The 2014 Farm Bill (Agricultural Act of 2014, P.L. 113-79)

What Is the Farm Bill?

The farm bill is an omnibus, multi-year piece of authorizing legislation that governs an array of agricultural and food programs. Although agricultural policies sometimes are created and changed by freestanding legislation or as part of other major laws, the farm bill provides a predictable opportunity for policymakers to comprehensively and periodically address agricultural and food issues.

The farm bill typically is renewed about every five years. Seventeen farm bills have been enacted since the 1930s (1933, 1938, 1948, 1949, 1954, 1956, 1965, 1973, 1977, 1981, 1985, 1990, 1996, 2002, 2008, 2014). Farm bills traditionally have focused on farm commodity program support for a handful of staple commodities—corn, soybeans, wheat, cotton, rice, dairy, and sugar. Yet farm bills have become increasingly expansive in nature since 1973, with the inclusion of a nutrition title. Other prominent additions have been conservation, horticulture, and bioenergy programs.

The omnibus nature of the farm bill can create broad coalitions of support among sometimes conflicting interests for policies that individually might not survive the legislative process. This can stir fierce competition for funds. In recent years, more parties have become involved in the debate, including national farm groups, commodity associations, state organizations, and nutrition and public health officials, as well as advocacy groups representing conservation, recreation, rural development, faith-based interests, local food systems, and organic production.

The farm bill provides an opportunity for Congress to comprehensively and periodically address agricultural and food issues, and is renewed about every five years.

The Agricultural Act of 2014 (P.L. 113-79, H.Rept. 113-333), referred to here as the “2014 farm bill,” is the most recent omnibus farm bill. It was enacted in February 2014 and succeeded the Food, Conservation, and Energy Act of 2008 (P.L. 110-246, “2008 farm bill”). The 2014 farm bill contains 12 titles encompassing commodity price and income supports, farm credit, trade, agricultural conservation, research, rural development, energy, and foreign and domestic food programs, among others.

Provisions in the 2014 farm bill reshape the structure of farm commodity support, expand crop insurance coverage, consolidate conservation programs, reauthorize and revise nutrition assistance, and extend authority to appropriate funds for many U.S. Department of Agriculture (USDA) discretionary programs through FY2018. USDA reports that implementing the 2014 farm bill over the next few years will require about 150 rulemaking actions, and more than 40 studies and reports.

Without a new farm bill or an extension, the authority for some farm programs would expire and some would cease to operate altogether unless reauthorized. Also, new activities under some old programs might not be initiated, for lack of either program authority or available funding. Nutrition assistance programs require periodic reauthorization if they are to continue. The farm commodity programs not only expire, but would revert to permanent law dating back to the 1940s. Many discretionary programs would not have statutory authority to receive appropriations in future years. Other programs have permanent authority and do not need to be reauthorized (e.g., crop insurance), but might be included to make changes for policy or budgetary goals.
What Is the Estimated Cost?

The farm bill authorizes programs in two spending categories: mandatory and discretionary. Mandatory programs generally operate as entitlements; the farm bill pays for them using multi-year budget estimates when the law is enacted. Discretionary programs are authorized for their scope, but are not funded in the farm bill; they are subject to appropriations. While both types of programs are important, mandatory programs often dominate the farm bill debate.

At enactment of the 2014 farm bill, the Congressional Budget Office (CBO) estimated that the total cost of mandatory programs (Table 1) would be $489 billion over the next five years (FY2014-FY2018).

The overwhelming share (99%) of estimated total net outlays is anticipated for four farm bill titles: nutrition, crop insurance, conservation, and farm commodity support (Figure 1). Of the projected net outlays, about 80% is for the Supplemental Nutrition Assistance Program (SNAP). Farm commodity support and crop insurance are expected to account for 13% of mandatory program costs, with another 6% of costs in USDA conservation programs. Programs in all other farm bill titles are expected to account for about 1% of all mandatory expenditures.

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Figure 1. Share of Projected Outlays, 2014 Farm Bill (billions of dollars, FY2014-FY2018)

Of the total estimated mandatory outlays, $391 billion is for nutrition assistance and $98 billion is mostly geared toward agriculture production (Table 1). Within the agriculture portion, crop insurance outlays are projected to be $41 billion over the next five years, conservation $28 billion, and farm commodity programs $24 billion. The trade title is projected to spend $1.8 billion over the next five years, horticulture $0.9 billion, research $0.8 billion, and bioenergy $0.6 billion.

Table 1. 2014 Farm Bill Budget, by Title (P.L. 113-79) (millions of dollars, FY2014-FY2018)

If the 2008 farm bill had continued, CBO estimated that mandatory outlays would have been $494 billion for the five-year period FY2014-FY2018. Including changes in revenues, the five-year net impact of the 2014 farm bill on the deficit is an estimated change of -$5.3 billion (-1.1%) over five years. (On a ten-year basis, the score is -$16.6 billion, with ten-year projected outlays of $956.4 billion.)

The net reduction in expected outlays is the result of some titles receiving more funding, while other titles provide offsets. The titles for farm commodity subsidies, nutrition, and conservation provide budgetary savings. The titles for crop insurance, research, bioenergy, horticulture, rural development, trade, forestry, and miscellaneous items receive additional funding.

For more information, see CRS Report R43076, The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side; CRS Report R22131, What Is the Farm Bill?; and CRS Report R42484, Budget Issues Shaping the 2014 Farm Bill. Additional CRS reports include CRS Report R41433, Expiring Farm Bill Programs Without a Budget Baseline; and CRS Report R42442, Expiration and Extension of the 2008 Farm Bill.

Renée Johnson, rjohnson@crs.loc.gov, 7-9588; and Jim Monke, jmonke@crs.loc.gov, 7-9664.