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Farm Bill Primer: Background and Status

The farm bill is an omnibus, multiyear 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 has typically been renewed about every five years since the 1930s (CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2024*).

What's in a Farm Bill?

The breadth of the farm bill is optional and largely determined by the joint jurisdiction of the House and Senate agriculture committees. Farm bills initially focused on farm commodity program support for a handful of staple commodities—corn, soybeans, wheat, cotton, rice, peanuts, dairy, and sugar. Farm bills have become increasingly expansive since 1973, when a nutrition title was first included. Other prominent additions include policies that had been stand-alone laws, such as conservation, credit, and research. New topics have emerged, such as bioenergy and horticulture. The current House-proposed farm bill (H.R. 8467) and the Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334) contain 12 titles (see **text box**).

The omnibus nature of the farm bill can create broad coalitions for policies that individually might not have a majority of support in the legislative process. In recent years, more stakeholders have become involved in the farm bill debate representing conservation, rural development, nutrition, local food systems, and organic production.

When Does the Farm Bill Expire?

The 2018 farm bill was written to cover five years through FY2023 and the 2023 crop year. In November 2023, Congress enacted a one-year extension to cover FY2024 and the 2024 crop year (P.L. 118-22, Division B, §102).

Without reauthorization, some farm bill programs expire and may not continue operations. Most nutrition assistance programs can be continued by providing appropriations. Farm commodity programs need to be reauthorized for future crop years. The farm bill also suspends long-abandoned permanent laws from the 1940s for the farm commodity programs that used supply controls and price regimes that would be costly to implement if their suspension expires. Other programs like crop insurance have permanent authority and do not need reauthorization (CRS Report R47659, *Expiration of the 2018 Farm Bill and Extension for 2024*).

What Does the Farm Bill Cost?

Farm bills authorize programs in two spending categories: mandatory and discretionary. They authorize mandatory funding for programs based on multiyear budget estimates (*baseline*) and estimates of what provisions in newly

enacted bills cost (*scores*). Programs authorized for discretionary funding are not funded by the farm bill and depend on future appropriations action. Mandatory programs usually dominate the farm bill debate (CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*).

Farm bills have both 5-year and 10-year budget projections for the programs that operate as entitlements based on formulas and eligibility criteria. The 10-year projection for the 2018 farm bill was \$867 billion over FY2019-FY2028 (**Table 1**). Four titles accounted for 99% of the 2018 farm bill's mandatory spending: nutrition (primarily the Supplemental Nutrition Assistance Program, SNAP), farm commodities, crop insurance, and conservation. Programs in all other farm bill titles accounted for about 1% of mandatory outlays and receive mostly discretionary funds.

Titles in Recent Farm Bills

Title I, Commodities: Provides support for major commodity crops, including wheat, corn, soybeans, peanuts, rice, dairy, and sugar. Authorizes disaster assistance.

Title II, Conservation: Encourages environmental stewardship of farmlands and improved management through land retirement programs, working lands programs, or both.

Title III, Trade: Supports U.S. agricultural export programs and international food assistance programs.

Title IV, Nutrition: Provides nutrition assistance for low-income households through programs, including SNAP.

Title V, Credit: Offers direct government loans and guarantees to producers to buy land and operate farms and ranches.

Title VI, Rural Development: Supports rural housing, community facilities, business, and utility programs through grants, loans, and guarantees.

Title VII, Research, Extension, and Related Matters: Supports agricultural research and extension programs to expand academic knowledge and help producers be more productive.

Title VIII, Forestry: Supports forestry management programs run by U.S. Department of Agriculture (USDA) 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, USDA-certified organic foods, and locally produced foods and authorizes a regulatory framework for industrial hemp.

Title XI, Crop Insurance: Enhances risk management through the permanently authorized Federal Crop Insurance Program.

Title XII, Miscellaneous: Includes programs and assistance for livestock and poultry production, support for beginning farmers and ranchers, and other miscellaneous and general provisions.

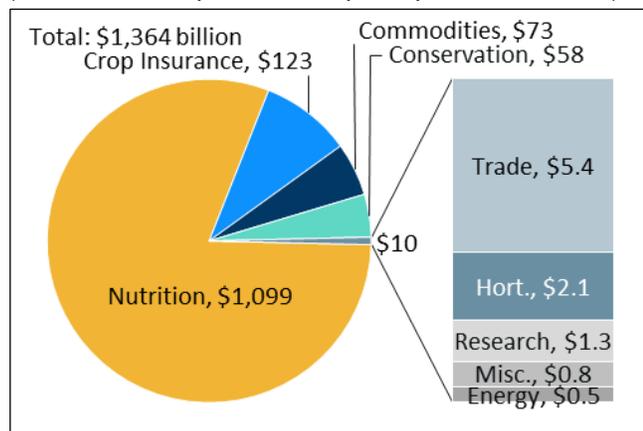
Table 1. Projected Budget for the 2018 Farm Bill, the May 2023 Baseline, and the CBO Score of H.R. 8467
(million dollars, 10-year mandatory outlays)

