

Arizona Farm Bureau's 2023 Farm Bill Priorities

Arizona's agricultural industry contributes \$23.3 billion to our state's economy each year. The success of this industry is attributable to the innovation of our farmers and ranchers, but also to the uniqueness of our climate: temperatures where crops can grow year-round and forests where forage for cattle thrives. The 2023 Farm Bill must provide critical support for farmers and ranchers in the West. When our agricultural economy is stable, families across America benefit.

The following principles should guide development the 2023 Farm Bill:

- Protect current Farm Bill program spending through a unified farm bill which includes nutrition programs and farm programs together
- Highlight risk management tools, including federal crop insurance and commodity programs, as top funding priorities
- Maintain fund for working-lands conservation programs that maintain environmental and climate benefits
- Provide USDA with resources for sufficient staffing capacity and technical assistance

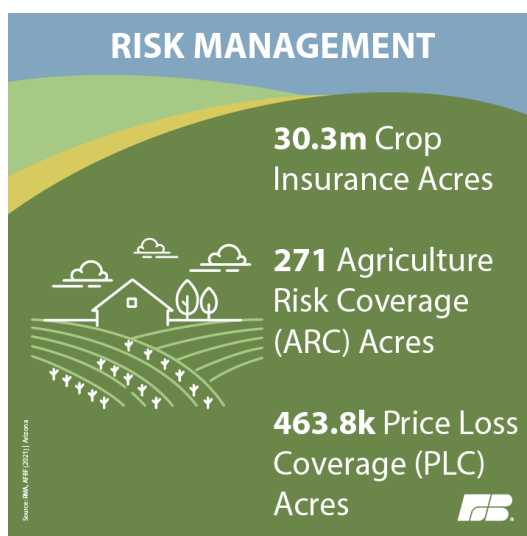
Risk Management Tools

The federal "farm safety net" created by the Farm Bill provides risk protection and financial support to U.S. farmers, including those in Arizona.

Commodity programs such as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs provide income support tied to historical production, or market year average crop prices.

Crop insurance is a market-based tool to help producers manage risks associated with a loss in yield or crop revenue. Insurable events include drought, flood, insects or disease outbreaks, and crop-specific revenue shortfalls.

Disaster assistance programs cover livestock producers and fruit tree producers who generally do not benefit from crop insurance and/or commodity programs. These programs apply in situations including drought, unexpected livestock losses, and when disasters cause losses in specialty crops such as trees or vines.



Improvements for the 2023 Farm Bill

Wolf Depredation Compensation

The Mexican gray wolf's reintroduction into Arizona's rangelands has caused significant difficulty and costs for cattle producers in Arizona and New Mexico. Recognizing the impact on livestock producers who live, work, and raise livestock in proximity to these predators, federal agencies have worked with landowners to establish the Livestock Indemnity Program and Wolf Livestock Demonstration Grant. But these programs are inadequate and inefficient to provide true compensation for the true costs of wolf presence on ranches. The 2023 Farm Bill should include improvements to these compensation programs as previously outlined in H.R. 8475 (2022). The bill improves compensation rates for producers dealing with wolf kills from 75 percent to 100 percent of fair market value. Additionally, it takes a data-driven approach to providing ranchers with emergency relief, mitigating the negative impacts of wolf presence on the ranch.

Strengthening the Farm Safety Net

In recent years, we have seen record number of funding allocated through ad hoc disaster programs outside the Farm Bill. The rise of ad hoc programs creates challenges such as lack of regional diversity in implementation and delays in processing applications and payments to producers. For example, the Quality Loss Adjustment (QLA) program provides assistance for producers who experience crop quality losses due to natural disasters. But because the rules for this program do not consider drought to include times when water is not released from a government reservoir, farmers who rely on federal water systems like the Central Arizona Project are not eligible for this assistance.¹ Strengthening crop insurance and disaster assistance programs overall to lessen the need for these ad-hoc programs, as well as adjusting implementation rules to account for the uniqueness of the Western states, will help manage risks more effectively and affordably.

Making Risk Management Work for the West

Even though these risk management programs are widely utilized, farmers and ranchers in the west are sometimes at a disadvantage because the structure of the programs fails to recognize the unique aspects of agricultural production in the western United States. The 2023 Farm Bill should recognize regional differences such as ongoing drought, widespread use of irrigation, and specialty crops when revising disaster assistance programs.

