

Farm Bill History & Development

EESI Congressional Staff Briefing (April 26, 2023)

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I ILLINOIS

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& ENVIRONMENTAL SCIENCES

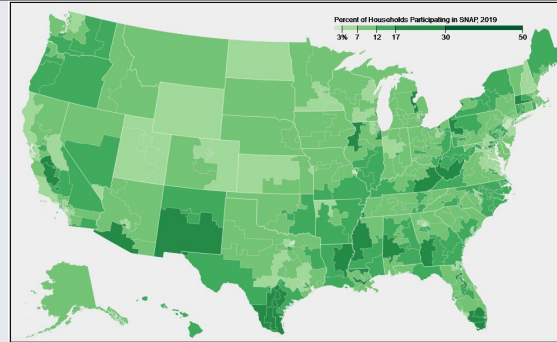
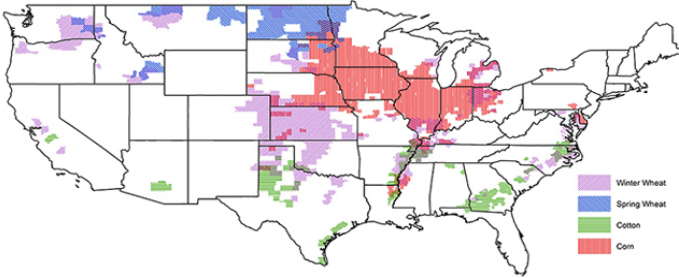


Gardner
Agriculture
Policy
Program

The Political Strength of a Farm Bill Is In Its Coalition

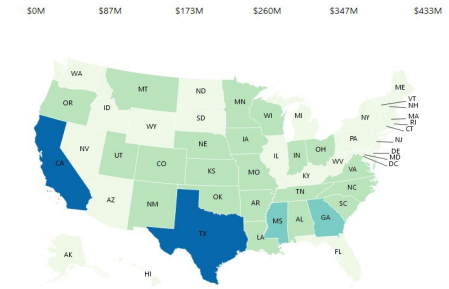
→ 2023 Marks 90 Years ←

Figure 1: Traditional Farm Coalition



Source: FRAC analysis of 2019 American Community Survey (ACS) data.
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<https://frac.org/maps/snap-cd/snap-congress.html>

Total EQIP Benefits



<https://farmedaily.illinois.edu/2023/04/a-view-of-the-farm-bill-through-policy-design-part-1-eqip.html>

Farm

Direct assistance to a subset of farmers built on traditional regional farm coalition (corn, cotton & wheat); includes crop insurance.

