113TH CONGRESS 1st Session | HOUSE OF REPRESENTATIVES | REPT. 113–92 Part II

FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2013

JUNE 10, 2013.—Ordered to be printed

Mr. GOODLATTE, from the Committee on the Judiciary, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1947]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 1947) to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes, having considered the same, reports thereon with amendments and without recommendation.

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29–006

The Amendments

The amendments are as follows:

In section 1461(a), relating to rulemaking procedure, strike "without regard to" in the matter preceding paragraph (1), insert "without regard to" after both "(1)" and "(2)", and, in paragraph (3), strike "the notice and comment provisions of" and insert "subject to subsection (b), pursuant to".

In section 1461, strike subsection (b) relating to congressional review of agency rulemaking, and insert the following new subsection:

(b) SPECIAL RULEMAKING REQUIREMENTS.—

(1) INTERIM RULES REQUIRED FOR STABILIZATION PROGRAM.—

(A) IN GENERAL.—With respect to the stabilization program, the Secretary shall promulgate interim rules no later than nine months after the date of the enactment of this Act under the authority provided in subparagraph (B) of section 553(b) of title 5, United States Code.

(B) INTERIM DETERMINATION.—The interim rules required for the stabilization program shall include an interim determination by the Secretary regarding the impacts of the stabilization program on—

(i) the dairy product value chain, including impacts on producers, processors, domestic customers, export customers, actual market growth and potential market growth, farms of different sizes, and different regions and States;

(ii) the competitiveness of the United States dairy industry in international markets;

(iii) domestic or international Government-funded nutrition programs;

(iv) consumers; and

(v) competition in domestic dairy markets.

(C) EFFECTIVE DATE.—The interim rules required for the stabilization program shall be effective on publication.

(2) INTERIM RULES AUTHORIZED FOR MARGIN PROTECTION PROGRAM.—With respect to the margin protection program, the Secretary may promulgate interim rules under the authority provided in subparagraph (B) of section 553(b) of title 5, United States Code, if the Secretary determines such interim rules to be needed. Any such interim rules for the margin protection program shall be effective on publication.

(3) FINAL RULES.—

(A) IN GENERAL.—With respect to the margin protection program and stabilization program, the Secretary shall promulgate final rules, with an opportunity for public notice and comment, no later than 21 months after the date of the enactment of this Act.

(B) FINAL DETERMINATION.—The final rules required for the stabilization program shall include a final determination by the Secretary of the impacts of the stabilization program on each of the items specified in paragraph (1)(B).

In section 1601(c)(2), relating to rulemaking procedure, strike "without regard to" in the matter preceding subparagraph (A), insert "without regard to" after both "(B)" and "(C)" and strike subparagraph (A) and insert the following new subparagraph:

(A) pursuant to section 553 of title 5, United States Code, including by interim rules effective on publication under the authority provided in subparagraph (B) of subsection (b) of such section if the Secretary determines such interim rules to be needed and final rules, with an opportunity for notice and comment, no later than 21 months after the date of the enactment of this Act;

In section 1601(c), strike paragraph (3) relating to congressional review of agency rulemaking.

In the section 1246 of the Food Security Act of 1985, to be added by section 2608, strike paragraph (2) of subsection (b) and strike subsection (c) and insert the following new paragraph (2):

"(2) shall be made pursuant to section 553 of title 5, United States Code, including by interim rules effective on publication under the authority provided in subparagraph (B) of subsection (b) of such section if the Secretary determines such interim rules to be needed and final rules, with an opportunity for notice and comment, no later than 21 months after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2013.".

Purpose and Summary

As described by the House Committee on Agriculture (the "Agriculture Committee"), H.R. 1947, the "Federal Agriculture Reform and Risk Management Act of 2013" or the "FARRM Bill" is a:

> bipartisan bill that saves taxpayers' money, reduces deficit spending, and repeals outdated government programs while reforming, streamlining and consolidating others. It is the product of a multi-year process that included auditing for effectiveness and efficiency every single policy under the jurisdiction of the House Committee on Agriculture. Whether it is through the elimination of direct payments, the consolidation of conservation programs, or reforming the SNAP program for the first time since the welfare reforms of 1996, every part of this bill contributes fairly to deficit reduction. [1]

H.R. 1947 consists of twelve titles, certain provisions of which were referred sequentially for consideration to the House Com-

[1] STAFF OF H. COMM. ON AGRICULTURE, 113TH CONG., SUMMARY OF H.R. 1947 1 (Comm. Print 2013), *available at* http://agriculture.house.gov/sites/republicans.agriculture.house.gov/files/farm%20bill/2013__FARRMSummary__0.pdf (last visited June 5, 2013).

mittee on the Judiciary on May 29, 2013. These include, most significantly, provisions in titles I and II related to the rulemaking procedure.

