

Mixed reactions from ag, nutrition groups on Inflation Reduction Act, but nation's largest farm group silent



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- **Several ag and biofuel groups welcome congressional approval of the Inflation Reduction Act.**
- **Measure includes nearly \$20 billion for Farm Bill conservation programs, along with biofuel infrastructure and tax provisions.**
- **Top House Ag Committee Republican torches package says passage complicates process around next Farm Bill.**

The House cleared Democrats' Inflation Reduction Act (IRA) Friday (August 12), which includes nearly \$40 billion in ag- and forestry-related provisions and while some ag and biofuels lauded the measure the nation's largest farm group has yet to weigh in.

The Senate **passed the IRA August 7** on a 50-50 vote with Vice President Kamala Harris breaking the tie. The House returned briefly from its August recess Friday to follow suit, sending the measure to President Joe Biden via a vote of 220-207—all Democrats in favor and all Republicans against the measure.

The package is focused on climate, healthcare and tax policy, and **includes nearly \$38 billion in funding** for agricultural conservation, credit, renewable energy and forestry. Much of that total—nearly \$20 billion—is focused on ag conservation with \$18 billion set to flow to a handful of Farm Bill conservation programs.

Following the House vote, several ag and biofuel groups welcomed passage of the IRA, though some key groups like the nation's largest farm organization the American Farm Bureau Federation (AFBF) have yet to comment on the development. *S&P Global Commodity Insights* reached out to AFBF for comment but had not heard back at the time of publication. AFBF opposed an earlier, more expansive Democrat-led budget reconciliation measure—Build Back Better (BBB)—which had an even larger chunk of funding for ag-related efforts, citing concerns over that bill's price tag and included tax increases.

The National Farmers Union (NFU), which has been generally supportive of President Biden and Congressional Democrats' policy agenda, signaled their approval of the measure. "The passage of the Inflation Reduction Act is cause for optimism for farmers and ranchers across the country, with historic investments in voluntary, incentive-based conservation programs that are critically underfunded," said NFU President Rob Larew. "NFU is proud to see investment in biofuels infrastructure that will help farmers' bottom line and help consumers save at the pump. The inclusion of financial support for economically distressed farmers and ranchers is also a welcome addition that will help keep farmers on their land for years to come."

Also voicing support for the IRA was the National Council of Farmer Cooperatives (NCFC). "The increased funding to support climate-smart agriculture included in the Inflation Reduction Act that passed the House of Representatives today represents a recognition by policymakers of the important role that America's farmers, ranchers and growers can play in addressing the issue of climate change," the group said in a statement. "It is especially important that the funding is targeted at voluntary, working-lands conservation programs that have a long, proven track record of success."

NCFC said it would work with the House and Senate Ag Committees as they begin work on the next Farm Bill to ensure the new ag conservation funding included in the IRA is used effectively to promote climate-smart ag practices.

Biofuels interests also reacted positively to the House vote. Among the IRA's energy components is \$500 million in additional funding for higher-blend biofuel infrastructure, an extension of the biodiesel production tax credit and a new tax credit for the production of Sustainable Aviation Fuel (SAF).

The Renewable Fuels Association (RFA) highlighted those provisions in its statement following the House vote. “We are pleased that both houses of Congress have now recognized the important role renewable fuels like ethanol can play in bolstering our nation’s economy and accelerating decarbonization efforts,” said RFA President and CEO Geoff Cooper. “When it comes to ethanol and other renewable fuels, this bill represents the most significant federal commitment to low-carbon biofuels since the Renewable Fuel Standard was expanded by Congress in 2007.”

The American Coalition for Ethanol (ACE) shared those sentiments and said the bill will help the ethanol sector accelerate efforts to reduce the fuel’s lifecycle greenhouse gas (GHG) emissions. “We are particularly happy to see a nearly \$20 billion investment to support climate-smart agriculture practices through the US Department of Agriculture, which we would work to leverage to help farmers and ethanol producers monetize practices, such as reduced tillage and nutrient management, which reduce ethanol’s carbon intensity,” ACE CEO Brian Jennings said last week after the bill first cleared the Senate.

Other groups had also expressed support for the measure—particularly the ag conservation and biofuel provisions—after it gained Senate approval but before the House vote including the National Milk Producers Federation (NMPF) and the National Corn Growers Association (NCGA).

Nutrition groups disappointed at lack of free school meals extension

Meanwhile, several nutrition-focused groups expressed frustration that the IRA did not include provisions to extend USDA waiver authority that allow schools to continue offering free meals to all students—a pandemic-era policy set to lapse at the end of this summer.

“The Food Research & Action Center (FRAC) is deeply disappointed that critical child nutrition provisions were not included in the Inflation Reduction Act,” said FRAC President Luis Guardia. “These provisions include extending the US Department of Agriculture waiver authority to allow schools to offer meals to all students at no charge through the 2022–2023 school year, expanding community eligibility to allow more schools to offer meals to all students at no charge beyond this school year, and creating a nationwide Summer EBT Program to provide nutrition resources to families during the summer when childhood hunger spikes.”

With the school meals provisions left out of the IRA, Guardia urged lawmakers to pass the Healthy Meals, Healthy Kids Act, which includes the free meals extension along with a slew of other provisions aimed at bolstering other nutrition programs including the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

After the Senate cleared the IRA, the Center for Science in the Public Interest (CSPI) expressed similar concerns about the measure’s exclusion of school meals and other child nutrition provisions and had urged Congress to add them back to the measure—a move that did not come to pass.

Top House Ag Republican slams bill, says measure complicates path to next Farm Bill

Among House ag lawmakers, House Ag Committee Chair David Scott (D-Ga.) hailed final passage of the IRA. “The Inflation Reduction Act delivers on the promises that the Agriculture Committee made to increase investments in forestry, conservation, rural development, and energy programs,” he said in a statement. “This funding will help our farmers, ranchers, and foresters address climate change impacts by using these programs on their operations to sequester carbon and reduce greenhouse gas emissions.” Scott also touted the bill’s biofuel and ag credit provisions.

But the top House Ag Republican, Ranking Member GT Thompson (R-Pa.) was harshly critical—reflecting the firm partisan split over the Democrat-led package. “America’s farm families and consumers are continuing to grapple with an economic recession, yet today Speaker Pelosi and House Democrats jammed through another reckless tax-and-spend package,” he said in a statement after the House vote.

“My Democrat colleagues are either politically deaf or blinded by ideology as they ignore 40-year high inflation, exorbitant food and fertilizer prices, severe labor shortages, and relentless overregulation from the Biden Administration, and instead voted to advance another fiscally irresponsible, partisan bill,” Thompson continued. “As I’ve said, this bill only complicates the pathway to a Farm Bill and creates even greater uncertainty for farmers, ranchers, and rural communities.”

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