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Key Farm Bill Reauthorization Priorities Officially Laid on the Table

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As of June 20, 2024, Republican and Democratic priorities for the reauthorization of the Farm Bill are officially unveiled and negotiators are set to engage in conversations to settle their differences and reach a compromise. The Farm Bill is a multi-year law, reauthorized every five or six years, that encompasses a variety of programs administered by the U.S. Department of Agriculture (USDA). It was last authorized in 2018.

The USDA programs authorized by this omnibus legislation are divided into twelve titles, including titles for conservation, energy, forestry, and rural development. Lawmakers tasked with spearheading the Farm Bill reauthorization are the leaders of the House Agriculture Committee and the Senate Committee on Agriculture, Nutrition, and Forestry.

At a high-level, top priorities for Democratic policymakers are: (1) protecting and increasing access to nutrition and food assistance programs, like the Supplemental Nutrition Assistance Program (SNAP); and (2) advancing climate policies, which include protecting funds allocated by the Inflation Reduction Act (IRA) for climate-focused initiatives in USDA conservation programs. Republican lawmakers, on the other hand, are primarily prioritizing the allocation of additional resources for farm safety net programs, like crop insurance, the Price Loss Coverage Program, and the Agriculture Risk Coverage Program, as U.S. net farm income continues to decrease. Their slogan is "More Farm in the Farm Bill."

Leaders in "the four corners" of the House and Senate authorizing committees spent the first half of the year developing and unveiling their proposals. The House of Representatives is farther ahead of the Senate. The House Agriculture Committee approved a bill, <u>H.R. 8467</u>, known as the Farm, Food, and National Security Act of 2024 in a markup held on May 23, by a vote of 33-21, with support from three Democrats. Timing for a floor vote on Chairman Thompson's bill in the House remains uncertain.

Legislation has not yet been introduced in the Senate. On May 1, Senate Agriculture Committee Chair Debbie Stabenow (D-MI) released a <u>section-by-section</u> <u>framework</u> that highlights priorities supported by Senate Democrats. Senate Republicans, led by Senator John Boozman (R-AR), unveiled a <u>title-by-title outline</u> of Senate GOP priorities on June 11.

Key Proposals for the Conservation Title

IRA Funding for the Farm Bill

The IRA allocated approximately \$20 billion, over five years, across four USDA conservation programs:

- 1. Environmental Quality Incentives Program (EQIP)
- 2. Conservation Stewardship Program (CSP)



- 3. Agricultural Conservation Easement Program (ACEP)
- 4. Regional Conservation Partnership Program (RCPP)

The funds authorized by the IRA for these programs are geared towards "climatesmart" and greenhouse gas emissions reducing practices.

Limited flexibility in funding streams provided by the Farm Bill, combined with a variety of USDA programs in need of additional resources, triggered vigorous debate surrounding the use of IRA dollars for conservation programs. For months, several Republicans advocated for repurposing a portion of the IRA funds to support farm safety net programs, with adamant opposition from the Democrats.

Now, Senate Democrats are advocating for the inclusion of the IRA conservation funds in the Conservation Title of the Farm Bill, to boost baseline spending for the four programs, while maintaining their climate-focused guardrails. House and Senate Republicans, on the other hand, also are supporting the addition of IRA dollars to the Conservation Title. Further, their proposal would broaden the eligible use of the funds beyond their intended "climate-smart" purpose.

Tribal Participation in Conservation Programs

Both Republicans and Democrats are advocating to make Indian Tribes eligible participants or partners under several programs in the Conservation Title. However, there is a lack of party alignment about which programs should have their eligibility expanded for Tribal participation.

Enteric Methane Emissions Reduction Practices

Senate Democrats are prioritizing expanding eligibility under EQIP and CSP to provide financial incentives for farmers and ranchers to voluntarily use products and implement practices that reduce enteric methane.

The Democrats are also advocating for provisions that would create enteric methane product and practice testing capacity through USDA's Agricultural Research Service and establish farmer training programs for farmers.

These proposals are supported by some Republicans, but they are not a top priority for GOP leadership.

Key Proposals for the Energy Title

Rural Energy for America Program

Senate Democrats are prioritizing the expansion of access to the <u>Rural Energy for</u> <u>America Program</u> (REAP), a program that provides grants and loans for energy efficiency and renewable energy projects for agricultural producers and small business in rural areas. Proposed changes to the program include: (1) increasing both the federal cost-share for grants and the maximum guaranteed loan amount; and (2) adding reductions in greenhouse gas emissions as a consideration for energy efficiency improvement loan guarantees and grants.

Similarly, House Republicans are fostering access to the REAP by: (1) increasing the maximum loan guarantee amount and the federal cost-share for grants; and (2)



including a project diversity provision to promote the deployment of underutilized technologies in program implementation.

Sustainable Aviation Fuel

Both Senate Democrats and House Republicans are aiming to make sustainable aviation fuels (SAFs) an eligible technology under the <u>Biorefinery, Renewable</u> <u>Chemical, and Biobased Product Manufacturing Assistance Program</u> (known as the Section 9003 Program), which provides loan guarantees for the development, construction, and retrofitting of new and emerging technologies, as it relates to advanced biofuels, renewable chemicals, and biobased products.

