



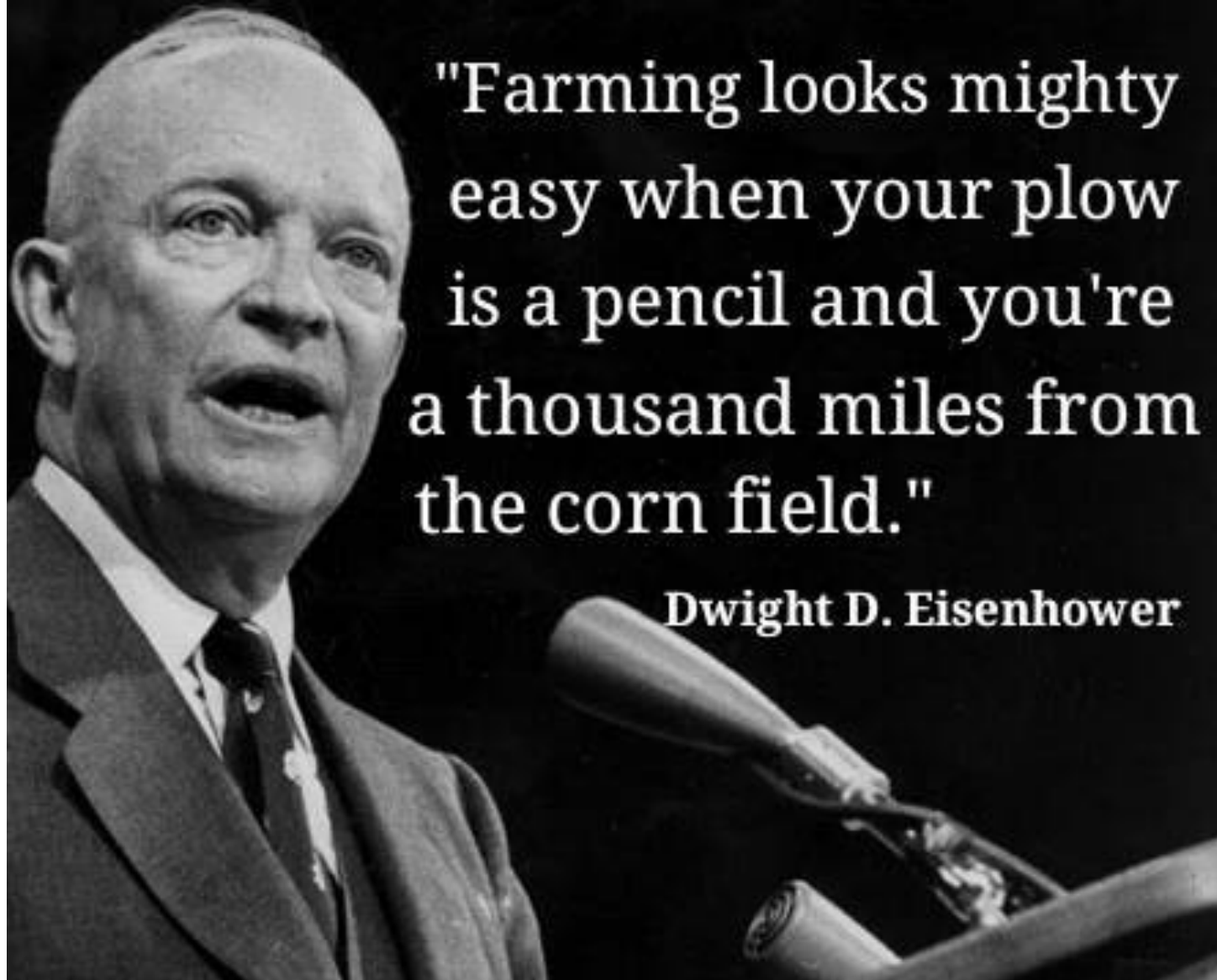
2023 Farm Bill

Issues Impacting Food and Agriculture



Stephanie Carlson

Deputy Legislative Director and Policy Advisor
for U.S. Senator Joni Ernst



"Farming looks mighty
easy when your plow
is a pencil and you're
a thousand miles from
the corn field."

Dwight D. Eisenhower

Farm Bill History

Agricultural Adjustment Act of 1933

Agricultural Adjustment Act of 1938

Agricultural Act of 1948

Agricultural Act of 1949

Agricultural Act of 1954

Agricultural Act of 1956

Food and Agriculture Act of 1965

Agricultural Act of 1970

Agriculture and Consumer
Protection

Act of 1973

Food and Agriculture Act of 1977

Agriculture and Food Act of 1981

Food Security Act of 1985

Food, Agriculture, Conservation,
and Trade Act of 1990

Federal Agricultural Improvement
and Reform Act of 1996

Farm Security and Rural Investment
Act of 2002

Food, Conservation, and Energy Act
of 2008

Agricultural Act of 2014

Agriculture Improvement Act of
2018

Since The Last Farm Bill...

1 Catastrophic Natural Disasters & Record Flooding
Congress Passes Ad Hoc Disaster Assistance,
Crop Inventories Decline On Record Prevent
Plant

2 Trade Weaponized With China
Market Facilitation Program For Farmers,
Phase 1 Agreement Boosts U.S. Exports

3

COVID-19 Pandemic
Coronavirus Food
Assistance Program,
Supply Chains Worsen
Driving Inflation

4

Russia Invades Ukraine
Inflation In Energy and
Other Farm inputs,
Record-High Global Food
Prices, BSGI Ends
(What's Next?)

5

Historic Inflation (CPI)
Food Prices Soar,
Federal Reserve Hikes
Rates, Bank Failures

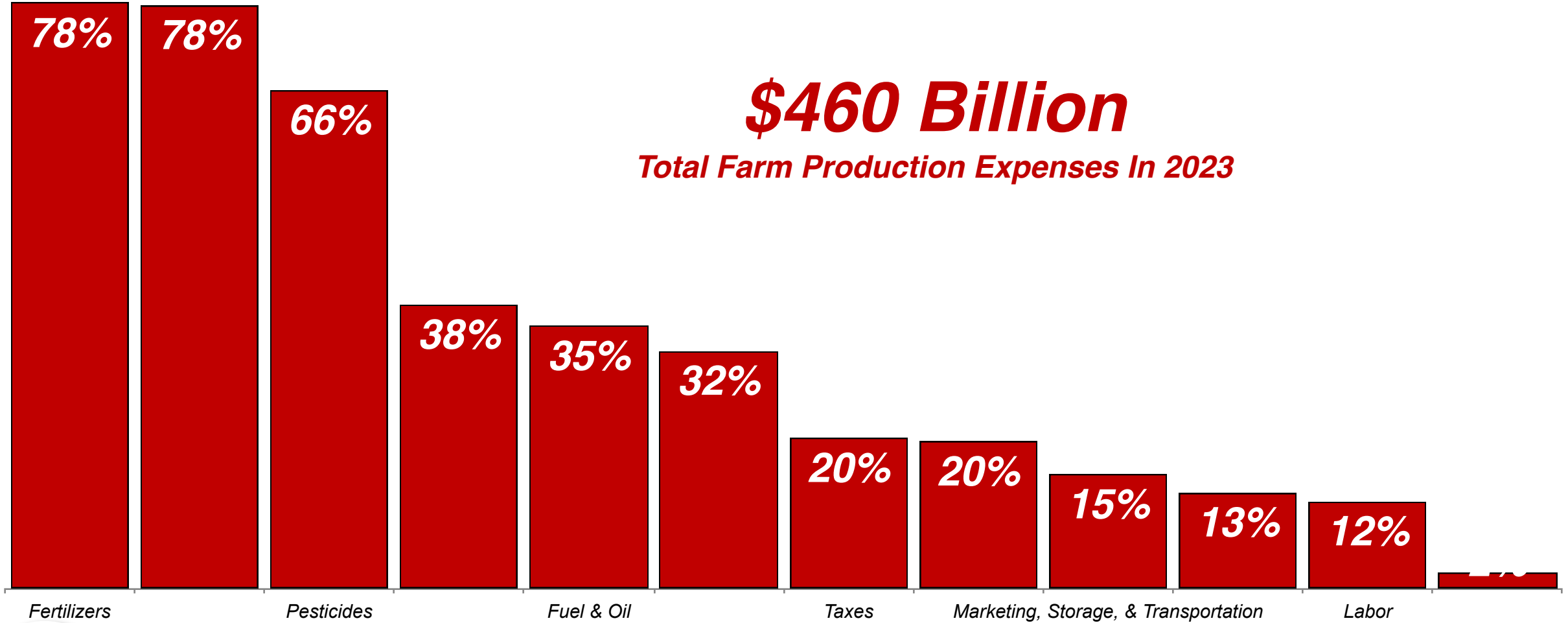


Current Economic Outlook

- 2023 Most Expensive Crop Ever
- Input costs are slow to decline
- Commodity prices are falling
- U.S. farm income declining
- U.S. farm sector debt record high
- Farm interest rates rise at fastest pace in 40 years

