

2018 Farm Bill



What Does It Mean for Arizona?

WEDNESDAY, MAY 30 • 1:00–2:30PM

UNITED FOOD BANK • 245 S. NINA DRIVE • MESA, AZ 85210



The Farm Bill

What does it mean for Arizona?

Overview

- Arizona Farm Bureau
- Arizona Agriculture at-a-glance
- Farm Bill History
- Ag Titles

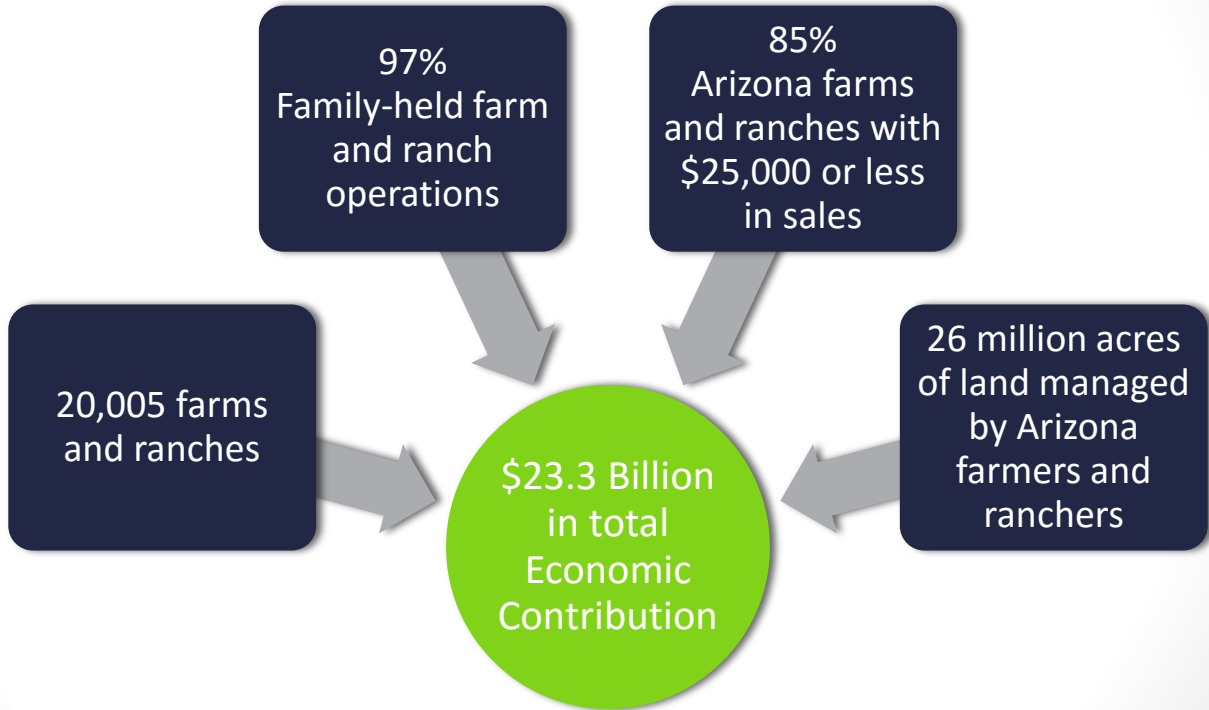
Arizona Farm Bureau



- Arizona's largest general agricultural advocacy organization
 - 14 county organizations
 - 2,000+ Farm and Ranch members
- Focus on education, public relations, and policy
- Grassroots policy development and advocacy strategy
 - County → State → National
 - Members drive it all!

