

# U.S. Farm Bill - 2013

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# Evolution of Farm Bills

- Prior to the 1920s, very little federal farm legislation.
- 1920s: regulatory and basic service programs initiated.
- 1930s: comprehensive program responds to the depression, low farm prices, and dust bowl.
- 1950s – 1970s: farm programs adjusted to balance producer flexibility and market control. Broader range of programs in Farm Bill (not just commodity programs).
- 1977: Food stamps added to Farm Bill
- 1980: Federal Crop Insurance Act
- 1985 and 1990: Production flexibility and partial decoupling
- 1996: Freedom to Farm
- 2002: Safety net for producers
- 2008: Status quo on core programs, revenue insurance added
- 2012: one year extension

# Price Support Commodities

- Wheat
- Corn
- Sorghum
- Barley
- Oats
- Cotton
- Rice
- Soybeans
- Other oilseeds

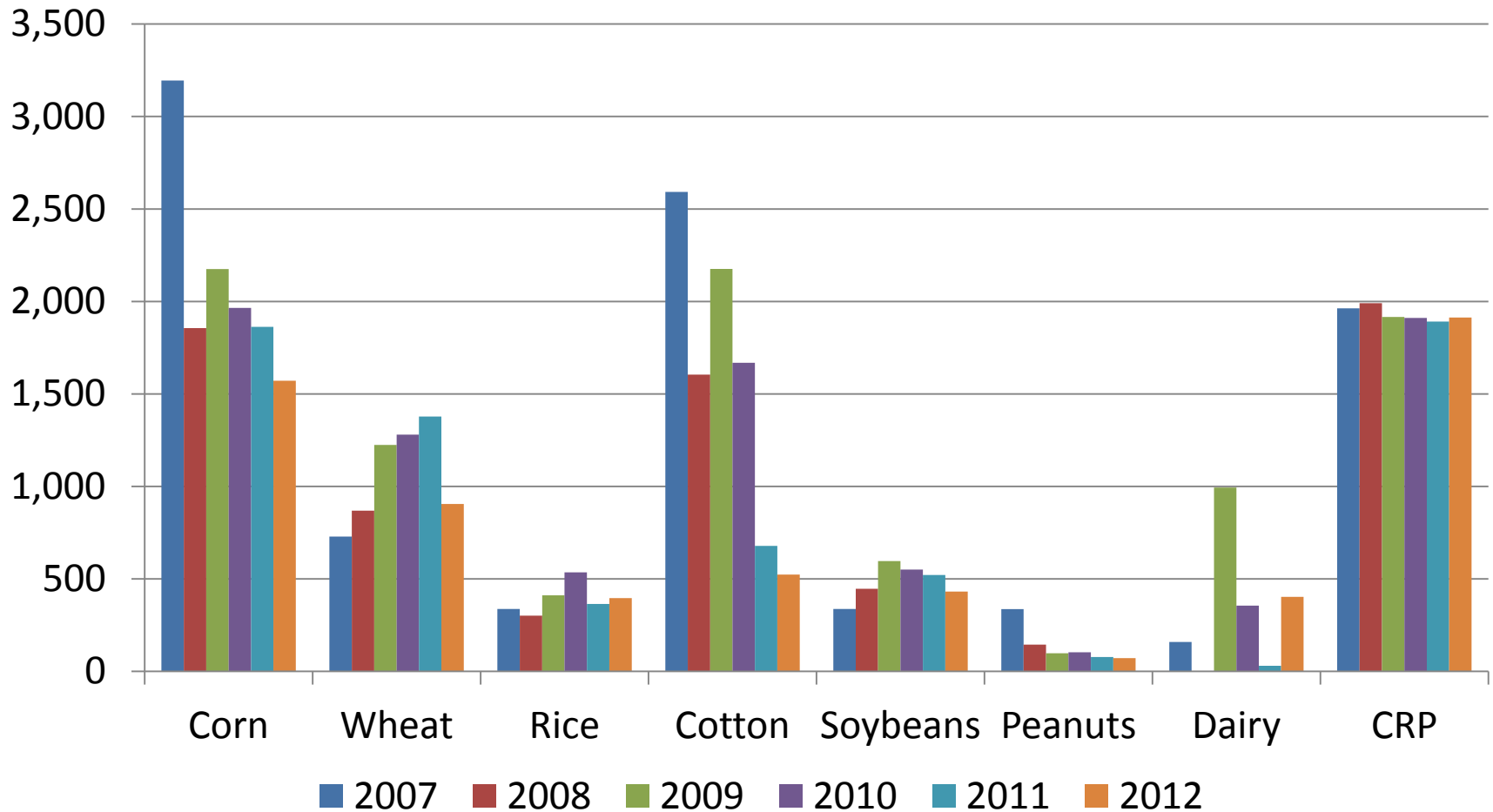
- Dry peas
- Lentils
- Chickpeas
- Peanuts
  
