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Farm Bill Primer: Budget Dynamics

Farm Bills from a Budgetary Perspective

The farm bill authorizes funding for a wide range of food, agriculture, and rural development programs. Funding is divided into two main categories—*mandatory spending* and *discretionary spending*. Congress is organized with *authorizing committees*, which are primarily responsible for setting policies that determine mandatory spending, and *appropriations committees*, which primarily determine discretionary spending levels. The authorizing committees with primary jurisdiction for the farm bill are the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

- **Mandatory spending** is authorized for multiyear outlays when a law is enacted. The Congressional Budget Office (CBO) estimates a budgetary projection of future spending assuming current law continues. This is known as a *baseline* for mandatory spending.

- **Discretionary spending** is provided in appropriations acts. The farm bill may provide *authorizations of appropriations*, which are suggested funding levels; however, funding for outlays depends on future enactment of appropriations.

Mandatory spending is authorized primarily for the farm commodity, conservation, crop insurance, and the nutrition assistance programs. Some mandatory spending programs may rely on appropriations to be enacted in order to be implemented, but congressional decisions about changing policies to increase or decrease spending are primarily debated during the authorization process.

Discretionary spending is authorized for most other farm bill programs, including rural development, research, and credit programs. Farm bills establish program parameters for discretionary spending programs (e.g., eligibility requirements and purposes) but do not provide funding.

Some farm bill titles and programs have received both types of funding. Mandatory spending usually dominates the farm bill budget debate and is the focus here.

Budget Enforcement in the Farm Bill

The CBO baseline is a projection at a particular point in time of what future federal mandatory spending would be under the assumption that current law continues. The *baseline* is the benchmark against which proposed changes in law are measured.

When a bill is proposed that would affect mandatory spending, the *score* (cost impact) 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.

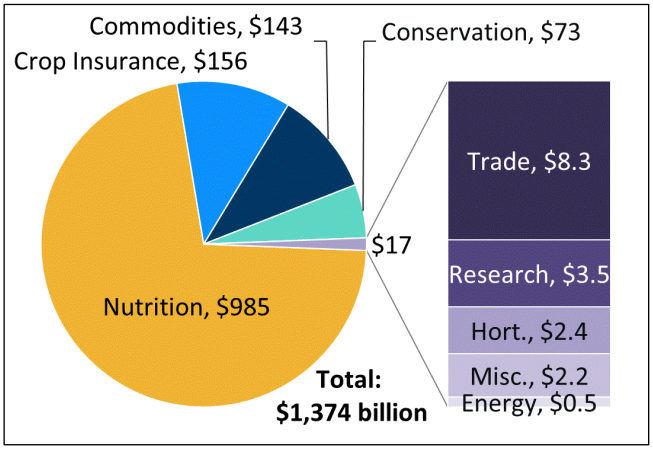
Increases in a bill's total cost beyond the baseline may be subject to budget constraints, such as pay-as-you-go (PAYGO) rules. Reductions from the baseline may be used to offset costs for other provisions that have a positive score or used to reduce the federal deficit. An annual budget resolution, written by the House and Senate Budget Committees, may set overall government spending levels and determine whether a farm bill is held budget neutral or can increase or must decrease spending. See CRS In Focus IF13124, *Distinguishing Between Discretionary and Mandatory Spending*.

Authorizations of appropriations for discretionary spending are not scored during the farm bill authorization process. Appropriators may choose not to fund a discretionary program, provide less than the authorization of appropriations, or provide or exceed the authorization of appropriations. See CRS Report R42098, *Authorization of Appropriations: Procedural and Legal Issues*.

CBO's February 2026 Baseline

Under federal budgeting practices, farm bills have 10-year budget projections even though they may be authorized for five years or less. Converting the February 2026 CBO baseline for various programs into farm bill titles and adding funding indicated in law for other farm bill programs, CRS estimates that the 2026 baseline for all farm bill titles is $1,374 billion over 10 years (FY2027-FY2036) (**Figure 1**). Most of the mandatory spending is in the nutrition title (for the Supplemental Nutrition Assistance Program), with other titles accounting for over $388 billion, distributed among various agricultural programs (**Figure 2**).

Figure 1. Farm Bill Titles with Mandatory Baseline
billions of dollars, 10-year projected outlays, FY2027-FY2036



Source: Created by CRS using the Congressional Budget Office (CBO) February 2026 baseline for the five largest titles and amounts indicated in law for programs in other titles.
Note: Hort. = Horticulture; Misc. = Miscellaneous.

