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Next Farm Bill Primer Series: A Guide to Agriculture and Food Programs in the 2018 Farm Bill

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Introduction

This report constitutes a guide to a series of two-page "primers" that examine the various programs and policies that comprise periodic omnibus legislation on farm and food policy, commonly known as "the farm bill." The President signed the 2018 farm bill, the Agriculture Improvement Act of 2018 (P.L. 115-334), into law on December 20, 2018. The 2018 farm bill generally authorizes programs for five years. As such, many farm bill programs will expire in 2023 unless Congress to acts to extend their authorization or reauthorizes them as part of a subsequent farm bill.

The 2018 farm bill authorized a broad array of programs and policies across 12 titles that define much of the federal government's role in the agricultural sector. It also established the parameters for key domestic and foreign nutrition assistance programs. The 2018 farm bill authorizes a wide range of agriculture and food programs and policies that address commodity support; conservation; trade; foreign and domestic nutrition assistance; farm credit and rural development; research, extension, and education; forestry; energy; horticulture; crop insurance; and livestock-related matters, among others

There are 22 primers summarized in this report and organized under descriptive headings rather than by farm bill titles to facilitate accessibility for those who are not familiar with the 2018 farm bill. The concept behind these primers is to provide relevant information on key programs and policy initiatives authorized by the 2018 farm bill in a concise format that serves as a quick-reference resource for Members of Congress and congressional staff. To this end, the primers describe many of the leading programs and policies within the 2018 farm bill. They also identify some of the higher-profile policy issues that may arise as Congress engages in the process of writing a new farm bill and highlight some policy options that Congress could consider as it undertakes this task. The titles of the primers are hyperlinked for easy access.

The primers listed herein also identify CRS subject matter analysts and provide references to related CRS reports for those who want to explore a specific topic area within the 2018 farm bill in greater depth or who seek additional analysis on an individual program or policy. For an overview of the entire 2018 farm bill, see CRS Report R45525, *The 2018 Farm Bill (P.L. 115-334): Summary and Side-by-Side Comparison*. For an analysis of some of the programs, issues, and policy options across the entire breadth of the farm bill that may enter the debate over successor legislation to the 2018 farm bill, see CRS Report R47057, *Preparing for the Next Farm Bill*.

This report summarizes the farm bill primers listed. The titles of the report summaries contain hyperlinks to the full reports.

- *Farm Bill Primer: What Is the Farm Bill?*
- *Farm Bill Primer: Budget Dynamics*
- *Farm Bill Primer: Programs Without Baseline Beyond FY2023*
- *Farm Bill Primer: PLC and ARC Farm Support Programs*
- *Farm Bill Primer: MAL and LDP Farm Support Programs*
- *Farm Bill Primer: Support for Cotton*
- *Farm Bill Primer: Support for the Dairy Industry*
- *Farm Bill Primer: Federal Crop Insurance Program*
- *Farm Bill Primer: Disaster Assistance*
- *Farm Bill Primer: Conservation Title*
- *Farm Bill Primer: Trade and Export Promotion*

- *Farm Bill Primer: U.S. International Food Assistance Overview*
- *Farm Bill Primer: International Food Aid Programs: McGovern-Dole and Local and Regional Procurement*
- *Farm Bill Primer: International Food Assistance and Cargo Preference*
- *Farm Bill Primer: Beginning and Underserved Producers*
- *Farm Bill Primer: Support for Native Agricultural Producers*
- *Farm Bill Primer: Rural Development Title*
- *Farm Bill Primer: Rural Broadband Provisions*
- *Farm Bill Primer: Agricultural Research and Extension*
- *Farm Bill Primer: Forestry Title*
- *Farm Bill Primer: Energy Title*
- *Farm Bill Primer: Horticulture Title and Related Provisions*

Overview

CRS In Focus IF12047, *Farm Bill Primer: What Is the Farm Bill?*, by Renée Johnson and Jim Monke

This CRS In Focus provides an overview of the multiyear, omnibus legislation known as the farm bill. In particular, it describes the breadth of agriculture and nutrition policy that the farm bill authorizes while providing a brief history of the evolution of the farm bill to the present day. It further reviews estimated costs of the 2018 farm bill by title, including projected costs at the time of the bill's enactment and an updated estimate of the budget baseline for mandatory programs for the next farm bill.

