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Budget Issues Shaping the 2018 Farm Bill

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Specialist in Agricultural Policy

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Budget Issues Shaping the 2018 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 periodically address a broad range of agricultural and food issues. The farm bill has typically undergone reauthorization about every five years. The 115th Congress has considered a new farm bill but has not enacted one to date. Both the House and the Senate passed versions of a 2018 farm bill (H.R. 2) in June 2018. Conference proceedings officially began in September 2018 but have not reached agreement.

The farm bill provides an opportunity for Congress to choose how much support, if any, to provide for various agriculture and nutrition programs and how to allocate it among competing constituencies. Under congressional budgeting rules, many programs are assumed to continue beyond the end of a farm bill. From a budgetary perspective, this provides funding to reauthorize programs, reallocate funding to other programs, or be taken for deficit reduction.

The farm bill authorizes programs in two spending categories: mandatory spending and discretionary spending. The Congressional Budget Office (CBO) baseline is a projection at a particular point in time of future federal spending on mandatory programs under current law. When a new bill is proposed that would affect mandatory spending, the cost impact (**score**) is measured in relation to the baseline. Changes that increase spending relative to the baseline have a positive score; those that decrease spending relative to the baseline have a negative score. Federal budget rules such as “PayGo” may require budgetary offsets to balance new spending so that there is no increase in the federal deficit. Discretionary spending may be authorized in a farm bill but is not actually provided until budget decisions are made in a future annual appropriations act.

Since 2000, farm bill budgets have varied: The 2002 farm bill increased overall spending, the 2008 farm bill was essentially budget neutral, the 2014 farm bill reduced spending, and the 2018 farm bill is projected to be essentially budget neutral.

The April 2018 CBO baseline for farm bill programs, used as the official benchmark in 2018, contains \$867 billion over FY2019-FY2028—77% of which stems from the nutrition title (\$664 billion) and its largest program, the Supplemental Nutrition Assistance Program. The remaining \$203 billion baseline is for agricultural programs, mostly in crop insurance, farm commodity programs, and conservation. Other titles of the farm bill contribute about 1% of the baseline, some of which are funded primarily with discretionary spending.

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Budget for a 2018 Farm Bill
(dollars in millions, FY2019-FY2028)

Farm bill titles	CBO baseline	CBO score	
		House-passed	Senate-passed
Commodities	61,151	+284	-408
Conservation	59,754	-795	+0
Trade	3,624	+470	+515
Nutrition	663,828	-1,426	+94
Credit	-4,558	+0	+0
Rural Development	168	+0	-2,340
Research	604	+250	+685
Forestry	10	+0	+5
Energy	612	-517	+375
Horticulture	1,547	+10	+626
Crop Insurance	78,037	-161	-2
Miscellaneous	2,423	+566	+517
Subtotal	867,200	-1,320	+68
Increase in Revenue	-	+465	+68
Total	867,200	-1,785	0

Source: CRS, compiled using the CBO Baseline by Title (unpublished; April 2018), based on the CBO baseline (April 2018), and the CBO cost estimates for H.R. 2 as passed by the House and as passed by the Senate (July 24, 2018).

The budgetary impact of the 2018 farm bill proposals are measured relative to the CBO baseline—that is, what the 2014 farm bill (current law) would have spent had it continued. Relative to the baseline, the House-passed bill would reduce federal outlays by \$1.8 billion over 10 years (-0.2%), and the Senate-passed bill would remain budget neutral (+0%) over the same 10-year period. These overall relatively small scores are the net result of sometimes relatively larger increases and reductions across individual titles. Some of the overall scores within a single title of the farm bill are the net result of sometimes large changes in individual programs that may reflect changes in the direction of policy.

- The House bill would achieve its overall 10-year net reduction primarily by reducing net outlays in four titles (Nutrition, Conservation, Energy, and Crop Insurance). It would increase spending by less than the total of these reductions across five other titles (Miscellaneous, Trade, Commodities, Research, and Horticulture). The Nutrition title has provisions that sum to a \$22 billion reduction over 10 years (including those for work requirements) and provisions that would add to \$20.6 billion in increased spending. Similarly, the Conservation title has provisions that sum to a \$12.6 billion reduction (including repealing the Conservation Stewardship Program), as well as provisions that add spending totaling \$11.8 billion.
- The Senate bill would achieve a budget-neutral outcome by reducing net spending primarily in the Rural Development title but also in the Commodities and Crop Insurance titles. It would increase spending across seven titles (Research, Horticulture, Miscellaneous, Trade, Energy, Nutrition, and Forestry).

For some of the programs without baseline, both the House-passed and the Senate-passed bills would provide continuing funding and, in some cases, permanent baseline.

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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 periodically address a broad range of agricultural and food issues. The farm bill has typically undergone reauthorization about every five years.¹

From its beginning in the 1930s, farm bills have focused primarily on farm commodity programs to support a handful of staple commodities—corn, soybeans, wheat, cotton, rice, dairy, and sugar. In recent decades, farm bills have expanded in scope to include a Nutrition title since 1973 and since then Conservation, Horticulture, Bioenergy, Credit, Research, and Rural Development titles, among others.

Recent farm bills have been subject to various procedural hurdles, such as insufficient votes to pass the House floor, presidential vetoes, or—as in the case of 2008 and 2014 farm bills—short-term extensions.² The current farm bill (the Agricultural Act of 2014, P.L. 113-79) has many provisions that expire in 2018.³

Farm Bill Status

The 115th Congress has begun but not finished a new farm bill. An initial House vote on H.R. 2 (the Agriculture and Nutrition Act of 2018) in May 2018 failed by vote of 198-213, but floor procedures allowed that vote to be reconsidered, and it passed in June by a second vote of 213-211. The Senate passed its bill as an amendment to H.R. 2 (the Agriculture Improvement Act of 2018) in June 2018 by a vote of 86-11. Conference proceedings officially began on September 5, 2018, but have not reached agreement.⁴

Farm Bills from a Budget Perspective

The farm bill provides an opportunity for Congress to choose how much support to provide for agriculture and nutrition and how to allocate it among competing constituencies. Generally, farm bills authorize spending in two categories: mandatory and discretionary. From a budgetary perspective, many programs are assumed to continue beyond the end of a farm bill, even though their authorizations may expire. That projection—for certain mandatory programs as explained below—provides funding to reauthorize programs, reallocate funding to other programs, or take offsets for deficit reduction. For new programs, those without baseline, or discretionary programs, funding must come from other means.

Types of Spending Authorized in the Farm Bill

Mandatory spending. A farm bill authorizes outlays and pays for them with multiyear budget estimates when the law is enacted. Budget enforcement is through “baseline” projections under current law, “scores” of the effect of proposed bills, and “PayGo” budget rules that may prevent deficit increases. (See CRS Report R44763, *Present Trends and the Evolution of Mandatory Spending*.)

Discretionary authorizations. A farm bill establishes parameters for discretionary programs and authorizes them to receive funding in subsequent appropriations acts but does not provide or assure actual funding. Budget enforcement is through future appropriations and budget resolutions. (See CRS Report R42388, *The Congressional Appropriations Process: An Introduction*.)

¹ CRS In Focus IF10187, *Farm Bill Primer: What Is the Farm Bill?*

² CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2018*.

³ CRS Report R45341, *Expiration of the 2014 Farm Bill*.

⁴ CRS Report R45275, *The House and Senate 2018 Farm Bills (H.R. 2): A Side-by-Side Comparison with Current Law*.

Recent farm bills have faced various budget situations, including spending more under a budget surplus, cutting spending for deficit reduction, and remaining basically budget neutral—with or without offsets. For example

- The 2002 farm bill (the Farm Security and Rural Investment Act of 2002, P.L. 107-171) was enacted under a budget surplus that allowed it to make changes that were projected to increase spending by \$73 billion over a 10-year budget window, more than half of which was for the farm commodity programs.⁵
- The 2008 farm bill (the Food, Conservation, and Energy Act of 2008, P.L. 110-246) was officially budget neutral, though it included \$10 billion of offsets over 10 years from tax-related and other provisions that allowed it to increase spending on the Nutrition, Conservation, and Disaster titles.⁶
- The 2014 farm bill (the Agricultural Act of 2014, P.L. 113-79) was enacted under deficit reduction and budget sequestration that influenced its legislative development. It made changes that projected a net reduction of \$16 billion over 10 years (\$23 billion including sequestration).⁷
- The 2018 farm bill—the current bill under consideration (H.R. 2)—is being held to a budget-neutral position, though budget amounts may be reallocated across programs within issue areas and across titles of the farm bill (**Table 1**).

Mandatory spending is authorized throughout the farm bill, but four titles presently account for about 99% of the mandatory farm bill spending: Commodity, Nutrition, Crop Insurance, and Conservation.⁸ The Supplemental Nutrition Assistance Program (SNAP) and crop insurance have their own mandatory spending sources, but the farm commodity programs, conservation, and most other mandatory outlays are paid through the U.S. Department of Agriculture's (USDA) Commodity Credit Corporation (CCC).⁹

Discretionary spending is authorized throughout the farm bill, including most rural development, credit, and research programs, among others. Some smaller research, bioenergy, and rural development programs are authorized to receive both mandatory and discretionary funding. Most agency operations (salaries and expenses) are financed with discretionary funds. Discretionary appropriations are made through the annual Agriculture appropriations act.¹⁰

While both types of programs are significant, mandatory programs often dominate the farm bill debate. Therefore, the majority of this report focuses on mandatory spending.