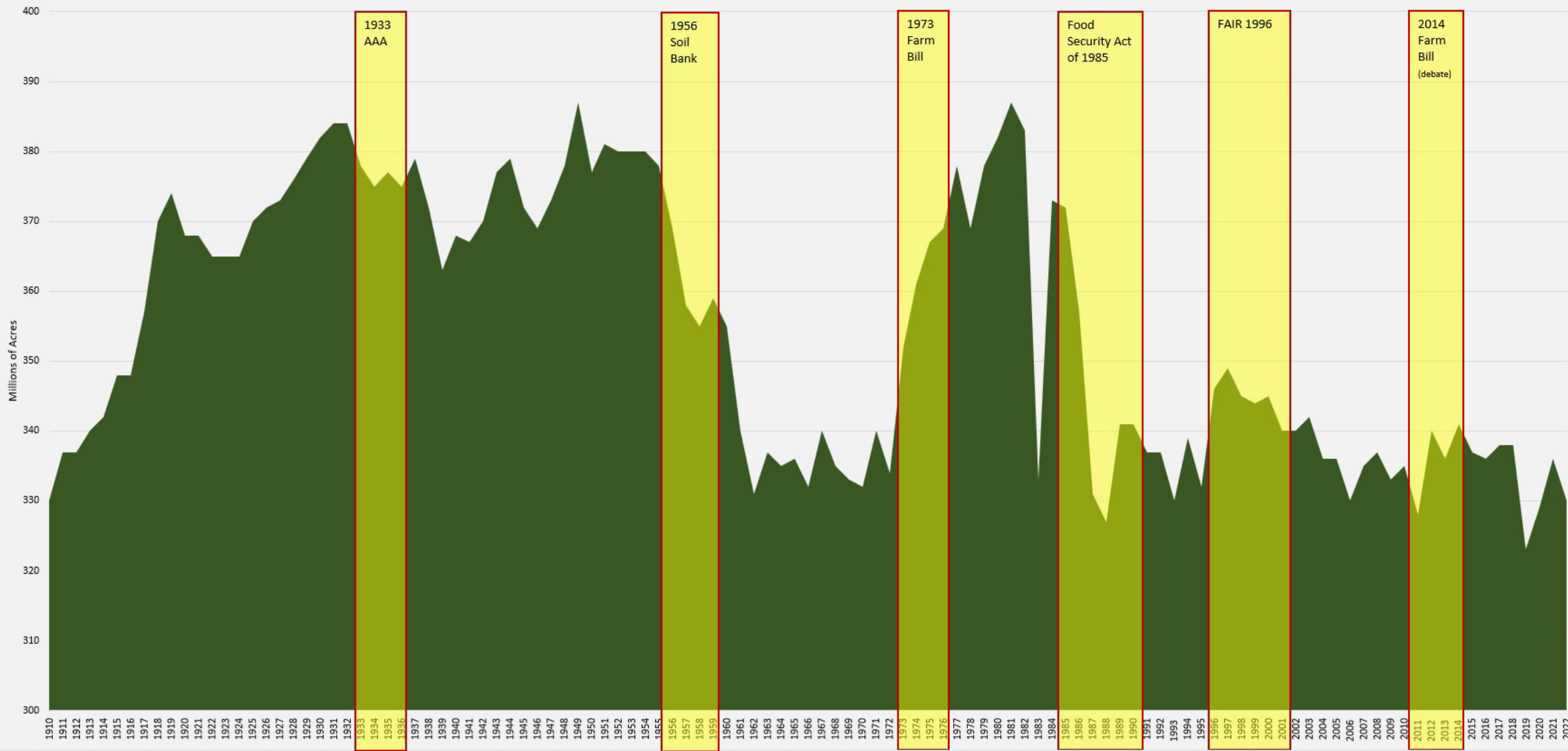
Food

Direct assistance to low-income households for the purchase of food.

