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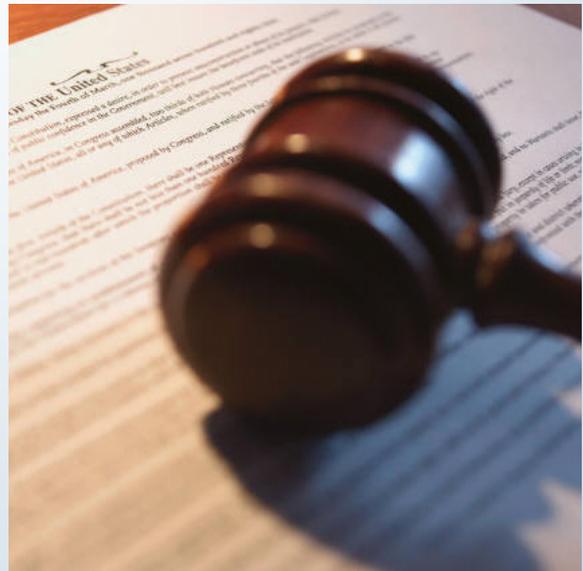
# The 2014 Farm Bill: What Are the Major Reforms and How Do They Affect Western Agriculture?

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After nearly two years of partisan gridlock in Congress, the long-overdue farm bill, known as the *Agricultural Act of 2014*, finally was signed into law by President Obama on February 7, 2014. The farm bill is the primary policy tool of the United States government for agriculture, food, and rural development. It provides authorization for services and programs that impact every American and millions of people around the world (U.S. Department of Agriculture 2014). In this issues brief, we first summarize the major changes in the new farm bill and then provide a preliminary analysis of its potential impacts in the U.S. West Coast (California, Oregon and Washington).

## Major Changes in the 2014 Farm Bill

The nearly \$1 trillion farm bill is expected to save \$16.6 billion over the next decade compared to the 2008 farm bill (Chite 2014). Most of the savings are from cuts to nutrition (\$8 billion) and conservation (\$6 billion) programs. Nutrition accounts for 79 percent of the spending in the new bill, crop insurance 9 percent, conservation 6 percent, commodity support 5 percent, and all other programs combined 1 percent. The new farm bill eliminates the direct payments program and significantly expands the crop insurance program (Glauber 2013). There has never been a farm bill with such a robust crop insurance program combined with price-sensitive commodity programs, all in a period of volatile prices. The ultimate savings may be less than \$16.6 billion, however, for at least two reasons. First, the recent drop in corn price may increase spending in the crop insurance



program (Politico 2014). Second, several states are using a wrinkle in federal law that could reduce or nullify the cuts to nutrition (Stateline 2014). Major changes in the new farm bill are discussed below.

## COMMODITIES

*Ends direct payments (DP), countercyclical payments, and average crop revenue election programs.* Ending DP saves about \$5 billion a year. DP was given to producers of covered commodities whether or not they grew a crop. DP became politically toxic because farm income had risen to record levels (The New York Times 2014).

*Establishes the Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC) programs.* Producers of covered commodities can choose to enroll either in PLC or ARC. For producers who choose to enroll in PLC, payments are provided when market prices fall below the reference price. For producers who elect to participate in ARC, payments are provided when crop revenue fall below 86 percent of the benchmark revenue. Producers may choose county-based or individual coverage ARC. Both PLC and ARC are listed under Title I (Commodities), but they are “insurance” programs in nature. Thus, producers who elect to participate in either ARC or the Stacked Income Protection Plan (STAX) are ineligible for the Supplemental Coverage Option (SCO)—a new insurance program.

*Establishes Margin Protection Program (MPP) and Dairy Product Donation Program (DPDP).* MPP pays participating dairy producers when the national margin (average milk price minus average feed costs) drops below the payment-trigger. The payments are higher at lower levels of milk production, which provides a signal to dairy producers to reduce production when overproduction is eminent. For the first two years of MPP, the cost of participation (premium) for smaller farms (200 cows or less) is reduced by 25 percent for the first 4 million pounds of milk production. DPDP requires the Secretary of Agriculture to purchase dairy products at market prices when the national margin drops below the MPP payment-trigger. Purchased products are donated to low-income groups through nutrition programs. Several outdated dairy programs are ended.