Background and Need for the Legislation

I. OVERVIEW OF H.R. 1947'S RELEVANT TITLES

Title I of H.R. 1947 contains a comprehensive rewriting of the U.S. Department of Agriculture's (the "USDA") commodities programs. Among other things, title I establishes new dairy margin protection and dairy stabilization programs for dairy producers, as well as authority for the USDA to use the Commodity Credit Corporation's "funds, facilities, and authorities" to carry out title I.[2] Title II contains H.R. 1947's conservation programs. Among other things, title II "authorizes cost-share and technical assistance for farmers, ranchers, foresters, and landowners through voluntary, incentive-based conservation programs."[3] These include programs for: conservation reserves, conservation stewardship, environmental quality incentives, agricultural conservation easements, regional conservation partnerships, conservation of private grazing lands, grassroots source water protection, voluntary public access and habitat incentives, agriculture conservation experienced services, small watershed rehabilitation, and agricultural management assistance.[4]

A. Dairy Margin Protection Program

The Agriculture Committee's report on H.R. 1947 provides the following general description of title I's dairy margin protection program and the reasons for its development:

> The failure of existing dairy programs to address the challenges faced by dairy farmers in recent years led the Committee to reconsider the best means for managing price volatility and producer risk in the dairy sector.
>
> Current dairy programs focus on price support. While milk prices were mostly stable when these supports were first enacted, annual fluctuations in farm milk prices are now routine, with milk prices regularly moving between lows and record or near-record highs over the past decade. In 2009, the dairy industry suffered dramatic losses, as dairy prices fell sharply from record highs in 2007–2008 at a time when feed costs were rising substantially above long-run averages.
>
> While milk price is an important factor for the financial success of dairy producers, another significant factor is the cost of dairy feed, which accounts for about three-quarters of a dairy farm's operating costs or about one-half of total costs.
>
> In light of these considerations, focus has shifted to a safety net that is centered on a "milk margin." The margin is

[2] Federal Agriculture Reform and Risk Management Act of 2013, H.R. 1947, 113th Cong. § 1601(a) (2013).
[3] H. Rept. 113–92, Part 1, at 183 (2013).
[4] *Id.* at 241–247.

> the amount available to pay all other costs once the feed bill is paid and can be calculated by subtracting a national feed cost from the national farm milk price.
>
> The dairy margin protection program is designed to address both catastrophic conditions, which can result in the severe loss of equity for dairy farmers, such as those witnessed in 2009, as well as long periods of low margins, such as those experienced in 2002.
>
> * * *
>
> Participating producers who exercise their option to buy supplemental margin protection coverage will be able to access a specific level and amount of risk management protection that is tailored to their farms' risk management needs. By offering a lower premium on supplemental coverage for the first 4 million pounds of production, the Committee has incentivized producers of all sizes to utilize this risk management tool on at least a portion of their production.[5]

B. Dairy Market Stabilization Program

Under the provisions of title I of H.R. 1947, "voluntary participation in the margin protection program requires producers to be subject to the dairy market stabilization program."[6] This stabilization program is a controversial supply management program, designed to use government authority to control milk supplies and affect the price of farm milk.

In brief, the stabilization program works as follows. When margins between farm milk prices and dairy farmers' feed costs drop below $6.00, dairy farmers are required to reduce their production or the stabilization program requires dairy processors to withhold between two and eight percent of dairy farmers' milk checks. The processors are then required to send the withheld amounts to USDA, to fund Federal purchases of dairy products. The program is thus designed to stabilize milk prices by influencing supply and demand for milk.

In the process of seeking stability, this program may adversely impact both consumers of dairy products and dairy farmers who want to expand their operations, involve direct Federal intervention in markets, and increase milk prices, thus ultimately hurting producers as well as dairy food manufacturers by curtailing industry growth.

For example, the Consumer Federation of America, National Consumers League, and Consumer Action oppose the Dairy Market Stabilization Program because of the concern that it could increase the prices that consumers pay for milk. They argue:

> [P]rograms which artificially increase milk prices will hit lower income consumers the most as they spend a higher proportion of their incomes on food than do other consumers. In addition, the Stabilization program would prevent prices from falling, depriving consumers of periodic

[5] *Id.* at 177–78.
[6] *Id.* at 178.

> price relief, while providing no protection for consumers from periodic milk price surges.[7]

To implement the stabilization program, the USDA will need to implement regulations that will require manufacturers to track and report current and historical production shipments; track which suppliers are in and out of the program; and involve new accounting and recordkeeping, audits, tracking and potential enforcement penalties if an entity miscalculates penalty fees. In light of the complexity and paperwork involved in the program, and the default attachment of criminal penalties to the provision of false information to the Federal Government, violations of paperwork and informational requirements in the bill may expose regulated parties, not just to civil enforcement, but to criminal sanctions.[8] Further, the stabilization program adds a new program to limit production periodically.