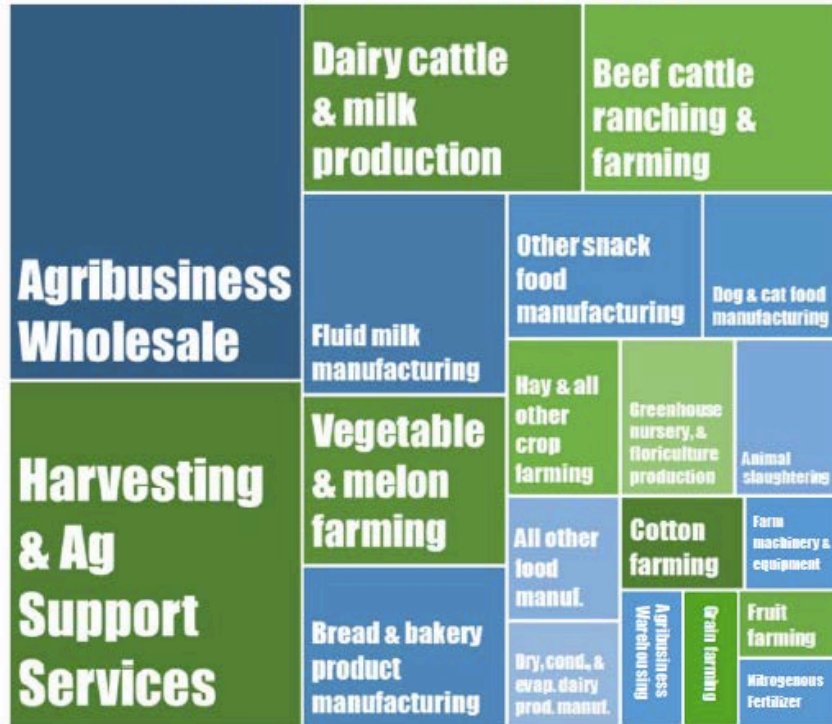


Arizona Agriculture



Arizona Agriculture

Top 20 Arizona Agribusiness Industries by Value Added*, 2014



*Size of box corresponds to share of value added contribution

The Farm Bill – a History Lesson

- Originally the “Agricultural Adjustment Act of 1933”
 - Created to address impacts of The Great Depression on agricultural commodity prices and production
- Original focus on supply management has evolved into creating a market-driven safety net
 - Responding to market forces, rather than driving market forces
 - Encourages conservation and wise land management to help ensure continued sustainability
- Added the first Nutrition Title in 1973
 - Holistic approach to food security, not just economic support



FARM BILL PROJECTED OUTLAYS 2018-2028

\$867 Billion



■ Commodity Programs ■ Conservation Programs ■ Nutrition ■ Crop Insurance ■ Other Titles

Commodity Programs

- Agriculture Risk Coverage (ARC):
 - Provides revenue loss coverage based on county-wide revenues
 - When the price of a covered commodity is less than the federally pre-determined reference price, a producer becomes eligible for a payment equal to the difference between the two
- Price Loss Coverage (PLC):
 - Provides price loss coverage based on nation-wide revenues
 - Issued when effective price (national average loan rate or market year average price) is lower than the pre-determined reference price
- Growers elect one program for the life of the Farm Bill

Commodity Payments – Arizona in 2016

- \$69,071 in ARC and PLC program payments
- \$8,412,066 in Cotton Ginning Cost Share payments
- \$46,095,230 in commodity loans, using crops as collateral



Crop Insurance

- Subsidizes insurance premiums to make crop insurance more affordable for all farmers
- In 2015, 68% of all eligible acres (1 million acres) in Arizona were insured under the crop insurance program
 - Pasture, Rangeland, and Forest Programs: \$2 million in indemnities for 563,000 acres
 - Crop Insurance: \$14 million in indemnities



