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What Is the Farm Bill?

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Summary

The farm bill is an omnibus, multi-year law that governs an array of agricultural and food programs. Titles in the most recent farm bill encompassed farm commodity price and income supports, agricultural conservation, farm credit, trade, research, rural development, bioenergy, foreign food aid, and domestic nutrition assistance. Because it is renewed about every five years, the farm bill provides a predictable opportunity for policymakers to comprehensively and periodically address agricultural and food issues.

The most recent farm bill—the Agricultural Act of 2014 (P.L. 113-79; 2014 farm bill)—was enacted into law in February 2014 and expires in 2018. It succeeded the Food, Conservation, and Energy Act of 2008. Provisions in the 2014 farm bill reshaped the structure of farm commodity support, expanded crop insurance coverage, consolidated conservation programs, reauthorized and revised nutrition assistance, and extended authority to appropriate funds for many U.S. Department of Agriculture (USDA) discretionary programs through FY2018.

When the 2014 farm bill was enacted, the Congressional Budget Office (CBO) estimated that the total cost of mandatory programs would be $489 billion over the five years FY2014-FY2018. Four titles accounted for 99% ($483.8 billion) of anticipated farm bill mandatory program outlays: nutrition, crop insurance, conservation, and farm commodity support. The nutrition title, which includes the Supplemental Nutrition Assistance Program (SNAP), comprised 80% of the total. The remaining 20% was mostly geared toward agricultural production across several other titles.

CBO has updated its projections of government spending based on new information about the economy and program participation. Outlays for FY2014 to FY2016 have become final, and updated projections for FY2017 and FY2018 reflect lower farm commodity prices and lower costs for SNAP. The new five-year estimated cost of the 2014 farm bill, as of January 2017, is now $457 billion for the four largest titles, compared with $484 billion for those same titles three years ago. This is $27 billion less than what was projected at enactment. SNAP outlays are projected to be $26 billion less for the five-year period FY2014-FY2018 than was expected in February 2014. Crop insurance is projected to be $11 billion less for the five-year period and conservation nearly $4 billion less. In contrast, farm commodity and disaster program payments are projected to be nearly $14 billion higher than was expected at enactment due to lower commodity market prices (which raises counter-cyclical payments) and higher livestock payments due to disasters.

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What Is the Farm Bill?

The farm bill is an omnibus, multi-year law 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 is renewed about every five years.

Since the 1930s, farm bills traditionally have focused on farm commodity program support for a handful of staple commodities such as corn, soybeans, wheat, cotton, rice, dairy, and sugar. Yet farm bills have grown in breadth in recent decades. Among the most prominent additions have been nutrition assistance, conservation, horticulture, and bioenergy programs.[1]

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 lead to competition for funds. In recent years, more parties have become involved in the debate, including national farm groups, commodity associations, state organizations, nutrition and public health officials, and advocacy groups representing conservation, recreation, rural development, faith-based interests, local food systems, and certified organic production.

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 expires mostly in 2018. It 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 other programs.[2] (See titles described in the **text box** below.) Provisions in the 2014 farm bill reshaped the structure of farm commodity support, expanded crop insurance coverage, consolidated conservation programs, reauthorized and revised nutrition assistance, and extended authority to appropriate funds for many U.S. Department of Agriculture (USDA) discretionary programs through FY2018.

Potential expiration and the consequences of expired law may also motivate legislative action.[3] When a farm bill expires, not all programs are affected equally. Some programs cease to operate unless reauthorized, while others might continue to pay old obligations. The farm commodity programs not only expire but would revert to permanent law dating back to the 1940s. Nutrition assistance programs require periodic reauthorization, but appropriations can keep them operating. Many discretionary programs would lose statutory authority to receive appropriations, though annual appropriations could provide funding and implicit authorization. Other programs have permanent authority and do not need to be reauthorized (e.g., crop insurance).[4]

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[1] There have been 17 farm bills since the 1930s (2014, 2008, 2002, 1996, 1990, 1985, 1981, 1977, 1973, 1970, 1965, 1956, 1954, 1949, 1948, 1938, and 1933). Farm bills have become increasingly omnibus in nature since 1973, when the nutrition title was included.

[2] For more information, see CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*.

[3] For example, in 2012, the 112th Congress did not complete a new farm bill to replace the 2008 law, requiring a one-year extension for 2013. The 113th Congress passed reintroduced and revised bills, culminating in the 2014 farm bill. Some programs, though, still ceased to operate during the 2013 extension because they had no funding. For background, see CRS Report R41433, *Programs Without a Budget Baseline at the End of the 2008 Farm Bill*.

[4] For more information on the consequences of expiration, see CRS Report R42442, *Expiration and Extension of the 2008 Farm Bill*.