*Establishes Supplemental Agricultural Disaster Assistance Programs for livestock.* Livestock includes dairy animals, cattle, poultry, swine, horses, farm-raised fish, honeybees and others. The Livestock Indemnity Program (LIP) pays producers for losses from adverse weather or attacks from animals reintroduced to the wild by the government. The Livestock Forage Program (LFP) pays producers for losses from drought or fire. The Emergency Livestock Assistance Program (ELAP) pays producers for losses caused by feed or water shortages, disease and other factors. Previous disaster assistance programs for livestock producers ended in 2011, so LIP, LFP and ELAP provide retroactive assistance for 2012-2013.

*Establishes payment limits, income caps for payments, and closes several payment loopholes.* Limits to payments reduce the maximum total farm payments a person can receive to \$125,000. Income caps prevent millionaires (adjusted gross income exceeding \$950,000) from receiving payments. A loophole is closed which had allowed issuance of payments to deceased individuals who were not eligible for payments. The “actively engaged” in farming rule is ended, which had allowed more than one individual in a single farm to receive payments if they were actively engaged in the farm.

## CROP INSURANCE

*Establishes the Supplemental Coverage Option (SCO).* SCO provides additional protection to producers of covered commodities beyond traditional crop insurance policies. It provides coverage based on county average yield or revenue and will be made available beginning with the 2015 crop. SCO provides subsidies to producers of 65 percent of their premiums. SCO coverage is not available to producers who elect to participate in either the Agriculture Risk Coverage (ARC) program or the Stacked Income Protection Plan (STAX).

*Replaces traditional commodity program coverage for producers of upland cotton with the Stacked Income Protection Plan (STAX), beginning with the 2015 crop.*

To provide support while the new program is being implemented, upland cotton producers will receive transition payments for crop year 2014 and also for crop year 2015 in any areas where STAX policies are not yet available.

*Expands the Noninsured Crop Assistance Program (NAP).*

NAP provides weather-related coverage for commodities for which crop insurance policies are not available. Additional “buy-up” coverage above catastrophic loss levels will be allowed for commodities that otherwise would not have additional coverage available to them.

*Requires indemnity payments to organic crop producers to reflect prices of organic crops.* Most producers of organic crops received reimbursements based on prices of non-organic crops. Crop insurance now reimburses producers of all organic crops for price and revenue losses based on the prices of organic crops, which are higher than prices for non-organic crops.

**SPECIALTY CROPS AND ORGANICS**

*Expands research and technical assistance for specialty crops.* Specialty crops are fruits, tree nuts, vegetables, nursery crops, and floriculture (*Specialty Crop Competitiveness Act of 2004*). The new farm bill invests \$820 million over five years for research and technical assistance for specialty crops. This is a significant increase from the \$513 million provided in the 2008 farm bill. The Specialty Crop Research Initiative (SCRI) provides \$400 million for research grants to address the science of specialty crops, such as pollination, plant breeding, genetics and genomics, and pests and diseases. Specialty Crop Block Grants provides \$375 million to increase market competitiveness for specialty crops. Technical Assistance for Specialty Crops provides \$45 million to enhance trade assistance and market promotion tools that will grow international markets for specialty crops.

*Expands Farmers’ Market and Local Food Promotion Program (FMLFPP).* Local food systems often have direct sales markets where agriculture producers market their products directly to consumers and food-oriented businesses and institutions within their local area (Stephenson and Lev 2004). FMLFPP intends to increase domestic consumption of locally produced agricultural products and to develop new market opportunities for farms serving local markets. FMLFPP provides grants to improve outreach, training, and technical assistance to direct sales markets and to local food business enterprises that process, distribute, aggregate, or store locally produced food, including non-direct sales. Grants prioritize underserved



communities, including communities located in areas of concentrated poverty with limited access to fresh locally grown foods and that have not received benefits from FMLFPP recently. Five-year funding for FMLFPP is \$150 million, which is a significant increase from the \$33 million provided by the 2008 farm bill.

