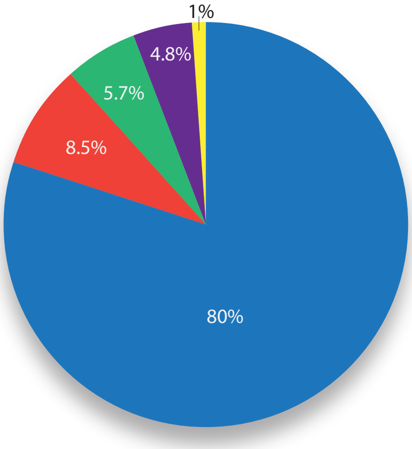
Farm Bill 2014

Wisconsin Farm Bureau Federation

Summary

- This five-year bill provides certainty to Wisconsin farmers and consumers
- Significant dairy reform
- Funding for research and specialty crop research
- Strengthens livestock disaster programs
- Strengthens crop insurance
- Eliminates direct payments
- Creates payment limits
- Tightens eligibility rules for Adjusted Gross Income (AGI)
- Consolidation or repeal of nearly 100 programs
- 23 duplicative conservation programs consolidated into 13

What's included in the farm bill?



$488.6 billion will be spent over 5 years.

- Food Stamps/Nutrition (SNAP), $390.7 billion
- Crop Insurance, $41.4 billion
- Conservation, $28.2 billion
- Commodity Programs, $23.5 billion
- Other 8 Program Titles, $4.8 billion

Dairy

- Must be established by September 1, 2014
- Voluntary program
- Margin Protection Program included
- No supply management

- National monthly feed costs will be calculated based on the monthly market-reported prices for corn, soybean meal and alfalfa hay.
- Dairy production margin calculation is based on a consecutive two-month period. The two-month average feed cost will be subtracted from the two-month all-milk price.
- An administrative fee of $100 will be charged to all participating dairies.
- Production history will be the highest base from 2011, 2012 or 2013. Annual adjustment will occur based on any increase in national milk production.
- Margin protection payments are based on a consecutive two-month period. Dairies shall determine their margin coverage level annually. Coverage levels are $4 to $8 in $0.50 increments. Percentage of coverage ranges from 25% to 90% in 5% increments of the production history.
- Payments will be issued when, for a consecutive two-month period, the average actual dairy margin is less than the coverage level selected by the dairy.
- The first four million pounds will be calculated at a separate coverage level from any production exceeding four million pounds. The premium for the first four million pounds of milk will be reduced by 25% for 2014 and 2015.

Crop Insurance

- Price Loss Coverage (PLC) provides a payment to the grower when the market price is below a fixed reference price for covered crops.
- Agricultural Risk Protection (ARC) payments will be provided when either a farm's revenue from all crops or the county's revenue for a crop is below 86% of a predetermined benchmark level of revenue.
- Supplemental Coverage Option (SCO) is an option to purchase area coverage with an underlying individual policy or plan of insurance.