2023 Was The Most Expensive Crop Ever

Percentage Change In Production Expenses 2020 to 2023F



\$460 Billion
Total Farm Production Expenses In 2023

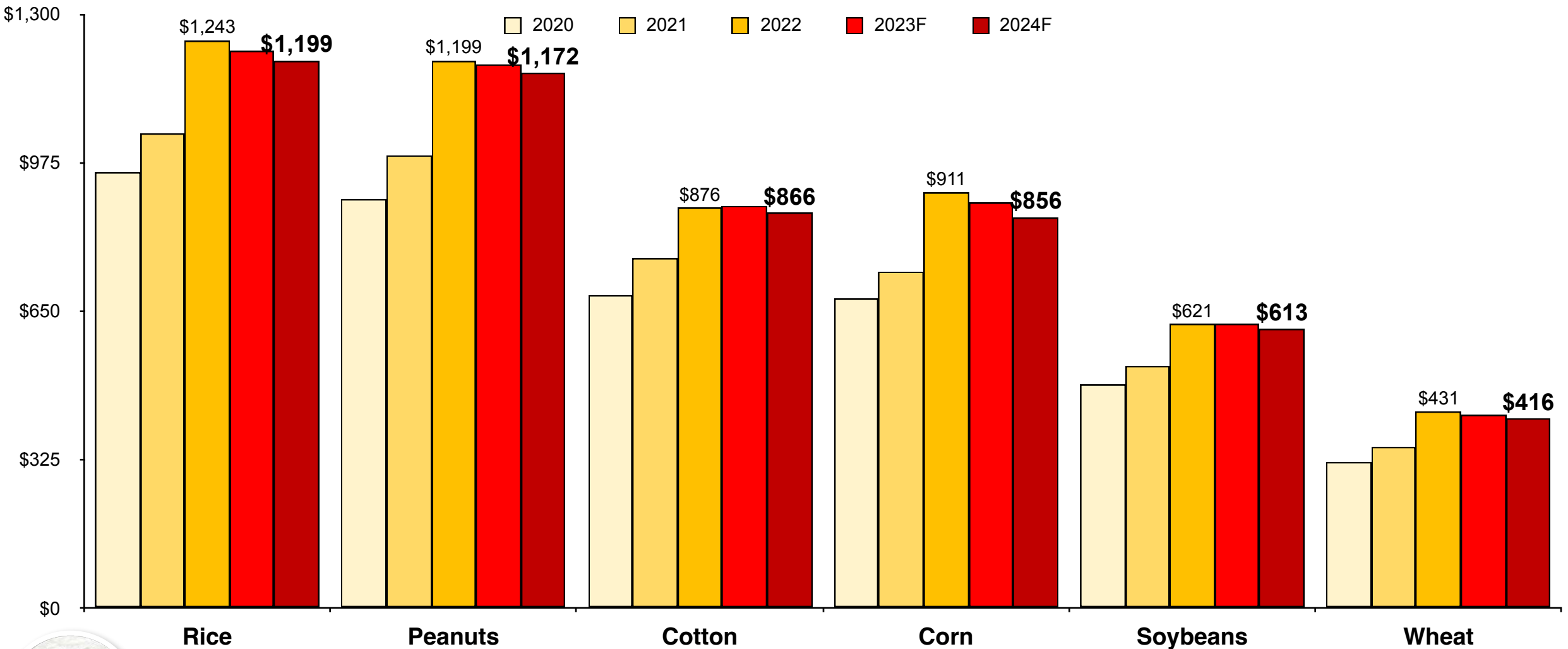


Senate Ag Committee Republicans

Senate Ag GOP Analysis, USDA Economic Research Service Special Tabulation

Input Costs Are Slow To Decline

Total Costs Per Acre, U.S. Average, 2020 to 2024F, Dollars Per Acre

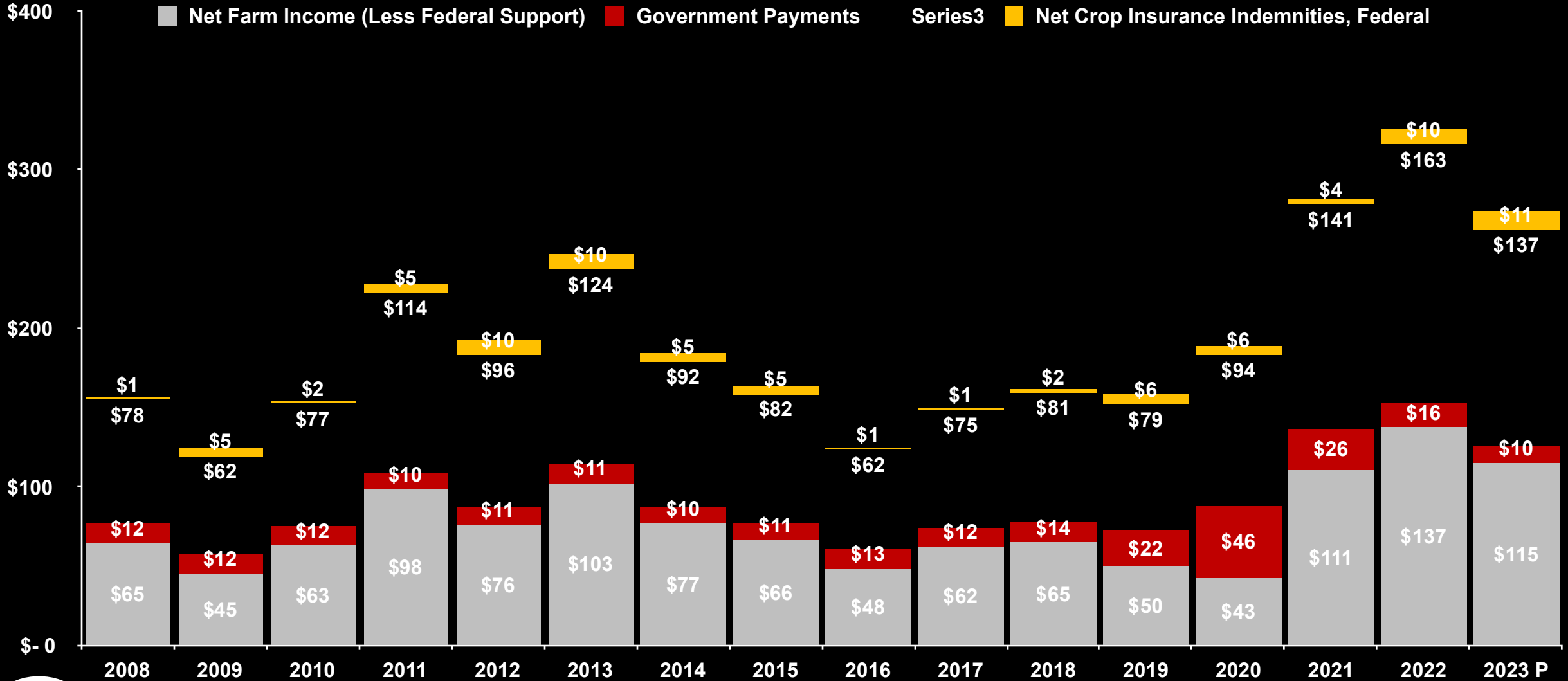


Senate Ag Committee Republicans

Senate Ag GOP Analysis, USDA Economic Research Service Commodity Cost and Returns

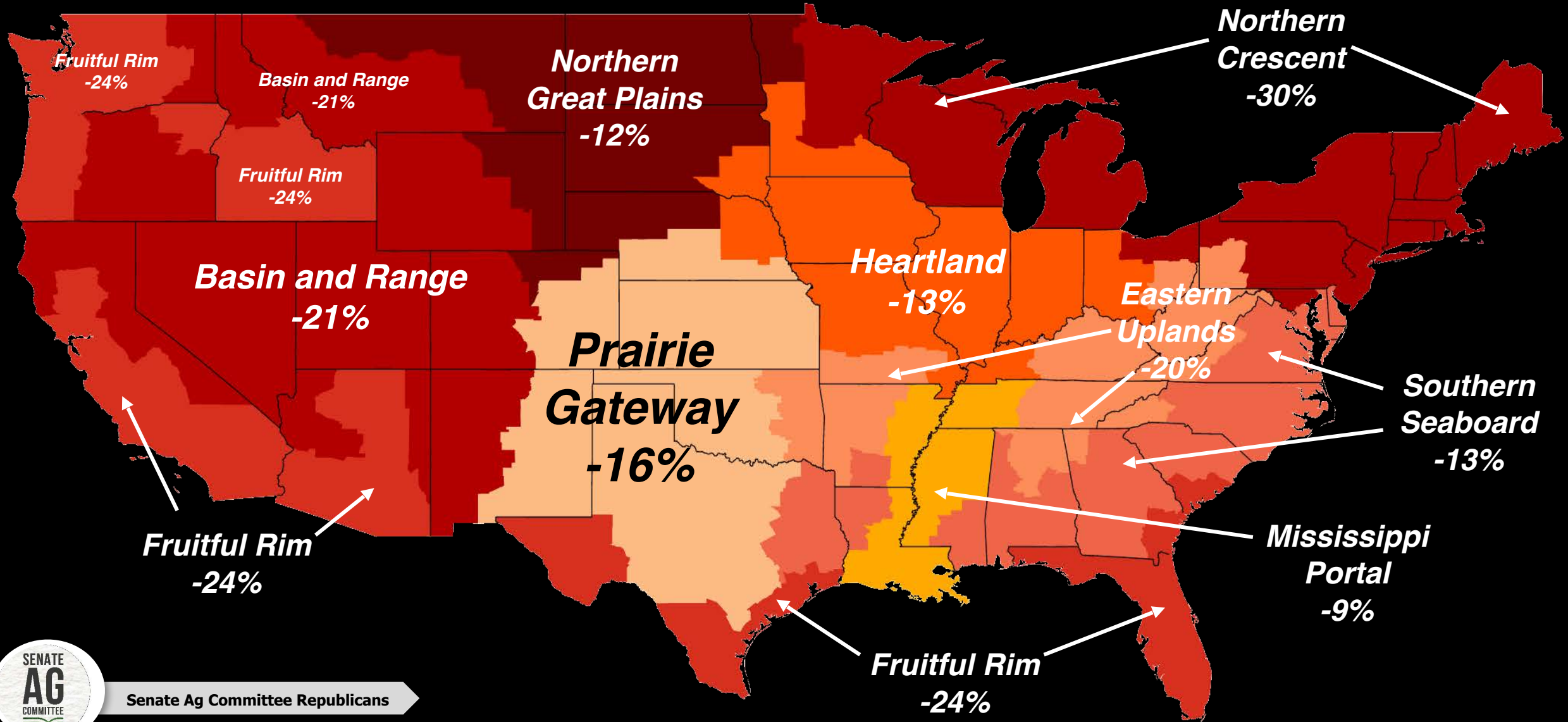
U.S. Farm Income Seen Declining 16% In 2023

