



# Farm Bill Primer: Budget Issues

## Farm Bills from a Budget Perspective

Congress may soon consider a new farm bill, because the 2014 farm bill (P.L. 113-79) generally expires in FY2018. From a budgetary perspective, many programs are assumed to continue beyond the end of the farm bill, and that provides funding for reauthorization, reallocation to other programs, or offsets for deficit reduction.

There are two ways to provide farm bill funding:

1. **Mandatory spending.** A farm bill authorizes outlays and pays for them with multiyear budget estimates when the law is enacted. Budget enforcement is through “PayGo” budget rules and “baseline” projections.
2. **Discretionary authorizations.** A farm bill sets the parameters for programs and authorizes them to receive funding in subsequent appropriations but does not provide or assure actual funding. Budget enforcement is through future appropriations and budget resolutions.

Because mandatory programs often dominate farm bill policy and the debate over the farm bill budget, the rest of this document focuses on mandatory spending.

## Importance of Baseline to the Farm Bill

The Congressional Budget Office (CBO) develops the budget baseline under various laws and follows the supervision of the House and Senate Budget Committees. The CBO **baseline** is a projection at a particular point in time of future federal spending on mandatory programs under current law. The baseline is the *benchmark* against which proposed changes in law are measured.

When a new bill is proposed that would affect mandatory spending, the cost impact (**score**) is measured in relation to the baseline. Changes that increase spending relative to the baseline have a *positive* score; those that decrease spending relative to the baseline have a *negative* score.

Most of the major farm bill provisions such as the farm commodity programs and nutrition assistance have baseline. However, 39 programs that were authorized in the 2014 farm bill with mandatory funding do not have a continuing baseline (see CRS Report R44758, *Farm Bill Programs Without a Budget Baseline Beyond FY2018*).

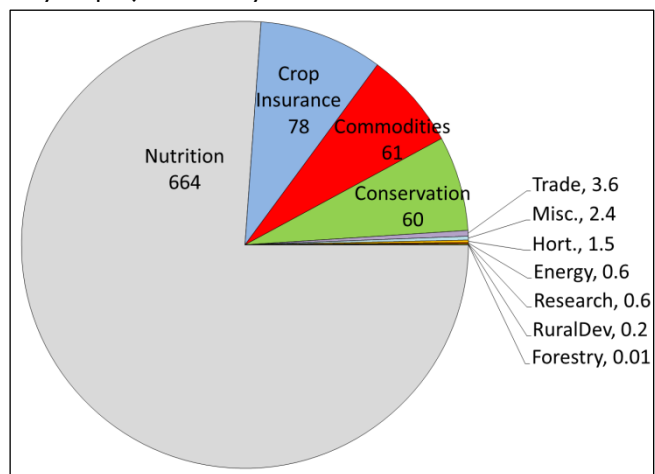
## CBO’s April 2018 Baseline

The mandatory spending baseline for farm bill programs contains \$867 billion over FY2019-FY2028, 77% of which is in the nutrition title for the Supplemental Nutrition

Assistance Program (\$664 billion). The remaining \$203 billion baseline is for agricultural programs, mostly in crop insurance, farm commodity programs, and conservation. Other titles of the farm bill contribute less than 1% of the baseline, some of which are funded primarily with discretionary spending.

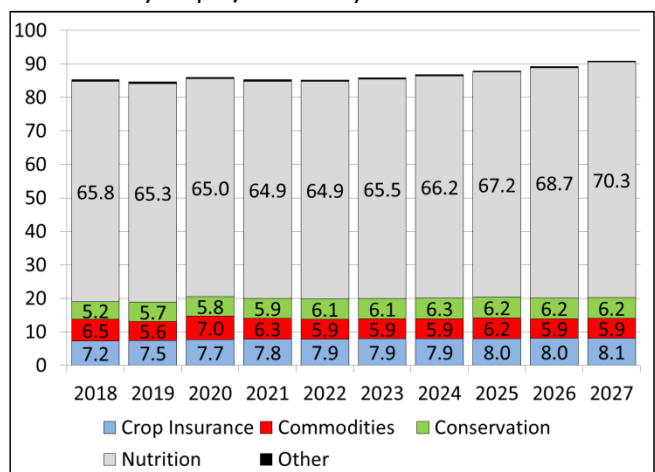
This is the benchmark of available funding from which the House and the Senate may write bills for a new farm bill in 2018. **Figure 1** shows the current CBO baseline for farm bill programs over the next 10 years. **Figure 2** illustrates the same baseline on an annual basis. **Table 1** adds detail at the program level for the farm commodity programs, conservation, trade, and miscellaneous titles.

