

115TH CONGRESS
2D SESSION

H. R. 5629

To amend the Federal Crop Insurance Act and Food Security Act of 1985 to enact reforms to farm subsidies and crop insurance called for in President Trump’s budget for fiscal year 2019.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2018

Mr. NORMAN (for himself and Mr. GOSAR) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Federal Crop Insurance Act and Food Security Act of 1985 to enact reforms to farm subsidies and crop insurance called for in President Trump’s budget for fiscal year 2019.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “President Trump’s Farm Bill Reforms Act of 2018”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REDUCING FARM SUBSIDY PAYMENTS

Sec. 101. Reduction of premium subsidies.

Sec. 102. Reduction of stacked income protection plan for producers of upland cotton.

Sec. 103. Elimination of separate payment limitation for peanuts.

Sec. 104. Terminating use of commodity certificates to pay off marketing assistance loans.

TITLE II—ELIGIBILITY REQUIREMENTS FOR FARM SUBSIDY PAYMENTS

Sec. 201. Adjusted gross income limits for crop insurance premium subsidies.

Sec. 202. Adjusted gross income limits for commodity and conservation programs.

Sec. 203. Payments limited to active farmers.

TITLE III—TARGET RATE OF RETURN FOR INSURANCE COMPANIES

Sec. 301. Reducing target rate of return for insurance companies.

1 **TITLE I—REDUCING FARM** 2 **SUBSIDY PAYMENTS**

3 **SEC. 101. REDUCTION OF PREMIUM SUBSIDIES.**

4 Section 508(e) of the Federal Crop Insurance Act (7
5 U.S.C. 1508(e)) is amended—

6 (1) in paragraph (2)—

7 (A) in subparagraph (B)(i), by striking
8 “67 percent” and inserting “52 percent”;

9 (B) in subparagraph (C)(i), by striking
10 “64 percent” and inserting “49 percent”;

11 (C) in subparagraph (D)(i), by striking
12 “59 percent” and inserting “44 percent”;

13 (D) in subparagraph (E)(i), by striking
14 “55 percent” and inserting “40 percent”;

15 (E) in subparagraph (F)(i), by striking
16 “48 percent” and inserting “33 percent”;

1 (F) in subparagraph (G)(i), by striking
 2 “38 percent” and inserting “23 percent”; and

3 (G) in subparagraph (H)(i), by striking
 4 “65 percent” and inserting “50 percent”;

5 (2) in paragraph (6)—

6 (A) in subparagraph (A)(i), by striking
 7 “59 percent” and inserting “44 percent”;

8 (B) in subparagraph (B)(i), by striking
 9 “55 percent” and inserting “40 percent”;

10 (C) in subparagraph (C)(i), by striking
 11 “49 percent” and inserting “34 percent”; and

12 (D) in subparagraph (D)(i), by striking
 13 “44 percent” and inserting “29 percent”; and

14 (3) in paragraph (7)—

15 (A) in subparagraph (A)(i), by striking
 16 “59 percent” and inserting “44 percent”;

17 (B) in subparagraph (B)(i), by striking
 18 “55 percent” and inserting “40 percent”; and

19 (C) in subparagraph (C)(i), by striking
 20 “51 percent” and inserting “36 percent”.

21 **SEC. 102. REDUCTION OF STACKED INCOME PROTECTION**

22 **PLAN FOR PRODUCERS OF UPLAND COTTON.**

23 Section 508B(d)(1) of the Agricultural Adjustment
 24 Act of 1938 (7 U.S.C. 1508b(d)(1)) is amended by strik-
 25 ing “80 percent” and inserting “65 percent”.

1 **SEC. 103. ELIMINATION OF SEPARATE PAYMENT LIMITA-**
2 **TION FOR PEANUTS.**

3 (a) UNIFORM PAYMENT LIMITATIONS FOR COVERED
4 COMMODITIES.—

5 (1) IN GENERAL.—Section 1001(b) of the Food
6 Security Act of 1985 (7 U.S.C. 1308(b)) is amend-
7 ed—

8 (A) in the subsection heading by striking
9 “(OTHER THAN PEANUTS)”;

10 (B) by striking “(other than for peanuts)”;
11 and

12 (2) PAYMENT LIMITATION FOR PEANUTS.—Sec-
13 tion 1001(c) of the Food Security Act of 1985 (7
14 U.S.C. 1308(c)) is repealed.

