



# What Is the “Farm Bill”?

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December 10, 2010

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

RS22131

## Summary

The 112<sup>th</sup> Congress likely will consider reauthorization of the 2008 farm bill (P.L. 110-246, Food, Conservation, and Energy Act of 2008) because much of the current law expires in 2012. Both chambers held hearings in 2010 to hear how the 2008 law is working and what changes farmers and other interest groups want in the next bill. The Administration and other deficit reduction task forces have submitted budget proposals to reduce farm supports, and these approaches are at odds with those of many farm sector advocates, who support the status quo.

The 2008 farm bill contained 15 titles covering support for commodity crops, horticulture and livestock, conservation, nutrition, trade and food aid, agricultural research, farm credit, rural development, energy, forestry, and other related programs. It also included tax-related provisions to offset some new spending initiatives in the rest of the bill. The bill succeeds the 2002 farm bill (P.L. 107-171) and guides most federal farm and food policies through FY2012. The farm bill undergoes review and reauthorization roughly every five years.

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## What Is the “Farm Bill”?

A variety of federal laws—permanent and expiring—govern an array of agricultural and food programs. Although many of these policies can be and sometimes are modified through freestanding authorizing legislation or as part of other laws, the omnibus, multi-year farm bill provides a predictable opportunity for policymakers to address agricultural and food issues more comprehensively.

The Food, Conservation, and Energy Act of 2008 (P.L. 110-246, “2008 farm bill”) is the most recent omnibus farm bill. It was enacted into law on June 18, 2008, and succeeded the 2002 farm bill.<sup>1</sup> The farm bill governs federal farm and food policy, covering a wide range of programs and provisions, and, as noted above, undergoes review and renewal roughly every five years. The 2008 farm bill contains 15 titles encompassing commodity price and income supports, farm credit, trade, agricultural conservation, research, rural development, energy, and foreign and domestic food programs such as food stamps and other nutrition programs, among other programs. The box below shows the titles of the 2008 farm bill and briefly describes some provisions in each title. Additional information on the major titles is in the **Appendix**. More detailed information on the 2008 bill is in CRS Report RL34696, *The 2008 Farm Bill: Major Provisions and Legislative Action*.

The “farm bill” is renewed about every five years.<sup>2</sup> The omnibus nature of the bill can create broad coalitions of support among sometimes conflicting interests for policies that individually might not survive the legislative process. This breadth also can stir fierce competition for available funds, particularly among producers of different commodities, or between those who have differing priorities for farm subsidies, conservation, nutrition, or other programs.

Many in Congress have historically defended farm support programs as a means to ensure that the United States has continued access to the most abundant, safest, and most affordable food supplies in the world. However, there are long-standing criticisms of farm support programs. Some question the overall effectiveness of farm programs and the cost to taxpayers and consumers. Others question whether continued farm support is even necessary, given that many of these programs were established many decades ago and are considered by some to be no longer compatible with current national economic objectives, global trading rules, and federal budgetary or regulatory policies.

The breadth of farm bills has steadily expanded in recent decades to include new and expanding agricultural interests. For example, conservation and bioenergy once were not part of the farm bill, but now are central elements of agricultural policy.<sup>3</sup> Also, the 2008 farm bill included two new bill titles with horticulture and livestock provisions. The 2008 debate also differed from previous farm bills in terms of the number and scope of proposals seeking changes to existing legislation, some of which gained support within and outside Congress. These included proposals from state organizations, national farm groups, commodity associations, conservation, recreational and rural development organizations, faith-based groups, and several other non-traditional interest groups.

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<sup>1</sup> Farm Security and Rural Investment Act of 2002 (P.L. 107-171).

<sup>2</sup> There have been seven omnibus farm bills since the 1970s (2008, 2002, 1996, 1990, 1985, 1981, 1977). Prior farm legislation was in 1973, 1970, 1965, 1956, 1954, 1949, 1948, 1938, and 1933.

<sup>3</sup> The conservation title was added in 1985; the energy title was added in the 2002 farm bill.

