



FARM FOUNDATION® FORUM

WHAT TO EXPECT FROM THE 2023 FARM BILL NOW

SEPTEMBER 26, 2023



Today's webinar is made possible by a grant from Farm Credit

#FarmFoundationForum







FARM FOUNDATION® FORUM

WHAT TO EXPECT FROM THE 2023 FARM BILL NOW

SEPTEMBER 26, 2023



FARM CREDIT

Today's webinar is made possible by a grant from Farm Credit

#FarmFoundationForum





MARTHA KING

Vice President, Programs and Projects
Farm Foundation

MEET FARM FOUNDATION

A 501(C)(3) NON-PROFIT AT THE INTERSECTION OF AGRICULTURE AND SOCIETY



Farm Foundation is an
ACCELERATOR
of practical solutions for agriculture.

We accelerate
PEOPLE AND IDEAS
into
ACTION.



OUR MISSION AND VISION GUIDE OUR WORK

MISSION:

To **build** trust and understanding at the intersections of agriculture and society.

VISION:

To **build** a future for farmers, our communities, and our world.

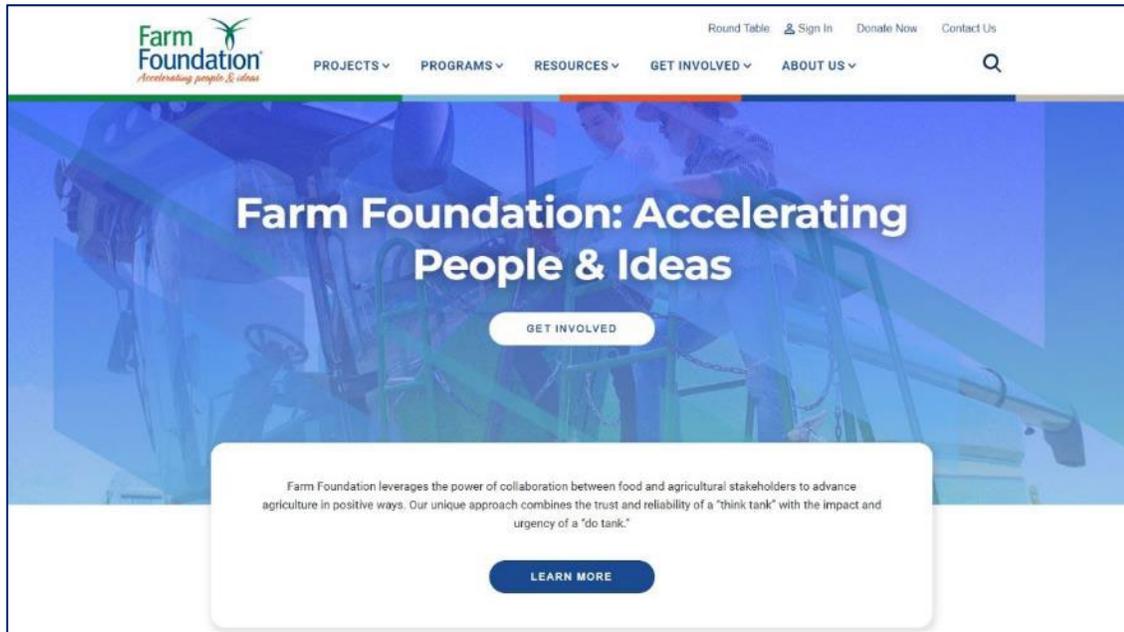
BECOME A FRIEND OF FARM FOUNDATION



See link in chat function

- Donate to Farm Foundation to support our mission
- Receive exclusive benefits and curated content
- Help us continue to provide valuable content like today's Forum

CONNECT & COLLABORATE WITH US!



farmfoundation.org

[#FarmFoundationForum](https://twitter.com/FarmFoundation)

Connect with us on social media:



[@farmfoundation](https://twitter.com/farmfoundation)



[@thefarmfoundation](https://facebook.com/thefarmfoundation)



[Farm Foundation](https://linkedin.com/company/farm-foundation)



[@thefarmfoundation](https://youtube.com/thefarmfoundation)

IMPORTANT NOTES

- Submit questions by clicking on the **Q&A Button** at the bottom of your screen.
- Please **include your name and company** so questions may be contextually understood.
- Due to **time limits**, we may not be able to ask all questions submitted.
- This Forum is being recorded and will be posted on our website at **farmfoundation.org** as well as the Farm Foundation **YouTube** channel.
- Please take the **short survey** at the conclusion of the Forum.



FARM FOUNDATION® FORUM

WHAT TO EXPECT FROM THE 2023 FARM BILL NOW

SEPTEMBER 26, 2023



FARM CREDIT

Today's webinar is made possible by a grant from Farm Credit

#FarmFoundationForum





JONATHAN COPPESS, MODERATOR AND PRESENTER

Director of the Gardner Agriculture Policy Program
and Associate Professor of Law and Policy, University of Illinois
at Urbana-Champaign

Farm Bill 2023: Expectations Discussion

Presentation for Farm Foundation Forum (September 26, 2023)

Jonathan Coppess

I ILLINOIS

Agricultural & Consumer Economics

COLLEGE OF AGRICULTURAL, CONSUMER
& ENVIRONMENTAL SCIENCES

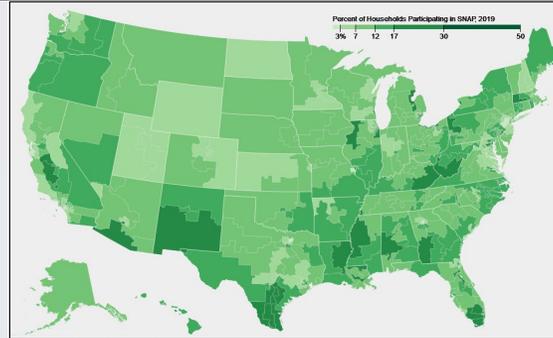
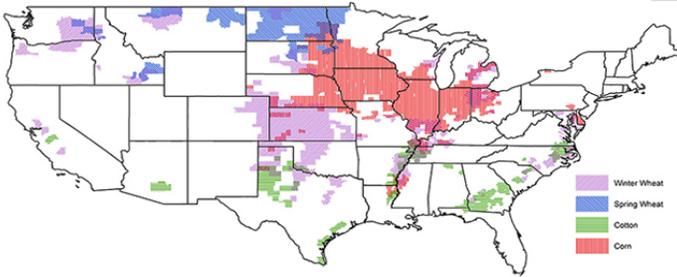


Gardner
Agriculture
Policy
Program

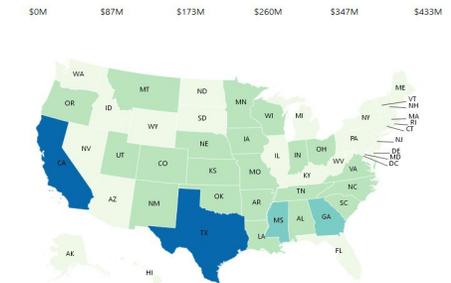
The Political Strength of a Farm Bill Is In Its Coalition

→ 2023 Marks 90 Years ←

Figure 1: Traditional Farm Coalition



Total EQIP Benefits



Farm

Direct assistance to a subset of farmers built on traditional regional farm coalition (corn, cotton & wheat); includes crop insurance.

Food

Direct assistance to low-income households for the purchase of food.

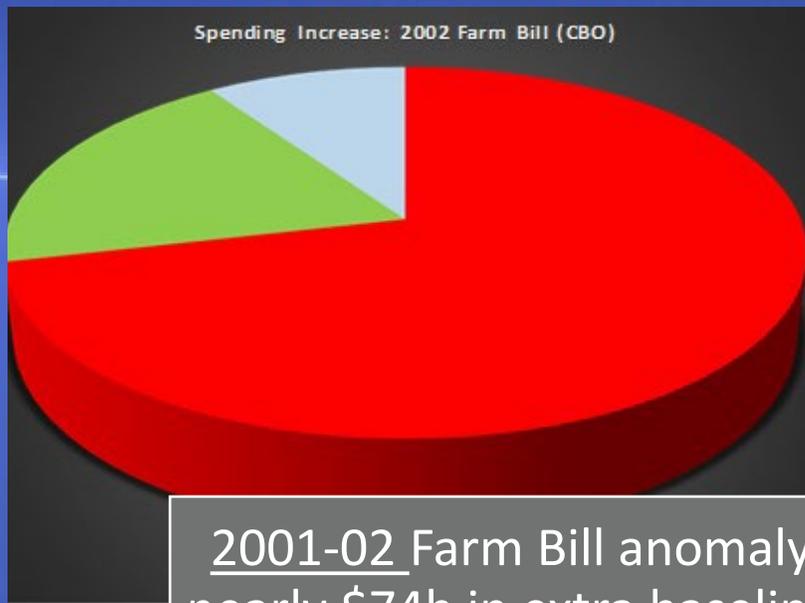
Over 40 million Americans receive assistance.

Conservation

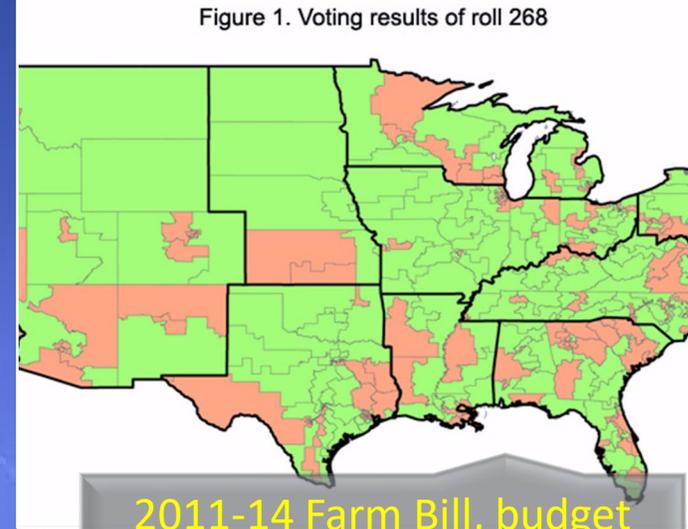
Direct assistance to farmers for adopting, maintaining and improving natural resource conservation practices or efforts.

Farm Bill: Problems & Challenges.