U.S. Net Farm Income, Billion Dollars



Lower Farm Incomes Seen Nationwide

Percent Change From 2022 to 2023 By Resource Region

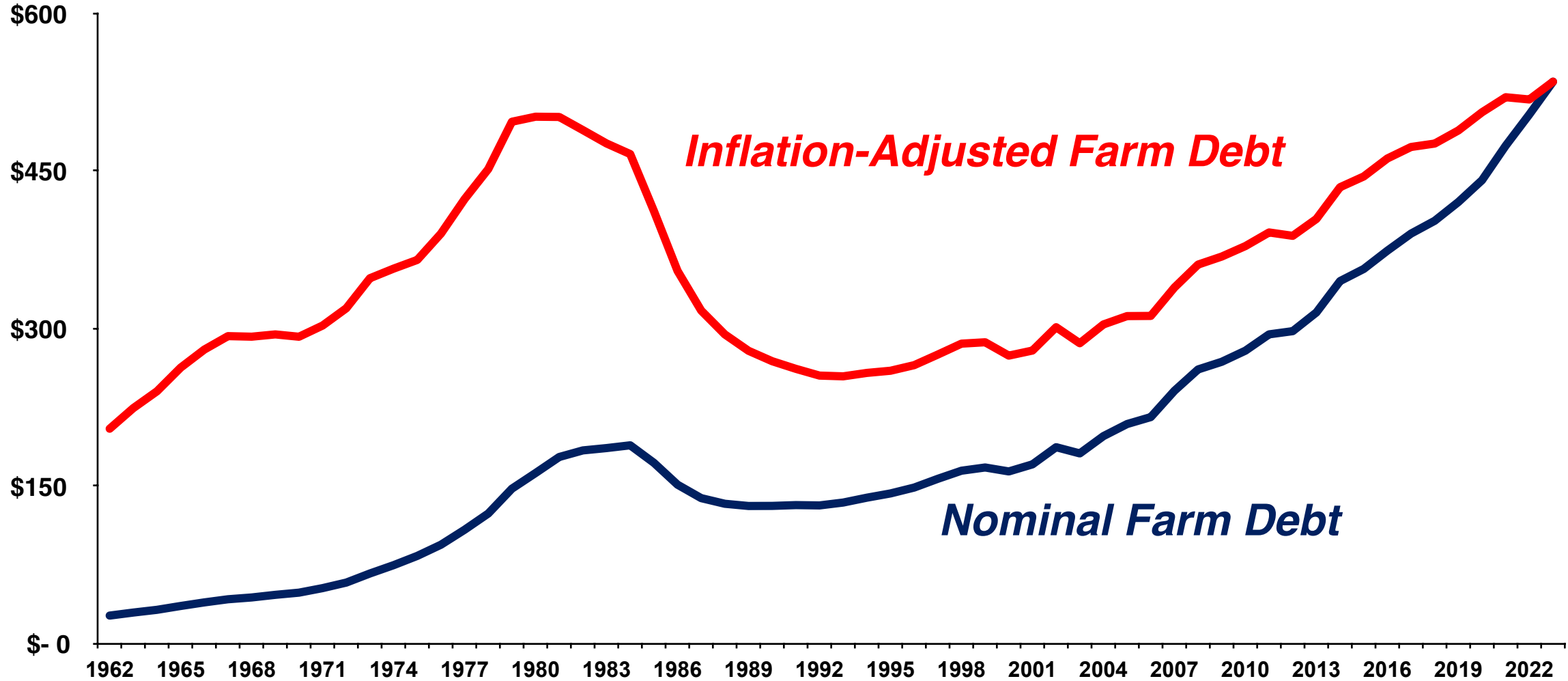


Senate Ag Committee Republicans

Senate Ag GOP Analysis, USDA ERS Farm Sector Financial Indicators

U.S. Farm Sector Debt Is Record High

Real and Nominal Total Farm Debt, Billion Dollars

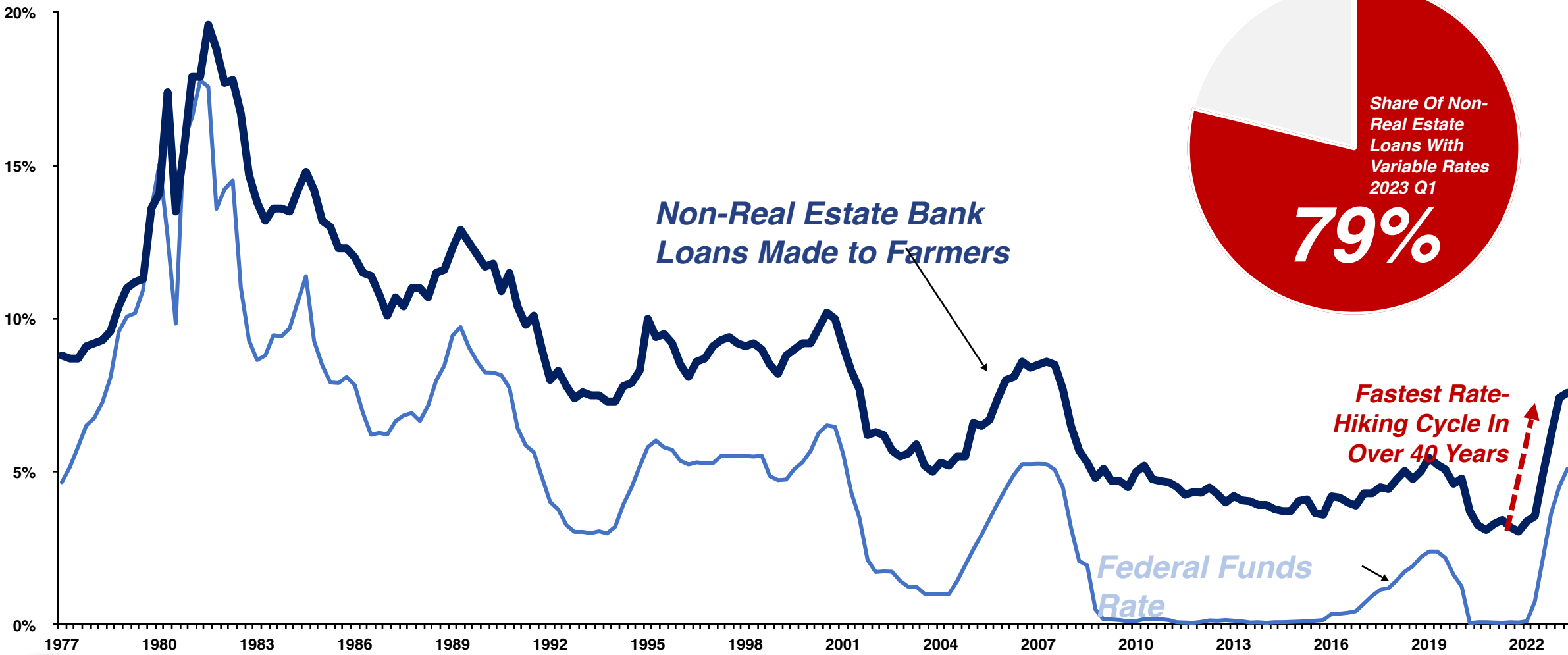


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Senate Ag GOP Analysis, USDA ERS

Farm Interest Rates Rise At Fastest Pace In 40 Years

Non-Real Estate Bank Loans Made to Farmers & Federal Funds Rate, Percentage



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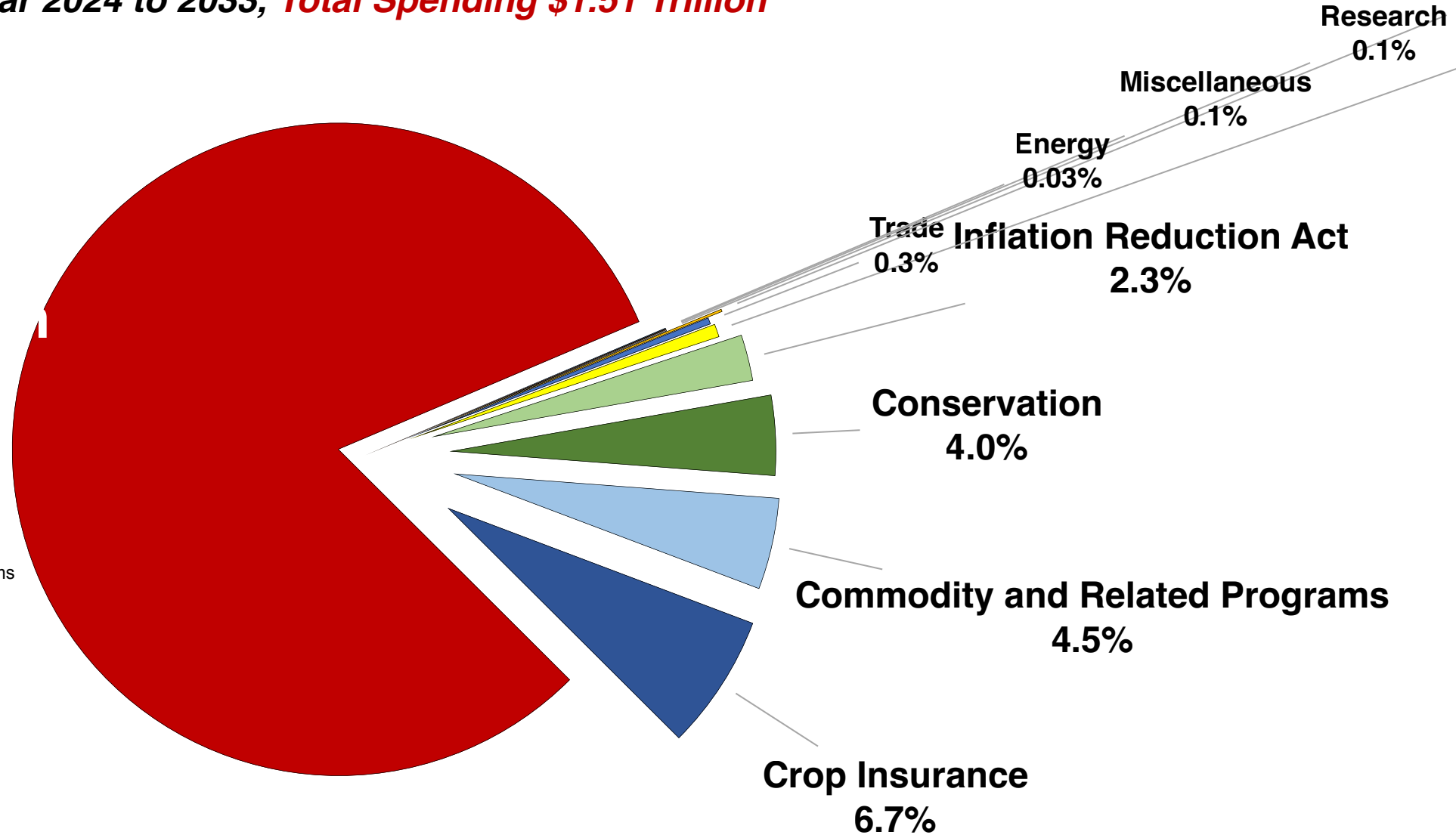
Senate Ag GOP Analysis, FRED, Survey of Terms of Lending to Farmers and Federal Reserve Bank of Kansas City