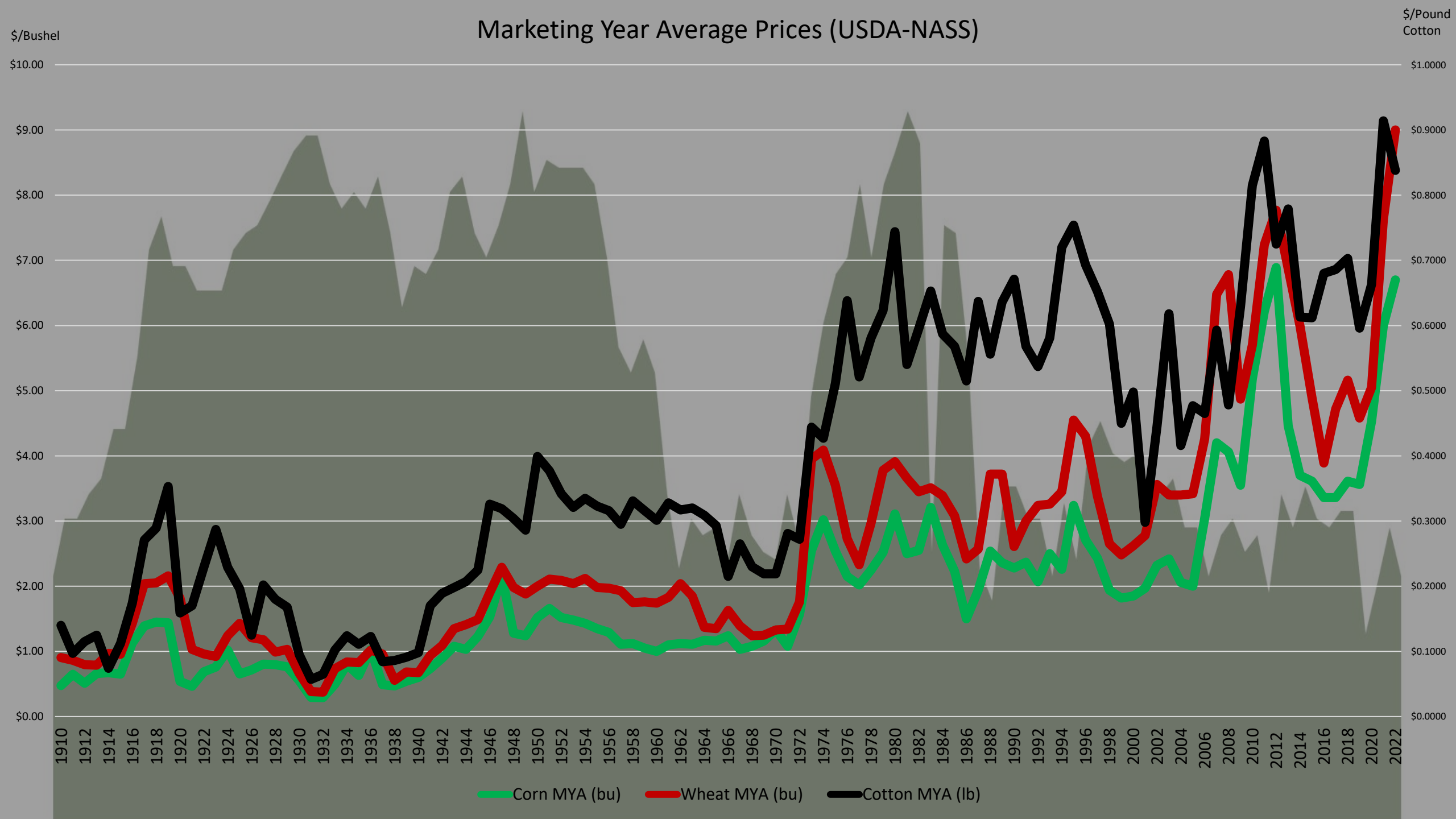
Conservation

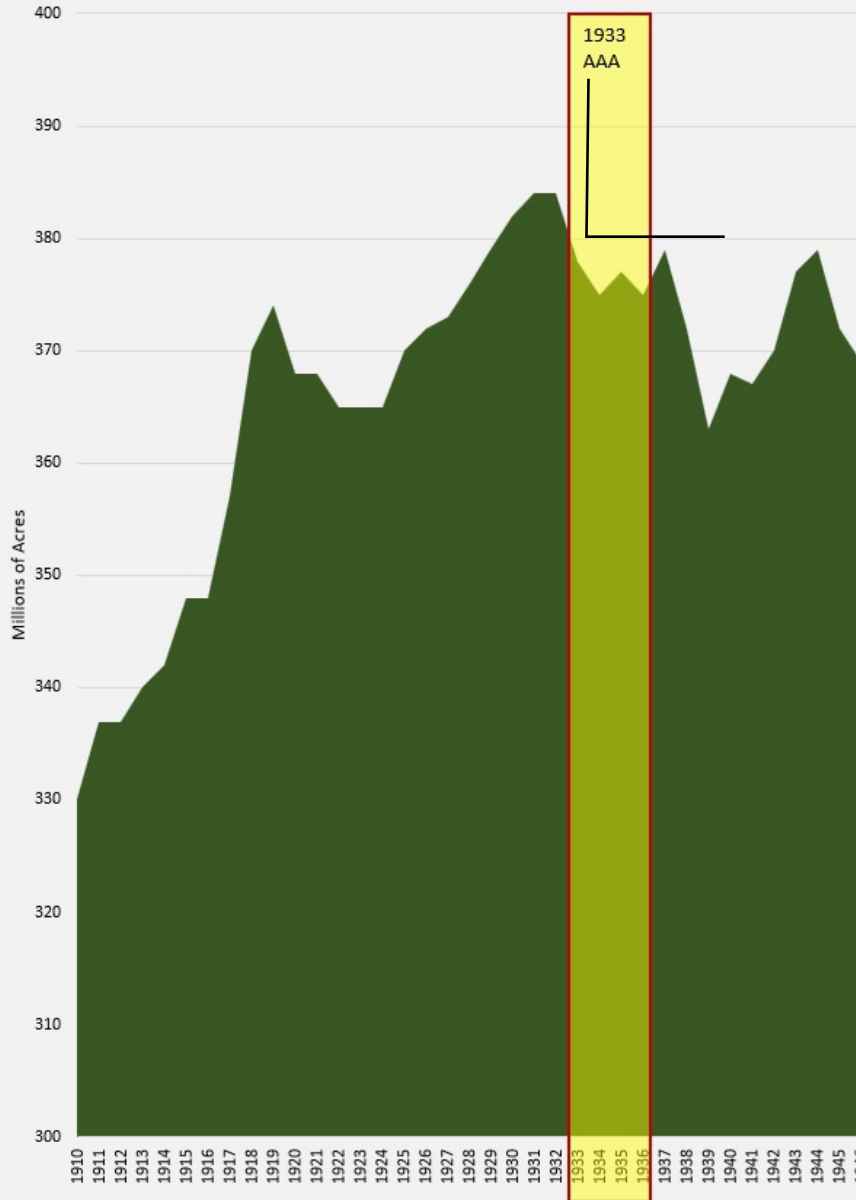
Direct assistance to farmers for adopting, maintaining and improving natural resource conservation practices or efforts.