### The 2008 Farm Bill: Titles and Selected Programs and Policies

- **Title I, Commodities:** Income support to growers of selected commodities, including wheat, feed grains, cotton, rice, oilseeds, peanuts, sugar, and dairy. Support is largely through direct payments, counter-cyclical payments, and marketing loans. Other support mechanisms include government purchases for dairy, and marketing quotas and import barriers for sugar.
- **Title II, Conservation:** Environmental stewardship of farmlands and improved management practices through land retirement and working lands programs, among other programs geared to farmland conservation, preservation, and resource protection.
- **Title III, Agricultural Trade and Food Aid:** U.S. agricultural export and international food assistance programs, and program changes related to various World Trade Organization (WTO) obligations.
- **Title IV, Nutrition:** Domestic food and nutrition and commodity distribution programs, such as food stamps and other supplemental nutrition assistance.
- **Title V, Farm Credit:** Federal direct and guaranteed farm loan programs, and loan eligibility rules and policies.
- **Title VI, Rural Development:** Business and community programs for planning, feasibility assessments, and coordination activities with other local, state, and federal programs, including rural broadband access.
- **Title VII, Research:** Agricultural research and extension programs, including biosecurity and response, biotechnology, and organic production.
- **Title VIII, Forestry:** USDA Forest Service programs, including forestry management, enhancement, and agroforestry programs.
- **Title IX, Energy:** Bioenergy programs and grants for procurement of biobased products to support development of biorefineries and assist eligible farmers, ranchers, and rural small businesses in purchasing renewable energy systems, as well as user education programs.
- **Title X, Horticulture and Organic Agriculture:** A new farm bill title covering fruits, vegetables, and other specialty crops and organic agriculture.
- **Title XI, Livestock:** A new farm bill title covering livestock and poultry production, including provisions that amend existing laws governing livestock and poultry marketing and competition, country-of-origin labeling requirements for retailers, and meat and poultry state inspections, among other provisions.
- **Title XII, Crop Insurance and Disaster Assistance:** A new farm bill title covering the federal crop insurance and disaster assistance previously included in the miscellaneous title (not including the supplemental disaster assistance provisions in the Trade and Tax title).
- **Title XIII, Commodity Futures:** A new farm bill title covering reauthorization of the Commodity Futures Trading Commission (CFTC) and other changes to current law.
- **Title XIV, Miscellaneous:** Other types of programs and assistance not covered in other bill titles, including provisions to assist limited-resource and socially disadvantaged farmers, and agricultural security, among others.
- **Title XV, Trade and Tax Provisions:** A new title covering tax-related provisions intended to offset spending initiatives for some programs, including those in the nutrition, conservation, and energy titles. The title also contains other provisions, including the new supplemental disaster assistance and disaster relief trust fund, and other tax-related provisions such as customs user fees.

## What Is the Cost?

The farm bill sets the policies for an array of agricultural programs and, when mandatory spending is used to fund them, pays for them. Discretionary programs authorized in the farm bill are paid for separately in annual appropriations bills.

**Table 1** provides a title-by-title breakdown of the mandatory spending estimates for the 2008 farm bill at enactment, covering the five-year period FY2008-FY2012.

**Table I. Cost of the 2008 Farm Bill (P.L. 110-246)**  
(estimated outlays at enactment for mandatory programs)

Title	Policy Issue	5-yr. cost (\$ billion)	Annual average (\$ billion)	Percent share (%)
1	Commodities	41.6	8.3	67%
2	Conservation	24.1	4.8	15%
3	Trade/Food Aid	1.9	0.4	8%
4	Nutrition <sup>a</sup>	188.9	37.8	8%
5	Credit	(1.4)	-0.3	2%
6	Rural Development	0.194	0.0	1%
7	Research	0.321	0.1	1%
8	Forestry	0.038	0.0	0.23%
9	Energy	0.643	0.1	0.14%
10	Horticulture/Organic	0.402	0.1	0.11%
11	Livestock	0.001	0.0	0.07%
12	Crop Insurance	21.9	4.4	0.01%
13	Commodity Futures	0	0.0	0.00%
14	Miscellaneous <sup>b</sup>	6.4	1.3	0%
15	Disaster Assistance	3.8	0.8	-0.5%
15	Tax/Other	(4.8)	-1.0	-1.7%
<b>Total</b>		<b>283.9</b>	<b>56.8</b>	<b>100%</b>