Budget-Related

CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*, by Jim Monke

Congress may consider a new farm bill in 2023 because provisions authorized in the 2018 farm bill (P.L. 115-334) begin expiring at the end of FY2023. From a budgetary perspective, many farm bill programs are assumed to continue. This report discusses the two types of funding provided in the farm bill—mandatory spending and discretionary authorizations—and describes differences between and the implications of each for farm bill budgeting and program continuity. It also addresses supplemental funding in recent years, which may influence policy expectations for a new farm bill.

CRS In Focus IF12115, *Farm Bill Primer: Programs Without Baseline Beyond FY2023*, by Jim Monke

In preparation for a next farm bill, Congress may consider a subset of 19 programs in the 2018 farm bill that do not have a budget baseline for funding beyond FY2023. This In Focus identifies these 19 programs, which received a total of $876 million of mandatory funding during the five years of the 2018 farm bill (out of total mandatory spending of $428 billion across all farm bill programs). Programs that receive mandatory funding do not require annual discretionary appropriations. Reauthorizing farm bill programs without baseline would have a positive score (cost) and therefore would likely need to be offset by reductions elsewhere.

Commodity Programs and Farm Support

CRS In Focus IF12114, *Farm Bill Primer: PLC and ARC Farm Support Programs*, by Stephanie Rosch

The 2018 farm bill reauthorized the Price Loss Coverage (PLC) and the Agriculture Risk Coverage (ARC) programs for crop years 2019-2023. These programs were created by the Agricultural Act of 2014 (2014 farm bill; P.L. 113-79) to provide income support to producers of certain eligible commodities. The amount of support varies by commodity and from year-to-year based on program enrollments and market conditions. This CRS In Focus addresses significant features of these programs and identifies selected issues that Congress could consider as it debates a next farm bill.

CRS In Focus IF12140, *Farm Bill Primer: MAL and LDP Farm Support Programs*, by Stephanie Rosch

The Marketing Assistance Loan (MAL) program has been a significant feature of U.S. farm policy since the 1930s. The MAL program provides loans to farmers that are collateralized by eligible stored commodities and provides price support to borrowers when market prices drop below levels specified in statute. Congress has authorized the Loan Deficiency Payment (LDP) program since the 1980s. The LDP program provides payments to farmers eligible to receive price support under the MAL program. Farmers must meet eligibility requirements for these programs and cannot receive both MAL and LDP benefits for the same commodity.

CRS In Focus IF12195, *Farm Bill Primer: Support for Cotton*, by Stephanie Rosch

The United States is the world's third-largest cotton producer and the leading cotton exporter, accounting for nearly one-third of global trade in raw cotton. Between 2000 and 2020, U.S. cotton production decreased by more than 15%, and U.S. textile mill usage decreased by more than 80%. Title I of the 2018 farm bill reauthorized commodity support for domestic producers of cotton for the 2019-2023 crop years. Titles I and XII of the 2018 farm bill reauthorized support for domestic users of cotton for various periods. The 2018 farm bill also restored certain commodity support previously eliminated in the 2014 farm bill. In addition, the Secretary of Agriculture has taken measures, outside of the farm bill programs, to support cotton producers.

CRS In Focus IF12202, *Farm Bill Primer: Support for the Dairy Industry*, by Joel L. Greene

The 2018 farm bill provides support to the dairy industry through a variety of programs. The Dairy Margin Coverage (DMC), enacted in the 2018 farm bill, is the primary program that provides income support to milk producers. The DMC allows milk producers to buy a guaranteed margin—calculated as the all milk price minus feed costs—for their milk production. Each year, participating dairy producers choose a margin coverage level and the share of their milk production history to cover. They receive DMC payments for months in which the margin is triggered based on the U.S. Department of Agriculture's (USDA's) calculation of the milk-feed margin.

CRS In Focus IF12201, *Farm Bill Primer: Federal Crop Insurance Program*, by Stephanie Rosch

The federal crop insurance program (FCIP) helps make insurance coverage available to farmers from private sector insurers to help mitigate potential financial consequences of adverse growing and market conditions. USDA regulates the policies offered and subsidizes the premiums that farmers pay in order to encourage farmer participation in the program. Premium subsidies covered about 62% of the total premium on average for all policies sold in 2021. Since its inception in 1938, the FCIP has grown from an ancillary program with low participation to a central pillar of federal farm support, with more than 444 million acres and $150 billion in crop and livestock value insured in 2021. The FCIP is permanently authorized, but Congress has modified it in various ways in periodic farm bills.