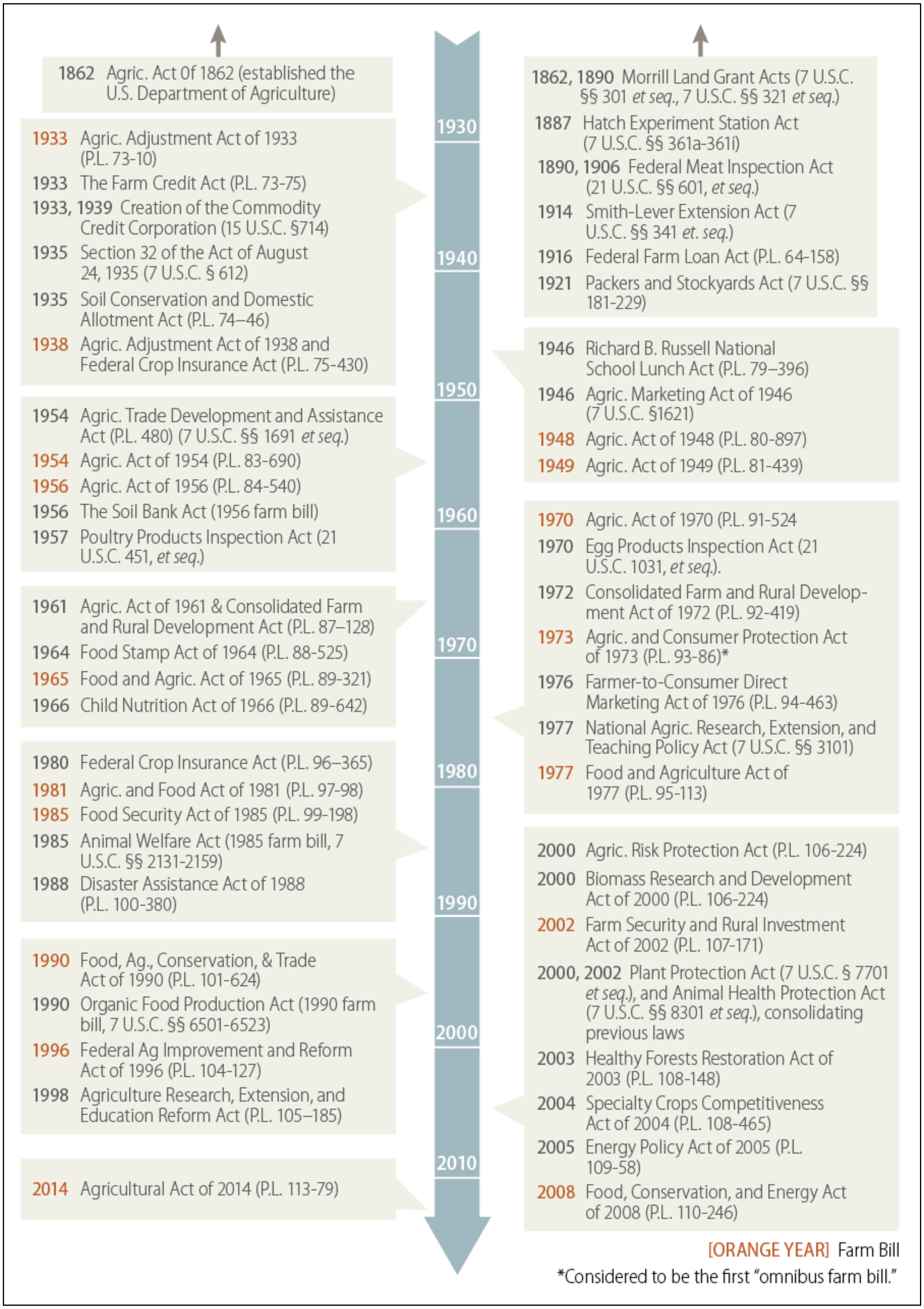
The 2014 Farm Bill (P.L. 113-79): Functions and Major Issues, by Title

- **Title I, Commodity Programs:** Provides farm payments when crop prices or revenues decline for major commodity crops, including wheat, corn, soybeans, peanuts, and rice. Includes disaster programs to help livestock and tree fruit producers manage production losses due to natural disasters. Other support includes margin insurance for dairy and marketing quotas, minimum price guarantees, and import barriers for sugar.
- **Title II, Conservation:** Encourages environmental stewardship and improved management practices. Working lands programs include Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP). Land retirement programs include the Conservation Reserve Program (CRP). Other aid is in the Agricultural Conservation Easement Program (ACEP) and Regional Conservation Partnership Program (RCPP).
- **Title III, Trade:** Provides support for U.S. agricultural export programs and international food assistance programs. Major programs included Market Access Program (MAP) and the primary U.S. food aid program, Food for Peace, which provides emergency and nonemergency food aid, among other programs. Other provisions address program changes related to World Trade Organization (WTO) obligations.
- **Title IV, Nutrition:** Provides nutrition assistance for low-income households through programs including the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and The Emergency Food Assistance Program (TEFAP). Also supports the distribution of foods in schools.
- **Title V, Credit:** Offers direct government loans to farmers and ranchers and guarantees loans from commercial lenders. Sets eligibility rules and policies.
- **Title VI, Rural Development:** Supports rural business and community development programs. Establishes planning, feasibility assessments, and coordination with other local, state, and federal programs. Programs include grants and loans for infrastructure, economic development, broadband, and telecommunications.
- **Title VII, Research, Extension, and Related Matters:** Offers a wide range of agricultural research and extension programs that expand academic knowledge about agriculture and food and help farmers and ranchers become more efficient, innovative, and productive.
- **Title VIII, Forestry:** Supports forestry management programs run by USDA's Forest Service.
- **Title IX, Energy:** Encourages the development of farm and community renewable energy systems through grants, loan guarantees, and feedstock procurement initiatives. Provisions cover the production, marketing, and processing of biofuels and biofuel feedstocks, and research, education, and demonstration programs.
- **Title X, Horticulture:** Supports specialty crops—fruits, vegetables, tree nuts, and floriculture and ornamental products—through a range of initiatives, including market promotion; plant pest and disease prevention; and public research. Also provides assistance to support certified organic agricultural production.
- **Title XI, Crop Insurance:** Enhances the permanently authorized federal crop insurance program. New plans include Stacked Income Protection (STAX) for cotton and Supplemental Coverage Option (SCO) for other crops.
- **Title XII, Miscellaneous:** Covers other types of programs including livestock and poultry production, and limited-resource and socially disadvantaged farmers.