History Snapshot: Total Cropland Used for Crops & Major Farm Bills



Marketing Year Average Prices (USDA-NASS)





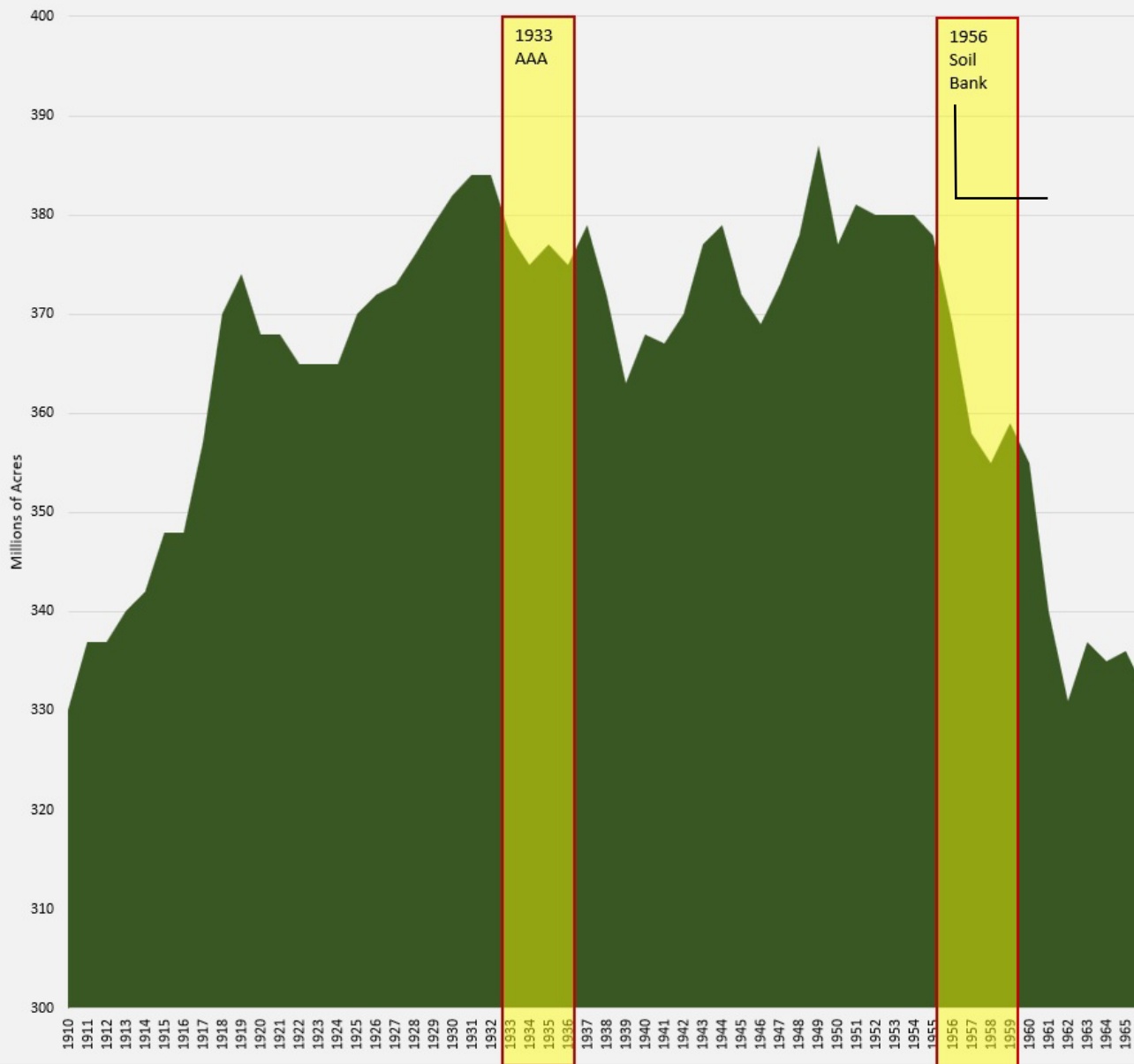
New Deal.

