S.1259 - Commodity Program Improvement Act of 2017
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Introduced in Senate: 05/25/2017
Read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

More than **90 percent** of South Dakota’s farms are enrolled in ARC
- corn, soybeans, hay, wheat, alfalfa, sunflowers, sorghum, oats, barley, flaxseed

Bill Sponsor: Sen. Thune, John R - South Dakota
Commodities, Risk Management, and Trade
What is the Commodity Program Improvement Act?

1) This bill reauthorizes and modifies Department of Agriculture (USDA) commodity programs that were included in the 2014 farm bill (the Agricultural Act of 2014)

2) Specifically, the bill modifies the Agricultural Risk Coverage-County program
What is the Agricultural Risk Coverage-County program

Offers revenue loss coverage for selected covered commodities

- Voluntary
- In the ARC program, farmers can choose between:
  - ARC-CO: County level loss coverage
  - ARC-IC: Individual level loss coverage
- If either ARC option is chosen, the farm is **not eligible for the Supplemental Coverage Option** (SCO) under the crop insurance options in the farm bill.
ARC-CO (County) Overview

- Protects against crop revenue shortfalls
- Price and/or production declines per covered commodity
- At the “COUNTY” level
Program requirements for Agriculture Risk coverage

General Program Requirements

- To be eligible, your farm must have Farm Service Agency-defined "base acres" of wheat, feed grains, rice, oilseeds, peanuts, and/or pulses (the 21 covered commodities identified in the 2014 Farm Bill). ("Base acres" are used to delineate, for USDA purposes, historical acres planted to wheat, feed grains, and other crops.)
- You must be actively engaged in farming, meet Adjusted Gross Income (AGI) eligibility limits, and may not receive payments above payment limitation amounts specified in the 2014 Farm bill.
- You must meet Highly Erodible Land Conservation and Wetland Conservation requirements.
- You must annually enroll the farm and complete an acreage report for the farm of all cropland.
- You must control noxious weeds on your entire farm.
- An acre-for-acre payment reduction occurs when fruits, vegetables, or wild rice is planted on payment acres.
## Covered Commodities

<table>
<thead>
<tr>
<th>Barley</th>
<th>Canola</th>
<th>Corn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crambe</td>
<td>Flaxseed</td>
<td>Garbanzo, Large</td>
</tr>
<tr>
<td>Garbanzo, Small</td>
<td>Grain Sorghum</td>
<td>Lentils</td>
</tr>
<tr>
<td>Mustard Seed</td>
<td>Oats</td>
<td>Peanuts</td>
</tr>
<tr>
<td>Peas, Dry</td>
<td>Rapeseed</td>
<td>Rice, Long Grain</td>
</tr>
<tr>
<td>Rice, Medium Grain</td>
<td>Safflowes</td>
<td>Sesame Seed</td>
</tr>
<tr>
<td>Soybeans</td>
<td>Sunflower Seed</td>
<td>Wheat</td>
</tr>
</tbody>
</table>

**NOTES:** Cotton is NOT a Covered Commodity under the 2014 Ag Act.
ARCPLC-7 provides “types” and “intend uses”
Part I: Agriculture Risk Coverage (ARC) Payment Acres Based on Administrative Location- Problem

Issue: The U.S. Department of Agriculture (USDA) made an administrative decision to calculate ARC-CO payments using the administrative county.

- After implementation of the 2014 Farm Bill began, USDA made a subsequent administrative decision to allow ARC-CO participants with land physically located in a county with a higher ARC-CO payment than the administrative county to receive ARC-CO payments calculated according to the higher paying county payment rate.
The Commodity Program Improvement Act requires the payments to be calculated using the payment rate for the county in which the land is physically located.
Part 2 Mandatory Base Update: Problem

- After the 2014 farm bill sign-up, there were 260 million base acres in the United States, with 23 base acre crops.
  - *Corn, wheat, and soybeans amount to 83 percent of base acres.*

- Current law allowed base acres to be calculated using planting history as far back as **1991**

- Although a farm may not have planted a commodity crop for years, if that farm has base acres, it may still be eligible to receive commodity title payments under current law.
Part 2 Mandatory Base Update: Solution

Requires USDA to update the crop acreage base used to determine payments under commodity programs for the 2019 crop year.

- Determined by planted and considered-planted acres on a farm for the years 2014-2017.
- “Would very likely result in a substantial savings as Commodity Title payments would be much more reflective of recent planted acres. (CBO score not available.)”
Questions and Implications

- What’s the motivation?
- “County-based Commodity Programs should be paid based on the physical location of the tracts within a farm unit.”
- Changes seem minimal, how big of an effect would they really have?
- Little attention given to the PLC program
  - Soil Health and Income Protection Program (SHIPP)
Sen. (Robert) Bob Casey, Jr. (D- PA)

Finance
  International Trade, Customs, and Global Competitiveness

Health, Education, Labor, and Pensions
  Children and Families

Agriculture, Nutrition, and Forestry
  Nutrition, Specialty Crops and Agriculture

Special Committee on Aging
  Weapons of Mass Destruction
  Terrorism Caucus
  National Security Working Group

Dairy, Specialty Crops, & Conservation
Hey, sometimes I rise to the level of an impassioned librarian...

Laura Olson @lauraolson
NYT on louder @SenBobCasey in Trump era, noting his rep of voice not exceeding "decibel level of a yoga instructor" mobile.nytimes.com/2017/05/19/us/...
Sen. Steve Daines (R- Montana)

- A fifth-generation Montanan
- Graduated with a B.S. in Chemical Engineering from Montana State University.
- Spent thirteen years in a management role for Procter & Gamble, and then returned to Bozeman in 1997 to work in a family construction business.
- In 2000, Steve took on the role of VP at RightNow Technologies, a Bozeman-based cloud computing start-up company.
- The company was acquired by Oracle in 2012 and remains one of Montana's largest commercial employers.
Sen. Steve Daines (R- Montana)

- Steve was elected to serve as Montana’s United States Representative in 2012
  - During his time in the House, Daines championed legislation to expand responsible development of Montana’s energy resources
- He serves on the Senate Committees on Appropriations, Energy and Natural Resources, Homeland Security and Governmental Affairs, Agriculture and Indian Affairs.
- What’s his interest in Ag? Ranching?
Sen. Steve Daines (R- Montana)

<table>
<thead>
<tr>
<th>Trump score</th>
<th>Trump margin</th>
<th>Predicted score</th>
<th>Trump plus-minus</th>
</tr>
</thead>
<tbody>
<tr>
<td>How often Daines votes in line with Trump's position</td>
<td>Trump's share of the vote in the 2016 election in Montana minus Clinton's</td>
<td>How often Daines is expected to support Trump based on Trump's 2016 margin</td>
<td>Difference between Daines's actual and predicted Trump-support scores</td>
</tr>
<tr>
<td>91.9%</td>
<td>+20.4</td>
<td>86.3%</td>
<td>+5.7</td>
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