

# CONGRESS PASSES 2018 FARM BILL

After lengthy debates throughout the year, House and Senate Agriculture Committee leaders agreed to a final version of the 2018 Farm Bill earlier this week. Votes in the House and Senate on Tuesday and Wednesday of this week sent the bill to the president's desk for signature.

The Farm Bill places significant emphasis on enhancing support for agricultural producers. In a statement issued on Monday evening after the Farm Bill language was initially released, Senate Agriculture Committee Chairman Pat Roberts, R-Kansas, said: "As promised, this farm bill provides much needed certainty and predictability for all producers – of all crops – across all regions across the country."

A range of changes to **Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC)** programs will be introduced through the Farm Bill. For example, PLC reference prices will adjust higher with certain improved market conditions. While the current reference prices for corn (\$3.70), soybeans (\$8.40), wheat (\$5.50), and other commodities remain the same as the 2014 Farm Bill, the new Farm Bill adopts a formula that would allow reference prices to move upward as much as 15 percent. Under the right conditions, the reference prices for corn, soybeans, and wheat could move to \$4.26, \$9.66, and \$6.33 respectively. Those higher reference prices would be used for both PLC and ARC.

With respect to **crop insurance**, the Farm Bill only makes minor improvements for forage and grazing products (which may be of greatest interest to dairy farmers) and very few other adjustments.

A boon for livestock farmers and food supply safety, the Farm Bill augments **animal disease preparation and prevention** through mandatory funding for a foot-and-mouth disease national vaccine bank, the National Animal Disease Preparedness Program, and the National Animal Health Laboratory Network.

Notably, the Farm Bill excludes hemp from the controlled substance list, thereby **legalizing hemp production** nationally. Passage of the Farm Bill is being hailed as a watershed event for hemp that creates a path for increased commercialization of hemp products and services, including products containing cannabidiol (CBD). In addition, the Farm Bill includes language to create insurance products for hemp. Yet, while the Farm Bill language neutralizes future interference in the hemp industry from the Drug

## PEOPLE

Laura A. Bentele

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Enforcement Administration (DEA), it does not resolve the Food and Drug Administration's (FDA) position that CBD may not be sold in foods or supplements.

One of the more prominent controversies swirling around Farm Bill debates throughout the year related to the **Supplemental Nutrition Assistance Program (SNAP)**, frequently referred to as food stamps. Although there was a strong push to implement tighter work or job-training requirements for individuals receiving SNAP benefits, those requirements were abandoned. However, other changes were made such as eliminating state bonuses for SNAP enrollment.

There was also conflict surrounding **reforms to forestry provisions** in the Farm Bill. The final version of the Farm Bill includes language supporting expedited environmental analysis for a number of forest management activities on federal lands.

If signed into law, the 2018 Farm Bill will impact agribusiness and food industry organizations. Experienced legal counsel can provide guidance on any of these key areas and advise on specific areas of impact for your business.