

# The \$956 billion farm bill, in one graph

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Analysis by Brad Plumer

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This week, Congress will vote on a massive farm bill that will set the course of U.S. food policy for the next half-decade. The old farm bill expired in 2012, and [its replacement](#) (pdf) is 959 pages long, costing some \$956.4 billion over 10 years.

So what's actually in it? I've made a pie chart below to outline the basics. This is based on the latest Congressional Budget Office's [scoring](#) as well as reporting on how its predecessor House and Senate bills got combined. I'll update as needed:

First, some clarification: Under existing law, the United States was *already* on pace to spend [\\$972.9 billion](#) on these programs over the next decade. So the bill before Congress would technically cut spending, relative to that baseline, by about \$16.5 billion.

How does it do that? Well, food stamps are cut by \$8 billion (relative to current law). Farm subsidy and commodity programs are cut by \$14 billion. Conservation programs get cut by \$4 billion. And crop insurance is increased by about \$6 billion.

But there's still a fair bit of spending left — \$956.4 billion in all, or about [2 percent](#) of all federal spending over the decade. So here's a breakdown of what we know about the farm legislation's various provisions:

**Food stamps and nutrition, \$756 billion over 10 years** (\$8 billion less than existing law). This is by far the biggest part of farm policy, with the bulk taken up by the Supplemental Nutrition Assistance Program, which helps low-income families pay for food.

House Republicans and Senate Democrats have long wrangled over how to modify this program. The Senate wanted to slightly tweak some of the rules governing eligibility and cut just \$4 billion from existing law. The House wanted to put in place much stronger restrictions on who could get food stamps and cut \$40 billion from current law.

The Senate mostly won this fight. The compromise bill will cut \$8 billion over 10 years. It does that [in a few ways](#):

-- *Ending the heating "loophole."* The bill would cut food stamp benefits for 850,000 households in 17 states by about \$90 per month. It does so by tweaking the rules of a federal heating assistance program that some states had been using to boost food-stamp eligibility. In essence, some states had been assuming that people had higher heating bills than they actually did to let them qualify for food aid. (See [here](#) for the gritty details.)

-- *Rule tweaks.* It clarifies the rules so that college students, lottery winners, and undocumented immigrants can't receive benefits.

-- *New programs for the jobless.* It creates pilot programs that would encourage food-stamp recipients to look for jobs. The bill would also use some of the savings to set up new nutrition programs.

Overall, the bill avoids most of the sharper cuts that were in the earlier House bill (such as a proposed limit on benefits for unemployed childless adults that would have affected 1.7 million people).

**Commodity programs, \$44.4 billion over 10 years** (\$14 billion less than existing law). This section includes a variety of programs to shield farmers against sharp fluctuations in prices, particularly corn, wheat, soybean, cotton, rice, peanut, and dairy producers.

In past years, this was an even bigger chunk of various farm bills, which often provided "direct payments" to farmers regardless of how much they actually planted or how much they would sell their crops for. This latest farm bill would cut most of these direct payments, saving about \$19 billion over 10 years.

Those cuts are arguably the biggest policy change in the farm bill — and they're controversial among farmers. Many of the savings have been channeled into other types of farm aid, including billions of dollars in disaster assistance for livestock producers and subsidized loans for farmers. Meanwhile, the crop insurance program has been expanded (see below).

Notably, the bill would also abandon the 70-year-old practice of setting minimum prices for milk, cheese, and butter. Instead, the bill would offer insurance to dairy farmers to protect themselves against falling milk prices or rising feed costs.

**Crop insurance, \$90 billion over 10 years** (\$7 billion more than existing law). For decades, farmers have been able to buy federally-subsidized crop insurance in case their crops fail or prices decline. But under the new farm bill, the government would also spend an additional \$7 billion over 10 years covering the deductibles that farmers have to pay before the insurance kicks in. This is supposed to help cushion the blow from the loss of direct payments.

This is one of the more contentious parts of the farm bill. Some critics have warned that this insurance program could cost far more than expected, depending on how crop prices shift. And the Environmental Working Group has argued that a disproportionate amount of these subsidies go to the wealthiest farm operators.

**Conservation, \$57.6 billion over 10 years** (\$4 billion less than existing law). This includes programs to help farmers protect against soil erosion and to use ecologically friendly methods like drip irrigation. It also includes programs that pay farmers to grow on less land.

This part of the farm bill was cut by about \$4 billion (compared with previous bills) — in part because the government will be supervising a smaller total area. There's also a fair bit of consolidation here: 23 different conservation programs will be shrunk into 13 programs

**Trade, \$3.5 billion over 10 years** (little change). This money is used to promote U.S. crops overseas and provide food aid abroad. The government also offers some technical assistance to farmers in developing countries.

President Obama had earlier called for an overhaul of the food aid program. Instead of buying food from U.S. farmers and shipping it overseas, some of the money would just be sent directly to poor countries. But those reform efforts foundered, and Congress ended up keeping the food-aid program intact, albeit with an extra \$80 million per year to buy food locally in developing countries.

**Energy, \$1.1 billion over 10 years** (a small cut). This includes money for biofuels as well as for energy-efficiency programs in rural areas. It also provides funding to help develop biochemicals and bioplastics industries, in an attempt to reduce the country's reliance on fossil fuels.

**Miscellaneous, about \$2.3 billion over 10 years.** This includes everything from forestry programs to rural development to research and development. There are programs for promoting farmers markets, selling off timber on federal lands, and even research into organic agriculture and citrus diseases.

My colleague Ed O'Keefe has a nice rundown of some of the more random provisions in the bill. The bill will allow colleges and universities to grow industrial hemp for research purposes in 11 states. The Department of Agriculture will also "increase the purchase" of halal and kosher foods for its emergency assistance program.

*Note: I'll keep updating this post as more information comes in. Added scoring from the Congressional Budget Office on Tuesday evening.*