



2014 Farm Bill Summary

OVERVIEW

The 2014 Farm Bill was signed into law on February 7, 2014, after three years of debate, negotiations and uncertainty. The previous farm bill, which was passed in 2008, expired in 2012, was extended for one year, and expired again in autumn of 2013. With the enactment of the 2014 Farm Bill, significant changes will be made to the wide array of food, agricultural and rural policies that are impacted by the farm bill. **This law will be in effect through September 30, 2018.**

In order to gauge the budgetary implications of legislation, the spending in the 2014 Farm Bill is compared to what the 2008 Farm Bill would have cost had it continued for another ten years. Using that methodology, the 2014 Farm Bill is expected to cost \$956 billion for fiscal years 2014 through 2023, whereas the previous farm bill would cost \$973 billion over the same time frame. By that official comparison, the **2014 Farm Bill saves \$16.6 billion**, and an additional \$6.4 billion was cut from spending due to sequestration, resulting in total savings of \$23 billion.

These spending reductions are achieved in large part through cuts to commodity, conservation and nutrition programs. Through these changes in funding, the farm safety net is significantly structurally altered so that crop insurance expenditures are projected to be twice as much as those for traditional farm commodity subsidies.

Nutrition programs, account for nearly 80 percent of the spending in the farm bill, with \$756 billion of outlays for the next ten years. Crop insurance is the second largest piece of the spending pie, and is projected to cost \$90 billion, while farm commodity programs will cost \$44 billion. Conservation program spending will total \$56 billion. Although there are many other programs and initiatives in the farm bill, their cost is less than one percent of the total. Among the others, the trade title is projected to spend \$3.6 billion over the next 10 years, horticulture programs spend \$1.7 billion, research initiatives will cost \$1.3 billion, and bioenergy programs \$1.1 billion.

This summary addresses some of the issues that were identified as priority areas for NFU members.

It is important to note that most of the programs and reforms in the 2014 Farm Bill have not yet been implemented and the rulemaking process may have an impact on the final results.

For additional information, visit www.nfu.org.

Projected Farm Bill Spending: 2014—2023