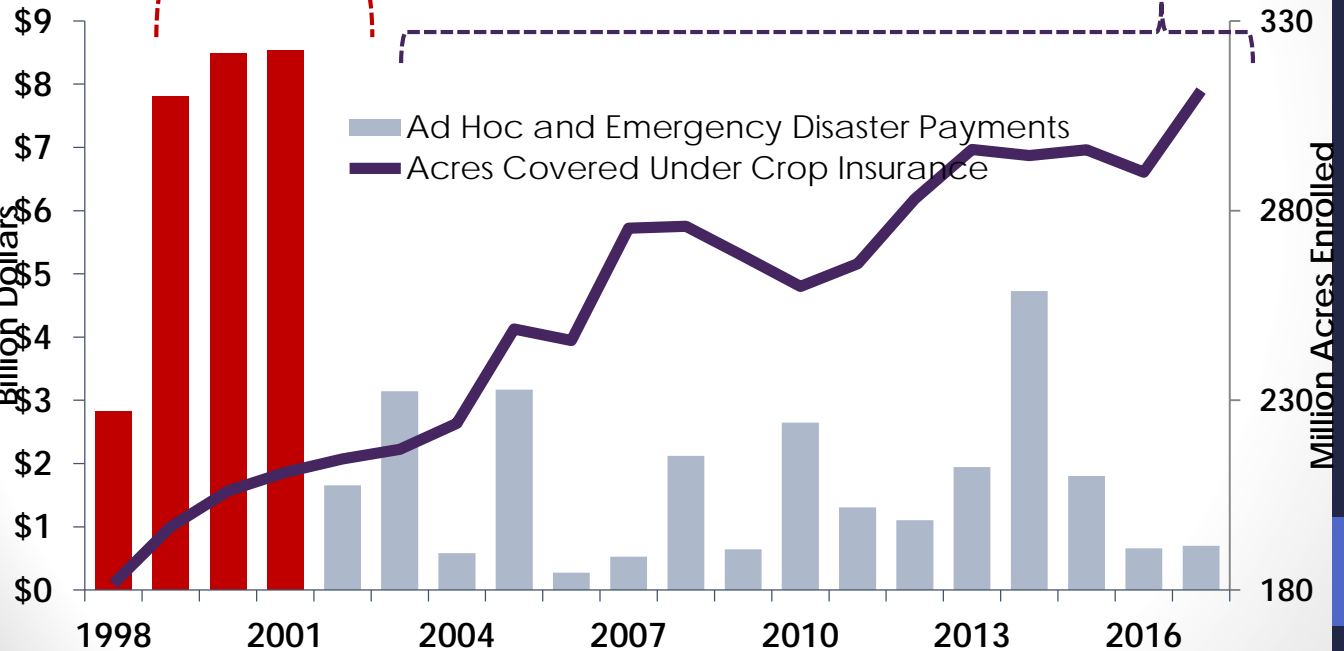
#CROPINSURANCEWORKS

\$30 Billion

Ad-hoc Payment Dropped Significantly as Crop Insurance Expanded

+100,000,000

Additional Acres Enrolled



Conservation Programs

- Environmental Quality Incentives Program: financial resources and support to plan land improvements designed to improve soil and water health, wildlife habitat, and the success of agricultural operations
- Conservation Reserve Program: in exchange for a yearly rental payment, landowners take environmentally sensitive land out of production for a prescribed period of time (10-15 years)
- In Arizona in 2015:
 - \$13.2 million in EQIP payments
 - \$5.3 million in Conservation Stewardship Program payments

Why do Arizona farmers need a Farm Bill?

