



March 1, 2013

Honorable Debbie Stabenow
Chairwoman
Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

In response to several requests, CBO has prepared updated cost estimates of the farm bill legislation that was considered in the Senate and the House during the 112th Congress. The updated estimates are relative to our most recent baseline projections for agriculture, conservation, and nutrition spending. The enclosed tables show the effects on direct spending of:

- S. 3240, the Agriculture Reform, Food, and Jobs Act of 2012, as passed by the Senate on June 21, 2012, with appropriate modifications to implement the legislation if it were enacted near the end of 2013. (During the 113th Congress, this legislation has been introduced as S. 10, the Agriculture Reform, Food, and Jobs Act of 2013.)
- H.R. 6083, the Federal Agriculture Reform and Risk Management Act of 2012, as reported by the House Committee on Agriculture on September 13, 2012, with appropriate modifications to implement the bill if it were enacted near the end of 2013. (This legislation has not been introduced during the 113th Congress.)

In 2012, CBO estimated that enacting either the Senate or House Farm Bill proposal would reduce spending relative to what our estimated spending would be if the 2008 farm bill (Public Law 110-246) policies were continued. Relative to our most recent baseline projections for commodity prices, land conservation, and nutrition spending, CBO expects that those legislative proposals (as modified to account for a later enactment) also

would reduce future spending relative to continuing current policies, but the reduction would be significantly smaller than we estimated in 2012.¹

Senate Farm Bill Proposal

CBO now estimates that enacting S. 3240 (as modified to account for a later enactment) would bring total direct spending for the affected Department of Agriculture (USDA) programs to \$963 billion over the 2014-2023 period, or \$13.1 billion less than what we project will be spent over that period if those programs continue to operate as under current law. Details of that estimate, by title, are shown in Table 1.

Last year, CBO estimated that enacting S. 3240 would have reduced spending relative to continuing current policies by \$23.1 billion over the 2013-2022 period.

Significant differences between the cost estimate CBO prepared on July 6, 2012, for S. 3240, and our estimate for a modified version of that legislation relative to our 2013 baseline projections of spending are shown in Table 2 and are as follows:

- CBO now estimates that spending on commodity programs under title I of the legislation would cost \$3.8 billion more over the next 10 years than we estimated in 2012 because: recent higher commodity prices increase the expected cost of the income guarantees in the Agriculture Risk Coverage Program offered under the legislation; lower milk prices increase the cost of the Margin Protection Program for dairy producers; and, it is now clear that the recent drought conditions will increase the estimated cost of the livestock disaster assistance program benefits for 2012 and 2013.
- CBO now estimates that spending on conservation programs under title II of the legislation would cost \$1.4 billion more over the next 10 years than we estimated in 2012 because recent lower enrollment in the Conservation Reserve Program will eliminate some of the savings we previously expected from the proposal to cap enrollment in the program.
- CBO now estimates that spending on nutrition programs under title IV of the legislation would be \$4.4 billion more over the next

1. CBO's most recent baseline estimates are described in *The Budget and Economic Outlook: Fiscal Years 2013 to 2023* (February 5, 2013). H.R. 8, the American Taxpayer Relief Act of 2012 (January 1, 2013), extended provisions of the 2008 Farm Bill until the end of fiscal year 2013. The 2012 cost estimates for S. 3240 and H.R. 6083 were consistent with CBO's March 2012 baseline, and those estimates assumed enactment of the legislation in late 2012.

10 years than we estimated in 2012 primarily because of a change in our estimate of a provision regarding utility allowances in the Supplemental Nutrition Assistance Program. CBO has obtained new information on state practices and USDA's interpretation of current law with respect to how households qualify for utility allowances. Accordingly, CBO now believes that states would have more flexibility under the proposal than was assumed for the previous estimate. Thus, CBO now expects that this provision, as drafted, would result in little to no reduction in the cost of nutrition programs.

House Farm Bill Proposal

CBO now estimates that enacting H.R. 6083 (as modified to account for a later enactment) would bring total direct spending for the affected USDA programs to \$950 billion over the 2014-2023 period, or \$26.6 billion less than what we project will be spent over that period if those programs continue to operate as under current law. Details of that estimate, by title, are shown in Table 3.

Last year, CBO estimated that enacting H.R. 6083 would have reduced spending relative to continuing current policies by \$35.1 billion over the 2013-2022 period.