Importance of Baseline to the Farm Bill

The Congressional Budget Office (CBO) **baseline** is a projection at a particular point in time of future federal spending on mandatory programs under current law. The baseline is the *benchmark*

⁵ CRS Report RL31704, *A New Farm Bill: Comparing the 2002 Law with Previous Law and House and Senate Bills* (available from the author).

⁶ CRS Report RL34696, *The 2008 Farm Bill: Major Provisions and Legislative Action*.

⁷ CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*. For more about continuing sequestration issues for the farm bill, see the Appendix in CRS Report R45230, *Agriculture and Related Agencies: FY2019 Appropriations*.

⁸ CRS Report RS22131, *What Is the Farm Bill?*

⁹ CRS Report R44606, *The Commodity Credit Corporation: In Brief*.

¹⁰ For example, see CRS Report R45230, *Agriculture and Related Agencies: FY2019 Appropriations*.

against which proposed changes in law are measured. The CBO develops the budget baseline under various laws and follows the supervision of the House and Senate Budget Committees.

When a new bill is proposed that would affect mandatory spending, the cost impact (**score**) is measured in relation to the baseline. Changes that increase spending relative to the baseline have a *positive* score; those that decrease spending relative to the baseline have a *negative* score.¹¹

Having a baseline essentially gives programs built-in future funding if policymakers decide that the programs should continue—that is, straightforward reauthorization would not have a scoring effect (budget neutral). However, some programs do not have a continuing baseline beyond the expiration of a farm bill and do not have assured future funding. Their reauthorization would have a positive score that increases the bill’s cost.

Development of the Baseline

CBO projects future government spending via its budget baselines and evaluates proposed bills via scoring estimates. The baseline incorporates domestic and international market conditions at the time the baseline is projected, government policies, and expectations for future economic conditions. Generally, a program with estimated mandatory spending in the last year of its authorization may be assumed to continue in the baseline as if there were no change in policy and it did not expire. This is the situation for most of the major, long-standing farm bill provisions such as the farm commodity programs or supplemental nutrition assistance.¹² However, some programs may not be assumed to continue in the budget baseline beyond the end of a farm bill because they are either¹³

- programs with estimated mandatory spending less than a minimum \$50 million scoring threshold in the last year of the farm bill, or
- new programs established after 1997 for which the Budget Committees have determined that the mandatory spending shall not extend beyond expiration. This decision may have been made in consultation with the Agriculture Committees for a number of reasons, such as to reduce the program’s 10-year cost when a farm bill is written or to prevent the program from having a continuing baseline.

April 2018 CBO Baseline

The baseline for scoring the 2018 farm bill currently under consideration is the CBO baseline that was released in April 2018. This baseline is to be used until a new annual scoring baseline is released in the spring of 2019.

The April 2018 mandatory spending baseline for farm bill programs contains \$867 billion over FY2019-FY2028, 77% of which is in the Nutrition title for SNAP (\$664 billion). The remaining \$203 billion baseline is for agricultural programs, mostly in the Crop Insurance, Farm

¹¹ See CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*.

¹² For example, the CBO baselines for the primary farm commodity and nutrition programs remain positive through FY2027, even though their current authority under the 2014 farm bill generally expires after FY2018.

¹³ See Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 907), as explained by CBO, *The Budget and Economic Outlook: Fiscal Years 2018 to 2028*, April 2018, pp. 47 and 54, <https://www.cbo.gov/publication/53651>.

Commodity Programs, and Conservation titles.¹⁴ Other titles contribute about 1% of the baseline because they are funded mostly with discretionary spending.

The April 2018 CBO baseline is the benchmark of available funding from which the House and Senate wrote bills for a new farm bill in 2018. The 5-year and 10-year columns in **Table 1** show the CBO baseline for the titles of the 2014 farm bill over the next 10 years. (The score columns will be discussed later in “Scores of the 2018 Farm Bill Proposals”.) **Figure 1** illustrates the 10-year baseline by title. **Table 2** adds details at the program level and with the annual projections, for the Farm Commodity Programs, Conservation, Trade, and Miscellaneous titles. **Figure 2** illustrates the 10-year, program-level baseline for agriculture (non-nutrition) programs.¹⁵

Table 1. Budget for a 2018 Farm Bill: Baseline and Scores, by Title
(projected outlays in millions of dollars, 5- and 10-year totals)

Farm Bill Titles	5 years (FY2019-FY2023)			10 years (FY2019-FY2028)		
	CBO Baseline	CBO Score		CBO Baseline	CBO Score	
		House-Passed	Senate-Passed		House-Passed	Senate-Passed
Commodities	31,340	+198	-23	61,151	+284	-408
Conservation	28,715	+656	+290	59,754	-795	+0
Trade	1,809	+235	+258	3,624	+470	+515
Nutrition	325,922	+862	+224	663,828	-1,426	+94
Credit	-2,205	+0	+0	-4,558	+0	+0
Rural Development ^a	98	+0	-832	168	+0	-2,340
Research	329	+168	+426	604	+250	+685
Forestry	5	+0	+5	10	+0	+5
Energy ^a	362	-267	+311	612	-517	+375
Horticulture	772	+10	+323	1,547	+10	+626
Crop Insurance	38,057	-70	-1	78,037	-161	-2
Miscellaneous	1,259	+553	+594	2,423	+566	+517
Subtotal	426,462	+2,344	+1,573	867,200	-1,320	+68
Increase in Revenue	-	+115	+33	-	+465	+68
Total	426,462	+2,229	+1,540	867,200	-1,785	0

Source: CRS. Compiled from the CBO Baseline by Title (unpublished; April 2018), based on the CBO baseline, <https://www.cbo.gov/about/products/baseline-projections-selected-programs>, April 2018, and the CBO cost estimates for H.R. 2 as passed by the House of Representatives and the Senate Amendment to H.R. 2 as passed by the Senate, <https://www.cbo.gov/publication/54284>, July 24, 2018.

Note:

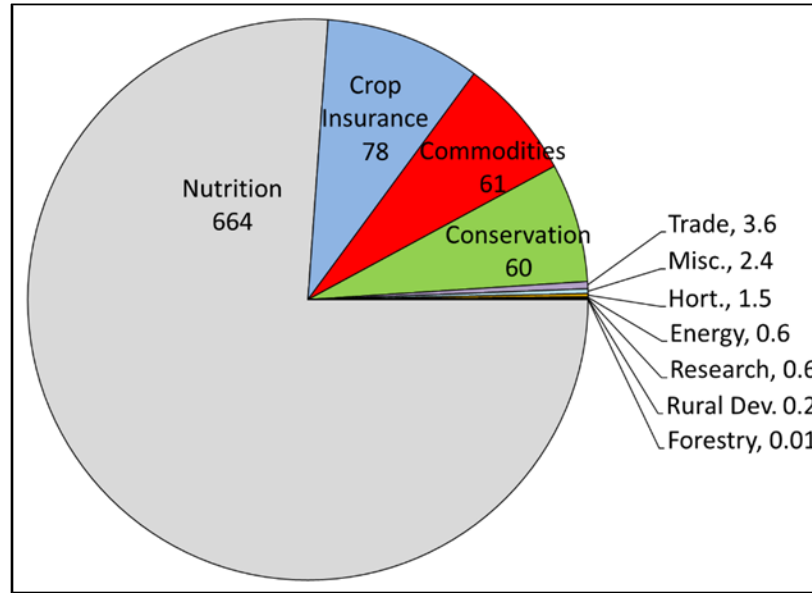
- a. The House bill combined rural development and energy provisions into a Rural Infrastructure and Economic Development title. This table retains the separate titles, based on provisions, to maintain consistency with the 2014 farm bill, the CBO baseline, and the Senate bill.

¹⁴ CBO, “Baseline Projections,” <https://www.cbo.gov/about/products/baseline-projections-selected-programs>, April 2018; and the CBO Baseline by Title (unpublished; April 2018); and in the table notes in CBO, “Cost Estimates for H.R. 2 as Passed by the House of Representatives and as Passed by the Senate,” <https://www.cbo.gov/publication/54284>, July 24, 2018. See also the analysis in CRS In Focus IF10783, *Farm Bill Primer: Budget Issues*.

¹⁵ Although the farm bill is generally considered a five-year authorization, budget rules assess federal spending over a 10-year budget window.

Figure 1. CBO Baseline for Farm Bill Titles

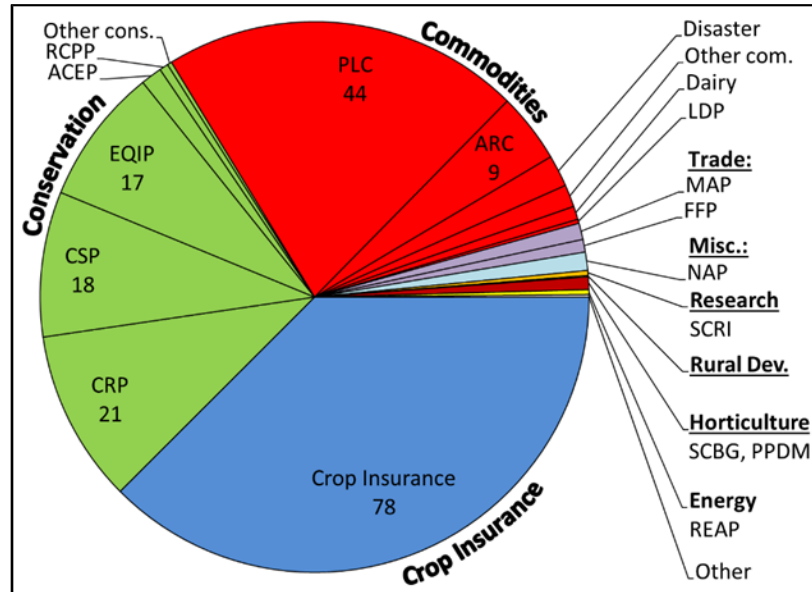
(10-year projected outlays under current law, FY2019-FY2028, billions of dollars)



Source: CRS, using CBO Baseline by Title (unpublished; April 2018), based on the CBO baseline, <https://www.cbo.gov/about/products/baseline-projections-selected-programs>, April 2018.

