



# FARM BILL REAUTHORIZATION: BACKGROUND AND PROCESS

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April 2023

# What is the Farm Bill?



Monke family farm, Mt. Olive, IL, 1942 (Roy Monke)

- Farm bills have been enacted about every 5 years since 1933
- The farm bill is an act that changes many agricultural laws
- Breadth of the farm bill
  - Titles used to be commodities (e.g., corn, wheat, cotton, dairy, etc.)
  - Titles were incorporated for what used to be stand-alone laws (e.g., for Credit, Research, Rural Development)
  - Titles may be added for new issues (e.g., Energy and Horticulture)
- Jurisdiction of Agriculture Committees in Congress

# Breadth of the Farm Bill



Planting corn, Mt. Olive, IL, 1960 (Roy Monke)

## Titles in the 2018 Farm Bill (P.L. 115-334)

- I **Commodities** – Payments for major crops
- II **Conservation** – Farmland stewardship
- III **Trade** – Export promotion, international food aid
- IV **Nutrition** – Food assistance
- V **Credit** – Direct and guaranteed farm loans
- VI **Rural Development** – Rural businesses and utilities
- VII **Research, Extension, & Related Matters** – Academic knowledge
- VIII **Forestry** – Manage nonfederal and federal forests
- IX **Energy** – Renewable energy systems
- X **Horticulture** – Specialty crops, organic, local foods
- XI **Crop Insurance** – Subsidized risk management
- XII **Miscellaneous** – Including livestock and poultry

# Why the Farm Bill Now?



Milking dairy cows, Mt. Olive, IL, 1942 (Roy Monke)

- The 2018 farm bill begins expiring on September 30, 2023
  - Some programs can continue under appropriations
  - Some programs would cease or not have new funding
  - An extension may work for some programs but not all
- Farm commodity programs expire with 2023 “crop year”
  - First consequence: Dairy, on January 1, 2024
  - Farm bill’s suspension of “permanent law” expires
  - Revert to outdated laws still in statute from 1940s
  - Would set subsidies on 1910-1914 “parity prices,” re-impose supply controls
  - Would be expensive to government and to consumers

# Farm Bill Process

- Farm bills, like any legislation, generate disagreement
- Historically bipartisan, less about party, more often regional or commodity-based constituencies
- Breadth builds coalitions, including urban, rural, industry, social, nature, research, rural development, health, etc.



# Farm Bill Process: How a Bill Becomes a Law



Wheat harvest, Mt. Olive, IL, 1982 (Jim Monke)

- House and Senate develop farm bill versions separately
- “Four Corners” -- House and Senate Agriculture Committee Chairs and Ranking Members
  - Listening sessions and public input
  - Subcommittee and committee hearings with witnesses
  - Committee markup, vote to report a committee bill
  - Floor consideration, amendments, vote on a chamber bill
  - Conference committee appointed to reconcile differences between House and Senate bills; USDA may provide technical assistance
    - House and Senate vote on the conference agreement
- President signs bill, bill becomes law
- USDA implements the new, updated law