Figure 1 provides a timeline of selected important dates for U.S. farm bill policy and other related laws. In many respects, agricultural policy in the United States began with the creation of USDA, homesteading, and subsequent creation of the land grant universities in the 1800s. Many stand-alone agricultural laws were passed during the early 1900s to help farmers with credit availability and marketing practices, and to protect consumers via meat inspection.

The economic depression and dust bowl in the 1930s prompted the first "farm bill" in 1933, with subsidies and production controls to raise farm incomes and encourage conservation. Commodity subsidies evolved through the 1960s, when Great Society reforms drew attention to food assistance. The 1973 farm bill was the first "omnibus" farm bill; it included not only farm supports but also food stamp reauthorization to provide nutrition assistance for needy individuals. Subsequent farm bills expanded in scope, adding titles for formerly stand-alone laws such as trade, credit, and crop insurance. New conservation laws were added in the 1985 farm bill, organic agriculture in the 1990 farm bill, research programs in the 1996 farm bill, bioenergy in the 2002 farm bill, and horticulture and local food systems in the 2008 farm bill.

Figure 1. Important Dates for U.S. Farm Bill Policy and Selected Related Laws



Source: CRS.

What Is the Estimated Cost of the Farm Bill?

The farm bill authorizes programs in two spending categories: mandatory and discretionary.

- Mandatory spending programs generally operate as entitlements. A bill pays for them using multi-year budget estimates (baseline) when the law is enacted.
- Discretionary spending programs are authorized for their scope but are not funded in the farm bill. They are subject to annual appropriations.

While both types of programs are important, mandatory programs often dominate the farm bill debate and are the focus of the farm bill's budget.[5]

How Much Was It Expected to Cost at Enactment in 2014?

When the current farm bill was enacted in February 2014, the Congressional Budget Office (CBO) estimated that the total cost of mandatory programs would be $489 billion for the 12-title farm bill over the five years FY2014-FY2018.[6]

Four titles accounted for 99% of anticipated farm bill mandatory outlays: nutrition, crop insurance, conservation, and farm commodity support. The nutrition title, which includes the Supplemental Nutrition Assistance Program (SNAP), comprised 80% of the total. The remaining 20% was mostly geared toward agricultural production across several other titles (left side of **Table 1**).

Farm commodity support and crop insurance combined to be 13% of mandatory program costs, with another 6% of costs in USDA conservation programs. All other farm bill titles accounted for about 1% of all mandatory expenditures. Although their relative share is small, titles such as horticulture and research saw their shares increase compared to the 2008 farm bill.

What Are the Current Projections?

In the years since enactment of the farm bill, CBO has updated its projections of government spending several times a year based on new information about the economy and program participation.[7] Outlays for FY2014-FY2016 have become final (actual), and updated projections for FY2017-FY2018 reflect lower farm commodity prices and lower costs for SNAP.

The new five-year estimated cost of the 2014 farm bill, as of January 2017, is $457.1 billion for the four largest titles, compared with $483.8 billion for those same titles three years ago (right side of **Table 1**). This is $27 billion less than what was projected at enactment (-6%). **Figure 2** shows these projections and actual outlays for the four major titles of the 2014 farm bill. The result of these new projections is that SNAP outlays are projected to be $26 billion less for the five-year period FY2014-FY2018 than was expected in February 2014 (-7%). Crop insurance is projected to be $11 billion less for the five-year period (-26%) and conservation nearly $4 billion less (-13%). In contrast, farm commodity and disaster program payments are projected to be nearly $14 billion higher than was expected at enactment (+59%) due to lower commodity market prices (which raises counter-cyclical payments) and higher livestock payments due to disasters.

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[5] For more background, see CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*.

[6] CBO cost estimate of the Agricultural Act of 2014, January 28, 2014, http://www.cbo.gov/publication/45049.

[7] Congressional Budget Office, *Budget and Economic Outlook*, "10-Year Budget Projections," various updates, https://www.cbo.gov/about/products/budget_economic_data.

