



Just the FACTS...

... about 2014 FARM BILL income entitlements

Promises that the 2014 FARM BILL would produce savings for taxpayers are failing to bear fruit. This is because of exploding costs in the income entitlement programs created in the Commodities Title of the bill.

1

Fact: The Congressional Budget Office (CBO) calculated the 2014 FARM BILL would reduce federal deficits by \$16.6 billion over 10 years. Spending reductions on commodity programs (Title 1) were calculated to contribute \$14.3 billion of this savings.

2

Fact: New income entitlement programs created by the 2014 FARM BILL are much more expensive than promised. CBO projects that the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs will cost \$46.1 billion over the scoring window of the 2014 FARM BILL. That's \$18.9 billion more than projected at the time of FARM BILL passage.

3

Fact: ARC/PLC cost more than the discredited direct payments they replaced. Direct payments were projected to cost \$4.5 billion annually prior to passage of the 2014 FARM BILL. CBO now reports FY2016 ARC/PLC payments totaled \$5.3 billion and projects FY2017 payments totaling \$7.8 billion.

4

Fact: Other Title 1 commodity programs are over budget. In just FY2014-2016 Supplemental Disaster program costs totaled \$6.2 billion, exceeding CBO's 10-year projection by \$2.5 billion. Subsidized marketing loans have cost \$885 million-nearly quadruple what was anticipated. Cotton producers have benefited from \$300 million in ginning "cost-share" assistance and \$600 million in unbudgeted payments to Brazil to settle a WTO complaint.

Our Take: The 2014 FARM BILL promised to reduce federal spending on income entitlement programs for agricultural businesses. Only three years after passage, the 2014 FARM BILL is a clear budget buster due to new commodity programs. The Agriculture Committees should be required to immediately replace their empty promises of fiscal responsibility with reductions to agricultural income entitlement programs.