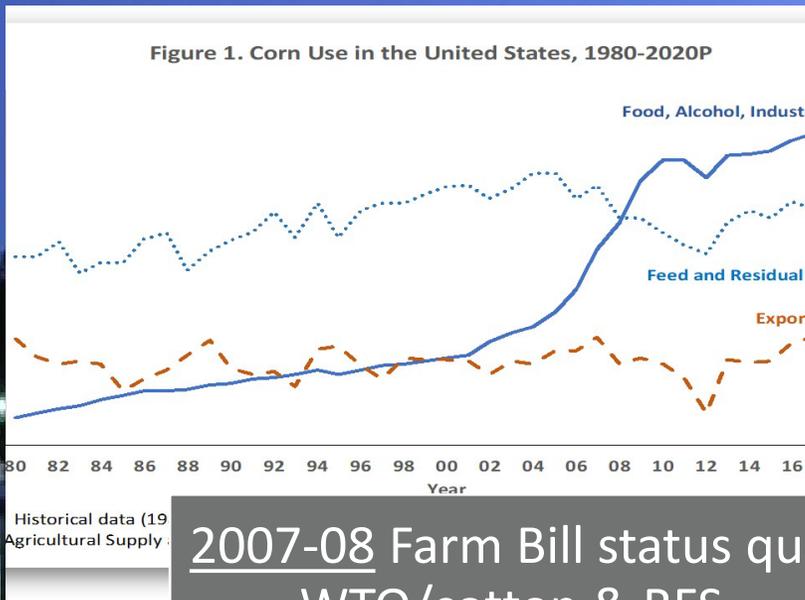
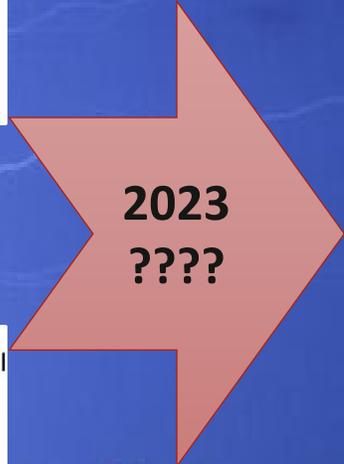
FAIR Act
1995-96:
decoupling



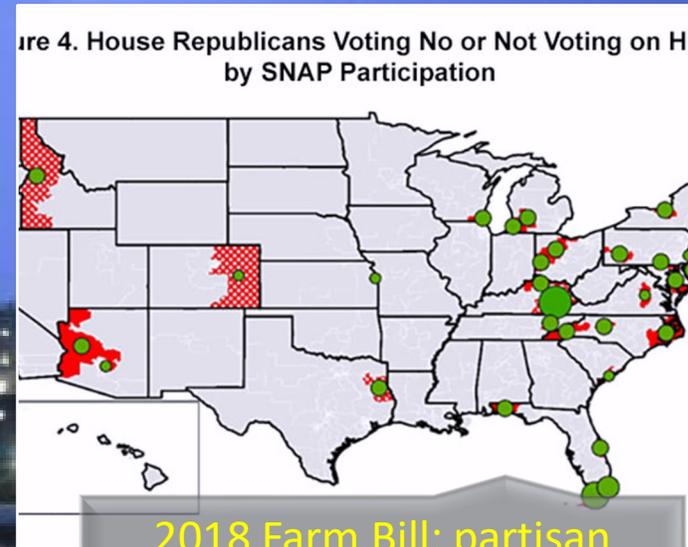
2001-02 Farm Bill anomaly:
nearly \$74b in extra baseline.



2011-14 Farm Bill, budget cuts: defeated on House floor over SNAP (2013).



2007-08 Farm Bill status quo:
WTO/cotton & RFS.



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

The prospects for a farm bill in 2023 remain very cloudier; increasingly getting worse.

House: far-right faction; appropriations stalemate; government shutdown; [SNAP 3.0?]; etc.

Senate: demand for higher reference prices clashes with CBO realities and IRA conservation investments.

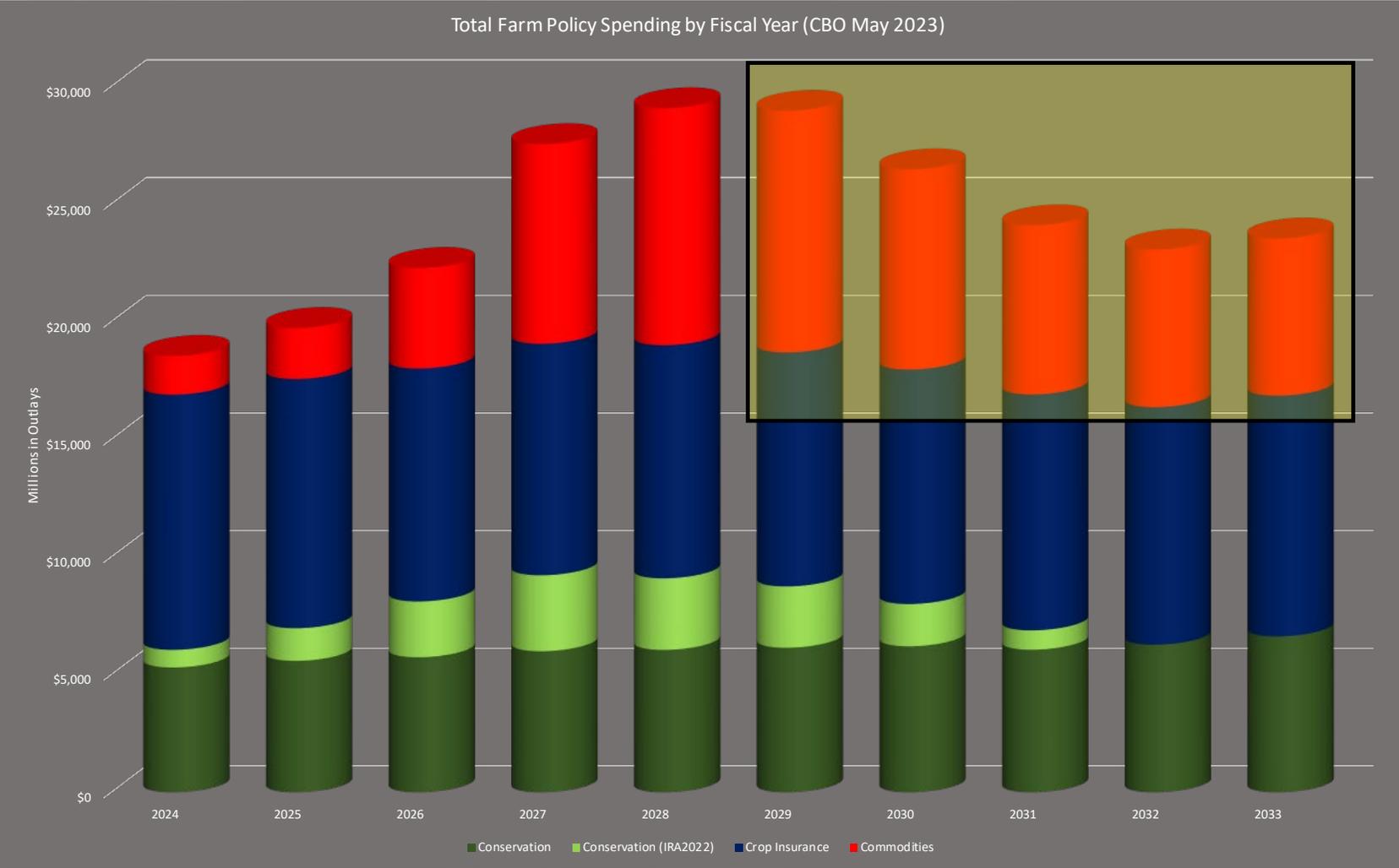


Gardner
Agriculture
Policy
Program

A Thousand CBO Challenges.

Table 1. Congressional Budget Office (CBO) Projections of Total Farm Policy Spending by Fiscal Year (CBO May 2023)

	2024	2025	2026	2027	2028
<i>Millions in Current Dollars</i>					
Corn	\$0	\$20	\$1,240	\$3,917	\$4,525
Sorghum	\$62	\$1	\$24	\$120	\$172
Barley	\$1	\$6	\$10	\$27	\$70
Oats	\$0	\$0	\$2	\$7	\$9
Subtotal Feed Grains	\$63	\$27	\$1,276	\$4,071	\$4,776
Soybeans	\$0	\$8	\$153	\$936	\$1,145
Wheat	\$7	\$53	\$206	\$655	\$1,101
Upland/Seed Cotton	\$73	\$213	\$465	\$555	\$577
Rice	\$0	\$186	\$331	\$411	\$545
Peanuts	\$32	\$200	\$295	\$321	\$316
Other Oilseeds	\$0	\$30	\$58	\$90	\$109
Wool	\$4	\$4	\$4	\$4	\$4
Mohair	\$0	\$0	\$0	\$0	\$0
Honey	\$0	\$0	\$0	\$0	\$0
Dry Peas	\$0	\$1	\$4	\$4	\$4
Lentils	\$0	\$1	\$2	\$4	\$6
Small Chickpeas	\$0	\$0	\$0	\$0	\$0
Large Chickpeas	\$1	\$1	\$1	\$1	\$3
Subtotal crops listed	\$180	\$724	\$2,795	\$7,052	\$8,586
ARC-IC	\$5	\$18	\$38	\$75	\$91
Dairy	\$267	\$288	\$303	\$214	\$255
Livestock Disaster	\$1,141	\$1,087	\$1,087	\$1,087	\$1,087
Total Payments Listed	\$1,593	\$2,117	\$4,223	\$8,428	\$10,019



\$10,216	\$8,456	\$7,132	\$6,646	\$6,627	\$65,457	\$39,077	60%
----------	---------	---------	---------	---------	----------	----------	-----

^Note: the projections for total payments are from the Program Payment Summary table in the May 2023 Baseline

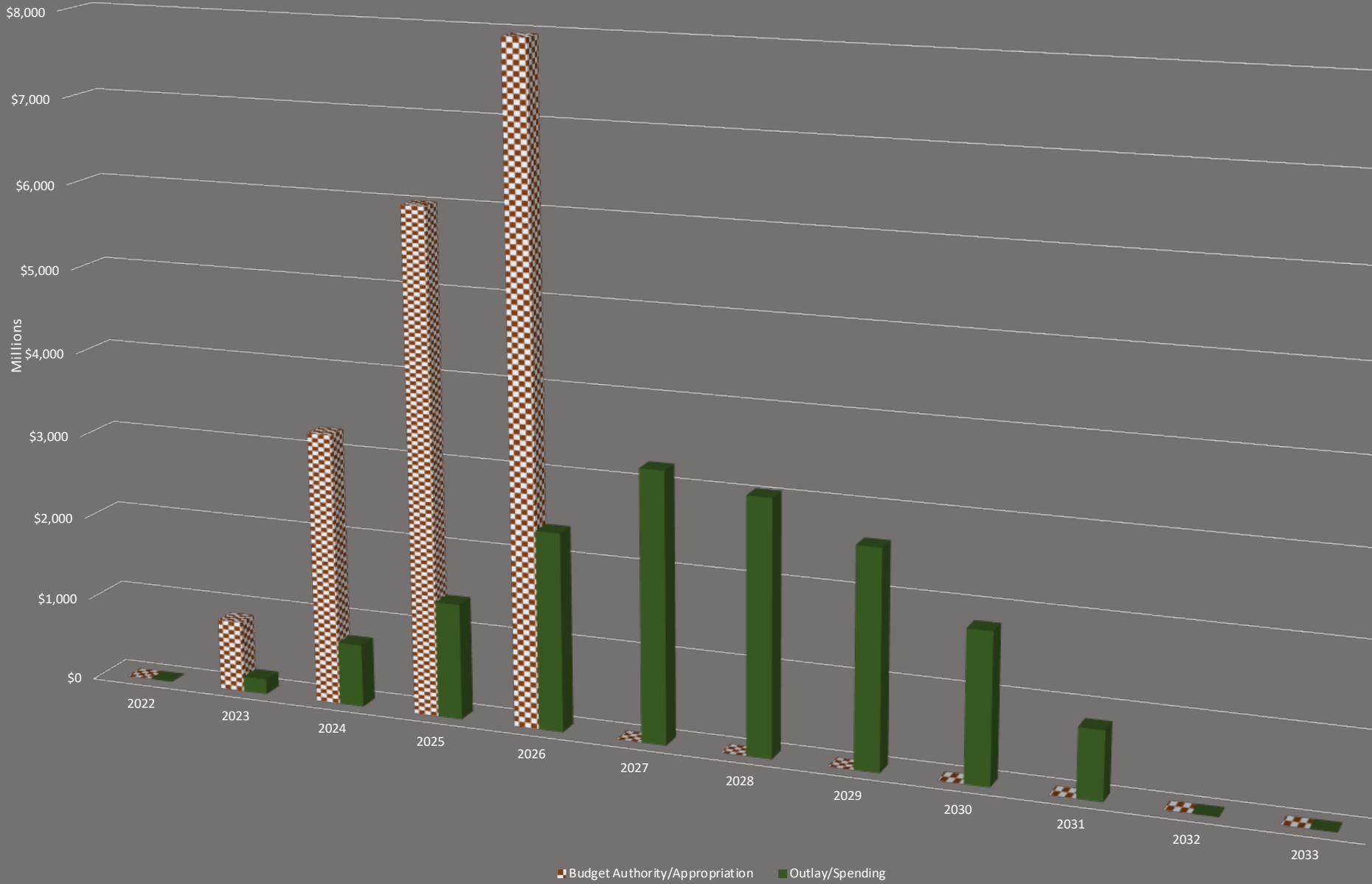


Thank you!