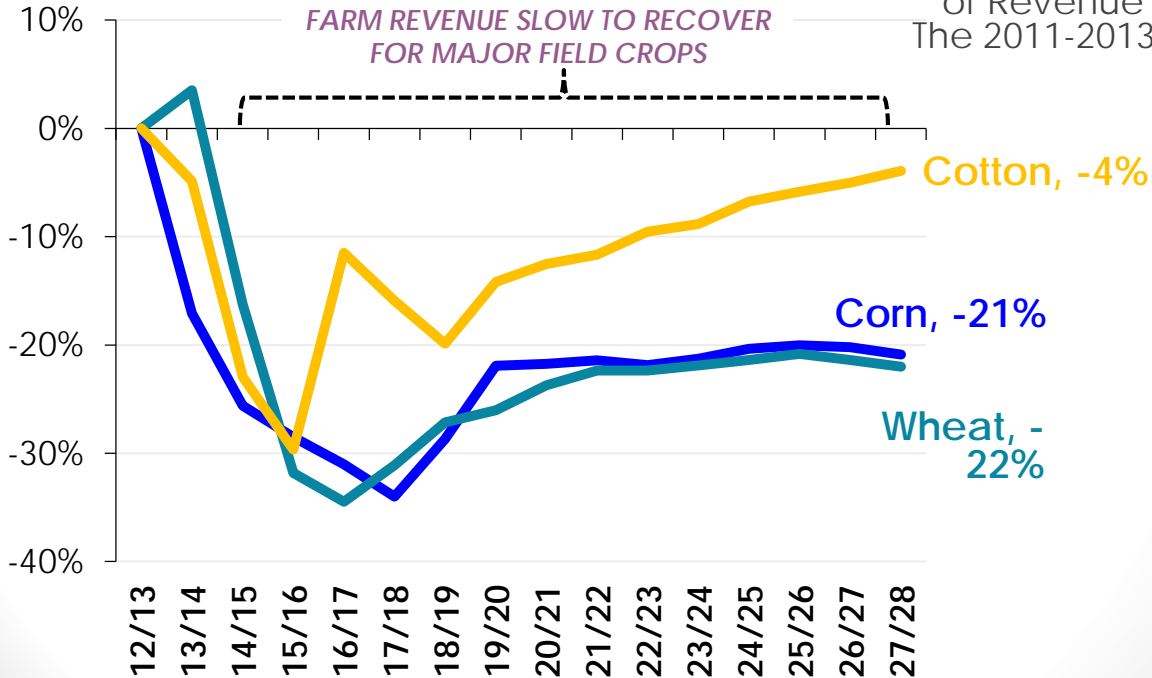


THE "GOLDEN AGE" IN FARM ECONOMY IS OVER

Cumulative Percentage Change in Revenue Since 2011/13

USDA Projects A Decade Plus

of Revenue Below The 2011-2013 Highs



Since 2013,
Net Farm Income
has declined by
52%

That's about
\$64,000,000,000

**“This is not a Farm Bill – it’s a
National Food Security Bill!”
-Stef Smallhouse, AZFB President**



Chelsea McGuire
Director of Government Relations
chelseamcguire@azfb.org

THANK YOU!

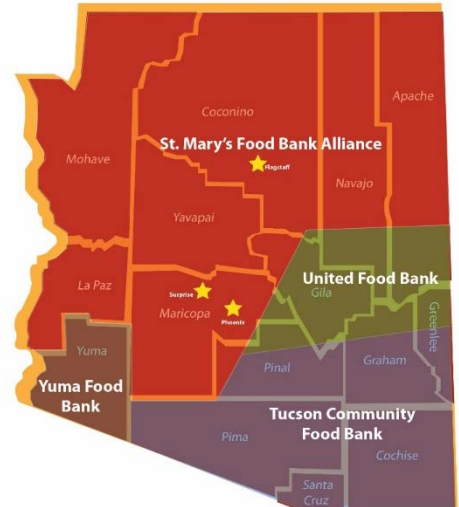


What Does the 2018 Farm Bill Mean for Arizona?

Angie Rodgers, AAFB President & CEO
May 30, 2018

Association of Arizona Food Banks

- AAFB services 5 member food banks that distribute to appx 1,000 sites across the state
- Primary Goals of AAFB:
 - Ensuring healthy and nutritious food is equitably distributed throughout the state
 - Increase access to food for children experiencing food insecurity
 - Increase awareness



AAFB Programs

- Advocacy
 - Farm Bill
 - State Appropriation
- Children/Youth Food Insecurity
 - Alternative Breakfast Models
 - Summer Meals
- Member Services
 - Produce & Transportation
 - Food Bank Capacity
 - Disaster Preparedness and Response
 - Statewide Hunger Hotline




**AAFB Annual Food Bank
Conference
June 7, 2018**

Topics to include:
Produce Updates
Disaster preparedness
Grant opportunities
Much more...

Farm-to-Food-Bank

How Farmers & Food Banks Fight Hunger Together



Donor calls local AAFB member. Local member accepts or declines donation based on quality.

Local member takes what they can use in their service area. Excess is offered to other AAFB members.

AAFB members determine who can accept the excess.*

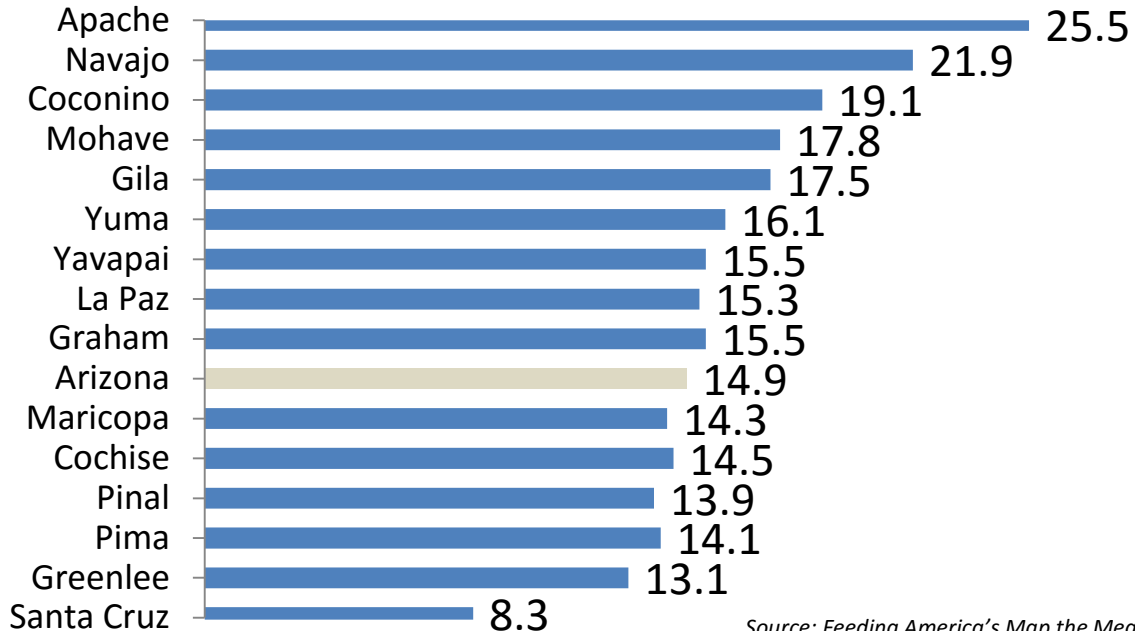
AAFB or member food bank will pick up and deliver to accepting food bank.

