



# FARM BILL OVERVIEW: BREADTH AND HISTORY

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Specialist in Agricultural Policy

November 15, 2022

# CRS Webinar Agenda



## November 15

- ✓ 1:00-1:30
- 1:30-2:00
- 2:00-3:00
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- 3:30-4:00
- 4:00-5:00

## November 16

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## November 17

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Overview

Budget

Commodities (Title I)

Disaster Assistance (Title I)

Horticulture (Title X)

Crop Insurance (Title XI)

Nutrition (Title IV)

Conservation (Title II)

Rural Development (Title VI)

Forestry (Title XIII)

Energy (Title IX)

Research (Title VII)

Credit (Title V)

Livestock (Title XII)

Trade (Title III)

# Analyst Biography



## Jim Monke

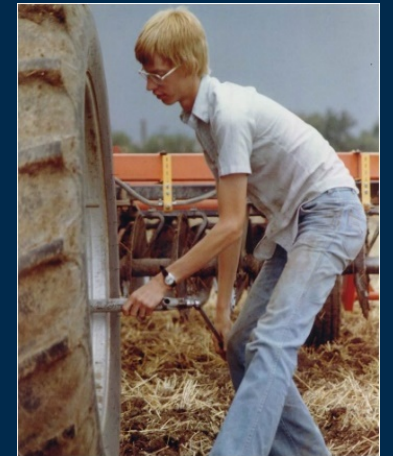
Farm kid from Illinois

Agricultural Economics Ph.D.

USDA Economic Research Service

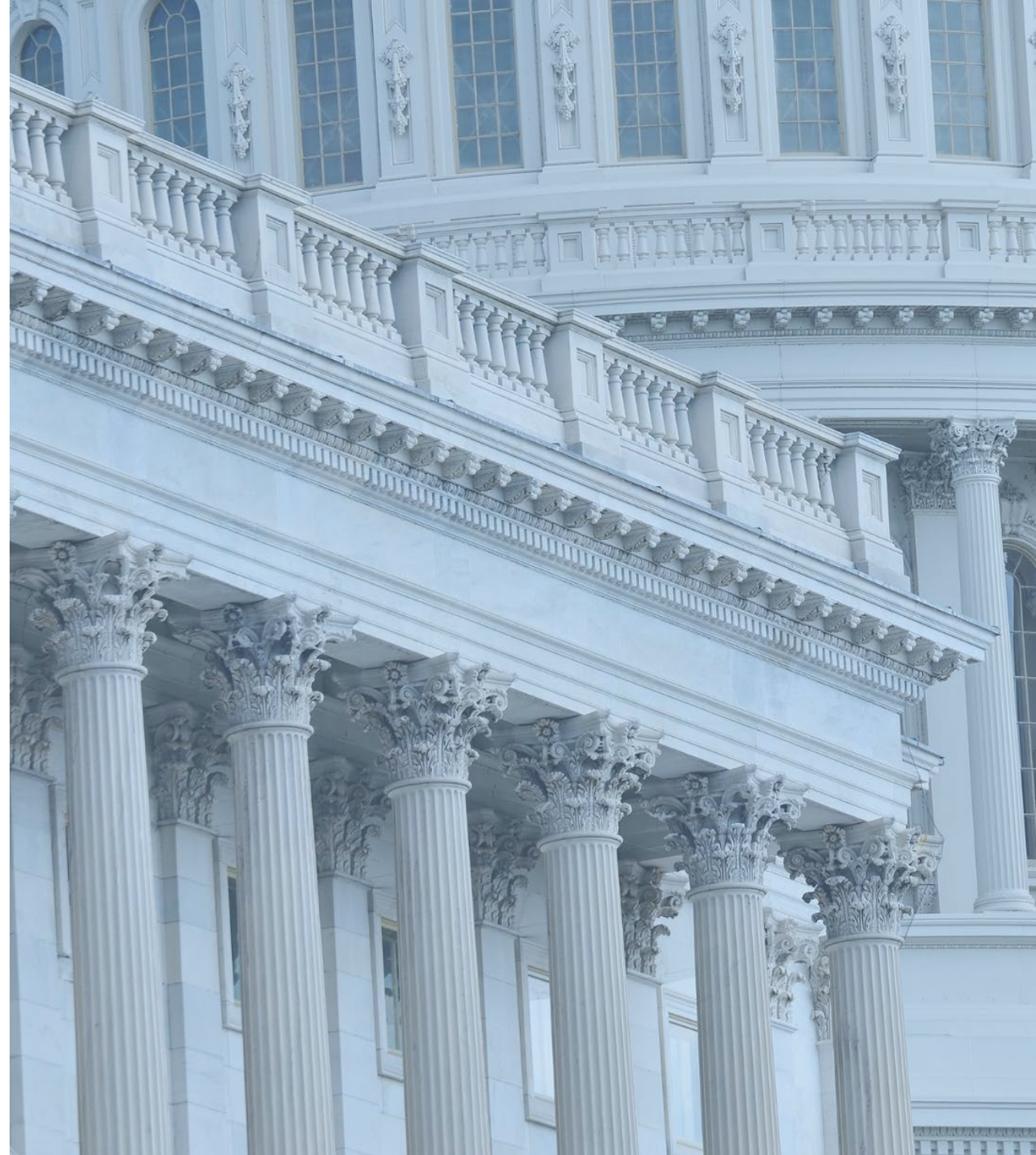
Congressional Research Service since 2003

