

# **PURDUE**

## **AGRICULTURAL ECONOMICS REPORT**

Title	What are the basic priorities and big ideas in the 2023 Farm Bill debate?
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Tags	Farm Bill 2023, Budget deficit, SNAP, Nutrition title
Summary	The projected cost for farm and nutrition programs over the next ten years makes the farm bill a significant target for federal spending cuts. Successfully passing a farm bill in 2023 depends critically on insulating the farm bill from broader partisan debate over the size of government

The [2018 Farm Bill expires at the end of fiscal 2023. This five-year cycle of renewing and replacing the programs included in the farm bill](#) brings agricultural interests to the forefront of political debate. In addition to formal hearings that [House](#) and [Senate](#) committees host on Capitol Hill there will be extensive interaction between lawmakers, stakeholders, and the various interest groups that concern themselves with farm bill policies.

National economic policy tends to respond to short-run trends driving political sentiment. The broader aims and longer lifespan of a farm bill allow an extended viewpoint. When a farm bill reform is proposed it is informed by multiple years of information demonstrating a program limitation or unintended consequence. This doesn't immunize the farm bill from being framed by current political debate. Indeed, it is common for the farm bill debate to be absorbed into messaging for broader agenda items such as deficit reduction or climate even if the practical contribution of farm bill mechanisms to those aims is relatively small.

Regardless of overarching conflicting political agendas, the past four decades of farm bills have been constructed by a broad coalition of interests. Political observers note the marriage of urban and rural interests in low-income assistance and support for farm incomes as driving a successful bipartisan dynamic. However, the [key linkages of the farm bill to the food system and natural resources invites an ever increasing set of co- and cross-aligned interests to engage in the process.](#)

### *What is public opinion on the farm bill?*

The technological connectivity of modern life has greatly lowered the cost of public opinion polling. Specific polling on the farm bill is relatively sparse though policy agenda questions on trade, food and the food system, federal deficit, public health, environment, economic inequality etc. all map to issues that inform the farm bill debate. For example, a Walton Family Foundation survey focused on climate policy in summer 2022 posed specific questions on the government's role in agriculture. That [poll finds significant political support for direct government support for agricultural practices that contribute to resource sustainability goals.](#)

When 2023 Farm Bill options takes clearer form, we should expect public opinion polling to gravitate to that debate. Several surveys in 2018 looked directly to farm bill questions to gauge support for major spending areas of farm income support and SNAP. Most voters are favorable to questions referencing public assistance to farms and for low-income households. It is when polling questions add specificity about who qualifies as a recipient that divides emerge. In general, public support is much stronger when

farms are defined as small or medium sized as opposed to large or industrial. Similarly, public support for SNAP assistance wanes as definitions of low-income expand. In both cases the decline in favorability tracks partisan leanings.

Perhaps most importantly from the surveys published in the last seven years – the public indicates low familiarity with the farm bill or its economic objectives. Specifically, a [2018 poll from Johns Hopkins finds that only 2 percent of respondents indicated they were very familiar with the farm bill while an additional 18 percent indicated they were “somewhat” familiar](#). This means that while farm bill positioning may be used for broader political messaging it is unlikely that specific policy mechanisms would be critical to gains or losses in political support.

### *How is the public and their policy priorities represented in the farm bill debate?*

The low familiarity of the public with the farm bill indicates that a) most people learn about the farm bill as a component of the broader economic policy agenda and b) that public priorities are best represented by interest groups that educate their membership and try to advance their preferences as part of the farm bill<sup>1</sup>. Most of these groups have policy teams tracking legislation and staking out positions at all government levels on behalf of their constituent interests so that when the farm bill is up for debate these groups have significant credibility with their membership and with lawmakers.

Table 1. Summary of farm bill priorities of agricultural groups

Farm Bill Area	Priorities indicated
Farm Safety Net	<ul style="list-style-type: none"> <li>• Maintain the risk management focus with a combination of crop insurance and shallow loss countercyclical support</li> <li>• Improvements/expansions to crop insurance</li> <li>• Revisit price support in shallow loss support options</li> </ul>
Trade	<ul style="list-style-type: none"> <li>• Increase support to market development and market access programs</li> </ul>
Conservation	<ul style="list-style-type: none"> <li>• Prioritize voluntary conservation</li> <li>• Cap CRP enrollments</li> <li>• Favor cost-share options for sustainable practice adoption</li> </ul>
Nutrition	<ul style="list-style-type: none"> <li>• Maintain the nutrition title as part of the farm bill</li> <li>• Advance domestic food security and food access through SNAP and related programs</li> </ul>

The [twelve titles of the farm bill](#) cover many areas of the economy so the number of groups taking positions and informing the public is ever expanding. A [late 2022 roundup article from Markie Hageman Jones in AgDaily surveys the priorities of different farm bill groups in great detail](#). A summary listing of some major priorities is included in Table 1. In sum, the priorities from agricultural interests favor only modest changes to the farm bill indicating broad satisfaction with the bill.