Jonathan Coppess
University of Illinois
jwcoppes@Illinois.edu



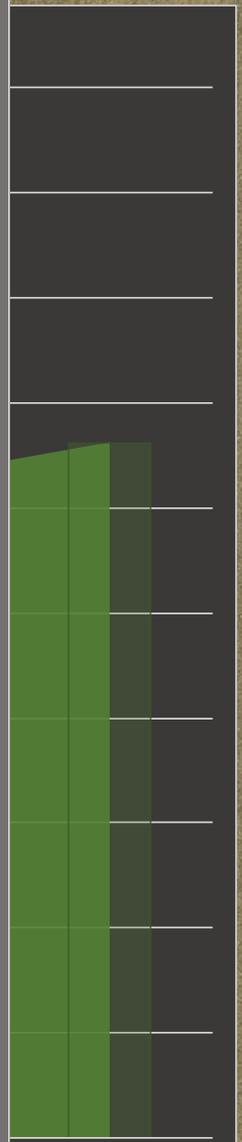
Inflation Reduction Act 2022: Conservation Investments and Spending (CBO May 2023)



■ Budget Authority/Appropriation ■ Outlay/Spending

■ Conservation (Farm Bill) ■ Conservation (IRA2022)

2024 2025 2026 2027 2028 2029 2030 2031 2032



2033





EMILY PLISCOTT

Economist/Senior Policy Analyst,
United States House of Representatives Committee on Agriculture

house
ag

**Perspectives from the
House Agriculture
Committee, Minority**

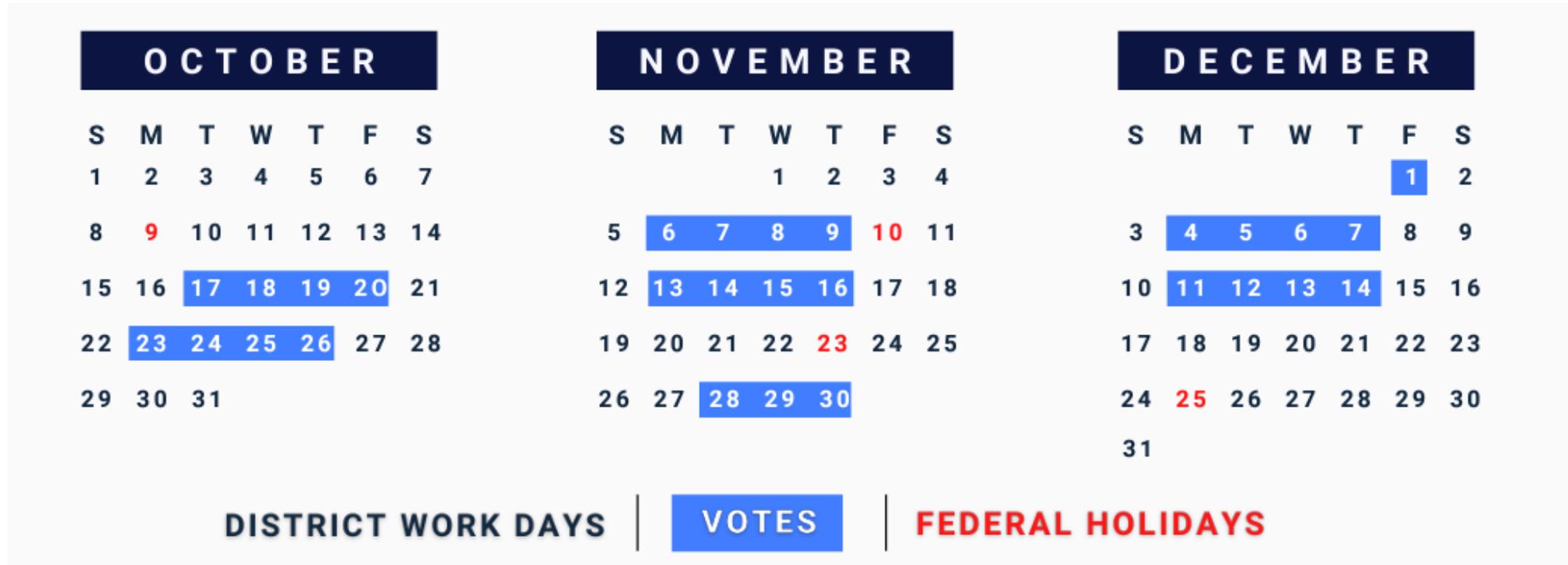
**September Farm Foundation® Forum
What to Expect From the 2023 Farm Bill
Now,
September 26, 2023**

Farm Bill Expiration

- The **2018 Farm Bill programs and authorities** generally expire at the end of Fiscal Year 2023, which is September 30, 2023. The authority for the Title I crop commodity and dairy support programs runs out with the 2023 Crop Year, which ends December 31, 2023.
- **Title II conservation programs** were extended through FY31 as part of the Inflation Reduction Act.
- The **Federal Crop Insurance Act**, which has been amended in the last several farm bills, has a permanent authorization and permanent funding, and does not expire.
- The **Food and Nutrition Act**, which authorizes the SNAP Program is authorized through Fiscal Year 2023, but the funding for SNAP is considered a mandatory appropriation, so if there is an appropriations bill, either full year or continuing resolution, in place, the program will continue to operate.
- 19 programs with mandatory funding that do not have baseline



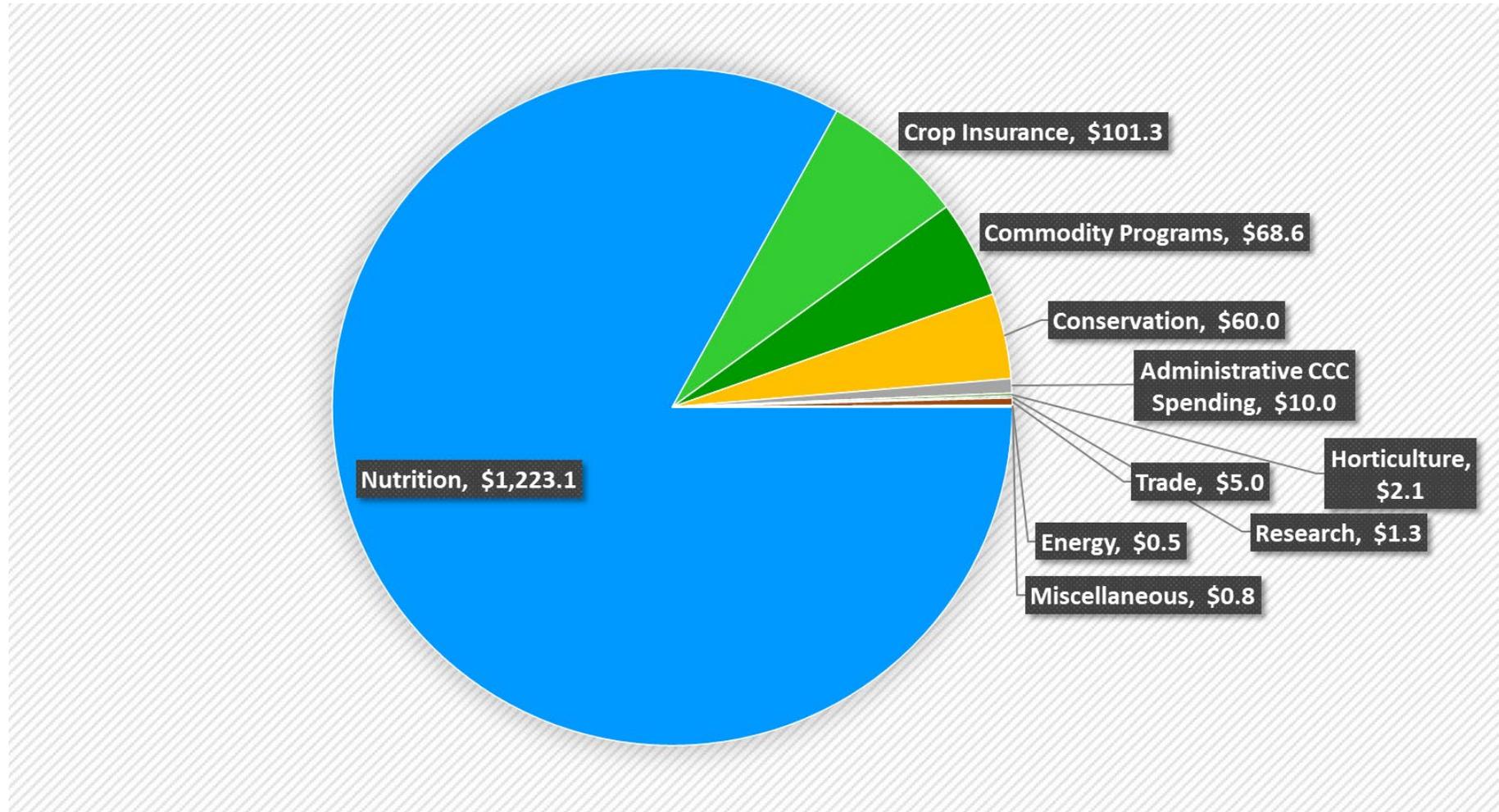
House Farm Bill Timeline



- Chairman Thompson has said we will not mark up farm bill text in committee until there is scheduled floor time.



