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Budget Issues That Shaped the 2014 Farm Bill

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Summary

Congress returns to the “farm bill” about every five years to establish an omnibus policy for food and agriculture. Deficit reduction influenced the Agricultural Act of 2014 (P.L. 113-79; 2014 farm bill) throughout its legislative development. Related political dynamics sometimes forced Congress to make difficult choices concerning how much total support to provide for agriculture and nutrition, and how to allocate it among competing constituencies.

The farm bill authorizes programs in two spending categories: mandatory and discretionary. Mandatory programs generally operate as entitlements; the farm bill pays for them using multi-year budget estimates when the law is enacted. Discretionary programs are authorized for their scope, but are not funded in the farm bill; they are subject to appropriations. While both types of programs are important, mandatory programs often dominate the farm bill debate.

At enactment of the 2014 farm bill, the Congressional Budget Office (CBO) estimated the total cost of mandatory programs would be \$489 billion over the next five years (FY2014-FY2018).

Four farm bill titles account for most of the mandatory spending. Of the projected net outlays over five years, about 80% (\$391 billion over five years) is for the Supplemental Nutrition Assistance Program—SNAP, formerly food stamps. Farm commodity support and crop insurance are expected to account for a combined 13% of mandatory program costs (\$65 billion), with another 6% of costs in USDA conservation programs (\$28 billion). Programs in all other farm bill titles are expected to account for about 1% of all mandatory expenditures.

In terms of change from the former farm bill, the budgetary impact of the 2014 farm bill is measured relative to what the 2008 farm bill would have spent had it continued—that is, the CBO baseline. The May 2013 CBO baseline projected that the mandatory programs of the 2008 farm bill would have spent \$973 billion over the next 10 years (FY2014-FY2023). This “baseline” already had been reduced by \$6.4 billion to reflect the effects of sequestration.

Compared to the baseline, the 2014 farm bill—at enactment—reduced projected spending and the deficit by \$16.6 billion (-1.7%) over the 10-year period FY2014-FY2023. Over the 5-year period through FY2018, the enacted farm bill reduces projected spending by \$5.3 billion (-1.1%). If the baseline had not already been reduced by sequestration, the enacted 2014 farm bill could have been credited for reducing spending by \$23 billion over 10 years. But since sequestration already had been factored into the baseline, the official score is the \$16.6 billion 10-year reduction.

The net reduction is composed of some titles receiving more funding than in the past, while other titles receive less. Titles with reductions provide budgetary offsets to pay for titles with increased spending, and the rest of the savings go to deficit reduction. Budgetary savings totaling \$26.3 billion are scored in the nutrition, farm commodity subsidies, and conservation titles. Additional funding totaling \$9.8 billion is provided for the crop insurance, research, bioenergy, horticulture, rural development, trade, and forestry titles.

The enacted 2014 farm bill saves less (is projected to spend more) than either the House-passed or Senate-passed proposals. Over 10 years, the House-passed proposal would have reduced spending by \$51.9 billion (-5.3%); the Senate-passed proposal would have reduced spending by \$17.9 billion (-1.8%).

Contents

The Agricultural Act of 2014: Budget in Brief	1
Budget Background	3
Farm Bill Spending Is a Subset of Agricultural Appropriations.....	3
What Is the CBO Baseline?	5
CBO Baseline That Was Available to Write the 2014 Farm Bill	6
Budget Sequestration.....	12
Sequestration in FY2013	12
Sequestration in the FY2014-FY2023 Baseline	13
The 2014 Farm Bill, and House and Senate Bills.....	14
Baseline	15
Score (Change to Baseline)	15
Observations About the 10-year Score Totals	23
Observations of the Year-by-Year Scores.....	24
Net Projected Outlays (Baseline + Score)	25
Additional Observations	26
Shares of the Farm Bill Baseline	26
Farm Bill Programs Without Baseline.....	28
Possible Expiration and Reversion to Permanent Law.....	29
Perspective on Scores and Broad Deficit Reduction Proposals.....	30
Effect on Discretionary Spending.....	30

Figures

Figure 1. Projected Outlays in the 2014 Farm Bill	2
Figure 2. Agriculture Appropriations Relationship to Farm Bill Baseline	3
Figure 3. Ten-Year Mandatory Baseline for 2008 Farm Bill Titles (May 2013)	8
Figure 4. Mandatory Baseline for 2008 Farm Bill Titles, by Year.....	9
Figure 5. Ten-Year Mandatory Baseline for Agricultural Programs (May 2013)	11
Figure 6. Ten-Year Scores of the 2014 Farm Bill, and House and Senate Bills	17
Figure 7. Score of the 2014 Farm Bill, by Title and Fiscal Year.....	25
Figure 8. Projected Outlays under the Baseline, Proposals, and 2014 Farm Bill	26
Figure A-1. Score of the 2013 House Farm Bill H.R. 2642, by Title and Fiscal Year.....	31
Figure B-1. Score of the 2013 Senate Farm Bill S. 954, by Title and Fiscal Year.....	37

Tables

Table 1. 2014 Farm Bill Budget: Baseline, Scores, and Projected Outlays by Title.....	2
Table 2. Mandatory Baseline for 2008 Farm Bill Programs (May 2013)	9
Table 3. Impact of Sequestration on the May 2013 CBO Baseline for FY2014-FY2023	13

Table 4. Budget for the 2014 Farm Bill: Baseline, Scores, and Projected Outlays 17

Table 5. Score of Mandatory Programs in the Agricultural Act of 2014 18

Table 6. Shares of Projected Farm Bill Outlays, and Growth From 2008 to 2014 28

Table A-1. Score of Mandatory Programs in the House-Passed 2013 Farm Bill (H.R. 2642, as combined with H.R. 3102) 32

Table B-1. Score of Mandatory Programs in the Senate-Passed 2013 Farm Bill (S. 954) 38

Table C-1. Broad Deficit Reduction Proposals That Affect Farm Bill Programs 42

Appendixes

Appendix A. Score of the House Farm Bill (H.R. 2642, as combined with H.R. 3102) 31

Appendix B. Score of the Senate Farm Bill (S. 954)..... 37

Appendix C. Broad Deficit Reduction Proposals 42

Contacts

Author Contact Information..... 43

The Agricultural Act of 2014: Budget in Brief

Deficit reduction influenced the Agricultural Act of 2014 (P.L. 113-79; 2014 farm bill) throughout its legislative development. Questions about the availability of mandatory funding, trends over time, and sequestration affected the suite of policies that were enacted. Congress returns to the “farm bill” about every five years to establish an omnibus policy for food and agriculture.¹

The farm bill authorizes programs in two spending categories: mandatory and discretionary. Mandatory programs generally operate as entitlements; the farm bill pays for them using multi-year budget estimates when the law is enacted. Discretionary programs are authorized for their scope, but are not funded in the farm bill; they are subject to appropriations. While both types of programs are important, mandatory programs often dominate the farm bill debate.²

The 2014 farm bill was enacted on February 7, 2014. The previous farm bill, the 2008 farm bill, expired in 2012 and was extended through 2013.³ The 2014 farm bill had been in development for over two years, with committee bills originating in 2012 and passing the Senate (S. 3240), but not reaching the House floor (H.R. 6083), in part because of budget concerns. In 2013, new bills were introduced in the House (H.R. 1947) and passed in the Senate (S. 954). But the House rejected the committee bill and—for the first time in 40 years—separated food stamps from the farm bill. Two separate bills were passed—one for farm programs (H.R. 2642) and the other for the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps; H.R. 3102). The House bills were recombined for conference with the Senate (H.R. 2642, H.Rept. 113-333).⁴

The range of deficit reduction proposals indicates the importance of the budget. Some broad deficit reduction plans proposed reducing the farm bill by \$10 billion to \$179 billion. The Agriculture committees’ reductions ranged from \$17.8 billion over 10 years in the Senate bill, to \$51.9 billion in the recombined House bill. The enacted reduction was \$16.6 billion over 10 years, but even this has been referred to, unofficially, as a \$23 billion because of sequestration.⁵

At enactment of the 2014 farm bill, the Congressional Budget Office (CBO) estimated the total cost of mandatory programs at \$489 billion over the next five years (FY2014-FY2018). Four farm bill titles account for most of the mandatory spending. Of the projected net outlays, about 80% (\$391 billion over five years) is for SNAP. Farm commodity support and crop insurance are expected to account for a combined 13% of mandatory program costs (\$65 billion), with another 6% of costs in USDA conservation programs (\$28 billion). Programs in all other farm bill titles are expected to account for about 1% of all mandatory expenditures (**Figure 1**).

If the 2008 farm bill had continued, CBO estimated that mandatory outlays would have been \$494 billion for the five-year period. Compared to this baseline, the 2014 farm bill reduces projected spending and the deficit by \$5.3 billion (-1.1%) over five years. The net reduction is composed of some titles receiving more funding, while other titles provide offsets (**Table 1**).

¹ For more on the scope of a farm bill, see CRS Report RS22131, *What Is the Farm Bill?*

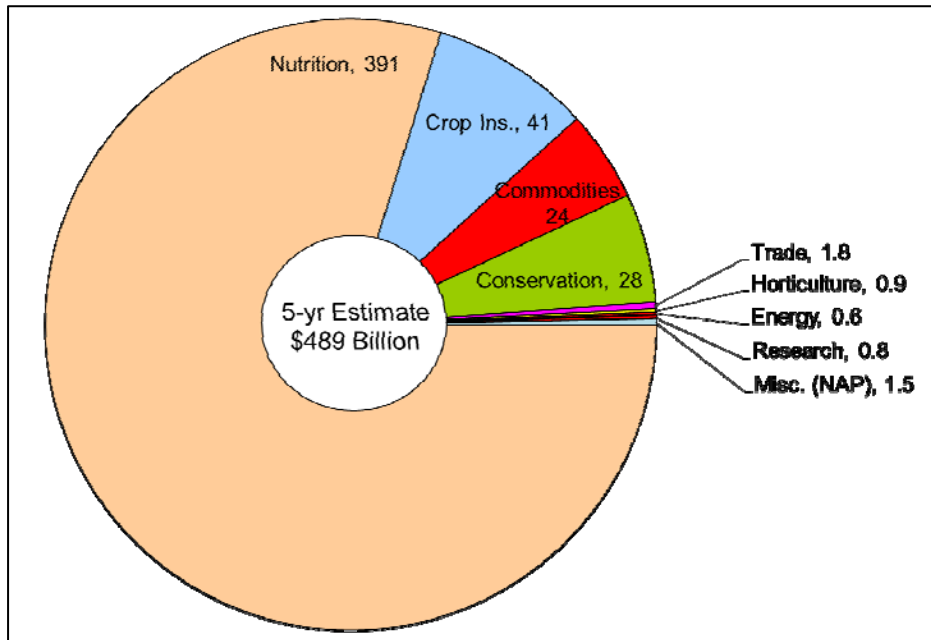
² The budget issues discussed on this page will be explained in greater detail throughout this report.

³ For more on expiration and extension, see CRS Report R42442, *Expiration and Extension of the 2008 Farm Bill*.

⁴ For more on policy issues, see CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*.

⁵ For budget enforcement during the legislative process, deficit reduction was measured as the 10-year reduction in spending compared to a baseline projection. This is separate from the fact that the farm bill is a 5-year authorization.

Figure I. Projected Outlays in the 2014 Farm Bill
 (five-year projected mandatory outlays FY2014-FY2018 in billions of dollars by title)



Source: CRS, using CBO's 2014 farm bill cost estimates (<http://www.cbo.gov/publication/45049>).

Table I. 2014 Farm Bill Budget: Baseline, Scores, and Projected Outlays by Title
 (mandatory outlays in millions of dollars, five-year total FY2014-FY2018)

2014 Farm Bill Titles	CBO baseline (May 2013) FY2014-FY2018	CBO Score (change to baseline) of P.L. 113-79	Projected Outlays (Baseline + Score) of P.L. 113-79	Share
I Commodities	29,888	-6,332	23,556	4.8%
II Conservation	28,373	-208	28,165	5.8%
III Trade	1,718	+64	1,782	0.4%
IV Nutrition	393,930	-3,280	390,650	79.9%
V Credit	-1,011	+0	-1,011	-0.2%
VI Rural Dev.	13	+205	218	0.04%
VII Research	111	+689	800	0.2%
VIII Forestry	3	+5	8	0.002%
IX Energy	84	+541	625	0.1%
X Horticulture	536	+338	874	0.2%
XI Crop Ins.	39,592	+1,828	41,420	8.5%
XII Misc. (NAP)	705	+839	1,544	0.3%
Total, Direct Spending	493,941	-5,310^a	488,631^a	100.0%

Source: CRS, using the CBO baseline and 2014 farm bill cost estimates (<http://www.cbo.gov/publication/45049>).

a. Including changes in revenues, the 5-year net impact on the deficit is an estimated change of -\$5.361 billion. On a 10-year basis, the score is -\$16.608 billion, with 10-year projected outlays of \$956.4 billion.

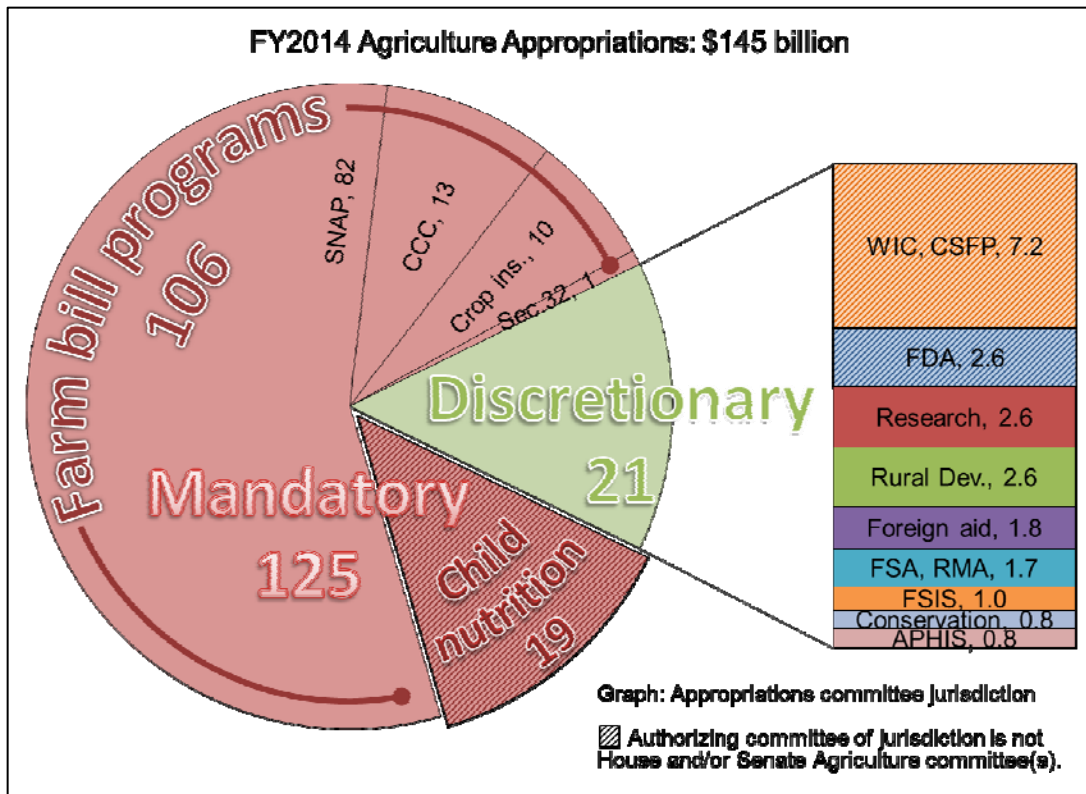
Budget Background

Farm Bill Spending Is a Subset of Agricultural Appropriations

Federal spending on agriculture can be divided several ways. Understanding budget terminology and the methods of determining federal spending is important when analyzing farm bill spending.