*Establishes pilot projects in the Fresh Fruit and Vegetable (FFV) program.* FFV intends to increase children’s consumption of fruits and vegetables in schools. The projects will evaluate inclusion of canned, frozen, or dried fruits and vegetables in FFV. Schools not participating in the projects are not permitted to offer anything other than fresh fruits and vegetables through FFV. Funding of \$5 million is available for projects in up to five states.

*Establishes retroactive support in Tree Assistance Program (TAP).* TAP provides assistance for disasters to producers of tree crops, vines, and bushes in designated disaster areas. TAP pays for up to 65 percent of the cost of replacing trees and up to 50 percent of the cost of salvaging damaged trees or preparing land for replanting. TAP now provides retroactive assistance for 2012–2013.

*Establishes higher protection levels in Non-insured Crop Disaster Assistance Program (NAP).* NAP provides assis-

tance for adverse weather to producers of crops for which insurance is not offered. Producers can now purchase higher levels of protection in NAP.

*Establishes Specialty Crop Subcommittee on Citrus Disease.* One major issue the subcommittee will address is citrus greening disease, also known as Huanglongbing or yellow dragon disease.

*Establishes Christmas Tree Promotion, Research, and Information Order (CTPO).* CTPO collects fees from the industry to fund promotion, research, and information programs for Christmas trees.

*Establishes monitoring and enforcement standards in National Organic Program (NOP).* NOP regulates standards and certification of organics. Organics are produced in a manner that conserves natural resources and biodiversity, and does not use genetic engineering, or synthetic fertilizers and pesticides. Organic livestock must be allowed year-round access to the outdoors, except under specific conditions (inclement weather). Organic ruminant livestock, such as cattle, sheep, and goats must have free access to certified organic pasture for the entire grazing season, at a minimum of 120 days (*Organic Foods Production Act of 1990*). Standards are established for recordkeeping by certified farms and certifying agents, and for investigations and enforcement by the USDA. For example, persons knowingly selling non-organic products as organic are subject to a maximum fine of \$10,000. Five-year funding for NOP is \$75 million, which is a significant increase from the \$40 million provided in the 2008 farm bill.

*Expands National Organic Certification Cost-share Program (NOCCSP).* NOCCSP helps defray the costs of organic certification for producers and handlers. NOCCSP pays up to 75 percent of the \$750 annual certification cost. Five-year funding for NOCCSP is \$57.5 million, more than double the amount provided in the 2008 farm bill (\$22 million).

## NUTRITION

*Cuts \$8 billion from Supplemental Nutrition Assistance Program (SNAP) over the next decade.* Funding cuts to SNAP, formerly known as the Food Stamp Program, will not cause anyone to lose eligibility, but they will cause

a decrease in the amount of food assistance for some participants. The Congressional Budget office projects the cuts to affect 850,000 households, or 4 percent of SNAP users. All of the cuts, however, fall on the “Heat and Eat” part of the program used in Washington D.C. and 16 states. Previously in the Heat and Eat program, households that received a payment through the Low Income Home Energy Assistance Program (LIHEAP), as little as \$1 a year, could claim larger utility deductions when calculating their SNAP benefits. Under the 2014 farm bill, households receiving less than \$20 of LIHEAP assistance may not do so and thus may face a cut in SNAP benefits.

*Establishes education and training (E&T) pilot projects.* The projects’ intent is to raise the number of job placements, increase earned income, and reduce reliance on government assistance. Monitoring and outcome reporting measurements are required that identify improvements in skills, training, education, or work experience. Funding of \$10 million in 2014 and \$190 million in 2015 is provided for projects in up to ten states.

*Establishes Food Insecurity Nutrition Incentive (FINI) program.* FINI doubles SNAP benefits at farmers’ markets and similar venues, such as community-supported agriculture programs, to help SNAP users eat more nutritious foods, such as fruits, nuts, and vegetables. Five-year funding for FINI is \$100 million.

*Provides funds to prevent SNAP fraud and trafficking.* Fraud includes using false information to calculate SNAP benefits. Trafficking includes exchanging SNAP benefits for cash. Funding of \$15 million is provided in 2014 for information technologies to prevent these crimes.

## CONSERVATION

*Cuts \$6 billion from conservation over the next decade.* The 23 voluntary conservation programs are pared down to 13 by combining smaller programs and rolling them into larger ones. Conservation on working lands continues to be emphasized through programs such as the Environmental Quality Incentives Program and Conservation Stewardship Program.