The Farm Bill Players



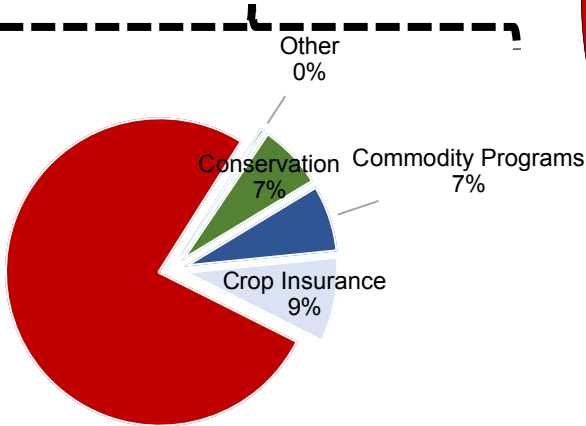
The First Trillion Dollar Farm Bill*

Billion Dollars, Fiscal Year 2024 to 2033, **Total Spending \$1.51 Trillion**



\$867B

Estimated Cost of 2018 Farm Bill At Enactment



Senate Ag Committee Republicans

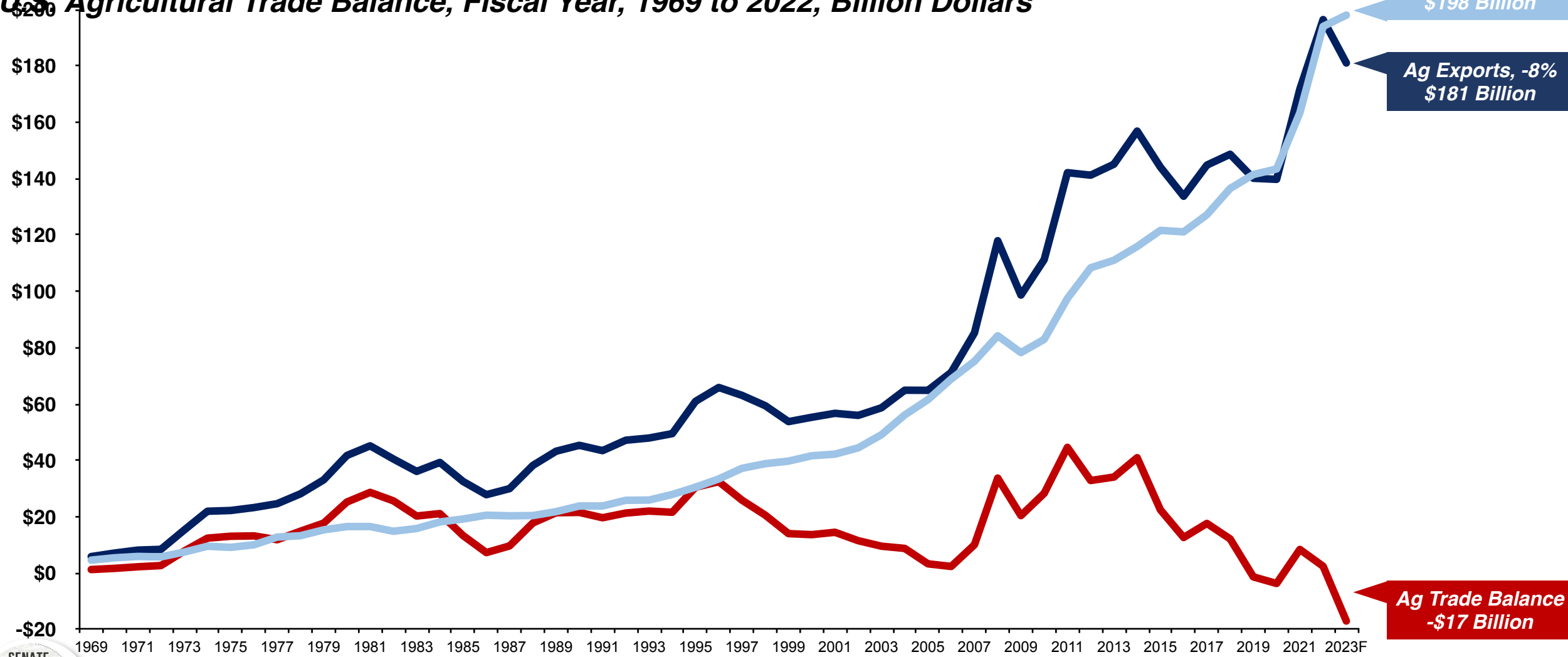
Senate Ag GOP Analysis, Congressional Budget Office May 2023 Baseline, Congressional Research Service

***Includes Inflation Reduction Act**

Outlays

We Need To Find & Develop New Foreign Markets

U.S. Agricultural Trade Balance, Fiscal Year, 1969 to 2022, Billion Dollars



Ag Imports, +2%
\$198 Billion

Ag Exports, -8%
\$181 Billion

Ag Trade Balance
-\$17 Billion

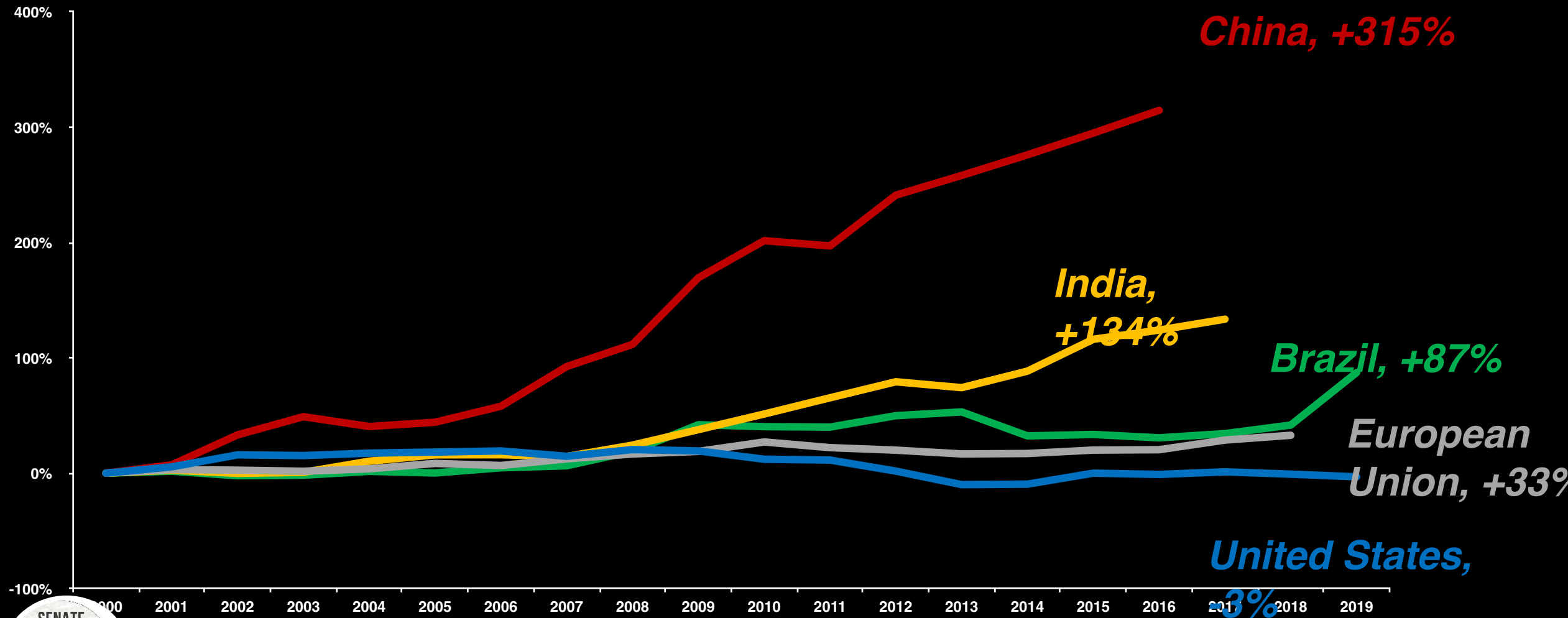


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Senate Ag GOP Analysis, USDA FAS GATS, USDA ERS

U.S. Public Sector Agriculture R&D Is Stagnant

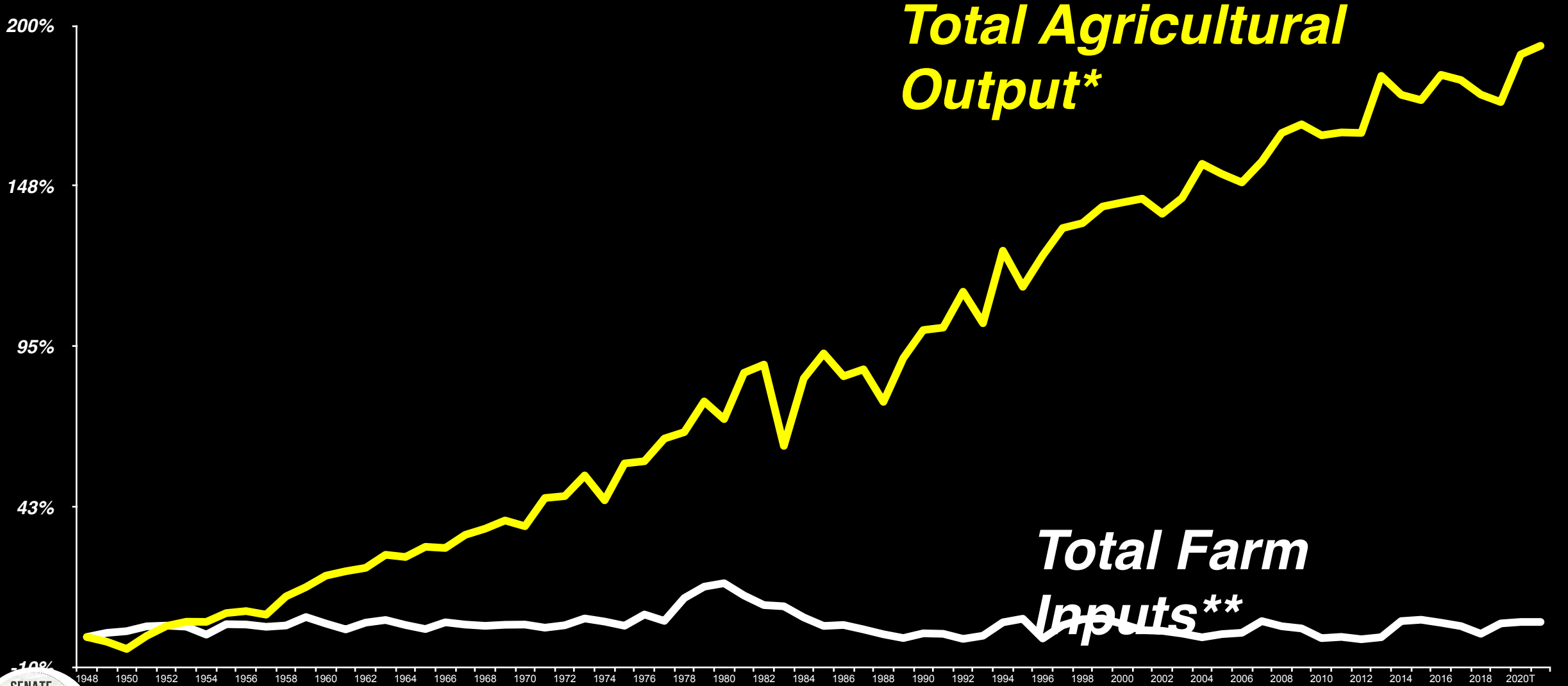
2000 to 2019, Constant 2015 U.S. Dollars, Percentage Change, (2000 = 0%)