Figure 2. CBO Baseline for USDA Agriculture Programs

(10-year projected outlays under current law, FY2019-FY2028, billions of dollars)



Source: CRS, using CBO Baseline by Title (unpublished; April 2018), and CBO Baseline for USDA Mandatory Farm Programs, <https://www.cbo.gov/about/products/baseline-projections-selected-programs#25>, April 2018.

Notes: CRP = Conservation Reserve Program, CSP = Conservation Stewardship Program, EQIP = Environmental Quality Incentives Program, ACEP = Agricultural Conservation Easement Program, RCPP = Regional Conservation Partnership Program, PLC = Price Loss Coverage, ARC = Agricultural Risk Coverage, LDP = Loan Deficiency Payments, MAP = Market Assistance Program, FFP = Food for Progress, NAP =

Noninsured Crop Disaster Assistance Program, SCRI = Specialty Crop Research Initiative, SCBG = Specialty Crop Block Grants, PPDM = Plant Pest and Disease Management, REAP = Rural Energy for America Program.

Table 2. CBO Baseline for the 2018 Farm Bill, by Title and Program
(projected outlays in millions of dollars, April 2018 baseline)

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	FY2019-23	FY2019-28
Title I: Farm Commodity Programs												
<i>Agricultural Risk Coverage</i>	2,627	2,155	464	430	479	431	463	482	505	492	6,155	8,529
<i>Price Loss Coverage</i>	2,727	2,653	5,742	5,006	4,574	4,639	4,603	4,854	4,558	4,566	20,702	43,921
<i>Marketing Loan Program</i>	58	51	51	48	45	44	43	47	48	50	254	486
<i>Dairy</i>	186	161	160	177	173	177	191	128	134	137	857	1,624
<i>Disaster assistance programs</i>	364	361	391	390	388	386	389	388	387	425	1,893	3,868
<i>Other</i>	524	241	228	235	251	252	244	253	255	240	1,479	2,723
Subtotal, Title I	6,487	5,621	7,035	6,286	5,910	5,930	5,934	6,151	5,886	5,910	31,340	61,151
Title II: Conservation												
<i>Conservation Reserve Program</i>	1,819	1,999	2,042	2,083	2,126	2,169	2,209	2,223	2,213	2,214	10,069	21,097
<i>Emergency Forestry Conservation Reserve</i>	1	1	1	1	1	1	1	1	1	1	5	10
<i>CRP Technical Assistance</i>	100	37	77	72	147	106	169	91	94	85	433	978
<i>Conservation Security/Stewardship Program</i>	1,607	1,822	1,743	1,772	1,820	1,771	1,768	1,810	1,808	1,808	8,764	17,729
<i>Environmental Quality Incentives Program</i>	1,509	1,545	1,600	1,640	1,674	1,729	1,750	1,750	1,750	1,750	7,968	16,697
<i>Agricultural Conservation Easement Program</i>	310	271	266	250	250	250	250	250	250	250	1,347	2,597
<i>Regional Conservation Partnership Program</i>	127	125	121	107	98	100	100	100	100	100	578	1,078
<i>Agricultural Management Assistance</i>	9	9	9	10	10	10	10	10	10	10	47	97
<i>Programs repealed in 2014 and user fees</i>	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-20	-40
<i>Other, incl. announced FY2019 sequestration</i>	-233	-75	-75	-51	-42	-27	15	-1	0	0	-476	-489
Subtotal, Title II	5,245	5,730	5,780	5,880	6,080	6,105	6,268	6,230	6,222	6,214	28,715	59,754

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	FY2019-23	FY2019-28
Title III: Trade												
<i>Market Access Program</i>	200	200	200	200	200	200	200	200	200	200	1,000	2,000
<i>Food for Progress</i>	153	154	154	154	154	155	155	155	155	155	769	1,544
<i>Emerging Markets Program</i>	8	8	8	8	8	8	8	8	8	8	40	80
Subtotal, Title III	361	362	362	362	362	363	363	363	363	363	1,809	3,624
Title IV: Nutrition	65,817	65,268	65,033	64,857	64,947	65,477	66,247	67,151	68,720	70,311	325,922	663,828
Title V: Credit	-435	-437	-440	-444	-449	-455	-462	-471	-478	-487	-2,205	-4,558
Title VI: Rural Development	35	21	14	14	14	14	14	14	14	14	98	168
Title VII: Research	82	78	59	55	55	55	55	55	55	55	329	604
Title VIII: Forestry	1	1	1	1	1	1	1	1	1	1	5	10
Title IX: Energy	102	89	70	51	50	50	50	50	50	50	362	612
Title X: Horticulture	153	154	155	155	155	155	155	155	155	155	772	1,547
Title XI: Crop Insurance	7,230	7,471	7,684	7,811	7,860	7,903	7,942	8,006	8,047	8,082	38,057	78,037
Title XII: Miscellaneous												
<i>Noninsured Crop Disaster Assistance Program</i>	223	223	223	223	223	223	223	223	223	223	1,114	2,229
<i>Other</i>	71	37	12	12	12	10	10	10	10	10	145	195
Subtotal, Title XII	294	259	235	235	235	233	233	233	233	233	1,259	2,423
Total	85,372	84,617	85,989	85,263	85,221	85,831	86,800	87,938	89,268	90,901	426,462	867,200
Nutrition (Title IV)	65,817	65,268	65,033	64,857	64,947	65,477	66,247	67,151	68,720	70,311	325,922	663,828
Non-nutrition (other titles)	19,555	19,350	20,955	20,406	20,274	20,354	20,553	20,787	20,548	20,590	100,540	203,372

Source: CRS, compiled using the CBO Baseline by Title (unpublished; April 2018; in **bold**), and based on additional details for programs from the CBO baseline, <https://www.cbo.gov/about/products/baseline-projections-selected-programs>, April 2018 (in *italics*).

Note: Near-term amounts may include outlays for programs that expired before FY2019. Among titles without program detail, Nutrition includes SNAP, Credit includes receipts to FCS Insurance Fund. Research includes SCRI. Energy includes REAP, Horticulture includes SCBG, PPD, and promotion orders, as noted in **Figure 2**.

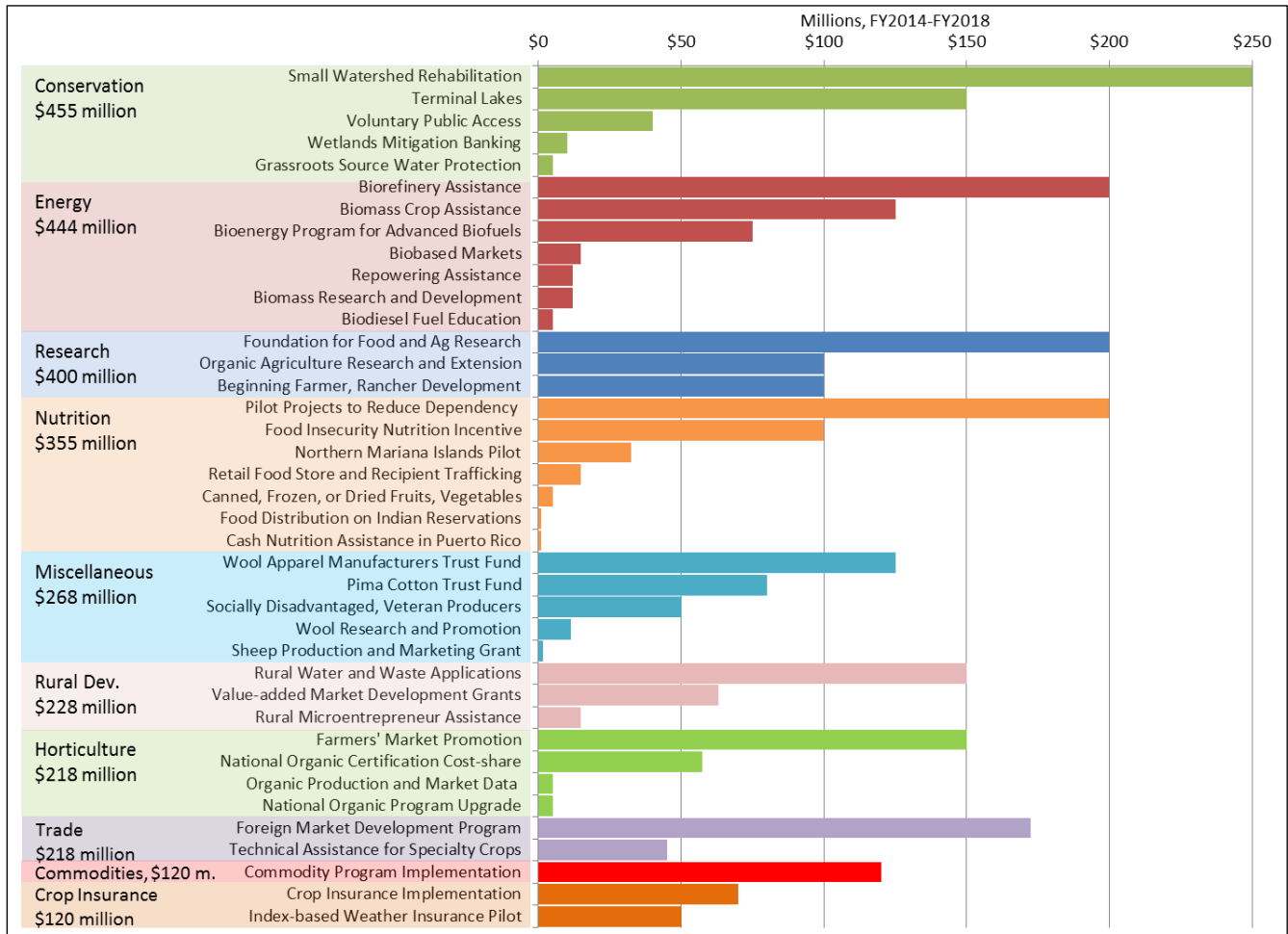
Programs Without Baseline

As explained above, most of the major farm bill provisions are assumed to continue in the baseline. However, some programs may not be assumed to continue, because they had estimated mandatory spending below the minimum scoring threshold of \$50 million or the Budget and/or Agriculture Committees determined that mandatory spending should not continue.