Three farm bills at CRS: 2008, 2014, 2018



# Overview

- Perspective on the agricultural policy
- History and breadth of the farm bill
- Recent legislative actions on farm bills



# Why the Farm Bill Now?



Credit: Roy Monke

- **Farm bill legislation is expected in 2023**
  - Some farm bill programs...
    - expire if not reauthorized, and may be revised
    - are permanently authorized; and may be revised
    - utilize mandatory funding that exists in the CBO baseline
    - authorize future discretionary appropriations
- **Agriculture Improvement Act of 2018 (P.L. 115-334)**
  - Many programs expire on 9/30/2023
  - Certain programs expire after the 2023 crop year
  - “Permanent law” for farm commodities resumes on 1/1/2024
    - Farm bills suspend permanent law—for life of farm bill
    - Permanent law from 1940s uses “parity” prices from 1914
    - Outdated supply controls
    - “Dairy cliff”: Support price of milk could more than double
    - Expensive for government and potentially for consumers





# **OVERVIEW OF THE FARM BILL**

The Farm Bill as a Part of Agricultural Policy

# Agricultural Policy

- Federal agricultural policy has existed since 1800's, for example:
  - Homestead Act of 1862 -- land
  - Morrill Act of 1862 -- research
- Stand-alone legislation has been passed by topic, for example:
  - Federal Farm Loan Act of 1916
  - Packers and Stockyards Act of 1921
  - Agricultural Marketing Act of 1946
  - Consolidated Farm and Rural Development Act of 1961
  - Federal Crop Insurance Act of 1980
  - Specialty Crops Competitiveness Act of 2004





# Farm Bills Began in 1930s

- 18 farm bills since 1933:
  - 2018, 2014, 2008, 2002, 1996, 1990, 1985, 1981, 1977, 1973, 1970, 1965, 1956, 1954, 1949, 1948, 1938, and 1933
- Originally, market intervention to raise farm income using food production goals
- Stabilize farm prices by controlling supply (limiting surpluses) for storable commodities and increasing demand
- Conservation measures for idled land and “dust bowl”





# Farm Bills Expanded After 1973

- 1973 farm bill incorporated food stamps reauthorization
- 1980s added increased cash payments for farms
- 1990 farm bill moved away from supply control and towards market
- Successive reauthorizations added previously stand-alone topics
- New titles like energy in 2002, and horticulture in 2008.