The federal budget for agriculture-related programs is about \$145 billion in FY2014; farm bill programs are a subset of that amount. The total can be divided several ways using terms such as mandatory and discretionary spending. Moreover, some parts of the annual Agriculture appropriation are not in the jurisdiction of one or both of the Agriculture authorizing committees for the farm bill (Figure 2).

Figure 2. Agriculture Appropriations Relationship to Farm Bill Baseline
(appropriated annual budget authority in billions of dollars)



Source: CRS, based on amounts in the FY2014 Consolidated Appropriations Act, P.L. 113-76.

Notes: The graph is based on appropriations committee jurisdiction. It excludes the Commodity Futures Trading Commission, USDA administration, and general provisions. Authorizing committee jurisdiction is with House and Senate Agriculture committees, except for child nutrition and WIC (House Education and Workforce; Senate Agriculture), and FDA (House Commerce; Senate Health, Education, Labor & Pensions).

SNAP = Supplemental Nutrition Assistance Program; CCC = Commodity Credit Corp.; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; CSFP = Commodity Supplemental Food Program; FDA = Food and Drug Admin.; FSA = Farm Service Agency; RMA = Risk Management Agency; FSIS = Food Safety Inspection Service; APHIS = Animal and Plant Health Inspection Service.

Of the \$145 billion total FY2014 Agriculture appropriation (P.L. 113-76),

- about \$125 billion was for mandatory programs (entitlements that are authorized both inside and outside the farm bill),
 - of which about \$106 billion was for mandatory programs that are authorized in the farm bill, and
 - \$19 billion was for child nutrition programs that are authorized outside the farm bill and not in the jurisdiction of the House Agriculture Committee,
- and \$21 billion was for discretionary programs (partially authorized in the farm bill).

Discretionary spending (the green pie slice and stacked column in **Figure 2**) is controlled by annual appropriations acts and is under the jurisdiction of the House and Senate Appropriations Committees. The farm bill may authorize discretionary appropriations, but the programs are not funded until an appropriation is made. Most agency operations (salaries and expenses) are paid for with discretionary funds. The primary discretionary programs are the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Commodity Supplemental Food Program (CSFP); the Food and Drug Administration (FDA); agricultural research; most rural development programs; the Food for Peace and other international food aid programs; agricultural credit and administration of farm supports; meat and poultry inspection; certain conservation programs; and food marketing, plant and animal health, and regulatory programs.

For mandatory spending (the salmon-colored slices in **Figure 2**), the Agriculture appropriation carries the amounts, but does not pay for them or generally determine the amounts. Mandatory spending is controlled by authorizing legislation and—for farm bill programs—is under the jurisdiction of the House and Senate Agriculture Committees.⁶ The primary mandatory spending categories carried in the Agriculture appropriations bill are the:

- Supplemental Nutrition Assistance Program (SNAP, formerly called food stamps)—designed primarily to increase the food purchasing power of eligible low-income households to help them buy a nutritionally adequate low-cost diet;
- Commodity Credit Corporation (CCC)—the funding mechanism for most mandatory farm bill programs, including the farm commodity programs and some conservation, trade, research, horticulture, bioenergy, and rural development programs;
- crop insurance—a risk management tool that offers subsidized premiums to farmers and administrative payments and reinsurance to private insurance companies;
- some Section 32 programming—Section 32 is a separate account funded by customs receipts and created to assist non-price-supported commodities; and

⁶ However, over time, as the Agriculture committees began providing mandatory funds in the farm bill to programs that generally may have been considered discretionary, appropriators have argued that this reduces their oversight, and sometimes have limited mandatory outlays using changes in mandatory program spending (CHIMPS). See CRS Report R43110, *Agriculture and Related Agencies: FY2014 and FY2013 (Post-Sequestration) Appropriations*.

- child nutrition programs—to fund meals, snacks, and milk for children (and, in one program, some adults) in congregate, institutional settings. The account includes funding for the National School Lunch Program, among other programs.

Differences over what is included in the Agriculture appropriations bill—as compared with the farm bill—primarily can be attributed to certain nutrition programs and the Food and Drug Administration.

- The child nutrition programs and WIC, which are in Agriculture appropriations, are not part of the farm bill because they are not in the jurisdiction of the House Agriculture Committee (the Senate Agriculture Committee does have jurisdiction).
- The Food and Drug Administration (FDA), part of Agriculture appropriations, is not in the jurisdiction of the House or Senate Agriculture Committees (House Commerce Committee; and Senate Health, Education, Labor & Pensions Committee).
- The Commodity Futures Trading Commission is in the jurisdiction of both the House and Senate Agriculture Committees, and the House Agriculture Appropriations Subcommittee (but *not* the Senate Agriculture Appropriations Subcommittee).

Allocating and determining mandatory spending is one of the primary purposes of the farm bill. The farm bill “pays for” mandatory spending by creating the necessary budget authority, using resources available under budget enforcement rules. The rest of this report focuses on mandatory spending and its allocation during the legislative process.

What Is the CBO Baseline?

Funding to write new legislation (e.g., a new farm bill) is based on Congressional Budget Office (CBO) baseline projections of the cost of current laws (e.g., existing farm bill programs) and budgetary assumptions about whether programs will continue. These amounts are shown in the CBO baseline projections for mandatory spending (what is available) and in the budget scores of proposed bills (changes to the baseline). CBO develops the baseline and scores of bills under the supervision of the House and Senate Budget Committees. This process sets the mandatory budget for the farm bill.⁷

The CBO baseline is an estimate (projection) at a particular point in time of what future federal spending on mandatory programs would be under current law. The 2014 farm bill was developed throughout 2013, and passed in January 2014, using the CBO baseline projection from May 2013.⁸

CBO periodically re-estimates the baseline to incorporate changes in economic conditions. When CBO updates the baseline (an update of a projection without any changes to law), the revision does not trigger budget enforcement mechanisms that require an increase to be paid for or allow savings to be claimed. Instead, the update shows how changing economic conditions affect

⁷ For more information, see CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*.

⁸ The May 2013 CCC baseline is at <http://cbo.gov/publication/44202>; for SNAP, see <http://cbo.gov/publication/44211>.

projected outlays under current law. That is, increases in projected costs from last year's baseline to this year's re-estimate (e.g., because more people qualify for entitlements) do not require offsets to pay for higher costs. Likewise, reductions in projected costs from last year's baseline to this year's re-estimate (e.g., because less government intervention is needed) do not create savings that can be used to pay for (offset) other programs.

The baseline serves as a benchmark or starting point for assessing changes from proposed legislation. When new bills affect mandatory spending, the impact of a bill (or its "score") is measured as a difference from the baseline. Projected increases in costs above the baseline (that is, a score greater than zero) may be subject to budget rules such as statutory or other types of PAYGO.⁹ Reductions in cost below the baseline (that is, a score less than zero) provide savings for deficit reduction or offsets that can be used to help pay for other provisions that have a cost.

From a budget perspective, programs with a continuing baseline are assumed to go on under current law, and have their own funding available for reauthorization if policymakers want them to continue. Normally, a program that receives mandatory funding in the last year of its authorization will be assumed to continue at that level of funding into the future as if there were no change in policy.¹⁰ This allows major farm bill provisions such as the farm commodity programs or nutrition assistance to be reauthorized periodically without assuming that funding will cease or following zero-based budgeting. However, some programs may not be assumed to continue in the budget baseline beyond the end of a farm bill because¹¹

- the program did not receive new mandatory budget authority during the last year of a farm bill, or
- the baseline during the last year of a farm bill is below a minimum \$50 million scoring threshold that is needed to continue a baseline, or
- the budget committees and agriculture committees did not give the program a baseline in the years beyond the end of the farm bill—either to reduce the program's 10-year cost when the farm bill was written, or to prevent a continuing baseline.¹²

CBO Baseline That Was Available to Write the 2014 Farm Bill

Budget enforcement rules use a 10-year period to measure the future effect of proposed legislation. Therefore, regardless of the length of an authorization (e.g., that the farm bill usually covers a 5-year period), the budget effects and baseline are discussed in 1-, 5-, and 10-year increments for budget enforcement purposes.

⁹ PAYGO generally requires that direct spending and revenue legislation enacted into law not increase the deficit. It does not address deficit increases that are projected to occur under existing law, nor does it apply to discretionary spending. See CRS Report R41157, *The Statutory Pay-As-You-Go Act of 2010: Summary and Legislative History*.

¹⁰ The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177, 2 U.S.C. 907(b)(2)), as amended, specifies that expiring mandatory spending programs are assumed to continue in the budget baseline if they have outlays of more than \$50 million in the current year and were created before the Balanced Budget Act of 1997.

¹¹ For more, see a later section and CRS Report R41433, *Expiring Farm Bill Programs Without a Budget Baseline*.

¹² Programs established after the Balanced Budget Act of 1997 are not automatically assumed to continue, and are assessed program by program in consultation with the House and Senate Budget Committee (2 U.S.C. 907(b)(2)(A)(i)). See also CBO, *The Budget and Economic Outlook*, p. 22, at <http://cbo.gov/sites/default/files/cbofiles/attachments/43907-BudgetOutlook.pdf>.

The May 2013 CBO baseline for mandatory farm bill programs was \$973 billion for the 10-year period FY2014-FY2023 (**Figure 3**).¹³ This may be considered the amount that was available to write the 2014 farm bill. This baseline already reflected a reduction of \$6.4 billion over the 10-year baseline because of the effects of sequestration (discussed later in this section).

Of the total amount, most of the \$973 billion post-sequestration baseline was for domestic nutrition assistance programs (\$764 billion, or 79%), primarily the Supplemental Nutrition Assistance Program (SNAP).¹⁴ The rest, about \$208 billion, was divided among various agriculture-related programs, primarily crop insurance (\$84 billion, or 8.6%), farm commodity price and income supports (\$59 billion, or 6.0%), and conservation (\$62 billion, or 6.3%). Less than 1% of the baseline was for mandatory spending on international trade (\$3.4 billion), horticulture programs (\$1.1 billion), and the miscellaneous title (\$1.4 billion for the Noninsured Assistance Program, NAP).

The baseline showed that the 2008 farm bill's programs, if they were to continue, were expected to spend about \$100 billion per year through FY2016, and then decline through the rest of the baseline period to about \$95 billion per year in 2023. The nutrition portion was expected to decline, while conservation and crop insurance outlays were expected to increase (**Figure 4**).

Table 2 lists the baseline totals shown in **Figure 3** and **Figure 4**, and the amounts for individual programs that had baseline within each title. The table provides data for each year FY2014-FY2018, the 5-year total (FY2014-FY2018), and the 10-year total (FY2014-FY2023).

Table 2 also shows an alternative total that is slightly smaller. Some programs had baseline for expected outlays that remained from the 2008 farm bill, but were not considered to have funding available for reauthorization beyond the end of the 2008 farm bill. These include the Wetlands Reserve Program, Grasslands Reserve Program, Biomass Crop Assistance Program and other bioenergy programs, Rural Microenterprise Assistance Program, and organic and specialty crops research. Without these programs, the 10-year baseline for "continuing" farm bill programs was \$949 million smaller. The alternative 10-year total was thus \$972 billion, and the alternative total for the non-nutrition agricultural programs still rounded to \$208 billion.

Figure 5 shows the baselines for the individual programs comprising the \$208 billion 10-year subtotal of the non-nutrition programs (all of the programs except SNAP). The colors assigned to the programs are consistent with the colors of the titles in earlier figures, and show which programs in each title have the most baseline.

In the farm commodity programs, "direct payments" were the primary program with a mandatory funding baseline. Direct payments had become vulnerable politically in a high farm-income environment because they were made regardless of market price and farm income conditions.¹⁵ The other farm commodity programs that make "counter-cyclical payments" did not have much baseline in May 2013 because high market prices for farm commodities had reduced payments.

¹³ CBO, "May 2013 Baseline for the 2008 Farm Bill Programs and Provisions, by Title," unpublished, May 2013. See also "Updated Budget Projections: Fiscal Years 2013 to 2023," May 14, 2013, at <http://cbo.gov/publication/44172>.

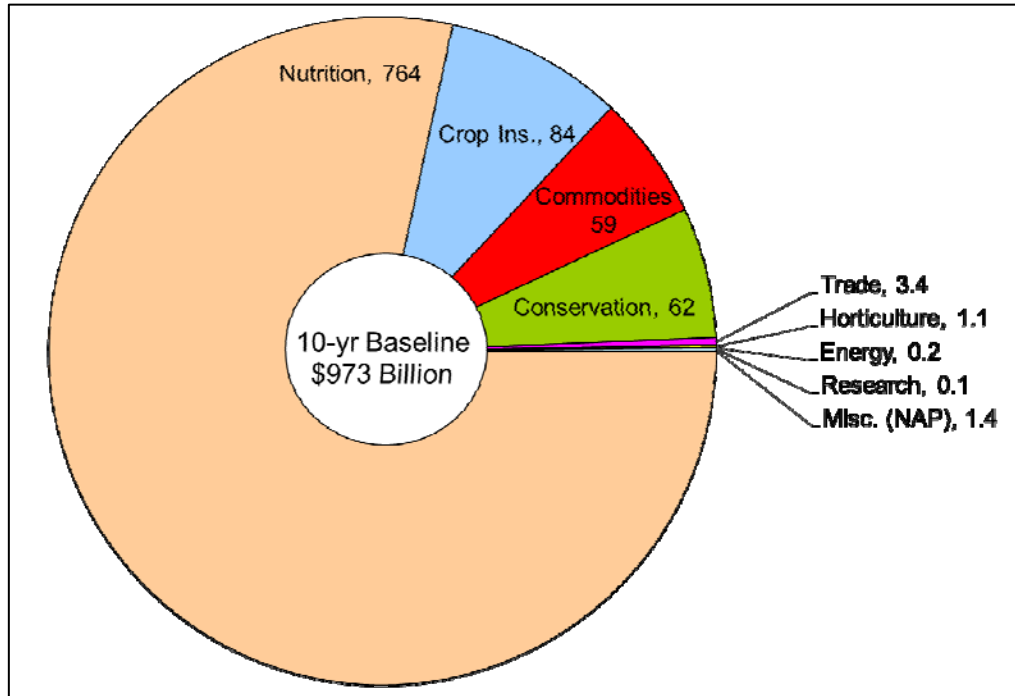
¹⁴ The farm bill baseline includes SNAP but not child nutrition programs (e.g., school lunch) due to jurisdictional differences (see earlier discussion of **Figure 2**).

¹⁵ For background, see CRS Report R42759, *Farm Safety Net Provisions in a 2013 Farm Bill: S. 954 and H.R. 2642*.

The crop insurance baseline was larger than for the farm commodity programs, and considered by most farmers and policymakers to be the most important remaining component of the farm “safety net.” Premium subsidies to farmers were the largest component, but reimbursements to insurance companies for delivery expenses and underwriting gains were not insignificant.