The 2014 farm bill contains 39 programs that received mandatory funding that do not have baseline beyond FY2018 (**Figure 3**). These programs had estimated mandatory spending totaling \$2.824 billion over the five-year farm bill.¹⁶

Among this group are certain conservation programs; most of the Bioenergy, Rural Development, and Research title programs; various Nutrition title pilot programs and studies; organic agriculture and farmers’ market programs; trade promotion; and outreach to farmers.¹⁷

Figure 3. 2014 Farm Bill Programs Without a Budget Baseline After FY2018



Sources: Compiled by CRS using the text of the 2014 farm bill (P.L. 113-79); the CBO score of the Agricultural Act of 2014, Table 4, “Detailed Effects on Direct Spending,” January 28, 2014, <https://www.cbo.gov/publication/45049>; and the CBO Baseline Projection for USDA Mandatory Farm Programs, April 2018.

¹⁶ CRS Report R44758, *Farm Bill Programs Without a Budget Baseline Beyond FY2018*.

¹⁷ CRS In Focus IF10780, *Farm Bill Primer: Programs Without Baseline Beyond FY2018*.

Scores of the 2018 Farm Bill Proposals

The budgetary impact of the 2018 farm bill proposals (House-passed H.R. 2 and the Senate-passed amendment to H.R. 2) are measured relative to the CBO baseline—that is, what the 2014 farm bill (current law) would have spent had it continued. Budget enforcement uses the April 2018 baseline and these scores to follow an array of federal budget rules, such as “PayGo,” that require budgetary offsets to balance new spending to avoid increasing the federal deficit.¹⁸

Although the farm bill is generally considered a 5-year authorization—the potential 2018 farm bill would cover FY2019-FY2023—budget rules require it to be scored over a 10-year budget window. Thus, when the legislation is discussed during its development, the farm bill may be presented more in terms of its effect over the 10-year budget window than the score of the bill over the intended 5-year duration of the law. Separately, other statements about the total cost of the farm bill may be in terms of its five-year baseline (i.e., projected spending over the five-year life of the farm bill). Both are appropriate measures depending on one’s perspective, but the two can be very different in magnitude, so it is important to differentiate between them.

CBO has released several scores of the 2018 farm bill in the various stages of its development. The most recent is an update that was released jointly for both bills on July 24, 2018, for the versions of H.R. 2 as passed by the House and the Senate and is the basis for the analysis here.¹⁹

Prior to the July 24 scores, CBO released its analyses of the original House-introduced bill,²⁰ the House-reported bill after it passed the full committee and was initially considered on the floor,²¹ and the Senate-reported bill.²² The July 24 scores incorporate floor amendments from both chambers’ bills that caused the House bill to reduce spending compared with the House-reported bill—particularly in the Nutrition title—and the Senate bill to spend slightly more than the Senate-reported bill in the Nutrition, Farm Commodities, and Miscellaneous titles. Subsequent to the July 24 scores, CBO released a more detailed assessment of payment limit provisions in the House-passed bill that did not change the score but explained it in more detail.²³

Summaries of the House- and Senate-Passed Bill Scores

Relative to the 10-year \$867 billion baseline (**Table 1, Figure 1**), the House-passed bill would reduce outlays by \$1.8 billion over 10 years (-0.2%), and the Senate-passed bill would remain budget neutral (+0%) over the same 10-year period (as indicated by the diamonds in **Figure 4**).

The overall relatively small scores are the net result of sometimes relatively larger increases and reductions across titles (indicated by bar segments in **Figure 4, Table 1**).

- The House-passed bill would achieve its overall net reduction by reducing net outlays in four titles (Nutrition, Conservation, Energy, and Crop insurance) and by raising revenue from fees paid by contractors in the SNAP program. It would

¹⁸ CRS Report RL31943, *Budget Enforcement Procedures: The Senate Pay-As-You-Go (PAYGO) Rule*.

¹⁹ CBO, “Cost Estimates for H.R. 2 as Passed by the House of Representatives and as Passed by the Senate.”

²⁰ CBO, “H.R. 2, Agriculture and Nutrition Act of 2018, as Introduced in the House,” <https://www.cbo.gov/publication/53760>, April 13, 2018.

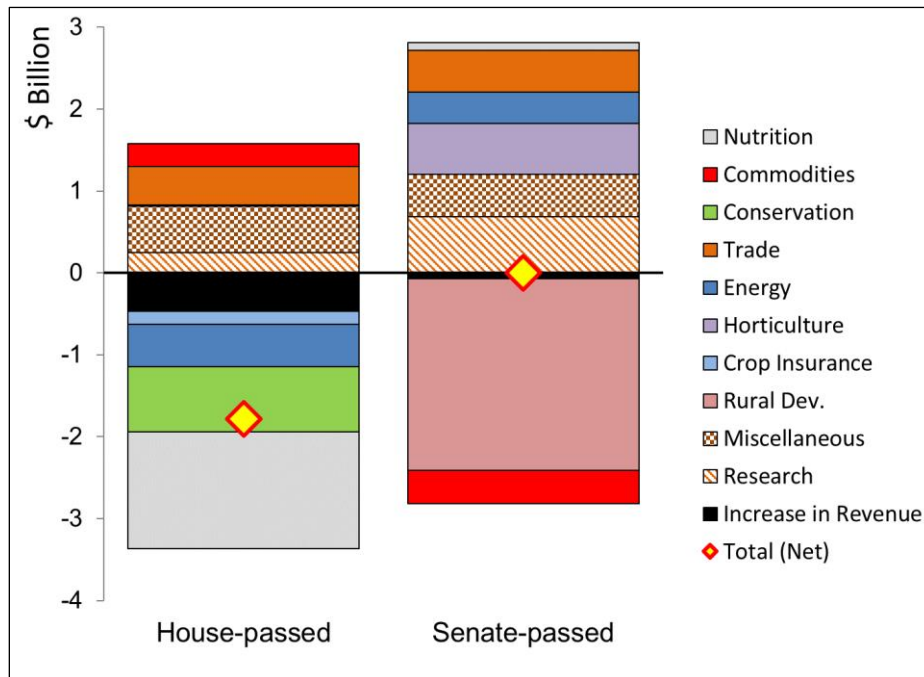
²¹ CBO, “H.R. 2, Agriculture and Nutrition Act of 2018, as Reported by the House Agriculture Committee,” <https://www.cbo.gov/publication/53819>, May 2, 2018.

²² CBO, “S. 3042, Agriculture Improvement Act of 2018, as Reported by the Senate Agriculture Committee,” <https://www.cbo.gov/publication/54092>, June 21, 2018.

²³ CBO, “Payment Limitations in H.R. 2, the Agriculture and Nutrition Act of 2018,” <https://www.cbo.gov/publication/54450>, September 6, 2018.

- increase spending by less than the total of these reductions across five other titles (Miscellaneous, Trade, Commodities, Research, and Horticulture).
- The Senate-passed bill would achieve its budget-neutral outcome by reducing net spending in three titles (Rural Development, Commodities, and Crop insurance) and raising revenue for an oilheat program. It would increase spending across seven titles (Research, Horticulture, Miscellaneous, Trade, Energy, Nutrition, and Forestry).

Figure 4. CBO Scores of the House-Passed and Senate-Passed Farm Bills, by Title
(projected change in 10-year outlays relative to baseline, FY2019-FY2028)



Source: CRS, using the CBO cost estimates for H.R. 2 as passed by the House of Representatives and the Senate Amendment to H.R. 2 as passed by the Senate, <https://www.cbo.gov/publication/54284>, July 24, 2018.

Note: Does not show amounts less than \$50 million that are presented in **Table I**.