Title	2018 Farm Bill at Enactment	H.R. 8467 (May 2023 baseline)	H.R. 8467 (CBO score) ^a
	FY2019-FY2028	FY2024-FY2033	FY2025-FY2033
Commodities	\$61,414	\$68,556	+\$43,376
Conservation	59,748	59,994	-1,770
Trade	4,094	4,990	+2,185
Nutrition	663,828	1,223,110	-20,591
Credit	-4,558	— ^b	0
Rural Dev.	-2,362	— ^b	0
Research	1,219	1,300	+3,398
Forestry	10	— ^b	+10
Energy	737	500	+50
Horticulture	2,047	2,100	+370
Crop Ins.	77,933	101,345	+3,516
Miscellaneous	3,091	800	+2,429
Total	\$867,200	\$1,462,695	+\$32,973

Source: CRS using CRS Report R45425, *Budget Issues That Shaped the 2018 Farm Bill*; CRS analysis of the Congressional Budget Office (CBO) May 2023 baselines for SNAP and the USDA Mandatory Farm Programs for the five largest titles and amounts in law for other titles; and CRS analysis of CBO, "H.R. 8467, Farm, Food, and National Security Act of 2024," August 2, 2024, as published in CRS Report R48167, *The 2024 Farm Bill: H.R. 8467 Compared with Current Law*.

- a. The score is the change relative to the May 2023 baseline.
- b. Baseline for the credit title is likely negative, indicating payments into the Farm Credit System Insurance fund. The rural development title has no current programs with baseline. Baseline for the forestry title is \$10 million or less.

Figure 1. Baseline for Farm Bill Programs, by Title
(billion dollars, 10-year mandatory outlays, FY2025-FY2034)



Source: CRS using the CBO June 2024 baseline for the five largest titles and amounts in law for programs in other titles.

The June 2024 Congressional Budget Office (CBO) baseline updates the projection of budget authority for the major farm bill programs. **Figure 1** includes these updates and the funding indicated in law for other farm bill programs not included in the CBO projection. The June 2024 baseline has \$662 billion over 5 years (FY2025-FY2029) and \$1,364 billion over 10 years (FY2025-FY2034).

What Are the Current Issues?

On May 23, 2024, the House Committee on Agriculture ordered reported a farm bill, H.R. 8467, the Farm, Food, and National Security Act of 2024. The Senate Committee on Agriculture, Nutrition, and Forestry has not released bill text for a farm bill, though both the majority and minority have released non-legislative, descriptive frameworks.

Budget issues pursuant to achieving various policy goals have become a leading obstacle in advancing the farm bill. The major policy issues include increasing “reference prices” for the farm commodity programs that would provide greater payments to farmers when market prices fall below a target support level. The House bill would also restrict USDA’s ability to use the Commodity Credit Corporation (CCC) to initiate farm assistance outside the farm bill. In nutrition policy, in addition to increasing some benefits or eligibility, the bill would prevent USDA from reevaluating the market basket for the Thrifty Food Plan (TFP) in SNAP in a way that exceeds the cost of inflation. Another policy goal is to incorporate one-time conservation funding that was provided in P.L. 117-169 (referred to as the Inflation Reduction Act) into the permanent farm bill conservation baseline. The bill would also increase mandatory funding for export promotion, agricultural research, and animal health programs.

The baseline CBO used to evaluate H.R. 8467 was the May 2023 baseline (middle column of **Table 1**), which was the scoring baseline in effect at markup. The CBO score indicates that the bill would increase mandatory spending by \$15.4 billion over five years (FY2025-FY2029) and by \$33.0 billion over nine years (FY2025-FY2033) (right column of **Table 1**). CBO scored no effect of the bill in FY2024, making it effectively a nine-year score.

The major budgetary changes in H.R. 8467 include a net increase of about \$43.4 billion over nine years for commodity support programs, including limiting the CCC; a net decrease of \$1.8 billion for conservation programs; a net decrease of \$20.6 billion for the domestic nutrition programs, including by limiting the TFP; and nine-year increases of \$2.2 billion for trade, \$3.4 billion for research, \$3.5 billion for crop insurance, and \$2.4 billion for miscellaneous title provisions (CRS Report R48167, *The 2024 Farm Bill: H.R. 8467 Compared with Current Law*). Under normal budget enforcement rules, such net increases in a bill’s cost are subject to budget constraints like pay-as-you-go (PAYGO), which assume bills do not increase the federal budget deficit.

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