May 2023 Farm Bill Projected Spending 2024-2033 (in billions)



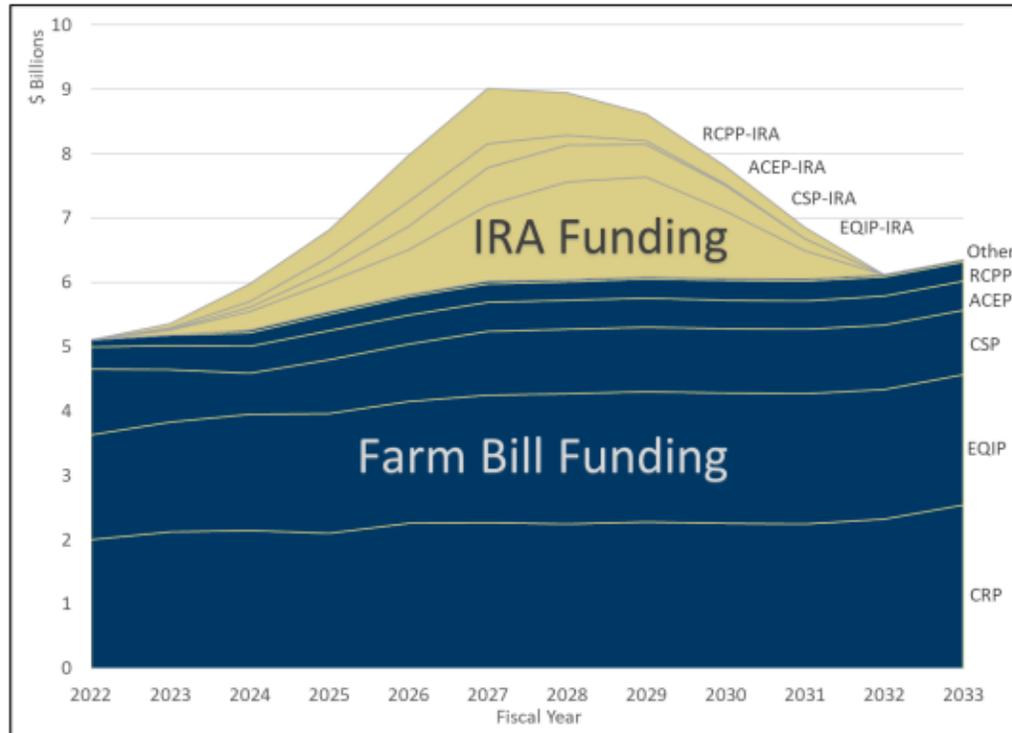
Source: Congressional Budget Office February 2023 Baseline

Farm Safety Net and Small Farmers

- Support a strong safety net for farmers.
- Ideal to move away from ad hoc payments.
- A strong safety net includes programs that help small farmers stay in business.
- Reference prices do not keep pace with changing farm economy, but changes are expensive

Conservation Funding

Figure 2. Conservation Program Funding: Farm Bill and Inflation Reduction Act
FY2022-FY2033



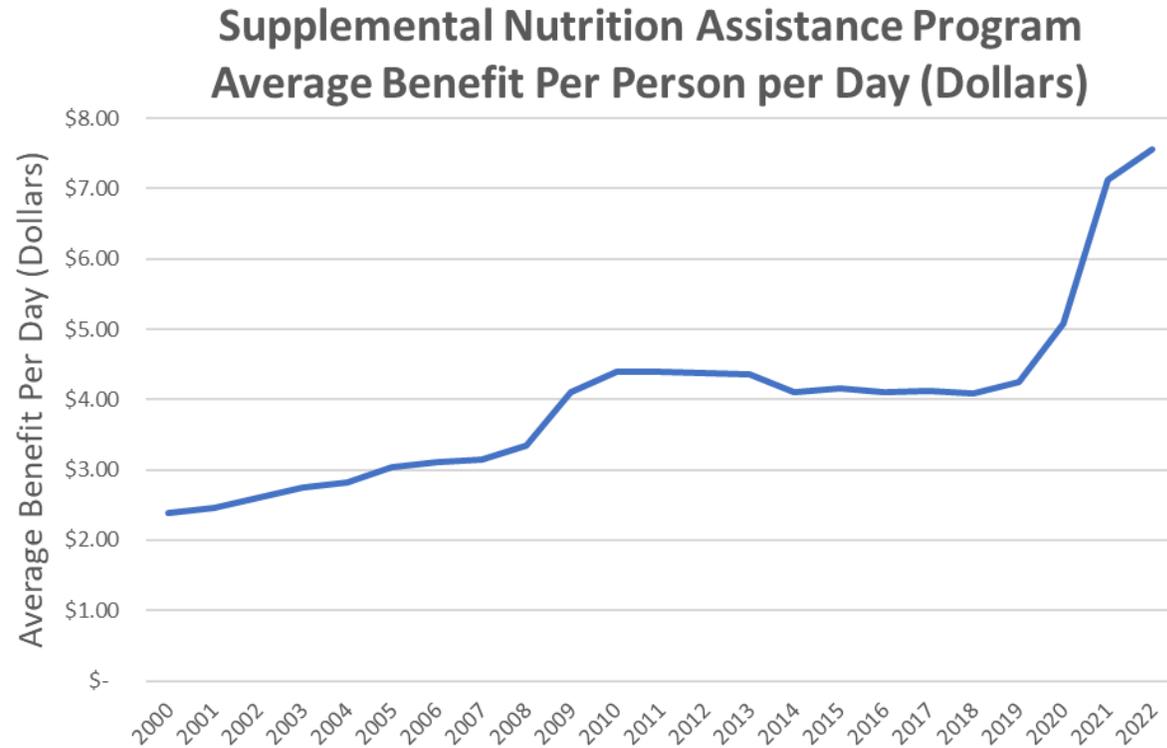
Source: CRS using Congressional Budget Office (CBO), "CBO's February 2023 Baseline from Farm Programs," February 2023.

Notes: ACEP = Agriculture Conservation Easement Program; CRP = Conservation Reserve Program; CSP = Conservation Stewardship Program; EQIP = Environmental Quality Incentives Program; IRA = Inflation Reduction Act of 2022 (P.L. 117-169); and RCPP = Regional Conservation Partnership Program. "Other" includes mandatory spending for the Agricultural Management Assistance, Emergency Forestry Conservation Reserve Program, Grassroots Source Water Protection, Feral Swine Eradication, Voluntary Public Access and Habitat Incentive Program, Watershed and Flood Prevention Operations, Watershed Rehabilitation, and reductions from the transfer of amounts to the Farm Production and Conservation Business Center.

- The Inflation Reduction Act added over \$18 billion in additional funding for existing farm bill conservation programs, including:

- Environmental Quality Incentives Program (EQIP; \$8.45 billion)
- Regional Conservation Partnership Program (RCPP; \$4.95 billion)
- Conservation Stewardship Program (CSP; \$3.25 billion)
- Agricultural Conservation Easement Program (ACEP; \$1.40 billion)

Supplemental Nutrition Assistance Program



Source: USDA ERS. National Level Annual Summary

The debt ceiling deal in June added work requirements for low-income people between 50-54. It also reduced work requirements for key at-risk groups.

In previous bills, there was pressure to add additional work requirements & cut benefits. Hard line for House Democrats.

Nutrition is necessary for bill to pass. When the farm bill was split into a farm programs bill and a separate nutrition/SNAP bill, both failed on the House Floor.

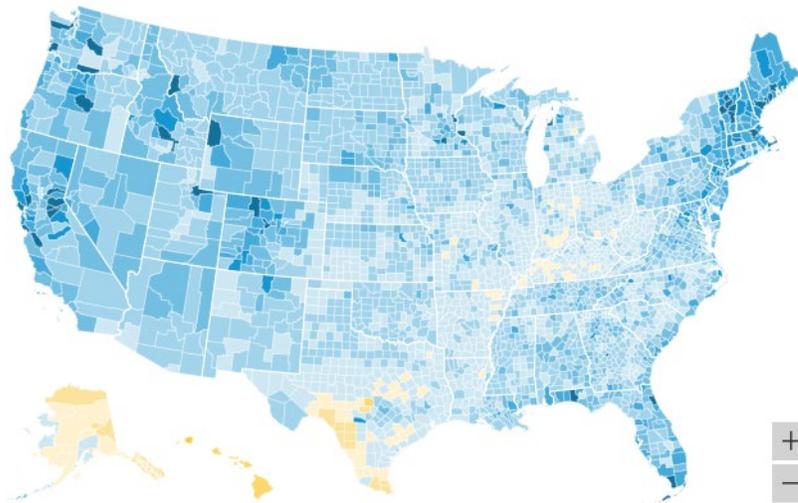
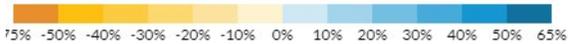


2021 Thrifty Food Plan Reevaluation: Impact by County

Before TFP Reevaluation:

Gap between SNAP benefit and meal cost in 2020

No increase (prior to Dec. 2020)



National average

SNAP benefit per meal  \$1.97

Average meal cost  \$2.41

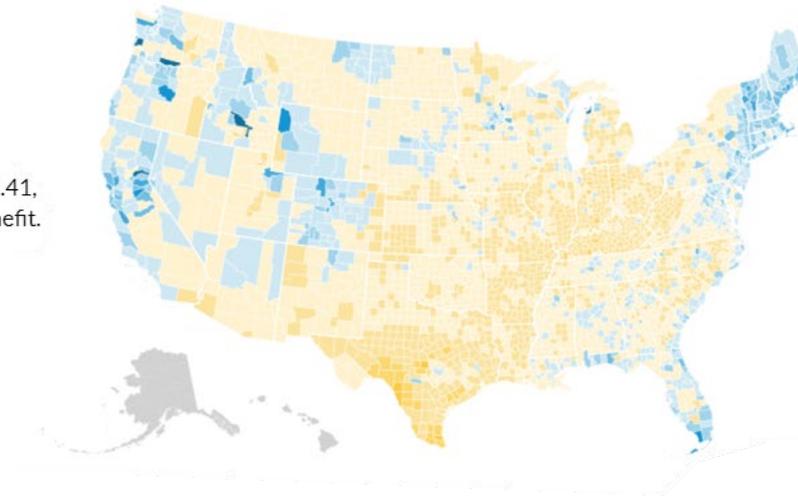
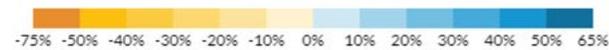
A modestly priced meal costs \$2.41, **22% more** than the SNAP benefit.



After TFP reevaluation:

Gap between SNAP benefit and meal cost in 2020

21% increase (as of Oct. 2021)