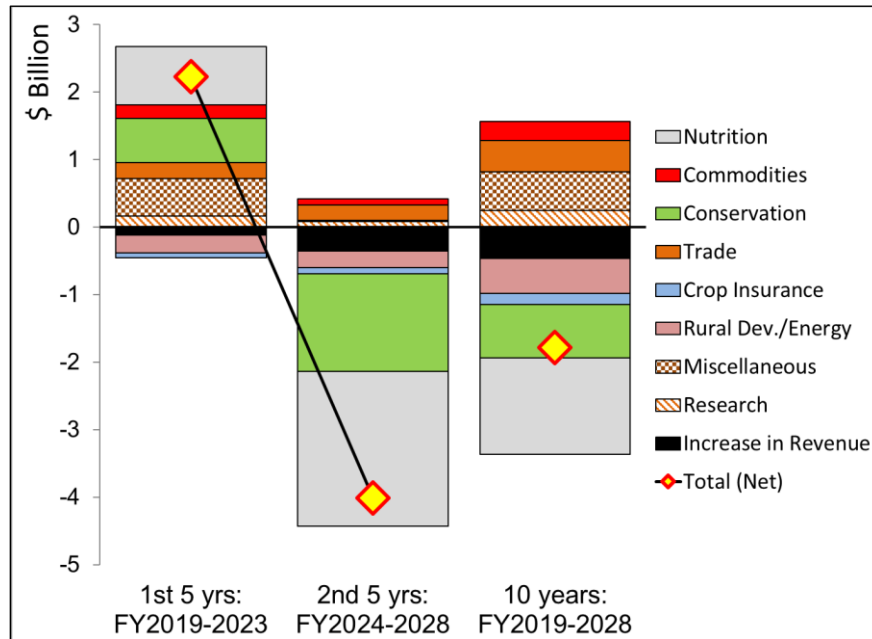
Net Increases in Five-Year Outlays Are Followed by Net Decreases

For the House-passed bill, the net reduction of \$1.8 billion over 10 years may be disaggregated into 2 time periods. On a shorter-time-period basis, the five-year score for the authorized life of the bill (FY2019-FY2023) shows a net increase of \$2.2 billion over the comparable baseline of \$426 billion (**Table 1**). This projected increase is more than offset by planned reductions that would not be realized until the second five years of the budget window (**Figure 5**).

For the Senate-passed bill, when the budget-neutral 10-year score is disaggregated, the effect is similar. The five-year FY2019-FY2023 score of the Senate bill shows a net increase of \$1.6 billion that is offset by net reductions that would occur during the second five years (**Figure 6**).

In both bills, some of the titles that have increases in the first five years have decreases in the second five years (e.g., the Nutrition and Conservation titles in both the House- and Senate-passed bills). This may occur because of the time needed to implement changes and may make provisions more appealing in the early years despite having less baseline for a future farm bill.

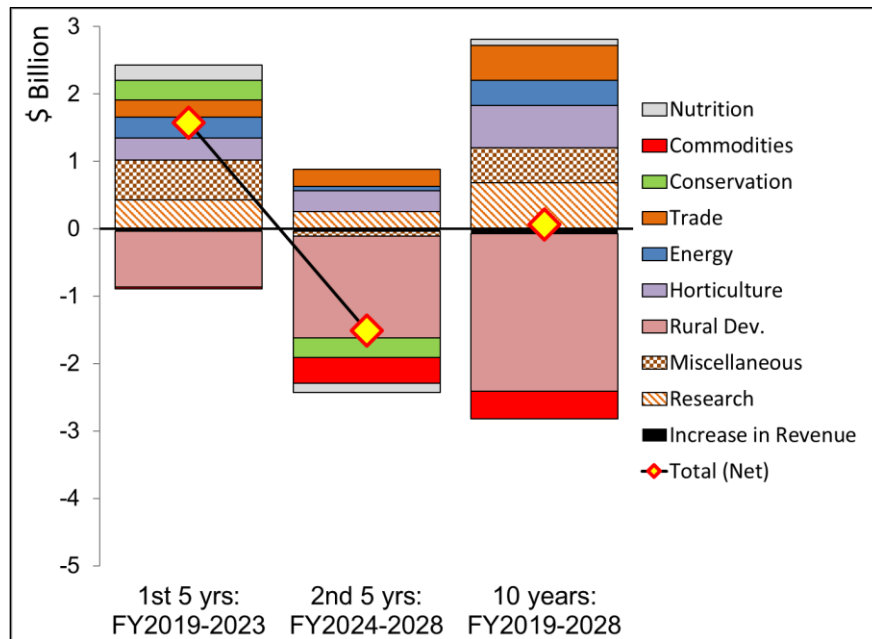
Figure 5. CBO Score of House-Passed H.R. 2, by Period and Title
(projected change in 5- and 10-year outlays relative to baseline, FY2019-FY2028)



Source: CRS, using the CBO cost estimates for H.R. 2 as passed by the House, <https://www.cbo.gov/publication/54284>, July 24, 2018.

Note: Does not show amounts less than \$50 million that are indicated in **Table I**.

Figure 6. CBO Score of the Senate-Passed Amendment to H.R. 2, by Period and Title
(projected change in 5- and 10-year outlays relative to baseline, FY2019-FY2028)



Source: CRS, using the CBO cost estimates for the Senate Amendment to H.R. 2 as passed by the Senate, <https://www.cbo.gov/publication/54284>, July 24, 2018.

Note: Does not show amounts less than \$50 million that are indicated in **Table I**.

Section-by-Section Scores for Some Titles Exceed Net Scores

Some of the overall scores within a single title are the net result of increases in some sections (provisions) that are offset by reductions in other sections. Sometimes, these increases or decreases are relatively large compared to the net title-level effect. These budget effects may reflect the policy preferences of particular constituencies that may be less apparent in the net title-level scores. For example

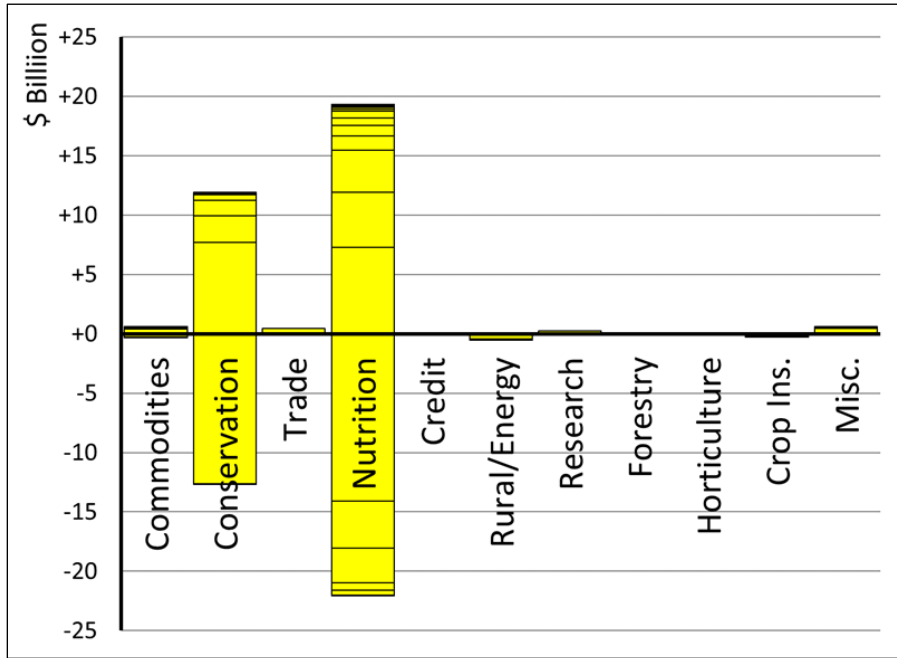
- In the House-passed bill, the Nutrition title has six sections that sum to a \$22.0 billion reduction over 10 years (including those for work requirements) and 18 sections that add to \$20.6 billion in increased spending—for a relatively small \$1.4 billion net decrease in the title-level score. Similarly, the Conservation title has two sections that sum to a \$12.6 billion reduction over 10 years (including repealing the Conservation Stewardship Program) and eight sections that add to \$11.8 billion in increased spending—for the relatively small net \$0.8 billion decrease (**Figure 7, Table 3**).
- In the Senate-passed bill, none of the titles' section-by-section scores are as large as for the Nutrition and Conservation titles in the House-passed bill. Nonetheless, the section-by-section scores of the Senate-passed bill show both increases and decreases within some titles, such as Conservation, Nutrition, and Commodities (**Figure 8, Table 4**).

Programs Without Baseline

For some of the programs without baseline, both the House-passed and Senate-passed bills would provide continuing funding and, in some cases, permanent baseline. Permanent baseline for a program may be indicated by the continuation of funding in the FY2024-FY2028 period that is similar to FY2019-FY2023 (**Table 3 and Table 4**).

- In the House bill, programs that receive permanent baseline include Trade title programs that are combined into a new program (\$470 million), and a food insecurity program in the Nutrition title (\$472 million). Other affected programs that receive mandatory funding, but not permanent baseline, include organic research and beginning farmer programs in the Research title (\$250 million), two organic programs in the Horticulture title (\$10 million), and outreach for socially disadvantaged farmers and the wool and cotton trust funds in the Miscellaneous title (\$150 million). In the Conservation title, small watershed rehabilitation, wetlands mitigation, voluntary public access, and grassroots source water protection programs receive over \$500 million of mandatory funding.
- In the Senate bill, more programs receive permanent baseline than in the House bill, including Trade title programs (\$515 million), organic research (\$450 million), the beginning farmer program that would be combined with other outreach programs (\$466 million), farmers market and value-added promotion programs that are combined (\$558 million), and a food insecurity program in the Nutrition title (\$401 million). Other affected programs that receive mandatory funding, but not permanent baseline, include an agricultural research foundation (\$200 million); various bioenergy programs (\$375 million); two other horticulture programs (\$63 million); and the Pima cotton, wool, and citrus programs in the Miscellaneous title (\$326 million).

