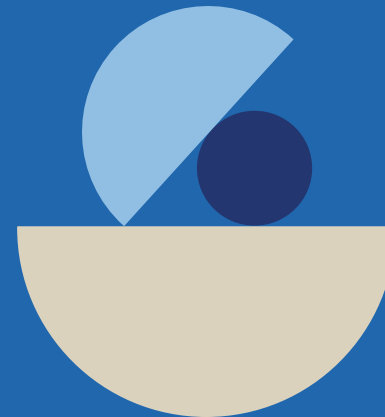


2023 Farm Bill

A look at discussions and issues going into the development and reauthorization of the 2023 'Farm Bill' in Congress

April 12, 2023



PRODUCER
Colin Donnelly

Roadmap

- **Overview**
- **Key legislators**
- **Priorities and spending**
- **Partisan divides**
- **Legislative activity**

The 2023 Farm Bill is one of the biggest legislative priorities of the year

What is the Farm Bill?

- Legislation approved around every five years that includes a range of programs related to **food, nutrition, and agriculture**
- Initially passed as **part of President Roosevelt's New Deal** during the 1930s to address the Dust Bowl and Great Depression
- The 2018 Farm Bill, officially entitled the Agriculture Improvement Act, **expires in 2023**

2018 Farm Bill recap

- The Congressional Budget Office estimated the **five-year spending** at **\$428 billion**
- Three-fourths of spending in the 2018 Farm Bill is for **nutrition assistance programs**
- The legislation **approves hemp cultivation** in the US with several limitations, including a maximum hemp THC level of 0.3%

2023 Farm Bill outlook

- The projected total cost for the 2023 Farm Bill is **\$1.4 trillion**
- In 2018, House Republicans found it difficult to pass the current 2018 Farm Bill; in 2023 they will once again lead the discussions but now have a **much slimmer majority** in the House
- Topics throughout agriculture and nutrition will be covered, including, but not limited to **conservation, nutrition programs, and research spending**

Key policy areas covered in the 2018 Farm Bill



Farm commodity supports



Conservation programs



Agricultural trade



Nutrition assistance



Farm loans and credit



Rural economic development



Research and extension programs



Forestry stewardship



Energy and biofuels



Local foods, organics, and fruits and vegetables



Crop insurance



Socially disadvantaged and beginning farmers

Roadmap

- **Overview**
- **Key legislators**
- **Priorities and spending**
- **Partisan divides**
- **Legislative activity**

Key legislators writing the 2023 Farm Bill

The House and Senate Agriculture committees are responsible for drafting the Farm Bill; listed are the primary stakeholders in Farm Bill negotiations for the 118th Congress

Senate Agriculture, Nutrition, and Forestry Committee

Chair



Debbie Stabenow (D-MI)

✓ Not seeking re-election in 2024

Notable legislation in the 117th Congress:

S. 866: Repairing Existing Public Land by Adding Necessary Trees Act

- Status: Enacted via H.R. 3684: Infrastructure Investment and Jobs Act
- Cosponsors: 7 (4D, 3R)

Passed

Ranking member



John Boozman (R-AR)

✗ Not up for re-election in 2024

Notable legislation in the 117th Congress:


S. 2005: Hunger-Free Summer for Kids Act of 2021

In Progress

- Status: Introduced
- Cosponsors: 21 (12R, 8D, 1I)

House Agriculture Committee

Chair



Glenn "GT" Thompson (R-PA-15)

✓ Up for re-election in 2024


Notable legislation in the 117th Congress:

H.R. 8069: Reducing Farm Input Costs and Barriers to Domestic Production Act

In Progress

- Status: Introduced
- Cosponsors: 50 (49 R, 1 D)

Ranking member



David Scott (D-GA-13)

✓ Up for re-election in 2024

Notable legislation in the 117th Congress:

H.R. 4374: Broadband Internet Connections for Rural America Act

In Progress

- Status: Ordered Reported by House Agriculture Committee
- Cosponsors: 0

Roadmap

- Overview
- Key legislators
- **Priorities and spending**
- Partisan divides
- **Legislative activity**