Senate Ag Committee Republicans
Senate Ag GOP Analysis, USDA ERS

Productivity Is Sustainability

Percent change in indices of farm outputs and inputs for the United States, 1948-2021 (Projected)



*Output includes crops, livestock, fruits and vegetables, fiber and other agricultural commodities.
**Inputs include land, labor, capital and machinery, and materials including energy, fertilizer and chemicals.

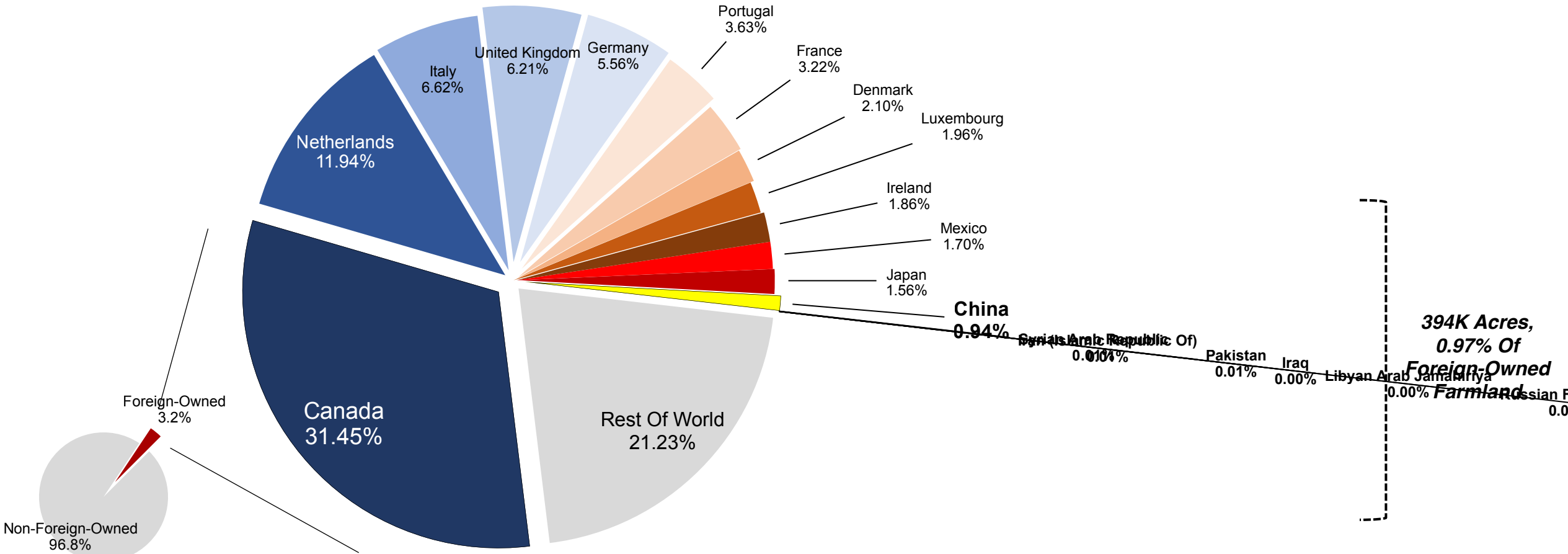


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Senate Ag GOP Analysis, USDA ERS, 2020 and 2021 Are Estimated Based On An Unconditional Linear Trend

Who Owns U.S. Farmland?

Total Acres (1,000) & Share Of Private Agricultural Land Held by Foreign Investors, Foreign Entities, or U.S. Corporations With Foreign Shareholders, By Country, Dec. 2021*



*Includes cropland, pastureland, forestland, and other agricultural land.