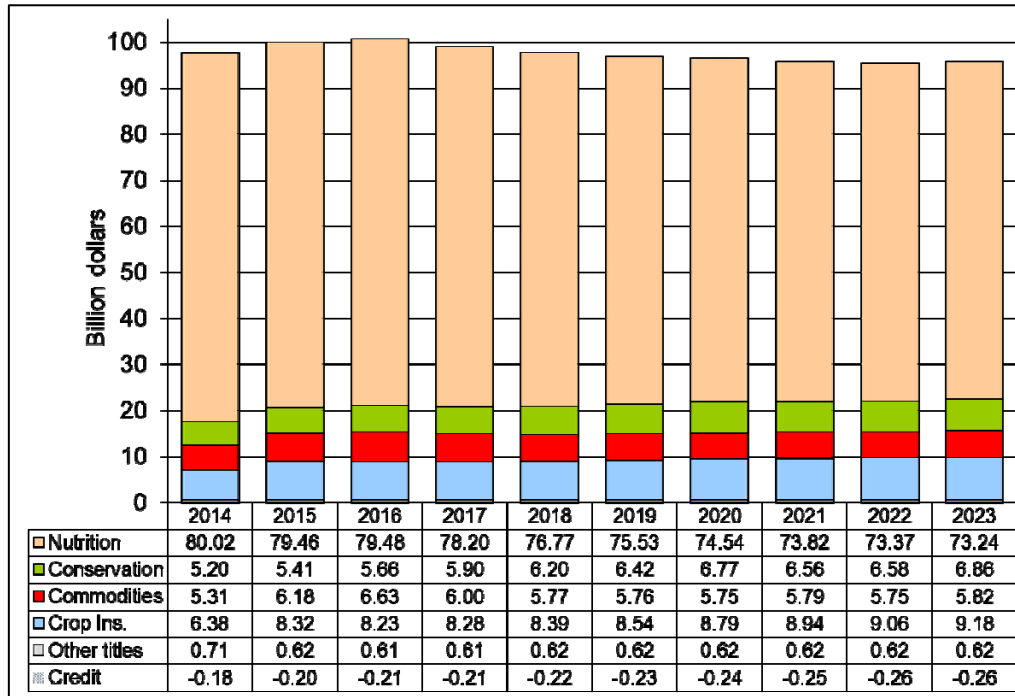
Figure 3. Ten-Year Mandatory Baseline for 2008 Farm Bill Titles (May 2013)

(10-year expected outlays FY2014-FY2023 in billions of dollars by farm bill title)



Source: CRS, using the May 2013 CBO baseline.

Figure 4. Mandatory Baseline for 2008 Farm Bill Titles, by Year
(annual expected outlays in billions of dollars by farm bill title)



Source: CRS, using the May 2013 CBO baseline.

Table 2. Mandatory Baseline for 2008 Farm Bill Programs (May 2013)
(expected outlays in millions of dollars)

Farm Bill Titles and Programs ^a	FY2014	FY2015	FY2016	FY2017	FY2018	5- and 10-year totals	
						FY2014- FY2018	FY2014- FY2023
I Commodity Programs (CCC)	5,309	6,184	6,628	6,001	5,766	29,888	58,765
Direct payments	4,538	4,538	4,538	4,538	4,538	22,692	45,384
Counter-cyclical, ACRE, Marketing loans	170	1,142	1,548	979	755	4,594	8,414
MILC and other dairy assistance	34	34	36	32	26	161	284
Economic assistance to cotton mills	46	48	48	48	47	237	473
WTO Settlement with Brazil ^b	147	0	0	0	0	147	147
Interest and operating expenses	45	90	130	144	143	552	1,259
Other	329	331	328	259	257	1,504	2,805
II Conservation	5,203	5,412	5,660	5,895	6,203	28,373	61,567
Conservation Reserve Program	2,174	2,207	2,291	2,258	2,314	11,244	23,350
Conservation Security/Stewardship Prog.	1,057	1,333	1,523	1,760	1,978	7,651	18,906
Environmental Quality Incentives Prog.	1,233	1,365	1,474	1,524	1,565	7,161	15,240
Farmland Protection Program	147	148	147	148	150	740	1,490
Wildlife Habitat Incentives Program	67	73	71	75	74	360	754

						5- and 10-year totals		
Farm Bill Titles and Programs ^a		FY2014	FY2015	FY2016	FY2017	FY2018	FY2014- FY2018	FY2014- FY2023
	Wetlands Reserve Program ^a	370	145	21	1	0	537	537
	Agricultural Water Enhancement Prog.	60	59	57	56	56	288	568
	Chesapeake Bay Watershed Program	48	49	48	48	47	240	475
	Agricultural Management Assistance	11	13	11	11	10	56	106
	Grassland Reserve Program ^a	29	14	12	9	8	72	112
	Emergency Forestry Conserv. Reserve	5	5	5	5	1	21	26
III	Trade (CCC)	344	344	344	344	344	1,718	3,435
	Market Access Program (MAP)	200	200	200	200	200	1,000	2,000
	Export donations ocean transportation	100	100	100	100	100	500	1,000
	Foreign market development cooperators	35	35	35	35	35	173	345
	Specialty crop technical assistance	9	9	9	9	9	45	90
IV	Nutrition (SNAP)^b	80,020	79,457	79,481	78,204	76,767	393,930	764,432
V	Credit^c	-178	-197	-205	-211	-220	-1,011	-2,240
VI	Rural Development	10	3	0	0	0	13	13
	Rural Microenterprise Assistance Prog. ^a	10	3	0	0	0	13	13
VII	Research and Related Matters	93	18	0	0	0	111	111
	Organic; Specialty Crop; Beg. Farmers ^a	93	18	0	0	0	111	111
VIII	Forestry	2	1	0	0	0	3	3
	Healthy Forest Reserve Program ^a	2	1	0	0	0	3	3
IX	Energy	8	5	21	23	27	84	243
	Feedstock Flexibility Program	0	0	19	23	27	69	228
	Other (expiring programs, incl. BCAP) ^a	8	5	2	0	0	15	15
X	Horticulture and Organic Agriculture	116	105	105	105	105	536	1,061
	Specialty Crop Block Grants	55	55	55	55	55	275	550
	Plant Pest & Disease Management	50	50	50	50	50	250	500
	Farmers Markets; Clean Plant Network ^a	11	0	0	0	0	11	11
XI	Crop Insurance	6,380	8,325	8,227	8,276	8,386	39,592	84,105
	Premium Subsidy	4,477	5,830	5,770	5,819	5,919	27,815	59,545
	Delivery Expenses	1,047	1,380	1,354	1,343	1,335	6,459	13,175
	Underwriting Gains	856	1,115	1,103	1,113	1,132	5,318	11,384
XII	Miscellaneous	141	141	141	141	141	705	1,410
	Noninsured Crop Assistance Program	141	141	141	141	141	705	1,410
	Total—Farm Bill Baseline	97,447	99,797	100,402	98,776	97,519	493,941	972,905
	Nutrition	80,020	79,457	79,481	78,204	76,767	393,930	764,432
	Non-nutrition	17,427	20,340	20,920	20,573	20,752	100,011	208,473

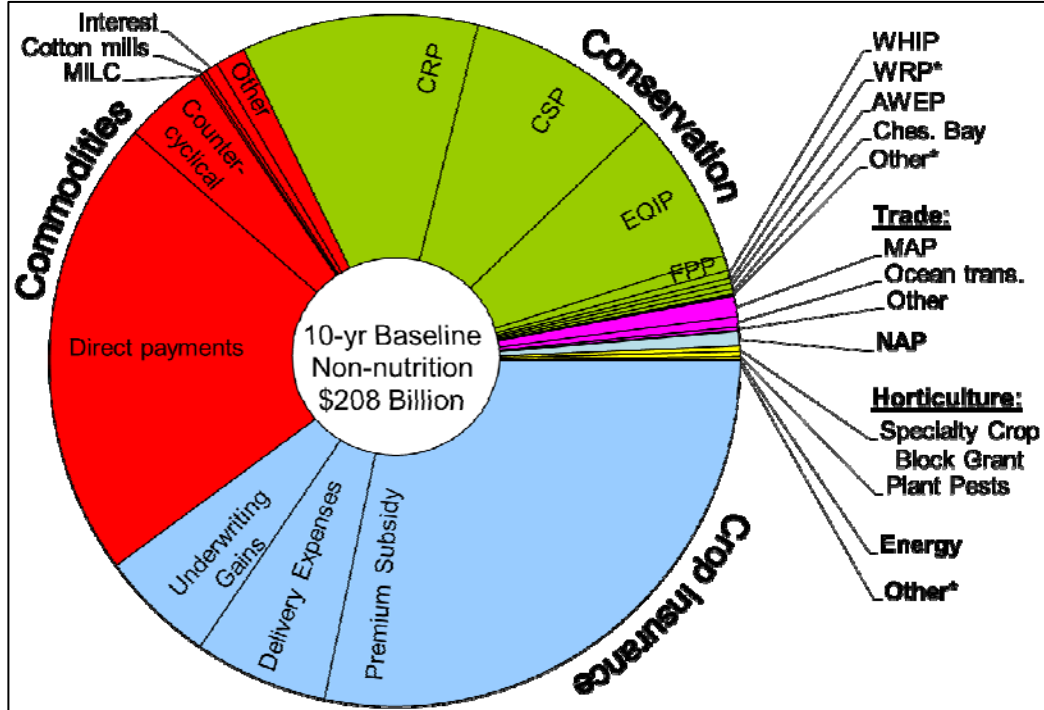
Farm Bill Titles and Programs ^a	FY2014	FY2015	FY2016	FY2017	FY2018	5- and 10-year totals	
						FY2014- FY2018	FY2014- FY2023
<i>Alternate total</i>							
Minus baseline of programs not continuing ^a	-670	-186	-35	-10	-8	-909	-949
Remainder for all continuing programs	96,777	99,611	100,367	98,766	97,511	493,032	971,956
Remainder for non-nutrition programs	16,757	20,154	20,885	20,563	20,744	99,102	207,524

Source: CRS, using the May 2013 CBO baseline.

- Some programs have outlays listed during the baseline period but were not considered to have funding (budget authority) to continue beyond the end of the 2008 farm bill. Other programs and titles in the 2008 farm bill are not listed because they did not have future budget baseline, even though they received mandatory funding in FY2008-FY2012. These are discussed in CRS Report R41433, *Expiring Farm Bill Programs Without a Budget Baseline*.
- The nutrition title of the farm bill includes only the Supplemental Nutrition Assistance Program (SNAP) and related programs, given joint jurisdiction between the House and Senate Agriculture committees. Child nutrition programs, while in the jurisdiction of the Senate Agriculture Committee, are not in the jurisdiction of the House Agriculture Committee. Child nutrition programs, if included, would have added \$246 billion of baseline over 10 years (<http://cbo.gov/publication/44186>).
- The credit title had negative outlays that reflected receipts into the Farm Credit System Insurance Fund.

Figure 5. Ten-Year Mandatory Baseline for Agricultural Programs (May 2013)

(expected outlays over FY2013-FY2022 in billions of dollars for programs in a subset of farm bill titles)



Source: CRS, using the May 2013 CBO baseline.

Notes: MILC = Milk Income Loss Contract Program; CRP=Conservation Reserve Program; CSP = Conservation Security/Stewardship Program; EQIP = Environmental Quality Incentives Program; FPP = Farmland Protection Program; WHIP = Wildlife Habitat Incentive Program; WRP = Wetlands Reserve Program; AWEP =

Agricultural Water Enhancement Program; MAP=Market Access Program; NAP = Noninsured Crop Assistance Program. Includes baseline for expiring programs (*) that do not have baseline to continue, as noted in **Table 2**.

Total estimated costs of the conservation programs were about as large as estimated farm commodity spending. The largest three conservation programs had 93% of total conservation baseline (the Conservation Reserve Program, the Conservation Security Program, and the Environmental Quality Incentives Program).

Two other farm bill titles had more than \$1 billion in 10-year baseline. The trade title had \$3.4 billion, mostly in the Market Access Program (MAP). The horticulture and organic agriculture title had \$1.1 billion of 10-year baseline, with half in specialty crop block grants, and half for pest and disease prevention. The miscellaneous title had \$1.4 billion of continuing 10-year baseline for the Noninsured Assistance Program (NAP). The energy title had \$0.2 billion of 10-year baseline for continuing programs, specifically the Feedstock Flexibility program to convert sugar to ethanol. The forestry, research, and rural development titles were combined under “Other” in the figure and did not have programs with continuing baseline. The credit title is not shown because it had a negative baseline, reflecting receipts into a Farm Credit System insurance fund.

Budget Sequestration

Sequestration is a process of automatic, largely across-the-board spending reductions under which budgetary resources are permanently canceled to enforce statutory budget goals. The current requirement for sequestration was included in the Budget Control Act of 2011 (BCA; P.L. 112-25).¹⁶ Many of these rules are based on the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (Title II of P.L. 99-177, also known as the Gramm-Rudman-Hollings Act).

Some farm bill programs are exempt from sequestration.¹⁷ The nutrition programs and the Conservation Reserve Program are exempt from sequestration.¹⁸ Other programs, including prior legal obligations in crop insurance and some of the farm commodity programs,¹⁹ may be exempt, as determined by the Office of Management and Budget (OMB). However, many agricultural programs are subject to budget sequestration, if it is imposed, as illustrated below.

Sequestration in FY2013

Given the failure of the Joint Select Committee on Deficit Reduction to propose budget reductions by January 2012 and in the absence of a “grand bargain” for deficit reduction,²⁰ OMB

¹⁶ See CRS Report R41965, *The Budget Control Act of 2011*.

¹⁷ See CRS Report R42050, *Budget “Sequestration” and Selected Program Exemptions and Special Rules*.

¹⁸ 2 U.S.C. 905 (g)(1)(A).

¹⁹ 2 U.S.C. 906 (j).

²⁰ See CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*, and CRS Report R42884, *The “Fiscal Cliff” and the American Taxpayer Relief Act of 2012*.

ordered budget sequestration on March 1, 2013.²¹ The sequestration rate for FY2013 was 5.0% from non-defense discretionary spending and 5.1% from non-defense mandatory programs.²²

The March 1, 2013, OMB report indicated that about \$1.9 billion was sequestered in FY2013 from accounts in Agriculture and related agencies appropriations—\$1.2 billion from discretionary accounts and \$700 million from mandatory accounts. Nearly all of the \$23 billion of discretionary agriculture budget authority was subject to sequestration. About \$14 billion of the mandatory budget was sequesterable. This latter amount was a fraction of the \$100 billion total mandatory amount since most of SNAP and child nutrition were exempt, and OMB exempted most of crop insurance. User-fee funded accounts and trust funds were subject to sequestration.

Sequestration in the FY2014-FY2023 Baseline

The May 2013 CBO baseline for farm bill programs incorporates a sequestration effect beyond FY2013 (**Table 3**). As discussed before, the rules for constructing a baseline allow for continuation of program funding in the baseline at the funding level in the last year of authorization.²³ Because sequestration reduced the budget authority for several farm bill programs, and that reduction happened to be during the last year of their authorization, the sequestration reduction had the consequence, via budget rules, of a multiple year effect on the baseline.²⁴

Table 3. Impact of Sequestration on the May 2013 CBO Baseline for FY2014-FY2023
(millions of dollars)

	Fiscal year					5- and 10-year totals	
	2014	2015	2016	2017	2018	2014-18	2014-23
Title I - Commodity Programs							
Direct Payments	-408	-408	-408	-408	-408	-2,040	-4,080
Title II - Conservation							
Conservation Stewardship Program	-84	-73	-73	-73	-73	-420	-750
Environmental Quality Incentives Program	-46	-65	-81	-95	-108	-412	-1,046
Wetlands Reserve Program	-19	-9	-2	0	0	-42	-42
Farm and Ranchland Protection Program	-5	-10	-12	-13	-15	-55	-130

²¹ White House, “Sequestration Order for Fiscal Year 2013,” March 1, 2013, at <http://www.whitehouse.gov/sites/default/files/2013sequestration-order-rel.pdf>. The trigger and timing for sequestration was based on Section 302 of the BCA (P.L. 112-25) and a two-month extension in the American Taxpayer Relief Act of 2012 (P.L. 112-240).

²² OMB, *Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013*, March 1, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy13ombjsequestrationreport.pdf.

²³ The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 907(b)(2)(D)), as amended, specifies that expiring mandatory spending programs are assumed to continue as in effect immediately before expiration.

²⁴ This multi-year effect from a one-year reduction is the same reason that the FY2012 appropriations act extended the program authority for several conservation programs when it reduced their program authority (by CHIMPS, i.e., changes in mandatory program spending) in what was then the last year of the 2008 farm bill. In that case, however, the appropriations action to extend the authorization avoided the multi-year effect on the baseline because the FY2012 CHIMP was not in the last year of the program’s authorization. See CRS Report R41964, *Agriculture and Related Agencies: FY2012 Appropriations*.