Member food bank sends out to their agency partners who distribute



Last year 31,346,461 pounds (975 truckloads) of produce moved through this process!

Food Insecurity Rate in Arizona by County



Source: Feeding America's Map the Meal Gap 2018

- Arizona's food insecurity rate is higher than the national rate (12.9%).
- Arizona's rate is declining, from 17.1% in 2014.

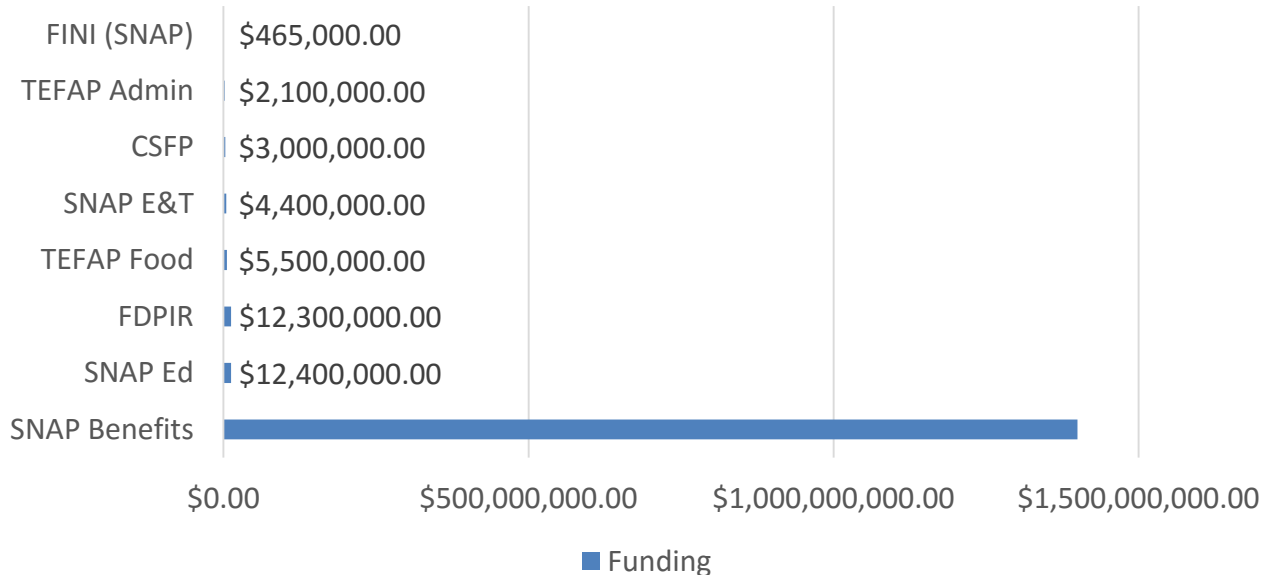
Nutrition Programs in the Farm Bill

- SNAP: Supplemental Nutrition Assistance Program
 - FINI: Food Insecurity Nutrition Incentive
 - SNAP Employment and Training
 - SNAP Education
- TEFAP: The Emergency Food Assistance Program
- FDPIR: Food Distribution Program on Indian Reservations
- CSFP: Commodity Supplemental Food Program



Nutrition Programs: Farm Bill Funding

Funding for Nutrition Programs in Arizona



Source: USDA Food & Nutrition Service, data from most recent year available, 2014-2018.

