

Planting a Trillion Dollar Farm Bill

The cost of Farm Bills are always greater than they first appear.

In 2002 Washington passed an omnibus Farm Bill that the Congressional Budget Office (CBO) analyzed as authorizing \$451 billion of spending, over the next 10 years. Actual spending on Farm Bill authorized programs from FY2002-FY2011, however, was \$561 billion, nearly 25 percent more than CBO had projected at time of the bill’s passage. The Farm Bill Congress passed in 2008 suffered the same fate. Receiving a \$641 billion 10-year score at time of passage, actual taxpayer costs were \$885 billion, 38 percent more than originally projected.

Farm Bill Price Tags are Greatly Underestimated		
	Projected 10-Year Cost	Actual 10-Year Cost
2002 Farm Bill	\$451 billion	\$561 billion
2008 Farm Bill	\$641 billion	\$885 billion
2014 Farm Bill	\$956 billion	\$887 billion - ? trillion

Despite the experience and math that has accompanied federal agricultural policy over the last fifteen years, Farm Bill apologists claim the 2014 bill is different. A look at the actual spending that has occurred thus far, however, shows these promises are unlikely to bear fruit.

Agricultural Business Income Subsidy Programs: Fiscal Years 2014-2017			
	Projected Costs	Actual Spending	Cost Overrun
Title 1 Commodities	\$18.728 billion	\$27.970 billion	\$9.242 billion
Subsidized Crop Insurance	\$32.357 billion	\$23.882 billion	\$-8.475 billion
			\$767 million cost overrun

There are savings from the 2014 Farm Bill. They just aren’t from programs that subsidize the incomes of agricultural businesses. Spending reductions are overwhelmingly concentrated in programs designed to help poor families purchase food, and programs aimed at achieving environmental objectives.

Nutrition and Conservation Program Spending: Fiscal Years 2014-2017			
	Projected Costs	Actual Spending	Cost Overrun
Nutrition	\$314.762 billion	\$295.606 billion	-\$19.156 billion
Conservation	\$22.351 billion	\$18.187 billion	-\$4.164 billion
			-\$23.320 billion

Turning from actual spending to projected costs for the remaining years of the 2014 Farm Bill baseline (Fiscal Years 2018-2023) DOES make the 2014 bill look different. Totaled together, spending from all Farm Bill authorized programs would cost nearly \$69 billion less than originally promised. But none of this projected savings comes from programs subsidizing agricultural business income.

2014 Farm Bill potential impact on spending (2014 - 2023)	
Program	Change in Spending
Commodities subsidies	\$23.8 billion cost overrun
Crop Insurance Subsidies	-\$20.7 billion
Total Agriculture Income Subsidies	\$3.0 billion
Nutrition Programs	-\$65.7 billion
Conservation programs	-\$6.0 billion
Total non-agriculture income subsidies	-\$71.7 billion

Finally, projections are only as good as the policies underlying them. Since passage of the 2014 Farm Bill, agricultural special interests have repeatedly secured additional agricultural income subsidies. These actions have increased spending on agricultural income entitlement programs since passage of the 2014 Farm Bill.

FY2018 Ad hoc Agricultural Disaster Assistance	\$2.36 billion
Increased payments to dairy producers	\$1.1 billion
Designating “seed cotton” eligible for Agriculture Risk Coverage/PLC	\$147 million
WTO settlement for Brazil cotton case	\$300 million
Emergency assistance to cotton processors in 2016	\$328 million
Additional assistance to cotton processors in 2018	\$300 million+
Expanding Livestock Indemnity Program	Cost TBD

Taxpayers can afford to provide [a financial safety net](#) for agricultural businesses that is cost-effective, transparent, holds all parties accountable and is responsive to current needs. Taxpayers cannot afford for special interests to use creative accounting, budget gimmicks, and legislative sleight of hand to mask massive cost increases from the 2014 farm bill in order to harvest more cash from taxpayers.

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