Post WWI farm depression; traditional farm coalition had been unsuccessful in the 1920's

Great Depression (1929) & New Deal (1933): crisis and unrest; farm assistance succeeds as part of first New Deal.

Dust Bowl & Soil Conservation & Domestic Allotment Act of 1936.

History Snapshot: Total Cropland Used for Crops & Major Farm Bills



Surplus

- Post-war technological revolution & failing acreage controls

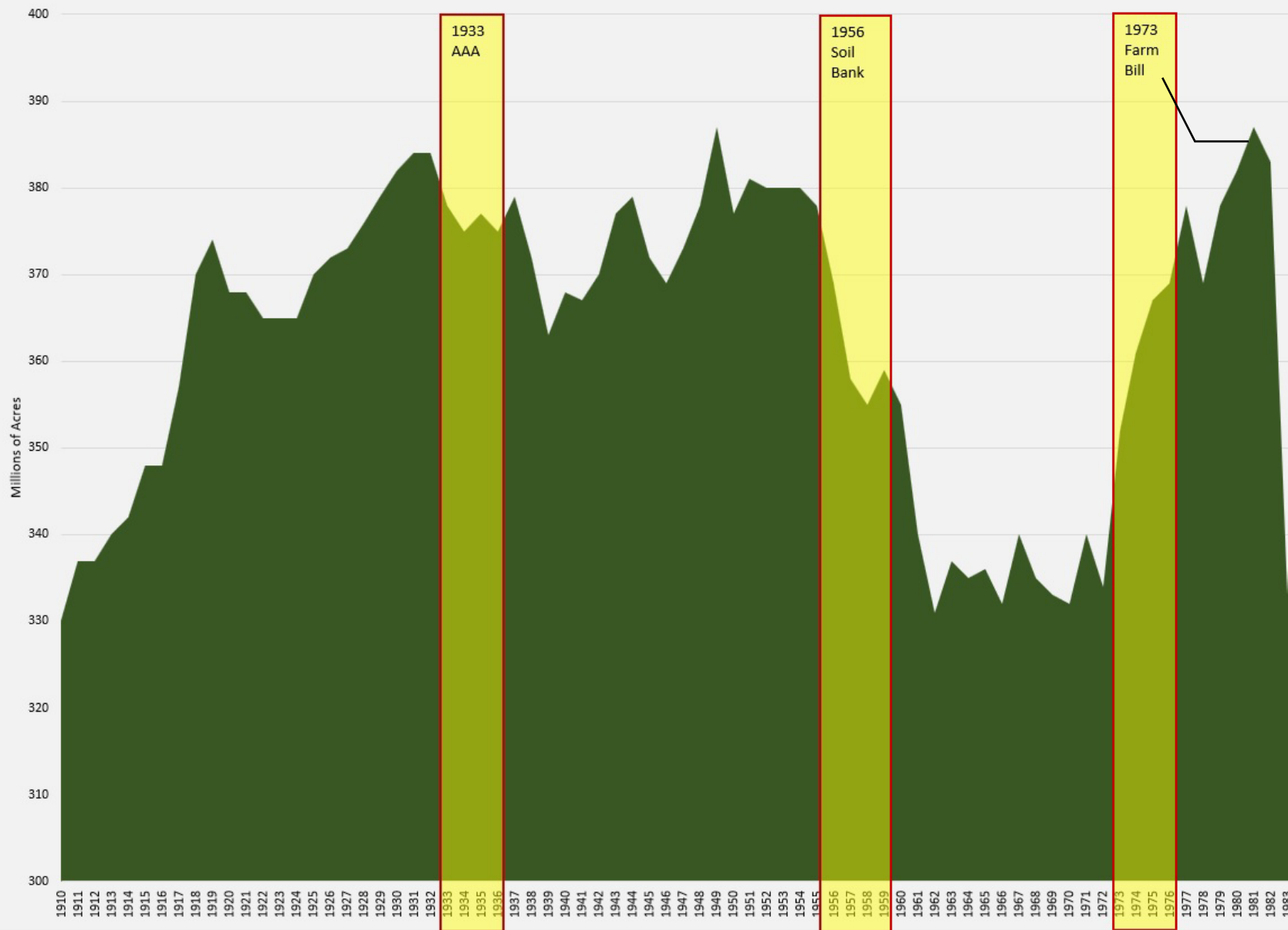
Politics

- Eisenhower & Midwest vs. Southern Congressional Democrats & cotton

Soil Bank

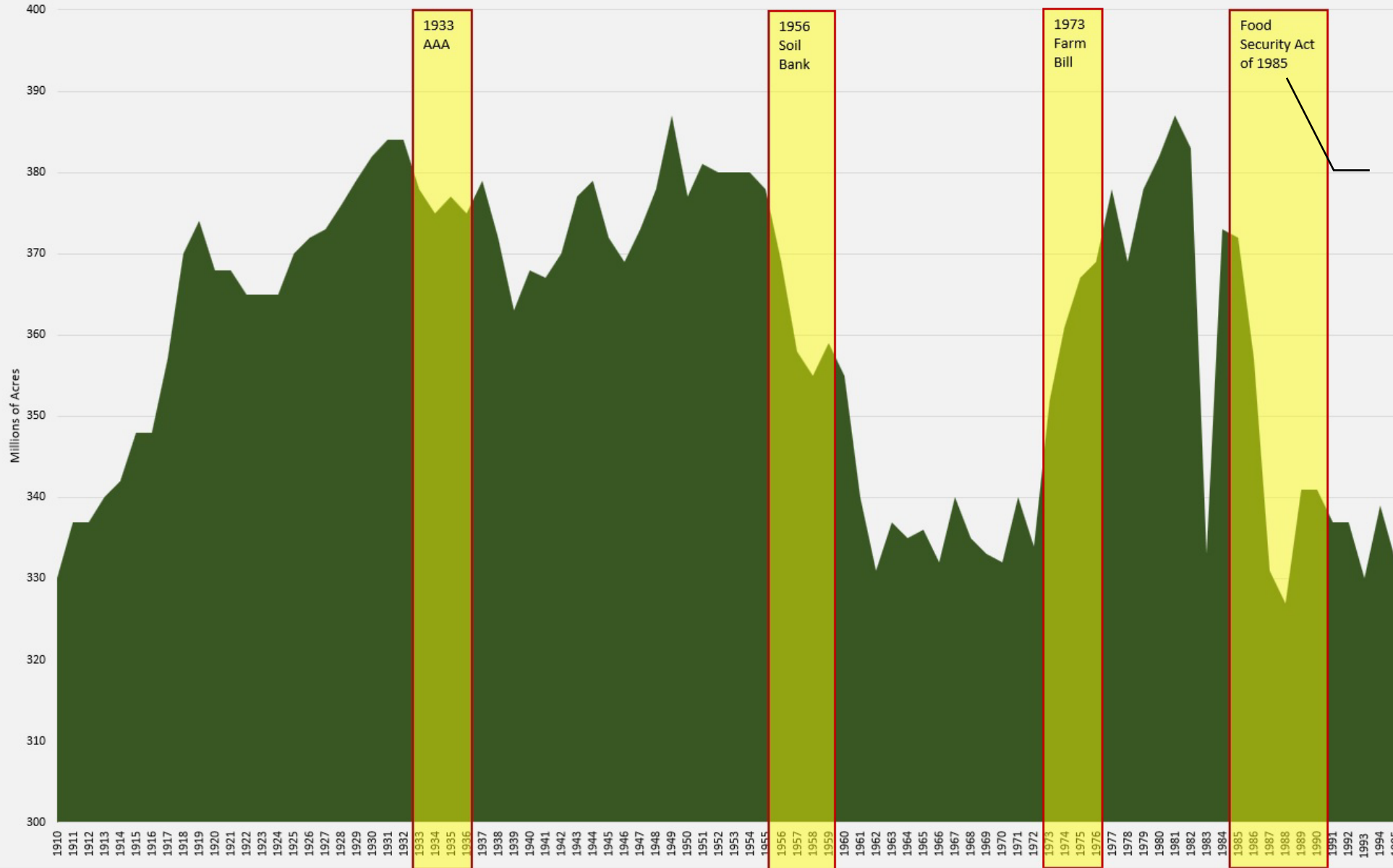
- Acreage controls thru conservation (incl. conservation reserve); opposition & termination.