*Links conservation compliance (CC) with agricultural support programs.* Producers farming highly erodible land

must now farm according to an approved conservation plan to be eligible for agricultural support programs in the farm bill. CC and agricultural support programs were last linked in 1996. Producers not previously subject to CC have five years to develop and comply with an approved plan to maintain eligibility. Producers previously subject to CC and who are currently in violation of highly erodible land conservation have two years to develop and comply with a conservation plan. Producers are also ineligible for agricultural support programs if they convert wetlands to farmland or produce on converted wetlands. The wetlands provision also provides time to comply, depending on whether producers are using support programs for the first time and when conversion took place.

*Relaxes Sod Saver (SS) provision.* SS intends to protect native sod (grass). It applies to producers that remove native sod and purchase crop insurance on the land. The crop yields used to calculate the insurance reimbursement for these producers is now 65 percent of the average crop yield in the county where production occurs (not producers' individual yield) and the premium subsidy is reduced by 50 percentage points. SS applies to the first four years of planting on native sod in the Prairie Pothole National Priority Area (parts of MT, ND, SD, MN and IA). SS in the 2008 farm bill linked planting on native sod in the Prairie Pothole National Priority Area with ineligibility in the crop insurance program for the first five years of planting.

## FORESTRY

*Exempts specified forestry activities from Clean Water Act (CWA) regulations.* CWA is the federal law regulating water pollution in the United States. The U.S. Environmental Protection Agency is now prohibited from requiring permits for discharge of storm water runoff resulting from specified forestry activities.

*Establishes programs to address forest health and wildfire issues.* The Secretary of Agriculture must designate critical areas within the National Forest System to address deteriorating forest health conditions due to insect infestation, drought, disease, or storm damage. Expedited environmental, administrative, and judicial procedures can be used in such areas. States can now be compensated for the out-of-state costs of suppressing wildfires that spread across state lines. The Secretary of Agriculture can

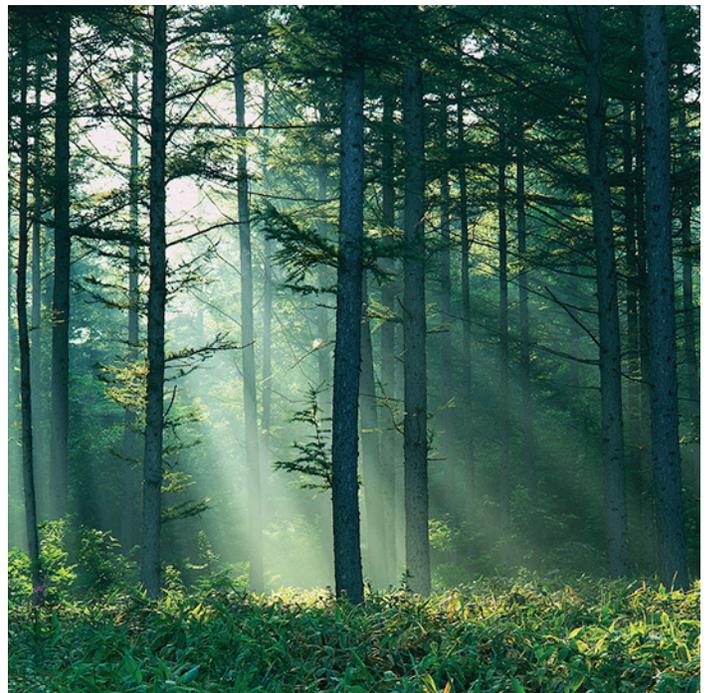
also lease up to five large air tankers for up to five years to combat wildfires.

## RURAL COMMUNITIES

*Extends Payment in Lieu of Taxes (PILT) program for one year.* PILT pays county governments for services on public lands, including law enforcement in National and state parks. This provides financial support to rural communities, which often have vast public lands, because public lands require maintenance and do not pay property taxes. Funding for PILT in 2014 is \$425 million.