# Revolutionary, Evolutionary, and Status Quo Farm Bills

Revolutionary	Evolutionary	Status Quo
<p><b>1933 Agricultural Adjustment Act (AAA)</b>  <input checked="" type="checkbox"/> First direct assistance to farmers; set course for next 40 years of farm policy.</p> <p><b>1973 Agriculture &amp; Consumer Protection Act (ACPA)</b>  <input checked="" type="checkbox"/> Combined food stamps &amp; farm policy, opening farm bill coalition; farm policy shifted to target prices &amp; deficiency payments instead of parity.</p> <p><b>1996 Federal Agricultural Improvement &amp; Reform (FAIR) Act</b>  <input checked="" type="checkbox"/> Decoupled farm supports from planting decisions and market prices; base acreage system continued through 2018.</p> <p><i>Honorable Mention</i></p> <p><b>Food Security Act of 1985</b>  <input checked="" type="checkbox"/> Foundation for modern conservation policies &amp; programs; Conservation Reserve Program and conservation compliance; largely status-quo for farm support system.</p>	<p><b>1936 Soil Conservation &amp; Domestic Allotment Act (SCDAA)</b>  <input checked="" type="checkbox"/> Replaced support system after Supreme Court decision &amp; in the middle of the Dust Bowl.</p> <p><b>1938 Agricultural Adjustment Act (AAA)</b>  <input checked="" type="checkbox"/> Created parity system of price supports, acreage controls &amp; marketing quotas; created crop insurance.</p> <p><b>1956 Agricultural Act (AA)</b>  <input checked="" type="checkbox"/> Initiated brief existence of Soil Bank (acreage reserve &amp; conservation reserve).</p> <p><b>1970 Agricultural Act (AA)</b>  <input checked="" type="checkbox"/> Effective end of parity, replaced acreage controls with set-aside acres.</p> <p><b>1977 Food &amp; Agriculture Act (FAA)</b>  <input checked="" type="checkbox"/> Removed food stamp purchase requirement.</p> <p><b>2002 Farm Security &amp; Rural Investment Act (FSRIA)</b>  <input checked="" type="checkbox"/> Recreated target prices, continued direct payments; created Conservation Security Program (CSP).</p> <p><b>2014 Agricultural Act (AA)</b>  <input checked="" type="checkbox"/> Replaced direct payments with Agricultural Risk Coverage (ARC) &amp; Price Loss Coverage (PLC) choice.</p>	<p>1948 Agricultural Act (AA)</p> <p>1949 Agricultural Act (AA)</p> <p>1954 Agricultural Act (AA)</p> <p>1958 Agricultural Act (AA)</p> <p>1962 Food &amp; Agricultural Act (FAA)</p> <p>1964 Agricultural Act (AA)</p> <p>1965 Food &amp; Agricultural Act (FAA)</p> <p>1981 Agriculture &amp; Food Act (AFA)</p> <p>1990 Food Agriculture, Conservation &amp; Trade Act (FACT)</p> <p><b>2008 Food Conservation &amp; Energy Act (FCEA)</b></p> <p><b>2018 Agricultural Improvement Act (AIA)</b></p>

Source: Coppess and Adamo, "Could Climate Change Produce a Revolutionary 2023 Farm Bill?" Farm Foundation, September 2022

# Program Variety in a Farm Bill



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

- I        **Commodities** – Programs for major crops (e.g., corn, soy, wheat, rice, and dairy)
- II       **Conservation** – Stewardship of working lands and land retirement
- III      **Trade** – Export promotion and international food assistance
- IV      **Nutrition** – Assistance for low-income households (SNAP)
- V       **Credit** – Direct loans and guaranteed loans for farms and ranches
- VI      **Rural Development** – Housing, community, business, and utility assistance
- VII     **Research & Extension** – Create and share academic knowledge
- VIII    **Forestry** – Research and assistance to manage nonfederal and federal forests
- IX      **Energy** – Develop renewable energy systems
- X       **Horticulture** – Support for specialty crops, organic, and local agriculture
- XI     **Crop Insurance** – Risk management through subsidized insurance
- XII    **Miscellaneous** – General provisions, including livestock and poultry





# **OVERVIEW OF THE FARM BILL**

Review of Timelines and Legislative Action

## Farm Bill Legislative Timelines Vary

- Before 1996, farm bills were enacted in the year they were introduced
- 2008 farm bill – took 13 months, had short-term extensions, and overcame two vetoes
- 2014 farm bill – took 21 months, two Congresses, 1-year extension, failed on the House floor, and was temporarily split apart in the House
- 2018 farm bill – took 8 months, and initially failed to pass the House
- Development of a 2023 farm bill expected to begin in the first year of the 118th Congress