Why Trade & Agricultural Research Are Important

Estimated Percentage Change In Population By 2050




World's Population Expected to Grow

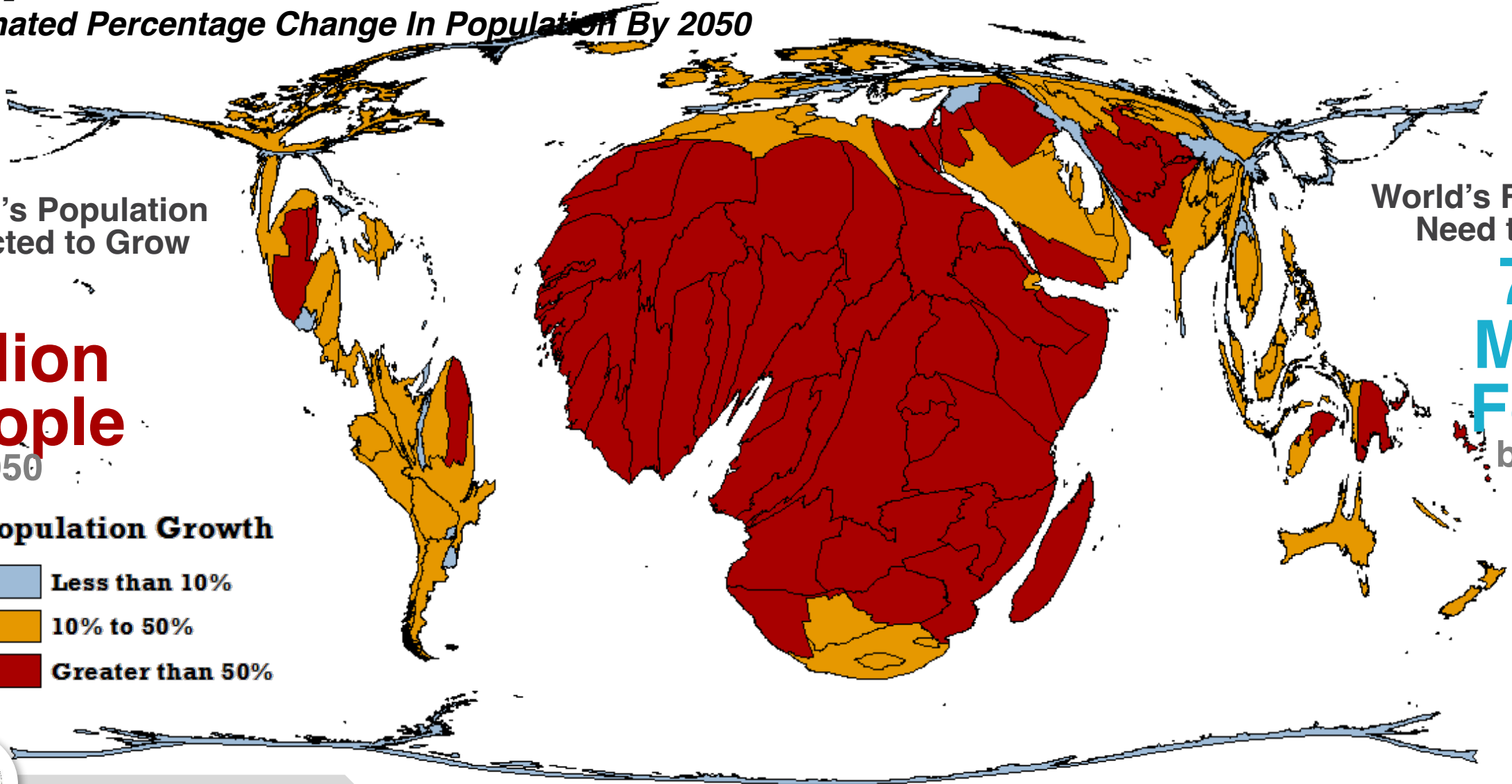
2.3 Billion People
by 2050

World's Farmers Need to Grow

70% More Food
by 2050

Population Growth

-  Less than 10%
-  10% to 50%
-  Greater than 50%



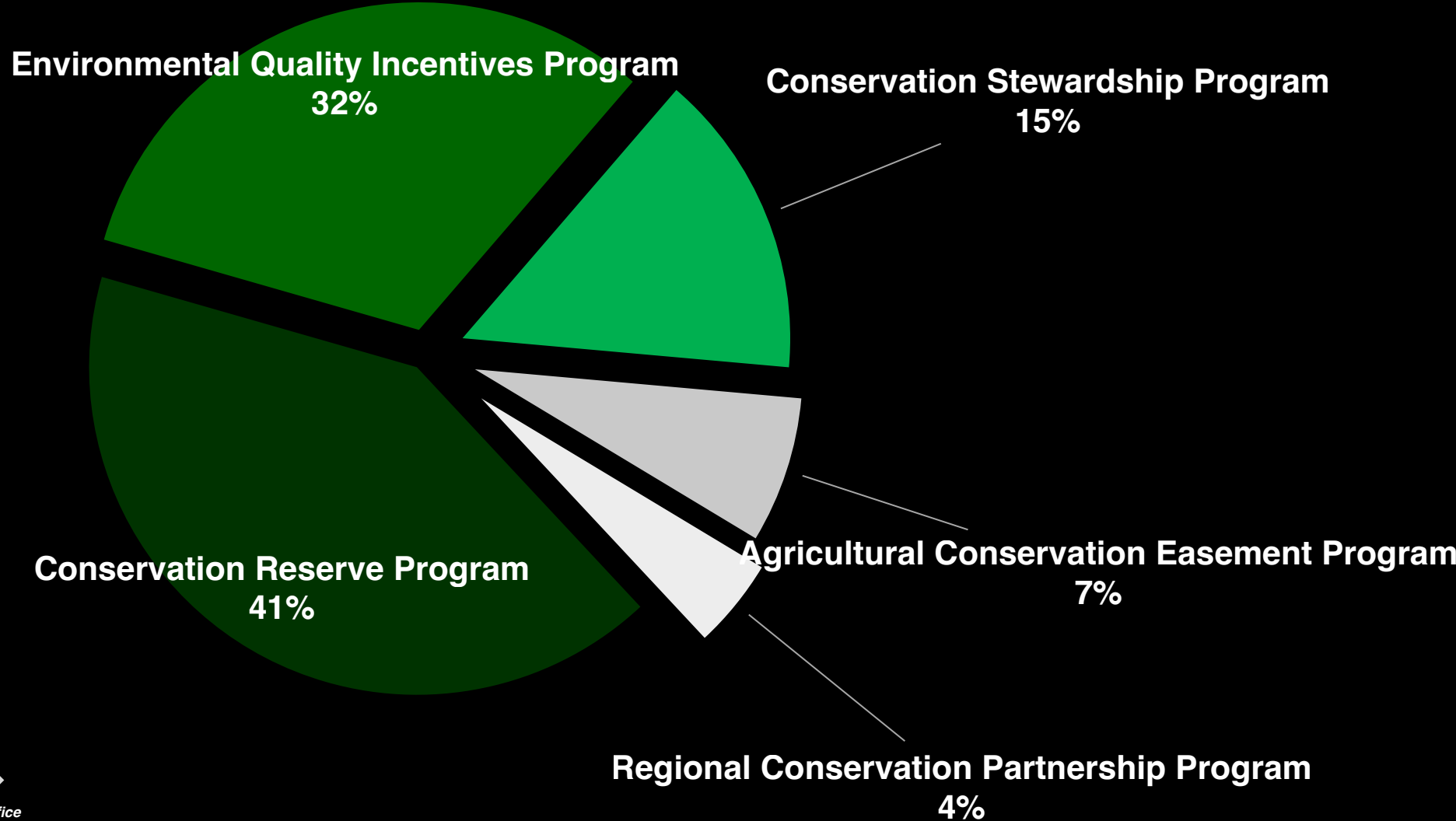
SENATE
AG
COMMITTEE

Senate Ag Committee Republicans

Senate Ag GOP Analysis, UN Population Estimates

Government-wide Approach To Climate

Projected Conservation Program Outlays , CBO May 2022 Baseline, 2023 to 2031, Million Dollars

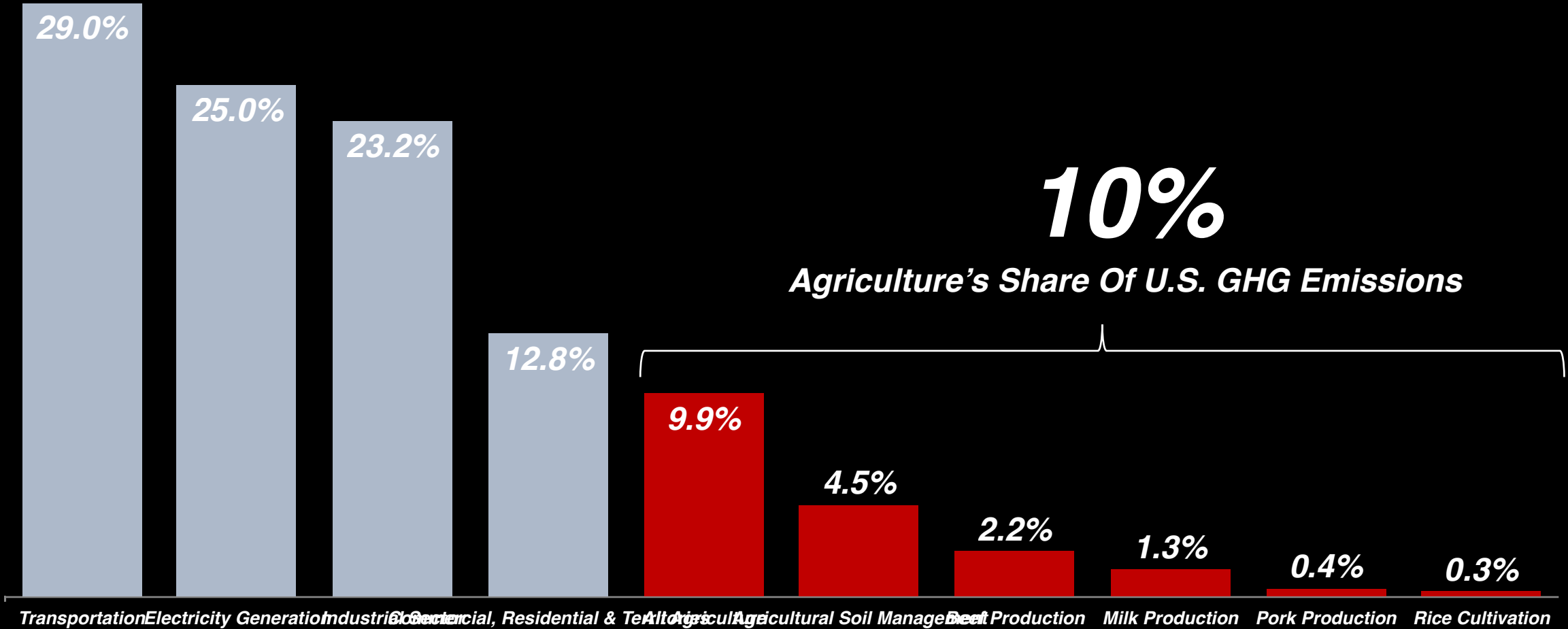


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Senate Ag GOP Analysis, Congressional Budget Office

U.S. Agriculture's Small Climate Footprint

Percent Of Total GHG Emissions By Economic Sector in 2021 (Agricultural Categories Based on IPCC Totals)



10%

Agriculture's Share Of U.S. GHG Emissions



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Senate Ag GOP Analysis, EPA

The Elephant In The Farm Bill

Projected Farm Bill Program Spending, 2024 to 2033, Billion Dollars

19%



(SNAP) Nutrition, \$1,223

81%



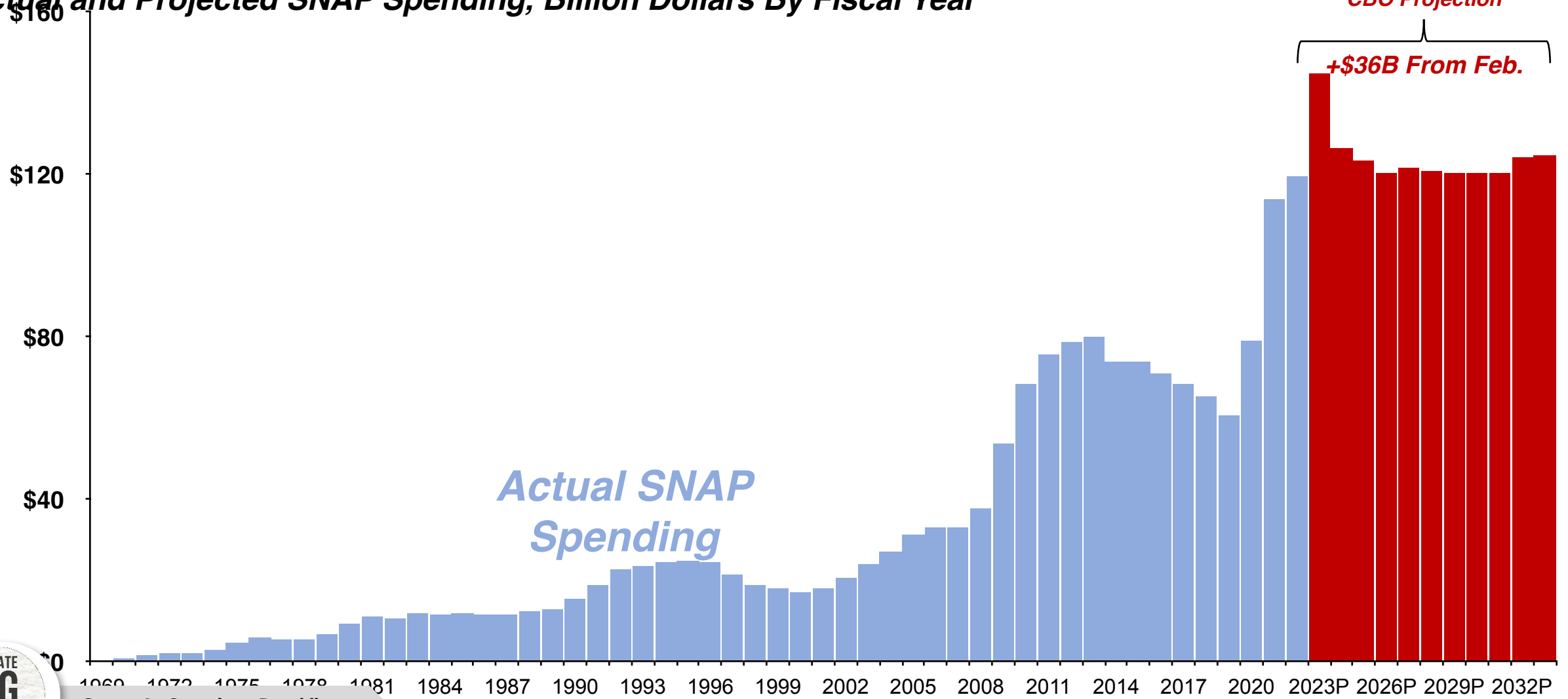
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Senate Ag GOP Analysis, Congressional Budget Office May 2023 Baseline, Congressional Research Service

SNAP Has Grown 84% Since 2018 Farm

Bill

Actual and Projected SNAP Spending, Billion Dollars By Fiscal Year



\$1.37 Trillion

CBO Projection

+\$36B From Feb.

