



2018 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 is typically renewed about every five years. Since the 1930s, 18 farm bills have been enacted (2018, 2014, 2008, 2002, 1996, 1990, 1985, 1981, 1977, 1973, 1970, 1965, 1956, 1954, 1949, 1948, 1938, and 1933).

The farm bill provides an opportunity for Congress to comprehensively and periodically address agricultural and food issues. The 2018 farm bill expires in 2023.

Some farm bill programs would expire without reauthorization, such as the nutrition assistance programs and the commodity programs. Without reauthorization, certain basic farm commodities would revert to long-abandoned—and potentially costly—supply-control and price regimes under permanent law dating back to the 1940s. Many discretionary programs would not have statutory authority to receive appropriations. 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.

Farm bills have traditionally 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 conservation, horticulture, and bioenergy programs.

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 negotiating the legislative process. This can lead to competition for funds provided in a farm bill. 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.

The Agriculture Improvement Act of 2018, P.L. 115-334 (H.Rept. 115-1072), referred to here as the “2018 farm bill,” is the most recent omnibus farm bill. It was enacted in December 2018 and succeeded the Agricultural Act of 2014 (P.L. 113-79, “2014 farm bill”). The 2018 farm bill contains 12 titles (see **text box**).

Provisions in the 2018 farm bill modify some of the farm commodity programs, expand crop insurance, amend conservation programs, reauthorize and revise nutrition assistance, and extend 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, Commodity Programs: 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 and/or working lands programs.

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 to farmers/ranchers and guarantees on private lenders' loans.

Title VI, Rural Development: Supports rural business and community development programs.

Title VII, Research, Extension, and Related Matters: Supports agricultural research and extension programs.

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 establishing a regulatory framework for the cultivation of industrial hemp.

Title XI, Crop Insurance: Enhances risk management through the permanently authorized federal crop insurance program.

Title XII, Miscellaneous: Covers other programs and assistance, including livestock and poultry production and support for beginning farmers and ranchers.

Estimated Cost of the 2018 Farm Bill

The farm bill authorizes programs in two spending categories: mandatory and discretionary. Programs with mandatory spending generally operate as entitlements. The farm bill pays for them using multiyear budget estimates (baseline) when the law is enacted. Programs with authorized discretionary funding are not funded in the farm bill and require additional action by congressional appropriators. While both types of programs are important, mandatory programs often dominate the farm bill debate.

At enactment in December 2018, the Congressional Budget Office (CBO) estimated the total cost of the mandatory programs in the farm bill would be \$428 billion over its five-year duration, FY2019-FY2023, \$1.8 billion more than a simple extension of the 2014 farm bill (**Table 1**).

Four titles account for 99% of anticipated farm bill mandatory outlays: Nutrition, Crop Insurance, Farm Commodity Support, and Conservation. The Nutrition title comprises 76% of mandatory outlays, mostly for SNAP. The remaining 24% of outlays covers mostly risk management and commodity support (16%) and conservation (7%) (**Figure 1**). Programs in all other farm bill titles account for about 1% of mandatory outlays. However, some programs are authorized to receive discretionary (appropriated) funds.

Table 1. Budget for the 2018 Farm Bill

Dollars in millions, FY2019-FY2023, mandatory outlays

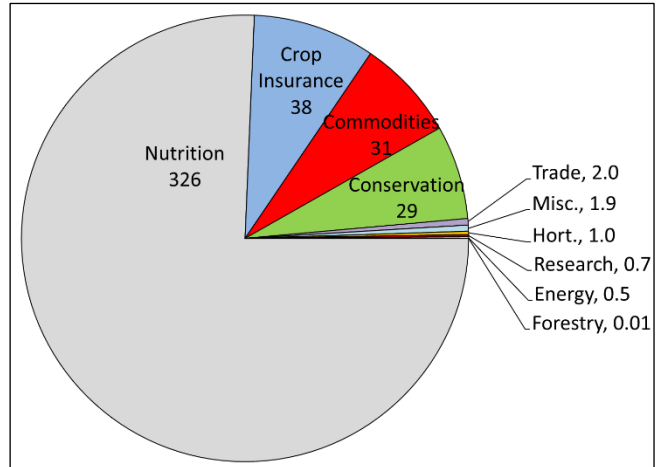
Farm bill titles	April 2018 baseline	Score of P.L. 115-334	Projected outlays at enactment
Commodities	31,340	+101	31,440
Conservation	28,715	+555	29,270
Trade	1,809	+235	2,044
Nutrition	325,922	+98	326,020
Credit	-2,205	+0	-2,205
Rural Development	98	-530	-432
Research	329	+365	694
Forestry	5	+0	5
Energy	362	+109	471
Horticulture	772	+250	1,022
Crop Insurance	38,057	-47	38,010
Miscellaneous	1,259	+685	1,944
Subtotal	426,462	+1,820	428,282
Increased revenue	-	+35	35
Total	426,462	+1,785	428,247

Source: CRS, compiled using the CBO Baseline by Title (unpublished; April 2018), and the CBO cost estimate of the conference agreement for H.R. 2 (December 11, 2018).

Historical Trends

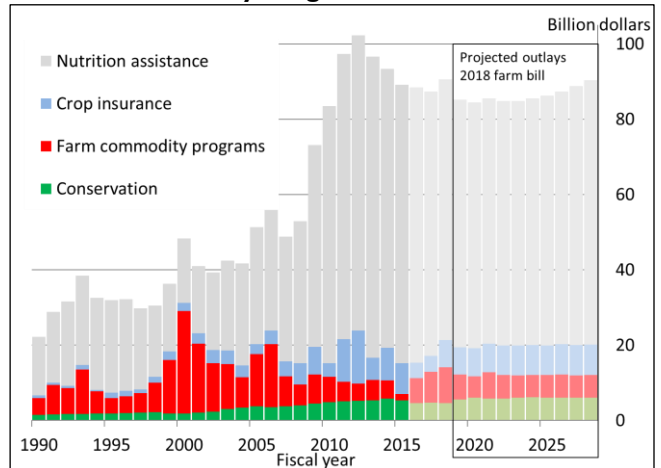
Relative to historical spending, **Figure 2** shows the following trends in farm bill mandatory spending since 1990. SNAP outlays, which comprise most of the Nutrition title, increased markedly after the recession in 2009 and have been gradually decreasing since 2012. Crop insurance outlays have increased steadily over the period, especially during periods when higher market prices and high program participation raised the value of insurable commodities. Farm commodity programs outlays generally rise and fall inversely with commodity prices, such as in the early 2000s and following the return to counter-cyclical programs in the 2014 farm bill. During the past few years of generally lower commodity prices, outlays for commodity crops have been increasing. Conservation program outlays increased steadily since the 1990s but have leveled off in recent years (**Figure 2**).

Figure 1. Projected Outlays of the 2018 Farm Bill (Mandatory outlays, billions of dollars, FY2019-FY2023)



Source: CRS. Compiled from five-year totals in the CBO, “Baseline Projections,” April 2018; at the title level (unpublished); and CBO cost estimate of the conference agreement, December 11, 2018.

Figure 2. Actual and Projected Spending by Major Farm Bill Mandatory Programs



Source: CRS using USDA and CBO data.

Notes: Darker shades of each color are actual outlays based on USDA data; lighter shades are CBO data, including CRS analysis of CBO data for projections at enactment of the 2018 farm bill.

CRS Products

- 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.*
- CRS Report RS22131, *What Is the Farm Bill?*

Renée Johnson, rjohnson@crs.loc.gov, 7-9588

Jim Monke, jmonke@crs.loc.gov, 7-9664