- Other Systems
  - Dairy
  - Sugar

# Farm Support Programs

<u>Current Tools</u>	<u>2012 outlays, million</u>
Direct Payments	\$3,921
Counter-Cyclical Payments	\$11
ACRE	\$16
Marketing Loan	\$6
Crop Insurance	\$6,387
Disaster Assistance	\$693
Sugar	\$0
Dairy	\$403

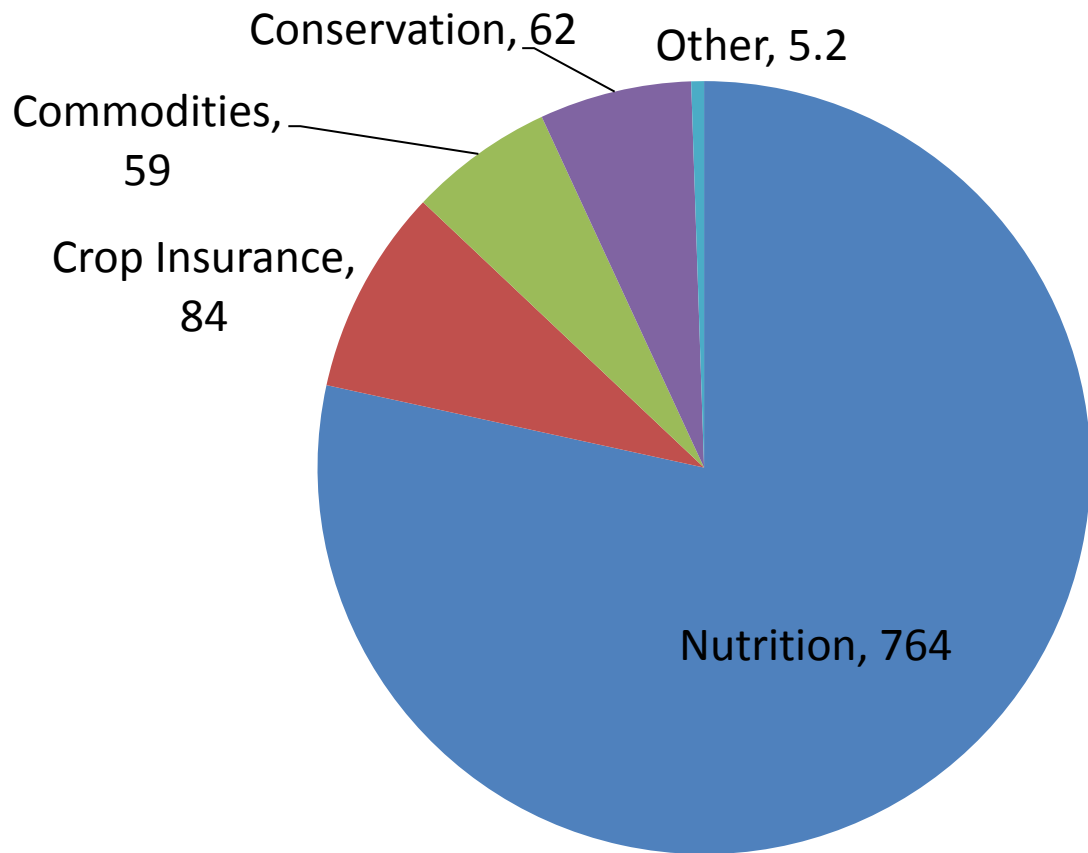
CBO baseline: May 2013

# Farm Support Programs



CCC outlays, President's Budget

# Relative Shares of Farm Bill Budget

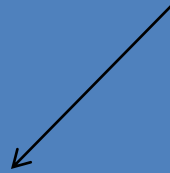


Baseline outlays, CBO, 10 year period, billion \$

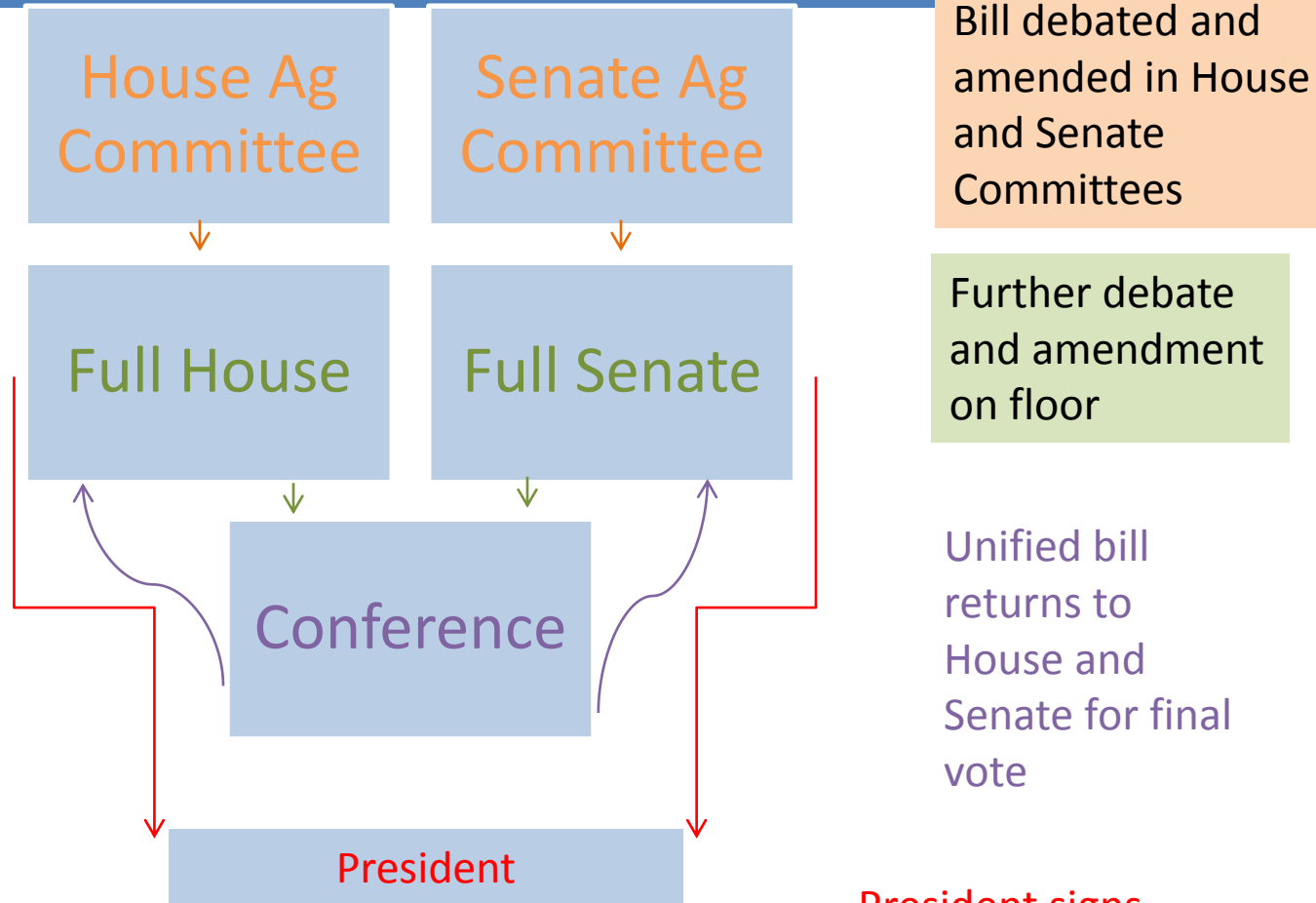


# Farm Bill Process

Iron Triangle?



# Legislative Process



Bill debated and amended in House and Senate Committees

Further debate and amendment on floor

Unified bill returns to House and Senate for final vote

President signs or vetoes final bill.

Don't forget:  
Budget appropriations and reconciliation



# Trends in U.S. Farm Policy

- Crop prices high for several years
- Considerable budget pressure
- Farm supports versus food assistance
- Direct payments difficult to justify
- Disaster assistance very complicated
- Movement towards crop insurance and revenue protection
- Payment limitations

# Political Situation

- Senate controlled by Democrats
- House of Representative by Republicans
- Very different philosophies
- Budget pressure
- Farm supports / food assistance
- Two very different proposals
- Decoupling of farm supports and assistance

# Outlays Under Farm Bill Proposals

(CBO: 10-year totals, millions \$)

	CBO Baseline	S. 954	HR. 1947
Commodities	58,765	-17,442	-18,626
Conservation	61,567	-3,511	-4,827
Trade	3,435	+150	+150
Nutrition	764,432	-3,944	-20,509
Credit	-2,240	0	0
Rural Development	13	+228	+96
Research	111	+781	+760
Forestry	3	+10	+5
Energy	243	+880	0
Horticulture	1,061	+250	+479
Crop Insurance	84,105	+4,999	+8,914
Misc.	1,410	-294	+161
<b>TOTAL</b>	<b>972,905</b>	<b>-17,894</b>	<b>-33,397</b>

# Where to with U.S. Farm Bill?

- In 2012, 2009 Farm Bill extended
- In 2013, three scenarios
  - Pass a new Farm Bill
  - Let current law expire
  - Again extend current Farm Bill