



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*).

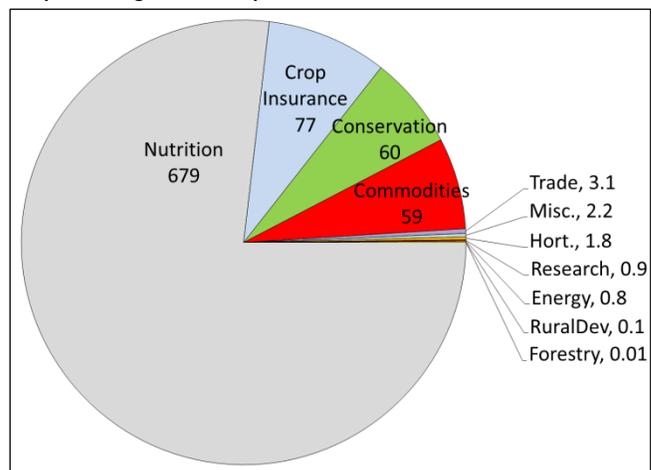
CBO’s June 2017 Baseline

Figure 1 shows the current CBO baseline for farm bill programs over the next 10 years. It contains \$878 billion over FY2018-FY2027, 77% of which is in the nutrition title

for the Supplemental Nutrition Assistance Program. The remaining \$199 billion baseline is for agricultural programs, mostly in crop insurance, conservation, and the farm commodity programs. Other titles of the farm bill contribute less than 1% of the baseline, some of which are funded primarily with discretionary spending. **Figure 2** illustrates the same baseline on an annual basis. **Table 1** presents the data at the program level.

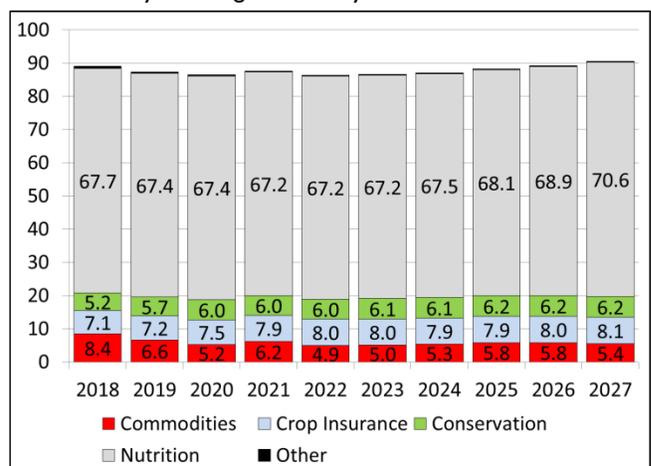
The FY2018 joint budget resolution (H.Con.Res. 71) presently allows a baseline-neutral farm bill. An updated CBO baseline for scoring purposes is due likely in March 2018, and the development of a new farm bill could be affected by the timing of a budget resolution for FY2019.

Figure 1. Farm Bill Baseline for Mandatory Programs
10-year budget authority FY2018-FY2027, millions of dollars



Source: CRS, using CBO June 2017 CBO Baseline (unpublished).

Figure 2. Farm Bill Baseline for FY2018-FY2027
Annual fiscal year budget authority, millions of dollars



Source: CRS, using CBO June 2017 CBO Baseline (unpublished).

Table I. Mandatory Farm Bill Programs with Baseline Projections

10-year budget authority FY2018-FY2027, millions of dollars

Farm bill title and program	FY18-27 baseline	Farm bill title and program	FY18-27 baseline
Title I: Farm Commodity Programs		Title V: Credit	
Price Loss Coverage	39,093	Offsetting receipts, incl. to FCS ins. fund	(5,398)
Agricultural Risk Coverage	12,370	Title VI: Rural Development	
Disaster Programs	3,241	2014 programs without continuing baseline	65
Other (incl. net interest, operating expenses)	2,564	Title VII: Research	
Dairy	866	Specialty Crop Research Initiative	800
Marketing loans, loan deficiency payments	587	2014 programs without continuing baseline	79
Subtotal	58,720	Subtotal	879
Title II: Conservation		Title VIII: Forestry	
Conservation Reserve Program	20,632	Title IX: Energy	
Conservation Security Program	18,213	Rural Energy for America Program	500
Environmental Quality Incentives Program	16,514	2014 programs without continuing baseline	251
Agricultural Conservation Easement Program	2,751	Subtotal	751
Regional Conservation Partnership Program	1,121	Title X: Horticulture	
CRP Technical Assistance	924	Specialty Crop Block Grants	850
Agricultural Management Assistance	94	Plant Pest and Disease Management	750
Programs repealed in 2014 and user fees	59	Organic and Christmas Tree Promotion Orders	153
Emergency Forestry Conservation Reserve	10	2014 programs without continuing baseline	67
Announced sequestration through 2018	(514)	Subtotal	1,812
Subtotal	59,804	Title XI: Crop Insurance	
Title III: Trade		Federal Crop Insurance Corporation	
Market Access Program	1,999	77,419	
Export Donations Ocean Transportation	1,000	Title XII: Miscellaneous	
2014 programs without continuing baseline	57	Noninsured Assistance Program	2,096
Subtotal	3,056	2014 programs without continuing baseline	104
Title IV: Nutrition		Subtotal	2,199
Supplemental Nutrition Assistance Program	679,181	Total	
		878,498	
		Nutrition	679,181
		Non-nutrition	199,316

Source: CRS, using CBO, "Baseline Projections for Selected Programs," June 2017; and unpublished CBO tables.

Notes: Entries labeled "2014 programs without continuing baseline" reflect programs that do not have new budget authority beyond FY2018 but still have projected budgetary outlays from obligations that are related to the 2014 farm bill. Such programs are listed in CRS Report R44758, *Farm Bill Programs Without a Budget Baseline Beyond FY2018*.

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, *The 2014 Farm Bill (Agricultural Act of 2014)*.

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