Actual SNAP Spending



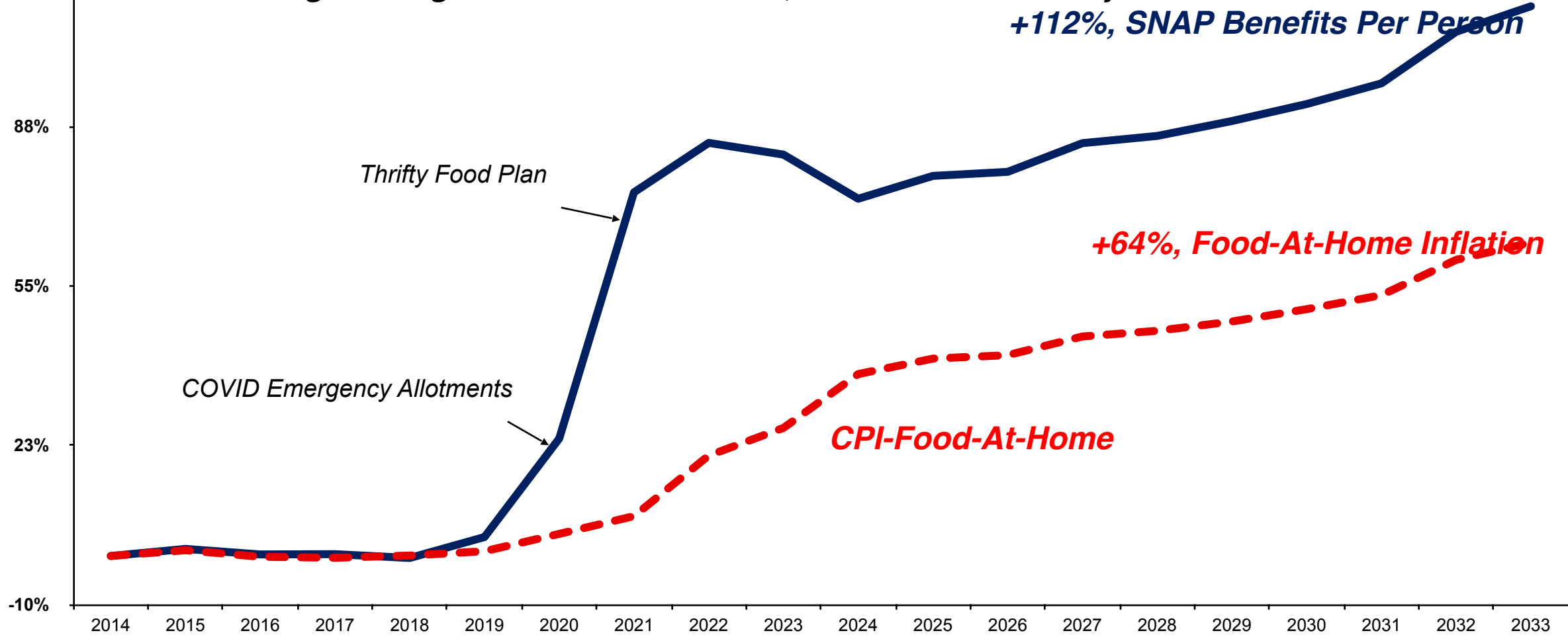
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Senate Ag GOP Analysis, USDA FNS, Congressional Budget Office May 2023

Baseline

SNAP (Thrifty Food Plan) Outpaced Inflation

Cumulative Percentage Change Since 2014 Farm Bill, Actual and CBO Projections



+112%, SNAP Benefits Per Person

+64%, Food-At-Home Inflation

Thrifty Food Plan

COVID Emergency Allotments

CPI-Food-At-Home

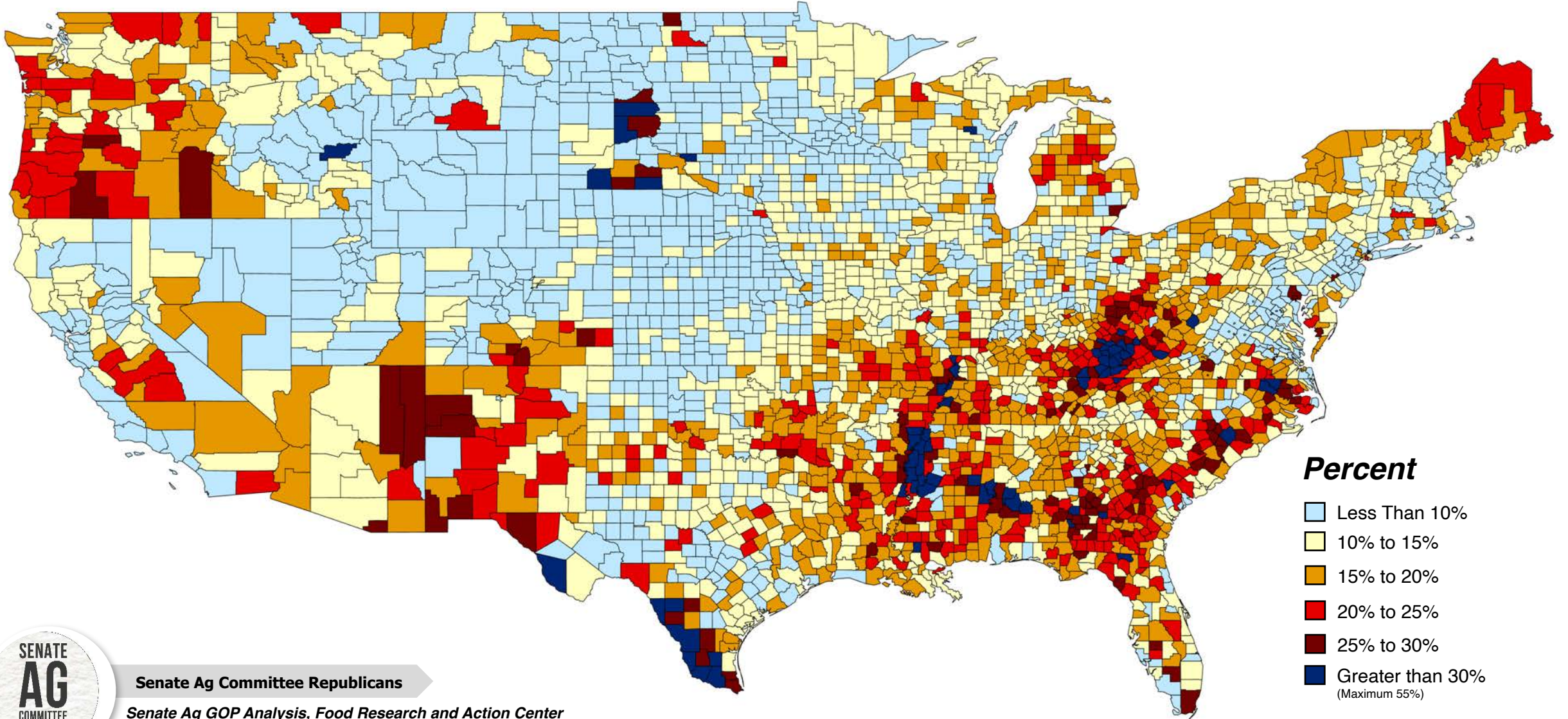


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Senate Ag GOP Analysis, Congressional Budget Office May 2023 Baseline, BLS, USDA

County-Level SNAP Participation Rate

Percent Of Population Receiving SNAP Benefits (2012 to 2016)

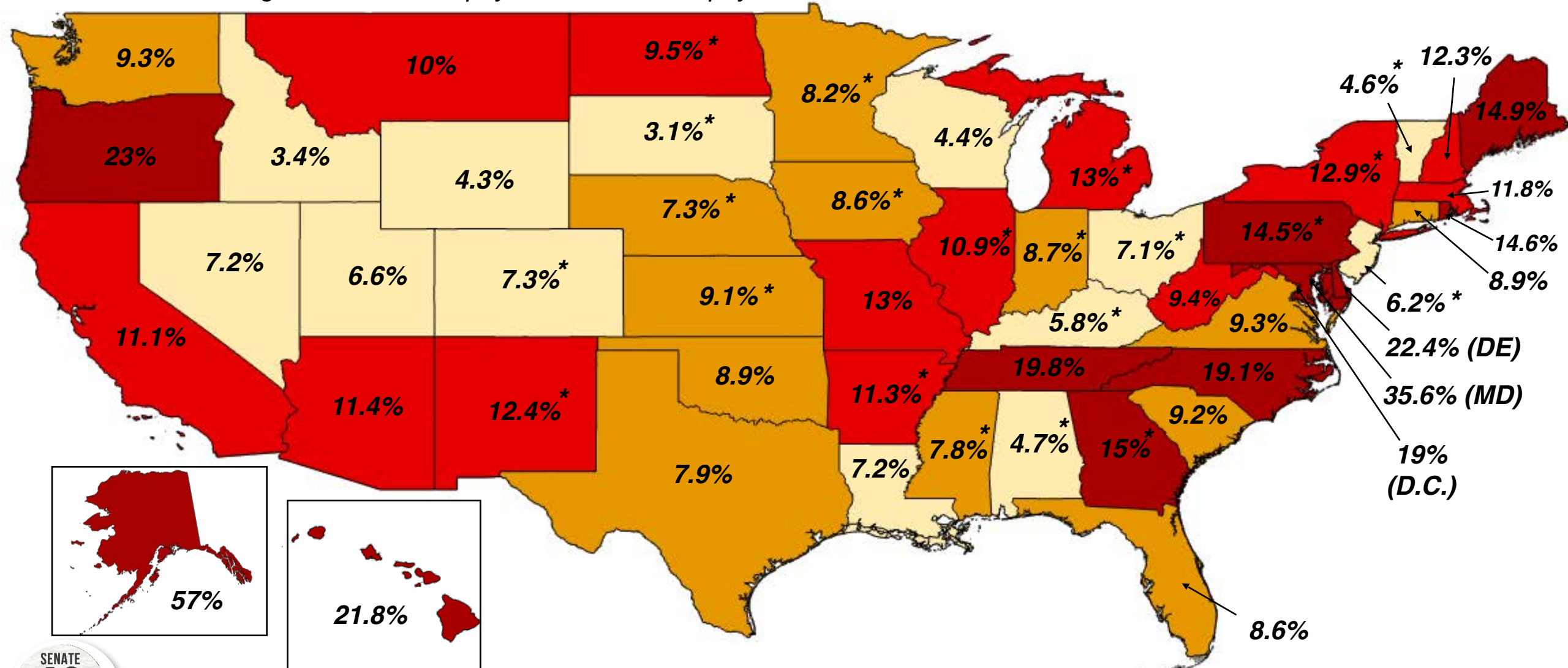


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Senate Ag GOP Analysis, Food Research and Action Center

