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Farm Bill Primer Series: A Guide to Omnibus Legislation on Agriculture and Food Programs

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December 1, 2017

Congressional Research Service
7-5700
www.crs.gov
R44913

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Introduction

This report constitutes a guide to a series of two-page reports that examine the various programs and policies that comprise periodic omnibus legislation on farm and food policy, commonly known as "the farm bill." The current farm bill (P.L. 113-79) was signed into law in February 2014. Many of the programs authorized by the 2014 farm bill are scheduled to expire in 2018 unless Congress provides for an extension, or reauthorizes them. Without congressional action, key commodity support programs would revert to permanently authorized legislation from the 1930s and 1940s.

The 2014 farm bill authorizes a broad array of programs and policies that define the federal government's role in the agricultural sector. It also establishes the parameters for key domestic and foreign nutrition assistance programs. The various short reports that are identified and briefly summarized in this report are organized under descriptive headings rather than by farm bill titles to facilitate accessibility for those who may be less familiar with the structure of the farm bill.

The concept behind these reports is to provide relevant information on key programs and policy initiatives authorized by the farm bill in a concise format that will serve as a quick-reference resource for Members of Congress and congressional staff. To this end, the reports describe the leading programs and policies within individual titles of the farm bill while also identifying some of the higher-profile issues that may frame the debate as Congress considers successor legislation to current law.

The reports listed herein also provide references to additional CRS reports for those who want to explore a specific farm bill topic area in greater depth, or who seek additional analysis on an individual program or policy. For an overview of the entire farm bill, see CRS Report R44784, *Previewing a 2018 Farm Bill*.

This report summarizes the farm bill primers listed below while also providing hyperlinks to the full reports. This report is not comprehensive but rather a work in progress in that summaries of additional primer reports will be added as they become available.

- *Farm Bill Primer: Budget Issues*
- *Farm Bill Primer: Programs Without Baseline Beyond FY2018*
- *Farm Bill Primer: The Farm Safety Net*
- *Farm Bill Primer: Title I Commodity Programs*
- *Farm Bill Primer: ARC and PLC Support Programs*
- *Farm Bill Primer: The Marketing Assistance Loan Program*
- *Farm Bill Primer: Program Eligibility and Payment Limits*
- *Farm Bill Primer: Dairy Safety Net*
- *Farm Bill Primer: Sugar Program*
- *Farm Bill Primer: Disaster Assistance Programs*
- *Farm Bill Primer: The Conservation Title*
- *Farm Bill Primer: Trade and Export Promotion Programs*
- *Farm Bill Primer: SNAP and Other Nutrition Title Programs*
- *Farm Bill Primer: Federal Programs Supporting New Farmers*
- *Farm Bill Primer: Rural Development Title Provisions*
- *Farm Bill Primer: Forestry Title*
- *Farm Bill Primer: Agricultural Energy*
- *Farm Bill Primer: Horticulture, Specialty Crops and Organic Farming*

Budget-Related

CRS In Focus IF10783, *Farm Bill Primer: Budget Issues*, by Jim Monke

With the 2014 farm bill generally expiring in FY2018, Congress may consider successor legislation. From a budgetary perspective, many existing programs are assumed to continue beyond the end of the farm bill, providing funding for reauthorization, reallocation to other programs, or offsets for deficit reduction. This report discusses the two types of funding provided in the farm bill—mandatory spending and discretionary authorizations. It describes how mandatory and discretionary funding differ and highlights the implications of each for farm bill budgeting and program continuity.

CRS In Focus IF10780, *Farm Bill Primer: Programs Without Baseline Beyond FY2018*, by Jim Monke

The 2014 farm bill authorized $489 billion of mandatory spending over FY2014-FY2018. From a budgetary perspective, many of these programs with mandatory spending have a "baseline" beyond the end of the farm bill and are assumed to continue beyond their authorization. Having a baseline essentially gives these programs built-in future funding if policymakers decide the programs should continue. If not, the baseline can be reallocated to other programs or used as an offset for deficit reduction. This report identifies the subset of programs that received mandatory funding in the 2014 farm bill but do not have a baseline beyond the end of the farm bill and so lack assured future funding.