**Figure 1. Farm Bill Baseline for Mandatory Programs**  
10-year projected outlays, FY2019-FY2028, billions of dollars



Source: CRS, using CBO April 2018 Baseline (unpublished).

**Figure 2. Farm Bill Baseline for FY2019-FY2028**  
Annual fiscal year projected outlays, billions of dollars



Source: CRS, using CBO April 2018 Baseline (unpublished).

**Table I. Mandatory Farm Bill Programs with Baseline Projections**

10-year projected budget outlays, FY2019-FY2028, millions of dollars

2014 Farm Bill Title and Program	FY19-28 baseline	2014 Farm Bill Title and Program	FY19-28 baseline
<b>Title I: Farm Commodity Programs</b>		<b>Title III: Trade</b>	
Price Loss Coverage	43,921	Market Access Program	2,000
Agricultural Risk Coverage	8,529	Export Donations Ocean Transportation	1,544
Disaster Programs	3,868	2014 programs without continuing baseline	80
Other (incl. net interest, operating expenses)	2,723	<b>Subtotal</b>	<b>3,624</b>
Dairy	1,624	<b>Title IV: Nutrition (SNAP)</b>	<b>663,828</b>
Marketing loans, loan deficiency payments	486	<b>Title V: Credit</b> (receipts to FCS ins. fund)	<b>-4,558</b>
<b>Subtotal</b>	<b>61,151</b>	<b>Title VI: Rural Development</b>	<b>168</b>
<b>Title II: Conservation</b>		<b>Title VII: Research</b> (incl. SCRI)	<b>604</b>
Conservation Reserve Program	21,097	<b>Title VIII: Forestry</b>	<b>10</b>
Conservation Security Program	17,729	<b>Title IX: Energy</b> (incl. REAP)	<b>612</b>
Environmental Quality Incentives Program	16,697	<b>Title X: Horticulture</b> (incl. SCBG, PPDM)	<b>1,547</b>
Agricultural Conservation Easement Program	2,597	<b>Title XI: Crop Insurance</b>	<b>78,037</b>
Regional Conservation Partnership Program	1,078	<b>Title XII: Miscellaneous</b>	
CRP Technical Assistance	978	Noninsured Assistance Program	2,229
Agricultural Management Assistance	97	Other	195
Programs repealed in 2014 and user fees	10	<b>Subtotal</b>	<b>2,423</b>
Emergency Forestry Conservation Reserve	-40	<b>Total</b>	<b>867,200</b>
Announced sequestration through 2018	-489	<b>Nutrition</b>	<b>663,828</b>
<b>Subtotal</b>	<b>59,754</b>	<b>Non-nutrition</b>	<b>203,372</b>

**Source:** CRS, using CBO, "Baseline Projections for Selected Programs," April 2018; and unpublished CBO tables.

**Notes:** Projected outlays are the fiscal measure used for the enforcement of certain budgetary rules. Outlays are the payments that occur under a given budget authority that is provided in statute, and may differ in timing from budget authority because the outlay may occur at a different time than when the contractual obligation is incurred. SNAP=Supplemental Nutrition Assistance Program, FCS=Farm Credit System, SCRI=Specialty Crop Research Initiative, REAP=Rural Energy for America Program, SCBG=Specialty Crop Block Grants, and PPDM=Plant Pest and Disease Management.

#### CRS Products

CRS In Focus IF10780, *Farm Bill Primer: Programs Without Baseline Beyond FY2018*.

CRS Report R44758, *Farm Bill Programs Without a Budget Baseline Beyond FY2018*.

CRS In Focus IF10187, *Farm Bill Primer: What Is the Farm Bill?*

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