Senate Republicans have expressed support for making SAFs eligible under the Section 9003 Program, and they want USDA to establish a SAFs production strategy.

Agrivoltaics

Democrats propose directing USDA's Rural Utilities Service, in coordination with the U.S. Department of Energy (DOE), to issue guidance on best practices for agrivoltaics.

House Republicans are prioritizing guidance on best practices and coordination with DOE, as well as USDA funding caps for ground-mounted solar energy systems and studies on the impacts of solar panel installations and operations on soil health, water resources, wildlife, and vegetation.

Key Proposals for the Forestry Title

Forest Inventory and Analysis Program

There is bipartisan support for the modernization of the <u>Forest Inventory and</u> <u>Analysis Program</u>. Priorities are improving data access, transparency, and collection, as well as developing mapping capabilities on forest conditions to help inform wildlife risk and strengthen community wildfire resiliency.

Republicans and Democrats are aligned in requiring the USDA to update the Forest Service's strategic plan every five years. There is also bipartisan support for a platform to allow the Forest Service to measure and report data on carbon emissions, sequestration, storage, and related impacts of forest management and wood products.

Endangered Species Act Consultations Under the Cottonwood Decision

Republicans in both chambers are prioritizing the inclusion of a provision to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 and the Federal Land Policy Management Act of 1976. The amendment would provide that the Forest Service and the Bureau of Land Management are not required to reinitiate consultation under Section 7(a)(2) of the Endangered Species Act (ESA) on an approved land management plan when: (1) a species is listed as "threatened" or "endangered"; (2) a critical habitat is designated; or (3) new information concerning a threatened or endangered species or critical habitat becomes available pursuant to the ESA.

This provision would nullify a 2015 ruling by the Ninth Circuit of the U.S. Court of Appeals in *Cottonwood Environmental Law Center v. U.S. Forest Service*.



Stewardship End Result Contracting Projects

Both House and Senate Republicans are advocating for a provision to amend Section 604 of the *Healthy Forests Restoration Act of 2003* to extend the maximum length of stewardship end result contracts from 10 to 20 years. Through <u>stewardship contracts</u>, the Forest Service and the Bureau of Land Management may partner with private entities to achieve land management goals and meet local community needs. Land management priorities include treatments to improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; and reduce hazardous fuels that pose risks to communities and ecosystem values.

Wood Innovations Grant Program

Both parties support bolstering access to the <u>Wood Innovations Grant Program</u> by reducing the match requirement and diversifying the types of eligible projects. The program aims to support proposals that expand traditional wood utilization projects, promote using wood as a construction material in commercial, institutional and multifamily buildings, and expand wood energy markets.

Permits and Agreements with Electric Utilities

There is bipartisan support to make it easier for electric utility companies with special use permits or easements on National Forest System land to cut and remove trees or other vegetation from within the vicinity of distribution lines or transmission lines without requiring a separate timber sale.

If an electric utility company does decide to sell a portion of the timber removed, the proceeds received from the sale would need to be provided to USDA, less any transportation costs incurred in the sale.

Tribal Partnerships and Consultation

Senate Democrats have committed to including a provision to require USDA to consult with Tribes and affected Alaska Native Corporations when developing land use plans. They also are prioritizing the inclusion of a provision to require the Forest Service, when entering into contracts with Indian Tribes, to incorporate Tribal land management plans, Tribal laws, and integrated resource management plans.

Good Neighbor Authority

Both parties support expanding the scope of the "Good Neighbor Authority" to allow counties and Tribes to retain funds received from the sale of timber harvested from authorized restoration projects on federal land. Allowing States, Tribes, and counties to conduct restoration services under a Good Neighbor agreement on non-Federal land, for the benefit of non-Federal land, is also a bipartisan priority.

Wildland Firefighting and Forest Land Management Personnel

Both Republicans and Democrats in the Senate support expanded recruitment of wildland firefighters and land management experts by strengthening partnerships between the Forest Service and the Job Corps' Civilian Conservation Centers.



Key Proposals for the Rural Development Title

ReConnect Program

A bipartisan priority is the inclusion of a provision to make the ReConnect Program a permanent program. The Reconnect Program offers federal loans and grants to facilitate broadband deployment in rural areas

Water Infrastructure

The framework released by Senate Republicans includes a commitment to provide new mandatory funding for critical water infrastructure in rural communities.

Tribal and Alaska Native Participation in Rural Development Programs

Senate Democrats are prioritizing provisions to specify that Tribes, Tribal organizations, Alaska Native organizations, and Native Hawaiian organizations are eligible entities under the Rural Business Development Grants Program, the Rural Business and Industry Loan Guarantee Program, and the Rural Decentralized Water Systems Program.

For More Information

For more information on the Farm Bill, please contact <u>Carlos Flores</u> or any member of the firm's <u>Government Advocacy and Public Policy</u> practice.

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