	Fiscal year					5- and 10-year totals	
	2014	2015	2016	2017	2018	2014-18	2014-23
Grassland Reserve Program	-1	-1	-1	0	0	-4	-4
Agricultural Water Enhancement Program	-3	-3	-4	-4	-4	-19	-39
Chesapeake Bay Watershed Program	-2	-2	-3	-2	-3	-13	-28
Agricultural Management Assistance	-1	0	0	0	0	-1	-1
Wildlife Habitat Incentives Program	-2	-3	-3	-4	-6	-18	-48
Subtotal, Title II	-163	-166	-179	-191	-209	-984	-2,088
Title III - Trade							
Market Access Program	-10	-10	-10	-10	-10	-60	-110
Foreign Market Development Program	-2	-2	-2	-2	-2	-12	-22
Food for Progress Act	-2	-2	-2	-2	-2	-12	-22
Emerging Markets Program	-1	-1	-1	-1	-1	-6	-11
Technical Assistance for Specialty Crops	*	*	*	*	*	-2	-4
Subtotal, Title III	-15	-15	-15	-15	-15	-92	-169
Title X - Horticulture							
Specialty Crop Block Grants	-3	-3	-3	-3	-3	-16	-31
Total Changes in Direct Spending	-589	-592	-605	-617	-635	-3,130	-6,364

Source: CBO baseline estimate, reported with the scores of the 2013 farm bill for the Senate bill (<http://cbo.gov/publication/44175>, May 13, 2013) and the House bill (<http://cbo.gov/publication/44177>, May 13, 2013).

The May 2013 baseline (**Table 2**) is \$6.4 billion less over FY2014-FY2023 than it would have been without sequestration.²⁵ **Table 3** shows how the sequestration reduction was allocated across years, titles, and programs in determining the farm bill baseline.

The agriculture committees had less mandatory baseline available to write the 2014 farm bill because sequestration had already taken effect. This multi-year reduction to the farm bill baseline did occur and would have remained in effect even if no 2014 farm bill were enacted.

Observers who assert that the deficit reduction achieved by the enacted 2014 farm bill was greater than the official CBO scores (as discussed in the next section) essentially are trying to use a different baseline—a baseline that did not exist. Therefore, the official scores of the 2014 farm bill are the CBO scores as discussed below.

The 2014 Farm Bill, and House and Senate Bills

The 2014 farm bill was in development for over two years and was debated in both the 112th and 113th Congresses. In 2012, the Senate and House Agriculture Committees each reported a bill.

²⁵ The effect of sequestration on the baseline is explained in the initial CBO estimates of the farm bill drafts prior to markup for the Senate farm bill (p. 2 and Table 4, at <http://cbo.gov/publication/44175>, May 13, 2013) and the House bill (p. 2 and Table 4, at <http://cbo.gov/publication/44177>, May 13, 2013).

The Senate passed S. 3240 and the House Agriculture Committee reported H.R. 6083, but House floor action never occurred, resulting in a one-year extension of the 2008 farm bill (P.L. 112-240).

In 2013, new Agriculture committee bills were introduced in the House (H.R. 1947) and passed in the Senate (S. 954). But the House rejected the initial committee bill and—for the first time in 40 years—separated food stamps from the farm bill. Two separate bills were passed in the House: one for farm programs (H.R. 2642) and the other for the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps; H.R. 3102). The two House bills were recombined for conference with the Senate and final enactment (H.R. 2642, H.Rept. 113-333).²⁶

Because of the focus on deficit reduction and the connection to budget enforcement, the most commonly cited budgetary amounts during the farm bill debate were the 10-year totals for the baseline and scores. These 10-year amounts are highlighted throughout this section, but 5-year amounts for the FY2014-FY2018 authorization period are discussed in **Figure 1** and **Table 1**.

Baseline

As discussed earlier, the budgetary impact of the 2014 farm bill is measured relative to what the 2008 farm bill would have spent—that is, the CBO baseline. The May 2013 CBO baseline projected that the mandatory programs of the 2008 farm bill, if it were continued, would have spent \$973 billion over the next 10 years (FY2014-FY2023). This consisted of \$764 billion for nutrition programs, primarily the Supplemental Nutrition Assistance Program (SNAP), and \$208 billion for non-nutrition agriculture-related programs. This “baseline” already had been reduced by \$6.4 billion to reflect the effects of sequestration over the 10-year baseline, all of which has come from the agriculture-related portion since SNAP is generally exempt from sequestration.

Score (Change to Baseline)

Compared to the \$973 billion post-sequestration baseline, the 2014 farm bill—at enactment—reduced projected spending and the deficit by \$16.6 billion (-1.7%) over the 10 year period FY2014-FY2023.²⁷ Over the 5-year period through FY2018, the enacted farm bill reduced projected spending by \$5.3 billion (-1.1%).

The enacted 2014 farm bill saves less than either the House-passed or Senate-passed proposals. The House-passed combination of H.R. 2642 and H.R. 3102 together would have reduced spending by \$51.9 billion (-5.3%) over 10 years.²⁸ The Senate-passed farm bill proposal (S. 954) would have reduced spending by \$17.9 billion (-1.8%) over 10 years.²⁹

²⁶ For more on policy issues, see CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*.

²⁷ CBO cost estimate of the conference agreement on H.R. 2642 (<http://www.cbo.gov/publication/45049>, Jan. 28, 2014).

²⁸ CBO cost estimates of H.R. 2642 as introduced (<http://cbo.gov/publication/44414>, July 11, 2013), and H.R. 3102 as introduced (<http://cbo.gov/publication/44583>, Sept. 16, 2013). The earlier House Agriculture committee-reported bill, H.R. 1947, which failed on the House floor, would have reduced spending by \$33.4 billion over 10 years, with \$20.5 billion from nutrition (CBO cost estimate of H.R. 1947 as reported, <http://cbo.gov/publication/44271>, May 23, 2013).

²⁹ CBO cost estimate of S. 954 as reported (<http://cbo.gov/publication/44248>, May 17, 2013).

If the baseline had not already been reduced by sequestration, the enacted 2014 farm bill could have been credited for reducing spending by \$23 billion over 10 years. Similarly, the savings from each of the House and Senate proposals could have been \$6.4 billion greater. But sequestration had already been factored into the baseline, so the official score of P.L. 113-79 remains that it reduced the deficit by \$16.6 billion over 10 years.

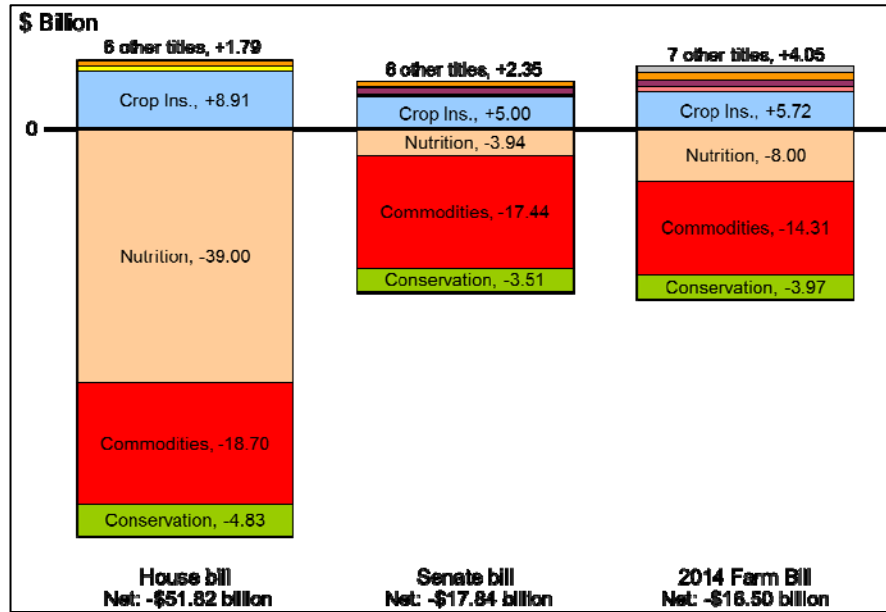
The net reduction is composed of some titles receiving more funding than in the past, while others receive less. The latter provide budgetary offsets to pay for titles with increased spending, and the rest of the savings go to deficit reduction. Budgetary savings are scored in the nutrition, farm commodity subsidies, and conservation titles. Additional funding is provided for the crop insurance, research, bioenergy, horticulture, rural development, trade, and forestry titles.

Figure 6 illustrates the 10-year budgetary impacts of changes to each title in the House and Senate bills, and in the enacted law.

- Under the combined House bills, seven titles would have received a combined \$10.7 billion increase, and three titles would have offered a combined budgetary reduction of \$62.5 billion. The net reduction would have been \$51.8 billion over 10-years.
- Under the Senate bill, seven titles would have received a combined \$7.4 billion increase, and four titles would have offered a combined budgetary reduction of \$25.2 billion. The net reduction would have been \$17.8 billion over the 10-year period.
- Under the enacted law, the 2014 farm bill increases outlays for eight titles by a combined \$9.8 billion relative to their baselines, and three titles offer a combined budgetary reduction of \$26.3 billion. The net reduction is \$16.5 billion over 10 years.

Table 4 contains the same data in tabular form and includes an estimate of the proposed outlays (baseline plus score). **Table 5** presents the more-detailed year-by-year scores of each provision in the enacted law. The corresponding detailed scores for the proposed bill are available in **Appendix A** (House) and **Appendix B** (Senate).

Figure 6. Ten-Year Scores of the 2014 Farm Bill, and House and Senate Bills
(change in outlays over FY2014-FY2023 in billions of dollars by farm bill title, relative to baseline)



Source: CRS, using CBO cost estimates available at <http://www.cbo.gov/publication/45049>.

Table 4. Budget for the 2014 Farm Bill: Baseline, Scores, and Projected Outlays
(outlays in millions of dollars, 10-year total FY2014-FY2023)

2014 Farm Bill Titles	CBO baseline (May 2013)	CBO Score (change to baseline)			Projected Outlays (Baseline + Score)		
		House bill H.R. 2642	Senate bill S. 954	Conference agreement	House bill H.R. 2642	Senate bill S. 954	Conference agreement
Commodities	58,765	-18,701	-17,442	-14,307	40,064	41,323	44,458
Conservation	61,567	-4,827	-3,511	-3,967	56,740	58,056	57,600
Trade	3,435	+150	+150	+139	3,585	3,585	3,574
Nutrition	764,432	-38,999	-3,944	-8,000	725,433	760,488	756,432
Credit	-2,240	+0	+0	+0	-2,240	-2,240	-2,240
Rural Development	13	+96	+228	+228	109	241	241
Research	111	+760	+781	+1,145	871	892	1,256
Forestry	3	+5	+10	+10	8	13	13
Energy	243	+0	+880	+879	243	1,123	1,122
Horticulture	1,061	+619	+304	+694	1,680	1,365	1,755
Crop Insurance	84,105	+8,914	+4,999	+5,722	93,019	89,104	89,827
Miscellaneous (incl. NAP)	1,410	+161	-294	+953	1,571	1,116	2,363
Total, Direct Spending	972,905	-51,822	-17,840	-16,504	921,083	955,066	956,401
Change in Revenue		+64	+54	+104			
Net Impact on the Deficit		-51,886	-17,894	-16,608			

Source: CRS, using the CBO baseline and cost estimates (<http://www.cbo.gov/publication/45049>).

Table 5. Score of Mandatory Programs in the Agricultural Act of 2014

(change in annual outlays in millions of dollars, relative to May 2013 CBO baseline)

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Title I - Commodity Programs												
Repeal Direct Payments	0	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-18,153	-40,845
Repeal Countercyclical Payments	0	0	-117	-182	-190	-215	-217	-207	-197	-194	-489	-1,519
Repeal Average Crop Revenue Election	0	0	-1,336	-696	-462	-424	-413	-454	-429	-505	-2,494	-4,718
Price Loss Coverage	0	0	1,652	1,755	1,708	1,633	1,622	1,585	1,589	1,580	5,115	13,124
Agriculture Risk Coverage	0	0	2,115	2,327	2,086	1,628	1,396	1,557	1,416	1,583	6,528	14,108
Transition Payments for Upland Cotton	0	556	2	0	0	0	0	0	0	0	558	558
Nonrecourse Marketing Loans	0	6	7	5	5	4	4	6	6	5	23	48
Sugar Program	0	0	0	0	0	0	0	0	0	0	0	0
Dairy Program	81	-51	59	23	130	83	175	143	142	130	241	912
Supplemental Ag. Disaster Assistance	897	364	314	296	295	297	300	302	303	306	2,166	3,674
Implementation	95	15	10	0	0	0	0	0	0	0	120	120
Loan Implementation	0	5	6	15	28	30	36	36	37	37	54	230
Subtotal, Title I	1,073	-3,644	-1,826	-997	-939	-1,502	-1,636	-1,570	-1,671	-1,596	-6,332	-14,307
Title II - Conservation												
Conservation Reserve Program	22	34	-187	-350	-392	-462	-451	-468	-502	-565	-873	-3,321
Conservation Stewardship Program	-8	-58	-100	-149	-197	-253	-303	-352	-401	-451	-512	-2,272
Environmental Quality Incentives Program	0	-5	2	10	37	62	76	91	107	117	44	497
Agricultural Conservation Easement Program	20	131	229	270	202	117	81	67	57	57	852	1,231
Regional Conservation Partnership Program	-1	-3	-3	-3	-3	-3	-3	-3	-3	-3	-13	-28
Other Conservation Programs	199	102	85	47	16	1	1	1	1	1	449	454

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Funding and Administration	12	12	12	10	9	5	2	2	2	2	55	68
Repeal of Wildlife Habitat Incentives Program	-17	-35	-44	-53	-61	-70	-79	-79	-79	-79	-210	-596
Subtotal, Title II	227	178	-6	-218	-389	-603	-676	-741	-818	-921	-208	-3,967
Title III - Trade	3	16	15	15	15	15	15	15	15	15	64	139
Title IV - Nutrition												
Retail Food Stores	-5	-8	-8	-8	-8	-8	-8	-8	-8	-8	-37	-77
Food Dist. Program on Indian Reservations	*	1	0	0	0	0	0	0	0	0	1	1
Standard Utility Allowances	-90	-800	-940	-950	-950	-950	-950	-960	-970	-990	-3,730	-8,550
Improved Wage Verification	0	-2	-2	-2	-2	-2	-2	-2	-2	-2	-8	-18
Pilot to Reduce Dependency/Increase Work	6	48	65	74	27	10	5	5	5	5	220	250
Review Cash Assistance in Puerto Rico	*	1	0	0	0	0	0	0	0	0	1	1
Assistance for Community Food Projects	0	4	4	4	4	4	4	4	4	4	16	36
Emergency Food Assistance	0	50	40	20	15	15	16	16	16	17	125	205
Retail Food Store and Recipient Trafficking	1	5	3	3	3	0	0	0	0	0	15	15
Commonwealth N. Mariana Islands Pilot	1	1	5	11	10	5	0	0	0	0	28	33
Food Insecurity Nutrition Incentive	3	20	20	20	22	10	5	0	0	0	85	100
Pilot Canned, Frozen, Dried Fruits & Veg.	1	2	2	0	0	0	0	0	0	0	5	5
Subtotal, Title IV	-84	-678	-811	-828	-879	-916	-930	-945	-955	-974	-3,280	-8,000
Title V - Credit	0	0	0	0	0	0	0	0	0	0	0	0
Title VI - Rural Development												
Rural Microenterprise Program	1	2	3	3	3	2	1	0	0	0	12	15
Value-Added Marketing Grants	0	22	20	19	2	0	0	0	0	0	63	63
Rural Water and Waste Disposal	8	30	42	30	20	14	6	0	0	0	130	150