History Snapshot: Total Cropland Used for Crops & Major Farm Bills

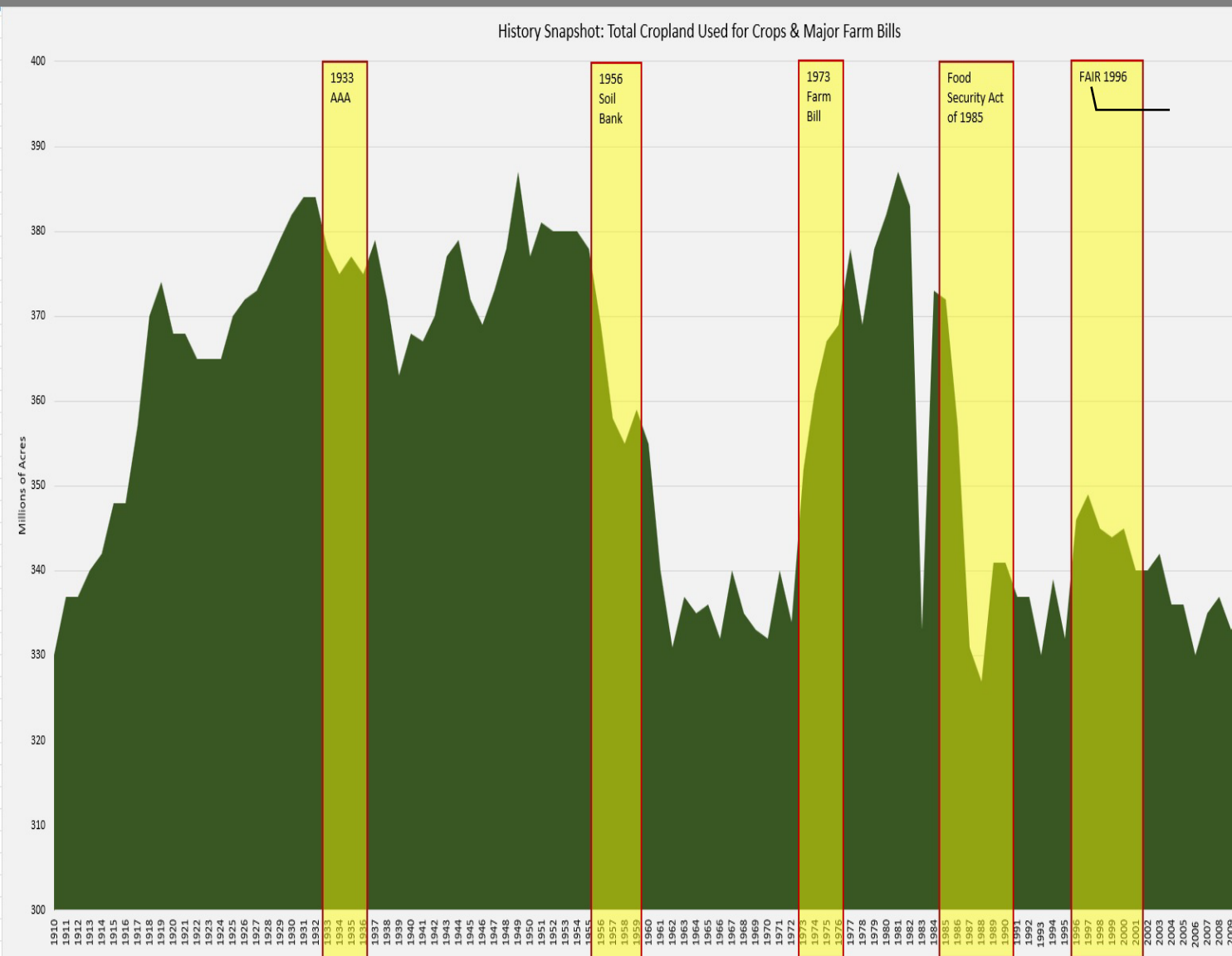


- ✓ Breakdown & defeat on House floor (1962); Food Stamp Act of 1964, paired vote with cotton/wheat.
- ✓ Nixon, Butz & Soviet grain deal; price spike, inflation & consumer reaction.
- ✓ 1973 combined new farm policy (target prices) and food stamps.

History Snapshot: Total Cropland Used for Crops & Major Farm Bills



- ✓ Farm economic crisis & erosion crisis with 70's expansion.
- ✓ Reagan (& Stockman) budget battles & attacks on farm bill.
- ✓ Long environmental fight for conservation succeeds: Conservation Reserve Program & compliance.
- ✓ 1985 Food Security Act is base text for conservation.