Many stakeholders believe that the stabilization program will raise domestic prices, hurt milk exports, encourage milk imports, increase consumer prices for dairy products, or limit the growth of the domestic dairy industry by discouraging new investments for processing capacity. These issues are important. For example, dairy exports are estimated to account for nearly 14 percent of milk produced in the United States, and it has been estimated that over two-thirds of recent growth in milk production is attributable to export demand. Dairy processors are reported to have invested billions of dollars for new U.S. production facilities in response to opportunities for increased export sales. At the same time, the stabilization program is likely bound to raise consumer prices, because it is designed to raise milk prices in the dairy value-added chain.

Finally, the Congressional Budget Office has found that the stabilization program includes private-sector mandates (as such mandates are defined by the Unfunded Mandates Reform Act). Specifically, CBO found that "[t]he aggregate cost of those mandates could exceed the annual threshold established in UMRA for private-sector mandates ($150 million in 2013, adjusted annually for inflation), depending on the extent of regulations that might be implemented by the Department of Agriculture."[9] Specifically:

> The bill would impose mandates on dairy handlers that purchase milk from dairy producers participating in the Dairy Market Stabilization Program (the "DMSP"). Under the DMSP, certain handlers would be required to report information to the Department of Agriculture under some circumstances. According to information from industry sources, the cost for handlers to collect and report information under the DMSP could amount to $100 million or more annually, depending on regulations to be issued by the department.[10]

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[7] Letter from Consumer Action *et al.* to Rep. Frank Lucas (R–OK) (Apr. 29, 2013), *available at* http://www.idfa.org/files/consumer__group__dmsp__final.pdf.

[8] *See, e.g.,* H.R. 1947, 113th Cong. §§ 1437–38 (2013) (civil enforcement); 18 U.S.C. § 1001 (criminal enforcement) (2011).

[9] H. REPT. 113–92, Part 1, at 310 (2013).

[10] *Id.*

II. THE NECESSITY FOR REVISIONS TO RULEMAKING AUTHORITIES IN TITLES I AND II OF H.R. 1947

Broadly speaking, sections 1461, 1601 and 2608 of H.R. 1947 provide the USDA with authority to promulgate regulations for the dairy margin protection and supply stabilization programs, the participation of the Commodity Credit Corporation in title I programs, and title II's conservation programs. That being said, much of the language in these sections is intended to exempt rulemakings for these regulations from the otherwise applicable procedures of the Administrative Procedure Act (the "APA")[11] and the Congressional Review Act (the "CRA"),[12] which exemptions lie within the Committee's jurisdiction, as well as from certain other rulemaking procedures.

The APA is widely considered to be the "constitution" of Federal rulemaking. Its requirements, however, are not heavy-handed. They include, for example, provisions that require agencies to provide public notice and seek public comment before they promulgate new regulations,[13] as well as provisions that enable the courts to review agencies' final decisions.[14] Nevertheless, the APA's requirements are critical—they provide significant legal protections to help assure that Federal rulemaking is informed by public views and the relevant facts, rest faithfully on the enabling statutes that authorize rulemaking, and are not arbitrary or capricious.

The CRA likewise imposes few, but important, restraints on Federal rulemaking. It requires new regulations to be submitted to Congress for review and potential disapproval, and requires important information about the details of new major regulations when those regulations are submitted to Congress. Congress, however, is provided only a short period of time in which to review new regulations. If that time elapses without a disapproval resolution having been passed, regulations become effective and enter into law.

The APA and the CRA represent Congress' considered judgment that, when new regulations are promulgated, these statutes should constrain agency decision-making to assure the just rule of law and fidelity to congressional intent. When significant regulations occur, such as those that involve new government programs or major economic burdens, it is particularly important that APA and CRA procedures be applied. This is surely the case when longstanding Federal programs are reformed or substantial new programs are created, such as in H.R. 1947. It is similarly the case when regulations would implement a program, such as the stabilization program, that has widespread opposition from consumers, producers, retailers, and exporters based on the expected adverse economic impacts of the program, and when violations of program requirements could lead to civil and criminal enforcement.

