

Farm Bill: Introduction

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What is the Farm Bill?

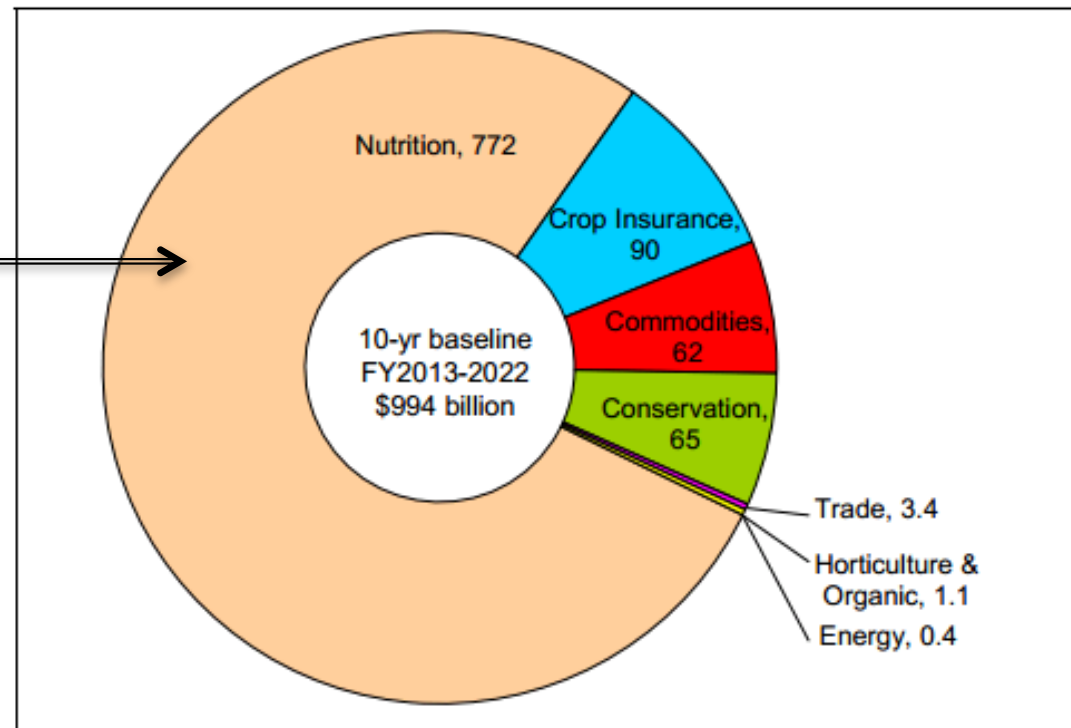
- Basic legislation that authorizes many major U.S. agriculture and food policy programs
- Renewed every 5 years
- The most recent farm bill was passed in 2014. It expires in September 2018.
- The next farm bill “2018 farm bill” is now being worked on in Congress.

Categories of activities authorized by the farm bill

- Nutrition Programs (Title 3)
- Commodity Programs (Farm Subsidies) (Title 1)
- Crop Insurance (Farmer Safety Net) (Title 11)
- Conservation (environmental) payments (Title 2)
- Other (Trade, Credit, Rural Development, Research & Extension, Energy, Forestry, Horticulture, Miscellaneous)

Farm bill Spending by Title

Figure I. Baseline for Mandatory Farm Bill Programs, FY2013-2022
(10-year budget authority in billions of dollars)



Source: CRS, using the January 2012 CBO baseline.

Notes: Excludes \$0.7 billion of expiring budget authority for programs that do not have baseline to continue (Wetlands Reserve, Grasslands Reserve, and Biomass Crop Assistance Program).

77% for nutrition programs,
principally SNAP.

Nutrition Title, Selected Programs

- Supplemental Nutrition Assistance Program (SNAP)
 - Employment & Training
 - Nutrition Education and Obesity Prevention Grant Program (Formerly “SNAP-Ed”)
- The Emergency Food Assistance Program (TEFAP)
- Commodity Supplemental Food Program (Seniors)
- Senior Farmers’ Market Nutrition Program
- Fresh Fruit and Vegetable Program (School Children)
- Food Insecurity Nutrition Incentive (SNAP Participants)

Historically, Passing the Farm Bill requires a Coalition

- Coalition building to improve chance of passage:
 - Farm Interests
 - Regional interests vary by crop (cotton in the South, dairy in the upper Midwest, etc.)
 - Crop Insurance Industry, Agribusiness, Ethanol, etc.
 - Urban interests (Nutrition Programs)
 - Environmental Interests (Conservation Programs)
- 2014 Farm Bill example

Where are we now in the process?

- Both House and Senate authorization committees have been holding hearings to get feedback on Farm Bill
 - House: Committee on Agriculture
 - Senate: Committee on Agriculture, Nutrition & Forestry
- Current Budget Process
- Relevant 2014 Farm Bill programs that expire in 2018

Current Budget Process and Farm Bill

- Every year, Congress sets parameters for discretionary and mandatory spending
- Big push in House to make large cuts in mandatory spending [Farm Bill is mostly mandatory spending]
- House introduced budget resolution for FY2018 in July
 - Includes instructions for House Ag Committee to cut \$10 Billion over 10 years to Farm Bill Food and Ag programs
- What is the definition of a “cut” to Farm Bill?
 - Make changes to the eligibility rules or benefit amounts of mandatory programs such that CBO estimates of 10-year spending in the 2018 Farm Bill are \$10 Billion less than CBO estimates of 10-year spending of the 2014 Farm Bill if everything was kept the same.

What Would a Cut Mean to the Farm Bill

- House bill suggests cut to come from SNAP
- October 6th was deadline for House Ag Committee to report legislation on how the \$10 Billion cut will be achieved specifically
- Potential methods to achieve cut:
 - Turn SNAP into a state block grant program
 - Stronger work requirements for SNAP

Likelihood that this will occur

- Senate passed budget resolution last week
 - No cuts to Ag committee budget
 - More flexibility with funding for Farm Bill by increasing deficit
 - priority to pass tax reform rather than cut spending
- Both House and Senate need to agree for budget to become law
 - As of today, indications are that House will back Senate budget resolution
- GOP want to use reconciliation process to push through tax reform with only a simple majority in Senate.
- But large spending cuts may impede the process.
- Ag committees want to pass Farm Bill. It requires 60 votes in Senate (i.e. bipartisan support). If constrained by budget and forced to make drastic changes to SNAP and other programs then lose needed votes.
- But house push may foreshadow direction of future Farm Bill debate.

Programs that Expire at the End of the 2014 Farm Bill

- 37 Programs that receive mandatory funding in 2014 Farm Bill but are not permanent will expire in September 2018 if no changes are made to 2014 Farm Bill
- In 2013, when the 2008 Farm Bill Expired, these types of programs were “stranded” until the 2014 Farm Bill was passed
- Of interest:
 - Beginning Farmer and Rancher Development Program
 - Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers
 - Food Insecurity Nutrition Incentives Program
 - Farmers Market and Local Food Promotion Program