TAXPAYERS for COMMON SENSE

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.

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.

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 **$48.2 billion over the scoring window** of the 2014 Farm Bill. That's $21 billion more than projected at the time of Farm Bill passage.

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 FY2017 ARC/PLC payments totaled **$8.1 billion** and projects FY2018 payments totaling **$7.9 billion**.

FACT: Other **Title 1 commodity programs are over budget**. In just FY2014-2017 Supplemental Disaster program costs totaled **$6.6 billion**, exceeding CBO's 10-year projection by $3 billion. Subsidized marketing loans cost $900 million-nearly three times what was anticipated. **Cotton producers** have benefited from **$300 million** in unbudgeted payments to Brazil to settle a WTO complaint and **$550 million** in ginning "cost-share" assistance for the 2015 and 2016 crops.

OUR TAKE: The 2014 Farm Bill promised to reduce federal spending on income entitlement programs for agricultural businesses. Nearly five years after passage, the commodities title is $12.9 billion over budget from FY14 through FY18, failing to produce savings for taxpayers.