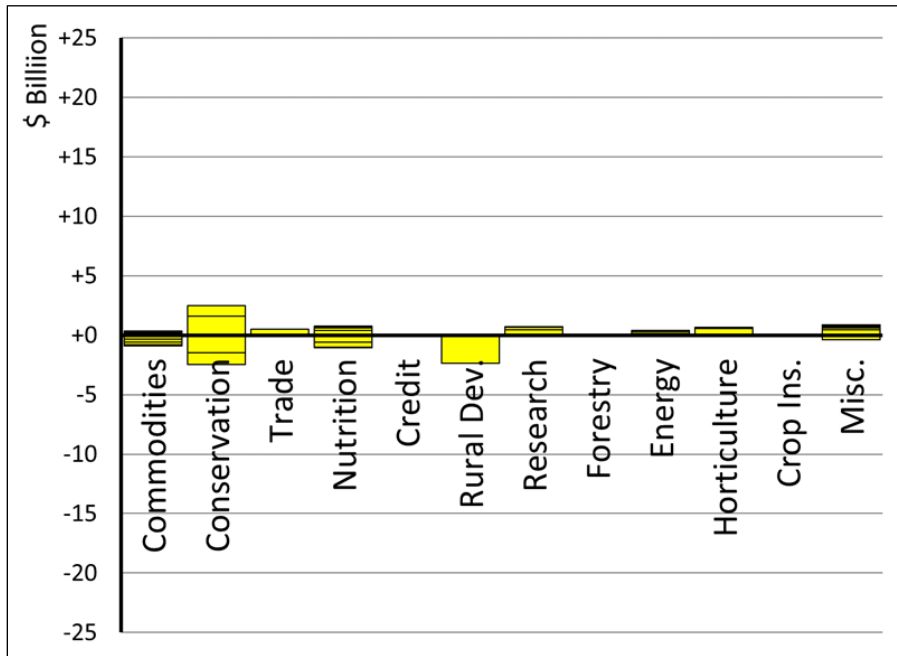
Figure 7. CBO Score of House-Passed H.R. 2, by Section and Title
(projected change in 10-year outlays relative to baseline, FY2019-FY2028)



Source: CRS, sorted within titles using the CBO cost estimate for H.R. 2 as passed by the House, July 24, 2018.

Note: Figure indicates magnitude of changes within titles. Details about individual sections are in **Table 3**.

Figure 8. CBO Score of Senate-Passed Amendment to H.R. 2, by Section and Title
(projected change in 10-year outlays relative to baseline, FY2019-FY2028)



Source: CRS, sorted within titles using the CBO cost estimate for H.R. 2 as passed by the Senate, July 24, 2018.

Note: Figure indicates magnitude of changes within titles. Details about individual sections are in **Table 4**.

Table 3. CBO Score of House-Passed H.R. 2, by Section
(projected change in outlays relative to April 2018 baseline, millions of dollars)

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Title I—Commodity Programs												
Agriculture Risk Coverage—Individual ^a	+0	+0	-16	-17	-18	-18	-17	-19	-18	-20	-51	-143
Agriculture Risk Coverage—County ^a	+0	+0	+23	-34	-26	-17	-6	-15	-25	-11	-37	-111
Dairy Program	-45	-2	+4	+3	-1	-3	-6	-4	+18	+17	-41	-20
Nonrecourse Marketing Assistance Loans ^a	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Economic Adjustment Assistance Textile Mills Implementation	+2	+2	+2	+2	+2	+2	+2	+2	+2	+2	+11	+23
Payment Limitations ^b	+4	+4	+4	+4	+4	+4	+4	+4	+4	+4	+20	+40
Supplemental Agriculture Disaster Assistance	+13	+6	+5	+5	+5	+5	+5	+5	+5	+6	+35	+62
Price Loss Coverage ^a	+0	+0	+137	+55	+43	+50	+134	-59	-16	+64	+235	+408
Subtotal, Title I	-3	+12	+160	+18	+10	+23	+115	-85	-30	+62	+198	+284
Title II—Conservation												
Repeal Conservation Stewardship Program	-28	-406	-725	-1,072	-1,422	-1,771	-1,768	-1,810	-1,808	-1,808	-3,653	-12,618
Conservation Reserve Program	-21	+70	+98	+96	+83	+73	-43	-76	-137	-166	+326	-23
Grassroots Source Water Protection ^c	+2	+2	+1	+0	+0	+0	+0	+0	+0	+0	+5	+5
Wetlands Mitigation Banking ^c	+2	+2	+2	+2	+2	+0	+0	+0	+0	+0	+10	+10
Voluntary Public Access and Habitat Protection ^c	+10	+10	+10	+10	+10	+0	+0	+0	+0	+0	+50	+50
Feral Swine Eradication and Control Pilot	+20	+30	+25	+15	+10	+0	+0	+0	+0	+0	+100	+100
Small Watershed Rehabilitation Program ^c	+3	+16	+38	+58	+74	+81	+73	+52	+32	+32	+189	+459
Regional Conservation Partnership Program	+60	+106	+118	+131	+143	+150	+150	+150	+150	+150	+558	+1,308
Agricultural Conservation Easement Program	+90	+187	+221	+234	+247	+247	+248	+248	+249	+250	+979	+2,221

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Environmental Quality Incentives Program	+55	+227	+424	+608	+777	+921	+1,056	+1,164	+1,217	+1,243	+2,092	+7,693
Subtotal, Title II	+193	+244	+212	+82	-76	-299	-284	-272	-297	-299	+656	-795
Title III—Trade												
International Development Program ^d	+47	+47	+47	+47	+47	+47	+47	+47	+47	+47	+235	+470
Subtotal, Title III	+47	+47	+47	+47	+47	+47	+47	+47	+47	+47	+235	+470
Title IV—Nutrition												
Workforce Solutions: Benefits	+0	-300	-1,330	-1,350	-1,340	-1,370	-1,560	-1,920	-2,280	-2,650	-4,320	-14,100
Update to Categorical Eligibility	+0	+0	-200	-525	-520	-530	-530	-540	-555	-565	-1,245	-3,965
Standard Utility Allowances Based on Receipt	-130	-310	-310	-310	-300	-300	-310	-310	-320	-330	-1,360	-2,930
Duplicative Enrollment Database	+0	-8	-25	-45	-60	-80	-90	-90	-95	-95	-138	-588
State Performance Indicators	+0	-48	-48	-48	-48	-48	-48	-48	-48	-48	-192	-432
Disqualification of Certain Convicted Felons	*	*	*	-1	-2	-2	-3	-4	-5	-6	-3	-23
Benefit Recovery	*	*	*	*	*	*	*	*	*	*	*	*
Tolerance Level for Payment Errors	*	*	*	*	*	*	*	*	*	*	*	*
Administrative Flexibility for States	*	*	*	*	*	*	*	*	*	*	*	*
Multivitamin-Mineral Dietary Supplements	*	+0	+0	+0	+0	+0	+0	+0	+0	+0	*	*
Review of SNAP Operations	*	*	*	+0	+0	+0	+0	+0	+0	+0	*	*
Mobile Technologies	+0	+1	+1	+1	+1	+1	+1	+2	+2	+2	+4	+12
SNAP Benefit Transfer Data Report	+4	+3	+2	+3	+3	+3	+3	+3	+3	+3	+15	+30
Interactions	-2	-3	*	+2	-4	-3	-2	+12	+10	+25	-7	+35
Simplified Homeless Housing Costs	+4	+8	+8	+8	+8	+8	+8	+8	+8	+8	+36	+76
Percent Recovered Funds Retained by States	+10	+10	+10	+10	+10	+10	+10	+10	+11	+11	+50	+102
Basic Allowance for Housing	+8	+11	+11	+11	+11	+12	+12	+13	+13	+14	+52	+116