Table 1. Projected Outlays, 2014 Farm Bill, by Title

Five years FY2014-2018, millions of dollars

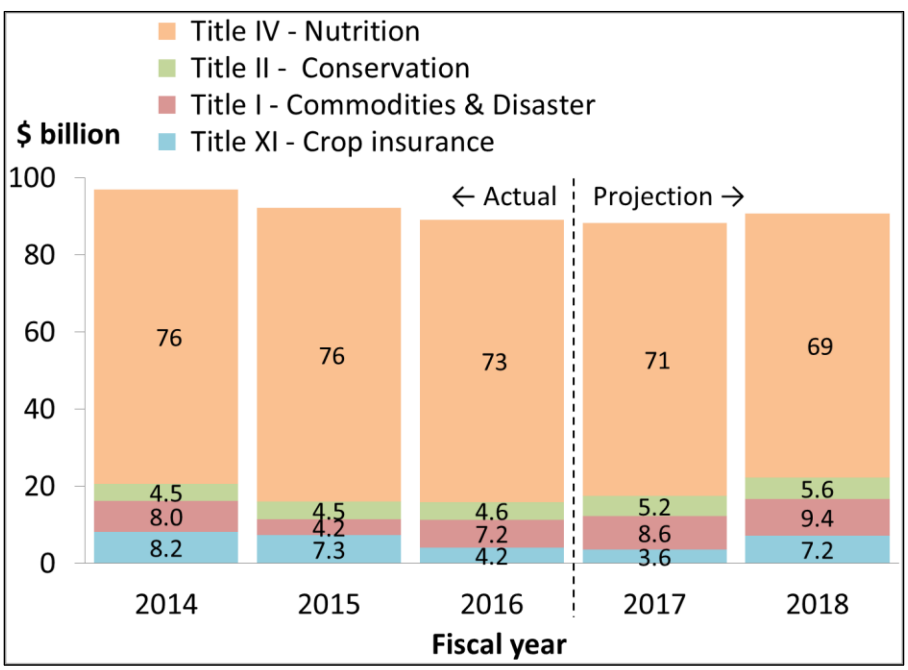
Farm Bill Titles (sorted)		At enactment, February 2014: Projection for FY2014-18	At enactment, February 2014: Share	Most recently, January 2017: Actual FY14-16; Proj. FY2017-18	Most recently, January 2017: Change since enactment
IV	Nutrition	390,650	79.9%	364,837	-25,813
XI	Crop Insurance	41,420	8.5%	30,533	-10,887
II	Conservation	28,165	5.8%	24,378	-3,787
I	Commodities and Disaster	23,555	4.8%	37,382	+13,828
Subtotal, 4 largest titles		**483,789**	**99.0%**	**457,130**	**-26,660**
III	Trade	1,782	0.4%	1,530	-251
XII	Miscellaneous, including NAP	1,544	0.3%	na	na
X	Horticulture	874	0.2%	na	na
VII	Research	800	0.2%	na	na
IX	Energy	625	0.1%	na	na
VI	Rural Development	218	0.0%	na	na
VIII	Forestry	8	0.0%	na	na
V	Credit	-1,011	-0.2%	na	na
Total, Direct Spending		**488,629**	**100.0%**	na	na

Source: CRS, using the CBO cost estimate of the Agricultural Act of 2014 (January 28, 2014), and the CBO *Budget and Economic Outlook*, "10-Year Budget Projections," January 2017.

Notes: "na" indicates sufficient detail is not available to compile projections for all titles in non-farm bill years.

Figure 2. Projected Outlays, 2014 Farm Bill, by Title

January 2017 CBO baseline (FY2014-2016 actual, FY2017-2018 projected)



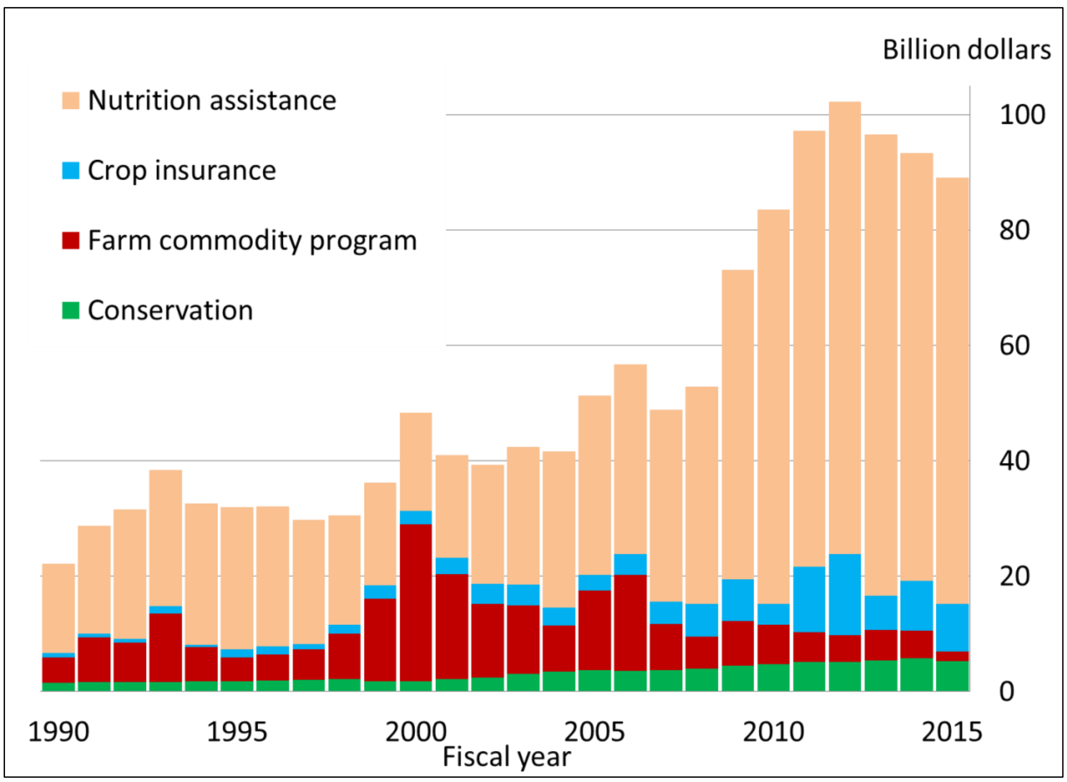
Source: CRS, using CBO Budget and Economic Outlook, January 2017.

