



# Agricultural and Resource Economics ARE UPDATE

Giannini Foundation of Agricultural Economics, University of California

Vol. 22, No. 3 Jan/Feb 2019

## ALSO IN THIS ISSUE

California Farm Commodities and the 2018 Farm Bill Hyunok Lee and Daniel A. Sumner.....	2
What Does the 2018 Farm Bill Mean for California and the Environment? Spotlight on the Conservation Programs Ellen M. Bruno and David Zilberman .....	6
Changes to Nutrition Programs in the 2018 Farm Bill Charlotte Ambrozek and Tim Beatty.....	9
Brexit and the Disruption of Agricultural Trade: A View from Ireland Colin A. Carter and Doris Läßle .....	12

## Introduction to the Issue: The 2018 Farm Bill and Brexit

Richard J. Sexton and Daniel A. Sumner

We're very pleased to present *ARE Update* readers with an expanded issue focused on two timely policy topics: The passage of the 2018 Farm Bill and the impending "Brexit" of the United Kingdom from the European Union.

The Agriculture Improvement Act of 2018 is the official title of the newest Farm Bill. It is the most recent of a line of periodic laws that authorize a set of loosely related government programs that are mostly administered by the U.S. Department of Agriculture (USDA). The nickname "Farm Bill" emerged when these laws dealt mostly with farm issues, something that has not been true for decades. Today food and nutrition subsidies, programs far removed from the farm, comprise the great bulk of the authorized spending.

Although agricultural programs have existed in the U.S. since the earliest days of the republic, the modern era of farm commodity subsidies, price regulations, crop insurance, storage programs, and soil conservation and environmental programs began in 1933 with New Deal legislation. Every few years for the next nine decades, these

programs have been renewed and modified. As is also true with the 2018 Farm Bill, much of the content of these farm bills took the form of amending the previous law for a fixed number of years. For example, many of the 2014 authorizations expired in 2018, so some legislation was needed or else those programs would have simply ended or reverted to so-called "permanent legislation" that is more than half a century out of date. Much of the current Farm Bill authorizes programs and annual expenditures on them only for the next five years, so the cycle continues.

The 2018 Farm Bill has 12 Titles. Our first article by Lee and Sumner focuses mainly on Title I on commodities. They also touch on Titles X (Horticulture) and XI (Crop Insurance). The authors highlight changes in 2018 that provide added subsidies to dairy (the largest farm revenue generator in California) and cotton.

The second article by Bruno and Zilberman addresses conservation, Title II. They report that total funding for conservation programs is little changed in the new Farm Bill, but funds have been

reallocated across key programs. The authors break down what it all means for California.

Ambrozek and Beatty address Title IV on Nutrition. The major change in these programs involves work requirements for able-bodied adults without dependents (ABAWD) in the Supplemental Nutrition Assistance Program (SNAP). Ambrozek and Beatty also draw attention to administrative rules proposed by the USDA subsequent to passage of the 2018 Farm Bill that will tighten requirements for states to obtain exemptions from enforcing work requirements for ABAWD.

Brexit is scheduled to occur on March 29 of this year. UC Davis professor Colin Carter is on leave this year in Ireland and, with co-author Doris Läßle, provides *Update* readers with key insights into the disruptions to international agricultural trade that loom on the eve of Brexit. Carter and Läßle forecast major disruptions in Irish trade of beef and dairy products to Britain, and explain what it is likely to mean for other major agricultural exporters, including the United States.