**Source:** CRS Report R41195, *Actual Farm Bill Spending and Cost Estimates*, based on CBO estimates.

- a. New outlays for the expanded Fresh Fruit and Vegetable Program required in the nutrition title, \$274 million (FY2008-FY2012) and \$1.020 billion (FY2008-FY2017), are not reflected in this table because they are effectively offset with money from permanent appropriations under Section 32, mandated in Title XIV.
- b. Excludes estimates for crop insurance previously included as part of the 2002 farm bill's miscellaneous provisions. Other provisions in the 2008 farm bill include provisions for socially disadvantaged and limited resource producers, agricultural security, and Section 32, among others.

When the 2008 farm bill was enacted, the Congressional Budget Office (CBO) estimated the total cost of the farm bill at \$284 billion over five years (FY2008-FY2012) and \$604 billion over ten years (FY2008-FY2017), including existing programs and changes enacted. These costs reflect mandatory outlays that do not require appropriations actions.

The overwhelming share (97%) of estimated total net outlays for programs in the 2008 farm bill was anticipated to be spent on four titles: nutrition (67%), farm commodity support (15%), conservation (9%), and crop insurance (8%). Of the \$284 billion in projected total five-year net outlays for programs under the farm bill—including revenue and cost-offset provisions in the bill—about \$189 billion was expected to support the cost of food stamps<sup>4</sup> and certain other nutrition assistance programs, \$42 billion was expected to support commodity crops, \$24 billion was expected to support mandatory conservation programs, and \$22 billion was expected to

<sup>4</sup> Renamed in the 2008 farm bill as the Supplemental Nutrition Assistance Program (SNAP).

support crop insurance. For FY2008-FY2012, the 2008 farm bill also included nearly \$4 billion in new spending for supplemental farm disaster assistance (included under Title XV). Another \$10 billion was expected to be spent on trade, horticulture and livestock production, rural development, research, forestry, and energy, among other programs.

## What Are the Current Budgetary Constraints?

Similar to the conditions during debate on the 2008 farm bill, the upcoming farm bill debate is likely to be driven in part by relatively large budget deficits and growing demands for fiscal constraint. In fact, the budget situation may be more difficult than in past farm bills because of growing federal budget deficits and new pay-as-you-go budget rules enacted in 2010.<sup>5</sup>

This is very different than budget conditions that existed for the 2002 farm bill, which was written during a brief period of budget surplus at the turn of the millennium. The budget resolution that funded the 2002 farm bill allowed the Agriculture Committees to spend \$73 billion more than the baseline over the 10-year budget window.<sup>6</sup> In contrast, the 2008 farm bill was basically budget-neutral. The latter was unusual in that \$10 billion of tax provisions (over 10 years) outside the jurisdiction of the Agriculture Committees were used to create offsets for new provisions, presumably for nutrition programs. The procedural difficulties of reaching budget and policy compromises with multiple committees of jurisdiction (particularly the House and Senate Agriculture Committees and the House Ways and Means and Senate Finance Committees) prolonged the development of the farm bill. Given such difficulties in 2007 and 2008, many hope to keep the finances of the 2012 farm bill within the jurisdiction of the Committee of Agriculture.<sup>7</sup>

Even a “simple” extension of the 2008 farm bill may be difficult. While some programs (like most of the farm subsidies and nutrition assistance) have assumed future funding in the baseline, others (mostly newer programs) do not. Specifically, 37 programs across 12 titles of the 2008 farm bill do not have funding beyond 2012 and could cost about \$10 billion (over five years) to renew. This is about 10% of the \$100 billion five-year cost of the 2008 farm bill if the nutrition title is excluded. For more details on this subset of programs, see CRS Report R41433, *Previewing the Next Farm Bill: Unfunded and Early-Expiring Provisions*.

At the same time, broad deficit reduction proposals are specifically targeting agricultural subsidies. The President’s fiscal commission, as well as the Bipartisan Debt Reduction Task Force and the current and past Administrations, each have submitted detailed proposals to reduce farm support. These proposals are opposed by many farm sector advocates, who support the status quo. For additional background information, see CRS Report R41195, *Actual Farm Bill Spending and Cost Estimates*.

