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Examining the Farm Bill: Overview

The U.S. Farm Bill is the most influential piece of legislation for agriculture and ag-related industries. The first farm bill was passed as part of President Franklin D. Roosevelt's "New Deal" under the Agricultural Adjustment Act of 1933. Since that first legislation was written nearly a century ago, 18 farm bills have been passed, at a cadence of one every five years. Farm programs continue to evolve in recognition of agricultures' vital role in the food security of the United States. The farm bill is authorized by Congress and primarily executed by the United States Department of Agriculture (USDA) and the agencies within its structure. Farm bills are usually authorized for 5-year periods. That allows for some stability in the marketplace while also creating a system by which programs can adapt according to the ever-changing landscape of agriculture in the U.S.

The most recent Farm Bill, the Agricultural Improvement Act of 2018, is set to expire on September 30, 2023. Both the U.S. Senate and House of Representatives have begun holding hearings to receive testimony from farm groups about their priorities for the next farm bill. The timely passage of a new farm bill is vital to the sustainability of U.S. agriculture. This is the first in a series of Ag Insider articles focused on the 2023 farm bill. In the coming weeks, we will take a deep dive on farm programs, how they work, and how Farm Bureau policy relates to each title. With that in mind, this article provides a refresher on programs in the 2018 Farm Bill and the overarching principles that guide Farm Bureau policy on national farm programs.

The Agricultural Improvement Act of 2018

The 2018 Farm Bill is made up of 12 titles, each with a specific focus ranging from risk management programs to nutrition.

Title I: Commodities and Disaster—authorizes commodity programs: Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), the marketing loan, Dairy Margin Protection, and some disaster programs.

Title II: Conservation—authorizes voluntary conservation programs that help farmers implement environmental and natural resource protection practices on their farms.

Title III: Trade-created after WWII and the Korean War, this title authorizes programs that address trade and foreign market development concerns for U.S. agriculture.

Title IV: Nutrition-first created with the Food Stamp Act of 1964, this title now authorizes domestic feeding programs like the Supplemental Nutrition Assistance Program (SNAP) and Women, Infants and Children (WIC).

Title V: Credit-offers direct loans and guarantees to producers.

Title VI: Rural Development-first created fifty years ago, this title authorizes grants, loans, and guarantees for rural housing, community facilities, businesses, and utilities in rural areas of the U.S.

Title VII: Research-USDA was created in 1862 and charged with supporting agriculture research. That gives the research title the distinction of being the oldest program in the farm bill. Initially established in the Morrill Land Grant Act of 1862, the title continues to authorize research and extension programs to help farmers remain productive and competitive.

Title VIII: Forestry-added to the farm bill in 2002, the forestry title authorizes the U.S. Forest Service to manage federal forest land.

Title IX: Energy-authorizes grants, loans, and guarantees for farm and community renewable energy systems.

Title X: Horticulture-authorizes support for specialty crops, certified organic, and local food programs. Also authorizes a regulatory framework for industrial hemp.

Title XI: Crop Insurance-authorizes the Federal Crop Insurance program; a public/private partnership to provide risk management tools to farmers and ranchers.