Commodity Programs and Farm Support

CRS In Focus IF10638, *Farm Bill Primer: The Farm Safety Net*, coordinated by Randy Schnepf

The federal "farm safety net" provides risk protection and financial support to U.S. farmers. The three components of the farm safety net are (1) farm commodity programs, (2) crop insurance, and (3) disaster assistance programs. The U.S. Department of Agriculture (USDA) administers the farm safety net programs. The 2014 farm bill (Agricultural Act of 2014; P.L. 113-79) revised commodity programs, enhanced crop insurance, and retroactively authorized the four new, permanent disaster programs beginning in FY2012.

CRS In Focus IF10718, *Farm Bill Primer: Title I Commodity Programs*, by Randy Schnepf

Commodity programs have historically been an essential part of U.S. farm policy by virtue of their long history (dating back to the 1930s). However, the specific program design and the list of eligible commodities have varied over time with changing market and policy conditions. Provisions of Title I, the "Commodity Title," of the 2014 farm bill authorize current commodity price and income support programs for crop years 2014 through 2018. This report describes the primary support mechanisms available for eligible commodities and compares these support levels with prices received by farmers.

CRS In Focus IF10711, *Farm Bill Primer: ARC and PLC Support Programs*, by Randy Schnepf

The 2014 farm bill created two new types of crop support programs—Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC)—to provide income support at levels above the price protection offered by the Marketing Assistance Loan (MAL) program's loan rates. Producers were given a one-time choice between PLC and ARC depending on their preference for protection against a decline in either (a) crop prices or (b) crop revenue, respectively. The selection was for the five-year duration of the 2014 farm bill—the 2014 through 2018 crop years. Furthermore, producers could elect ARC at either the county or individual farm level.

CRS In Focus IF10714, *Farm Bill Primer: The Marketing Assistance Loan Program*, by Randy Schnepf

The MAL program has been a significant feature of U.S. farm policy since the 1930s. The MAL program—operated by USDA—provides both a floor price and interim financing for certain commodities—referred to as loan commodities. The 2014 farm bill extended the MAL program for crop years 2014 through 2018. Under MAL, a participating producer may put a harvested loan crop under a nine-month nonrecourse loan valued at a statutory commodity loan rate. A producer has the option of forfeiting the crop pledged as collateral as full payment for an outstanding loan.

CRS In Focus IF10722, *Farm Bill Primer: Program Eligibility and Payment Limits*, by Randy Schnepf and Megan Stubbs

Since 1970, Congress has used varying policies to address the issue of who is eligible for farm payments and how much an individual recipient should be permitted to receive in a single year. In recent years, congressional debate has focused on (1) ensuring that payments go to persons or entities currently engaged in farming, (2) attributing payments directly to individual recipients, (3) capping the amount of payments that a qualifying recipient may receive in any one year, and (4) excluding from payment eligibility those farmers or farming entities with incomes above a certain level as measured by their adjusted gross income. This report summarizes the current eligibility requirements and payment limits that apply to federal farm support programs.

CRS In Focus IF10750, *Farm Bill Primer: Dairy Safety Net*, by Joel L. Greene

The 2014 farm bill made significant changes to the structure of U.S. dairy support programs by repealing the Dairy Product Price Support Program, the Milk Income Loss Contract, and the Dairy Export Incentives Program. Instead, the bill established two new programs—the Margin Protection Program (MPP) and the Dairy Product Donation Program. Many dairy stakeholders believe MPP has not functioned as envisioned and are looking to the 2018 farm bill to adjust the program or find alternatives that strengthen the safety net for milk producers.

CRS In Focus IF10689, *Farm Bill Primer: Sugar Program*, by Mark A. McMinimy

Congress reauthorized the sugar program in the 2014 farm bill with no changes from the version it authorized in the 2008 farm bill (P.L. 110-246), making it an anomaly among major commodity programs. The U.S. sugar program also stands out in that it combines a price support feature with a supply management structure that limits both sugar production for domestic human use and imports. The objectives behind this market intervention are to support domestic sugar prices without incurring budgetary costs to the federal government while also assuring that adequate supplies of beet and cane sugar are available to sugar users. A significant development since Congress reauthorized the sugar program is bilateral agreements with Mexico that place limits around imports of Mexican sugar.

CRS In Focus IF10698, *Farm Bill Primer: Disaster Assistance Programs*, 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 do not require reauthorization in the next farm bill. However, Congress may create additional programs or amend or replace existing programs to address emerging issues.