SNAP: Brief History

- **Food Stamp Act of 1964:** Bipartisan effort led by Dole & McGovern to address food insecurity nationwide by supporting both farmers and people struggling to afford food
- **1973 Farm Bill:** To balance program access with accountability, Congress required states to expand the Food Stamp Program to all political jurisdictions.

Source: USDA Food & Nutrition Service.



1939

Mrs. Mabel McFiggan is the first person to stand in line to make a food stamp purchase.



1964

President Johnson makes the Food Stamp Program permanent by signing the Food Stamp Act.



1977

President Carter signed the Food Stamp Act establishing national standards of eligibility and eliminating the purchase requirements.



2004

EBT use is adapted nationwide.



1961

President Kennedy signs his first Executive Order which initiates the food stamp pilot programs.



1974

The Food Stamp Program expands to all 50 states and territories.



1984

Payment using Electronic Benefits Transfer (EBT) begins with the first EBT transaction purchase in Reading, PA.



2008

The Food Stamp Program is renamed the Supplemental Nutrition Assistance Program (SNAP).

SNAP in Arizona



Average Monthly
Benefit
\$117

Average amount per
person per meal
\$1.30



Total Families
2.4 million

(1 in 6 families in our state
receive SNAP benefits)

Families Receiving SNAP
Benefits
382,575

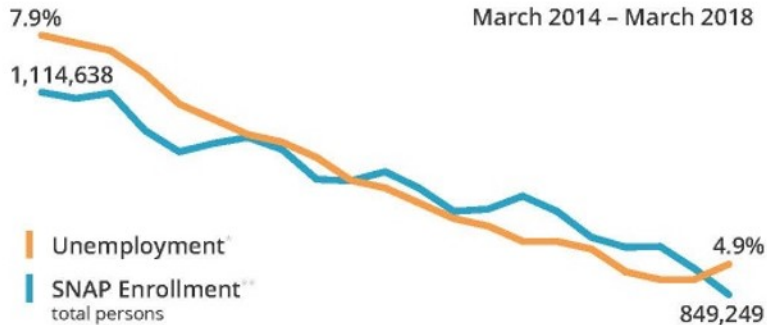


Arizonans who avoided
poverty by using SNAP
225,000

(Between 2009-2012)

Percentage of those who
avoided poverty that were
children
52%

SNAP & Employment in Arizona



SNAP Enrollment Decreases as Employment Increases

*DES, FAA Statistical Bulletin for corresponding month. <https://des.az.gov/documents-center?qt-content-tab=1>

**BLS Data Calculator 2008-2018, 5/18/18. <https://data.bls.gov/timeseries/LASST040000000000003>

SNAP is responsive. As the economy improves & unemployment declines, SNAP enrollment declines too.

SNAP: Major Potential Changes

Current Law	House Proposal (H.R. 2)
<p>Individuals 18-49 years old, not caring for dependents, must work, participate in work training, or volunteer for at least 20 hours per week to receive SNAP benefits</p>	<p>Individuals 18-59 years old, including parents of children 6+ years old, must work or participate in work training for at least 20 hours per week to receive SNAP benefits.</p>
<p>Benefits are limited to 3 months (in 36 months) if not work-compliant. Sanction results in loss of benefits for 1 month on the first offense and 3 months on the second offense.</p>	<p>Benefits are limited to 1 month (in 12 months) if not work-compliant. Sanction results in loss of benefits for 12 months on the first offense and 36 months on the second offense.</p>

Other Program Changes Proposed in H.R. 2

- \$20 billion in cuts to SNAP benefits/10 years
- \$499 million/10 years increase to TEFAP
- \$472 million/10 years increase in FINI
- \$632 million/10 years increase in SNAP Ed (with restrictions)
- Level funding for CSFP
- Allows canned foods into the Fresh Fruit and Vegetable program within schools

Farm Bill: Expected Timeline

- **Mid-June:**
 - Senate Agriculture Committee expected to announce mark-up date
 - All reports indicate the Senate bill has followed a bipartisan process
- **June 22:**
 - House is expected to reconsider H.R. 2 in its present form

AAFB's Recommendations to Support Working Families

- Any work supports in the Farm Bill should focus on sustainable employment & self-sufficiency.
- Changes to SNAP should be data-driven. Let's wait for the assessments of SNAP E&T pilots, expected in 2020.
- Maintain state discretion to administer SNAP.

Questions?

Angie Rodgers

President and CEO

angie@azfoodbanks.org