# Farm Bill Process: Legislative Timelines Vary

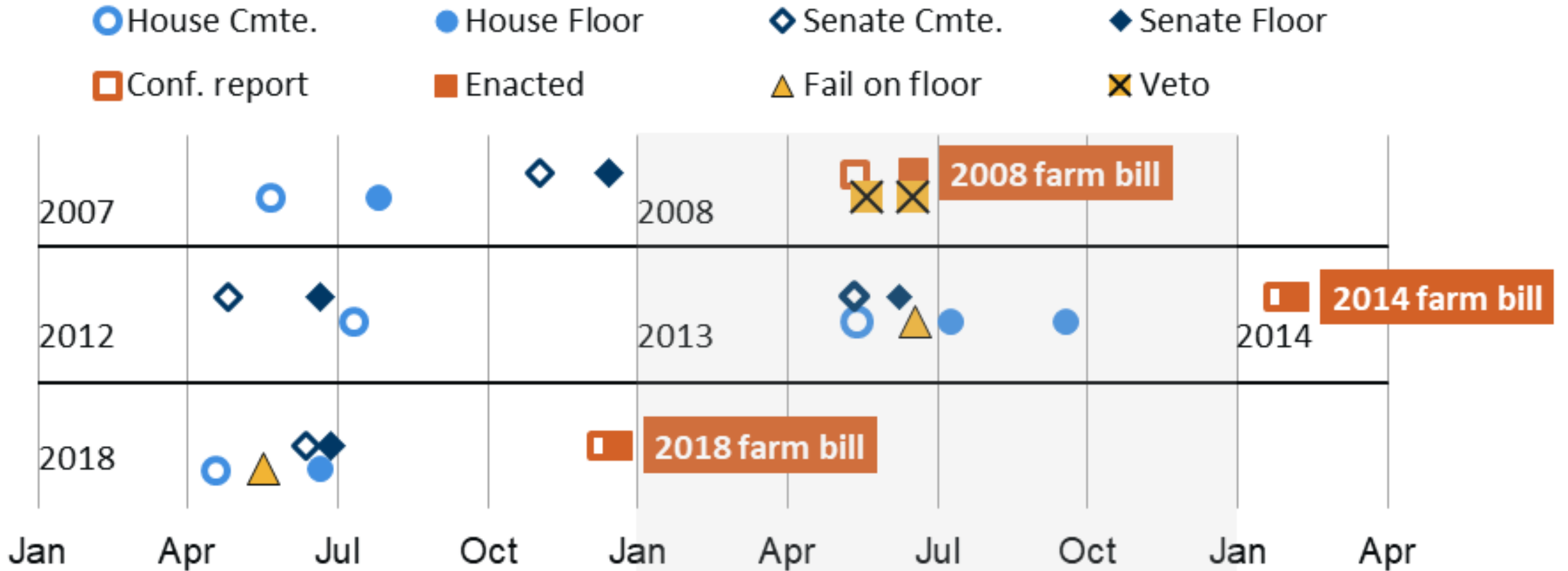


Jim, 16, Mt. Olive, IL, 1982 (Don Monke)

- Before 1996** Enacted in the year the bills were introduced.
- 2008 farm bill** Took 13 months. Short-term extensions. Overcame two vetoes.
- 2014 farm bill** Took 21 months. Stalled in 2012. One-year extension for 2013. Reintroduced in 2013. Initially failed to pass in the House. Nutrition title was temporarily split apart in a separate bill to pass in the House; recombined for conference committee.
- 2018 farm bill** Took 8 months. Initially failed to pass in the House. Enacted during the lame duck session.

Source: CRS Report R45210, *Farm Bills: Major Legislative Actions*

# Farm Bill Timelines: 2007-2018



Source: CRS Report R45210, *Farm Bills: Major Legislative Actions*



# Farm Bill Process: Budget Considerations



- Congressional organization for managing spending
  - Authorizing committees and Appropriations committees
  - Mandatory spending and Discretionary spending
- For farm bill programs with...
  - Discretionary spending:
    - Farm Bill provides an “Authorization for appropriation”
    - Budget enforcement is via annual budget resolution and subsequent appropriation
    - Funding, if any, comes in fiscal year appropriations bills
  - Mandatory spending
    - Farm bill provides both authorization for the program *and* funding
    - Budget enforcement is during the farm bill using Congressional Budget Office (CBO) “baseline” and “scores” of bills

# Farm Bill Process: Budget Enforcement for Mandatory Spending

- **Baseline** = Projection at a point in time of what future spending would be assuming current law continues
  - *Baseline* is the **benchmark** against which to measure the *score*
- **Score** = Expected **change** in a bill compared to the baseline
  - Positive scores increase spending
  - Negative scores decrease spending
- CBO provides 1-year, 5-year, and 10-year projections of baselines and scores
- **PayGo** requires that a bill does not add to the deficit. It is a budget constraint to keep the total score of a bill from exceeding the baseline.
- **CutGo** is more restrictive than PayGo. It doesn't allow revenue (tax) provisions to offset spending
- The annual budget resolution determines whether a farm bill is (1) held budget neutral, (2) can increase the spending, or (3) must decrease spending

# Farm Bill Process: An Example of Baseline and Scores

- Program 1 expires in 2023. Its baseline is the expected outlays assuming current law continues. The baseline is available to reauthorize the program for a new farm bill that would cover 2024-2028.

Baseline Example (\$ millions)	10-year budget window										5 years	10 years
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2028	2024-2033
Program 1	100	100	101	102	103	104	105	106	107	108	506	1,036