## Potential Impacts in the West Coast

The U.S. West Coast is arguably the most prolific and diverse agriculture production region in the world. The region produced 22 percent of direct sales, 25 percent of dairy sales from cows, 7 percent of cattle sales, 73 percent of fruit and nut sales, 45 percent of vegetable sales, 30 percent of nursery and floriculture sales, and 53 percent of organic sales, in the United States in 2007 (*Census of Agriculture*). The new farm bill increases support for local food systems, livestock, specialty crops, and organics, which are expected to have a significant impact in the

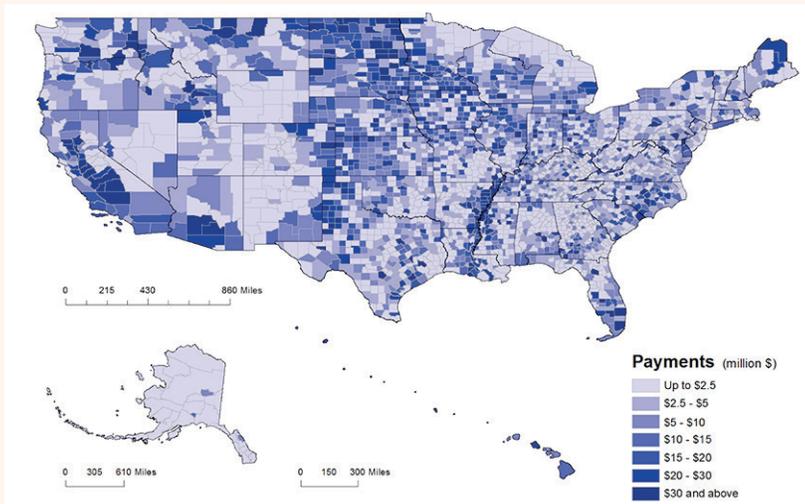


**Table 1. Agricultural Sales, Government Payments to Agriculture, Government Payments for Conservation, and Payments in Lieu of Taxes in Selected Regions of the United States**

	Agriculture Sales		Payments to Agriculture		Payments for Conservation		PILT Payments	
	Total	Share	Total	Share	Total	Share	Total	Share
	million \$	percent	million \$	percent	million \$	percent	million \$	percent
California	40,467	12	1,480	5	177	6	41	10
Oregon	3,980	1	333	1	69	2	16	4
Washington	8,058	2	748	2	87	3	17	4
West Coast	52,505	15	2,562	8	333	11	74	18
United States	342,923	100	30,499	100	2,901	100	401	100

Note: Data for government payments to agriculture and conservation are from Economic Research Service (2013). We use government payments data for 2010, the most recent year available. We use data on payments to agriculture (function codes: 110, 120, 130 and 140) from the USDA (program code 10) that are reliable at the county-level (disposition code 0). We use government payments for conservation from major USDA conservation programs: Conservation Reserve Program, Environmental Quality Incentive Program, Wetlands Reserve Program, Conservation Security Program, Farm and Ranch Land Protection Program, Wildlife Habitat Incentive Program and Grassland Reserve Program. Government payments to agriculture include conservation payments. Agricultural sales data are for 2010 and are from Economic Research Service (2014). PILT data are for 2013, the most recent year available, and are from the U.S. Department of the Interior (2014). Dollar values are adjusted to 2013 dollars using the U.S. Bureau of Labor Statistics' annual Consumer Price Index for all urban consumers and items. Dollar values are rounded to the nearest million dollars. Shares are rounded to the nearest percent.

**Figure 1. Government Payments to Agriculture in the United States in 2010**



Note: Data are described in table 1.

West Coast. The new farm bill, however, does not provide long-term solutions to finance the maintenance of public lands, many of which are located in the western United States.

Table 1 presents agricultural sales, government payments to agriculture, government payments for conservation, and government PILT payments in selected regions of the United States. The West Coast contributed 15 percent of the total agricultural sales in the U.S., but received only 8 percent of the total government payments to agriculture in 2010. Thus, one could argue that the West Coast receives less than its fair share of government payments to agriculture. Figure 1 shows government payments to agriculture across counties in the United States in 2010. Government payments to agriculture are concentrated where there are significant amounts of agricultural land and where higher-value crops are grown. Potential impacts in the West Coast of the major policy reforms in the 2014 farm bill are discussed below.