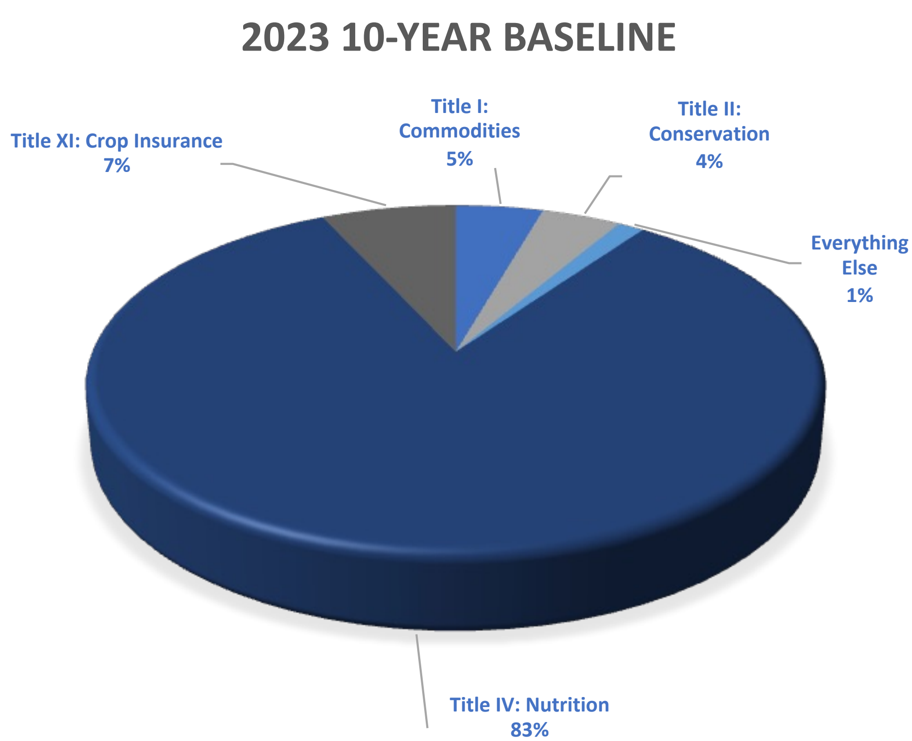
Title XII: Miscellaneous-authorizes programs that don't "fit" elsewhere. Current programs covered in this title are focused on livestock programs, historically underserved producers, and beginning farmers and ranchers, among others.

Farm Bureau Policy

As the largest agricultural organization in the U.S., Farm Bureau has extensive policy regarding farm bill priorities. The following general statements address the basic philosophy of our policy regarding farm bill structure and create a starting point for our advocacy.

Farm Bureau Policy: Protect current farm bill spending.

The farm bill authorizes both mandatory and discretionary programs. Mandatory programs are often referred to as entitlements and are simply mandatory spending as authorized by Congress. Discretionary spending is usually authorized by Congress through the appropriation process. The Congressional



Budget Office (CBO), projects spending for the farm bill for 10 years based upon the current bill. According to the CBO February 2023 projection, the baseline for the 2023 legislative session for farm bill programs is estimated at $709 billion over 5 years (FY2024-FY 2028) and $1.426 trillion over 10 years (FY 2024-FY 2033). This is important because the baseline is the benchmark by which any proposed changes in law will be measured.
Four titles account for 99% of the 2018 farm bill's mandatory spending. Commodities, Crop Insurance, Conservation and Nutrition.

Farm Bureau Policy: Maintain a unified farm bill that includes farm and nutrition titles.
Originally, farm bills focused on direct support to farmers, but the scope has expanded over time to create comprehensive agriculture and food policy. The U.S. continues to become more urban, with a smaller percentage of citizens having any direct ties to agriculture. Maintaining a comprehensive bill preserves support for programs that otherwise might not be a priority, especially for legislators representing urban districts.

Farm Bureau Policy: Ensure any changes to current farm legislation be an amendment to the Agricultural Adjustment Act of 1938 or the Agriculture Act of 1949.

It is important to note that each of the 18 farm bills passed by Congress since the 1930s is an amendment to the first farm bills. That means if Congress allows a bill to expire without an extension or the passage of a new bill, price supports revert to a system known as parity prices for the limited number of commodities that were covered by the 1949 bill. Adjusted for inflation, parity price supports would be far above current market prices. Passing 5-year farm bills that are amendments to the old laws creates a sense of urgency for Congress and motivation for farmers to advocate for timely legislation.

Farm Bureau Policy: Prioritize our top funding priorities-risk management tools, which include both Title I commodity programs and Title XI crop insurance programs.

Farm bill commodity support and risk management programs provide certainty and stability for our farmers and ranchers. It is vitally important that these programs continue to adapt to the ever-changing needs of our producers so the U.S. can continue to produce safe affordable food.

Ensure programs are compliant with WTO agreements.

As a member of the World Trade Organization (WTO), the U.S. must follow agreed-upon guidelines that help create fair and open trade around the world. U.S. farmers feel it is important to not only follow the guidelines in our domestic programs, but to also hold our trading partners and competitors to the same standard.

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