Conservation

CRS In Focus IF10679, *Farm Bill Primer: The 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 voluntarily implement resource-conserving practices on private land. Starting in 1985, farm bills have greatly broadened the range of topics considered to be "conservation." Administered by USDA, conservation programs 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 and Export Promotion

CRS In Focus IF10637, *Farm Bill Primer: Trade and Export Promotion Programs*, by Renée Johnson and Mark A. McMinimy

Agricultural exports are important to both 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. Accordingly, the 2014 farm bill authorizes a number of programs to promote farm exports, among which are programs that facilitate market development and others that guarantee credit.

Domestic Food Assistance

CRS In Focus IF10663, *Farm Bill Primer: SNAP and Other Nutrition Title Programs*, by Randy Alison Aussenberg

The nutrition title of the farm bill typically reauthorizes a number of nutrition or domestic food assistance programs. These include the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) and certain other programs administered by USDA's Food and Nutrition Service. These programs were last reauthorized by the 2014 farm bill and are authorized through September 30, 2018. Farm bills since 1973 have included reauthorization of the Food Stamp Program (renamed SNAP in 2008).

New and Beginning Farmers and Ranchers

CRS In Focus IF10641, *Farm Bill Primer: Federal Programs Supporting New Farmers*, by Renée Johnson et al.

Beginning farmers and ranchers—generally defined as having operated a farm or ranch for no more than 10 years—comprise an important part of the U.S. agricultural sector. Not only do they contribute to rural and nonrural economies, but they 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 2014 farm bill reauthorized and expanded programs administered by USDA supporting new farmers and ranchers. These programs target 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.

Rural Development

CRS In Focus IF10629, *Farm Bill Primer: Rural Development Title Provisions*, by Tadlock Cowan

Omnibus farm bills are the major modern legislative vehicle for addressing many rural development issues. While other legislation has significant implications for rural areas and rural residents (e.g., transportation initiatives, environmental regulation, finance and taxation, Medicare, Social Security), Congress has used periodic farm bills to address emerging rural issues and to reauthorize a wide range of rural programs administered by the USDA's rural development mission agencies: the Rural Utilities Service, the Rural Business-Cooperative Service, and the Rural Housing Service. While the extent of overlap among federal agencies and programs targeting rural areas has been of concern to some rural policy observers, USDA Rural Development has primary federal responsibility for rural development and has the largest number of programs providing assistance to rural areas.

Forestry

CRS In Focus IF10681, *Farm Bill Primer: Forestry Title*, by Katie Hoover

Forest management generally, as well as forest research and forestry assistance, is within the jurisdiction of 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. Four of the past five farm bills included a separate forestry title, including the 2014 farm bill. This report summarizes some of the forestry provisions addressed in the 2014 farm bill and issues Congress may debate in future farm bills.

Agricultural Energy

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

The 2014 farm bill contains 12 titles that address agricultural and food programs, as well as Title IX, the energy title. The 2014 farm bill is the third farm bill to contain an energy title. The energy title primarily focuses on support for renewable energy—particularly agriculture-related energy, energy efficiency, and bioproducts (e.g., cleaning supplies). With forthcoming discussions about a 2018 farm bill, Congress may discuss the merits of including an energy title. The discussion may involve program funding levels, the effect of related efforts provided under nonagricultural legislation, and market activity for conventional energy. This *In Focus* summarizes the 2014 farm bill energy title as a basis for potentially understanding forthcoming discussions about a 2018 farm bill.

Horticulture, Specialty Crops, and Organic Farming

CRS In Focus IF10624, *Farm Bill Primer: Horticulture Title Provisions*, by Renée Johnson

The horticulture title of the 2014 farm bill covers a diverse set of agricultural products, including specialty crops, certified organic agriculture, and local and regional foods. These sectors have long argued that their industries should occupy a larger role in farm bill policy discussions and that benefits supporting major commodity producers should be extended to these producers in order to create a broader, more equitable farm bill. Producers in these sectors are not eligible for USDA commodity revenue support programs, but they are eligible for other types of USDA programs and support throughout several farm bill titles. These include, but are not limited to, programs in the nutrition, conservation, research, crop insurance, disaster assistance, rural development, and trade titles. Other federal agencies also play important roles in these sectors.

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