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Subtotal, Title VI	9	54	65	52	25	16	7	0	0	0	205	228
Title VII - Research, Extension, and Related Matters												
Organic Agriculture Research and Extension	10	16	20	20	20	10	4	0	0	0	86	100
Specialty Crop Research Initiative	33	59	80	80	80	88	85	80	80	80	332	745
Beginning Farmer and Rancher Development	5	10	16	20	20	15	10	4	0	0	71	100
Foundation for Food & Agriculture Research	200	0	0	0	0	0	0	0	0	0	200	200
Subtotal, Title VII	248	85	116	120	120	113	99	84	80	80	689	1,145
Title VIII - Forestry	1	1	1	1	1	1	1	1	1	1	5	10
Title IX - Energy												
Biorefinery/Biobased Product Manufacturing	0	30	45	50	40	23	10	2	0	0	165	200
Repowering Assistance	0	6	5	1	0	0	0	0	0	0	12	12
Bioenergy Program for Advanced Biofuels	2	8	12	14	15	12	7	4	1	0	51	75
Rural Energy for America	10	30	45	50	50	50	50	50	50	50	185	435
Biomass Crop Assistance Program	11	19	21	23	25	15	7	4	0	0	99	125
Other	4	5	6	7	7	2	1	0	0	0	29	32
Subtotal, Title IX	27	98	134	145	137	102	75	60	51	50	541	879
Title X - Horticulture												
Farmers Market and Local Food Promotion	30	30	30	30	30	0	0	0	0	0	150	150
Organic Agriculture and Technology Upgrade	2	2	2	2	2	0	0	0	0	0	10	10
Organic Product Promotion Order	0	1	3	5	6	6	8	9	11	12	15	61
Plant Pest and Disease Management	4	10	12	14	19	24	25	27	29	29	59	193
Specialty Crop Block Grants	11	19	22	22	28	33	34	34	34	34	101	270
Christmas Tree Promotion Order	0	0	1	1	1	1	1	1	2	2	3	10

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Subtotal, Title X	47	62	70	74	86	63	68	71	76	77	338	694
Title XI - Crop Insurance												
Supplemental Coverage Option	0	13	133	184	214	221	232	232	243	244	544	1,716
Crop Margin Coverage	0	0	4	5	5	5	5	5	5	5	15	40
Premium for Catastrophic Crop Insurance	0	-5	-44	-52	-52	-53	-54	-55	-55	-56	-153	-426
Enterprise Units Irrigated and Nonirrigated	0	6	55	63	64	66	68	69	71	72	188	533
Adjustment in Actual Producer History Yields	0	3	30	42	45	46	47	47	48	49	120	357
Crop Production Native Sod/Prairie Potholes	0	-1	-7	-11	-15	-16	-16	-16	-16	-16	-34	-114
Coverage Level by Practice	0	2	17	20	21	21	21	22	22	22	60	168
Beginning Farmer and Rancher Provisions	0	2	23	28	31	34	35	36	36	36	84	261
Stacked Income Protection for Cotton	0	35	325	308	386	409	439	451	468	466	1,054	3,288
Peanut Revenue Crop Insurance	0	1	13	15	15	15	15	15	15	15	44	119
Implementation	1	12	14	14	14	13	2	0	0	0	55	70
Crop Insurance Fraud	1	8	9	9	9	9	9	9	9	9	36	81
Research and Development Priorities	0	3	4	4	4	4	4	4	4	4	16	36
Crop Insurance for Organic Crops	0	0	1	1	1	1	1	1	1	1	3	8
Index-Based Weather Insurance	0	1	11	13	13	11	2	0	0	0	37	50
Participation Effects of Commodity Programs	0	-7	-72	-85	-76	-52	-42	-46	-42	-42	-240	-464
Subtotal, Title XI	2	74	516	558	678	734	767	774	809	809	1,828	5,722
Title XII - Miscellaneous												
Sheep Production and Marketing Grant	1	1	0	0	0	0	0	0	0	0	2	2
Outreach Socially Disadvantaged Producers	5	8	10	10	10	5	2	0	0	0	43	50
Noninsured Crop Assistance Program	108	13	11	13	13	13	13	13	13	13	159	226

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Payments In Lieu of Taxes	410	0	0	0	0	0	0	0	0	0	410	410
Pima Cotton Trust Fund	16	16	16	16	16	0	0	0	0	0	80	80
Wool Apparel Manufacturers Trust Fund	27	9	19	22	23	23	2	0	0	0	100	125
Wool Research and Promotion	0	1	2	2	2	2	1	0	0	0	8	11
Oilheat Efficiency, Research and Jobs Training	3	8	9	9	9	9	4	0	0	0	38	51
Subtotal, Title XII	570	56	67	72	73	52	22	13	13	13	839	953
Total Changes in Direct Spending	2,124	-3,697	-1,659	-1,005	-1,072	-1,925	-2,187	-2,238	-2,399	-2,446	-5,310	-16,504
<i>Nutrition programs (Title IV)</i>	<i>-84</i>	<i>-678</i>	<i>-811</i>	<i>-828</i>	<i>-879</i>	<i>-916</i>	<i>-930</i>	<i>-945</i>	<i>-955</i>	<i>-974</i>	<i>-3,280</i>	<i>-8,000</i>
<i>Non-nutrition programs (Other titles except IV)</i>	<i>2,208</i>	<i>-3,019</i>	<i>-848</i>	<i>-177</i>	<i>-193</i>	<i>-1,009</i>	<i>-1,257</i>	<i>-1,293</i>	<i>-1,444</i>	<i>-1,472</i>	<i>-2,030</i>	<i>-8,504</i>
Changes in Revenue												
Title X—Organic Product Promotion Order	0	2	4	4	5	5	7	7	10	10	15	54
Title X—Christmas Tree Promotion Order	0	0	1	1	1	1	1	1	2	2	3	10
Title XII—Oilheat Efficiency, Research, Jobs	5	7	7	7	7	7	0	0	0	0	33	40
Total Changes in Revenues	5	9	12	12	13	13	8	8	12	12	51	104
Net Impact on the Deficit	2,119	-3,706	-1,671	-1,017	-1,085	-1,938	-2,195	-2,246	-2,411	-2,458	-5,361	-16,608

Source: CRS, using the CBO baseline and cost estimates (<http://www.cbo.gov/publication/45049>).

Observations About the 10-year Score Totals

Nutrition

One of the most noticeable budget differences between House and Senate bills was the reduction proposed for the nutrition title, with the House bill proposing to reduce it by \$39.0 billion (-5.1%) over 10 years, and the Senate bill proposing to reduce it by \$3.9 billion (-0.5%). This \$35 billion difference between the House and Senate bills emerged as one of the most important political issues for the farm bill in 2013.³⁰

The enacted bill settled on an \$8.0 billion reduction in the nutrition title (-1.0%). Nearly all of the budgetary reductions came from adjusting standard utility allowances based on receipt of energy assistance payments, and did not include any changes to categorical eligibility that further reduced the baseline in the House proposal.

Agriculture-Related Portion

For the agriculture-related (non-nutrition) portion of the bill, the House bill's proposed reduction was \$12.8 billion (-6.2%) over 10 years, and the Senate bill's proposed reduction was \$13.9 billion (-6.7%) over 10 years.

The enacted bill settled on an \$8.5 billion reduction (-4.1%) in the agriculture-related subset of the bill, smaller than either the House or Senate proposal. Reductions in the farm safety net were not as large as in the House or Senate proposals, as discussed below. Moreover, increases in other titles of the bill—primarily in the research and horticulture titles—were larger than in either the House or Senate proposals, the scope of the miscellaneous title was larger and more costly, and other titles such as rural development and energy adopted the larger of increases proposed by either chamber.

Farm Safety Net

For crop insurance and the farm commodity programs—together considered by many the farm “safety net”³¹—the combined reduction would have been larger in the Senate proposal than in the House bill: a combined reduction of \$12.4 billion in the Senate bill and \$9.8 billion in the House bill. Although the House bill would have made a bigger net reduction to the farm commodity programs than the Senate bill, it would have increased crop insurance by more than the difference. For commodity programs, both bills recognized nearly \$47 billion of savings by repealing direct payments, counter-cyclical payments, and the average crop revenue election. But both created new counter cyclical-type payment programs in their place and reauthorized certain disaster assistance programs that together cost relatively more in the Senate bill than in the House bill. For crop insurance, the House bill would have increased benefits more than the Senate bill, providing \$3.9 billion more in new funding than the Senate bill. The net result for the combined safety net is that the House bill would have spent \$2.7 billion more than the Senate bill. That is, proposed 10-year safety net outlays in the combined farm commodities and crop insurance titles

³⁰ See CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*.

³¹ See CRS Report R42759, *Farm Safety Net Provisions in a 2013 Farm Bill: S. 954 and H.R. 2642*.

would have been about \$133.1 billion under the House bill, and \$130.4 billion under the Senate bill.

The enacted 2014 farm bill reduces the farm safety net baseline by \$8.6 billion over 10 years, comprised of a \$14.3 billion net reduction in Title I, offset by a \$5.7 billion increase for crop insurance. This is a smaller net reduction than in either the House or Senate proposals. Although the increase for crop insurance was closer to the smaller increase in the Senate bill, the net reduction in Title I was less than proposed in either bill, since the projected costs from blending the components of the House's and Senate's counter-cyclical approaches in the conference agreement, and the compromise for the dairy program, were higher than in either proposal. The combined farm safety net (farm commodity programs plus crop insurance) was projected at enactment to cost \$134.3 billion over 10 years.

Conservation and the Rest of the Farm Bill

One possible “big picture” view of the enacted law’s budget effects is that the \$8 billion reduction in nutrition plus the \$8.6 billion net reduction in the farm safety net together approximately equal the \$16.5 billion deficit reduction that was scored the new law. Subsequently, following this view, the amount of reduction in the conservation title (\$3.967 billion) approximately equals—or offsets—the increases in spending for the other titles such as trade, rural development, research, forestry, horticulture and the miscellaneous title (\$4.048 billion, combined).

Changes to conservation programs are similar in many regards between the two bills, though the House bill would have saved \$1.3 billion more than the Senate bill in Title II (reductions of \$4.8 billion and \$3.5 billion, respectively). The enacted 2014 farm bill reduces the conservation baseline by \$4.0 billion over 10 years (-6.4%).

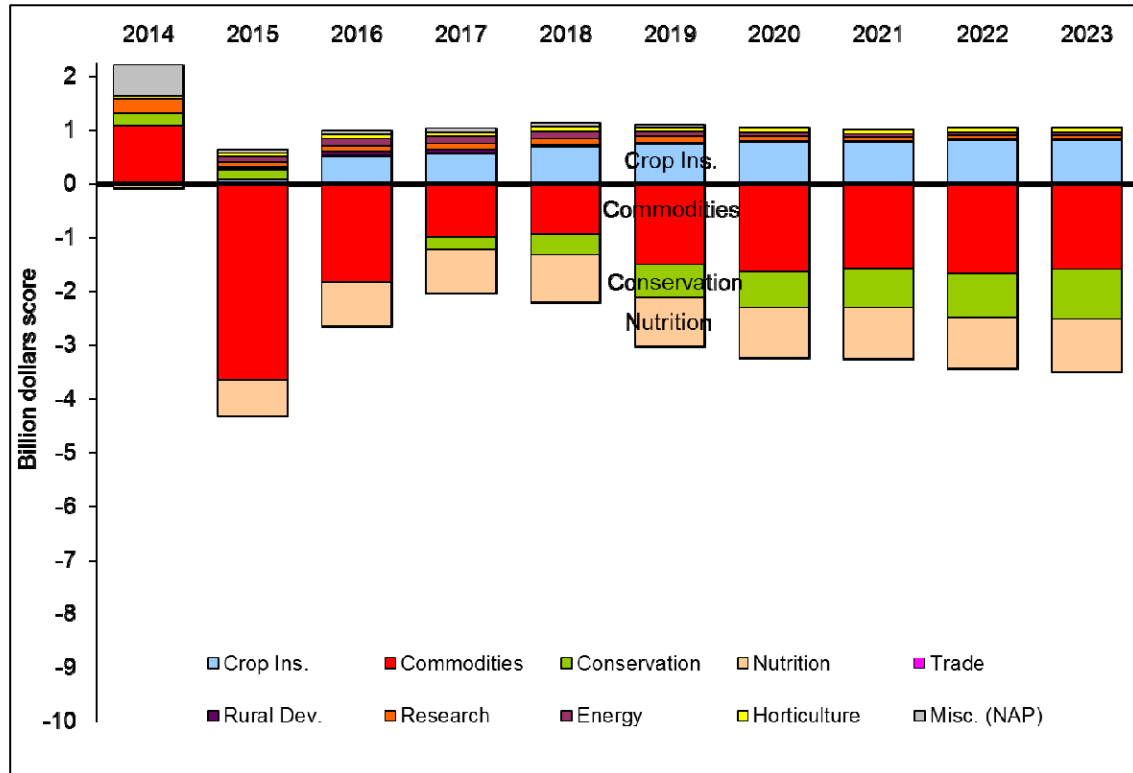
For the rest of the titles in the enacted farm bill, research programs receive \$1.145 billion more than their baseline over 10 years, the miscellaneous title costs an additional \$0.953 billion, the energy title \$0.879 billion, horticulture \$0.694 billion, rural development \$0.228 billion, trade \$0.139 billion, and forestry \$0.010 billion.

Observations of the Year-by-Year Scores

Figure 7 shows the score of the farm bill for each of the 10 years individually. The format is title-by-title like **Figure 6**, but shows when outlays or savings occur during the budget window.

Net budgetary savings do not begin until the second year of the farm bill in FY2015. Savings from the commodity title do not begin until FY2015 because agricultural disaster payments begin in FY2014, and the repeal of direct payments is not felt until FY2015. Direct payments for the 2013 crop year (authorized under the extension of the 2008 farm bill and paid according to statute after October 1, 2013) were paid in FY2014. Moreover, most payments for the new farm commodity program do not occur until FY2016 because they are paid after the end of the marketing year, which occurs a year after harvest (e.g., for crops harvested in the fall of 2014—the first year of the 2014 farm bill—payments would be after October 1, 2015, which is FY2016). This makes the budgetary effect for Title I in FY2015 particularly large because it is primarily the repeal of direct payments. Changes to both crop insurance and conservation grow gradually over time, with more of the effect in the second five years. In fact, conservation has additional spending in the first two years, relative to the baseline, before savings occur.

Figure 7. Score of the 2014 Farm Bill, by Title and Fiscal Year
(change in outlays in billions of dollars by farm bill title, relative to baseline)



Source: CRS, using CBO cost estimates of the Agricultural Act of 2014 (January 28, 2014).

Figure A-1 and **Figure B-1** show the corresponding multi-year graphs for the House and Senate bills, respectively. These year-by-year figures reveal additional differences that are peculiar to the House and Senate bills. For example, a cumulative limit on new farm program payments in the House bill is scored so that it reduces outlays in FY2020 (revealing more of the repeal of direct payments) and defers those payments until FY2021 (balancing the program over those two years).