<sup>1</sup> See e.g. Schmitz, A, C Moss, T Schmitz, and G van Kooten. 2022. Chapter 2 in *Agricultural policy, agribusiness, and rent-seeking behaviour* published by University of Toronto Press.

These priorities reflect major farm and commodity group positions and may be opposed by groups with an alternative orientation. For example, environmental groups have long sought greater ties between farm income support and production of environmental services. These groups have targeted farm subsidies, [including those for crop insurance premiums](#), and asked for greater compliance requirements for farms to qualify for farm safety net assistance.

In general, who qualifies for assistance [and what sort of limits may be put in place](#) are key debate points that [will define the 2023 Farm Bill and are critically linked to the larger debate over the total cost of the farm bill which is expected to be well beyond \\$1 trillion](#) over a ten year horizon. The cost to the public and the allocation of spending within the farm bill are typically the stimulus for ‘big ideas’ that constitute major reforms in the farm bill.

### *What ‘big ideas’ might surface in the Farm Bill 2023 debate?*

Comparing any farm bill to its predecessor reveals relatively minor reforms that remedy some unintended consequence. The farm bill debate itself will typically feature some notions of major reforms, particularly when government spending is leveraged as a partisan issue. [Reining in spending in the farm bill by limiting eligibility and benefit amounts in commodity and nutrition programs is a continuing point of contention both in the partisan debate and across chambers of Congress.](#)

When major reforms are successful, it is typically the result of several years of inclusion in the farm bill debate over which economic outcomes favor gains in popularity. [The 1996 Farm Bill’s fully “decoupled” payments followed 10+ years of discussion to better align farm programs with an objective of reducing trade protections.](#) Dissatisfaction with those same decoupled payments led to another ‘big idea’ in farm policy, namely making payments responsive to market conditions. The 2002 Farm Bill saw the first move away from decoupled support with counter-cyclical payments pegged to price outcomes. By 2014 the annual decoupled payments begun in 1996 had been eliminated with all direct subsidy support to farms being driven by market and on-farm outcomes.

A more recent ‘big idea’ in farm policy emerged in the two years leading up to passage of the 2014 Farm Bill – splitting the nutrition title from the remaining farm bill items and treating them as separate legislation. [Indeed, the first farm bill passed by the House of Representatives in 2013 eliminated the nutrition title leaving it for a separate bill.](#) That particular idea has not gained much momentum in the subsequent ten years. In fact, a stated priority of many farm groups in 2023 is to maintain the current “farm and food” format of the bill with the nutrition title and its objectives intact<sup>2</sup>.

Other ‘big ideas’ are in the farm bill atmosphere. The Inflation Reduction Act of 2022 featured \$20 billion in funding focused on regenerative agriculture as a path for pro-climate policy within the farm bill. Similarly, [national health policy continues to look to the role of diet and food access for low-income households](#) that are the target beneficiaries of the farm bill’s nutrition title. Immigration and labor both loom large in the US economic policy debate and both are significant in determining agriculture’s fortunes. There is no immigration or migrant labor policy in the farm bill but [in 2018 the debate on immigration and the farm bill were linked in such a fashion that the House’s first attempt to pass the farm bill failed over dissatisfaction with progress on the follow-on immigration vote.](#) Farm labor availability and costs, and by extension the role of migrant labor, remains a key policy area for agriculture and the 2023 Farm Bill debate could see agricultural interests staking out positions that link the farm bill to the broader immigration debate.

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<sup>2</sup> See for example the [American Farm Bureau’s 2023 Farm Bill priority list](#) which includes a unified nutrition and farm program structure as an overarching priority.

### *Concluding comments*

In this brief we have examined the state of the farm bill debate by considering what priorities exist in the farm economy for new farm legislation. The legislative process for a 2023 Farm Bill is likely to feature consensus agreement on a number of minor reforms and a political clash over big ideas that constitute major reforms either into specific programs or the overall size or scope of the farm bill.

The current political environment promises a complicated legislative calendar and the successfully passing a farm bill is likely dependent on maintaining distance from the larger debate on partisan economic agendas. Successful compromise will likely depend on proponents of nutrition and farm safety programs making the case that farm bill budget savings are dependent on policies that drive broad-based economic growth and that the safety net spending in the farm bill can be a part of that growth agenda.