How Much Has the Farm Bill Cost in the Past?

The cost of the farm bill has grown over time, though relative proportions across the major program groups have shifted (**Figure 3**).

- Conservation program spending has steadily risen as conservation programs have become more numerous and expansive in their authorized scope.
- Farm commodity program spending has both risen and fallen with market price conditions and policy responses. For the past decade, though, program costs have generally decreased as counter-cyclical payments were smaller due to higher market prices. (This trend, however, has reversed at least temporarily as shown in the current projections for future farm bill spending [**Table 1**]).
- Crop insurance costs have increased steadily as the program has expanded to cover more commodities and become a primary means for risk management. Higher farm commodity market prices and increased covered acreage have raised the insured value of production and consequently program costs. Crop insurance costs have overtaken the traditional farm commodity programs in total costs.
- Nutrition program assistance in the farm bill (SNAP) rose sharply after the recession in 2009 but has begun to decline more slowly during the recovery.

Figure 3. Farm Bill Spending by Major Mandatory Programs



Source: CRS, using USDA data, including USDA Farm Service Agency, "Table 35," *Agricultural Outlook;* USDA Risk Management Agency, "Program Costs and Outlays by Fiscal Year"; J. Glauber, "Crop Insurance Reconsidered," *American Journal of Agricultural Economics*, 2004; USDA Farm Service Agency, "Output 3," *Commodity Estimates Book;* USDA Natural Resources Conservation Service, "Soil and Water Conservation Expenditures, 1935-2010," 2011; and USDA Food and Nutrition Service, "National Level Annual Summary, Participation and Costs."

How Have the Allocations Changed over Time?

The allocation of baseline among titles, and the size of each amount, is not a zero-sum game over time. Every year, CBO reestimates the baseline to determine expected costs. Baseline projections rise and fall based on changes in economic conditions, even without any action by Congress.

For example, when the 2008 farm bill was enacted, the nutrition title was 67% of the five-year total. When the 2014 farm bill was enacted, the nutrition share had risen to 80% (**Table 2**). This growth in size and proportion does not mean, however, that nutrition grew at the expense of agricultural programs. Legislative changes that are made in each farm bill account for only a fraction of the observed change between farm bills.

- **Nutrition**. Projected five-year SNAP outlays rose at an annualized rate of 13% per year from enactment of the 2008 farm bill to the 2014 farm bill. This $202 billion increase was entirely from changing economic expectations, since legislative changes in the 2014 farm bill scored a $3.2 billion reduction.[8]
- **Crop insurance.** Projected five-year crop insurance outlays rose at an annualized rate of 11% per year from 2008 to 2014—nearly the same rate as SNAP, though smaller in dollars. The $20 billion increase was mostly from changing economic expectations rather than the $1.8 billion increase that was legislated in the farm bill.
- **Farm commodity programs.** Projected five-year farm commodity program outlays fell at an annualized rate of 9.1% per year between the 2008 and 2014 farm bills, given the $18 billion reduction that was scored from restructuring program payments.

Table 2. Shares and Growth in Projected Farm Bill Outlays from 2008 to 2014

Five-year projected cost of the farm bill at enactment

	2008 farm bill		2014 farm bill			
Farm bill titles	**$ billion**	**Share**	**$ billion**	**Share**	**Change in projection $ billion**	**Annualized change**
Primary divisions						
Nutrition	189	67%	391	80%	202	+13%
Rest of the farm bill	95	33%	98	20%	3	+0.5%
Selected agricultural titles						
Crop insurance	22	7.7%	41	8.5%	+20	+11%
Farm commodities	42	15%	24	4.8%	-18	-9%
Subtotal: "Farm safety net"	*63*	*22%*	*65*	*13%*	*+1.5*	*+0.4%*
Conservation	24	8.5%	28	5.8%	+4.1	+2.6%
Research	0.32	0.11%	0.80	0.16%	+0.48	+16%
Horticulture	0.40	0.14%	0.87	0.18%	+0.47	+14%
Total, Entire Farm Bill	**284**	**100%**	**489**	100%	+205	**+9.5%**
Inflation (GDP price index)	98.8		107.8			1.5%

Source: CRS, using CBO baseline and cost estimates at time of farm bill enactment (Jun. 2008 and Feb. 2014).

[8] See CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*.

Title-by-Title Summaries

Following are summaries of the major provisions of each title of the 2014 farm bill. For more detailed information see CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*, which compares the provisions in the final 2014 farm bill to previous law and the House- and Senate-passed versions of the farm bill.

Title I: Commodity Programs[9]

Under the enacted 2014 farm bill, farm support for traditional commodity crops—grains, oilseeds, and cotton—is restructured by eliminating what were formerly known as direct payments, the counter-cyclical program, and the Average Crop Revenue Election program.[10] Under the 2014 farm bill, producers may choose between two programs that respond to declines in either price or revenue: (1) Price Loss Coverage (PLC), which is a counter-cyclical price program that makes a farm payment when the farm price of a covered crop declines below its statutory "reference price"; and (2) Agriculture Risk Coverage (ARC), which is a revenue-based program designed to cover a portion of a farmer's out-of-pocket loss (referred to as "shallow loss") when crop revenue declines**.** These farm programs are separate from a producer's decision to purchase crop insurance (Title XI).