11.54 % SNAP Payment Error Rate

Combined Percentage Of SNAP Overpayments and Underpayments, FY2022



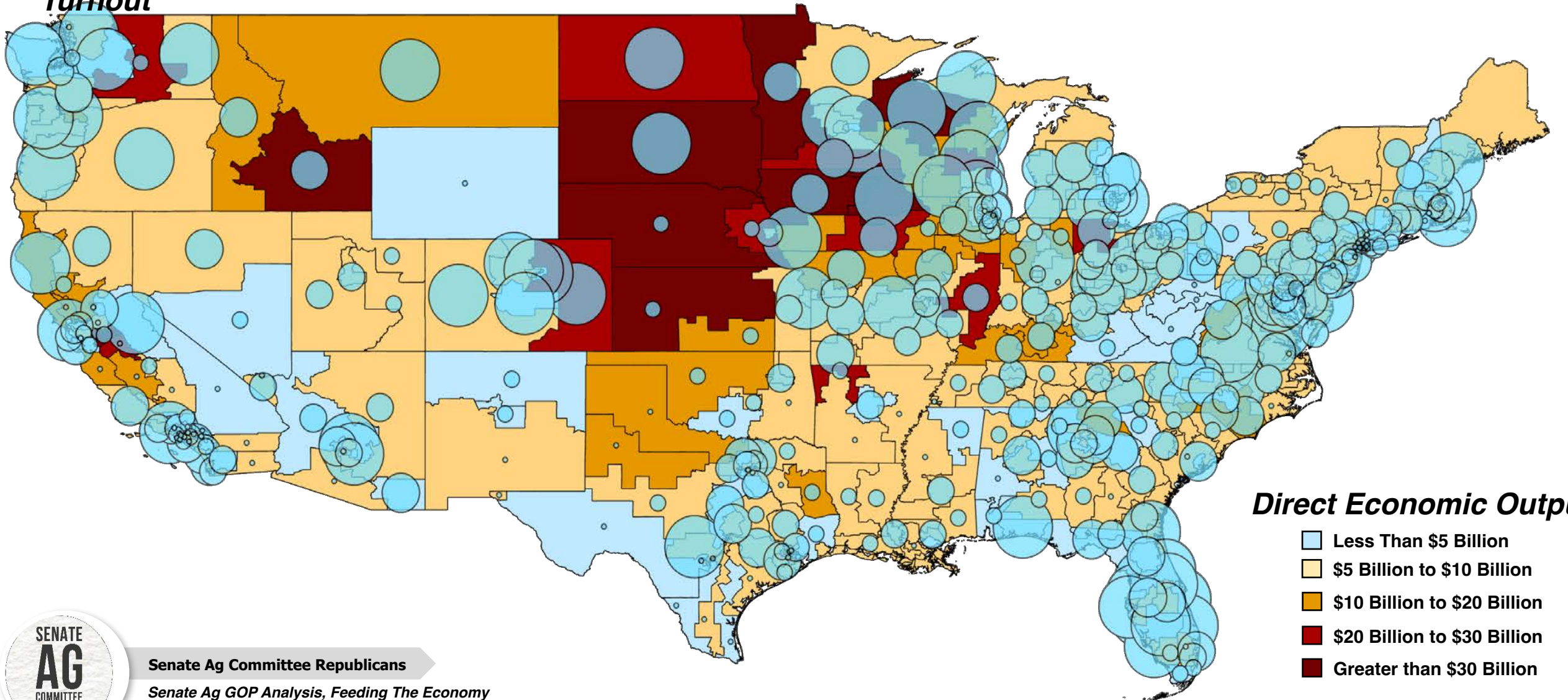
*Representation On The U.S. Senate Committee On Agriculture, Nutrition, and Forestry



Senate Ag Committee Republicans
Senate Ag GOP Analysis, USDA FNS

Farm Bill, Nutrition, & The Great Compromise

Direct Agricultural Economic Output By Congressional District, 2021, Billion Dollars, & 2018 Election Turnout

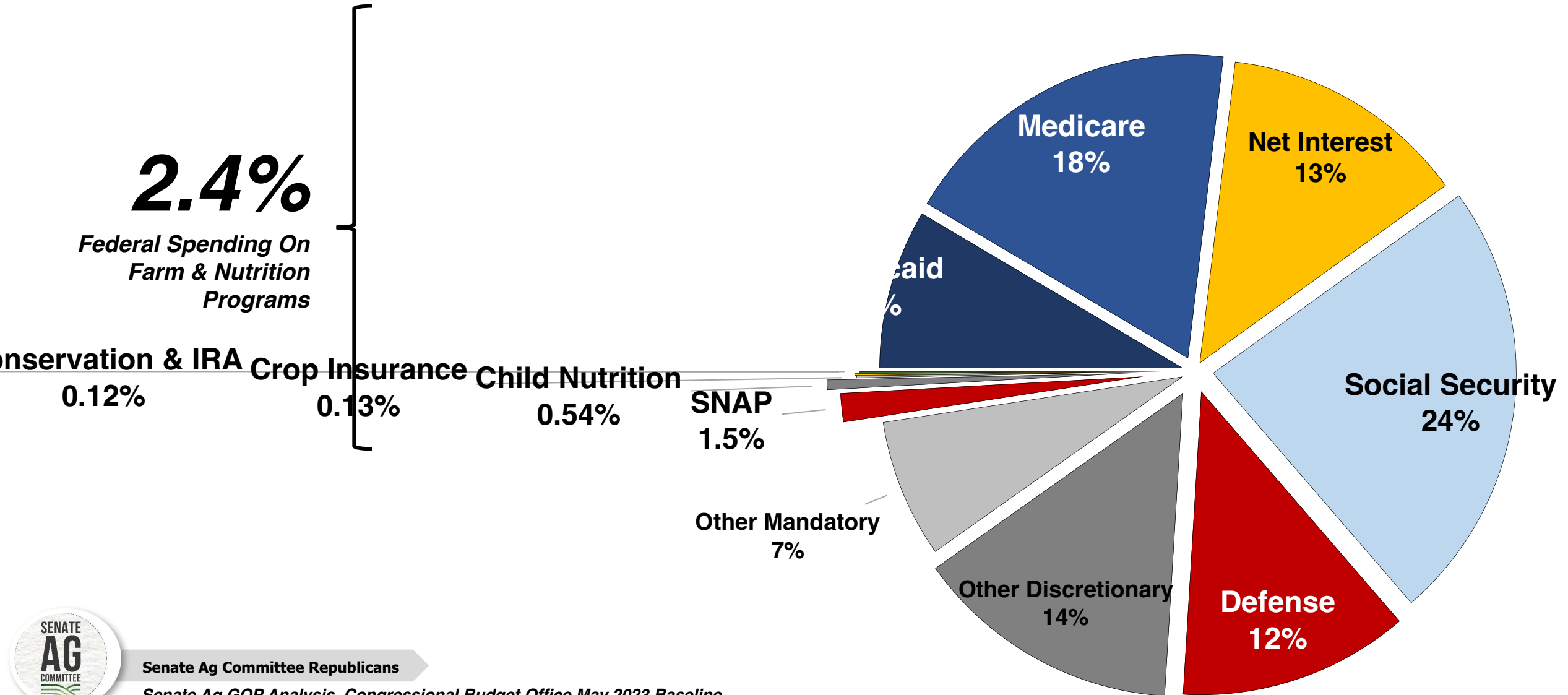


Senate Ag Committee Republicans

Senate Ag GOP Analysis, Feeding The Economy

Food Security Is National Security

Billion Dollars, Fiscal Year 2024 to 2033, Total Mandatory and Discretionary Spending Of \$80.1 Trillion



Senate Ag Committee Republicans

Senate Ag GOP Analysis, Congressional Budget Office May 2023 Baseline

The Farm Bill by Title

Title I, Commodities. Provides farm payments when crop prices or revenues decline for major commodity crops, including wheat, corn, soybeans, peanuts, and rice. Includes disaster programs to help livestock and tree fruit producers manage production losses due to natural disasters. Other support includes margin insurance for dairy, marketing quotas, minimum price guarantees, and import quotas for sugar.

Title II, Conservation. Encourages environmental stewardship of farmlands and improved management practices through various working lands programs, as well as changes in land use through land retirement and easement programs.

Title III, Trade. Supports U.S. agricultural export programs and export credit guarantee programs, as well as international food aid programs that provide emergency and nonemergency foreign food aid. Other provisions address issues related to World Trade Organization (WTO) obligations.

Title IV, Nutrition. Provides nutrition assistance for low-income households through programs, including the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program) and emergency food assistance programs. Also supports food distribution in schools.

The Farm Bill by Title

Title V, Credit. Offers direct government loans to farmers/ranchers and guarantees on private lenders' loans. Sets eligibility rules and policies.

Title VI, Rural Development. Supports rural business and community development programs. Establishes planning, feasibility assessments, and coordination with other local, state, and federal programs. Programs include grants and loans for infrastructure, economic development, broadband, and telecommunications.

Title VII, Research, Extension, and Related Matters. Offers a wide range of agricultural research and extension programs that expand academic knowledge about agriculture and food and help farmers and ranchers become more efficient, innovative, and productive.

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

The Farm Bill by Title

Title IX, Energy. Encourages the development of farm and community renewable energy systems through grants, loan guarantees, and feedstock procurement initiatives. Also facilitates the production, marketing, and processing of advanced biofuels and biofuel feedstocks, as well as research, education, and demonstration programs.

Title X, Horticulture. Supports specialty crops—fruits, vegetables, tree nuts, and floriculture and ornamental products—through initiatives, including market promotion, plant pest and disease prevention, and research. Also provides support to certified organic agricultural production and locally produced foods.

Title XI, Crop Insurance. Amends the permanently authorized federal crop insurance program.

Title XII, Miscellaneous. Covers other types of programs, including livestock and poultry production and limited-resource and socially disadvantaged farmers.

U.S. Senator Joni Ernst's Priorities

• **Food Security**

- FARMLAND Act
- Animal Disease and Disaster Prevention, Surveillance, and Rapid Response Act
- Beagle Brigade Act
- EATS Act

• **Rural Prosperity**

- Expanding Agricultural Exports Act
- FARMERS FIRST Act
- Biomanufacturing and Jobs Act
- Expanding Local Meat Processing Act
- Expanding Childcare in Rural America Act
- Modernizing Agricultural and Manufacturing Bonds Act

• **Conservation (of land and money)**

- Streamlining Conservation Practice Standards Act
- Emergency Watershed Program Floodplain Easement Restoration Act
- Snap Back Inaccurate SNAP Payments Act
- COST Act



2023 Farm Bill

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