The Committee has found no compelling justification to exempt H.R. 1947's dairy margin protection and dairy stabilization programs, commodity programs or conservation programs from any of the protections of the APA or CRA. At most, any need to have regulations quickly in effect could afford a basis for USDA (and, as ap-

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[11] Pub. L. 79–404, 60 Stat. 237 (1946) (codified at 5 U.S.C. §§ 551–706 (2012)).
[12] Pub. L. 104–121, § 251, 110 Stat. 847, 868 (1996) (codified at 5 U.S.C. §§ 801–808 (2012)).
[13] *See* 5 U.S.C. § 553.
[14] *See* 5 U.S.C. §§ 701–706.

plicable, the Commodity Credit Corporation), using default APA authority found in 5 U.S.C. § 553(b)(B), to promulgate interim final regulations without notice and comment, to be followed by full notice and comment rulemaking to assure a full and fair procedure for the public and affected entities. But even were that the case, if the USDA were to use that authority, it would be all the more important to preserve the CRA's applicability, to provide at least a Congressional check-and-balance against unsound regulation.

III. THE COMMITTEE'S AMENDMENT TO H.R. 1947

The amendment adopted by the Committee was offered by Committee Chairman Goodlatte (R–VA). It amends sections 1461, 1601, and 2608 of H.R. 1947, and:

- generally eliminates these sections' exceptions to the APA's rulemaking requirements and the CRA's congressional review procedures;
- establishes an interim rulemaking requirement for section 1461's stabilization program, to be completed by 9 months after the enactment date of H.R. 1947;
- assures that interim stabilization rules are informed by an understanding of the economic impacts of the stabilization program on the dairy value chain, the U.S. dairy industry's international competitiveness, government-funded domestic and international nutrition programs, consumers, and competition in domestic dairy markets, and establishes a requirement that the interim stabilization rulemaking include an interim determination of these impacts;
- sets a deadline of 21 months after enactment (*i.e.,* 1 year after the interim regulation deadline) for final regulations to be promulgated under these sections' authority, following an opportunity for notice and comment;
- assures that final stabilization rules are fully informed by an understanding of and public comment on the economic impacts of the stabilization program on the dairy value chain, the U.S. dairy industry's international competitiveness, government-funded domestic and international nutrition programs, consumers, and competition in domestic dairy markets and establishes a requirement that the final stabilization rulemaking include a final determination of these impacts; and
- allows flexibility for the USDA to promulgate regulations for the other programs addressed by sections 1461, 1601 and 2608, and provides discretionary authority for the USDA to issue interim rules for these programs as well.

The amendment assures that the public receives prompt initial and final assessments of the stabilization program's potential adverse economic issues, as well as prompt regulations for all of these programs, on either an interim or final basis. The USDA retains discretion to coordinate regulations to be issued simultaneously or on a staggered basis for all of the relevant programs, so long as at least stabilization regulations are established promptly on an interim basis. The amendment's requirements for initial and final determinations of the stabilization program's potential adverse economic impacts essentially mean that the USDA will be required to render public determinations on these issues earlier than required in the Senate version of the bill, and that it will issue them in the rulemaking context, affording the public ample opportunity to receive notice, fully vet USDA's analysis, and offer comment before final regulations are in place, rather than in a report to the House and Senate Committees on Agriculture, as currently provided for in the Senate bill. Beyond that, the amendment simply assures that ordinarily applicable rulemaking requirements will apply to these important sets of regulations. The amendment does nothing to make rulemaking authority contingent on cost-benefit results or other substantively dispositive requirements.

This requirement is not intended to delay or hinder the Secretary's rulemaking authority under the bill, nor is it intended to be used to create a substantive, economic-impact-based claim to challenge the rules required to be promulgated under H.R. 1947.

Hearings

The Committee on the Judiciary held no hearings on H.R. 1947.

Committee Consideration

On June 5, 2013, the Committee met in open session and ordered the bill H.R. 1947 to be reported without a recommendation, with an amendment by voice vote, a quorum being present. The Committee on the Judiciary received a time-limited, sequential referral on H.R. 1947 for consideration of such provisions of the bill and amendment as fall within the jurisdiction of the committee pursuant to clause 1(l) of rule X.

Committee Votes

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that there were no recorded votes during the Committee's consideration of H.R. 1947.

Committee Oversight Findings

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee advises that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

New Budget Authority and Tax Expenditures

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

Congressional Budget Office Cost Estimate

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill H.R. 1947, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 7, 2013.

Hon. BOB GOODLATTE, CHAIRMAN,
Committee on the Judiciary,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: CBO has prepared a cost estimate for H.R. 1947, the "Agriculture Reform and Risk Management Act of 2013," as ordered reported by the House Committee on the Judiciary on June 5, 2013.

ESTIMATED BUDGETARY EFFECTS

CBO estimates that direct spending stemming from the program authorizations in H.R. 1947 would total $939 billion over the 2014–2023 period. That 10-year total reflects the bill's authorization of expiring programs through 2018 and an extension of those authorizations through 2023, consistent with the rules governing baseline projections that are specified in the Balanced Budget and Emergency Deficit Control Act of 1985.

