



Farm Bill Primer: What Is the Farm Bill?

The farm bill is an omnibus, multi-year law that governs an array of agricultural and food programs. It provides an opportunity for policymakers to comprehensively and periodically address agricultural and food issues.

The farm bill is typically renewed about every five years. Seventeen farm bills have been enacted since the 1930s (2014, 2008, 2002, 1996, 1990, 1985, 1981, 1977, 1973, 1970, 1965, 1956, 1954, 1949, 1948, 1938, and 1933).

Farm bills have traditionally focused on farm commodity program support for a handful of staple commodities—corn, soybeans, wheat, cotton, rice, dairy, and sugar. Yet farm bills have become increasingly expansive in nature since 1973, when a nutrition title was included. Other prominent additions include conservation, horticulture, and bioenergy programs.

The farm bill provides an opportunity for Congress to comprehensively and periodically address agricultural and food issues. The 2014 farm bill expires in 2018.

The omnibus nature of the farm bill can create broad coalitions of support among sometimes conflicting interests for policies that individually might not survive the legislative process. This can lead to competition for funds. In recent years, more parties have become involved in the debate, including national farm groups, commodity associations, state organizations, nutrition and public health officials, and advocacy groups representing conservation, recreation, rural development, faith-based interests, local food systems, and organic production.

The Agricultural Act of 2014 (P.L. 113-79, H.Rept. 113-333), referred to here as the “2014 farm bill,” is the most recent omnibus farm bill. It was enacted in February 2014 and succeeded the Food, Conservation, and Energy Act of 2008 (P.L. 110-246, “2008 farm bill”). The 2014 farm bill contains 12 titles encompassing commodity price and income supports, farm credit, trade, agricultural conservation, research, rural development, energy, and foreign and domestic food programs, among others.

Provisions in the 2014 farm bill reshape the structure of farm commodity support, expand crop insurance coverage, consolidate conservation programs, reauthorize and revise nutrition assistance, and extend authority to appropriate funds for many U.S. Department of Agriculture (USDA) discretionary programs through FY2018.

Without a new farm bill or an extension, the authority for some farm programs would expire, and some would cease to operate altogether unless reauthorized. Also, new activities under some old programs might not be initiated, for lack of either program authority or available funding. For instance, nutrition assistance programs require periodic reauthorization if they are to continue. The farm commodity

programs not only expire but would revert to permanent law dating back to the 1940s. Many discretionary programs would not have statutory authority to receive appropriations in future years. Other programs have permanent authority and do not need to be reauthorized (e.g., crop insurance) but might be included in the bill to make changes for policy or budgetary goals.

The 2014 Farm Bill (P.L. 113-79), by Title

- **Title I, Commodity Programs:** Provides support for major commodity crops, including wheat, corn, soybeans, peanuts, rice, dairy, and sugar, as well as disaster assistance.
- **Title II, Conservation:** Encourages environmental stewardship of farmlands and improved management through land retirement and/or working lands programs.
- **Title III, Trade:** Provides support for U.S. agricultural export programs and international food assistance programs.
- **Title IV, Nutrition:** Provides nutrition assistance for low-income households through programs including the Supplemental Nutrition Assistance Program (SNAP).
- **Title V, Credit:** Offers direct government loans to farmers and ranchers and guarantees on private lenders' loans.
- **Title VI, Rural Development:** Supports rural business and community development programs.
- **Title VII, Research, Extension, and Related Matters:** Offers various agricultural research and extension programs.
- **Title VIII, Forestry:** Supports forestry management programs run by USDA's Forest Service.
- **Title IX, Energy:** Encourages the development of farm and community renewable energy systems through various programs, including grants and loan guarantees.
- **Title X, Horticulture:** Supports the production of specialty crops—fruits, vegetables, tree nuts, and floriculture and ornamental products—through a range of initiatives.
- **Title XI, Crop Insurance:** Enhances coverage of the permanently authorized federal crop insurance program.
- **Title XII, Miscellaneous:** Covers other types of programs and assistance, including livestock and poultry production.

Estimated Cost of the 2014 Farm Bill

The farm bill authorizes programs in two spending categories: mandatory and discretionary. Programs with mandatory spending generally operate as entitlements. The farm bill pays for them using multi-year budget estimates (baseline) when the law is enacted. Programs with discretionary spending are authorized for their scope but are

not funded in the farm bill. They are subject to annual appropriations. While both types of programs are important, mandatory programs often dominate the farm bill debate.

At enactment in February 2014, the Congressional Budget Office (CBO) estimated that the total cost of mandatory programs in the farm bill would be \$489 billion over the five years FY2014-FY2018 (Table 1).

