

Policy Backgrounder: The Farm Bill

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The farm bill is an omnibus, multi-year piece of legislation that authorizes a wide range of agricultural and food programs (but does not appropriate money for those programs, which is done through annual appropriations bills). The farm bill is considered a [must-pass](#) for Congress as it ensures the U.S. Department of Agriculture can continue to implement existing programs, allows farmers to continue to receive important benefits, and authorizes nutrition assistance programs for low-income Americans. Since 1973 when a nutrition title was first introduced, farm bills have become [increasingly expansive](#), with the omnibus nature of the bill attracting a wide variety of stakeholders into the debate on what should be included in this legislation. Generally, the farm bill is renewed every five years. This year, following Congress's one-year extension of the 2018 farm bill through September, lawmakers will draft a new farm bill that is projected to be the largest to date.

- The Congressional Research Service (CRS) [estimated](#) that the 2018 farm bill would cost \$867 billion over the ten-year period covering Fiscal Year (FY) 2019-2028. Using the May 2023 CBO-released baseline for major programs under the farm bill, as well as other farm bill programs not included in the annual projection, the current baseline for farm bill programs is [estimated](#) at \$1,463 billion over the ten-year period covering FY 2024-2033.
- Millions more Americans were [food insecure](#) in 2022 compared to 2021. The one-year extension of the 2018 bill means that over 41 million people will continue to receive [Supplemental Nutrition Assistance Program \(SNAP\)](#) benefits (SNAP provides food benefits to low-income Americans) through September 30. But current government funding for [Women, Infants, and Children \(WIC\)](#) program (which provides federal grants for food and health care for low-income women who are pregnant, who have children up to five years old, and to those children) runs out January 19, as WIC is not included in the farm bill. The level of WIC funding has been a major point of contention between the Administration and House Republicans in the current budget debates.
- According to The Conference Board's 2024 [C-Suite Outlook](#), only 23 percent of US CEOs note that they are prepared to deal with food shortages. Moreover, "higher food prices due to conflict lead to higher inflation" ranks among US CEOs' top seven concerns.
- In CRS's 2023 projection, the nutrition title comprises 84 percent of the bill's baseline. The cost of a new farm bill will be largely [driven by](#) increased spending for SNAP, partly because of the higher estimated cost of food under the Department of Agriculture's [Thrifty Food Plan](#), which resulted in higher SNAP benefits.
- Agriculture [accounts](#) for 10 percent of US greenhouse gas emissions. Regenerative agriculture—agricultural techniques that reverse the industry's impact on climate change—is a hot topic in the farm bill debate. Farmers, as key drivers of climate solutions through innovative practices that support improvements to soil health, the expansion of on-farm renewable energy, and carbon sinks for crops, have a key role to play in addressing the climate issue.

What is the Farm Bill?

The farm bill, a multi-year piece of legislation that includes an array of agricultural and food programs, provides an opportunity for policymakers to address agricultural and food issues comprehensively. Typically updated every five years, the omnibus bill has a [tremendous impact](#) on the nation's food and farm systems, from providing nutritional assistance to low-income families to supporting sustainable farming practices. The original farm bill(s) were enacted in the 1930s in three stages as part of President Roosevelt's New Deal legislation with three goals in mind: to keep food prices fair for both farmers and consumers; to ensure an adequate food supply; and to protect and sustain vital resources. Since then, Congress has enacted 18 farm bills.

Farm bills have become [increasingly expansive](#) since 1973, when a nutrition title was first introduced. Other prominent additions include horticulture, conservation, and rural development. The omnibus nature of the farm bill has attracted more stakeholders into the debate on what should be included in this legislation, including national farm groups, nutrition and public health officials, commodity associations, and advocacy groups representing a wide range of issues.

The Agriculture Improvement Act of 2018

The [Agriculture Improvement Act of 2018](#), enacted into law in December 2018, is the most recent farm bill. Originally set to expire on September 30, 2023, provisions in the 2018 farm bill modified farm commodity programs, expanded crop insurance coverage, amended conservation programs, reauthorized and revised nutrition assistance, and extended authority to appropriate funds for many USDA discretionary programs. A continuing resolution (CR) enacted in November [provided](#) a one-year extension to programs in the 2018 farm bill through September 30, 2024.

The Agriculture Risk (ARC) and Price Loss Coverage (PLC) programs [provide protections](#) to farmers from substantial drops in crop prices or revenues, making the programs essential economic safety nets for farmers. Under the 2018 bill, producers acquire [greater flexibility](#) to choose between three commodity title alternatives: ARC-CO (payment based on county revenue), ARC-IC (payment based on individual farm revenue), and PLC (payment based on market year coverage). Other changes include an increase in marketing assistance loan rates for a variety of crops and an expansion of the definition of "family farm" to include extended family, making nieces, nephews, and cousins eligible for farm program payments.

The 2018 bill also made a number of amendments to the Supplemental Nutrition Assistance Program (SNAP), including initiatives to reduce errors and fraud in SNAP, limiting fees that electronic benefit transfer processors may charge, and requiring nationwide acceptance of SNAP benefits. The bill also addressed agricultural conservation by reauthorizing the two largest working lands programs, the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP). Issues of importance to rural Americans were addressed in the bill as well, including combatting substance abuse and expanding broadband access.