Nutrition assistance and conservation are top policy priorities among others



Conservation

- The Biden administration is expected to push for **increased conservation spending** in the next Farm Bill; this could include an expansion of the **Conservation Stewardship Program (CSP)**
- USDA Secretary Tom Vilsack touted climate-smart agriculture initiatives included in the Inflation Reduction Act at COP27 ahead of the Farm Bill reauthorization in 2023



Nutrition assistance

- **Nutrition assistance programs** will likely play a large role in 2023 Farm Bill debates as CBO analysis shows nutrition will make up **over 80% of total spending in the package**
- President Biden has proposed to **increase spending for the Supplemental Nutrition Assistance Program (SNAP)**, but he will need to receive support from Republicans to have it included in the 2023 Farm Bill



Reference Prices

- A major question for the 2023 Farm Bill is whether Congress will alter reference prices that trigger subsidies when crop prices drop below a certain threshold due to a variety of external factors
- Since the threshold triggers were put in place, prices for crop commodities like wheat, soybeans, and corn have increased; farmers are concerned crop prices will decrease while input prices will remain high



Commodity Credit Corporation

- Lawmakers must reach an agreement on to what extent the Commodity Credit Corporation (CCC) program should be used to address climate change
- Republicans have indicated they are interested in putting restrictions on how USDA can spend from the CCC program

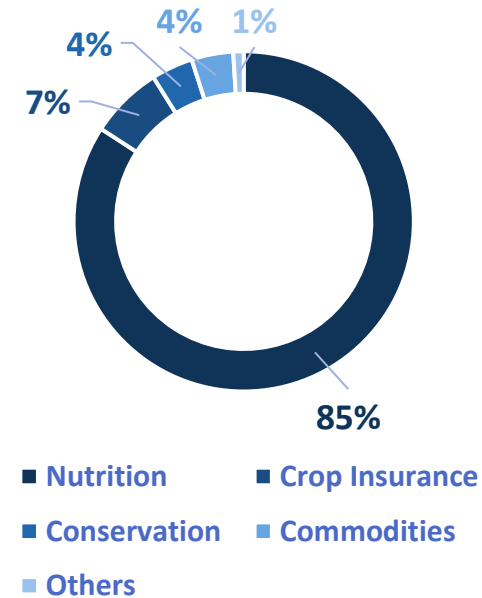
Congressional Research Service Farm Bill analysis

In February 2023, the Congressional Research Service released the forecasted baseline spending levels for Farm programs using the February 2023 CBO report

Baseline cost estimates for the 2023 Farm Bill by spending type based on ten-year projections

Program type	CRS cost projection
Nutrition	\$1.205T
Crop insurance	\$97B
Conservation	\$57B
Commodities	\$57B
Trade	\$4.8B
Horticulture	\$2.1B
Research	\$1.3B
Miscellaneous	\$0.8B
Energy	\$0.5B
Total	1.426T

Percentage of spending type in the baseline spending projection in the 2023 Farm bill based on ten-year projections



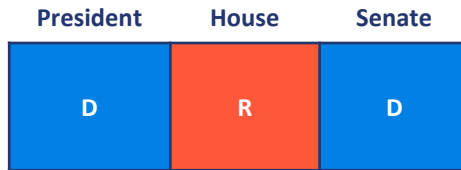
SOURCE Congressional Research Service, National Journal Research.

Roadmap

- **Overview**
- **Key legislators**
- **Priorities and spending**
- **Political considerations**
- **Legislative activity**

A variety of factors impact whether a full Farm Bill or a n Extension will be passed in 2023 (1/2)

Divided Washington



- In 2018, Republicans had unified control of Congress and the White House when writing the Farm Bill
- This time, **Republicans** only control **the House of Representatives**, while **Democrats** control the **Senate** and **the White House**
- The split forces Democrats and Republicans to **operate in a bipartisan fashion** if they hope to pass a Farm Bill in 2023
- If the Republican-led House of Representatives and the Democrat-led Senate **fail** to compromise on high profile issues like **climate** and **SNAP funding**, they may be forced to pass a **continuing resolution**