For example, the Livestock Forage Program (LFP) provides payments to ranchers in areas experiencing qualifying drought conditions to indemnify against grazing losses. But LFP's

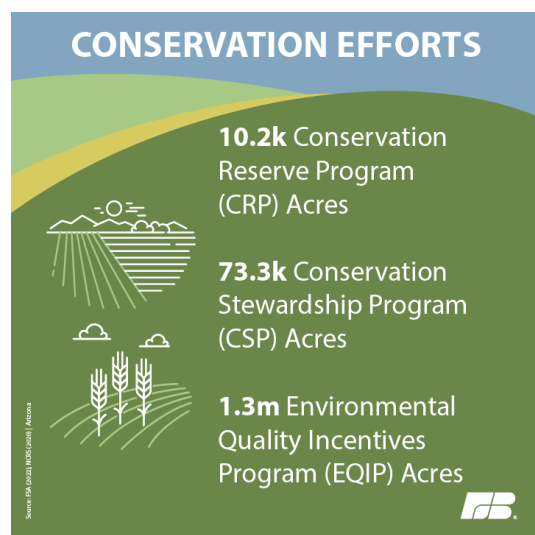
¹ 7 CFR § 1437.10

coverage limits have limited its usefulness in Arizona because ranchers are only eligible to receive payment for five months, and payments are capped after a certain threshold. The 2023 Farm Bill should account for regional differences to make programs more effective in the West.

Expand Protections for Critical Crops

The West is also a bountiful source of crops that don't qualify for protection under federal crop insurance programs. Historically, crop insurance programs have only covered traditional commodities such as wheat and corn. Only in the last thirty years have federal officials looked at expanding insurance programs opportunities to "specialty crops," such as fruits and vegetables, tree nuts, horticulture, and nursery crops. As of May 2022, the Congressional Research Service estimated that only about 80 specialty crops are covered from the roughly 400 agricultural commodities grown in the United States. Because specialty crops represent such a key element of Arizona's agricultural economy, it is critical that the next Farm Bill include improved, actuarially appropriate insurance tools for specialty crops.

Conservation Programs



Farmers and ranchers take pride in being good stewards of water and land. The 2018 Farm Bill expanded conservation programs helping empower food and fiber producers to implement even more practices to use our precious natural resources wisely and efficiently.

The Environmental Quality Incentive Program (EQIP) provides financial and one-on-one technical assistance to producers and landowners for planning and installing structural, vegetative and land management practices on eligible working lands to conserve natural resources. There are hundreds of approved EQIP practices including cover cropping,

nutrient management, irrigation water management, prescribed grazing, fencing and forest stand improvements. The 2018 Farm Bill opened eligibility for EQIP to irrigation districts, which has successfully increased participation opportunities for farmers across Arizona.

The Conservation Stewardship Program (CSP) provides financial and technical assistance to farmers for maintaining and improving existing conservation systems as well as adopting additional conservation activities. Under CSP, participants receive annual payments that are based, in part, on the performance of agreed-upon conservation initiatives.

The Conservation Reserve Program (CRP) is a land retirement program that pays agricultural landowners for temporary changes in land use or management to achieve environmental benefits. This program drives production to the most effective land while keeping marginal land reserved for wildlife habitat, reduction in resource use, and other conservation benefits.

The Regional Conservation Partnership Program (RCPP) leverages resources from federal and private partners to implement projects that provide measurable improvements to environmental outcomes. The 2018 Farm Bill brought RCPP out from the umbrella of EQIP and made it a standalone program, which has allowed landowners and producers to enter into RCPP agreements. This partner-driven natural resource conservation program allows Arizona to achieve meaningful, measurable outcomes towards our state's priorities of improving water and forage for livestock, preventing soil erosion and water quality degradation, and alleviating the challenges of insufficient water quantity.

Improvements for the 2023 Farm Bill

Working Lands Conservation

The 2023 Farm Bill should prioritize funding for working-lands conservation programs and recognize producers as critical partners in achieving conservation outcomes. Conservation and productivity go hand-in-hand, and programs that empower farmers and ranchers to make the best use of resources are the most effective at protecting those resources.

Targeting Western Drought

As the impacts of drought become more and more pronounced, we urge USDA to prioritize funding for programs that improve water use efficiencies and mitigate against the effects of drought. If the Bureau of Reclamation and other agencies maintain their focus on durable, long-term solutions to drought, USDA funding could help farmers in the more immediate term to make sure that agricultural production remains viable while durable solutions are developed.

Making Conservation Work for the West

Conservation programs need to take into account the unique climate and economy of western agriculture. For example, in Arizona, CRP is under-utilized due to the program's low rental rates – it is not economically feasible to take land out of production for the rate offered by CRP. Farmers who have access to highly productive land and water are not encouraged by the rental rates to retire land. Currently, farmers work with USDA-NRCS to implement practices through programs such as EQIP to conserve land while keeping land in production, but in order to achieve the maximum benefit from these programs, we encourage USDA to account for regional differences to increase feasibility across the nation.

NUTRITION BY THE NUMBERS



\$173.8m SNAP Benefits



799k Individual
Participants



425k Families

Source: FNS (2022, 2021) | Arizona



Nutrition Assistance

The Farm Bill is really the Food Bill – of total 2018 Farm Bill spending, 76 percent was dedicated to nutrition assistance programs to help all American families afford safe, nutritious food. In these economic times, maintaining these programs as part of a unified Farm Bill is more important than ever. Risk management and conservation helps keep food abundant, and nutrition assistance can help keep it affordable.