CRS In Focus IF12101, *Farm Bill Primer: Disaster Assistance*, by Megan Stubbs

A number of federal programs help agricultural producers recover from the effects of natural disasters, including federal crop insurance, the Noninsured Crop Disaster Assistance Program, livestock and fruit tree disaster programs, and emergency disaster loans. All programs are permanently authorized, and most receive "such sums as necessary" through mandatory spending authority. As such, these programs did not require reauthorization in the 2018 farm bill.

Conservation

CRS In Focus IF12024, *Farm Bill Primer: Conservation Title*, by Megan Stubbs

The conservation title of a farm bill generally contains a number of reauthorizations, amendments, and new programs that encourage farmers and ranchers to implement resource-conserving practices on private land. Starting in 1985, farm bills have addressed a broader range of topics as "conservation." Conservation programs administered by USDA can be grouped into the following categories based on similarities: working land programs, land retirement programs, easement programs, partnership programs, conservation compliance, and other overarching provisions.

Trade, Export Promotion, and International Food Assistance

CRS In Focus IF12155, *Farm Bill Primer: Trade and Export Promotion Programs*, by Renée Johnson

Agricultural exports are significant to farmers and the U.S. economy. With the productivity of U.S. agriculture growing faster than domestic demand, farmers and agriculturally oriented firms rely heavily on export markets to sustain prices and revenue. The trade title of the 2018 farm bill (P.L. 115-334) authorizes programs to expand foreign markets for U.S. farmers and food manufacturers through export market development programs and export credit guarantee programs. The trade title of the farm bill also includes international food assistance programs, as well as international science and technical exchange programs and provisions.

CRS In Focus IF12067, *Farm Bill Primer: U.S. International Food Assistance Overview*, by Amber D. Nair

The U.S. government administers international food assistance programs that aim to alleviate hunger and improve food security around the world. Some provide emergency assistance to people affected by conflict or natural disaster while others provide nonemergency assistance to help communities improve agricultural productivity and strengthen local food systems. This In Focus provides an overview of U.S. international food assistance programs, including legislative authority, funding trends, and statutory requirements, and identifies selected issues for Congress.

CRS In Focus IF12081, *Farm Bill Primer: International Food Aid Programs, McGovern-Dole and Local and Regional Procurement*, by Amber D. Nair

The U.S. government administers international food assistance programs that aim to alleviate hunger and improve food security around the world. USDA administers the McGovern-Dole International Food for Education and Child Nutrition Program and the Local and Regional Procurement Program. These two programs have several parallel provisions that aim to achieve the same goal of providing nonemergency food aid in an effort to help communities boost agricultural productivity, strengthen local food systems, and improve nutrition. This In Focus addresses these two programs, identifying their legislative authority, statutory requirements, funding trends, recent projects, and selected issues for Congress.

CRS In Focus IF12018, *International Food Assistance and Agricultural Cargo Preference*, by Amber D. Nair

The United States is the largest provider of international food assistance globally. Approximately 40% of funding for such assistance in FY2020 was used to purchase and ship food grown in the United States, referred to as "U.S. in-kind assistance," to countries in need. Such commodities are subject to U.S.-flag shipping requirements under the Cargo Preference Act of 1954 (P.L. 83-664), as amended. Cargo preference requirements long have been controversial and the subject of considerable debate, both in Congress and throughout the food assistance stakeholder community. This In Focus identifies changes in cargo preference requirements over time and highlights some possible issues for Congress to consider.

New, Beginning, Underserved, and Veteran Farmers and Ranchers

CRS In Focus IF12096, *Farm Bill Primer: Beginning and Underserved Producers*, by Renée Johnson

Beginning farmers and ranchers—generally defined as having operated a farm or ranch for no more than 10 years—comprise a significant part of the U.S. agricultural sector. They contribute to rural and non-rural economies and are considered to be critical given ongoing concerns about the aging U.S. farm population, the "disappearing middle" (i.e., mid-sized farms both in terms of farm numbers and value of sales), and general trends toward increasing consolidation and fewer, larger farms. The 2018 farm bill reauthorized and expanded programs administered by USDA that support new farmers and ranchers. These programs targeted new farmers within specific farm demographic groups based on age, race, and gender, as well as socially disadvantaged (underserved) farmers and farmers who are military veterans.