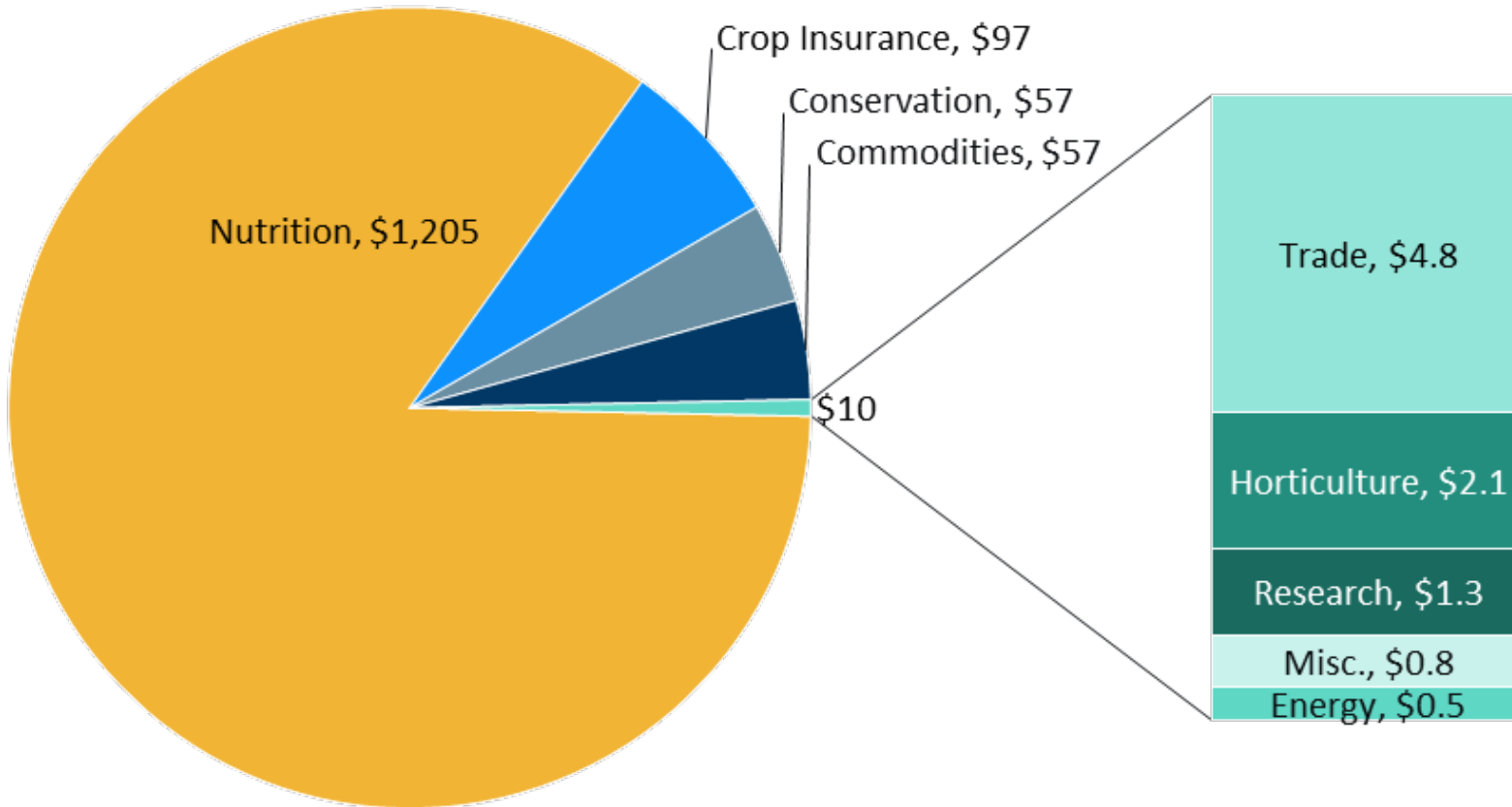
- A bill proposes to reauthorize and change Program 1 to expand eligibility and reduce benefits.
- The bill also creates and funds a new program, but does not provide baseline beyond 2028.
- This example increases spending and would not meet PayGo

Score Example of H.R. XYZ (\$ millions)	10-year budget window										5 years	10 years
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2028	2024-2033
1. Expand	+2	+2	+2	+2	+3	+3	+3	+3	+3	+3	+11	+26
2. Reduce	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-20	-40
3. New	+5	+5	+5	+5	+5	0	+0	+0	+0	+0	+25	+25
Total											+16	+11

Source: CRS, based on experience from CRS Report R45425, *Budget Issues That Shaped the 2018 Farm Bill*

