Farm Bill Discussion
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Introduction.

Farm Bill Baseline.
What is the ‘Farm’ Bill?

Technically: multi-year, omnibus authorization legislation...

Source: CRS using USDA and CBO data (through the May 2019 CBO baseline).

Notes: Darker shades of each color are actual outlays based on available USDA data; lighter shades are CBO data and projections. Excludes the Trade Aid Program announced in 2018-2019 and supplemental appropriations.
Writing the Farm Bill: It is a Baseline Game.
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Reauthorization of the Agricultural Improvement Act of 2018.
Market conflict; trade & tariff
Covid-19 pandemic & fallout
Political turbulence & worse.
Climate Change
The Farm Bill Challenge.

- Regional farm coalition built in 1920’s.
- Food assistance added in 1960’s.
- Environmental & Conservation in 1980’s.
Farm Bill: Problems & Challenges.

2002 Farm Bill anomaly: nearly $74b in extra baseline.

2008 Farm Bill status quo: WTO/cotton & RFS.


2018 Farm Bill: partisan House fight over SNAP, another defeat on the floor.

FAIR Act 1996: decoupling

2023 ???
Uncertain & Unusual Situation.
Unprecedented Payments.

Spending on Assistance to Farmers Associated with the 2018-2020 Crop Years

- Market Facilitation Program 2018 and 2019
- Coronavirus Food Assistance Program (1&2), 2020

Agriculture Risk Coverage; Price Loss Coverage; Crop Insurance, net farmer benefit
MYA Prices & CBO Forecast.

Reference Prices:
- Corn $3.70/bu (no deficiency)
- Wheat $5.50/bu (deficiency after 2023)
- Soybeans $8.40/bu (no deficiency)
- Seed Cotton $0.367/lb. (deficiency every year)
- Rice $14.00/cwt (deficiency every year)
- Peanuts $535/ton (deficiency every year)
Who Wins & Loses in the Baseline Game?

Combined: cotton, rice and peanuts are 8.6% of the base acres but receive almost 43% of the outlays.

Combined: corn, soybeans and wheat are 91.4% of the base acres but receive 57% of the outlays.

On average, CBO estimates that peanut farmers will receive $137 in outlays per base acre; soybeans $5.50 per base acre.
Yet scientists and world leaders increasingly say even that much warming is too risky. To hold global temperature rise to a safer limit of 1.5 degrees Celsius, far more drastic action is needed.
The Conservation Question.