Relative to spending projected under CBO's May 2013 baseline, CBO estimates that enacting the bill would reduce direct spending by $33.4 billion over the 2014–2023 period. The estimated budgetary effects of H.R. 1947 are summarized in Table 1.

Assuming appropriation of the specified and necessary amounts, CBO also estimates that implementing the bill would result in discretionary spending of $27.3 billion over the 2014–2018 period and $33.2 billion over the 2014–2023 period. Further details of that estimate for discretionary spending are displayed in Table 3.

INTERGOVERNMENTAL MANDATES

H.R. 1947 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). In general, state, local, and tribal governments would benefit from the continuation of existing agricultural assistance and the creation of new grant programs.

PRIVATE-SECTOR MANDATES

The bill would impose private-sector mandates as defined in UMRA. The aggregate cost of those mandates could exceed the annual threshold established in UMRA for private-sector mandates ($150 million in 2013, adjusted annually for inflation), depending on the extent of regulations that might be implemented by the Department of Agriculture. Specifically:

- The bill would impose mandates on dairy handlers that purchase milk from dairy producers participating in the Dairy Market Stabilization Program (DMSP). Under the DMSP, certain handlers would be required to report information to the Department of Agriculture under some circumstances. According to information from industry sources, the cost for handlers to collect and report information under the DMSP could amount to $100 million or more annually, depending on regulations to be issued by the department.

- The bill would require imports of olive oil to meet the same standards as olive oil produced in the United States if a marketing order for olive oil is established. Imports would have to be inspected to ensure compliance with the standards of such a marketing order. Because 15,000 to 20,000 lots of olive oil are imported annually, the costs of those inspections could amount to tens of millions of dollars per year, if a marketing order is established.

PREVIOUS CBO COST ESTIMATE

On May 23, 2013, CBO transmitted a cost estimate for H.R. 1947, as ordered reported by the House Committee on Agriculture on May 15, 2013.

The version of H.R. 1947 ordered reported by the Judiciary Committee is different than the Agriculture Committee's version. CBO estimates that the Judiciary Committee's version of H.R. 1947 would:

- Not affect federal revenues, whereas the Agriculture Committee's version would increase revenues by $64 million over the 2014–2023 period;
- Result in $85 million less in direct spending over the 2014–2023 period than the Agriculture Committee's version of the bill; and
- Authorize $129 million less in spending subject to appropriation over the 2014–2023 period than the Agriculture Committee's version of the legislation.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting H.R. 1947 would affect direct spending; therefore, pay-as-you-go procedures apply. The net change in outlays that are subject to those pay-as-you-go procedures are shown in Table 4.

If you need further details on this estimate, we would be pleased to provide them. The CBO staff contacts for federal costs are Kathleen FitzGerald, Emily Stern, Dan Hoople, David Hull, and Jim Langley. The CBO staff contact for intergovernmental mandates is J'nell L. Blanco. The CBO staff contact for private-sector mandates is Amy Petz.

Sincerely,

DOUGLAS W. ELMENDORF,
DIRECTOR.
Per ROBERT A. SUNSHINE

Enclosure

cc: Honorable John Conyers, Jr.
Ranking Member

TABLE 1. SUMMARY OF ESTIMATED BUDGETARY EFFECTS OF H.R. 1947, THE FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2013, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON THE JUDICIARY ON JUNE 5, 2013

	By Fiscal Year, in Millions of Dollars											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	2,112	-4,669	-3,249	-2,945	-3,183	-3,780	-3,932	-3,924	-4,100	-4,166	-11,933	-31,835
Estimated Outlays	578	-4,719	-3,107	-3,118	-3,122	-3,771	-3,892	-3,958	-4,104	-4,184	-13,488	-33,398
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level	6,474	6,508	6,555	6,596	6,638	507	7	7	7	7	32,771	33,306
Estimated Outlays	2,992	5,152	6,158	6,440	6,573	3,680	1,611	430	155	45	27,315	33,236

Note: Components may not sum to totals because of rounding.

Table 2. Detailed Effects on Direct Spending from H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013, as Ordered Reported by the House Committee on the Judiciary on June 5, 2013