**Source:** CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2018*

# Farm Bills Might Expire. Farm Bills Might Need Extensions.

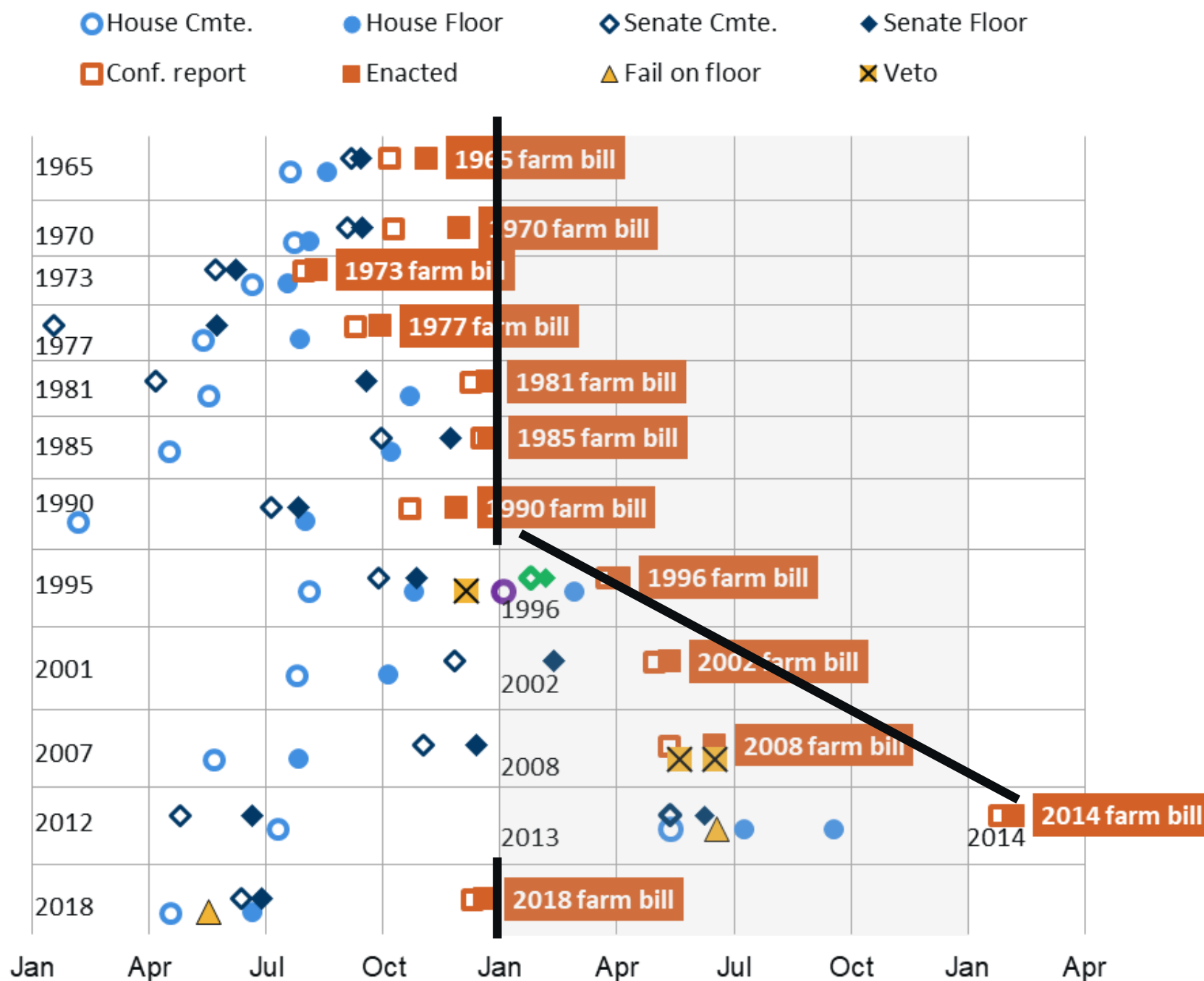
- The 2002 and 2008 farm bills expired
  - In 2008, months-long springtime extension of 2002 farm bill
  - In 2013, 1-year extension of 2008 farm bill
- The 2014 farm bill technically expired in 2018
  - FY authorizations expired on Oct. 1, 2018
  - Permanent law consequences were avoided since enacted before Dec. 31
- Consequences of expiration vary:
  - Cease new mandatory funding availability on Oct. 1
  - Continue discretionary programs if appropriated, despite expiration
  - Revert to 1940s permanent laws (farm commodity programs)

