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Take Two: The Path to Trillion Dollar Farm Bills

Costs of Farm Bills Greatly Exceed Initial Projections

Federal farm bills routinely cost more than advertised. The Congressional Budget Office's (CBO) May 2022 baseline for farm programs confirms this truism. Advertised as an \$867 billion bill, the programs authorized in the Agriculture Improvement Act of 2018 are now projected to cost approximately \$1.3 trillion. Lawmakers contemplating authorizing a federal farm bill in 2023 must take pause. Taxpayers can afford to provide cost-effective farm financial and nutrition safety nets. In a time of trillion-dollar annual deficits and record debt we cannot, however, afford for wasteful farm bill programs to run on autopilot.

The Path to Trillion Dollar Farm Bills

Since 2002, spending for programs authorized by federal farm bills has exploded. The advertised price, the official 10-year CBO score at adoption, for farm bill legislation more than doubled between 2002 and 2014. Improved economic conditions, and thus anticipated reductions in "safety net" programs, resulted in a CBO score of \$867 billion for the 2018 farm bill. This fiscal optimism, however, was short-lived.

Farm Bills Increase in Cost Over Time		
Farm Bill	10-Year Projected Cost	% Increase from Previous Legislation
2002 Farm Bill	\$451 billion	
2008 Farm Bill	\$641 billion	42%
2014 Farm Bill (projected 2022 and 2023)	\$956 billion	49%
2018 Farm Bill (projected 2022 to 2028)	\$867 billion	-9%

Farm Bill Costs Greater Than They Appear

Like the monster in the sideview mirror, actual costs of farm bills are greater than projected costs appear. When outlays (actual spending) on farm bill authorized programs are compared to projected costs at the time of the farm bill's authorization, massive cost overruns are seen. (* Please note that FY22-28 costs are projected in the table below).

Projected and Actual Costs of Recent Farm Bills				
Farm Bill	10-Year Projected Cost	Actual 10-Year Cost	Cost Overrun	Overrun %
2002 Farm Bill	\$451 billion	\$562 billion	\$111 billion	25%
2008 Farm Bill	\$641 billion	\$887 billion	\$246 billion	38%
2014 Farm Bill*	\$956 billion	\$1.15 trillion	\$193 billion	20%
2018 Farm Bill*	\$867 billion	\$1.32 trillion	\$456 billion	53%

A more cost-effective, accountable, and transparent farm bill that is responsive to actual need can be achieved. But lawmakers must be aware that the projected cost of farm bill legislation always falls far short of reality. Promoting better resilience, instead of dependence on federal subsidies, will require bold reforms in the next farm bill. Common sense farm subsidy reforms in particular would benefit everyone from farmers to taxpayers while also improving the climate and environment.