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<sup>5</sup> See CRS Report R41157, *The Statutory Pay-As-You-Go Act of 2010: Summary and Legislative History*.

<sup>6</sup> Each year, CBO issues a “baseline budget” for all federal spending under current law over a multi-year period. Projected spending in the baseline represents CBO’s estimate at a particular point in time of what federal spending and revenues likely would be under current law if no policy changes were made over the projected period. The baseline serves as a benchmark or starting point for future budget analyses. Whenever new legislation (such as a farm bill) is introduced that affects federal mandatory spending, its impact is measured as a difference from the baseline.

<sup>7</sup> Jerry Hagstrom, “Peterson: No Offset From Environmental Program,” *Congress Daily (National Journal)*, April 16, 2010, at [http://www.nationaljournal.com/congressdaily/eep\\_20100416\\_2225.php?mrefid=lingospot](http://www.nationaljournal.com/congressdaily/eep_20100416_2225.php?mrefid=lingospot).

Consequently, in an era of deficit reduction and possible budget reconciliation, Congress faces difficult choices about how much total support to provide agriculture, and how to allocate it among competing constituencies.

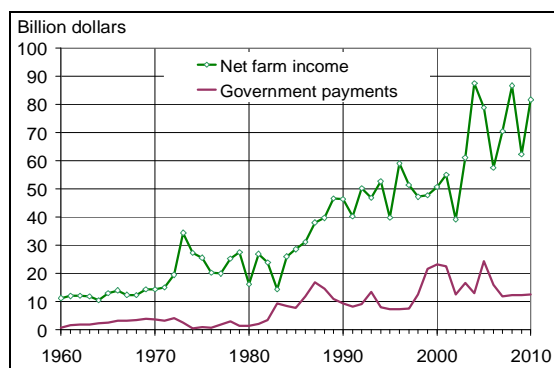
## What Are the Other Policy Challenges?

Commodity price and income support policies are usually a contentious components of a farm bill. Proponents of the current approach to the farm commodity programs want a stronger safety net. Opponents of the status quo often cite cost and budget concerns, and point to other competing policy priorities, including equity concerns across the farm sector, supporting small farms, trade commitments, specialty crops, nutrition, conservation, or rural development.

### Farm Sector Economics

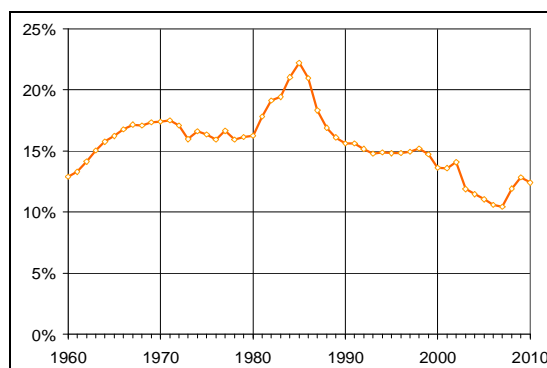
The general economic state of the farm sector often plays a role in the outcome of the farm bill debate. Currently, net farm income is relatively favorable; however, income levels can vary significantly from year to year. Overall, the U.S. Department of Agriculture (USDA) reports that net farm income was \$81.6 billion in 2010, up 31% from 2009 and 26% above the 10-year average (**Figure 1**). Volatility is high from often unpredictable market prices and input costs. Some look at the high level of income and say agriculture does not need as much support. Others look at the same data and see a need for a safety net because of the volatility.

**Figure 1. Net Farm Income and Government Payments, 1960-2010**



**Source:** CRS Report RS21977, *Agricultural Credit: Institutions and Issues*, using USDA data.

**Figure 2. Farm Sector Debt-to-Asset Ratio, 1960-2010**



**Source:** CRS Report RS21977, *Agricultural Credit: Institutions and Issues*, using USDA data.

Government payments, including commodities and conservation, have been comparatively steady (around \$12 billion per year) since 2007, reflecting the fixed nature of direct payments and conservation programs. Since then, the payments in the commodity programs may be characterized more as income support rather than risk management, since nearly the same amount is paid annually regardless of variability in income. This is because market prices are above government price support triggers, and some subsidy programs are not being used or needed.