Table 1. Baseline Projections by Farm Bill Title
millions of dollars, 10-year mandatory outlays

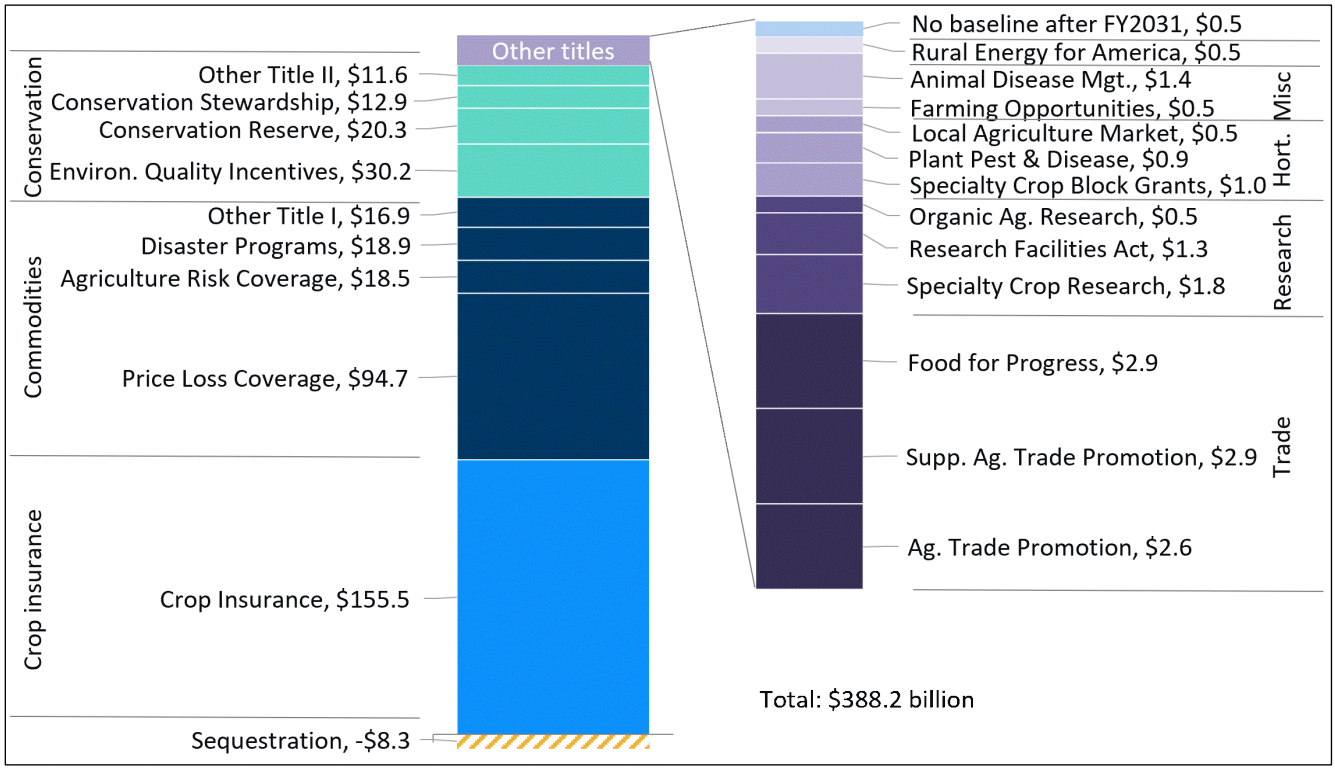
Title	January 2025 FY2025-FY2034	February 2026 FY2027-FY2036
Commodities	67,570	142,625
Conservation	56,789	73,004
Trade	5,430	8,280
Nutrition	1,117,344	985,379
Research	1,300	3,510
Energy	500	535
Horticulture	2,100	2,440
Crop Insurance	131,919	155,539
Miscellaneous	800	2,248
Total	**1,383,752**	**1,373,560**

Source: CRS analysis of the Congressional Budget Office (CBO), *Baselines for Selected Programs*, in January 2025 and February 2026 for the five largest titles and amounts in law for other titles.

Recent Farm Bills' Budget Positions

Over the past three decades, farm bills have had both positive and negative scores, according to CBO. The 2002 farm bill (P.L. 107-171) had a positive score and increased spending by $73 billion over 10 years under a budget resolution during a budget surplus. The 2008 farm bill (P.L. 110-246) was budget neutral, although it added $9 billion to outlays over 10 years by using revenue-related offsets. The 2014 farm bill (P.L. 113-79) had a negative score, reducing spending by $16 billion over 10 years. The 2018 farm bill (P.L. 115-334) was budget neutral with increases in some titles offset by reductions in others. The FY2025 budget reconciliation law (P.L. 119-21) did not contain all of the policies in a typical farm bill but changed some mandatory spending programs, namely by reducing nutrition outlays and increasing baseline for other farm bill titles (see CRS Report R48775, *The Farm Bill After FY2025 Budget Reconciliation: Frequently Asked Questions*). **Table 1** shows the change in farm bill baselines from 2025 to 2026, reflecting both the effects of budget reconciliation and new economic conditions.

Figure 2. Agriculture-Related Programs by Title with Baseline in the Farm Bill
billions of dollars, 10-year projected outlays (excluding the nutrition title), FY2027-FY2036



Source: Created by CRS using the CBO February 2026 baseline for the four largest titles and amounts indicated in law for other titles.
Notes: "No baseline after FY2031" includes new budget authority in FY2027-FY2031 for seven programs: Urban, Indoor, and Emerging Agricultural Production; Bioenergy for Advanced Biofuels; National Organic Certification; Emergency Citrus Disease Research; Wool Apparel Manufacturers Trust Fund; Pima Cotton Trust Fund; and Wool Research and Promotion. It excludes amounts for Feral Swine Eradication and Control and for Voluntary Public Access and Habitat Restoration that are included in "Other Title II."

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