IL Corn – Farm Bill

Overview:

Congress must pass a bipartisan Farm Bill. Our Farm Bill priorities are focused on areas in the farm economy and conservation.

Main Points:

- Farm Bill Considerations
  - Farm economy
  - Conservation Programs
  - Mandatory Base Acre Update
  - Consolidation

ICGA Farm Bill Priorities Included

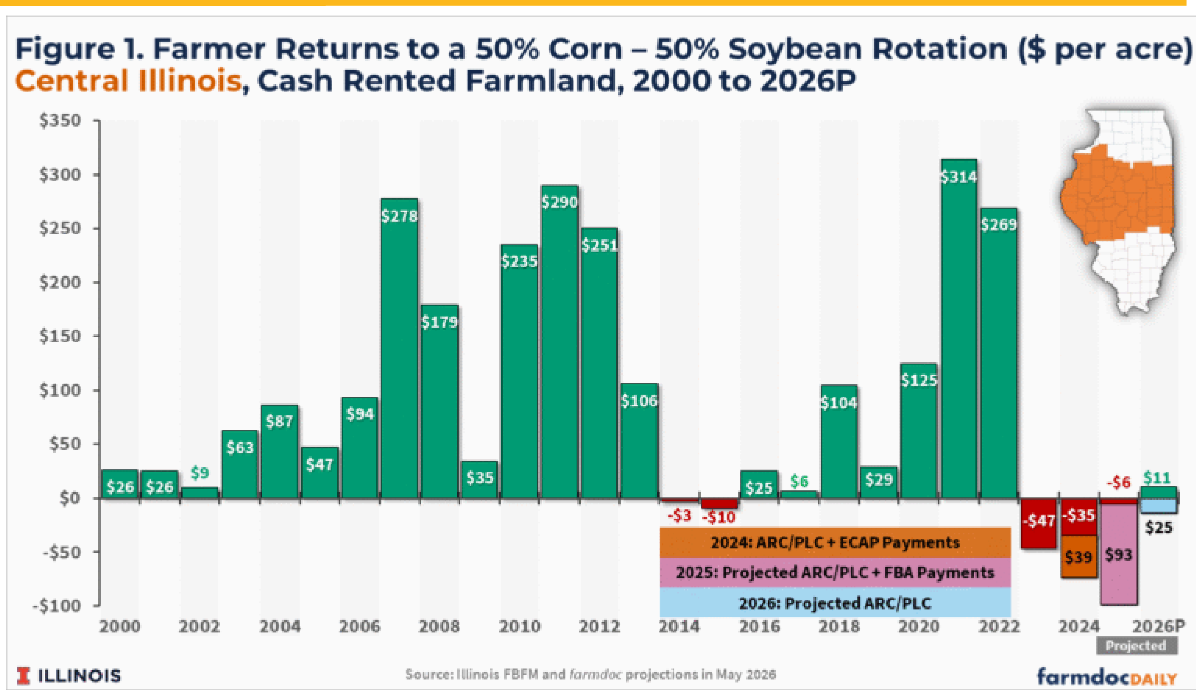
- Codify the allocation to double funding for the Market Access Program (MAP) and Foreign Market Development (FMD) Program
- Removal of Proposition 12 to protect pork producers from a patchwork of state laws
- Support for Environmental Quality Incentives Program (EQIP) and recognition of the risk-mitigation benefits of conservation in crop insurance programs

ICGA Necessary Priorities Not Included

- A "mandatory base acre update" is necessary to align farm program payments on recent planting history rather than a planted history going back to 1980
- A start-to-finish bi-partisan negotiation process for a bi-partisan Farm Bill to empower the long-term success of Illinois farmers who produce America's food, fuel, and fiber
- Crop insurance is a critical financial tool to mitigate risk associated with growing crops
  - Policies provide a safety net against crop loss due to droughts, floods, high winds, and severe storms
  - Correct crop insurance program from consistently delivering greater value in some regions than others, it distorts planting decisions and leaves Midwest corn farmers paying for a system that isn't working equitably
- Transfer of the Food for Peace Program to USDA

Farm Economy

- During the 2023–26 downturn, Midwest farms reduced profitability, driven by sustained low prices for corn
- Average operating profit margin plummeted to just 1.8 percent in 2024 – compared to 27–29% in 2021–22



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Conservation

- Environmental Quality Incentives Program (EQIP) helps farmers, ranchers, and forest landowners integrate conservation into working lands while diversifying their income streams
- Congress should work to restore funding for EQIP
- Conservation measures help reduce the risk of crop insurance claims by increasing on-farm resiliency to natural disasters and other threats to crop yields
- These benefits and the associated cost savings should be reflected in federal crop insurance programs

Risk reductions and mitigations need to be recognized

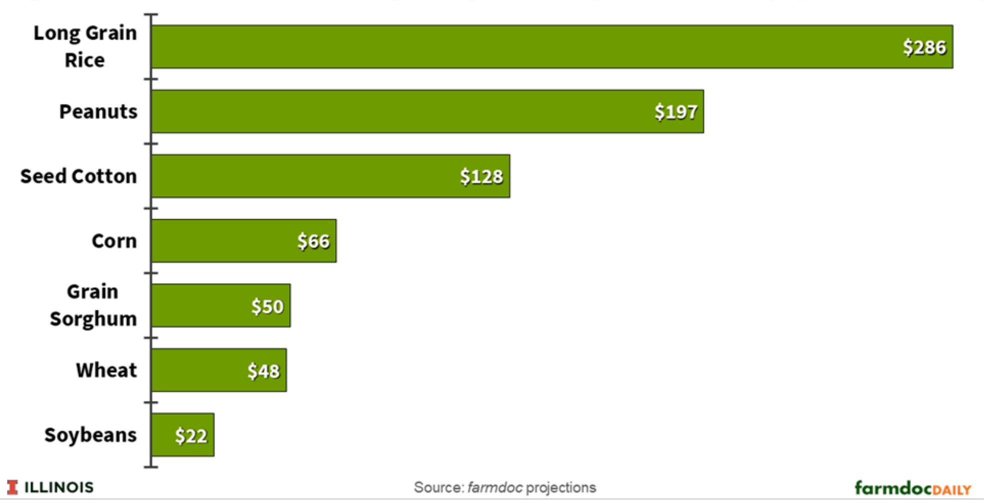
Corn HIGH-SPR | 2015-24 AVG VALUES	OVERWINTERING	WINTER TERMINAL	NO COVER CROP
OPERATOR & LAND RETURN	$274-$324	$300-$350	$347
Estimated soil loss (tons/a)	0.82	1.08	1.41
GHG emissions (metric tons CO2e/a)	0.49		0.80

Cover Crops:
Local, verified, data helps farmers be more willing to try something new on their farms

Mandatory Base Acre Update

- Farmers originally registered their base acres over 4 decades ago for crops they were growing at that time
- Those base acres no longer accurately reflect what farmers are growing and selling into the marketplace, meaning farmers are receiving government payments for crops they are not growing
- As Congress tackles waste, fraud, and abuse in federal programs, mandating a base acre update will ensure the health of the agricultural economy by ensuring farmers are receiving the payments they are entitled to

Figure 1. 2025 ARC-PLC Average Projected Payment Rates ($ per Base Acre)



FAPRI's latest report aligns with these findings:

Bipartisan Process

- The coalition -building ability of pairing farm programs and nutrition programs has delivered wins for urban and rural communities alike, while lowering food insecurity and growing markets for farmers
- Abandoning this coalition will leave farmers and food-insecure communities worse off in the long term
- To protect farmers' long-term interests, ICGA urges both parties to work to repair the farm bill coalition