Farmers’ debt position during the global financial crisis also has remained fairly strong, with relatively low debt compared to high asset prices. The farm sector’s ratio of debt compared to assets is near a record low level (about 12%, **Figure 2**).



## Commodity Policy Reform and Equity Considerations

The traditional approach to agricultural policy has been to focus on the farm commodity programs and variations of the long-standing farm safety net. The 2008 farm bill added revenue-based support to the commodity programs. In the past, counter-cyclical support was tied only to prices, but some farmers wanted payments to respond to low-yield situations even when market prices are high. The new program, called the Average Crop Revenue Election (ACRE), has been criticized as highly complex and not responsive enough to local conditions or some commodities. Participation has been lower than expected. Will the next farm bill continue the program or revise it to make it more attractive? Some would rather shift support dollars to better revenue-based crop insurance programs. Others prefer the status quo. The 2008 farm bill also added a "permanent" disaster assistance program (Supplemental Revenue Assistance, SURE)—a pool of money for disasters without needing supplemental appropriations. This program also has met with mixed reviews, and continuation likely will be debated on policy and budget grounds.

Calls from some groups to reform current farm policies are often based on arguments for the need for greater equitable distribution of support within the farming sectors. Farm program critics point out that farm bill dollars are not equitably shared across the sector. Subsidies flow to a limited number of staple commodities—mainly grains, oilseeds, cotton, milk, and sugar—and not to fruits, vegetables, or livestock. Also, subsidies are proportional to production, allowing larger farms to receive more than smaller ones. Critics want to address these imbalances.

One option could be to further tighten annual payment limits. Another option would be to use the available funding to better promote production of other farm commodities and domestic food systems. This might include increased fruits and vegetables for a range of domestic food programs, such as the National School Lunch Program (NSLP) and other programs. Other options might be to target support to a wider range of agricultural producers, such as smaller-sized farms, organic producers, local food systems, direct-to-market producers, and sustainable farming operations. Defenders of the status quo counter that U.S. farm policy is designed to ensure domestic productivity, global competitiveness, and food security—regardless of farm size—and that efficiency should not be penalized by reducing support to successful large operations.

Rural development is invoked by some who seek a more equitable distribution of support. Critics of past farm bills say that rural development policy remains unfocused and under-funded. They argue that the farm bill's emphasis on commodity programs ignores the fact that most farmers earn a majority of their incomes from nonfarm sources, that farm subsidies may go to landlords in non-rural areas, and that most rural residents are no longer farmers. Rural development supporters call for shifting resources into programs that expand the nonfarm economic base and support new sources of competitive advantage in rural areas. Proponents of the commodity programs argue that farm payments are a primary contributor to rural economic activity.

Alternatively, conservation and bioenergy are raised by others seeking equity for environmental sustainability. Farm bill conservation policies usually have focused on reducing soil erosion and protecting water quality and quantity through land retirement and working lands policies. In recent years, conservation policy has shifted to reducing the off-farm impacts of agricultural activities. Finding a balance between regulatory and voluntary policy options to address environmental issues from agriculture will continue to shape the debate.

Bioenergy has become increasingly important to agriculture and rural communities. One-third of U.S. corn production is converted into ethanol, up from 7% a decade ago. Many want the farm

bill to offer incentives for farm-based energy production. However, some caution that ethanol has relied heavily on federal incentives (such as tax credits and tariffs), and that its competitiveness hinges on relatively high oil prices and/or anticipated technologies (cellulosic ethanol). Some also have expressed concern that expanded use of bioenergy is unlikely to reduce the nation's dependence on petroleum imports. Biofuels policies may also have unintended consequences in other areas of agricultural policy. The high demand for biofuels feedstocks (e.g., corn) may adversely impact other areas such as the price of food and animal feed, and conservation practices that retain plant material on erodible land.

Such challenges to the current U.S. farm policy were voiced during the 2008 farm bill debate, as several nontraditional agriculture groups provided recommendations on policy changes to Congress. The policy recommendations of these diverse interests ranged from maintaining current programs to substantially altering or eliminating them. Some of these proposals were incorporated into legislation introduced by Members who sought to challenge the existing farm legislation through comprehensive and broad-based legislative changes. Others in Congress were reluctant to change existing programs that are strongly supported by long-time beneficiaries. Similar tensions are likely to continue to influence and shape the next farm bill debate.