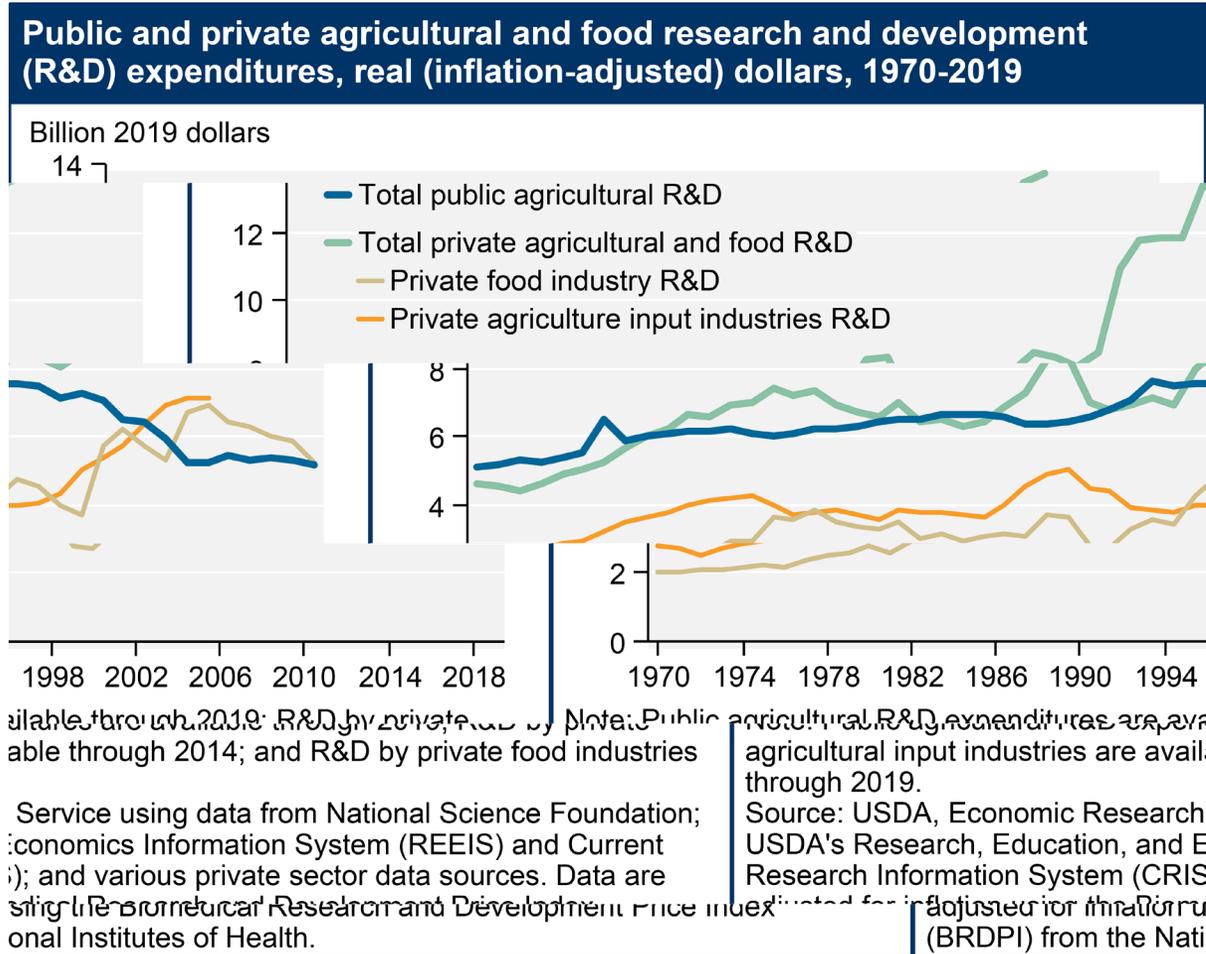
National average

SNAP benefit per meal  \$2.38

Average meal cost  \$2.41

A modestly priced meal costs \$2.41, **1% more** than the SNAP benefit.

Research Funding



- Lagging behind other countries in investment, led by China that outspends the U.S. by 2 to 1.
- Funding has fallen over the past two decades when adjusted for inflation.
- ERS estimated every \$1 spent on public ag research between 1900-2011, there has been a \$20 return to the U.S. economy.
- Prioritize both research and equity in the farm bill.



Chart source: Agricultural and Food Research and Development Expenditures in the United States, USDA ERS

Investing in Communities

- Continued investment in rural development.
- Local and urban agriculture programs.
- Processing and local procurement.
- Innovation and sustainable practices.



Next steps

- Timeline.
- Urban Members have supported farm bills because of SNAP, while commodity, conservation, and rural development programs are important for rural districts. Farm bills have passed because of that coalition.
- Important to note jurisdiction.

Direct follow-up questions to:

Emily Pliscott
Economist/Senior Policy Analyst
House Agriculture Committee
Ranking Member David Scott (GA-13)
emily.pliscott@mail.house.gov







JOHN NEWTON, PH.D.

Chief Economist,
United States Senate Committee on Agriculture, Nutrition
& Forestry (Ranking Member John Boozman)

2023 FARM BILL UPDATE



John Newton, Ph.D.

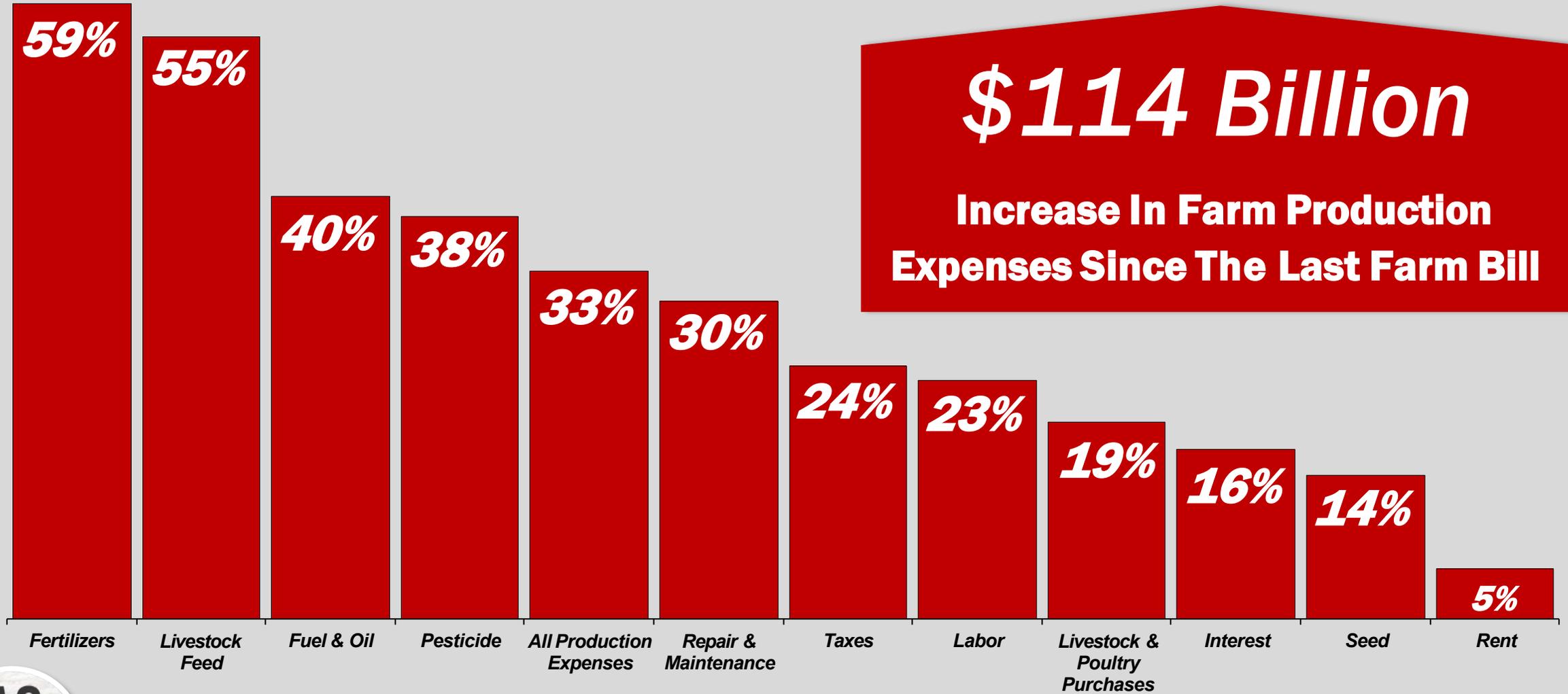
Republican Chief Economist

U.S. Senate Committee on Agriculture, Nutrition, & Forestry



Input Costs Have Soared Since The Last Farm Bill

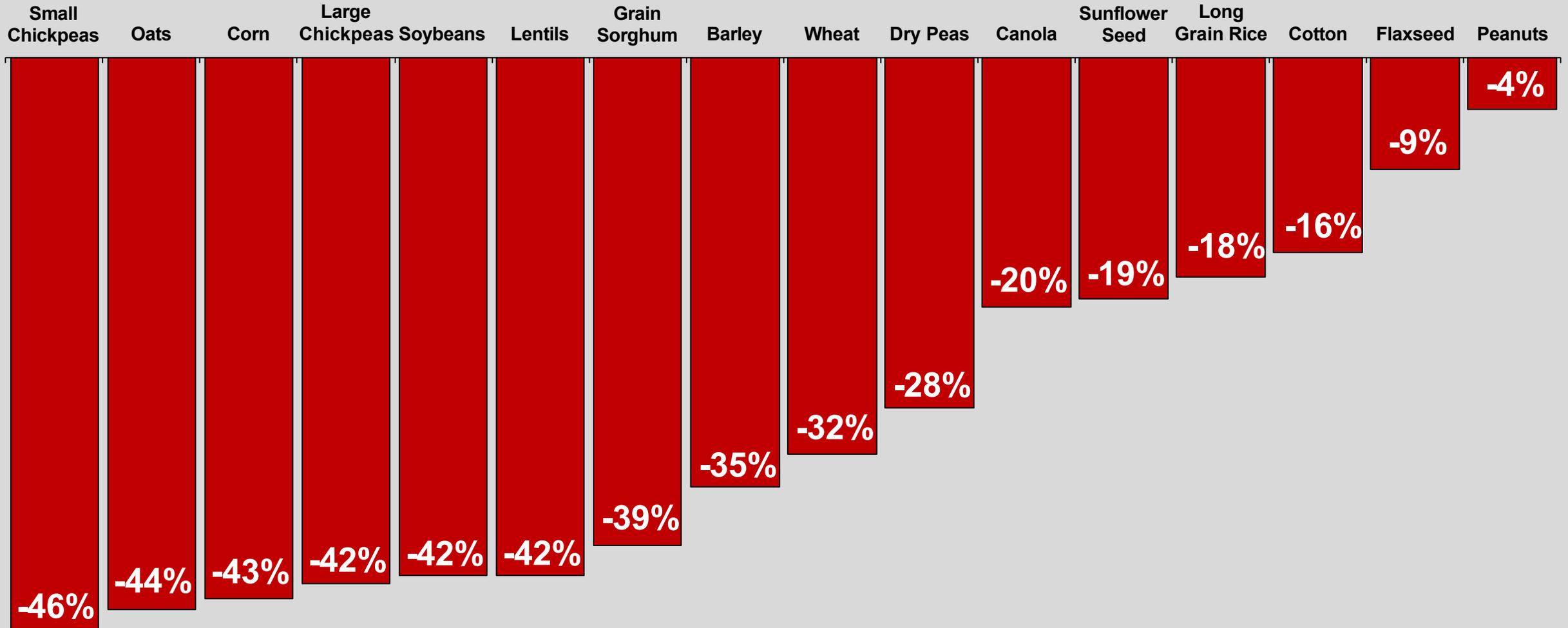
Percentage Change In Farm Production Expenses Since The 2018 Farm Bill