15 (b) CONFORMING AMENDMENTS.—Title X of the
16 Food Security Act of 1985 is amended—

17 (1) in section 1001 (7 U.S.C. 1308)—

18 (A) by striking “subsections (b) and (c)”
19 each place it appears and inserting “subsection
20 (b)”;

21 (B) in subsection (f)(2), by striking “Sub-
22 sections (b) and (c)” and inserting “Subsection
23 (b)”;

24 (C) by striking “subsection (b) or (c)”
25 both places it appears and inserting “subsection
26 (b)”;

1 (D) in subsection (f)(5)(B), by striking
 2 “subsection (b), (c), or (d)” and inserting “sub-
 3 section (b) or (d)”; and

4 (E) in subsection (f)(6)(B), by striking
 5 “subsections (b), (c), and (d)” and inserting
 6 “subsections (b) and (d)”;
 7 (2) in section 1001A (7 U.S.C. 1308–1)—

8 (A) in subsection (a), by striking “sub-
 9 sections (b) and (c)” and inserting “subsection
 10 (b)”; and

11 (B) in subsection (b)(1), by striking “sub-
 12 section (b) or (c)” and inserting “subsection
 13 (b)”; and

14 (3) in section 1001B(a) (7 U.S.C. 1308–2(a)),
 15 by striking “subsections (b) and (c)” and inserting
 16 “subsection (b)”.

17 (c) APPLICABILITY.—The amendments made by this
 18 section shall apply beginning with the 2019 crop year.

19 **SEC. 104. TERMINATING USE OF COMMODITY CERTIFI-**
 20 **CATES TO PAY OFF MARKETING ASSISTANCE**
 21 **LOANS.**

22 (a) TERMINATING USE OF COMMODITY CERTIFI-
 23 CATES.—Subtitle G of the Federal Agriculture Improve-
 24 ment and Reform Act of 1996 (7 U.S.C. 7286(c)(3)) is
 25 amended—

1 (1) by striking section 166; and

2 (2) by redesignating section 167 as section 166.

3 (b) APPLICABILITY.—The amendments made by this
4 section shall apply beginning with the 2019 crop year.

5 **TITLE II—ELIGIBILITY REQUIRE-**
6 **MENTS FOR FARM SUBSIDY**
7 **PAYMENTS**

8 **SEC. 201. ADJUSTED GROSS INCOME LIMITS FOR CROP IN-**
9 **SURANCE PREMIUM SUBSIDIES.**

10 Section 508(e) of the Federal Crop Insurance Act (7
11 U.S.C. 1508(e)), as amended by section 101, is further
12 amended by adding at the end the following new para-
13 graph:

14 “(10) ADJUSTED GROSS INCOME LIMITATION.—

15 A producer shall not be eligible to obtain premium
16 assistance for a crop year under this subsection if
17 the average adjusted gross income (as defined in
18 section 1001D of the Food Security Act of 1985 (7
19 U.S.C. 1308–3a)) of such producer exceeds
20 \$500,000 for the preceding crop year.”.

21 **SEC. 202. ADJUSTED GROSS INCOME LIMITS FOR COM-**
22 **MODITY AND CONSERVATION PROGRAMS.**

23 Section 1001D(b)(1) of the Food Security Act of
24 1985 (7 U.S.C. 1308–3a(b)(1)) is amended by striking
25 “\$900,000” and inserting “\$500,000”.

1 **SEC. 203. PAYMENTS LIMITED TO ACTIVE FARMERS.**

2 Section 1001A(b) of the Food Security Act of 1985
3 (7 U.S.C. 1308–1) is amended by adding the following
4 new paragraph:

5 “(3) LIMITATION.—With respect to a farming
6 operation, no more than one person shall qualify as
7 a farm manager actively engaged in farming for pur-
8 poses of receiving a payment described in subsection
9 (b) or (c) of section 1001.”.

10 **TITLE III—TARGET RATE OF RE-**
11 **TURN FOR INSURANCE COM-**
12 **PANIES**

13 **SEC. 301. REDUCING TARGET RATE OF RETURN FOR INSUR-**
14 **ANCE COMPANIES.**

15 Section 508(k)(3) of the Federal Crop Insurance Act
16 (7 U.S.C. 1508(k)(3)) is amended—

17 (1) by striking “(3) SHARE OF RISK.—The”
18 and inserting the following:

19 “(3) RISK.—

20 “(A) SHARE OF RISK.—The”; and

21 (2) by adding at the end the following:

22 “(B) LIMITATION ON AVERAGE RATE OF
23 RETURN.—The target average rate of return for
24 reinsured companies for the 2018 reinsurance

- 1 year and each subsequent reinsurance year shall
- 2 be 12 percent of retained premiums.”.

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