### COMMODITIES

Overproduction of milk is a major cause of the recent demise of smaller dairy farms (Bullvine 2013). Dairy farms in the West Coast, however, are relatively large. About 63,000 dairy farms with 199 or fewer cows were in the United States in 2007, of which, only 3 percent were located in the West Coast (*Census of Agriculture*). This suggests MPP will be more effective at improving the viability of smaller dairy farms and supporting local food systems outside of the West Coast.

Retroactive assistance for 2012–2013 is a key component of LIP and LFP for livestock producers in the West Coast. For example, about 225 cattle died in Oregon in the 2012 wildfires, and hundreds of thousands

of acres of rangeland burned (Associated Press 2014). Wolves that were reintroduced to the wild by the federal government, such as the Imnaha pack, are believed to be responsible for numerous cattle injuries and deaths in north-east Oregon in recent years. The estimated cost of wolf reintroduction to cattle ranchers in north-east Oregon is \$260.90 per head of cattle (Williams 2010). The cost is broken down as \$25.20 per head for killed calves, \$21 per head for reduced weaning rates, \$55 per head for weight loss, \$67.20 per head for reduced conception rates, and \$92.50 per head for increased management.

ELAP will be popular in California this year. The 2014 California drought is the worst in the state since 1976–1977 and it is causing severe water shortages. For example, the U.S. Bureau of Reclamation plans to not deliver water to agricultural producers in California's Central Valley Project this year. Water shortages in California are expected to cause 800,000 acres of farmland to be fallowed this year (Western Farm Press 2014a).

Income caps for government payments will significantly reduce government payments to larger farms in California relative to the rest of the nation. The share of farms that had total sales of \$1 million or more in 2007 was 5 percent for the United States, 14 percent for California, 4 percent for Oregon and 6 percent for Washington (*Census of Agriculture*).

## CROP INSURANCE

Many farmers in the West Coast, including wheat farmers, will benefit from the expanded crop insurance program. Producers of covered commodities can now purchase higher protection levels through the Supplemental Coverage Option (SCO), one of the new shallow loss policies. Many farmers may choose SCO because the federal government subsidizes 65 percent of premiums in SCO, compared with 60 percent of premiums in other crop insurance policies on average (Chite 2014). The West Coast produced 12 percent of wheat sales in the United States in 2012 (Economic Research Service 2014). According to the Risk Management Agency's State Profiles, 61 percent of wheat acreage was insured in California in 2013, compared to 77 percent in Oregon and 90 percent in Washington. There are also more wheat acres in Washington and Oregon than in California. The flexibility to choose dif-

ferent levels of protection for irrigated and non-irrigated crops may also boost insurance usage for many crops.

Crop insurance will be more popular for organic producers because their reimbursements are now based on prices of organic crops. Organic sales accounted for 1 percent of agricultural sales in the United States in 2007 and 2 percent of agricultural sales in California, Oregon and Washington (*Census of Agriculture*).

## SPECIALTY CROPS AND ORGANICS

The increase in spending for research and technical assistance for specialty crops will help solve key issues for the industry. These issues include: access to new markets (Stephenson et al. 2008), food safety (Pouliot and Sumner 2008), pollination (Southwest Farm Press 2014), Pierce's disease (California Department of Food and Agriculture 2014a), the spotted wing drosophila (Oregon State University 2014), and citrus greening disease, also known as Huanglongbing (HLB) (California Department of Food and Agriculture 2014b). HLB is a critical problem for California because the state produced 48 percent of citrus sales in the United States in 2012 (Economic Research Service 2014). SCRI includes the Emergency Citrus Disease Research and Extension Program, which awards competitive grants for scientific research, technical assistance and development activities to combat citrus diseases and pests. The new Specialty Crop Subcommittee on Citrus Disease will also help California address HLB. The Secretary of Agriculture selects the nine subcommittee members, three of which will be from California or Arizona.

FMLFPP will help grow new markets for local food systems and specialty crops. FMLMPP supports specialty crop producers because it aims to increase access to "fresh" food and because direct sales are dominated by sales of fruits, nuts and vegetables (Lev and Gwin 2010). The new FFV pilot projects increase demand for specialty crops by children, which could increase production of specialty crops and the health of children. The effect of FFV pilot projects in the West Coast depends on whether California, Oregon and Washington are among the five states selected to participate. The culture of local food systems and the availability of specialty crops in the West Coast suggest FMLFPP and FFV pilot projects will be popular in the region.