**Source:** CRS In Focus IF10989, *Expiration of the 2014 Farm Bill*.

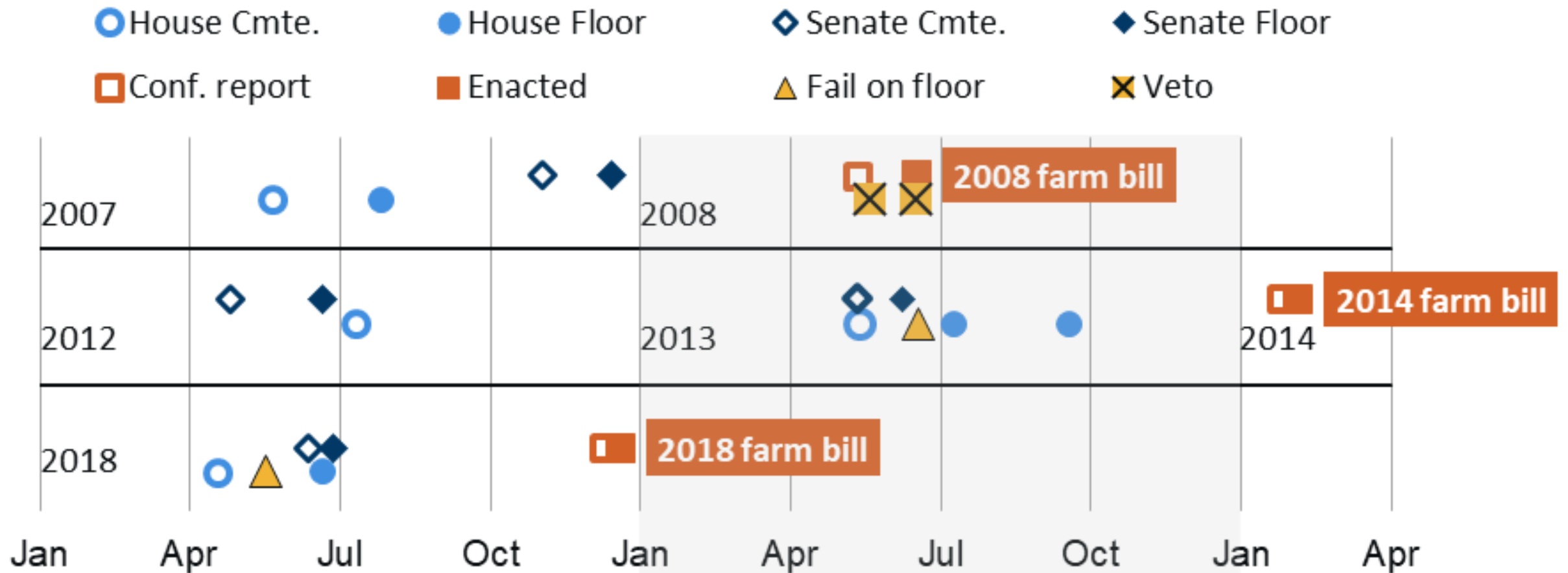


# Timelines

## 1965-2018



# Farm Bill Timelines: 2007-2018



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

# Interest and Challenges in Working on a Farm Bill



- Farm bills, like any legislation, have had disagreement
- Historically bipartisan, less about party, more often regional debates based on commodity-specific constituencies
- Breadth of topics built bigger coalitions, including urban/suburban
- 2008 farm bill marked a change in partisanship



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# CONTACT

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