Source: Senate Ag GOP Analysis, USDA ERS August 2023 Farm Sector Income Forecast

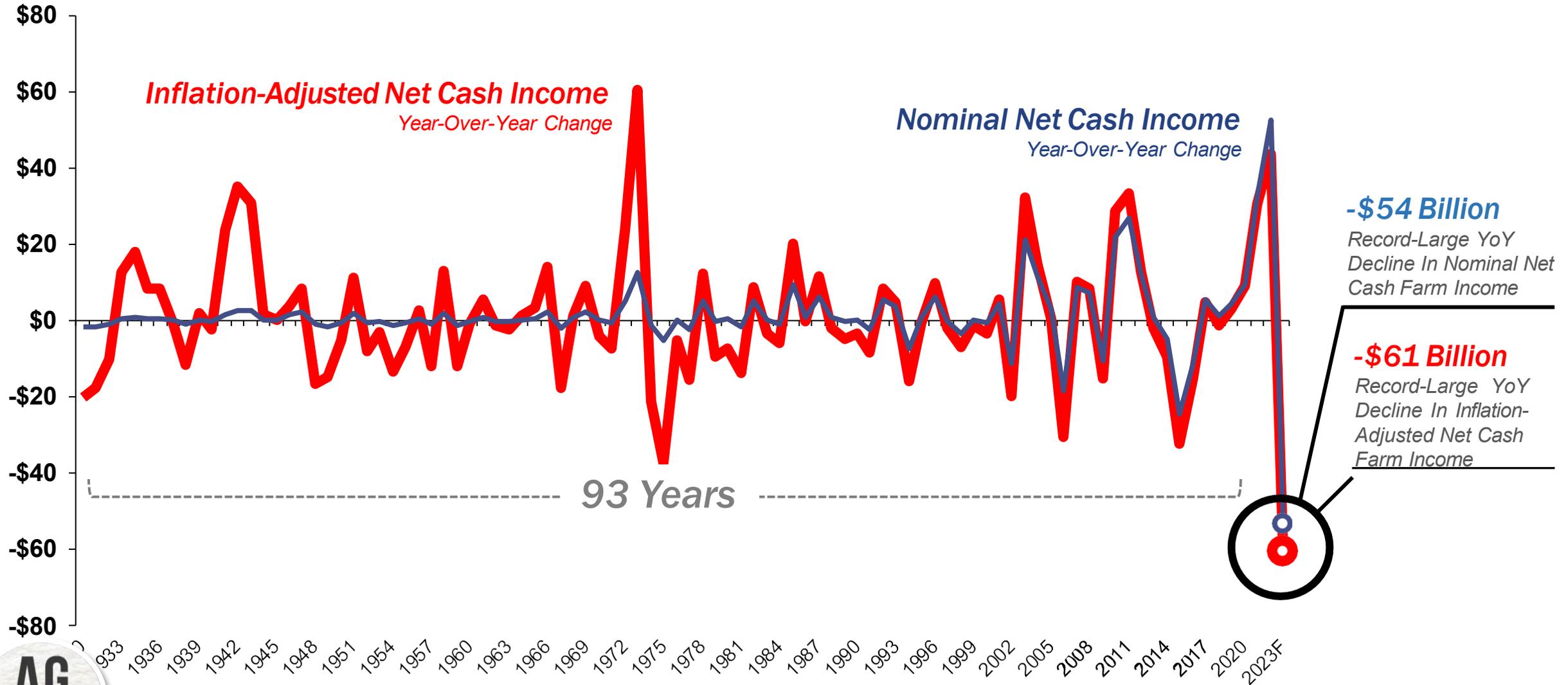
“Our Farm Safety Net Is Two Inches Above Concrete”

Change In Crop Prices Needed To Trigger Farm Bill PLC Support, 2023



Volatility To Persist In The Farm Economy

Year-Over-Year Change In Real and Nominal U.S. Net Cash Farm Income, Actual And Projected, 1931 to 2023 Forecast, Billion Dollars

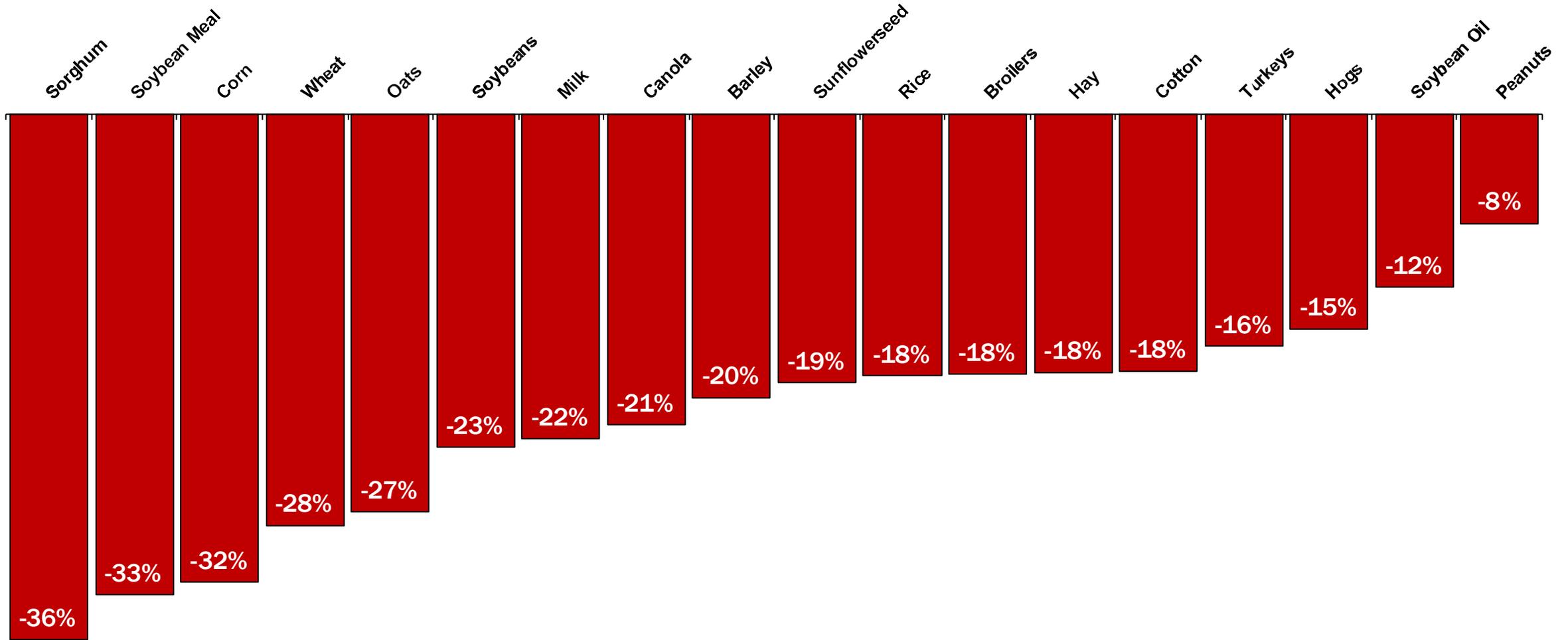


Source: Senate Ag GOP Analysis, USDA ERS August 2023 Farm Sector Income Forecast

Net cash farm income is based on the year in which farm sales of crop or livestock products occur.

Next Year's Farm Prices Are Already Declining

Percent Change In Price From 2022/23 to 2024/25 Marketing Year or 2022 to 2024 Calendar Year

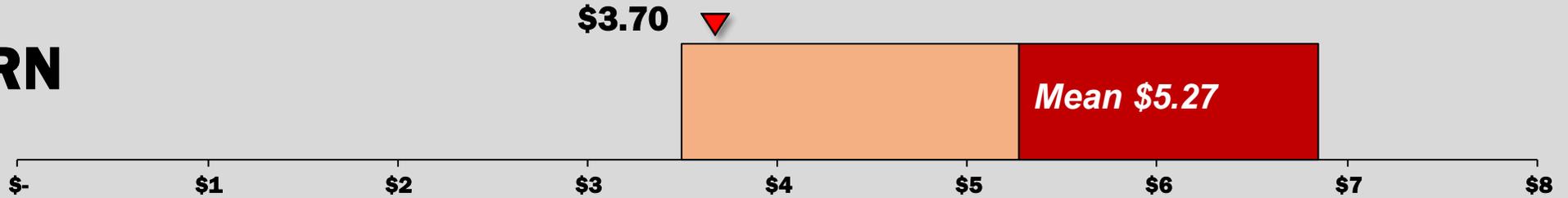


Source: Senate Ag GOP Analysis, The Food and Agricultural Policy Research Institute at the University of Missouri (FAPRI-MU)

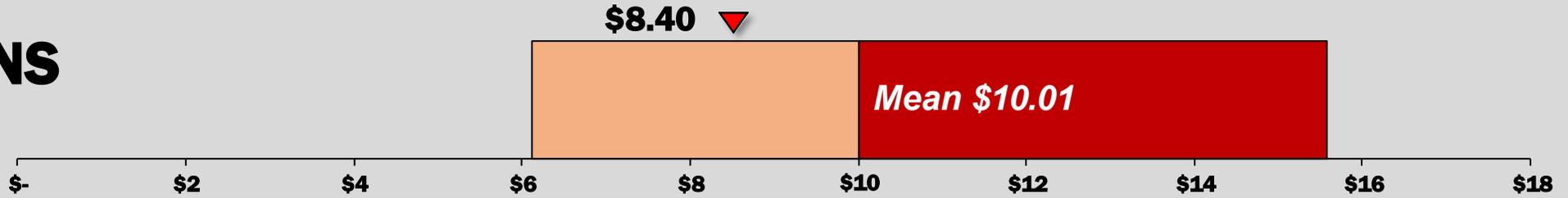
MEANINGFUL Increase In Reference Prices

Cost-Of-Production Range For Select Commodities

CORN



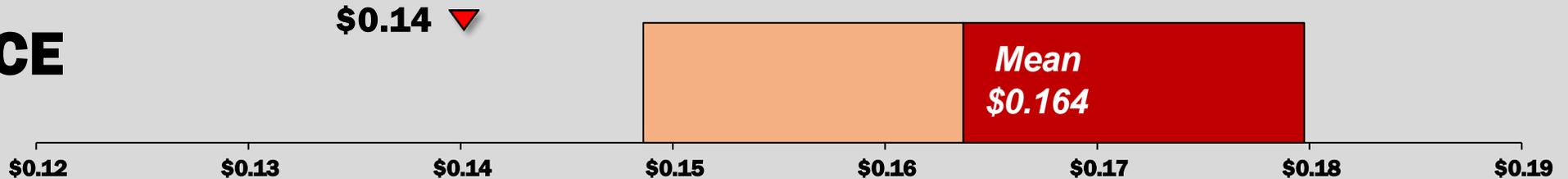
SOYBEANS



WHEAT



RICE



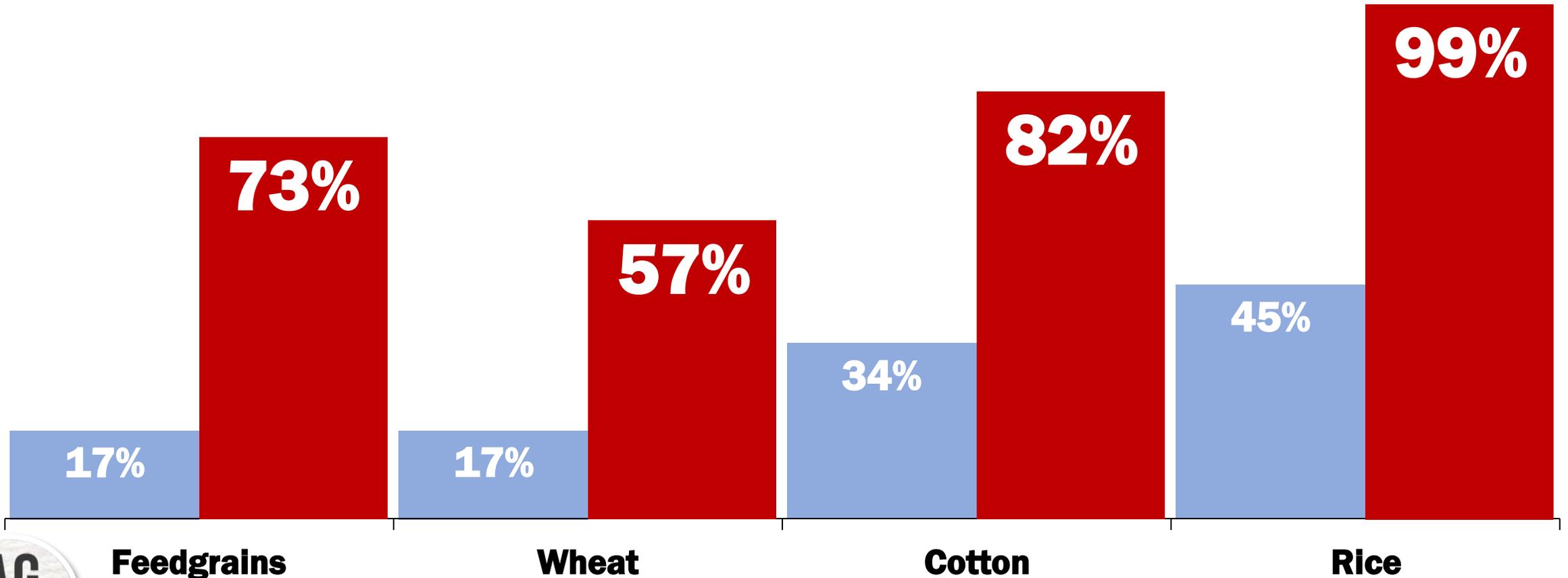
Source: Senate Ag GOP Analysis

Farm Bills Are Written For The **BAD TIMES**

Probability of Real Net Worth Declining Over the Projection Period, TAMU Representative Farms

■ **FAPRI August Baseline**

■ **2012-Style Price Decline**



Source: Senate Ag GOP Analysis, TAMU Representative Farm Analysis





STEVEN WALLANDER, PH.D.

