

May 1, 2002

Honorable Tom Harkin
Chairman
Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Based on a preliminary review of the conference language provided to us this morning, CBO estimates that enactment of the conference agreement on H.R. 2646, the Farm Security and Rural Investment Act of 2002, would increase direct spending relative to the April 2001 Budget Resolution baseline by \$73.5 billion in budget authority and \$71 billion in outlays over the 2002-2011 period. The direct spending effects of the act are summarized below. Additional detail is provided in the enclosed tables.

Estimated Impact of H.R. 2646 on Direct Spending Relative to the April 2001 Budget Resolution Baseline

	By Fiscal Year, in Billions of Dollars										Total
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Estimated Budget Authority	2.5	7.2	8.8	9.3	8.9	8.5	7.2	7.4	6.9	6.8	73.5
Estimated Outlays	1.6	7.2	8.3	8.8	8.7	8.3	7.2	7.3	6.9	6.8	71.0

CBO has not completed an estimate of the cost of the act relative to our April 2002 baseline. Continued lower crop prices assumed in that baseline would add several billion dollars to the estimated costs of this act over the 2002-2011 period.

In addition, enactment of H.R. 2646 would affect spending subject to appropriation action. However, CBO has not completed an estimate of the potential discretionary costs of the act.

Honorable Tom Harkin
Page 2

If you wish further details on this estimate, we will be pleased to provide them.
The CBO staff contact is Jim Langley.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan L. Crippen". The signature is fluid and cursive, with the first name "Dan" being the most prominent.

Dan L. Crippen
Director

cc: Honorable Richard G. Lugar
Ranking Republican Member

Identical letter sent to the Honorable Larry Combest