New budget rules

- House Republicans replaced the PAYGO (pay-as-you-go) rule with CUTGO (cut-as-you-go) which mandates any new spending increases be offset with equal cuts in spending, **no new taxes** are allowed to pay for spending increases
- With CRS projections expecting the Farm Bill to cost over \$1 trillion, there will need to be **cuts to other spending programs** in order to comply with House rules
- That dynamic will likely set up a **battle with Democrats** who would likely oppose external spending cuts

Speaker McCarthy's process rules

- **House Speaker Kevin McCarthy** made significant concessions to the **House Freedom Caucus** in order to secure the Speakership; those concessions included seats on the **House Rules Committee**
- As the House Rules Committee determines the amendment process, the House Freedom Caucus has advocated for a **more open amendment process** which gives members greater access to introducing amendments
- With more amendments in play, there is a greater chance a **“poison pill” amendment** could be included in the Farm Bill which would make it **difficult to pass both chambers**

SOURCE E&E News, Politico, Farm Progress, Agri-pulse.

A variety of factors impact whether a full Farm Bill or an Extension will be passed in 2023 (2/2)

Sen. Stabenow Retirement



On January 5, Sen. Debbie Stabenow (D-MI) announced that she would **not be seeking reelection** in 2024

Stabenow has been the top Democrat on the Senate Agriculture Committee since 2011

- With Stabenow's looming retirement, questions have arisen as to whether the announcement will affect her **negotiating leverage**
- Republicans may be tempted to pass a **continuing resolution** to fund existing programs until 2025 when Stabenow will be gone, and **they may have a Senate majority**
- Stabenow has indicated she will be "intently focused" on the Farm Bill for the remainder of her Senate tenure
- Despite the announcement, Republicans have stated that they **are looking forward to working with Stabenow to pass a full Farm Bill this year**, which would include their own agriculture agenda

IRA Climate Spending

- The Inflation Reduction Act (IRA) provided nearly \$20 billion for climate-smart agriculture in existing Farm Bill programs
 - Sen. Stabenow, Chair of the Senate Agriculture Committee, addressed her climate priorities through those provisions
 - This dynamic could decrease the pressure on Stabenow to include her climate policy agenda in the Farm Bill before she retires
- **Republicans can alter the IRA climate funding by passing a new Farm Bill**, however, Stabenow has vowed to protect the programs authorized in the IRA

Spending Cut Debates

- The Senate Agriculture Committee held a hearing on February 9 to discuss expanding crop insurance options
 - Both Democratic and Republican Senators voiced support for expanding crop insurance in the Farm Bill
 - The ranking member, Sen. John Boozman (R-AR) expressed the need to address rising crop prices that could impact the Price Loss Coverage Program
- While Senators seem unified on the issue of crop insurance, **partisan differences on SNAP and climate funding** are most likely to lead to an impasse between the two parties in the House and the Senate

Roadmap

- **Overview**
- **Key legislators**
- **Priorities and spending**
- **Political considerations**
- **Legislative activity**

Farm Bill hearings tracker

The House and Senate Agriculture Committees have begun hearings on the Farm Bill

Date	Committee	Topic
September 15, 2022	House Agriculture – full committee	Broadband
September 20, 2022	House Agriculture – Conservation and Forestry Subcommittee	Stakeholder perspectives on conservation programs
September 29, 2022	House Agriculture – Nutrition, Oversight, and Department Operations Subcommittee	Department Operations and Outreach
November 15, 2022	Senate Agriculture – full committee	Rural development and energy programs
December 6, 2022	Senate Agriculture – full committee	Research programs
February 1, 2023	Senate Agriculture – full committee	Trade and horticulture
February 9, 2023	Senate Agriculture – full committee	Commodity programs, crop insurance, and credit
February 16, 2023	Senate Agriculture – full committee	Nutrition programs
March 1, 2023	Senate Agriculture – full committee	Conservation and forestry programs
March 8, 2023	House Agriculture – Forestry Subcommittee	Forestry stakeholder perspectives
March 23, 2023	House Agriculture – Conservation, Research, and Biotechnology Subcommittee	USDA implementation of research programs
March 30, 2023	Senate Agriculture – Conservation, Climate, Forestry, and Natural Resources Subcommittee	Forestry in the Farm Bill