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
CHANGES IN DIRECT SPENDING OUTLAYS												
Title I - Commodity Programs												
Repeal Direct Payments	0	-4,095	-4,158	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-17,329	-40,019
Repeal Countercyclical Payments	0	0	-117	-182	-190	-215	-217	-207	-197	-194	-489	-1,519
Repeal Average Crop Revenue Election Payments	0	0	-1,336	-696	-462	-424	-413	-454	-429	-505	-2,494	-4,719
Farm Risk Management Election	0	0	3,368	3,467	3,244	2,733	2,603	2,698	2,563	2,693	10,079	23,369
Nonrecourse Marketing Assistance Loans	4	6	7	5	5	4	4	6	6	5	27	52
Sugar Program	0	0	0	0	0	0	0	0	0	0	0	0
Dairy Program	-35	10	23	11	35	77	97	53	82	83	44	436
Supplemental Agriculture Disaster Assistance	897	364	314	296	295	297	300	302	303	306	2,166	3,674
Administration	65	35	0	0	0	0	0	0	0	0	100	100
Subtotal, Title I	**931**	**-3,680**	**-1,899**	**-1,637**	**-1,611**	**-2,066**	**-2,164**	**-2,140**	**-2,210**	**-2,150**	**-7,896**	**-18,626**
Title II - Conservation												
Conservation Reserve Program	20	30	-191	-354	-396	-462	-451	-468	-502	-565	-891	-3,339
Conservation Stewardship Program	-11	-85	-147	-219	-290	-372	-446	-518	-591	-663	-752	-3,342
Environmental Quality Incentives Program	30	58	72	87	101	114	128	128	128	128	348	974
Agricultural Conservation Easement Program	28	149	252	285	191	83	40	27	16	16	905	1,087
Regional Conservation Partnership Program	-1	-3	-3	-3	-3	-3	-3	-3	-3	-3	-13	-28
Other Conservation Programs	47	100	85	48	17	4	4	4	4	4	297	317
Funding	10	10	10	10	10	10	10	10	10	10	50	100
Repeal of Wildlife Habitat Incentives Program	-17	-35	-44	-53	-61	-70	-79	-79	-79	-79	-210	-596
Subtotal, Title II	**106**	**224**	**34**	**-199**	**-431**	**-696**	**-797**	**-899**	**-1,017**	**-1,152**	**-266**	**-4,827**
Title III - Trade	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**75**	**150**
Title IV - Nutrition												
Retailers	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-39	-79
Updating Program Eligibility	-535	-1,295	-1,295	-1,270	-1,240	-1,220	-1,200	-1,175	-1,165	-1,160	-5,635	-11,555
Standard Utility Allowances	-190	-840	-940	-950	-950	-950	-950	-960	-970	-990	-3,870	-8,690
Repeal Bonus Program	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-240	-480
Pilot Projects to Reduce Dependency	3	5	10	10	2	0	0	0	0	0	30	30
Assistance for Community Food Projects	10	10	10	10	10	10	10	10	10	10	50	100
Emergency Food Assistance	20	20	21	21	21	22	22	23	23	24	103	217
Nutrition Education	-26	-25	-26	-26	-27	-28	-28	-29	-29	-30	-130	-274
Retailer Trafficking	5	5	5	5	5	5	5	5	5	5	25	50
Northern Mariana Islands Pilot Program	1	1	10	10	9	2	0	0	0	0	31	33
Interactions	5	15	15	15	15	15	15	15	15	15	65	140
Subtotal, Title IV	**-762**	**-2,160**	**-2,246**	**-2,231**	**-2,212**	**-2,200**	**-2,182**	**-2,167**	**-2,167**	**-2,182**	**-9,611**	**-20,509**
Title V - Credit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

continued

Table 2. continued.

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
CHANGES IN DIRECT SPENDING OUTLAYS												
Title VI - Rural Development												
Rural Economic Development Loans and Grants	0	2	5	5	5	5	6	6	6	6	17	46
Value-Added Marketing Grants	0	18	15	15	2	0	0	0	0	0	50	50
Subtotal, Title VI	**0**	**20**	**20**	**20**	**7**	**5**	**6**	**6**	**6**	**6**	**67**	**96**
Title VII - Research, Extension, and Related Matters												
Organic Agriculture Research and Extension	10	16	20	20	20	10	4	0	0	0	86	100
Specialty Crop Research	26	40	53	54	60	63	65	65	65	65	232	555
Beginning Farmer and Rancher Development	5	10	16	20	20	15	10	4	0	0	71	100
Acceptance of Facility for Agricultural Research	0	1	1	1	1	1	0	0	0	0	4	5
Subtotal, Title VII	**41**	**67**	**90**	**95**	**101**	**89**	**79**	**69**	**65**	**65**	**394**	**760**
Title VIII - Forestry	**1**	**1**	**1**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**5**	**5**
Title IX - Energy	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Title X - Horticulture												
Farmers Market and Local Food Promotion	30	30	30	30	30	0	0	0	0	0	150	150
Specialty Crop Block Grants	9	16	18	18	24	29	30	30	30	30	83	232
Plant Pest and Disease Management	3	8	9	10	16	20	22	24	25	25	46	161
Subtotal, Title X	**42**	**53**	**57**	**58**	**69**	**49**	**52**	**54**	**55**	**55**	**279**	**543**
Title XI - Crop Insurance												
Supplemental Coverage Option	26	254	335	366	433	454	484	484	502	511	1,414	3,850
Catasptrophic Crop Insurance Rerating	-4	-38	-50	-52	-52	-53	-54	-55	-55	-56	-196	-469
Enterprise Units for Irriganted and Nonirrigated Crops	5	47	62	63	64	66	68	69	71	72	241	586
Adjustment in Average Producer History Yields	2	21	49	75	102	129	137	139	141	143	248	936
Equitable Relief for Specialty Crop Producers	127	36	37	5	0	0	0	0	0	0	205	205
Crop Production on Native Sod (Prairie Potholes)	0	-4	-8	-11	-15	-16	-16	-16	-16	-16	-38	-118
Coverage Level by Practice	0	2	17	20	21	21	21	22	22	22	60	168
Beginning Farmer and Rancher Provisions	2	20	26	28	31	34	35	36	36	36	106	283
Stacked Income Protection for Cotton	36	350	378	308	386	409	439	451	468	466	1,459	3,693
Peanut Revenue Crop Insurance	3	26	30	30	30	30	30	30	30	30	119	269
Implementation	2	21	16	15	15	14	2	0	0	0	69	85
Participation Effects of Commodity Programs	0	-9	-87	-104	-92	-63	-52	-60	-54	-53	-291	-574
Subtotal, Title XI	**199**	**725**	**805**	**744**	**923**	**1,024**	**1,093**	**1,101**	**1,145**	**1,155**	**3,396**	**8,914**

