Farm Bill History & Development

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Agricultural & Consumer Economics

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The Political Strength of a Farm Bill Is In Its Coalition

→ 2023 Marks 90 Years ←

**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.
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.
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.
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)

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

$/Bushel

$/Pound

Cotton
The 2018 Farm Bill: An Unusual Experience
Comparing Farm Bill Payments to Supplemental/Ad Hoc Payments

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<th>Year</th>
<th>Subtotal - farm Bill</th>
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Billion Dollars Nominal (Current Dollars)
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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