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Implementation Funds	+128	+17	+3	+3	+0	+0	+0	+0	+0	+0	+150	+150
Prohibited Fees	+0	+3	+7	+13	+20	+20	+20	+20	+25	+25	+43	+153
Asset Limits; Vehicle Allowance; Savings	+1	-15	+5	+30	+30	+30	+30	+30	+30	+30	+51	+201
Food Insecurity Nutrition Incentive Program ^d	+7	+17	+30	+46	+55	+59	+63	+65	+65	+65	+155	+472
Emergency Food Assistance	+45	+46	+47	+48	+49	+50	+52	+53	+54	+55	+235	+499
National Gateway	+8	+10	+10	+68	+70	+78	+81	+90	+95	+95	+165	+601
Nutrition Education	+57	+58	+59	+61	+62	+64	+65	+67	+69	+70	+297	+632
Transitional Benefits	+75	+90	+90	+90	+90	+90	+90	+90	+95	+95	+435	+895
Retailer-Funded Incentives Pilot	+2	+182	+180	+120	+120	+120	+120	+120	+120	+120	+604	+1,204
Cooperation with Child Support Agencies	+140	+304	+321	+335	+345	+355	+375	+396	+446	+476	+1,446	+3,494
Earned Income Deduction	+350	+470	+470	+470	+470	+470	+470	+480	+490	+500	+2,230	+4,640
Workforce Solutions: Administration	+0	+140	+600	+680	+740	+810	+920	+1,020	+1,140	+1,250	+2,160	+7,300
Subtotal, Title IV	+707	+685	-59	-280	-190	-153	-223	-434	-628	-850	+862	-1,426
Title V—Credit	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Title VI—Rural Infrastructure and Economic Development^e												
Rural Energy for America Program ^e	-10	-30	-45	-50	-50	-50	-50	-50	-50	-50	-185	-435
Biorefinery Assistance ^e	-35	-31	-16	+0	+0	+0	+0	+0	+0	+0	-82	-82
Subtotal, Title VI^e	-45	-61	-61	-50	-50	-50	-50	-50	-50	-50	-267	-517
Title VII—Research and Extension												
Beginning Farmer and Rancher Development ^c	+3	+10	+15	+19	+20	+17	+10	+5	+1	+0	+67	+100
Organic Agricultural Research and Extension ^c	+5	+15	+23	+29	+30	+26	+15	+8	+2	+0	+101	+150
Subtotal, Title VII	+8	+25	+38	+48	+50	+43	+25	+13	+3	+0	+168	+250
Title VIII—Forestry	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Title IX—Horticulture												
National Organic Program Technology Update ^c	+1	+1	+1	+1	+1	+0	+0	+0	+0	+0	+5	+5
Organic Production and Market Data Initiative ^c	+1	+1	+1	+1	+1	+0	+0	+0	+0	+0	+5	+5
Subtotal, Title IX	+2	+2	+2	+2	+2	+0	+0	+0	+0	+0	+10	+10
Title X—Crop Insurance												
Education and Risk Management Assistance	-1	-11	-17	-13	-14	-14	-15	-15	-15	-15	-52	-125
Increase Catastrophic Administration Fee	-1	-7	-8	-8	-8	-8	-8	-8	-8	-8	-32	-72
Research and Development Priorities	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-23	-45
Program Administration	+0	-2	-2	-2	-2	-2	-2	-2	-2	-2	-8	-18
Whole Farm Application to Beginning Farmers	+0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+4	+9
Treatment of Forage and Grazing	+1	+9	+10	+10	+10	+10	+10	+10	+10	+10	+40	+90
Subtotal, Title X	-6	-14	-16	-17	-17	-18	-18	-18	-18	-18	-70	-161
Title XI—Miscellaneous												
Noninsured Crop Disaster Assistance	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-19	-37
Outreach to Socially Disadvantaged Producers ^c	+5	+8	+10	+10	+10	+5	+2	+0	+0	+0	+43	+50
Textile Trust Fund ^c	+1	+26	+25	+25	+25	+0	+0	+0	+0	+0	+103	+103
Animal Disease Preparedness and Response	+150	+125	+50	+50	+50	+25	+0	+0	+0	+0	+425	+450
Subtotal, Title XI	+152	+156	+82	+82	+82	+26	-2	-4	-4	-4	+553	+566
Total Changes in Direct Spending	+1,055	+1,096	+406	-68	-142	-381	-390	-803	-977	-1,112	+2,344	-1,320
Increases in Revenue: Title IV—Nutrition	+0	+0	+0	+55	+60	+60	+65	+70	+75	+80	+115	+465
Net Effect on the Deficit	+1,055	+1,095	+405	-124	-203	-441	-455	-874	-1,052	-1,192	+2,229	-1,785

Source: CRS, sorted within titles using the CBO cost estimates for H.R. 2 as passed by the House, <https://www.cbo.gov/publication/54284>, July 24, 2018.

Notes: * denotes score between -\$500,000 and +\$500,000. + denotes additional spending or, in the case of revenue, additional revenue. – denotes reduced spending.

- a. Details by commodity within these programs is available in Table 3 of the original CBO score of the House bill, at <https://www.cbo.gov/publication/53760> (April 13, 2018). The total across commodities matches the score of these provisions (ARC, PLC, and marketing loan gains) in both the original CBO estimate and the July 24 score used in this table.
- b. Details about CBO's score of the payment limits provision are explained in "Payment Limitations in H.R. 2, the Agriculture and Nutrition Act of 2018," <https://www.cbo.gov/publication/54450>, September 6, 2018.
- c. Denotes a "program without baseline" after FY2018 from the 2014 farm bill (**Figure 3**) that received new funding in FY2019-2023 but not permanent baseline.
- d. Denotes a "program without baseline" after FY2018 from the 2014 farm bill (**Figure 3**) that received new funding in FY2019-2028 and permanent baseline.
- e. The House bill combined rural development and energy provisions (e.g., Titles VI and IX in the 2014 farm bill, respectively) into a single title, Title VI—Rural Infrastructure and Economic Development. Elsewhere in this report, such as in **Table I** and the figures, the two House provisions that scored in Title VI are assigned to an Energy title for comparison to the Senate bill and the CBO baseline.

Table 4. CBO Score of the Senate-Passed Amendment to H.R. 2, by Section
 (projected change in outlays relative to April 2018 baseline, millions of dollars)

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Title I—Commodities												
Economic Adjustment to Users of Upland Cotton	+0	+0	+0	-46	-46	-47	-47	-47	-47	-47	-92	-328
AGI Limitation of \$700,000	-2	-3	-38	-33	-31	-31	-31	-32	-31	-31	-107	-263
Actively Engaged in Farming Requirement	+0	-2	-31	-27	-25	-25	-25	-26	-25	-25	-85	-211
Dairy Product Donation Program	-5	-5	-6	-6	-5	-5	-6	-5	-5	-5	-27	-53
Producer Election (ARC Default Choice)	+0	+0	-2	-1	-1	-1	-1	-1	-1	-1	-4	-9
Catastrophic Coverage \$5.00 with 40% Cap	+6	-3	+3	+3	+3	+5	-3	-5	-1	-12	+13	-3
Supplemental Agriculture Disaster Assistance	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+6	+11
Loss of Peach, Blueberry Crops Due to Cold	+18	+0	+0	+0	+0	+0	+0	+0	+0	+0	+18	+18
Additional Assistance for Volcanic Activity	+27	+3	+0	+0	+0	+0	+0	+0	+0	+0	+30	+30
Milk Donation Program	+8	+5	+5	+5	+5	+5	+5	+5	+5	+5	+28	+53
Repayment Dairy Risk Coverage Premiums	+78	+0	+0	+0	+0	+0	+0	+0	+0	+0	+78	+78
Dairy Risk Coverage	+24	+14	+9	+6	+6	+7	+0	-1	+16	+16	+59	+97
Agriculture Risk Coverage (ARC)	+0	+0	+23	+17	+20	+21	+21	+23	+22	+23	+61	+172
Subtotal, Title I	+155	+10	-35	-81	-73	-70	-85	-88	-66	-76	-23	-408
Title II—Conservation												
Environmental Quality Incentives Program	-61	-120	-138	-149	-158	-171	-187	-176	-163	-158	-626	-1,481
Conservation Stewardship Program	-3	-25	-46	-67	-88	-112	-133	-155	-175	-196	-229	-1,000
Conservation Reserve Program	-11	+42	+47	+49	+15	+11	-22	-30	-50	-51	+142	+0
Regional Conservation Partnership Program	+41	+71	+79	+87	+96	+100	+100	+100	+100	+100	+374	+874
Agricultural Conservation Easement Program	+56	+115	+134	+149	+175	+188	+194	+197	+199	+200	+629	+1,607

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Subtotal, Title II	+22	+83	+76	+69	+40	+16	-48	-64	-89	-105	+290	+0
Title III—Trade												
Trade Promotion, Development and Assistance ^a	+52	+52	+52	+52	+52	+52	+52	+52	+52	+52	+258	+515
Subtotal, Title III	+52	+52	+52	+52	+52	+52	+52	+52	+52	+52	+258	+515
Title IV—Nutrition												
Interstate Data Matching/Multiple Issuance	+0	-8	-25	-45	-60	-80	-90	-90	-95	-95	-138	-588
Quality Control	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-210	-420
Assistance for Community Food Projects	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-20	-40
Interactions	*	*	*	*	*	*	*	*	*	*	*	*
Income Verification	*	+2	+4	+3	+1	+0	+0	+0	+0	+0	+10	+10
Harvesting Health Pilot Projects	+4	+4	+4	+4	+4	+0	+0	+0	+0	+0	+20	+20
Improvements to EBT System	+0	+2	+5	+9	+8	+4	+0	+0	+0	+0	+24	+28
Food Distribution on Indian Reservations	+3	+3	+3	+4	+4	+4	+4	+4	+4	+4	+17	+37
Definition of Certification Period	*	*	+5	+20	+30	+30	+30	+30	+30	+30	+55	+205
Emergency Food Assistance Programs	+12	+24	+23	+23	+23	+19	+20	+20	+21	+21	+105	+206
Work Requirements for SNAP	+5	+40	+55	+55	+55	+5	+5	+5	+5	+5	+210	+235
Food Insecurity Nutrition Incentive ^a	+8	+18	+30	+45	+50	+50	+50	+50	+50	+50	+151	+401
Subtotal, Title IV	-14	+39	+58	+72	+69	-14	-27	-27	-31	-31	+224	+94
Title V—Credit	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Title VI—Rural Development												
Cushion of Credit: No New, Reduce Rate	-140	-140	-150	-190	-220	-260	-280	-300	-320	-350	-840	-2,350
Rural Electric Development Loan and Grants	+0	+0	+0	+4	+4	+2	+0	+0	+0	+0	+8	+10