The 2018 bill [authorized](#) a regulatory framework for the production of hemp and removed hemp and hemp seeds from the Drug Enforcement Administration's (DEA) schedule of Controlled Substances. This added a hemp program under USDA oversight and made hemp an eligible crop for federal crop insurance.

The 2018 farm bill addresses agriculture and food policy across 12 titles covering support programs for major commodities, agricultural conservation, export programs and international food assistance, domestic nutrition assistance (including SNAP), farm credit programs, rural development (including utilities), research and extension, forestry, horticulture, federal crop insurance, and miscellaneous programs.

What Will the Farm Bill Cost?

Farm bills authorize programs in two [spending](#) categories: mandatory and discretionary programs. Programs with mandatory spending typically dominate the farm bill debate, as these programs generally operate as entitlements for those qualified to receive them. Farm bills authorize outlays for mandatory programs when the law is enacted and thus serve effectively as an appropriations bill for these programs in a manner similar to Social Security or Medicare. For discretionary programs, the farm bill sets program parameters, while funding is provided through separate action by Congress.

The Congressional Research Service (CRS) [estimated](#) that the 2018 farm bill would cost \$867 billion over the ten-year period covering fiscal years 2019 through 2028. The majority of that amount (76 percent) was in the nutrition title for SNAP, with the remaining funding for agricultural programs, mostly in the areas of crop insurance, farm commodity programs, and conservation.

Using the May 2023 CBO-released baseline for major programs under the farm bill, as well as other farm bill programs not included in the annual projection, the current baseline for farm bill programs is [estimated](#) at \$1,463 billion over the ten-year period covering fiscal years 2024 through 2033. In the 2023 projection, the nutrition title comprises 84 percent of the bill's baseline. Analysis from the Peter G. Peterson Foundation points that the cost of a new farm bill will be largely [driven by](#) increased spending for SNAP, partly due to the estimated higher cost of food under the Department of Agriculture's [Thrifty Food Plan](#), which resulted in higher SNAP benefits. Another major reason for the increased cost of the Farm Bill is that higher levels of inflation increase the cost of all programs under the bill. The one-year extension of the 2018 farm bill [authorizes](#) programs with a mandatory spending baseline and provides new mandatory funding for those without a baseline; for programs with a baseline, Congress did not need to offset the spending.

Updated Farm Bill Will Examine New Challenges

The farm bill serves as an essential piece of legislation in maintaining US and global food security, an increasingly important issue during a time of elevated inflation and geopolitical challenges. According to The Conference Board's 2024 [C-Suite Outlook](#), only 23 percent of US CEOs note that they are prepared to deal with food shortages. Moreover, "higher food prices due to conflict lead to higher inflation" ranks among US CEOs' top seven concerns. Accordingly, US business broadly supports timely, thoughtful enactment and implementation of the next farm bill, one which ensures the continuation of essential programs – as well as addresses new challenges—for one of the nation's most fundamental industries.

Debate over the farm bill has largely focused on SNAP, commodity programs, and conservation. A proposal from House Agriculture Committee Chairman Glenn Thompson (R-PA) aims to [increase subsidies](#) for a few select crops—peanuts, cotton, and rice—that did not receive automatic price increases under the 2018 version of the bill. Thompson argues this move is necessary because "at least two of those commodities" are in a difficult position. To pay for the increase in subsidies for the ARC/PLC programs, House Republicans plan to [reallocate](#) money previously set aside for nutritional programs and conservation programs that Congress enacted in the Inflation Reduction Act (IRA). Critics say the proposed increase will direct money only to a few thousand of the nation's biggest farmers. According to the nonprofit Environmental Working Group (EWG), [only](#) 30 percent of farmers grow the commodities covered by USDA crop insurance programs.

While the one-year extension of the 2018 farm bill means that the more than 41 million SNAP participants will continue to receive benefits through September 30, the CR only funds the Women, Infants, and Children (WIC) program through January 19 as WIC is not included in the farm bill. Millions more Americans were [food insecure](#) in 2022 compared to 2021, according to an October report by the USDA.

The report found that 12.8 percent of households, or 17 million households, struggled with food insecurity in 2022, up from 10.2 percent, or 13.5 million households, in 2021.

Regenerative agriculture is another major topic for the upcoming farm bill. Farmers are key drivers of climate solutions, such as improvements to soil health, on-farm renewable energy, and carbon sinks for crops. According to the Environmental Protection Agency, agriculture [accounts](#) for 10 percent of US greenhouse gas emissions. Regenerative agriculture [describes](#) agricultural techniques that reverse the industry's impact on climate change, and implement practices that rebuild soil organic matter and restore degraded soil biodiversity, remove carbon from the atmosphere, and use agricultural management practices that align with natural systems. In the past year, Kiss the Ground—a nonprofit promoting regenerative agriculture—and the American Sustainable Business Network made the case to lawmakers for regenerative agriculture. Companies including Unilever, Oatly, and Thousand Hills [called on Congress](#) to ensure that the next farm bill invests in regenerative programs and practices.

Conclusion

Congress's one-year extension of the 2018 farm bill allows for the continued funding of vital programs addressing nutrition, agriculture, and conservation to continue through September. As policymakers continue the debate on what should be included in a 2024 farm bill—the largest to date—Congress faces the task of continuing its tradition of using the farm bill to reach bipartisan solutions on how best to address issues of food insecurity, conservation, and commodity programs for farmers.

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