## **International Trade Agreements**

The farm bill debate has also been influenced by obligations concerning the design and size of farm subsidies under the World Trade Organization (WTO) Agreement on Agriculture, as well as by the U.S. position in the Doha Round of multilateral negotiations.

The United States is one of the world's largest agricultural producers and exporters, and U.S. farm policy is thus constantly evaluated against WTO rules. The importance of U.S. WTO commitments is highlighted by the so-called "Brazil cotton case," in which a WTO dispute settlement panel ruled against the U.S. cotton program. The United States is expected to bring its programs into WTO compliance or be subject to WTO-sanctioned retaliation. Thus, a key question for policymakers is how new farm programs will affect U.S. trade commitments.

Similar considerations were voiced during the 2008 farm bill debate, given concerns about whether U.S. farm policies were compatible with negotiations as part of the Doha Round of international negotiations. Although progress in the Doha Round has long been stalled, criticisms and legal challenges by some WTO member countries of current U.S. farm programs have continued. Many U.S. trading partners have also publicly stated that any proposed changes to U.S. domestic support programs should also meet broader objectives for farm trade policy reform.

## Appendix. Key Farm Bill Provisions by Title

Following is a summary of the types of provisions and programs of individual titles in the 2008 farm bill. More detailed information is in CRS Report RL34696, *The 2008 Farm Bill: Major Provisions and Legislative Action*.

### Title I: Commodity Programs

For the major commodity crops—grains, oilseeds, and cotton—the 2008 farm bill generally continued the farm commodity price and income support framework of the 2002 farm bill. It revised payment limitations by tightening some annual limits and relaxing others, and adjusted target prices and loan rates for some commodities. It continued the direct payment, counter-cyclical payment, and marketing loan programs for the 2008-2012 crop years. The bill created a pilot revenue-based counter-cyclical program—the Average Crop Revenue Election (ACRE) program—beginning with the 2009 crop year. It also included a pilot program for planting flexibility, and restricted payments on acres developed for residential use.

For dairy, the 2008 farm bill extended, with modifications, two federal programs that support milk prices and dairy farm income—the dairy price support program (DPSP) and the Milk Income Loss Contract (MILC) program. It also authorized farmers to voluntarily enter into forward price contracts as part of the federal milk marketing order program, among other dairy-related provisions. The bill also continued the sugar program that supports prices for domestic producers and processors. To address the possibility of increased sugar imports from Mexico under the North American Free Trade Agreement, the 2008 farm bill mandated an 85% market share for U.S. sugar producers and created a sugar-for-ethanol program to sell surplus sugar to ethanol producers. Across all commodities, when the 2008 farm bill was enacted, CBO estimated that five-year mandatory outlays for the title would total \$41.6 billion (FY2008-FY2012).

For more detailed information, see CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*, CRS Report RL34036, *Dairy Policy and the 2008 Farm Bill*, and CRS Report RL34103, *Sugar Policy and the 2008 Farm Bill*.

### Title II: Conservation

The 2008 farm bill reauthorized almost all 2002 farm bill conservation programs, modified several programs, and created several new conservation programs. The bill made changes to and/or expanded both working lands programs, such as the Environmental Quality Incentives Program and the (renamed) Conservation Stewardship Program, and land retirement programs, such as the Conservation Reserve Program and the Farmland Protection Program. Program changes addressed eligibility requirements, program definitions, enrollment and payment limits, contract terms, evaluation and ranking criteria, and other administrative issues, among other program conditions. Producer coverage across most programs was also expanded to include beginning, limited-resource, and socially disadvantaged producers; specialty crop producers; and producers transitioning to organic production. The bill also created new conservation programs to address emerging issues and priority resource areas, and also new subprograms under existing programs. When the 2008 farm bill was enacted, CBO estimated that five-year mandatory outlays for the title would total \$24.1 billion (FY2008-FY2012). See CRS Report RL34557, *Conservation Provisions of the 2008 Farm Bill*.

