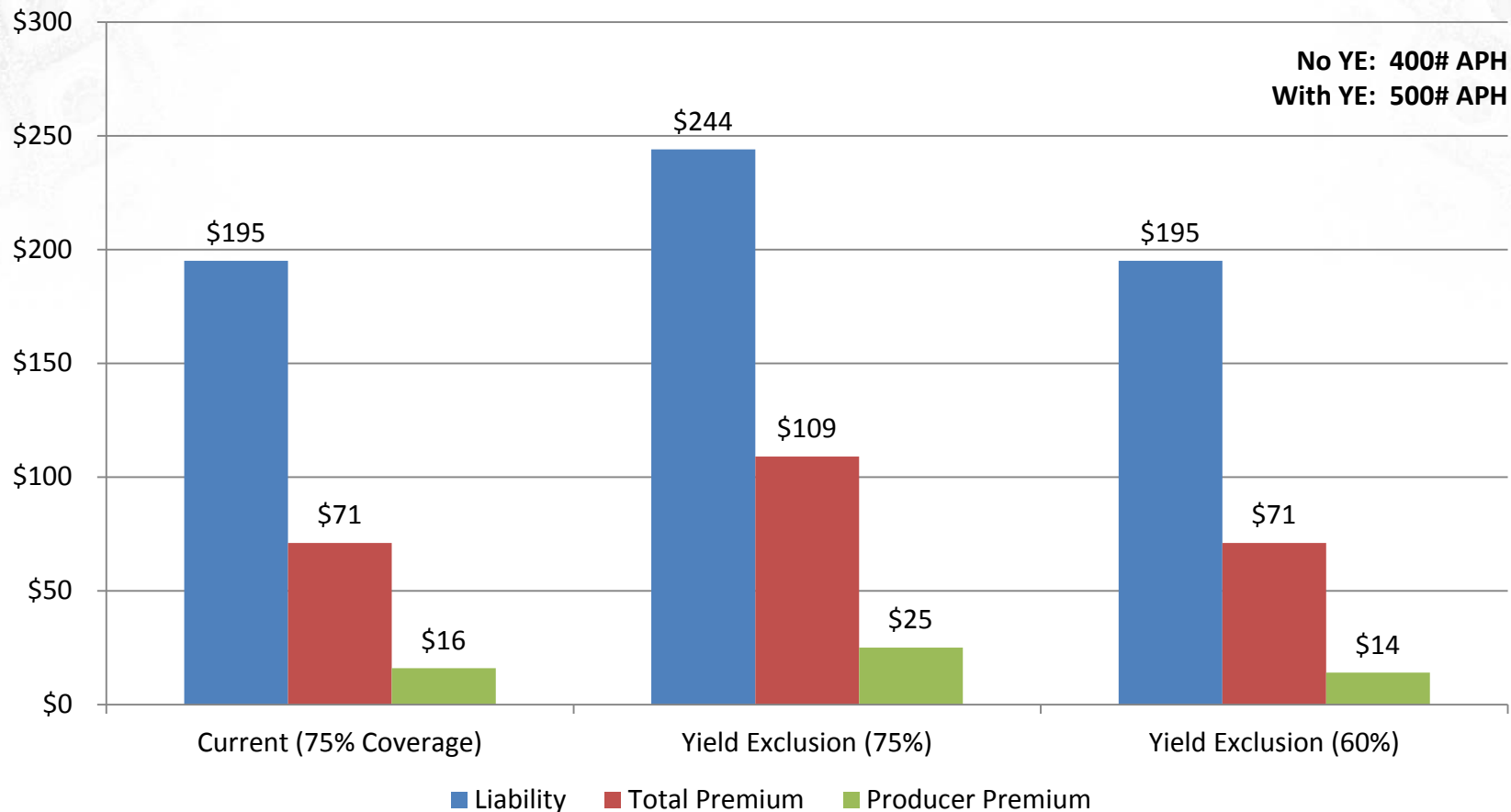
Year	Farm Yield (Including YA)	County Yield	10-YR County Average	50% Threshold	New Yield to Count
2005	570	550	534	267	570
2006	345	400	544	272	345
2007	630	575	529	264	630
2008	208	197	539	269	
2009	460	480	526	263	460
2010	120	98	494	247	
2011	405	476	461	231	405
2012	515	600	459	229	515
2013	172	125	459	229	
2014	575	600	409	204	575
APH	400				500

# Yield Exclusion

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## *Lynn County (TX) Dryland Cotton Example*



**NOTE: With YE, maximum SCO increases from 11%/400# to 26%/500#.**





## *Lynn County (TX) Dryland Cotton Example*

	2012 (RP)
Price	\$0.93
APH	400
Coverage Level	75%
Liability	\$279

	2015F (RP)	2015F (SCO)	2015F (RP + SCO)
Price	\$0.65	\$0.65	\$0.65
APH	400	400	400
Coverage Level	75%	11%	86%
Liability	\$195	\$28.60	\$223.60

	2015F (RP + YE)	2015F (SCO + YE)	2015F (RP + YE + SCO)
Price	\$0.65	\$0.65	\$0.65
APH	500	500	500
Coverage Level	75%	11%	86%
Liability	\$244	\$35.75	\$280



## ***Title I Issues...***

- ➔ ***Generic Base Issues – Cover and Yields.***
- ➔ ***ARC County Yields – Equitable Across Counties.***
- ➔ ***Yield Update & Base Reallocation Deadline – February 27.***
- ➔ ***ARC/PLC Decision Deadline – March 31.***
- ➔ ***Cotton Marketing Loan Payment Limit.***



## *Issues for 114<sup>th</sup> Congress...*

- ➔ *CFTC Reauthorization.*
- ➔ *Mandatory Price Reporting & U.S. Grain Standards Act Reauthorization.*
- ➔ *Trade Issues: TPA; TPP; TTIP; COOL; Cuba; Cotton (China/Turkey); Rice (Iraq).*
- ➔ *Agriculture Tax Issues: Section 179 and Bonus Depreciation and others.*
- ➔ *Oversight of Waters of the United States (WOTUS) Rule.*
- ➔ *Supplemental Nutrition Assistance Program (SNAP) Oversight.*

# Challenges Ahead

## *The ink is not yet dry, and...*

- ➔ *January 2015 Baseline Update: Overall savings unchanged &  $ARC + PLC < DP$ .*
- ➔ *President Obama's budget proposed \$16 billion (17%) in additional cuts to crop insurance.*
- ➔ *The House Ag Committee's Budget Views & Estimates letter called for recognizing deficit reduction achieved in 2014 Farm Bill.*
- ➔ *The budget and appropriations cycles could result in proposals to change farm policy and crop insurance.*





# ***Thanks!***

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***U.S. House of Representatives***  
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