The 2014 farm bill makes significant changes to U.S. dairy policy by eliminating the dairy product price support program, the Milk Income Loss Contract (MILC) program, and export subsidies. These are replaced by a new program that makes payments to participating dairy producers when the national margin (average farm price of milk minus an average feed cost calculation) falls below a producer-selected margin. The farm bill does not change the objective and structure of the U.S. sugar program. The 2014 farm bill also sets a $125,000 per person cap on the total of PLC, ARC, marketing loan gains, and loan deficiency payments. It also makes changes to the eligibility requirement based on adjusted gross income (AGI), setting a new limit to a single, total AGI limit of $900,000.

For disaster assistance,[11] Title I reauthorizes and funds four programs covering livestock and tree assistance. Coverage is retroactive beginning with FY2012 and continues without expiration. The crop disaster program from the 2008 farm bill (the Supplemental Revenue Assistance, or SURE) was not reauthorized, but elements of it are folded into the new ARC program by allowing producers to protect against farm-level revenue losses.

Title II: Conservation[12]

Prior to the 2014 farm bill, the agricultural conservation portfolio included over 20 programs. The bill reduces and consolidates the number of conservation programs, and reduces mandatory funding. It reauthorizes many of the larger existing programs, such as the Conservation Reserve

[9] For more on farm commodity programs, contact Randy Schnepf (rschnepf@crs.loc,gov, 7-4277). See CRS Report R43448, *Farm Commodity Provisions in the 2014 Farm Bill (P.L. 113-79)*.

[10] For background on the 2008 farm commodity programs that were replaced by the 2014 farm bill, see CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*.

[11] For more information on disaster programs, contact Megan Stubbs (mstubbs@crs.loc.gov, 7-8707). See CRS Report RS21212, *Agricultural Disaster Assistance*.

[12] For more on conservation programs, contact Megan Stubbs (mstubbs@crs.loc.gov, 7-8707). See CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.

Program (CRP), the Environmental Quality Incentives Program (EQIP), and the Conservation Stewardship Program (CSP), and rolled smaller and similar conservation programs into two new programs—the Agricultural Conservation Easement Program (ACEP) and the Regional Conservation Partnership Program (RCPP). Previous easement programs related to wetlands, grasslands, and farmland protection were repealed and consolidated to create ACEP, which retains most of the provisions by establishing two types of easements: wetland reserve easements that protect and restore wetlands, and agricultural land easements that prevent non-agricultural uses on productive farm or grasslands. Previous programs that focused on agricultural water enhancement, and two programs related to the Chesapeake Bay and Great Lakes, were repealed and consolidated into the new RCPP, which partners with state and local governments, Indian tribes, cooperatives, and other organizations for conservation on a regional or watershed scale.

The 2014 farm bill also adds the federally funded portion of crop insurance premiums to the list of program benefits that could be lost if a producer is found to produce an agricultural commodity on highly erodible land without implementing an approved conservation plan or qualifying exemption, or converts a wetland to crop production. This prerequisite, referred to as conservation compliance, has existed since the 1985 farm bill and previously affected most USDA farm program benefits, but has excluded crop insurance since 1996.

Title III: Trade[13]

The 2014 farm bill reauthorized and amended USDA's food aid, export market development, and export credit guarantee programs. The bill reauthorizes all of the international food aid programs—including the largest, Food for Peace Title II (emergency and nonemergency food aid). It also amends existing food aid law to place greater emphasis on improving the nutritional quality of food aid products and ensuring that sales of agricultural commodity donations do not disrupt local markets. The bill creates a new local and regional purchase program in place of the expired local and regional procurement (LRP) pilot program of the 2008 farm bill and increases the authorized appropriations for the program.

The 2014 farm bill also reauthorizes funding for the Export Credit Guarantee program and three other agricultural export market promotion programs, including the Market Access Program (MAP), which finances promotional activities for both generic and branded U.S. agricultural products, and the Foreign Market Development Program (FMDP), which is a generic commodity promotion program. It also made changes to the credit guarantee program to comply with the WTO cotton case against the United States won by Brazil, and proposes a plan to reorganize the trade functions of USDA, including establishing an agency position to coordinate sanitary and phytosanitary matters and address agricultural non-tariff trade barriers across agencies.

Title IV: Nutrition[14]

The 2014 farm bill's nutrition title accounts for 80% of the law's forecasted spending. The majority of the law's Nutrition funding and policies pertain to the Supplemental Nutrition Assistance Program (SNAP), which provides benefits redeemable for eligible foods at eligible

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[13] For more on international food aid, contact Sonya Hammons (shammons@crs.loc.gov, 7-3137); for agricultural export programs, contact Mark McMinimy (mmcminimy@crs.loc.gov, 7-2172). See CRS In Focus IF10194, *U.S. International Food Aid Programs*, and CRS Report R43905, *Major Agricultural Trade Issues in the 115th Congress*.