### **Title III: Trade**

The 2008 farm bill reauthorized and amended USDA's food aid, export market development, and export credit guarantee programs. The bill reauthorized the largest U.S. food aid program, the P.L. 480 food aid program, along with other smaller programs that provide food aid to countries promoting the development of market-oriented agricultural sectors (Food for Progress) or school feeding and nutrition programs (the McGovern-Dole International School Feeding and Child Nutrition Program). It also established a pilot program for local and regional purchase of commodities for famine prevention. The farm bill terminated some export programs, while selected others received increased funding. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the title would total nearly \$1.9 billion (FY2008-FY2012). See CRS Report RS22905, *Agricultural Export Provisions of the 2008 Farm Bill*, and CRS Report RS22900, *International Food Aid Provisions of the 2008 Farm Bill*.

### **Title IV: Nutrition**

The 2008 farm bill's nutrition title accounted for well over half of all spending covered by the bill, with the overwhelming majority financing the Food Stamp program. The most significant issues in this title addressed administration of, eligibility for, and benefits under the Food Stamp program, funding for The Emergency Food Assistance Program (TEFAP), and support for a program making free fresh fruits and vegetables available in schools. The bill extended expiring authorities in covered programs (generally through FY2012) and increased spending for most programs. When the 2008 farm bill was enacted, CBO estimated that five-year mandatory outlays for the title would total \$188.9 billion (FY2008-FY2012). See CRS Report RL33829, *Domestic Food Assistance and the 2008 Farm Bill*.

### **Title V: Credit**

The 2008 farm bill enacted relatively minor changes to the permanent statutes for two government-related farm lenders: the USDA Farm Service Agency (FSA) and the Farm Credit System (FCS). When the 2008 farm bill was enacted, CBO estimated that these changes would result in total cost savings over five years of about \$1.4 billion (FY2008-FY2012) from increased payments by the Farm Credit System to a government insurance fund. See CRS Report RS21977, *Agricultural Credit: Institutions and Issues*.

### **Title VI: Rural Development**

The 2008 farm bill reauthorized and/or amended rural development loan and grant programs and authorized several new provisions, including rural infrastructure, economic development, and broadband and telecommunications development, among other programs. The bill created several new programs intended to assist with regional development strategies and provided technical and financial assistance for rural businesses. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the title would total \$0.2 billion (FY2008-FY2012). See CRS Report RL34126, *Rural Development Provisions of the 2008 Farm Bill*.

## **Title VII: Research**

The 2008 farm bill reorganized the administration of USDA’s research, extension, and economic agencies within the mission area. The farm bill created a new entity called the National Institute of Food and Agriculture (NIFA) to carry out extramural research, including both formula-funded and competitively awarded programs. NIFA replaced the Cooperative State, Education, and Extension Service (CSREES), which prior to the 2008 farm bill was the primary USDA extramural funding agency. Intramural research continues to be carried out by the Agricultural Research Service (ARS), Economic Research Service (ERS), and National Agricultural Statistics Service (NASS). The 2008 farm bill established a new competitive research program, the Agriculture and Food Research Initiative (AFRI), and expanded mandatory funding for this mission area. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the title would total \$0.3 billion (FY2008-FY2012). For more information, see CRS Report R40819, *Agricultural Research, Education, and Extension: Issues and Background*.

## **Title VIII: Forestry**

The 2008 farm bill made changes to existing forestry programs, allowed one to expire, and created some new programs to assist local entities in protecting forests threatened with conversion to non-forest uses, and to restore forests damaged by natural disaster, among other programs. The bill also established priorities for forestry assistance funding, required statewide forest resource assessments, and created a new coordinating committee to oversee state assistance funding. The bill amended existing law to restrict imports of illegally logged wood and modified income tax deductions for qualified timber gains. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the title would total \$40 million (FY2008-FY2012). For more information, see CRS Report RL33917, *Forestry in the 2008 Farm Bill*.

## **Title IX: Energy**

The 2008 farm bill reauthorized, expanded, and/or modified existing programs, and created new programs and initiatives to promote biofuels and cellulosic ethanol production. The bill included provisions supporting farm and community renewable energy systems, including the production, marketing, and processing of biofuel feedstocks other than corn starch. It expanded research, education, and demonstration programs for advanced biofuels, and also established USDA coordination of federal biobased energy efforts. The bill also expanded federal procurement of biofuels and bio-refinery repowering projects. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the title would total \$0.6 billion (FY2008-FY2012). For more information, see CRS Report RL34130, *Renewable Energy Programs in the 2008 Farm Bill*.