Senior Economist,
United States Senate Committee on Agriculture, Nutrition
& Forestry Majority Staff

Update on the 2023 Farm Bill

Farm Foundation Forum, September 26, 2023

Steven Wallander, PhD

Senior Economist (USDA Detailee)

Senate Committee on Agriculture, Nutrition and Forestry

Senator Stabenow, Chairwoman



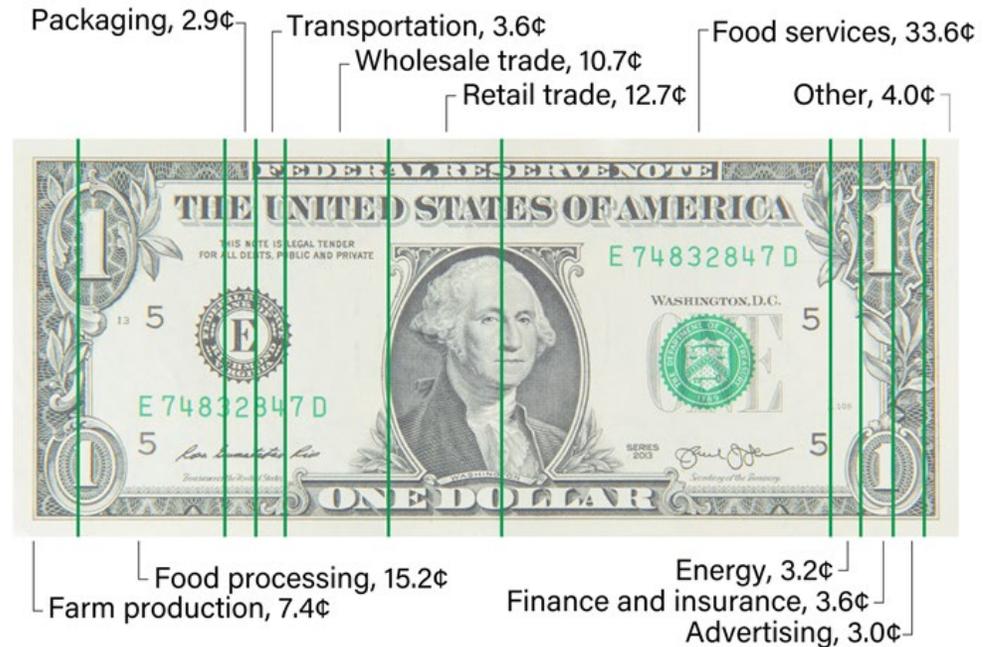
UNITED STATES SENATE COMMITTEE ON
**AGRICULTURE, NUTRITION,
& FORESTRY**

The Farm Bill is a Jobs Bill

- Food Assistance Cascades through the Farm Economy
 - SNAP benefits create rural jobs and economic output.
- Multiple Rural Development Pathways In the Farm Bill
 - Rural broadband, research and education, energy
- Biobased Economy
 - Forestry, marketing, trade



2021 nominal food dollar by industry group



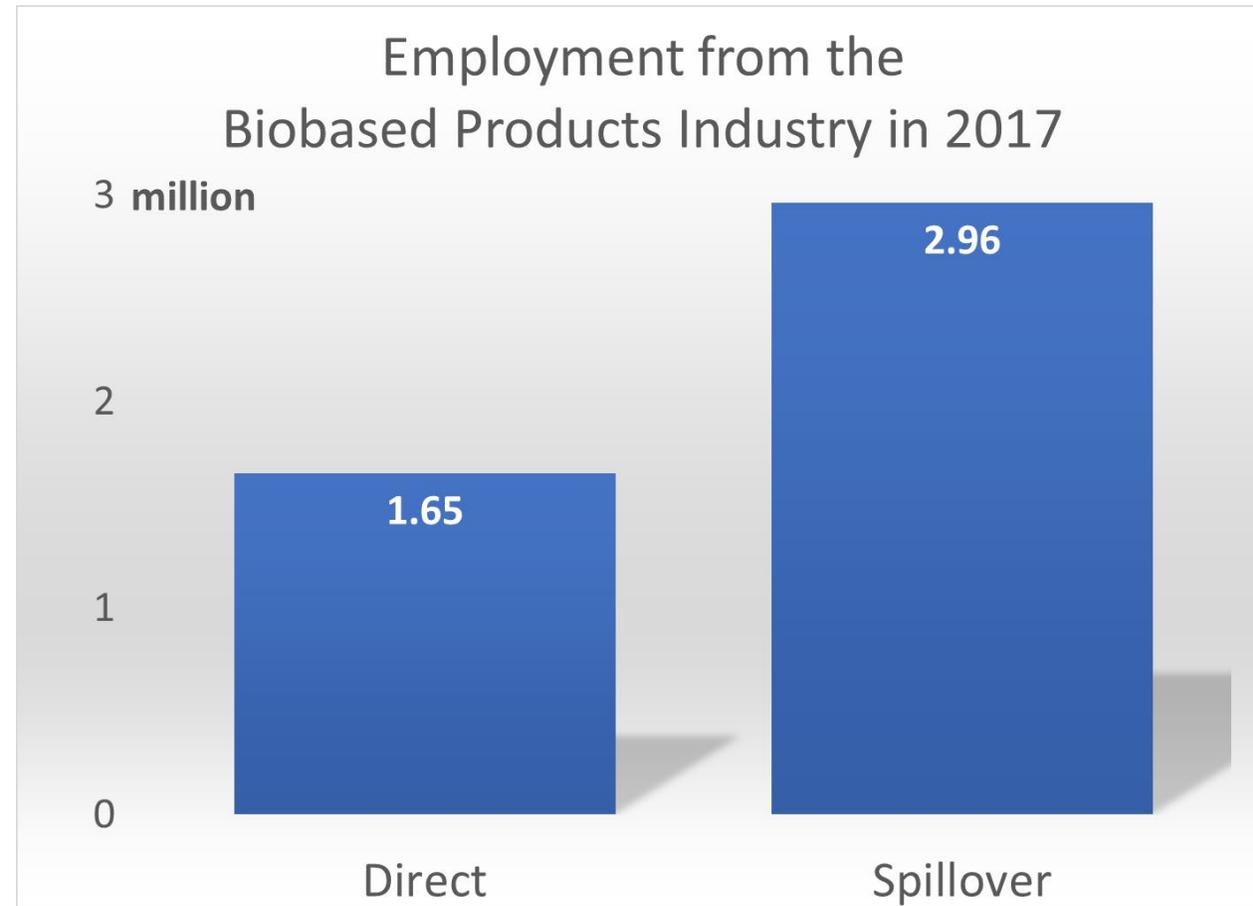
Note: Other includes Agribusiness (2.2 cents) and Legal and accounting (1.8 cents).
Source: USDA, Economic Research Service, Food Dollar Series.

Source: USDA ERS Food Dollar Series

<https://www.ers.usda.gov/data-products/food-dollar-series/>

Investing in Rural Communities

- Opportunities in Rural America
 - Soil health and regenerative ag
 - Technology, education and research
 - Clean energy
- The Federal Portfolio
 - Farm Bills
 - Bipartisan Infrastructure Law
 - American Rescue Plan
 - Inflation Reduction Act



Adapted from: USDA Impact Analysis of Biobased Products Industry
https://www.rd.usda.gov/sites/default/files/usda_rd_economic_impact_analysis_us_biobased_products_industry.pdf

Farms and Ranches and Forests

- Every Title of the Farm Bill
 - Productivity
 - Markets and trade
 - Food and nutrition
- Program Interactions
 - Risk exposure
 - Cyclical responses
 - Human capital
 - Infrastructure investment

The 2018 Farm Bill (P.L. 115-334), by Title

Title I, Commodities: Provides support for major commodity crops, including wheat, corn, soybeans, peanuts, rice, dairy, and sugar, as well as disaster assistance.

Title II, Conservation: Encourages environmental stewardship of farmlands and improved management through land retirement programs, working lands programs, or both.

Title III, Trade: Supports U.S. agricultural export programs and international food assistance programs.

Title IV, Nutrition: Provides nutrition assistance for low-income households through programs, including the Supplemental Nutrition Assistance Program (SNAP).

Title V, Credit: Offers direct government loans and guarantees to producers to buy land and operate farms and ranches.

Title VI, Rural Development: Supports rural housing, community facilities, business, and utility programs through grants, loans, and guarantees.

Title VII, Research, Extension, and Related Matters: Supports agricultural research and extension programs to expand academic knowledge and help producers be more productive.

Title VIII, Forestry: Supports forestry management programs run by USDA's Forest Service.

Title IX, Energy: Encourages the development of farm and community renewable energy systems through various programs, including grants and loan guarantees.

Title X, Horticulture: Supports the production of specialty crops, USDA-certified organic foods, and locally produced foods and authorizes a regulatory framework for industrial hemp.

Title XI, Crop Insurance: Enhances risk management through the permanently authorized Federal Crop Insurance Program.

Title XII, Miscellaneous: Includes programs and assistance for livestock and poultry production, support for beginning farmers and ranchers, and other miscellaneous and general provisions.