[14] For more nutrition programs, contact Randy Alison Aussenberg (raussenberg@crs.loc.gov, 7-8641). See CRS Report R42353, *Domestic Food Assistance: Summary of Programs*.

retailers to eligible, low-income individuals. The bill reauthorizes SNAP and The Emergency Food Assistance Program (TEFAP, the program that provides USDA foods and federal support to emergency feeding organizations such as food banks and food pantries). The bill retains most of the eligibility and benefit calculation rules in SNAP. However, it does amend how Low-Income Home Energy Assistance Program (LIHEAP) payments are treated to calculate SNAP benefits.[15] It disqualifies certain ex-offenders from receiving SNAP benefits if they do not comply with the terms of their sentence. The law establishes a number of new policies related to the SNAP Employment and Training (E&T) program, including a pilot project for work programs for SNAP participants.[16] The bill makes changes to SNAP law pertaining to retailer authorization and benefit issuance and redemption, including requiring stores to stock a greater variety of foods and more fresh foods, requiring retailers to pay for their electronic benefit transfer (EBT) machines, and providing additional funding for combatting trafficking (the sale of SNAP benefits). It also includes new federal funding to support organizations that offer bonus incentives for SNAP purchases of fruits and vegetables (called Food Insecurity Nutrition Incentive grants). It also includes other changes to SNAP and related programs, including amendments to the nutrition programs operated by tribes and territories, the Commodity Supplemental Food Program (CSFP), and the distribution of USDA foods to schools.[17]

Title V: Credit[18]

The 2014 farm bill makes relatively minor changes to the permanent statutes for two types of farm lenders: the USDA Farm Service Agency (FSA) and the Farm Credit System (FCS). It gives USDA discretion to recognize alternative legal entities to qualify for farm loans and allow alternatives to meet a three-year farming experience requirement. It increases the maximum size of down-payment loans, and eliminates term limits on guaranteed operating loans (by removing a maximum number of years that an individual can remain eligible). It increases the percentage of a conservation loan that can be guaranteed, adds another lending priority for beginning farmers, and facilitates loans for the purchase of highly fractionated land in Indian reservations.

Title VI: Rural Development[19]

The 2014 farm bill reauthorizes and/or amends rural development loan and grant programs and authorizes several new provisions, including rural infrastructure, economic development, and broadband and telecommunications development.[20] The bill reauthorizes funding for programs under the Rural Electrification Act of 1936, including access to broadband and the Distance Learning and Telemedicine Program. It reauthorizes the Northern Great Plains Regional

[15] CRS Report R42591, *The 2014 Farm Bill: Changing the Treatment of LIHEAP Receipt in the Calculation of SNAP Benefits*.

[16] The bill does not include changes to broad-based categorical eligibility or a state option to drug test SNAP applicants; these options has been included in House proposals.

[17] The 2010 child nutrition reauthorization (Healthy, Hunger-Free Kids Act of 2010, P.L. 111-296) had already reauthorized some nutrition programs through FY2015, but the 2014 farm bill included certain related policy changes.

[18] For more on agricultural credit, contact Jim Monke (jmonke@crs.loc.gov, 7-9664). See CRS Report RS21977, *Agricultural Credit: Institutions and Issues*.

[19] For more on rural development, contact Tadlock Cowan (tcowan@crs.loc.gov, 7-7660). See CRS Report RL31837, *An Overview of USDA Rural Development Programs*.

[20] The Consolidated Farm and Rural Development Act is the permanent statute that authorizes USDA agricultural credit and rural development programs. The Farm Credit Act of 1971, as amended, is the permanent statute that authorizes the Farm Credit System. See CRS Report RS21977, *Agricultural Credit: Institutions and Issues*.

Authority and the three regional authorities established in the 2008 farm bill. It also increases funding for several programs, including the Value-Added Agricultural Product Grants, rural development loans and grants, and the Microentrepreneur Assistance Program. It retains the definition of "rural" and "rural area" under current law for purposes of program eligibility. However, it amends the definition of rural area in the 1949 Housing Act so that areas deemed rural retain their designation until the 2020 decennial census and raises the population threshold for eligibility from 25,000 to 35,000.

Title VII: Research[21]

USDA conducts agricultural research at the federal level and provides support for cooperative research, extension, and post-secondary agricultural education programs. The 2014 farm bill reauthorizes funding for these activities through FY2018, subject to appropriations, and amends authority so that only competitive grants can be awarded under certain programs. Mandatory spending for the research title is increased for several programs, including the Specialty Crop Research Initiative and the Organic Agricultural Research and Extension Initiative. Also, mandatory funding is continued for the Beginning Farmer and Rancher Development Program. The bill provides mandatory funding to establish the Foundation for Food and Agriculture Research, a nonprofit corporation designed to accept private donations and award grants for collaborative public/private partnerships among USDA, academia, and the private sector.

Title VIII: Forestry[22]

General forestry legislation is within the jurisdiction of the Agriculture Committees, and past farm bills have included provisions addressing forestry assistance, especially on private lands. The 2014 farm bill generally repeals, reauthorizes, and modifies existing programs and provisions under two main authorities: the Cooperative Forestry Assistance Act (CFAA), as amended, and the Healthy Forests Restoration Act of 2003 (HFRA), as amended. Many federal forestry assistance programs are permanently authorized, and thus do not require reauthorization in the farm bill. However, the 2014 farm bill reauthorizes several other forestry assistance programs through FY2018. It also repeals programs that have expired or have never received appropriations. The bill also includes provisions that address the management of the National Forest System, and also authorizes the designation of treatment areas within the National Forest System that are of deteriorating forest health due to insect or disease infestation, and allows for expedited project planning within those designated areas.