## **Title X: Horticulture and Organic Agriculture**

The 2008 farm bill included new programs and increased spending for horticulture and organic production under a new bill title. About half of this increased spending was targeted to expand the Specialty Crop Block Grant Program, which provides funds to state agriculture departments for U.S. specialty crop marketing, promotion, research, and other activities. The bill also provided new mandatory funding for growth of farmers’ markets and for transitioning producers to organic production. It also authorized funding for a new federal-state cooperative pest and disease early

detection program, and provided for price reporting and organic data collection, among other provisions. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays would total \$0.4 billion (FY2008-FY2012). See CRS Report RL33520, *Specialty Crops: 2008 Farm Bill Issues*.

## **Title XI: Livestock**

The 2008 farm bill included new livestock-related provisions under a new bill title. The bill made changes to existing laws governing livestock and poultry marketing and competition, including specifying that producers may not be forced into mandatory arbitration in livestock or poultry contracts, allowing producers to decline arbitration prior to entering into the contract, enabling producers to litigate a contract dispute where the principal part of their production occurs, and requiring additional reporting and tracking of enforcement action under the Packers and Stockyards Act. The bill modified country-of-origin labeling (COOL) requirements for retailers, opened the way for state-inspected meat and poultry to enter interstate commerce, and extended mandatory safety inspection to catfish. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the title would total \$1 million (FY2008-FY2012). See CRS Report RL33958, *Animal Agriculture: 2008 Farm Bill Issues*.

## **Title XII: Crop Insurance and Disaster Assistance Programs**

The 2008 farm bill provided for changes to the crop insurance program, along with other disaster assistance provisions, under a new bill title. The bill contained several revisions to the crop insurance program, many of which were designed to reduce program costs. When the 2008 farm bill was enacted, CBO estimated net savings of \$3.9 billion over five years (FY2008-FY2012), mostly through changes in the timing of premium receipts from farmers, and payments to the companies. The title also included other disaster assistance provisions, including the addition of the Small Business Disaster Response and Loan Improvements Act of 2008, which makes significant changes to the Small Business Administration's (SBA's) response to disaster. (Agricultural disaster assistance is addressed in Title XV.) CBO had estimated that five-year outlays for the title would total \$21.9 billion (FY2008-FY2012). See CRS Report RL34207, *Crop Insurance and Disaster Assistance in the 2008 Farm Bill*.

## **Title XIII: Commodity Futures**

The 2008 farm bill included a title that reauthorized appropriations for the Commodity Futures Trading Commission (CFTC) through FY2013, also amending the Commodity Exchange Act.

## **Title XIV: Miscellaneous**

The miscellaneous title in the 2008 farm bill included various provisions affecting research, energy, and rural development, as well as provisions covering socially disadvantaged and limited-resource producers, agricultural security, and uses of Section 32 (farm and food support), among other provisions. When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the title would total \$6.4 billion (FY2008-FY2012).

## **Title XV: Trade and Tax Provisions**

The 2008 farm bill included a title containing various trade and tax provisions. This title also included provisions creating a new permanent Supplemental Agricultural Disaster Assistance (SURE) program. The supplemental revenue assistance payment program for crop producers is designed to compensate eligible producers for a portion of crop losses that are not eligible for an indemnity payment under the crop insurance program (i.e., the portion of losses that is part of the deductible on the policy). When the 2008 farm bill was enacted, CBO estimated that mandatory outlays for the permanent disaster program would total \$3.8 billion (FY2008-FY2012). See CRS Report RL34207, *Crop Insurance and Disaster Assistance in the 2008 Farm Bill*.

The bill's tax provisions addressed a range of conservation, energy, and agriculture issues, among others. Among the largest revenue-raising provisions are an extension of customs user fees and a change in the estimated tax payment of corporations. When the 2008 farm bill was enacted, CBO estimated that these provisions would generate a \$10 billion offset over 10 years (FY2008-FY2017).

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