continued

Table 2. continued.

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
CHANGES IN DIRECT SPENDING OUTLAYS												
Title XII - Miscellaneous												
Outreach to Socially Disadvantaged Producers	5	8	10	10	10	5	2	0	0	0	43	50
Noninsured Crop Assistance Program	1	7	7	6	5	4	4	4	4	4	26	46
Subtotal, Title XI	**6**	**15**	**17**	**16**	**15**	**9**	**6**	**4**	**4**	**4**	**69**	**96**
Total Changes in Direct Spending	**578**	**-4,719**	**-3,107**	**-3,118**	**-3,122**	**-3,771**	**-3,892**	**-3,958**	**-4,104**	**-4,184**	**-13,488**	**-33,398**

Source: Congressional Budget Office.

Note: Components may not sum to totals because of rounding.

Table 3. Estimated Spending Subject to Appropriation in H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013, as Ordered Reported by the House Committee on the Judiciary on June 5, 2013

(Millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2014-2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Title I - Commodity Programs						
Estimated Authorization Level	6	6	5	5	5	27
Estimated Outlays	5	6	5	5	5	26
Title II - Conservation						
Estimated Authorization Level	165	165	165	165	165	825
Estimated Outlays	81	123	149	162	165	680
Title III - Trade						
Estimated Authorization Level	2,197	2,202	2,206	2,210	2,214	11,029
Estimated Outlays	790	1,821	2,053	2,149	2,189	9,002
Title IV - Nutrition						
Estimated Authorization Level	205	204	208	212	216	1,043
Estimated Outlays	173	202	207	211	215	1,006
Title V - Credit						
Estimated Authorization Level	409	415	430	437	445	2,136
Estimated Outlays	376	415	429	436	444	2,100
Title VI - Rural Development						
Estimated Authorization Level	334	334	334	334	334	1,670
Estimated Outlays	24	116	203	289	316	948
Title VII - Research, Extension, and Related Matters						
Estimated Authorization Level	2,692	2,716	2,742	2,768	2,794	13,711
Estimated Outlays	1,374	2,166	2,724	2,750	2,776	11,790
Title VIII - Forestry						
Estimated Authorization Level	87	87	87	87	87	436
Estimated Outlays	39	61	75	83	87	345
Title IX - Energy						
Estimated Authorization Level	271	271	271	271	271	1,355
Estimated Outlays	67	148	206	248	268	936
Title X - Horticulture						
Estimated Authorization Level	36	36	36	36	36	180
Estimated Outlays	25	33	36	36	36	166
Title XII - Miscellaneous						
Estimated Authorization Level	73	71	71	71	71	357
Estimated Outlays	39	60	71	71	71	313
Total Changes[1]						
Estimated Authorization Level	6,474	6,508	6,555	6,596	6,638	32,771
Estimated Outlays	2,992	5,152	6,158	6,440	6,573	27,315

Source: Congressional Budget Office.

Note: Components may not sum to totals because of rounding.