Retroactivity in TAP will assist producers of fruits and tree nuts with the costs of drought, severe winter weather, and other natural disasters in 2012–2013. For example, the freeze in California in December 2013 caused nearly \$500 million in damage to the citrus industry, including \$441 million in lost fruit and \$49 million in frost protection efforts (Western Farm Press 2014b).

Higher payment levels available in NAP will help reduce financial hardship caused by the 2014 California drought for producers of lettuce and other non-insured crops. For example, California produced 77 percent of lettuce sales in the United States in 2012 (Economic Research Service 2014).

CTPO can increase consumers' demand for Christmas trees, which could increase price and sales. This benefits many producers in the West Coast because it produced 38 percent of Christmas tree sales in the United States in 2007, with Oregon the top state in sales (*Census of Agriculture*). A well-designed promotion program can have a significant long-term impact. One good example is the dairy industry's "got milk?" campaign.

New organic certification standards should increase consumers' demand for organics. Certification standards increase consumers' confidence in organic products. NOCCSP reduces the cost of becoming a certified organic farm. The cost reduction encourages new farms to become certified organic, which increases organic acres and sales. NOCCSP is most significant for smaller farms previously unable to afford certification fees (Associated Press 2013).

## NUTRITION

Although the farm bill will not cause anyone to lose eligibility for SNAP, it may cause a decrease in the amount of food assistance a participant receives (Oregon Department of Human Services 2014). All of the cuts to SNAP fall on the "Heat and Eat" part of the program used in Washington D.C. and 16 states, including California, Oregon and Washington. In Oregon, 792,047 people – about 1 in 5 – participate in SNAP (December 2013 caseload), and 100,000 households, including 1,500 that contained an elderly or disabled person, used the Heat and Eat program in 2013 to increase their SNAP benefits (Oregon Department of Human Services 2014). Washington D.C. and at least seven states, including Oregon, however, are using a

wrinkle in federal law to block the cuts, as the other states in the Heat and Eat program weigh their options (Stateline 2014). To avoid the cuts, states are using available LIHEAP funds and state funds to increase Heat and Eat households' annual LIHEAP assistance to \$20, the threshold at which SNAP benefits are unchanged. Oregon will spend an additional \$2 million in LIHEAP funds to protect \$56 million in food stamp benefits. If all Heat and Eat states follow suit, all of the cuts to nutrition in the new farm bill will be nullified.

FINI and the E&T pilot projects are the silver lining in nutrition programs. The prevalence of direct sales markets and the availability of fruits, nuts and vegetables in the West Coast suggest that FINI will be popular in the region. The effect of the E&T pilot projects in the West Coast depends on whether California, Oregon and Washington are among the ten states selected to participate.

## CONSERVATION

Table 1 shows that government payments for conservation are significant in the West Coast, accounting for 11 percent of the payments in the United States in 2010. Table 1 also shows that the share of government payments for conservation is high relative to the share of agricultural sales in Oregon and Washington. Cuts to conservation spending thus will have a relatively large effect on conservation and farm incomes in Oregon and Washington relative to California.

Figure 2 shows government payments for conservation across counties in the United States in 2010. Compared to Figure 1, it seems that conservation spending is more evenly distributed across the United States than the total payments to agriculture.

## FORESTRY

A major victory for the forestry industry in the West Coast, which produced 10 percent of forestry sales in the United States in 2007 (*Census of Agriculture*), is the exemption of an array of forestry activities from CWA regulations. The impetus for this was a legal case in Oregon involving the Tillamook State Forest. Specifically, the 9th U.S. Circuit Court of Appeals, whose jurisdiction includes California, Oregon and Washington, ruled in 2010 that the timber

roads required CWA permits. The Supreme Court later overturned that ruling, but the new farm bill bars future lawsuits of this kind.