Net Projected Outlays (Baseline + Score)

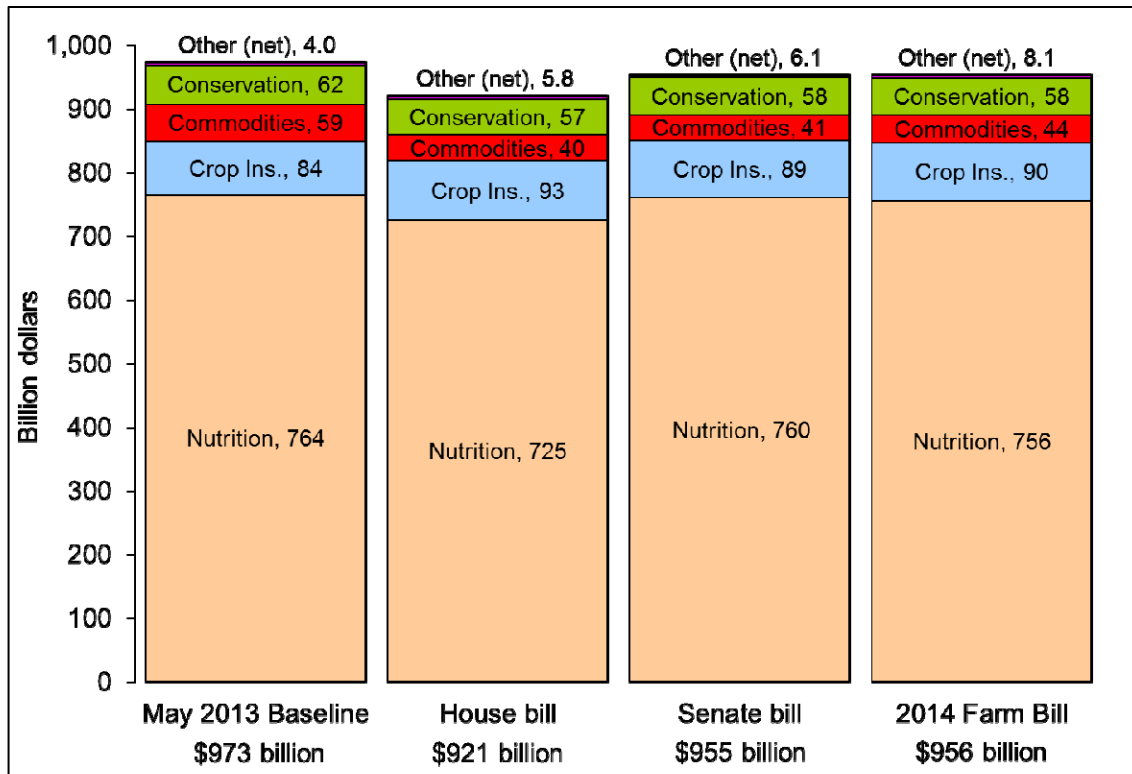
As mentioned at the beginning of this report, the Congressional Budget Office (CBO) estimated that, at enactment, the total cost of the farm bill would be \$489 billion over the next five years (FY2014-FY2018), which is -1.1% less than the May 2013 baseline. Of this amount, \$391 billion was for nutrition, \$65 billion for the farm safety net (farm commodity support and crop insurance), \$28 billion for conservation, and nearly \$5 billion for other titles (**Figure 1, Table 1**).

In terms of the 10-year score at enactment discussed throughout this section, the 2014 farm bill is expected to spend \$956 billion over 10 years (-1.7% compared to the baseline).³² Of this amount, \$756 billion is for nutrition and \$200 billion is for the agriculture-related portion.

³² The net spending by the farm bill over the next 10 years would be the same whether one quotes pre- or post-sequestration estimates. Both the baseline and the score would increase by the same amount if sequestration were repealed, leaving the net spending the same.

Figure 8 illustrates the 10-year amount relative to the May 2013 baseline that was used to develop the bill and the House and Senate proposals. The first stacked bar is the same \$973 billion distribution of the baseline from **Figure 3**. The House bill’s combined \$51.9 billion reduction over 10 years (-5.3%) would have reduced expected outlays to \$921 billion over the FY2014-FY2023 period (the second bar). The Senate bill’s \$17.9 billion reduction (-1.8%) would have reduced expected outlays to \$955 billion (the third bar). The enacted Agricultural Act of 2014 reduces outlays by \$16.6 billion (-1.7%) to \$956 billion (the fourth bar). This last bar corresponds to the distribution of the pie graph in **Figure 1**, although on a 10-year basis.

Figure 8. Projected Outlays under the Baseline, Proposals, and 2014 Farm Bill
(10-year outlays over FY2014-FY2023 in billions of dollars by farm bill title)



Source: CRS, using CBO cost estimates of the Agricultural Act of 2014 (January 28, 2014).

Additional Observations

Shares of the Farm Bill Baseline

The allocation of baseline among titles, and the size of each amount, is not a zero-sum game when CBO updates the baseline projection over time. Every year, CBO re-estimates the baseline—separately and independently for each program—to determine expected costs. It uses the formulas that exist in law at that time. Baseline projections rise and fall based on changes in economic conditions, even without any action by Congress.

Each farm bill title with mandatory spending represents a share or proportion of the farm bill budget. One share of the farm bill that has attracted attention is the nutrition baseline, but other shares of the baseline have similar stories.

The proportion and size of the farm bill budget contained in the nutrition title has increased over time. When the 2008 farm bill was enacted, the nutrition title was 67% of the 10-year total (\$406 billion out of a \$604 billion 10-year projected total).³³ When the 2014 farm bill was enacted six years later, the share in the nutrition title was 79% of the total (\$756 billion out of a \$956 billion 10-year projected total).

This growth in size and proportion does not mean, however, that the nutrition has grown at the expense of agricultural programs. During this period, legislative changes in the farm bill account for only a fraction of the change. For example, the 2014 farm bill scored \$16 billion in 10-year savings from the most recent baseline, while 10-year expected costs increased \$352 billion from one farm bill to the next. By title, the farm bill scored \$8 billion in 10-year savings from nutrition, while 10-year nutrition outlays increased by \$350 million. Similarly, legislative changes to crop insurance and the farm commodity program do not equal the changes in outlays for those titles.

Table 6 highlights changes in budgetary expectations for SNAP and farm safety net supports from enactment of the 2008 farm bill to enactment of the 2014 farm bill. This is a separate way of analyzing costs than the official scoring analysis discussed earlier in this report.

- In recent years, due to the recession, projected nutrition program outlays rose because food assistance needs increased as the automatic safety net triggered greater payments to more beneficiaries according to formulas in the law. The projected 10-year SNAP outlay rose by 10.9% per year from enactment of the 2008 farm bill to enactment of the 2014 farm bill. This \$350 billion increase in expected 10-year outlays is entirely from changing economic expectations that require more outlays, since the legislative changes in the farm bill scored an \$8 billion reduction.
- Over the same period, expected crop insurance outlays increased as agricultural market prices rose and caused the insured value of crops (and thus premium subsidies) to grow. The expectation of 10-year crop insurance outlays rose by 11.3% per year from enactment of the 2008 farm bill to enactment of the 2014 farm bill—a higher annualized rate of increase than for SNAP, though the dollar magnitude is less. The \$43 billion increase in expected 10-year outlays for crop insurance is mostly from changing economic expectations rather than the \$5.7 billion increase that was legislated in Title XI by the 2014 farm bill.
- Conversely, expected farm commodity program outlays fell as market prices rose and less counter-cyclical price support was expected under the law. In addition, the 2014 farm bill eliminated direct payments, the largest relevant component of 2008 farm bill spending. The expectation of 10-year farm commodity program outlays fell by 10.3% per year from enactment of the 2008 farm bill to enactment of the 2014 farm bill. In total, the \$41 billion reduction in expected 10-year outlays from enactment of the 2008 farm bill to enactment of the 2014 farm bill

³³ See CRS Report R41195, *Actual Farm Bill Spending and Cost Estimates*.

- is from both changing economic conditions and the \$14 billion net reduction legislated in Title I.
- The “farm safety net” subtotal of crop insurance and the farm commodity programs is nearly constant from the 2008 farm bill to the 2014 farm bill. Expected 10-year outlays were \$133 billion in 2008 and are \$134 billion in the 2014 farm bill. Despite the \$14.3 billion reduction in Title I scored in the 2014 farm bill and the offsetting \$5.7 billion increase in crop insurance—which scored as net reduction in the safety net—expected 10-year outlays for the farm safety net increased slightly (by +0.2% per year) from the enactment of the 2008 farm bill to enactment of the 2014 farm bill.
 - Other titles are expected to spend more in the 2014 farm bill than in the 2008 farm bill, primarily because of policy changes. The amount for the research title, in particular, has grown at the greatest pace despite its comparatively small magnitude.

Table 6. Shares of Projected Farm Bill Outlays, and Growth From 2008 to 2014

Farm bill titles	10-year projected cost of the farm bill at enactment				Change in 10-year projection from 2008 to 2014	Annual change 2008-2014
	2008 farm bill		2014 farm bill			
	\$ billion	Percent	\$ billion	Percent		
Primary divisions						
Nutrition (Title IV)	406	67%	756	79%	+350	+10.9%
Rest of the farm bill, agriculture share	198	33%	200	21%	+2	+0.2%
Selected agriculture-related titles						
Crop insurance (Title XI)	47	8%	90	9%	+42.7	+11.3%
Farm commodities (Title I)	86	14%	44	5%	-41.1	-10.3%
<i>Subtotal: “Farm safety net”</i>	<i>133</i>	<i>22%</i>	<i>134</i>	<i>14%</i>	<i>+1.6</i>	<i>+0.2%</i>
Conservation (Title II)	55	9%	58	6%	+2.9	+0.9%
Trade (Title III)	3.6	0.6%	3.6	0.4%	-0.1	-0.3%
Research (Title VII)	0.4	0.1%	1.3	0.1%	+0.9	+21.9%
Energy (Title IX)	0.9	0.1%	1.1	0.1%	+0.2	+4.2%
Horticulture (Title X)	0.9	0.2%	1.1	0.1%	+0.2	+3.0%
Other titles (Titles V, VI, VIII, XII)	4.6	0.8%	1.0	0.1%	-3.5	-22.2%
Total: All farm bill programs	604	100%	956	100%	+352	+8.0%
Inflation (GDP price index)	98.8		107.8			+1.5%

Source: CRS.

Farm Bill Programs Without Baseline

While some programs (like most farm commodity programs and nutrition assistance) have assumed future funding, other programs (mostly newer ones) do not. Thirty-seven programs that received mandatory funding throughout nearly all titles of the 2008 farm bill did not continue to

have assured funding for the 2014 farm bill. Continuing all of these programs would have required an estimated \$9 billion to \$14 billion of offsets from other programs.³⁴

The one-year extension of the 2008 farm bill in P.L. 112-240 did not provide any additional mandatory funding for any of the 37 programs without baseline. In lieu of mandatory funding, the extension of the farm bill made numerous “authorizations of appropriations” to allow discretionary funding for FY2013, but this did not provide funding. Discretionary funding, subject to availability in a tight budget environment, conceptually could have been provided (but was not) by the appropriations committees in the FY2013 Agriculture appropriation (P.L. 113-6).

The enacted 2014 farm bill provides 29 of these 37 programs with new mandatory funding that totals \$6.2 billion over the five-year period FY2014-FY2018.³⁵ A few of these programs even received permanent baseline for the second five years, including the Specialty Crop Research Initiative and the Rural Energy for America Program, or were incorporated into other programs.

The enacted law provides more mandatory funding to more of these 37 programs than either proposal. The combination of House-passed farm bills would have provided about \$4.9 billion of mandatory funding (over five years) to 14 of the programs. The Senate-passed farm bill would have provided more than \$4.5 billion of mandatory funding for 25 of the programs.

Table 5 indicates which programs in the 2014 farm bill might become future concerns because of this issue. The scores for the second five-year period of the budget horizon (FY2019-FY2023) reveal which programs would receive baseline funding beyond the expiration of the 2014 farm bill in FY2018, and which would receive baseline only for the initial five-year window of the bill. For example, three other research programs would receive baseline only through FY2018. Similarly, all of the mandatory-funded program in the rural development title, the farmers market promotion program, and outreach for socially disadvantaged farmers, among other programs, also do not have a baseline beyond FY2018. This also is an issue for all of the energy title programs, except for the Rural Energy for America program, which received a permanent baseline.

Possible Expiration and Reversion to Permanent Law

The farm commodity programs could have become more expensive if left to expire and outdated “permanent law” provisions were resurrected. A set of non-expiring provisions from the 1938 and 1949 farm bills, as amended, remain in statute, but have been suspended by modern farm bills.

No official estimates exist for the budgetary effect of reverting to permanent law. But the support levels under permanent law were above even some of the high market prices for commodities in 2013. This could have resulted in greater subsidy outlays than under the May 2013 baseline.³⁶

³⁴ For more background, see CRS Report R41433, *Expiring Farm Bill Programs Without a Budget Baseline*.

³⁵ *Ibid.*, in Table 1.

³⁶ For more information, see CRS Report R42442, *Expiration and Extension of the 2008 Farm Bill*.

Perspective on Scores and Broad Deficit Reduction Proposals

Several government-wide deficit reduction proposals from 2010 to 2013 included agricultural programs (see **Appendix C**). These proposals sometimes may have been seen to have affect—or correspond to—the level of savings in the farm bill proposals, in either amount or components.

The \$24 billion in savings in S. 954—if sequestration reductions were restored—is consistent with the score of the 2012 Senate farm bill proposal (\$23.1 billion) and the savings proposed by the House and Senate Agriculture committees for the Joint Select Committee on Deficit Reduction (a.k.a. the Super Committee) in the fall of 2011. The reduction in S. 954 from the nutrition title (which is not affected by sequestration) is nearly the same as in the Super Committee proposal. And the \$13 billion reduction from commodity programs in the Super Committee proposal was roughly the same as the \$12.4 billion of net savings in S. 954 from the farm commodity program and crop insurance.

For the House bill, the evolution of scores begins with the July 2012 score of \$35.1 billion of savings for H.R. 6083 being consistent with the \$33.2 billion of reconciliation instructions in the FY2013 House budget resolution (H.Con.Res. 112) and the \$35.8 billion of savings identified by the Agriculture Committee for budget reconciliation. A primary difference, though, was that all of the reconciliation savings were from nutrition programs, while more than half of the savings in the subsequent farm bill proposals have been from nutrition programs.

In 2013, H.R. 1947 proposed to make \$33.4 billion of reductions, about the same as the 2012 proposals on first blush. But the bill's effective reduction before the adjustment for sequestration implied a greater reduction than 2012, sometimes stated as high as \$39 billion. Compared to the 2012 House proposal, H.R. 1947 raised the proposed nutrition reduction from \$16.1 billion to \$20.5 billion. When H.R. 1947 failed to pass the House, H.R. 3102 increased the proposed nutrition reduction to \$39 billion, and the combined reduction in H.R. 3102 and H.R. 2642 to \$52 billion. Thus, each iteration of the House proposal took the House bill further away from the Senate proposal's budget effect.

Effect on Discretionary Spending

Separate from the mandatory spending figures above, the CBO cost estimates of the farm bill proposals include a projection of discretionary appropriations that would be needed to carry out the authorized farm bill programs. For S. 954 and H.R. 1947, CBO estimated that \$37.6 billion and \$32.9 billion of discretionary appropriations (budget authority), respectively, would be needed over the five-year period FY2014-FY2018.³⁷ (A corresponding estimate was not made for H.R. 2642, but it would be similar to that for H.R. 1947 given the similarity in provisions between H.R. 1947 and H.R. 2642.) No estimate was provided for the conference agreement.

However, not all of these amounts represent new programs or spending, since much of the totals are for reauthorizing programs that already are appropriated in the annual Agriculture appropriations bill (e.g., agricultural research). Moreover, these amounts would be subject to annual decisions by the budget committees and the appropriations committees.