CRS In Focus IF12160, *Farm Bill Primer: Support for Native Agricultural Producers*, by Renée Johnson

In 2017, Native agricultural producers accounted for 2% of all U.S. producers. The 2018 farm bill (P.L. 115-334) expanded federal farm program support for Native agricultural producers and tribal communities. Congress further enhanced community and economic development for tribes in the Indian Community Economic Enhancement Act of 2020 (P.L. 116-261) and provided additional support for historically underserved agricultural producers, including Native producers, in the American Rescue Plan Act of 2021 (P.L. 117-2).

Rural Development

CRS In Focus IF12038, *Farm Bill Primer: Rural Development Title*, by Lisa S. Benson

Omnibus farm bills are the major modern legislative vehicle for addressing many rural development issues. Since 1973, omnibus farm bills have included a rural development title, which has included USDA Rural Development programs focused on rural utility systems (i.e., water, waste disposal, electricity, and broadband), rural business, and rural housing. The USDA Rural Business-Cooperative Service, USDA Rural Utilities Service, and USDA Rural Housing Service administer these programs. Most USDA Rural Development programs rely on discretionary funding, which Congress authorizes in farm bills and funds through the annual appropriations process.

CRS In Focus IF12041, *Farm Bill Primer: Rural Broadband Provisions*, by Lisa S. Benson

Congress has included provisions addressing rural broadband (i.e., high-speed internet access) in the rural development title of omnibus farm bills since 2002. The 2018 farm bill amends and reauthorizes many of the rural broadband programs administered by USDA. This In Focus provides background information on USDA rural broadband programs and an overview of selected rural broadband provisions in the 2018 farm bill and identifies some issues that Congress could consider as it debates a next farm bill.

Research, Extension, and Related Matters

CRS In Focus IF12023, *Farm Bill Primer: Agricultural Research and Extension*, by Lisa S. Benson

The research title addresses research, extension, and education at land-grant universities (LGUs) and other nonfederal institutions, as well as departmental policies, programs, and research within USDA. Most of the research title programs require annual discretionary appropriations; a few programs receive mandatory spending. This In Focus provides background information and discusses selected 2018 farm bill provisions and issues for a next farm bill related to agricultural research, extension, and education, including funding.

Forestry

CRS In Focus IF12054, *Farm Bill Primer: Forestry Title*, by Katie Hoover

Forest management generally, as well as forest research and forestry assistance, is often considered by the agriculture committees in Congress. Although most forestry programs are permanently authorized, forestry is often addressed in the periodic farm bills to reauthorize many agriculture programs. The 2018 farm bill included a separate forestry title, and this In Focus summarizes some of the forestry provisions addressed in the 2018 farm bill and related issues that Congress may debate as it considers a next farm bill.

Agricultural Energy

CRS In Focus IF10639, *Farm Bill Primer: Energy Title*, by Kelsi Bracmort

The 2018 farm bill contained 12 titles that addressed agricultural and food programs and Title IX, the energy title. The 2018 farm bill was the fourth farm bill to contain an energy title. The energy title is primarily focused on support for renewable energy—particularly agriculture-related energy, energy efficiency, and bioproducts (e.g., cleaning supplies). This In Focus summarizes the 2018 farm bill energy title, including mandatory versus discretionary funding amounts, as a basis for informing discussions on the next farm bill while identifying issues that Congress could consider as part of that process.

Horticulture, Specialty Crops, and Organic Farming

CRS In Focus IF12017, *Farm Bill Primer: Horticulture Title and Related Provisions*, by Renée Johnson

The 2018 farm bill reauthorized and expanded funding for many of the existing USDA programs supporting fruits, vegetables, and other specialty crops while providing support for many locally sourced products (not limited to crops) and cultivation of hemp. Support for these sectors, however, is not limited to the horticulture title but is also contained within other farm bill titles, covering a range of programs administered by USDA. This In Focus provides an overview of selected 2018 farm bill provisions and issues for a next farm bill related to specialty crops, organically produced and locally sourced products, and hemp.

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