**RURAL COMMUNITIES**

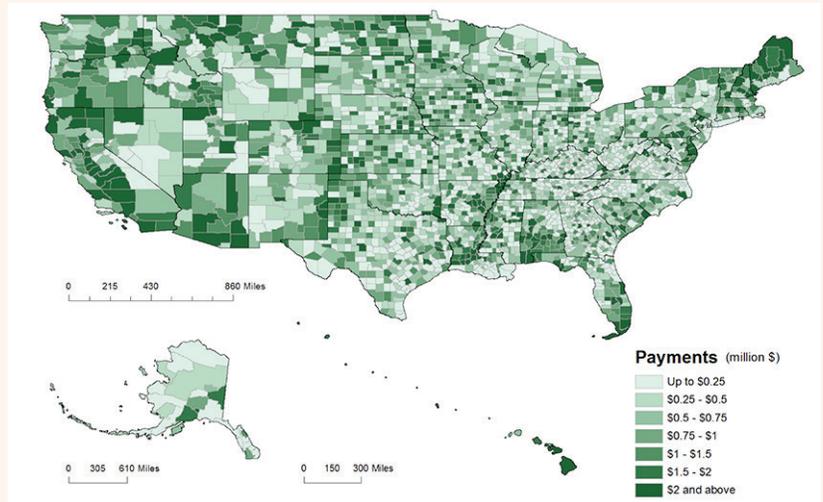
Table 1 shows that the West Coast received 18 percent of the total PILT payments in 2013. The one-year extension to PILT provides many county governments in the West Coast with financial support for services on public lands. This creates jobs locally and maintains public lands for all to enjoy.

Figure 3 shows PILT payments across counties in the United States in 2013. PILT payments are highly concentrated in the western half of the United States, where many rural communities have a significant amount of public land. The one-year PILT extension does not provide long-term financing for services on these public lands. For example, Senator Ron Wyden (D-Oregon) highlighted the need for a new solution, saying “[t]hese extensions are critical to buy time for a long-term solution that gets counties off of the roller coaster of annual extensions” (Oregonian 2014).

**Conclusion**

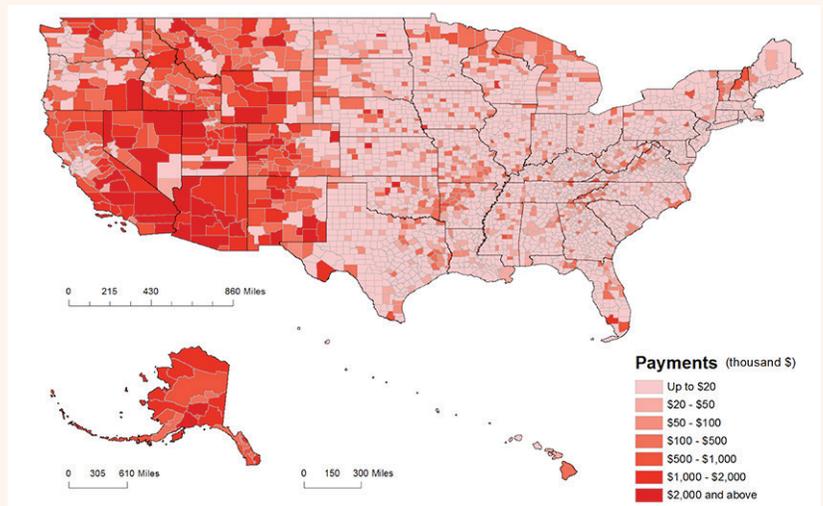
The diversity of programs in the *Agricultural Act of 2014* exemplifies the compromise that the bill achieved. The direct payments program is ended and the crop insurance program is now the foundation of the farm safety net. Potential savings from the legislation were largely achieved at the expense of nutrition and conservation programs. The new farm bill does much more than past farm bills to provide a foothold for local food systems and to invest in valuable agricultural sectors in the West Coast, such as livestock, specialty crops, and organics. Long-term solutions are needed, however, to finance the maintenance of public lands in rural communities. ■

**Figure 2. Government Payments for Conservation in the United States in 2010**



Note: Data are described in table 1.

**Figure 3. PILT Payments in 2013**



Note: Data are described in table 1.

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The logo for OreCal, featuring the word "OreCal" in a white, sans-serif font on an orange rectangular background.

a policy research collaboration

Center for Agricultural & Environmental Policy at Oregon State University  
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