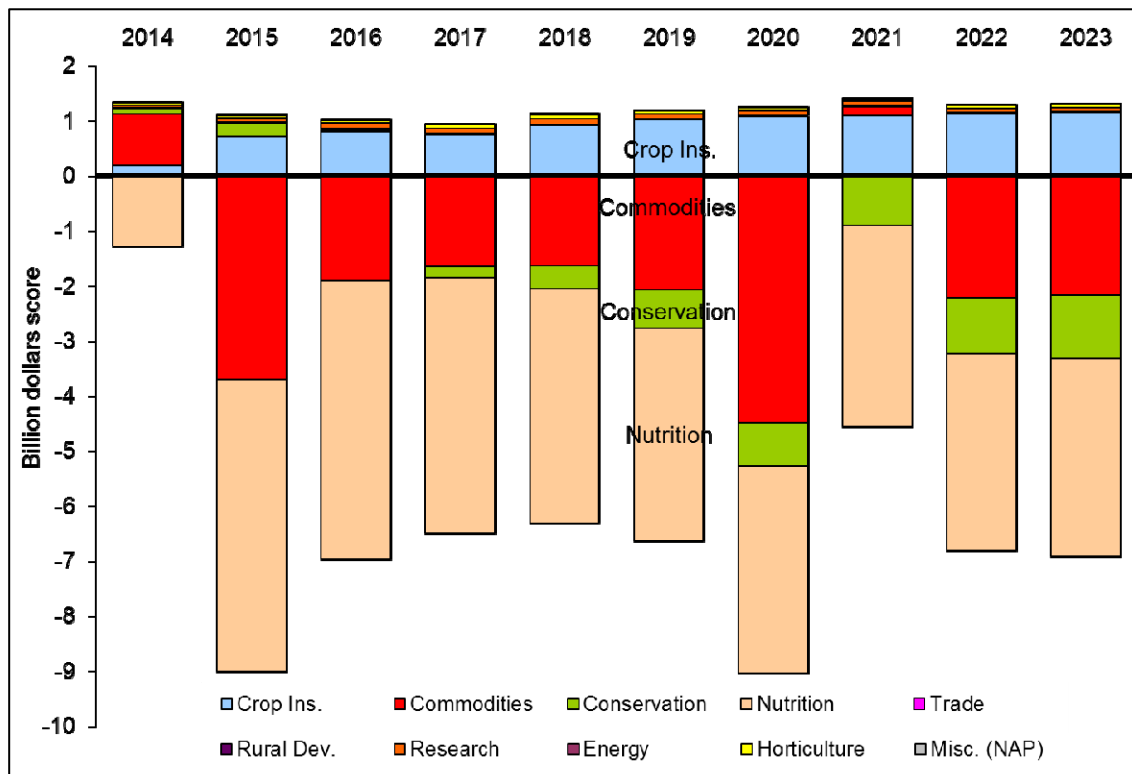
³⁷ CBO cost estimate of S. 954 as reported (Table 3; <http://cbo.gov/publication/44248>, May 17, 2013), and CBO cost estimate of H.R. 1947 as reported (Table 3; <http://cbo.gov/publication/44271>, May 23, 2013).

Appendix A. Score of the House Farm Bill (H.R. 2642, as combined with H.R. 3102)

Table A-1 presents the detailed year-by-year scores of each provision in the House-passed farm bill (H.R. 2642, as combined with H.R. 3102). The score at the title level is slightly different as presented in the summary in the conference report score, but section-by-section details were not available. Therefore, the more detailed section-by-section score from the earlier but consistent CBO score of the bill, as reported, is provided here.

Figure A-1 shows the title-by-title totals of the House-passed farm bill for each individual year in the budget window. The format and scale are consistent with **Figure 7** that shows the amounts for the enacted 2014 farm bill. In addition to the larger scale of reductions apparent in the House bill, a cumulative limit on new farm program payments in the House bill was scored so that it reduced outlays in FY2020 (revealing more of the repeal of direct payments) and deferred those payments until FY2021 (balancing the program over those two years). This provision was not in the enacted farm bill, which consequently does not have the range of scores in the commodity title for FY2020-FY2021.

Figure A-1. Score of the 2013 House Farm Bill H.R. 2642, by Title and Fiscal Year
(change in outlays in billions of dollars by farm bill title, relative to baseline)



Source: CRS, using CBO cost estimates of H.R. 2642 (July 11, 2013), H.R. 3102 (September 16, 2013), and a supplemental CBO score of Title I of H.R. 2642, as passed (unpublished).

Table A-1. Score of Mandatory Programs in the House-Passed 2013 Farm Bill (H.R. 2642, as combined with H.R. 3102)

(change in annual outlays in millions of dollars, relative to baseline)

	Fiscal year										5- and 10-year totals	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Title I - Commodity Programs												
Repeal Direct Payments	0	-4,095	-4,158	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-17,329	-40,019
Repeal Countercyclical Payments	0	0	-117	-182	-190	-215	-217	-207	-197	-194	-489	-1,519
Repeal Average Crop Revenue Election Payments	0	0	-1,336	-696	-462	-424	-413	-454	-429	-505	-2,494	-4,719
Farm Risk Management Election	0	0	3,368	3,467	3,244	2,733	293	5,010	2,563	2,693	10,079	23,371
Nonrecourse Marketing Assistance Loans	4	6	7	5	5	4	4	6	6	5	27	52
Sugar Program	0	0	0	0	0	0	0	0	0	0	0	0
Dairy Program ^a	-40	-1	20	10	32	80	99	54	83	81	21	418 ^a
Supplemental Agriculture Disaster Assistance ^b	897	364	314	296	295	297	300	302	303	306	2,166	3,674 ^b
Administration ^c	65	35	-8	-9	-8	-7	-7	-7	-6	-7	75	41 ^c
Subtotal, Title I	926	-3,691	-1,910	-1,647	-1,622	-2,070	-4,479	166	-2,215	-2,159	-7,944	-18,701
Title II - Conservation												
Conservation Reserve Program	20	30	-191	-354	-396	-462	-451	-468	-502	-565	-891	-3,339
Conservation Stewardship Program	-11	-85	-147	-219	-290	-372	-446	-518	-591	-663	-752	-3,342
Environmental Quality Incentives Program	30	58	72	87	101	114	128	128	128	128	348	974
Agricultural Conservation Easement Program	28	149	252	285	191	83	40	27	16	16	905	1,087
Regional Conservation Partnership Program	-1	-3	-3	-3	-3	-3	-3	-3	-3	-3	-13	-28
Other Conservation Programs	47	100	85	48	17	4	4	4	4	4	297	317
Funding	10	10	10	10	10	10	10	10	10	10	50	100
Repeal of Wildlife Habitat Incentives Program	-17	-35	-44	-53	-61	-70	-79	-79	-79	-79	-210	-596
Subtotal, Title II	106	224	34	-199	-431	-696	-797	-899	-1,017	-1,152	-266	-4,827

	Fiscal year										5- and 10-year totals	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Title III - Trade	15	15	15	15	15	15	15	15	15	15	75	150
Title IV – Nutrition (originally H.R. 3102, “Nutrition Reform and Work Opportunity Act of 2013”)												
Retailers	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-39	-79
Updating Program Eligibility	-535	-1,295	-1,295	-1,270	-1,240	-1,220	-1,200	-1,175	-1,165	-1,160	-5,635	-11,555
Standard Utility Allowances	-190	-840	-940	-950	-950	-950	-950	-960	-970	-990	-3,870	-8,690
Repeal of state work program waiver authority	-600	-3,300	-2,900	-2,500	-2,100	-1,700	-1,600	-1,500	-1,400	-1,400	-11,400	-19,000
Repeal Bonus Program	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-240	-480
Pilot Projects to Reduce Dependency	3	5	10	10	2	0	0	0	0	0	30	30
Assistance for Community Food Projects	10	10	10	10	10	10	10	10	10	10	50	100
Emergency Food Assistance	70	71	22	23	23	24	24	25	25	26	209	333
Nutrition Education	-29	-28	-29	-30	-30	-31	-32	-32	-33	-34	-146	-308
Retailer Trafficking	5	5	5	5	5	5	5	5	5	5	25	50
Northern Mariana Islands Pilot Program	1	1	10	10	9	2	0	0	0	0	31	33
Testing applicants for controlled substances	*	*	*	-5	-5	-5	-5	-5	-5	-5	-10	-35
Disqualifications for certain convicted felons	*	*	-1	-1	-2	-2	-3	-3	-4	-5	-4	-21
Expungement of unused SNAP benefits	-5	-10	-10	-10	-10	-10	-10	-10	-10	-10	-45	-95
Pilots to promote work, increase accountability	28	23	18	12	4	-2	-9	-16	-23	-31	85	4
Interactions	15	105	100	95	80	70	70	60	60	60	395	715
Subtotal, Title IV	-1,282	-5,309	-5,056	-4,657	-4,261	-3,865	-3,756	-3,,657	-3,566	-3,590	-20,565	-38,999
Title V - Credit	0	0	0	0	0	0	0	0	0	0	0	0

	Fiscal year										5- and 10-year totals	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Title VI - Rural Development												
Rural Econ. Development Loans and Grants	0	2	5	5	5	5	6	6	6	6	17	46
Value-Added Marketing Grants	0	18	15	15	2	0	0	0	0	0	50	50
Subtotal, Title VI	0	20	20	20	7	5	6	6	6	6	67	96
Title VII - Research, Extension, and Related Matters												
Organic Agriculture Research and Extension	10	16	20	20	20	10	4	0	0	0	86	100
Specialty Crop Research	26	40	53	54	60	63	65	65	65	65	232	555
Beginning Farmer and Rancher Development	5	10	16	20	20	15	10	4	0	0	71	100
Acceptance of Facility for Agric. Research	0	1	1	1	1	1	0	0	0	0	4	5
Subtotal, Title VII	41	67	90	95	101	89	79	69	65	65	394	760
Title VIII - Forestry	1	1	1	1	1	0	0	0	0	0	5	5
Title IX - Energy	0	0	0	0	0	0	0	0	0	0	0	0
Title X - Horticulture												
Farmers Market and Local Food Promotion	30	30	30	30	30	0	0	0	0	0	150	150
Specialty Crop Block Grants	9	16	18	18	24	29	30	30	30	30	83	232
Plant Pest and Disease Management	3	8	9	10	16	20	22	24	25	25	46	161
<i>Organic Product Marketing Order</i>	<i>0</i>	<i>1</i>	<i>4</i>	<i>6</i>	<i>8</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>13</i>	<i>16</i>	<i>19</i>	<i>76</i>
Subtotal, Title X outlays	42	55	61	64	77	57	61	64	68	71	298	619
Title XI - Crop Insurance												
Supplemental Coverage Option	26	254	335	366	433	454	484	484	502	511	1,414	3,850
Catastrophic Crop Insurance Rerating	-4	-38	-50	-52	-52	-53	-54	-55	-55	-56	-196	-469
Enterprise Units Irrigated and Nonirrigated	5	47	62	63	64	66	68	69	71	72	241	586
Adjustment in Avg. Producer History Yields	2	21	49	75	102	129	137	139	141	143	248	936

	Fiscal year										5- and 10-year totals	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Equitable Relief for Specialty Crop Producers	127	36	37	5	0	0	0	0	0	0	205	205
Crop Production Native Sod Prairie Pothole Coverage Level by Practice	0	-4	-8	-11	-15	-16	-16	-16	-16	-16	-38	-118
Beginning Farmer and Rancher Provisions	2	20	26	28	31	34	35	36	36	36	106	283
Stacked Income Protection for Cotton	36	350	378	308	386	409	439	451	468	466	1,459	3,693
Peanut Revenue Crop Insurance Implementation	3	26	30	30	30	30	30	30	30	30	119	269
Participation Effects of Commodity Programs	2	21	16	15	15	14	2	0	0	0	69	85
Subtotal, Title XI	199	725	805	744	923	1,024	1,093	1,101	1,145	1,155	3,396	8,914
Title XII - Miscellaneous												
Outreach to Socially Disadvantaged	5	8	10	10	10	5	2	0	0	0	43	50
Noninsured Crop Assistance Program	1	11	13	13	12	12	12	12	12	12	51	111
Subtotal, Title XII	6	19	23	23	22	17	14	12	12	12	94	161
Total Changes in Direct Spending	54	-7,874	-5,917	-5,541	-5,168	-5,424	-7,764	-3,123	-5,487	-5,577	-24,446	-51,822
<i>Nutrition programs (Title IV)</i>	<i>-1,282</i>	<i>-5,309</i>	<i>-5,056</i>	<i>-4,657</i>	<i>-4,261</i>	<i>-3,865</i>	<i>-3,756</i>	<i>-3,657</i>	<i>-3,566</i>	<i>-3,590</i>	<i>-20,565</i>	<i>-38,999</i>
<i>Non-nutrition programs (Other titles except IV)</i>	<i>1,336</i>	<i>-2,565</i>	<i>-861</i>	<i>-884</i>	<i>-907</i>	<i>-1,559</i>	<i>-4,008</i>	<i>-534</i>	<i>-1,921</i>	<i>-1,987</i>	<i>-3,881</i>	<i>-12,823</i>
Change in Revenue												
Organic Product Promotion Orders	0	2	4	4	5	5	7	7	10	10	15	54
Christmas Tree Promotion Orders	0	0	1	1	1	1	1	1	2	2	3	10
Subtotal, Change in Revenue	0	2	5	5	6	6	8	8	12	12	18	64
Net Impact on the Deficit	54	-7,876	-5,922	-5,546	-5,174	-5,430	-7,772	-3,131	-5,499	-5,589	-24,464	-51,886

Source: CRS, using the CBO cost estimates of H.R. 2642 (<http://cbo.gov/publication/44414>, July 11, 2013), H.R. 3102 (<http://cbo.gov/publication/44583>, September 16, 2013), H.R. 1947 (<http://cbo.gov/publication/44271>, May 23, 2013), and a supplemental CBO score of Title I of H.R. 2642, as passed (unpublished).

Note: * = savings of less than \$500,000. Since CBO did not release a section-by-section score of H.R. 2642, the section-by-section details in this table were compiled from the CBO score of H.R. 1947, and a supplemental CBO score of Title I and Title X, as passed (unpublished). H.R. 1947 and H.R. 2642 were very similar except for the absence of the nutrition title; the CBO scores of the titles for the two bills were the same except for the farm commodity and horticulture titles.

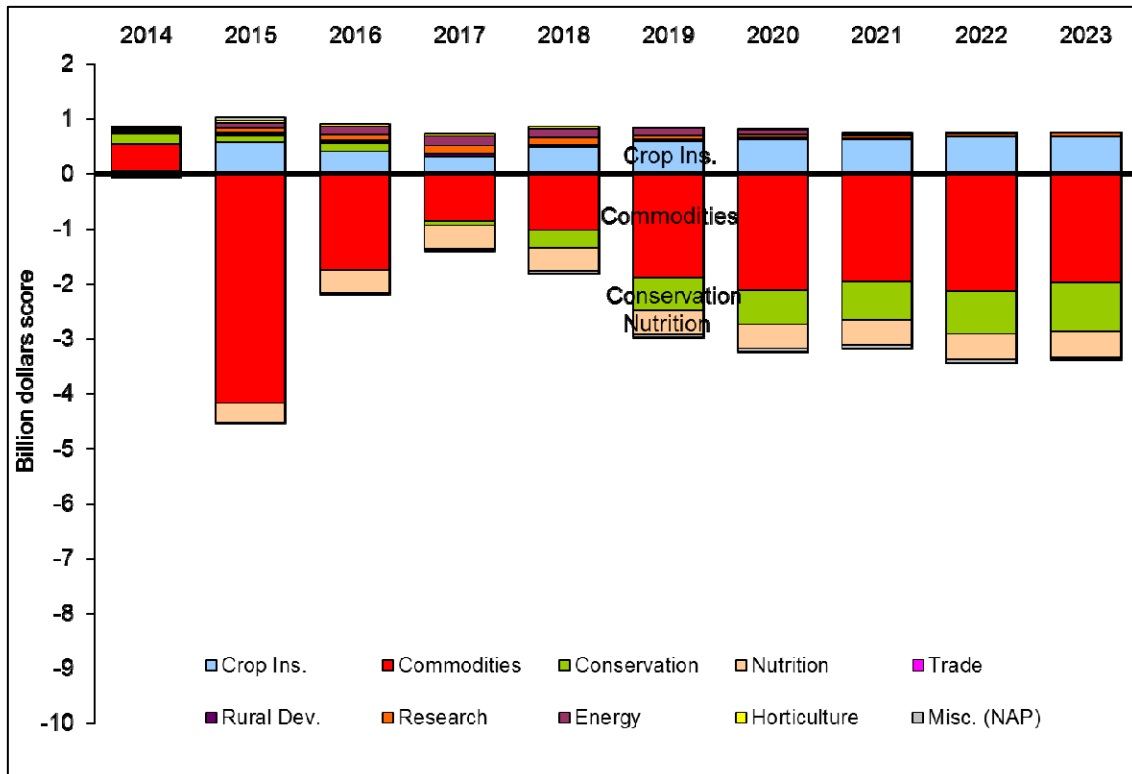
- a. The “dairy program” entry for Title I combines repeal of product price support and MILC (-\$212 million over 10 years), repeal of the dairy export incentives program (-\$50 million over 10 years), basic margin protection (+\$463 million over 10 years), and supplemental margin protection (+217 million over 10 years).
- b. The “supplemental agriculture disaster assistance” entry for Title I combines amounts for the Livestock Forage Program (+\$2,920 million over 10 years), Livestock Indemnity Program (+\$421 million over 10 year), Emergency Assistance for Livestock, Bees, and Farm Fish (+\$233 million over 10 years), Tree Assistance Program (+\$103 million over 10 years), and payment limitations on these payments (-\$3 million over 10 years).
- c. The “administration” entry for Title I combines savings from a payment limitations provision (-\$59 million over 10 years) and a provision for the cost of implementation (+\$100 million over the first two years). The net cost is \$41 million over 10 years.