Four titles accounted for 99% of anticipated farm bill mandatory outlays: nutrition, crop insurance, conservation, and farm commodity support. The nutrition title comprised 80% of the total for the Supplemental Nutrition Assistance Program (SNAP), and the remaining 20% was mostly geared toward agricultural production.

Farm commodity support and crop insurance combined to account for 13% of mandatory program costs, with another 6% of costs in USDA conservation programs. Programs in all other farm bill titles accounted for about 1% of all mandatory expenditures. Although their relative share is small, titles such as horticulture and research saw their share increase compared to the 2008 farm bill.

Table 1. 2014 Farm Bill Projected Outlays, by Title
Five-Year Projected Outlays, FY2014-FY2018,
Millions of Dollars

	February 2014		April 2018	
	At 2014 enactment FY2014-18	Share	Actual FY14-16; Est. FY17; Proj. FY18	Change since enactment
Nutrition	390,650	79.9%	364,861	-25,789
Crop	41,420	8.5%	31,044	-10,376
Conservation	28,165	5.8%	22,939	-5,226
Commodities	23,555	4.8%	36,582	+13,027
Subtotal	483,789	99.0%	455,426	-28,363
Trade	1,782	0.4%	1,699	-82
Misc. (NAP)	1,544	0.3%	na	na
Horticulture	874	0.2%	na	na
Research	800	0.2%	na	na
Energy	625	0.1%	na	na
Rural	218	<0.1%	na	na
Forestry	8	<0.1%	na	na
Credit	-1,011	-0.2%	na	na
Total	488,629	100%	na	na

Source: CRS, using the CBO cost estimate of the Agricultural Act of 2014 (January 28, 2014), and the CBO Budget and Economic Outlook, "10-Year Budget Projections," April 2018.

Note: "na" indicates that sufficient detail is not available to compile data for all titles in non-farm bill years.

Current Cost Projections

In the years since enactment of the farm bill and as part of its ongoing procedures, CBO has updated its projections of government spending based on new information about the economy and program participation. Outlays for FY2014 to

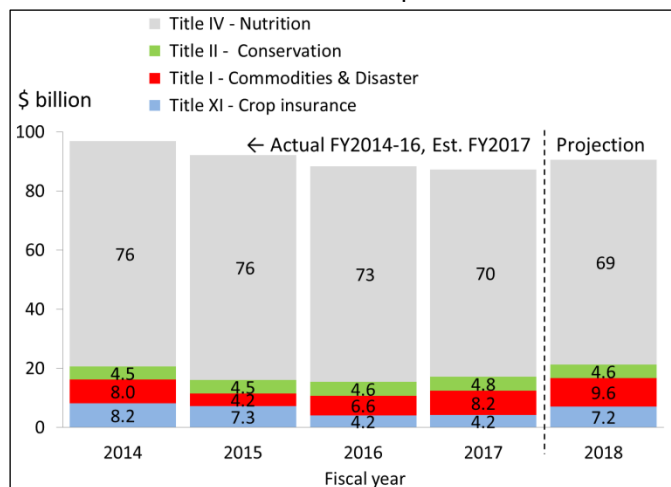
FY2016 have become final (actual), estimates are available for FY2017, and updated projections for FY2018 have generally reflected lower-than-expected farm commodity prices in the near term and lower-than-expected participation in SNAP.

The result of these new projections, as of April 2018, is that SNAP outlays are projected to be about \$26 billion less for the five-year period FY2014-18 than was expected in February 2014 (-7%). Crop insurance outlays are projected to be \$10 billion less (-25%) and conservation outlays about \$5 billion less (-19%) for the five-year period. In contrast, farm commodity and disaster program payments are projected to be \$13 billion higher than was expected at enactment (+55%) due to lower commodity market prices (which raises counter-cyclical payments) and higher livestock payments due to disasters (Table 1).

Overall, the five-year projection of the four major titles of the 2014 farm bill is now \$455 billion. This is about \$28 billion less than what was projected at enactment (-6%).

Figure 1 shows the current projections and actual outlays for the four major titles of the 2014 farm bill.

Figure 1. Projected Outlays, 2014 Farm Bill, by Title
Actuals FY2014-2016, Est. FY2017, April 2018 CBO Baseline



Source: CRS, using CBO Budget and Economic Outlook, April 2018.

CRS Products

- CRS InFocus 10783, *Farm Bill Primer: Budget Issues.*
- CRS Report R44913, *Farm Bill Primer Series: A Guide to Omnibus Legislation on Agriculture and Food Programs.*
- CRS In Focus IF10780, *Farm Bill Primer: Programs Without Baseline Beyond FY2018.*
- CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side.*
- CRS Report RS22131, *What Is the Farm Bill?*

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