

Food, Conservation and Energy Act of 2008

(Farm Bill Summary)

Under the five-year, \$289 billion plan, the farm bill will provide:

- \$10.36 billion in new funding for nutrition programs. With this additional funding, these programs now represent 73.5 percent of the bill's total funding. Similar spending was 66.1 percent in the previous farm bill.
- 16.1 percent to fund farm subsidies, a reduction of approximately 12 percent from 2002 funding.
- A reduction in the adjusted gross income (AGI) cap for individuals to qualify for direct payments is reduced to \$750,000 for farmers and \$500,000 for non-farmers from \$2.5 million under current law. It also includes a countercyclical program based on a farmer's income rather than commodity prices, caps some direct payments at \$40,000 per person, and eliminates the three entity rule. Different payment limitations will be established for conservation program payments, which will be based on the enrolled program. **Note:** NAEDA did not take a position on income caps.
- A reduction of the ethanol tax credit to 45 cents per gallon from 52 cents per gallon. The 7 cents will be reallocated to fund cellulosic ethanol research. **Note:** The reallocation is within NAEDA policy to support research on cellulosic ethanol.
- A \$3.8 billion agricultural disaster aid program. **Note:** NAEDA has supported disaster assistance to areas where drought, flooding or other natural disasters have occurred.
- At least \$12 billion for the Conservation Stewardship Program, which will allow enrollment of nearly 115 million acres over the next 10 years that meet specific conservation goals. **Note:** NAEDA has supported a review of conservation programs to ensure they are providing the best return on dollars invested.
- \$230 million for specialty crop research initiatives. **Note:** NAEDA does not have a position in regard to specialty crops.
- A first-ever Livestock Title that offers basic protection for producers in livestock and poultry markets. **Note:** NAEDA does not have a position on the new title.
- Expanded assistance programs for broadband service in rural areas to help businesses, farms and families. **Note:** NAEDA policy supports rural development efforts to help retain and recruit qualified individuals to rural areas.
- \$75 million for the Beginning Farmer and Rancher Development Program. **Note:** NAEDA does not have a policy on beginning farmer and rancher programs.

For additional information about the 2008 farm bill, visit the following sites.

House: <http://agriculture.house.gov/inside/FarmBill.html>

Senate: <http://agriculture.senate.gov>

This summary was compiled from various sources by Mike Williams, vice president, government relations and public policy, North American Equipment Dealers Association.