Appendix B. Score of the Senate Farm Bill (S. 954)

Table B-1 presents the detailed year-by-year scores of each provision in the Senate-passed farm bill (S. 954).

Figure B-1 shows the title-by-title scores of the Senate-passed farm bill for each individual year in the budget window. The format and scale are consistent with Figure 7 that shows the amounts for the enacted 2014 farm bill.

Figure B-1. Score of the 2013 Senate Farm Bill S. 954, by Title and Fiscal Year
(change in outlays in billions of dollars by farm bill title, relative to baseline)



Source: CRS, using CBO cost estimates of S. 954, May 17, 2013.

Table B-I. Score of Mandatory Programs in the Senate-Passed 2013 Farm Bill (S. 954)

(change in annual outlays in millions of dollars, relative to baseline)

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Title I - Commodity Programs												
Repeal Direct Payments	0	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-4,538	-18,152	-40,842
Repeal Countercyclical Payments	0	0	-117	-182	-190	-215	-217	-207	-197	-194	-489	-1,519
Repeal Average Crop Revenue Election Payments	0	0	-1,336	-696	-462	-424	-413	-454	-429	-505	-2,494	-4,719
Popcorn as a Covered Commodity	0	9	11	12	10	10	10	10	11	11	42	94
Adverse Market Payments	0	0	399	433	419	369	360	362	357	361	1,251	3,060
Agricultural Risk Coverage	0	0	3,632	3,875	3,483	2,704	2,385	2,617	2,408	2,646	10,990	23,749
Nonrecourse Marketing Assistance Loans	0	6	7	5	5	4	4	6	6	5	23	48
Sugar Program	0	0	0	0	0	0	0	0	0	0	0	0
Dairy Program	-34	-20	-9	34	57	14	94	58	59	49	28	302
Supplemental Agriculture Disaster Assistance	424	364	201	197	197	197	199	200	201	202	1,383	2,382
Administration ^a	82	6	-11	-11	-10	-10	-10	-11	-11	-11	56	3 ^a
Subtotal, Title I	472	-4,173	-1,761	-871	-1,029	-1,889	-2,126	-1,957	-2,133	-1,974	-7,362	-17,442
Title II - Conservation												
Conservation Reserve Program	25	37	-31	-217	-324	-446	-364	-434	-458	-519	-510	-2,731
Conservation Stewardship Program	-7	-50	-87	-130	-173	-221	-265	-308	-351	-394	-447	-1,986
Environmental Quality Incentives Program	-39	-31	-8	-4	1	4	7	27	28	28	-81	13
Agricultural Conservation Easement Program	57	191	289	319	214	112	76	66	57	57	1,070	1,438
Regional Conservation Partnership Program	3	5	6	5	7	7	7	7	7	7	26	61
Other Conservation Programs	158	8	8	8	8	0	0	0	0	0	190	190
Funding	10	10	10	10	10	10	10	10	10	10	50	100

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Repeal of Wildlife Habitat Incentives Program	-17	-35	-44	-53	-61	-70	-79	-79	-79	-79	-210	-596
Subtotal, Title II	190	135	143	-62	-318	-604	-608	-711	-786	-890	88	-3,511
Title III - Trade	15	15	15	15	15	15	15	15	15	15	75	150
Title IV - Nutrition												
Food Distribution on Indian Reservations	6	6	6	5	6	6	6	6	6	7	29	60
Standard Utility Allowances	-90	-400	-440	-450	-450	-450	-450	-450	-460	-470	-1,830	-4,110
Retail Food Stores	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-39	-79
Funding of Employment and Training Programs	5	5	5	5	1	1	1	1	1	1	21	26
Emergency Food Assistance	22	18	10	4	0	0	0	0	0	0	54	54
Retailer Trafficking	3	2	0	0	0	0	0	0	0	0	5	5
Hunger-Free Communities	6	14	19	20	22	14	5	0	0	0	81	100
Subtotal, Title IV	-55	-363	-408	-424	-429	-437	-446	-451	-461	-470	-1,679	-3,944
Title V - Credit	0	0	0	0	0	0	0	0	0	0	0	0
Title VI - Rural Development												
Value-Added Marketing Grants	0	5	8	12	13	13	8	4	0	0	38	63
Rural Microenterprise Program	1	2	3	3	3	2	1	0	0	0	12	15
Rural Water and Waste Disposal	8	30	42	30	21	13	6	0	0	0	131	150
Subtotal, Title VI	9	37	53	45	37	28	15	4	0	0	181	228
Title VII - Research, Extension, and Related Matters												
Organic Agriculture Research and Extension	8	13	16	16	16	8	3	0	0	0	69	80
Specialty Crop Research	13	23	29	48	50	53	50	50	50	50	163	416
Beginning Farmer and Rancher Development	4	9	14	17	17	13	8	3	0	0	61	85

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Foundation for Food and Agriculture Research	20	40	40	60	40	0	0	0	0	0	200	200
Subtotal, Title VII	45	84	99	141	123	74	61	53	50	50	492	781
Title VIII - Forestry	1	1	1	1	1	1	1	1	1	1	5	10
Title IX - Energy												
Biorefinery Assistance	0	30	47	55	44	25	12	3	0	0	176	216
Rural Energy for America Program	14	42	60	68	68	56	26	6	0	0	252	340
Biomass Research and Development	1	5	16	25	26	25	21	10	1	0	73	130
Biomass Crop Assistance Program	4	12	20	27	31	29	23	16	8	4	94	174
Other Energy Programs	4	4	4	4	4	0	0	0	0	0	20	20
Subtotal, Title IX	23	93	147	179	173	135	82	35	9	4	615	880
Title X - Horticulture												
Farmers Market and Local Food Promotion	20	20	20	20	20	0	0	0	0	0	100	100
Coordinated Plant Management Program	3	6	8	9	11	13	14	15	15	15	36	108
Specialty Crop Block Grants	8	14	15	15	15	15	15	15	15	15	66	141
Other Horticulture Programs	2	0	-2	-2	-3	-5	-7	-7	-10	-10	-5	-44
Subtotal, Title X outlays	32	39	41	42	43	23	21	22	20	20	197	304
Title XI - Crop Insurance												
Supplemental Coverage Option	14	141	187	208	256	266	287	286	300	303	806	2,247
Catastrophic Crop Insurance Rerating	-4	-38	-50	-52	-52	-53	-54	-55	-55	-56	-196	-469
Enterprise Units Irrigated/Nonirrigated Crops	5	47	62	63	64	66	68	69	71	72	241	586
Adjustment in Average Producer History Yields	1	9	21	33	45	56	59	60	61	62	108	406
Stacked Income Protection for Cotton	36	350	378	308	386	409	439	451	468	466	1,459	3,693
Peanut Revenue Crop Insurance	3	26	30	30	30	30	30	30	30	30	119	269

	Fiscal year										5- and 10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-18	2014-23
Implementation	2	21	16	15	15	14	2	0	0	0	69	85
Beginning Farmer Provisions	2	20	26	28	31	34	35	36	36	36	106	283
Crop Production on Native Sod	0	-5	-12	-18	-23	-24	-24	-24	-24	-24	-58	-178
Conservation Compliance for Crop Insurance	0	0	0	-2	-3	-5	-8	-8	-8	-8	-5	-42
Participation Effects of Commodity Programs	0	-28	-277	-331	-301	-241	-213	-224	-212	-210	-938	-2,038
Other	2	21	28	29	30	28	8	5	3	2	110	156
Subtotal, Title XI	61	563	409	311	477	579	629	626	669	673	1,821	4,999
Title XII - Miscellaneous												
Outreach for Socially Disadvantaged Farmers	5	8	10	10	10	5	2	0	0	0	43	50
Sheep Production and Marketing Grant Program	1	1	0	0	0	0	0	0	0	0	2	2
Noninsured Crop Disaster Assistance Program	6	48	-36	-52	-52	-52	-52	-52	-52	-52	-86	-346
Subtotal, Title XII	12	57	-26	-42	-42	-47	-50	-52	-52	-52	-41	-294
Total Changes in Direct Spending	806	-3,512	-1,288	-665	-949	-2,122	-2,405	-2,415	-2,667	-2,623	-5,607	-17,840
<i>Nutrition programs (Title IV)</i>	-55	-363	-408	-424	-429	-437	-446	-451	-461	-470	-1,679	-3,944
<i>Non-nutrition programs (Other titles except IV)</i>	861	-3,149	-880	-241	-520	-1,685	-1,959	-1,964	-2,206	-2,153	-3,928	-13,896
Change in Revenue												
Organic Product Promotion Orders	0	2	4	4	5	5	7	7	10	10	15	54
Net Impact on the Deficit	806	-3,514	-1,292	-669	-954	-2,127	-2,412	-2,422	-2,677	-2,633	-5,622	-17,894

Source: CBO cost estimate of S. 954 as reported by the Senate Agriculture committee (<http://cbo.gov/publication/44248>, May 17, 2013),

- a. The “administration” entry for Title I combines savings from a payment limitations provision (-\$94 million over 10 years) and a provision for the cost of implementation (+\$97 million over the first two years). The net cost is \$3 million over 10 years.

Appendix C. Broad Deficit Reduction Proposals

In February 2010, President Obama created the National Commission on Fiscal Responsibility and Reform to identify changes to balance the budget. From 2010-2013, several other government-wide proposals were made and most included reductions to agriculture or farm bill spending (**Table C-1**).

In these government-wide deficit reduction proposals, cuts from the agriculture committees' baseline ranged from \$10 billion in the President's Fiscal Commission, \$30 billion in the Bipartisan Policy Center plan, and \$179 billion in the House-passed FY2013 budget resolution. These proposals often are compared to the \$23 billion reduction offered by the leadership of the House and Senate Agriculture Committees to the Joint Select Committee of Deficit Reduction.

Each of these proposals specifically recommended some reduction to the farm commodity programs or crop insurance, and sometimes to export promotion and conservation. Only a subset recommended reductions to nutrition programs. Together, they represent a range of common ideas and the visibility of the agriculture and nutrition spending for deficit reduction.

Table C-1. Broad Deficit Reduction Proposals That Affect Farm Bill Programs

Proposal	Total Farm Bill Reduction	Detailed Provisions	Individual Savings (-) or Costs (+)
1. Bipartisan Policy Center (Domenici-Rivlin Task Force, Nov. 2010)	\$30 billion [2012-2020]	Reduce farm program spending by eliminating farm payments to producers with adjusted gross income greater than \$250,000 and setting a lower maximum payment for direct payments.	-\$15 billion
		Reduce subsidies to private crop insurance companies. Reduce premium subsidy for farmers from 60% to 50%.	-\$9 billion
		Consolidate and cap certain agriculture conservation programs.	-\$6 billion
2. President's Fiscal Commission (Simpson-Bowles, Dec. 2010)	\$10 billion [2012-2020]	Reduce mandatory agricultural programs, including reductions in direct payments, limits on conservation programs (CSP and EQIP), and reductions for the Market Access Program.	-\$15 billion
		Extend disaster assistance programs in the 2008 farm bill.	+\$5 billion
3. House Budget Resolution for FY2012 (H.Con.Res. 34, Apr. 2011)	\$178 billion [2012-2021]	Reduce direct payments, crop insurance subsidies, and export assistance programs.	-\$30 billion
		Convert SNAP into an allotment tailored for each state.	-\$127 billion
		Unspecified remainder, much of which is likely conservation.	-\$21 billion
4. Gang of Six (July 2011)	\$11 billion [10 years]	Require agriculture committees to reduce mandatory spending, and encourage them to protect SNAP (food stamps).	-\$11 billion
5. President's Deficit Reduction Plan (Sept. 2011; amounts updated in Feb. 2012 for FY2013 budget request)	\$32 billion [2013-2022]	Eliminate direct payments. (Ten-year baseline is \$49 billion, but CBO assumes interaction effect from increased enrollment in ACRE. Net effect is shown.)	-\$30 billion
		Reduce crop insurance outlays by (1) reducing administrative and overhead reimbursements to crop insurance companies and (2) reducing premium subsidies to farmers.	-\$7.7 billion
		Extend disaster assistance programs in 2008 farm bill for five years, through 2017.	+\$8 billion
		Reduce conservation payments by better targeting cost-effective programs. Reduce CRP by \$1 billion and EQIP by \$1 billion.	-\$2 billion

Proposal	Total Farm Bill Reduction	Detailed Provisions	Individual Savings (-) or Costs (+)
6. House and Senate Agriculture Committees, for Joint Select Committee on Deficit Reduction (Oct. 2011)	\$23 billion [10 years]	Specific proposal not released, but a draft indicates a plan could eliminate direct payments, develop a new farm safety net with crop insurance, and make changes to conservation, nutrition, and other farm bill programs. Reported savings included:	
		Farm commodity programs (net)	-\$13 billion
		Conservation programs	-\$6 billion
		Nutrition programs	-\$4 billion
7. House Budget Resolution for FY2013 (H.Con.Res. 112, Mar. 2012)	\$179 billion [2013-2022]	Budget resolution (recommendations):	
		Reduce direct payments, crop insurance subsidies, and export assistance programs.	-\$29 billion
		Convert SNAP into an allotment tailored for each state.	-\$134 billion
		Unspecified remainder, likely in conservation programs	-\$16 billion
		Reconciliation instructions, by April 27, 2012:	
	\$33.2 billion [2013-2022]	By April 27, 2012, the Agriculture committee must recommend to the Budget committee specific cuts for a \$33.2 billion reduction over FY2012-2022; \$8.2 billion over FY2012-2013; and \$19.7 billion over FY2012-2017.	-\$33.2 billion

Sources: CRS, compiled from the following documents:

- (1) Bipartisan Policy Center, "Restoring America's Future," Nov. 2010, pp. 106-110, at <http://www.bipartisanpolicy.org/sites/default/files/BPC%20FINAL%20REPORT%20FOR%20PRINTER%2002%2028%2011.pdf>;
- (2) National Commission on Fiscal Responsibility and Reform, "The Moment of Truth," Dec. 2010, p. 45, at http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomentofTruth12_1_2010.pdf;
- (3) H.Rept. 112-58 (for H.Con.Res. 34, the FY2012 Budget Resolution), Apr. 2011, pp. 76, 108, and 152;
- (4) Gang of Six, "A Bipartisan Plan to Reduce Our Nation's Deficits," July 2011, p. 3, at <http://warner.senate.gov/public/index.cfm?p=gang-of-six> <http://assets.nationaljournal.com/pdf/071911ConradBudgetExecutiveSummary.pdf>;
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