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Subtotal, Title VI	-140	-140	-150	-186	-216	-258	-280	-300	-320	-350	-832	-2,340
Title VII—Research and Extension												
Biomass Research and Development	+0	+1	+2	+3	+3	+3	+2	+1	+0	+0	+8	+15
Emerging Agricultural Production Research and Extension	+2	+3	+4	+4	+4	+2	+1	+0	+0	+0	+17	+20
Foundation for Food and Agricultural Research ^b	+200	0	0	0	0	0	0	0	0	0	+200	+200
Organic Agricultural Research and Extension Initiative ^a	+24	+36	+43	+48	+50	+50	+50	+50	+50	+50	+200	+450
Subtotal, Title VII	+226	+40	+48	+54	+57	+55	+53	+51	+50	+50	+426	+685
Title VIII—Forestry	+1	+1	+1	+1	+1	+0	+0	+0	+0	+0	+5	+5
Title IX—Energy												
Carbon Utilization Education Program	+2	+2	+2	+2	+2	0	0	0	0	0	+10	+10
Bio-based Market Program ^b	+3	+3	+3	+3	+3	+0	+0	+0	+0	+0	+15	+15
Bioenergy Program for Advanced Biofuels ^b	+3	+9	+13	+14	+15	+12	+6	+2	+1	+0	+54	+75
Biomass Crop Assistance Program ^b	+9	+16	+20	+22	+25	+16	+8	+5	+4	+0	+92	+125
Bio-refinery Assistance ^b	+0	+20	+40	+45	+35	+10	+0	+0	+0	+0	+140	+150
Subtotal, Title IX	+17	+50	+78	+86	+80	+38	+14	+7	+5	+0	+311	+375
Title X—Horticulture												
Organic Production and Market Data ^b	+1	+1	+1	+1	+1	+0	+0	+0	+0	+0	+5	+5
Organic Certification/Trade Tracking/Data Collection	+1	+1	+1	+1	+1	+0	+0	+0	+0	+0	+5	+5
National Organic Certification Cost Share ^b	+9	+12	+12	+12	+12	+3	0	0	0	0	+55	+58
Local Agriculture Market Program ^a	+33	+45	+60	+60	+60	+60	+60	+60	+60	+60	+258	+558

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Subtotal, Title X	+44	+59	+74	+74	+74	+63	+60	+60	+60	+60	+323	+626
Title XI—Crop Insurance												
Enterprise Units Across County Lines	+0	-3	-3	-3	-3	-3	-3	-3	-3	-3	-12	-27
Crop Production on Native Sod	+0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
Funding for Information Technology	+0	+1	+1	+0	+0	+0	+0	+0	+0	+0	+2	+2
Submission of Policies and Materials to Board	+0	+0	+1	+1	+1	+1	+1	+1	+1	+1	+3	+8
Whole Farm Revenue Agent Incentives	+0	+1	+1	+1	+1	+1	+1	+1	+1	+2	+3	+10
Pasture, Range, Forage Policy Indian Tribes	+0	+1	+1	+1	+1	+1	+1	+1	+1	+1	+5	+12
Subtotal, Title XI	+0	+0	+0	-1	-1	+0	+0	+0	+0	+0	-1	-2
Title XII—Miscellaneous												
Extension of Merchandise Processing Fee	+0	+0	+0	+0	+0	+0	+0	+0	-371	+0	+0	-371
Direct Operation Microloans	+1	+1	+1	+1	+1	+0	+0	+0	+0	+0	+5	+5
Cattle Tick Inspection Emergency Livestock	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+4	+7
Administrative Units	+0	+0	+1	+1	+1	+1	+1	+1	+1	+1	+3	+7
Wool Research and Promotion	+0	+2	+2	+2	+2	+0	+0	+0	+0	+0	+9	+10
National Oilheat Research Alliance	+5	+7	+7	+7	+7	+7	+7	+7	+7	+7	+33	+68
Pima Agriculture Cotton Trust Fund ^b	+16	+16	+16	+16	+16	+0	+0	+0	+0	+0	+80	+80
Agriculture Wool Apparel Manufacturing Trust Fund ^b	+0	+30	+30	+30	+30	+0	+0	+0	+0	+0	+120	+121
Emergency Citrus Trust Fund ^b	+25	+25	+25	+25	+25	+0	+0	+0	+0	+0	+125	+125
Farming Opportunities Training and Outreach ^a	+26	+40	+50	+50	+50	+50	+50	+50	+50	+50	+216	+466
Subtotal, Title XII	+73	+122	+133	+133	+133	+59	+59	+59	-312	+59	+594	+517
Total Changes in Direct Spending	+436	+314	+334	+273	+215	-61	-203	-250	-651	-341	+1,573	+68

	Fiscal year										5 years	10 years
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
Increases in Revenue: Title XII—Oilheat	+5	+7	+7	+7	+7	+7	+7	+7	+7	+7	+33	+68
Net Effect on the Deficit	+431	+307	+327	+266	+208	-68	-210	-257	-658	-348	+1,540	+0

Source: CRS, sorted within titles using the CBO cost estimates for the Senate-passed amendment to H.R. 2, <https://www.cbo.gov/publication/54284>, July 24, 2018.

Notes: * denotes score between -\$500,000 and +\$500,000. + denotes additional spending or, in the case of revenue, additional revenue. - denotes reduced spending.

a. Denotes a “program without baseline” after FY2018 from the 2014 farm bill (**Figure 3**) that received new funding in FY2019-2028 and permanent baseline.

b. Denotes a “program without baseline” after FY2018 from the 2014 farm bill (**Figure 3**) that received new funding in FY2019-2023 but not permanent baseline.

Authorizations for Discretionary Appropriation

In addition to the mandatory spending figures above, the farm bill authorizes appropriations for a variety of existing and new USDA programs. The CBO scores include an estimate of the discretionary spending that would be needed to implement provisions that have authorizations of appropriations. As discussed before, these authorizations are not actual costs to the score of the farm bill (in terms of mandatory spending baseline and score) because such discretionary spending is ultimately determined in future annual appropriations acts.

For the House-passed farm bill, CBO estimated that implementing the provisions of H.R. 2 that specify authorizations of appropriations would cost \$24.5 billion over the five-year period FY2019-FY2023, assuming appropriation of the specified amounts. For the Senate-passed version, the amount would be slightly smaller at \$23.7 billion.²⁴

For both of these estimates of chamber-passed authorized appropriations, the projection is for the total of the bill and is not disaggregated across titles or programs. However, the earlier committee-reported scores of the respective farm bills do estimate amounts by title, as shown in **Table 5**.²⁵ The committee-reported totals are nearly the same as the chamber-passed totals, thus making the earlier title-level estimates relatively reliable indicators of the distribution across titles for the authorizations of appropriation that are made in each chamber-passed bill.

The title-level CBO estimate of discretionary spending that is authorized in the farm bill is similar between the House and Senate bills. Three titles account for about 85% of the discretionary authorizations: Trade, Research, and Rural Development.

The bill-level estimates that sum to between \$2 billion and \$6 billion per year do not reflect total annual appropriations for agencies or programs in the roughly \$20 billion Agriculture appropriations act.²⁶ Not all of the authorizations of appropriations that are funded in the Agriculture appropriations act are made in the farm bill. For example, the annual Agriculture appropriations act includes funding for (1) agencies or programs that are not in the jurisdiction of the farm bill authorizing committees (e.g., the roughly \$6 billion Special Supplemental Nutrition Assistance Program for Women, Infants, and Children is not in the jurisdiction of the House Agriculture Committee or the farm bill) and (2) appropriations for salaries and expenses that may be permanently authorized or not necessarily reauthorized in the farm bill. CBO did not estimate the cost of implementing provisions that do not have a specific authorization amount.

²⁴ CBO, “Cost Estimates for H.R. 2 as Passed by the House of Representatives and as Passed by the Senate.”

²⁵ CBO, “H.R. 2, Agriculture and Nutrition Act of 2018, as Reported by the House Agriculture Committee”; and CBO, “S. 3042, Agriculture Improvement Act of 2018, as Reported by the Senate Agriculture Committee.”

²⁶ For example, see CRS Report R45230, *Agriculture and Related Agencies: FY2019 Appropriations*.

Table 5. Farm Bill Authorizations That Are Subject to Appropriation
(dollars in millions)

	Fiscal year					Five years
	2019	2020	2021	2022	2023	FY2019-23
House						
Commodities	na	na	na	na	na	na
Conservation	106	144	157	165	165	737
Trade	874	2,130	2,417	2,533	2,578	10,532
Nutrition	74	79	80	80	80	393
Credit	248	257	257	257	257	1,274
Rural Infrastructure and Economic Development	179	490	826	1,159	1,292	3,945
Research	756	1,183	1,479	1,479	1,479	6,374
Forestry	56	81	94	102	105	437
Horticulture	51	62	65	67	69	313
Crop Insurance	na	na	na	na	na	na
Miscellaneous	34	54	60	60	60	268
Subtotal (committee-reported score)	2,378	4,479	5,433	5,900	6,084	24,273
Changes added after floor passage	37	40	41	41	41	200
Total (House-passed score)	2,415	4,519	5,474	5,941	6,125	24,473
Senate						
Commodities	na	na	na	na	na	na
Conservation	178	259	293	315	315	1,359
Trade	878	2,139	2,427	2,544	2,589	10,577
Nutrition	7	14	11	10	5	47
Credit	172	173	173	173	173	862
Rural Development	132	333	520	690	764	2,440
Research	864	1,278	1,566	1,559	1,559	6,826
Forestry	-24	-14	9	23	31	26
Energy	31	78	126	159	176	570
Horticulture	37	51	54	56	58	255
Crop Insurance	na	na	na	na	na	na
Miscellaneous	95	149	157	157	157	713
Subtotal (committee-reported score)	2,370	4,461	5,334	5,685	5,825	23,675
Changes added after floor passage	1	4	4	1	0	10
Total (Senate-passed score)	2,371	4,465	5,338	5,686	5,825	23,685

Source: CRS, compiled from (1) title-level amounts in CBO, “H.R. 2, as Reported by the House Agriculture Committee,” May 2, 2018; and CBO, S. 3042 as Reported by the Senate Agriculture Committee,” June 21, 2018; and (2) the updated total in CBO, “Cost Estimates for H.R. 2 as Passed by the House and as Passed by the Senate,” July 24, 2018.

Note: “na” indicates that CBO did not estimate a specific authorization amount.

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