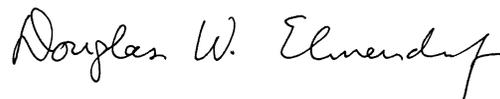
Significant differences between the cost estimate CBO prepared on July 26, 2012, for H.R. 6083, and our estimate of a modified version of that legislation relative to our 2013 baseline projections of spending are shown in Table 4 and are as follows:

- CBO now estimates that spending on commodity programs under title I of the legislation would cost \$1.1 billion more over the next 10 years than we estimated in 2012 because: lower milk prices decrease feed cost margins for dairy producers; and, it is now clear that the recent drought conditions would increase the estimated cost of the livestock disaster assistance program benefits for 2012 and 2013.
- CBO now estimates that spending on conservation programs under title II of the legislation would cost \$1.7 billion more over the next 10 years that we estimated in 2012 because recent lower enrollment in the Conservation Reserve Program will eliminate some of the savings we previously expected from the proposal to cap enrollment in the program.

- CBO now estimates that spending on nutrition programs under title IV of the legislation would be \$4.3 billion more over the next 10 years than we estimated in 2012 primarily because of a change in our estimate of a provision regarding utility allowances in the Supplemental Nutrition Assistance Program. CBO has obtained new information on state practices and USDA's interpretation of current law with respect to how households qualify for utility allowances. Accordingly, CBO now believes that states would have more flexibility under the proposal than was assumed for the previous estimate. Thus, CBO now expects that this provision, as drafted in the legislation, would result in little to no reduction in the cost of nutrition programs.
- CBO now estimates that spending on crop insurance under title XI would cost \$1.4 billion more over the next 10 years than we estimated in 2012 because increased participation in the Price Loss Coverage Option offered in title I will make more producers eligible for benefits under the Supplemental Coverage Option offered under title XI.

I hope this information is useful to you. Additional details on these estimates are included in Tables 5 through 8. If you need further details on these new estimates, we would be pleased to provide them. The CBO staff contacts are: Kathleen FitzGerald and Emily Stern (for nutrition provisions) and Gregory Hitz, David Hull, and Jim Langley (for agriculture provisions).

Sincerely,



Douglas W. Elmendorf
Director

Enclosures

cc: Honorable Thad Cochran
Ranking Member

Honorable Harry Reid

Identical letter sent to the Honorable Frank D. Lucas.

TABLE 1. SUMMARY OF THE EFFECTS ON DIRECT SPENDING OUTLAYS FOR S. 3240, THE AGRICULTURE REFORM, FOOD, AND JOBS ACT OF 2012, WITH MODIFICATIONS FOR A LATER ENACTMENT DATE

	By Fiscal Year, in Millions of Dollars											2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023	
CHANGES IN DIRECT SPENDING													
Title I – Commodities	1,134	-461	-1,596	-1,398	-2,113	-2,350	-2,164	-2,396	-2,072	-2,181	-4,433	-15,596	
Title II – Conservation	53	21	35	-178	-451	-733	-855	-902	-963	-1,048	-520	-5,021	
Title III – Trade	0	0	0	0	0	0	0	0	0	0	0	0	
Title IV – Nutrition	38	72	52	47	40	32	23	18	18	18	247	354	
Title V – Credit	0	0	0	0	0	0	0	0	0	0	0	0	
Title VI – Rural Development	3	18	25	26	25	20	10	4	0	0	97	131	
Title VII – Research, Extension, and Related Matters	35	64	79	111	103	74	61	53	50	51	392	681	
Title VIII – Forestry	1	1	1	1	1	1	1	1	1	1	5	10	
Title IX - Energy	18	78	140	161	153	113	74	30	9	4	550	780	
Title X – Horticulture	32	42	45	46	48	28	29	30	30	32	212	359	
Title XI – Crop Insurance	28	279	409	454	642	707	740	746	747	774	1,812	5,526	
Title XII - Miscellaneous	<u>10</u>	<u>53</u>	<u>-31</u>	<u>-47</u>	<u>-47</u>	<u>-50</u>	<u>-51</u>	<u>-52</u>	<u>-52</u>	<u>-52</u>	<u>-62</u>	<u>-319</u>	
Total Changes	1,352	166	-842	-778	-1,598	-2,159	-2,133	-2,469	-2,232	-2,402	-1,700	-13,095	

Source: Congressional Budget Office.

Note: Components may not sum to totals because of rounding. Excludes discretionary spending that would be subject to annual appropriation.

TABLE 2. CBO COST ESTIMATES FOR S. 3240 AS PASSED BY THE SENATE IN 2012 AND WITH MODIFICATIONS TO IMPLEMENT THE LEGISLATION AT THE END OF 2013