# Funding Availability for Farm Bill Titles (Baseline, \$ billions)

## \$1,426 billion for 10 years FY2024-FY2033



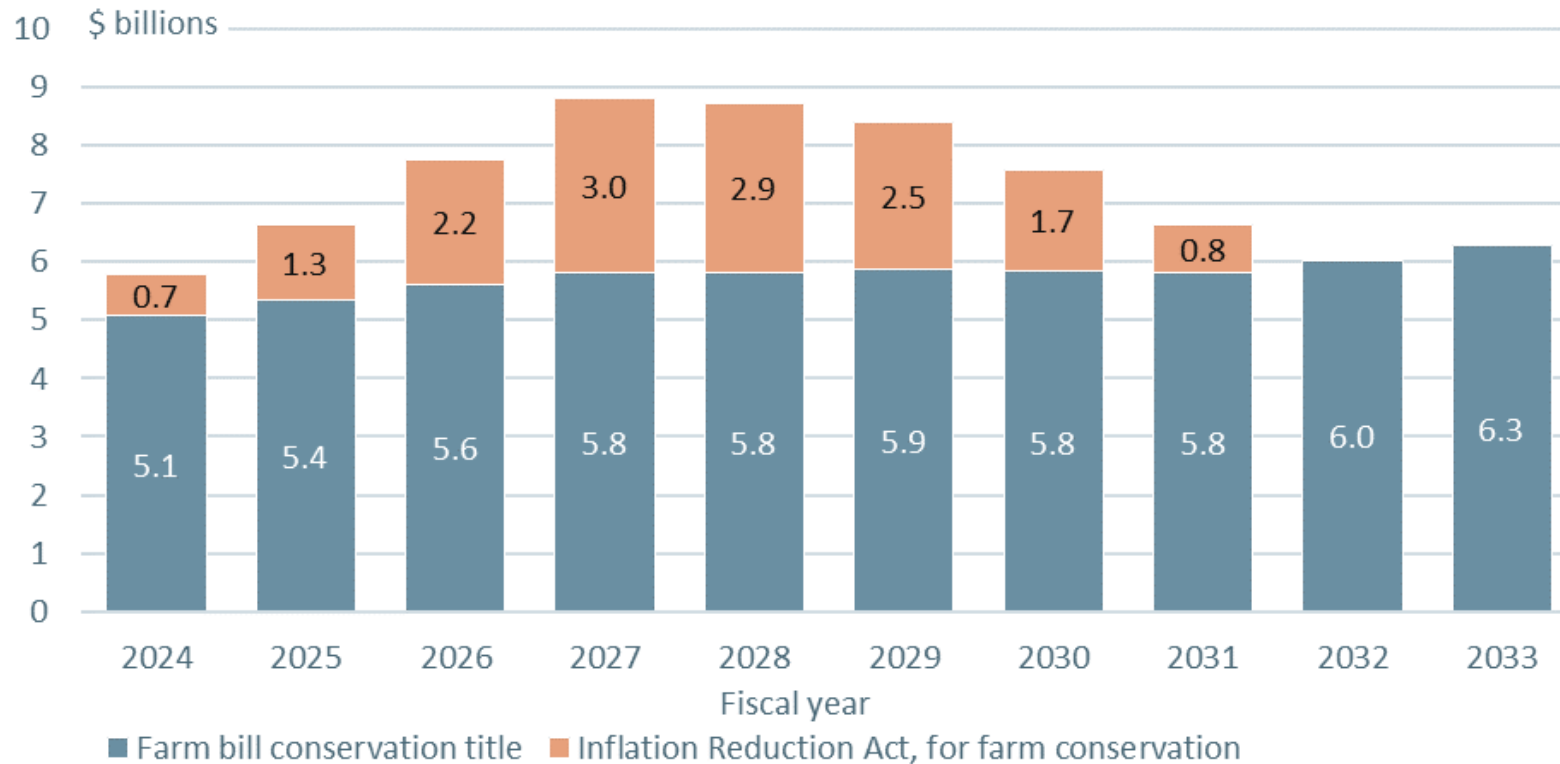
Includes farm bill programs only.  
Excludes supplemental spending and P.L. 117-169, often referred to as the Inflation Reduction Act (IRA).

Size of pie, and shares, may change on economic expectations outside of farm bill legislative action.

- Nutrition title is now about 85% (76% in 2018)
- Agriculture programs (blue-grey-navy-green) were:  
\$203 billion in 2018  
\$218 billion in 2021  
\$221 billion in 2023

Source: CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*, based on the February 2023 CBO Baseline, and amounts indicated in law

# Conservation Title Baseline in the Farm Bill, and Funding in the IRA for Farm Bill Conservation Programs



**Source:** CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*, based on the February 2023 CBO Baseline

**Notes:** Funding shown is projected outlays

The IRA added funding to four Conservation title programs.

- Not farm bill funding
- Not permanent
- Budget authority is added until FY2026
- Outlays are allowed until FY2031
- May be able to be used as an offset in the farm bill.