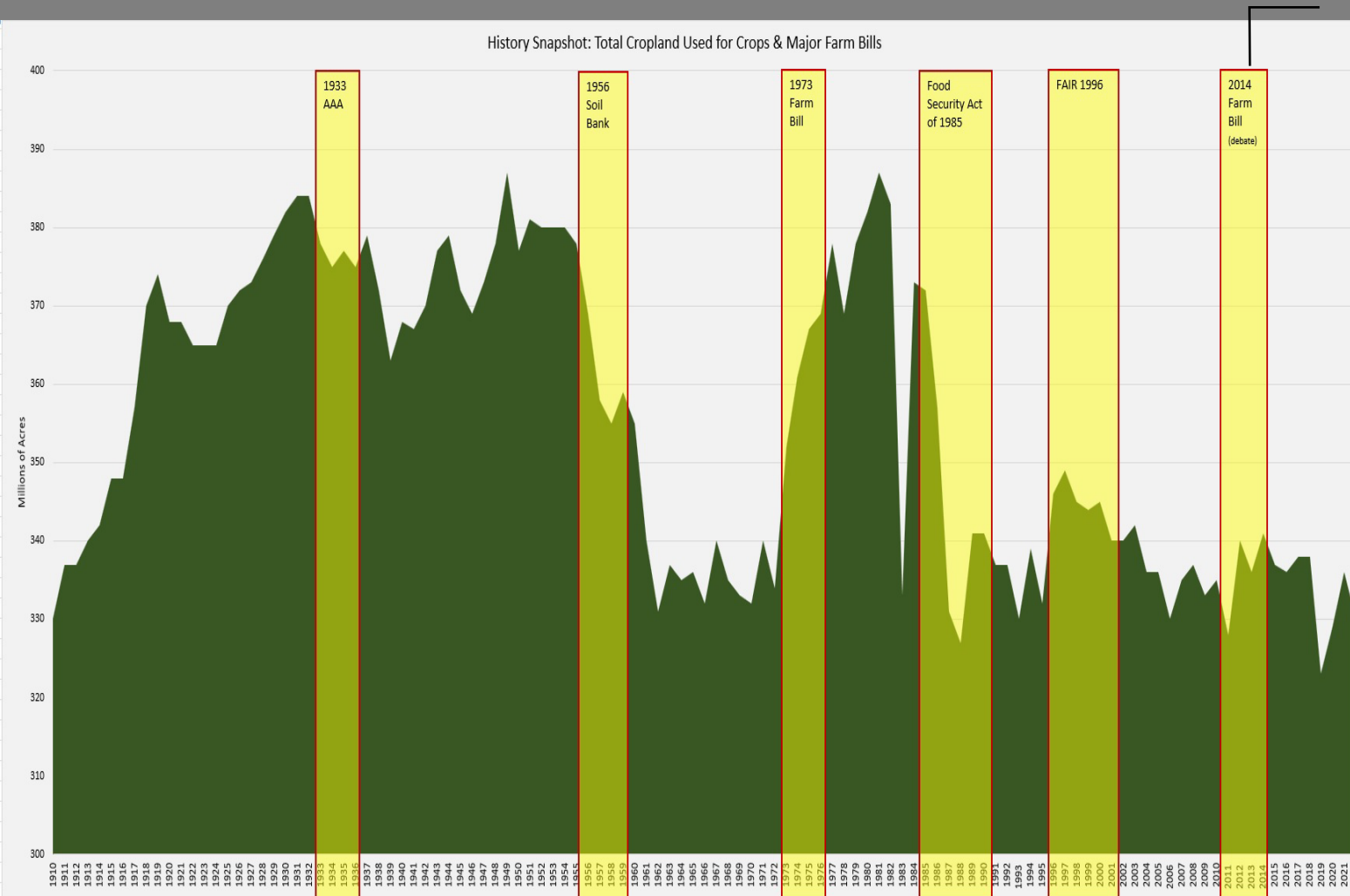


1996 Free trade (NAFTA & WTO) and crop prices spike.

Republicans retake House after 40 years; budget battles & farm bill struggles (1995 reconciliation & shutdown).

Final bill 'decoupled' farm payments from planted acres & market prices; annual fixed contract payments.

After 1997 (Asian financial crisis) prices fall; Congress authorizes ad hoc payments.



Modern Era

- ✓ 2002 Farm Bill: extra \$80b in baseline; return of target prices; Conservation Security Program.
- ✓ 2005 & 2007 Renewable Fuels Standard; 2008 Farm Bill status quo
- ✓ 2008 Great Recession
- ✓ 2011 Debt Ceiling & super committee
- ✓ 2013: first defeat on House floor since 1962 (SNAP work requirements).
- ✓ 2014 Farm Bill eliminates direct payments.
- ✓ 2018 Farm Bill status quo; after second defeat on House floor (SNAP).

Marketing Year Average Prices (USDA-NASS)