Title IX: Energy[23]

USDA renewable energy programs encourage research, development, and adoption of renewable energy projects, including solar, wind, and anaerobic digesters. However, the primary focus of these programs has been to promote U.S. biofuels production and use. Cornstarch-based ethanol dominates the U.S. biofuels industry. Earlier, the 2008 farm bill refocused U.S. biofuels policy

[21] For more on agricultural research, contact Jim Monke (jmonke@crs.loc.gov, 7-9664). See CRS Report R40819, *Agricultural Research: Background and Issues*.

[22] For more on forestry, contact Katie Hoover (khoover@crs.loc.gov, 7-9008). See CRS Report RL31065, *Forestry Assistance Programs*.

[23] For more on farm bill energy programs, contact Mark McMinimy (mmcminimy@crs.loc.gov, 7-2172). See CRS Report R43416, *Energy Provisions in the 2014 Farm Bill (P.L. 113-79): Status and Funding*.

initiatives in favor of non-corn feedstocks, especially the development of the cellulosic biofuels industry. The most critical programs to this end are the Bioenergy Program for Advanced Biofuels (pays producers for production of eligible advanced biofuels); the Biorefinery Assistance Program (assists in the development of new and emerging technologies for advanced biofuels); the Biomass Crop Assistance Program, BCAP (assists farmers in developing nontraditional crops for use as feedstocks for the eventual production of cellulosic biofuels); and the Renewable Energy for America Program, REAP (funds a variety of biofuels-related projects). The 2014 farm bill extends many of the renewable energy provisions of the 2008 farm bill through FY2018.

Title X: Horticulture and Organic Agriculture[24]

The 2014 farm bill reauthorizes many of the existing farm bill provisions supporting farming operations in the specialty crop and certified organic sectors. Many provisions fall into the categories of marketing and promotion; organic certification; data and information collection; pest and disease control; food safety and quality standards; and local foods. The bill provides increased funding for several key programs that benefit specialty crop producers. These include the Specialty Crop Block Grant Program, plant pest and disease programs, USDA's Market News for specialty crops, the Specialty Crop Research Initiative (SCRI), and the Fresh Fruit and Vegetable Program (Snack Program) and Section 32 purchases for fruits and vegetables under the Nutrition title. The final law also reauthorizes most programs benefitting certified organic producers provisions as well as provisions that expand opportunities for local food systems and also beginning farmers and ranchers. Provisions affecting the specialty crop and certified organic sectors are not limited to this title but are also contained within several other titles of the farm bill such as the research, nutrition, and trade titles.

Title XI: Crop Insurance[25]

The crop insurance title enhances the permanently authorized Federal Crop Insurance Act. The federal crop insurance program makes available subsidized crop insurance to producers who purchase a policy to protect against losses in yield, crop revenue, or whole farm revenue. More than 100 crops are insurable. The 2014 farm bill increases funding for crop insurance relative to baseline levels, most of which is for two new insurance products, one for cotton and one for other crops. A new crop insurance policy called Stacked Income Protection Plan (STAX) is made available for cotton producers, since cotton is not covered by the new counter-cyclical price or revenue programs in Title I. For other crops, the 2014 farm bill makes available an additional policy called Supplemental Coverage Option (SCO), based on expected county yields or revenue, to cover part of the deductible under the producer's underlying policy (referred to as a farmer's out-of-pocket loss or "shallow loss"). Additional crop insurance changes in the 2014 farm bill are designed to expand or improve crop insurance for other commodities, including specialty crops. New provisions revise the value of crop insurance for organic crops to reflect the higher prices of organic crops rather than conventional crops. Finally, USDA is required to conduct more research on whole farm revenue insurance with higher coverage levels than currently available.

[24] For more on horticulture, contact Renée Johnson (rjohnson@crs.loc.gov, 7-9588). See CRS Report R42771, *Fruits, Vegetables, and Other Specialty Crops: Selected Farm Bill and Federal Programs*.

[25] For more on crop insurance, contact Randy Schnepf (rschnepf@crs.loc,gov, 7-4277). See CRS Report R40532, *Federal Crop Insurance: Background*.

Title XII: Miscellaneous

The miscellaneous title in the 2014 farm bill includes various provisions affecting livestock production, socially disadvantaged and limited-resource producers, oilheat efficiency, research, and jobs training, among other provisions.

The livestock provisions include animal health-related and animal welfare provisions, creation of a production and marketing grant program for the sheep industry, and requirements that USDA finalize the rules on catfish inspection and also conduct a study of its country-of-origin labeling (COOL) rule.[26]

The farm bill also extends authority for outreach and technical assistance programs for socially disadvantaged farmers and ranchers and adds military veteran farmers and ranchers as a qualifying group. It creates a military veterans agricultural liaison within USDA to advocate for and to provide information to veterans, and establishes an Office of Tribal Relations to coordinate USDA activities with Native American tribes. Other provisions establish grants for maple syrup producers and trust funds for cotton and wool apparel manufacturers and citrus growers, and also provide technological training for farm workers.

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[26] The 2008 farm bill included new livestock-related provisions under a new bill title and made changes to existing laws governing livestock and poultry marketing and competition. A separate livestock title was not included in the 2014 farm bill. For more on livestock issues, contact Joel L. Greene (jgreene@crs.loc.gov, 7-9877). See CRS Report RS22955, *Country-of-Origin Labeling for Foods and the WTO Trade Dispute on Meat Labeling*.