1. CBO estimates that implementing the bill would cost $33.2 billion over the 2014-2023 period.

Table 4. CBO Estimate of the Statutory Pay-As-You-Go Effects for H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013, as Ordered Reported by the House Committee on the Judiciary on June 5, 2013

	By Fiscal Year, in Millions of Dollars												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
	NET INCREASE OR DECREASE (-) IN THE DEFICIT												
Statutory Pay-As-You-Go Impact	0	578	-4,719	-3,107	-3,118	-3,122	-3,771	-3,892	-3,958	-4,104	-4,184	-13,488	-33,398

Duplication of Federal Programs

No provision of H.R. 1947 within the jurisdiction of the Committee establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance. With respect to the bill H.R. 1947, the Committee on the Judiciary adopts the Committee on Agriculture's statement with regard to duplication of Federal programs appearing in H. Rept. 113–92, Part 1, at page 318: H.R. 1947, the "Federal Agriculture Reform and Risk Management Act of 2013" eliminates and streamlines several duplicative or antiquated programs including 1 that was included in reports from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139. There are 3 other programs identified in the most recent Catalog of Federal Domestic Assistance or on a report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or a program of the Federal Government known to be duplicative of another Federal program established or reauthorized in H.R. 1947.

Disclosure of Directed Rulemakings

The Committee estimates that the provisions within the Committee on the Judiciary's jurisdiction, as amended, direct the Secretary of the Department of Agriculture to complete one interim rulemaking within the meaning of 5 U.S.C. 551 et seq. With respect to the bill H.R 1947, the Committee on the Judiciary adopts as its own the Committee on Agriculture's disclosure of directed rulemakings appearing in H. Rept. 113–92, Part 1, at page 319: The Committee estimates that enacting H.R. 1947 directs the completion of 2 specific rule makings within the meaning of 5 U.S.C. 551.

Performance Goals and Objectives

The Committee states that pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, H.R. 1947 provides for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes.

Advisory on Earmarks

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 1947 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI.

Federal Mandates Statement

The provisions within the Committee on the Judiciary's jurisdiction include no inter-governmental or private-sector mandates. With respect to the bill H.R. 1947, the Committee adopts as its own the estimate of Federal mandates prepared by the Director of the

Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

Section-by-Section Analysis

A section-by-section analysis of the bill H.R. 1947 appears in H. Rept. 113–92, Part 1, at pages 232–293.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the provisions of the bill referred to the Committee, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

FOOD SECURITY ACT OF 1985

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TITLE XII—CONSERVATION

* * * * * * *

Subtitle E—Funding and Administration

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SEC. 1246. REGULATIONS.

(a) IN GENERAL.—The Secretary shall promulgate such regulations as are necessary to implement programs under this title, including such regulations as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under section 1244(f).

(b) RULEMAKING PROCEDURE.—The promulgation of regulations and administration of programs under this title—

(1) shall be carried out without regard to—

(A) the Statement of Policy of the Secretary effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(B) chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act); and

(2) shall be made pursuant to section 553 of title 5, United States Code, including by interim rules effective on publication under the authority provided in subparagraph (B) of subsection (b) of such section if the Secretary determines such interim rules to be needed and final rules, with an opportunity for notice and comment, no later than 21 months after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2013.

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Changes in existing law made by the bill H.R. 1947 as reported by the Committee on Agriculture are represented in a supplement to H. Rept. 113–92, Part 1.

Dissenting Views

In addition to serving on the Judiciary Committee, I am honored to serve on the Agriculture Committee as well. Recently, the Agriculture Committee held a markup of the Federal Agriculture Reform and Risk Management Act (FARRM), where there were extensive policy discussions on a number of issues, including the Dairy Security Act. While this is certainly not a perfect bill, the Dairy Security Act is one of the most crucial elements. As a result, I opposed Chairman Goodlatte's amendment which would subject a needed dairy policy in FARRM, which has been approved twice by the House Agriculture Committee, to additional regulations and studies. It is unfortunate that the Judiciary Committee is picking and choosing sections of FARRM to subject to the Administrative Procedures Act and the Congressional Review Act and requiring additional reviews for the Dairy Security Act.

Additionally, I take exception to assertions made during the markup that the Dairy Security Act is bad for consumers. I submitted a report to the record by Dr. Scott Brown from the University of Missouri, a respected voice in agriculture. This report found that farm-level milk prices will rise only one half of one cent per gallon if provisions in the Dairy Security Act are implemented. In addition, the current volatility in the market is far more harmful to consumers than that very slight increase. Under current dairy programs, we have seen extreme price volatility. We have also seen that consumers tend to feel the full impact when dairy prices spike, but they rarely get the full benefit when prices come back down. The truth is, the Dairy Security Act would stabilize and moderate milk prices for both producers and consumers. Numerous studies have shown that the stabilization program will reduce milk price volatility. Further, the entire program is completely voluntary, and no one is compelled to participate. There has already been a lengthy debate about the need for a new dairy policy, and that debate took place in the Agriculture Committee where efforts to remove the stabilization program failed. This debate has taken place over four years and spanned multiple hearings, none of which took place in the Judiciary Committee.

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