\$/Bushel

\$/Pound
Cotton

\$10.00

\$1.0000

\$9.00

\$0.9000

\$8.00

\$0.8000

\$7.00

\$0.7000

\$6.00

\$0.6000

\$5.00

\$0.5000

\$4.00

\$0.4000

\$3.00

\$0.3000

\$2.00

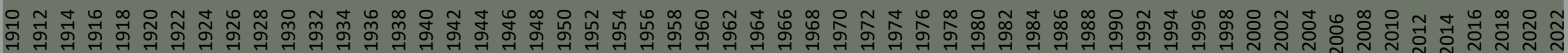
\$0.2000

\$1.00

\$0.1000

\$0.00

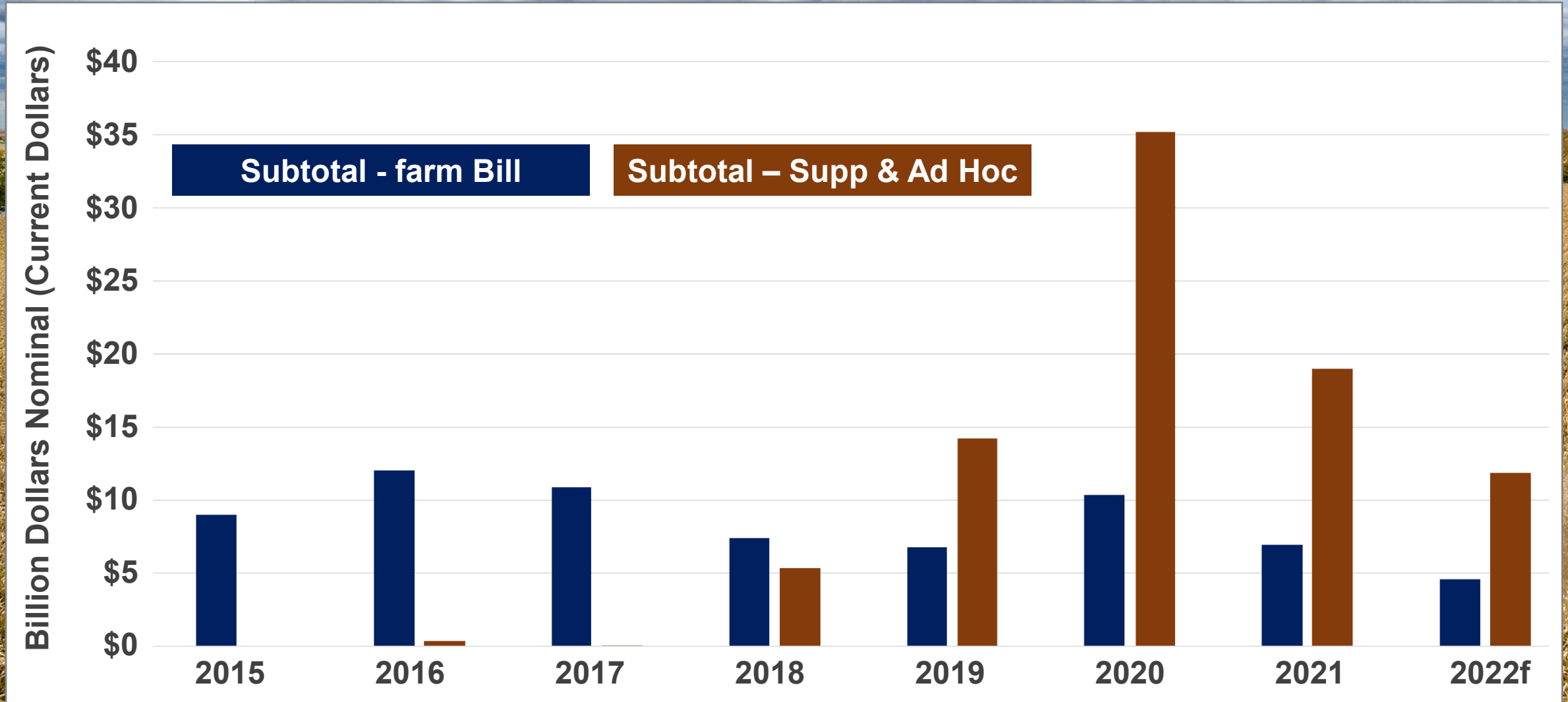
\$0.0000



Corn MYA (bu) Wheat MYA (bu) Cotton MYA (lb)

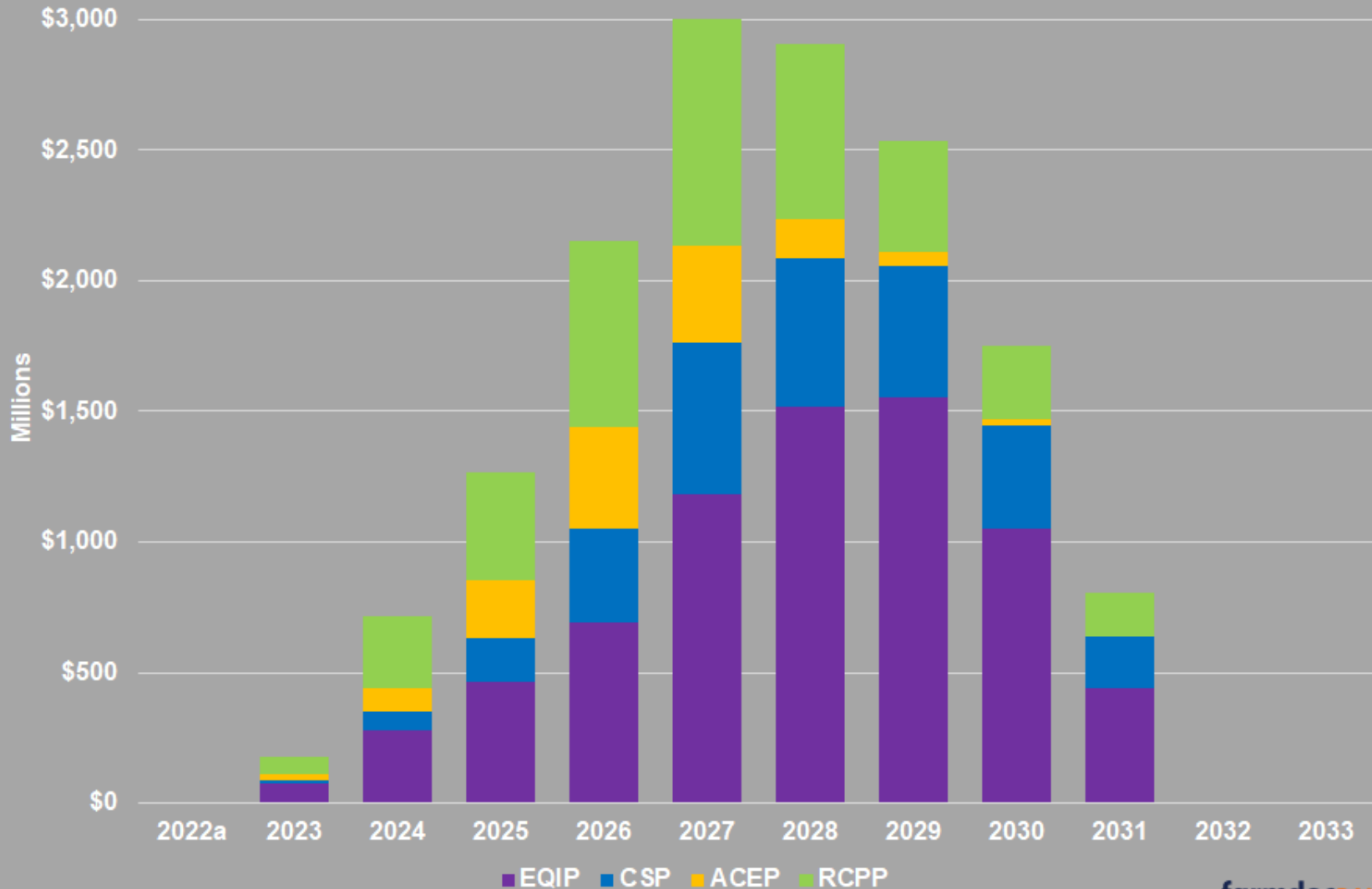
The 2018 Farm Bill: An Unusual Experience

Comparing Farm Bill Payments to Supplemental/Ad Hoc Payments



Conservation & Climate

Figure 6. Inflation Reduction Act Outlays, by Conservation Program and Fiscal Year (CBO February 2023)



All of the conservation program spending in the IRA is for “**1 or more agricultural conservation practices or enhancements** that the Secretary determines directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions, associated with agricultural production”

Thank you!

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