



February 17, 2022

Farm Bill Primer: What Is the Farm Bill?

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. In addition to developing and enacting farm legislation, Congress is involved in overseeing its implementation. The farm bill typically is renewed about every five years. Since the 1930s, Congress has enacted 18 farm bills.

Without reauthorization, some farm bill programs would expire, such as the nutrition assistance and the commodity support programs. The farm bill also suspends permanent law for certain farm commodities. Without suspension, long-abandoned—and potentially costly—supply control and price regimes dating back to the 1940s would activate. Other programs have permanent authority and do not need reauthorization (e.g., crop insurance) but might be included in a farm bill to make policy changes or achieve budgetary goals. The farm bill also extends authorizations of discretionary programs.

Farm bills traditionally have 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 in nature since 1973, when a nutrition title was first included. Other prominent additions since then include horticulture and bioenergy titles and expansion of conservation, research, and rural development titles.

The omnibus nature of the farm bill can create broad coalitions of support among sometimes conflicting interests for policies that individually might have greater difficulty achieving majority support in the legislative process. In recent years, more stakeholders have become involved in the debate on farm bills, 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. These factors can contribute to increased interest in funds provided in a farm bill.

What Is in the 2018 Farm Bill?

The Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334, H.Rept. 115-1072)—enacted in December 2018 and generally expiring in 2023—is the most recent omnibus farm bill. It contains 12 titles (see **text box**). Provisions in the 2018 farm bill modified some of the farm commodity programs, expanded crop insurance, amended conservation programs, reauthorized and revised nutrition assistance, and extended authority to appropriate funds for many U.S. Department of Agriculture (USDA) discretionary programs through FY2023.

The 2018 Farm Bill (P.L. 115-334), by Title

Title I, Commodities: 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 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 the Supplemental Nutrition Assistance Program (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 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, 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.

What Was the Estimated Cost in 2018?

Farm bills authorize programs in two spending categories: mandatory and discretionary. While both types of programs are important, mandatory programs usually dominate the farm bill debate. Programs with mandatory spending generally operate as entitlements, and the farm bill provides mandatory funding for programs based on multiyear budget estimates (*baseline*). Programs with authorized discretionary funding are not funded in the farm bill; any discretionary appropriations would be provided through separate congressional action.

At enactment in December 2018, the Congressional Budget Office (CBO) estimated that the total cost of the mandatory programs in the farm bill was \$428 billion over its five-year duration, FY2019-FY2023, and \$1.8 billion more than a five-year extension of the 2014 farm bill (P.L. 113-79).

Farm bills have both 5-year and 10-year budget projections. The 10-year score for the 2018 farm bill was budget neutral, and program outlays were projected to remain at \$867 billion over FY2019-FY2028 (**Table 1**). Four titles accounted for 99% of the 2018 farm bill’s mandatory spending: Nutrition (primarily SNAP), Commodities, Crop Insurance, and Conservation. Programs in all other farm bill titles accounted for about 1% of mandatory outlays; these programs were authorized to receive discretionary (appropriated) funds.

Table 1. Budget for the 2018 Farm Bill and 2021 Baseline for Farm Bill Programs

(dollars in millions, 10-year mandatory outlays)

Titles	2018 Farm Bill at Enactment	Baseline as of July 2021
	FY2019-FY2028 (\$ millions)	FY2022-FY2031 (\$ millions)
Commodities	61,414	55,003
Conservation	59,748	59,402
Trade	4,094	4,220
Nutrition	663,828	814,503
Credit	-4,558	a/
Rural Development	-2,362	a/
Research	1,219	1,280
Forestry	10	a/
Energy	737	500
Horticulture	2,047	2,100
Crop Insurance	77,933	94,819
Miscellaneous	3,091	760
Total	867,200	1,032,587

Source: CRS using CRS Report R45425, Budget Issues That Shaped the 2018 Farm Bill; CRS Report R45525, The 2018 Farm Bill (P.L. 115-334): Summary and Side-by-Side Comparison; CBO Baseline (July 2021, at <https://www.cbo.gov/about/products/baseline-projections-selected-programs>) for the five largest titles and amounts in law for programs in other titles.

Notes: a/ = Baseline for the credit title is likely negative indicating payments into the Farm Credit System Insurance fund. The rural development title likely no longer has programs with baseline. Baseline for the forestry title is \$10 million or less.

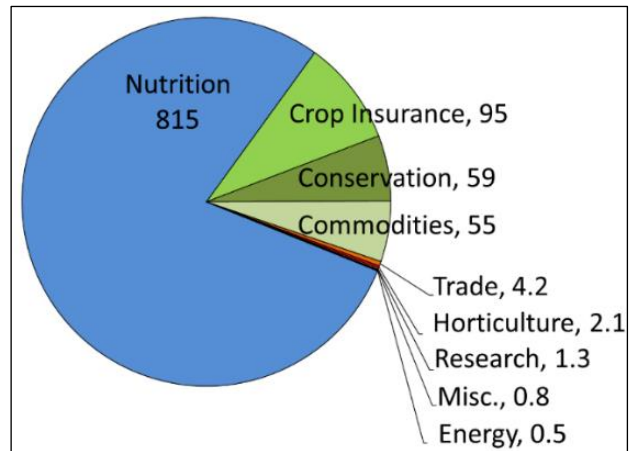
What Is the Farm Bill Budget for 2023?

The CBO baseline represents budget authority and is a projection at a particular point in time of what future federal spending on mandatory programs would be assuming current law continues. It is the benchmark against which proposed changes in law are measured. Having a baseline provides projected future funding if policymakers decide that programs are to continue.

CBO’s scoring baseline for the 2023 legislative session is expected in early 2023 and will cover the 10-year period FY2024-FY2033. Presently, the July 2021 CBO baseline is

the best indicator of future funding availability. Using the July 2021 baseline projection that covers the major farm bill programs, and funding indicated in law for other farm bill programs that are not included in the annual projection, the current baseline for farm bill programs is estimated at \$527 billion over 5 years (FY2022-FY2026) and \$1,033 billion over 10 years (FY2022-FY2031) (**Figure 1**). New CBO baselines later in 2022 and again in 2023 will update these amounts and add future fiscal years.

Figure 1. Baseline for Farm Bill Programs, by Title
(dollars in billions, 10-year mandatory outlays)



Source: CRS using the CBO Baseline (July 2021) for the five largest titles and amounts in law for programs in other titles.

Notes: Estimated at \$1,033 billion over 10 years (FY2022-FY2031).

The relative proportions of farm bill spending have shifted over the past two decades. Conservation spending has steadily risen. Crop insurance has been variable but has generally risen as benefits and enrollment have expanded. Farm commodity program spending is variable but has generally declined. Nutrition assistance rose sharply after the recession in 2009, waned for several years as the economy recovered, and rose again at the onset of the Coronavirus Disease 2019 (COVID-19) pandemic.

Supplemental spending is not part of the farm bill baseline but may be important because of its size in recent years. In FY2019 and FY2020, the Trump Administration used its discretion to increase outlays to farmers and ranchers affected by foreign retaliatory tariffs. Then in FY2020 and FY2021, Congress and the executive branch provided nonfarm-bill supplemental funding during the pandemic.

Information in Selected CRS Reports

CRS Report R45525, *The 2018 Farm Bill (P.L. 115-334): Summary and Side-by-Side Comparison*

CRS Report R45425, *Budget Issues That Shaped the 2018 Farm Bill*

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

Renée Johnson, Specialist in Agricultural Policy
Jim Monke, Specialist in Agricultural Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.