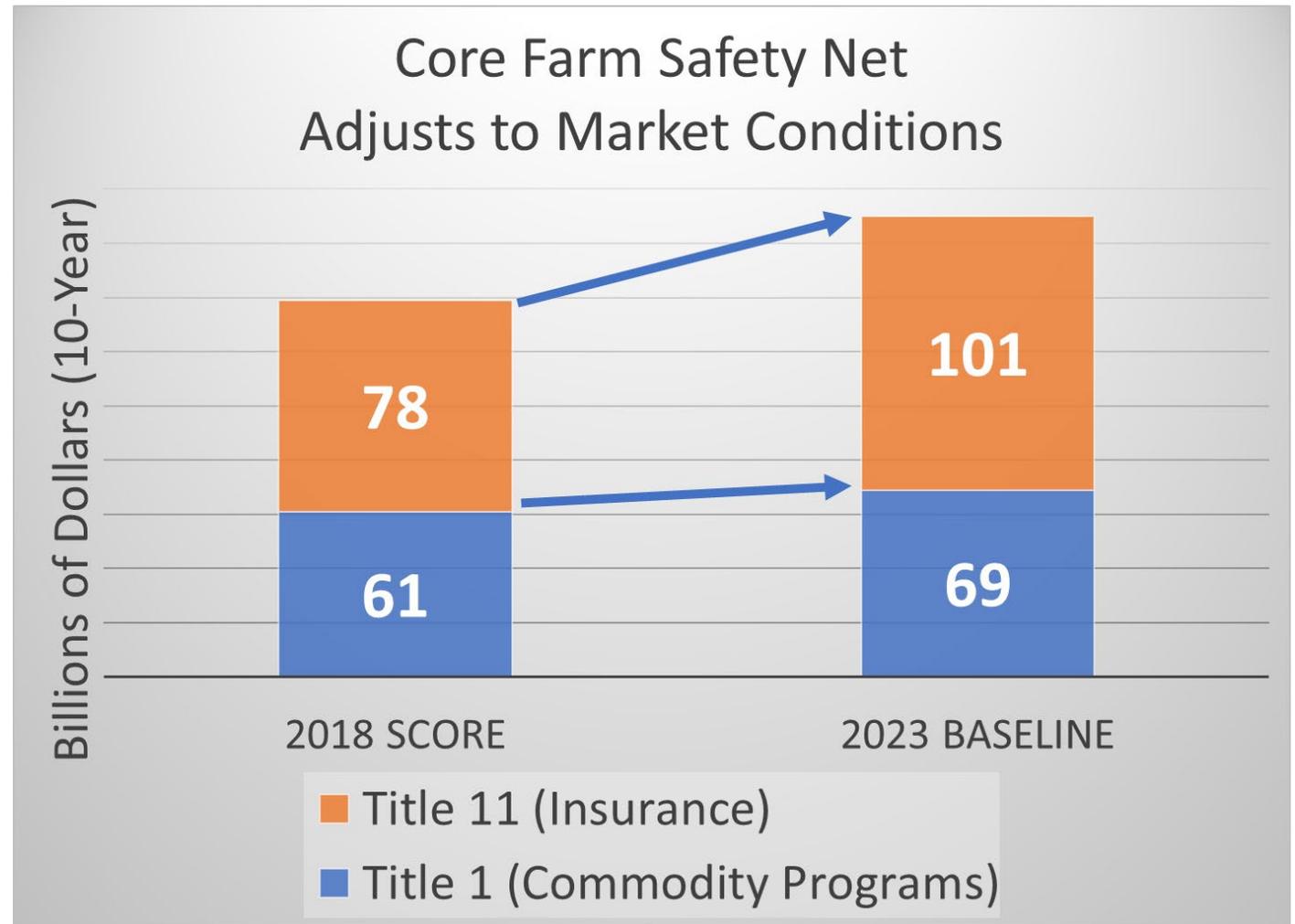
Source: Congressional Research Service IF12047

<https://crsreports.congress.gov/product/pdf/IF/IF12047>



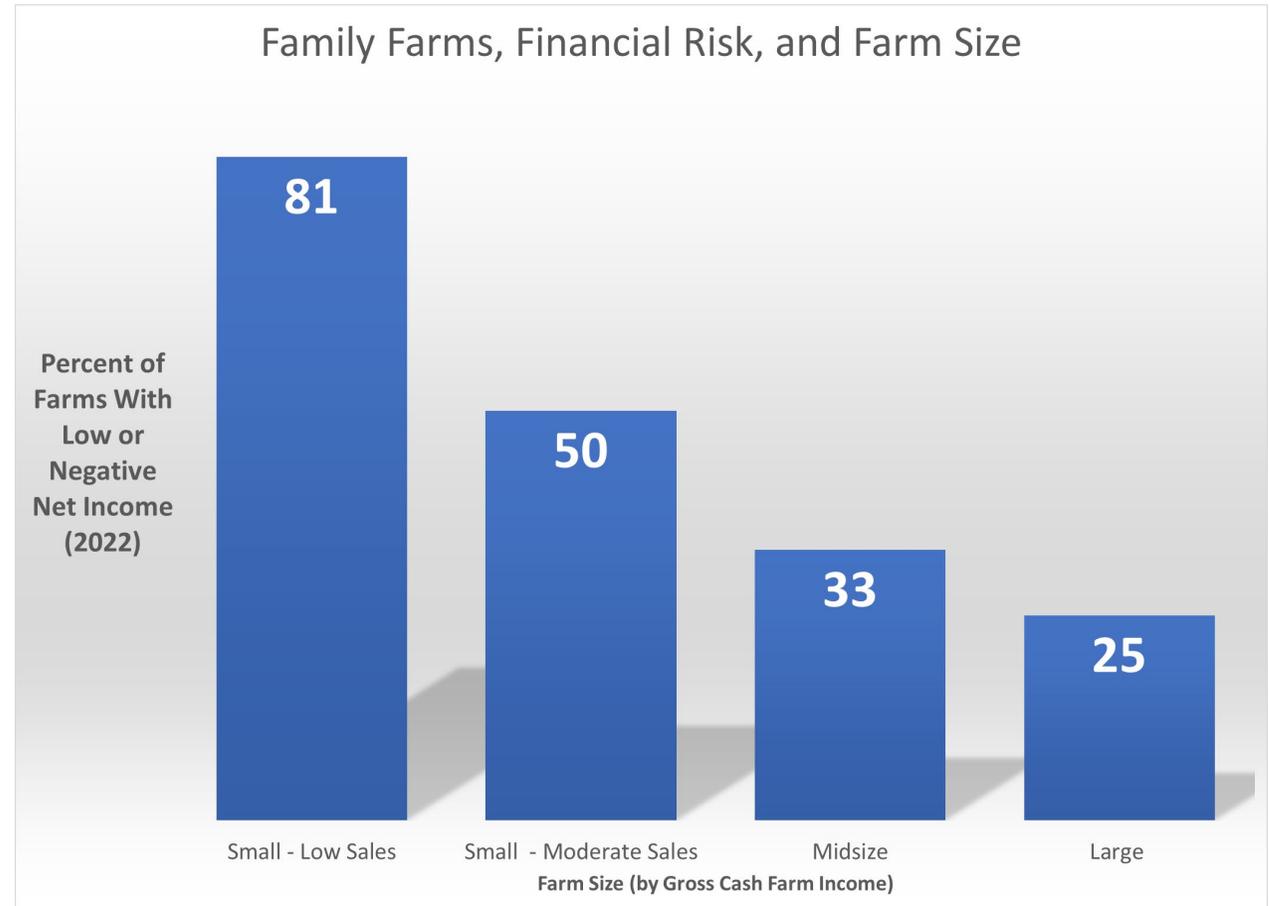
Multiple Layers to the Farm Safety Net

- Commodity Programs
- Crop Insurance
- Emergency Conservation Programs
- Credit and Trade
- Ad Hoc Assistance
- Health care and childcare



Beginning and Small and Medium Farms

- Financial Risk and the Farm Safety Net
 - More likely to face risk, less likely to get government payments
- Conservation Programs
 - Application barriers, transaction costs, off-farm employment
- Program Streamlining



Adapted from: ERS “America’s Family Farm and Ranches” 2022
<https://www.ers.usda.gov/publications/pub-details/?pubid=105387>

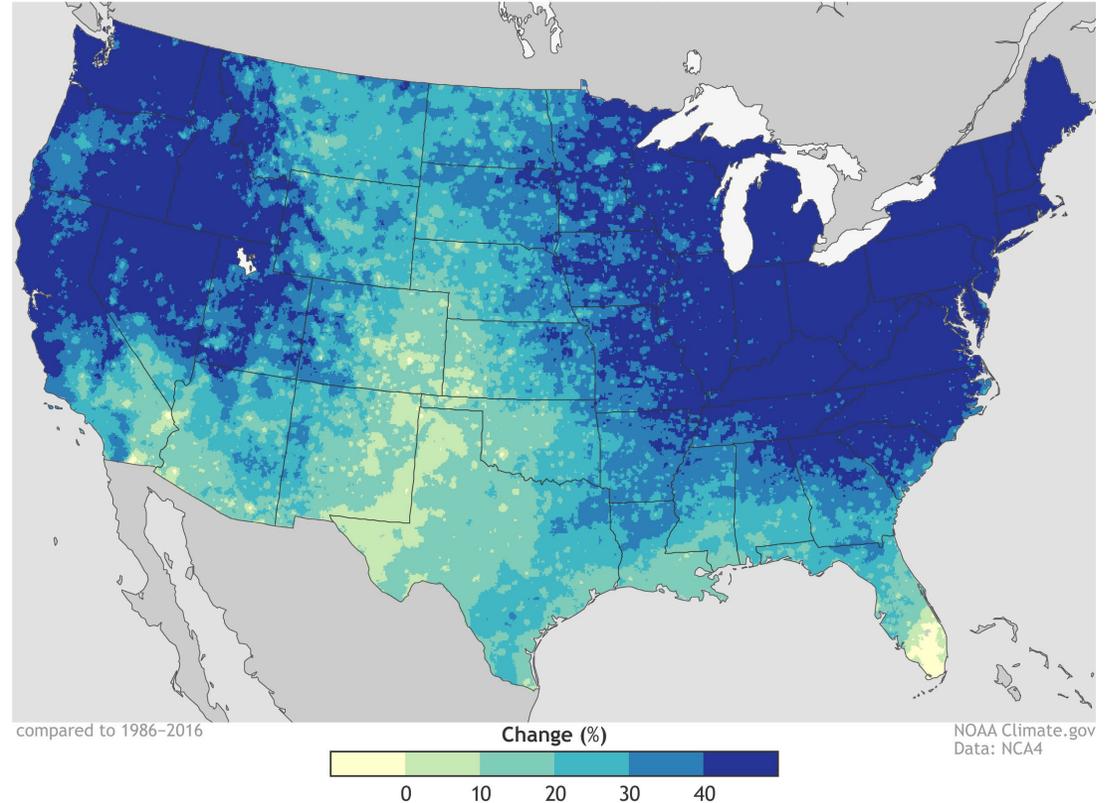


Climate Change is Impacting Farms Today

- Greater risk
 - Weather shocks more frequent and more extreme
 - Price risk from global trade and climate change
- Opportunities
 - Voluntary, incentivized climate smart agriculture
 - Inflation Reduction Act
 - Climate smart commodities



Future change in extreme precipitation by late 21st century (higher emissions)



Source: National Climate Assessment 4

<https://www.climate.gov/news-features/featured-images/prepare-more-downpours-heavy-rain-has-increased-across-most-united-0>

Farm Bill Community

Thanks for your continued input to the 2023 Farm Bill



UNITED STATES SENATE COMMITTEE ON
**AGRICULTURE, NUTRITION,
& FORESTRY**





JOE OUTLAW, PH.D.

Regents Fellow, Professor, and Extension Economist, Texas A&M
Farm Foundation Round Table Fellow
2023 R.J. Hildreth Public Policy Award Recipient



Building the Next Generation



Save the Date

Farm Foundation Forum:
Innovation in Gene Editing and Plant
Breeding: A Look at Scientific
Advancement and Consumer
Perspectives in Food and Agriculture.



Tue, November 7, 2023

9:00 AM CST

on Zoom

www.farmfoundation.org

