



U.S. Agricultural Policy Review, 2021

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What Is the Issue?

U.S. agricultural policies target a wide array of policy objectives, which includes providing an income safety net for agricultural producers, minimizing negative environmental impacts of agricultural production, ensuring that agricultural supply chains are equipped to provide adequate quantities of safe food to consumers, and helping address food and nutrition insecurity amongst vulnerable populations. Different policy tools are used to meet these objectives—including cost share, direct payments, provision of credit, or access to services. This report is the inaugural edition in a planned series examining annual developments in U.S. agricultural policies, focusing on policies related to production agriculture, agrofood value chains, and food and nutrition assistance.



What Did the Study Find?

In 2021, developments in agricultural policies related to production agriculture, agrofood value chains, and food and nutrition assistance remained focused on addressing the continuing effects of the Coronavirus (COVID-19) pandemic and the impacts of extreme weather events. A number of different policy tools targeting production agriculture were employed in 2021—some of which were built upon existing programs, while others were new initiatives. Major policy developments in key program areas included the following:

- In response to the continued market disruptions from the COVID-19 pandemic, the U.S. Department of Agriculture (USDA) introduced the Pandemic Assistance for Producers initiative, which sought to address gaps in previous COVID-19 assistance packages through a mix of new programs, expansion of benefits in existing programs, and a greater focus on outreach to underserved producers.
- To address impacts from extreme weather events, the new Quality Loss Adjustment (QLA) Program was implemented to address crop quality losses incurred in 2018 and 2019, which were not covered by the Wildfire and Hurricane Indemnity Program Plus (WHIP+).

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- To encourage the adoption of climate-smart and other beneficial practices for participants in the Federal Crop Insurance Program (FCIP), USDA introduced the Pandemic Cover Crop Program (PCCP) to support cover crop planting and the Post-Application Coverage Endorsement (PACE) product to help mitigate the risks of split nitrogen applications (to reduce leaching and run-off).

USDA also introduced new initiatives aimed at addressing the impacts of climate change, as well as supporting improved equity in access to farm programs and outreach to underserved communities. Additional details of these initiatives are as follows:

- Released the USDA Action Plan for Climate Adaptation and Resilience.
- Announced the intent to develop a new “Climate-Smart Agriculture and Forestry Partnership Program” to encourage the adoption of climate-smart farming practices and promote markets for climate-smart commodities.
- Supported climate-smart practices (including practices that address carbon sequestration, soil health, water quality practices, and high-priority conservation and resource concerns) by offering new or expanded incentives under the USDA, Farm Service Agency’s (FSA) Conservation Reserve Program (CRP) and the USDA, Natural Resources Conservation Service’s (NRCS) Environmental Quality Incentives Program (EQIP).
- Assisted holders of heirs’ property in resolving title issues and facilitating access to USDA programs, loans, grants, and services through the launch of the Heirs’ Property Relending Program (HPRP).

Developments in agrofood policies sought to address immediate needs in supply chain functionality, such as worker health and inspections of meat processing facilities, as well as support improved resilience to future shocks. These included authorizing assistance for pandemic-related worker health and safety costs through the new Farm and Food Workers Relief (FFWR) grant program and facilitating the expansion of smaller meat processing facilities through the introduction of the Meat and Poultry Inspection Readiness Grant (MPIRG) program.

Food and nutrition policy developments largely continued to address pandemic-related disruptions to food assistance programming, including by raising benefit levels and authorizing administrative program flexibilities. In addition, benefit levels under the Supplemental Nutrition Assistance Program (SNAP) were raised as a result of a re-evaluation of the Thrifty Food Plan (TFP) used to calculate SNAP benefits. USDA also began prioritizing nutrition security in 2021, expanding its target from providing enough food for an active, healthy life to providing the types of foods that deliver nutrients to optimize health and honor cultural preferences, with a greater focus on equity.

How Was the Study Conducted?

USDA, Economic Research Service (ERS) researchers compiled details on new policies and program initiatives announced or introduced in 2021 related to the U.S. agriculture sector and food supply chain from a variety of sources. Among these sources were Federal Register notices; budget documents; program agency websites, fact sheets, handbooks, and implementation documents; and USDA press releases. Data used to provide context on program trends and recent events are sourced from the relevant Federal agency databases, such as: USDA, Agricultural Marketing Service (AMS); USDA, ERS; USDA, FSA; USDA, Food and Nutrition Service (FNS); USDA, Risk Management Agency (RMA); and the U.S. Department of Commerce’s National Oceanic and Atmospheric Administration (NOAA).