	10-Year Totals in Millions of Dollars ^a		Difference
	S. 3240 In 2012	S. 3240 In 2013	
CHANGES IN DIRECT SPENDING			
Title I - Commodities			
Estimated Budget Authority	-19,188	-15,492	3,696
Estimated Outlays	-19,428	-15,596	3,832
Title II - Conservation			
Estimated Budget Authority	-6,934	-5,558	1,376
Estimated Outlays	-6,376	-5,021	1,355
Title III – Trade			
Estimated Budget Authority	0	0	0
Estimated Outlays	0	0	0
Title IV – Nutrition			
Estimated Budget Authority	-3,940	363	4,303
Estimated Outlays	-4,000	354	4,354
Title V - Credit			
Estimated Budget Authority	0	0	0
Estimated Outlays	0	0	0
Title VI – Rural Development			
Estimated Budget Authority	115	131	16
Estimated Outlays	115	131	16
Title VII – Research, Extension, and Related Matters			
Estimated Budget Authority	715	715	0
Estimated Outlays	681	681	0
Title VIII - Forestry			
Estimated Budget Authority	9	10	1
Estimated Outlays	9	10	1
Title IX - Energy			
Estimated Budget Authority	801	801	0
Estimated Outlays	780	780	0
Title X - Horticulture			
Estimated Budget Authority	390	390	0
Estimated Outlays	359	359	0
Title XI – Crop Insurance			
Estimated Budget Authority	5,901	6,313	412
Estimated Outlays	5,036	5,526	490
Title XII - Miscellaneous			
Estimated Budget Authority	-374	-374	0
Estimated Outlays	-319	-319	0
Total Changes			
Estimated Budget Authority	-22,504	-12,701	9,803
Estimated Outlays	-23,143	-13,096	10,047

Source: Congressional Budget Office.

a. CBO's cost estimate in 2012 for S. 3240 includes total changes in spending over the 2013-2022 period relative to CBO's March 2012 baseline. The cost estimate in 2013 for S. 3240, with modifications for a later enactment date, includes total changes in spending over the 2014-2023 period relative to CBO's February 2013 baseline.

TABLE 3. SUMMARY OF THE EFFECTS ON DIRECT SPENDING OUTLAYS FOR H.R. 6083, THE FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2012, WITH MODIFICATIONS FOR A LATER ENACTMENT DATE

	By Fiscal Year, in Millions of Dollars										2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
CHANGES IN DIRECT SPENDING												
Title I – Commodities	810	-4,598	-2,652	-1,857	-1,895	-2,374	-2,459	-2,450	-2,545	-2,488	-10,191	-22,507
Title II – Conservation	228	244	-45	-212	-486	-693	-732	-866	-923	-995	-271	-4,480
Title III – Trade	0	0	0	0	0	0	0	0	0	0	0	0
Title IV – Nutrition	-555	-1,315	-1,305	-1,280	-1,251	-1,237	-1,219	-1,193	-1,183	-1,177	-5,706	-11,715
Title V – Credit	0	0	0	0	0	0	0	0	0	0	0	0
Title VI – Rural Development	1	23	22	22	9	7	7	7	7	7	77	112
Title VII – Research, Extension, and Related Matters	23	40	53	74	76	68	58	52	50	50	267	546
Title VIII – Forestry	1	1	1	1	0	0	0	0	0	0	4	4
Title IX – Energy	-5	8	2	0	0	0	0	0	0	0	5	5
Title X – Horticulture	34	48	52	53	58	37	37	37	37	37	245	428
Title XI – Crop Insurance	135	845	1,108	1,112	1,214	1,240	1,304	1,305	1,330	1,377	4,414	10,971
Title XII – Miscellaneous	5	8	10	10	10	5	2	0	0	0	43	50
Total Changes	678	-4,695	-2,753	-2,077	-2,264	-2,947	-3,002	-3,108	-3,228	-3,190	-11,112	-26,586

Source: Congressional Budget Office.

Note: Components may not sum to totals because of rounding. Excludes discretionary spending that would be subject to annual appropriation.

TABLE 4. CBO COST ESTIMATES FOR H.R. 6083 AS REPORTED BY THE HOUSE AGRICULTURE COMMITTEE DURING THE 112TH CONGRESS AND FOR H.R. 6083 WITH MODIFICATIONS TO IMPLEMENT THE LEGISLATION AT THE END OF 2013

	10-Year Totals in Millions of Dollars		Difference
	H.R. 6083 In 2012	H.R. 6083 In 2013	
CHANGES IN DIRECT SPENDING			
Title I - Commodities			
Estimated Budget Authority	-23,370	-22,283	1,087
Estimated Outlays	-23,584	-22,507	1,077
Title II - Conservation			
Estimated Budget Authority	-6,446	-4,814	1,632
Estimated Outlays	-6,148	-4,480	1,668
Title III - Trade			
Estimated Budget Authority	0	0	0
Estimated Outlays	0	0	0
Title IV - Nutrition			
Estimated Budget Authority	-16,085	-11,725	4,360
Estimated Outlays	-16,075	-11,715	4,360
Title V - Credit			
Estimated Budget Authority	0	0	0
Estimated Outlays	0	0	0
Title VI - Rural Development			
Estimated Budget Authority	50	50	0
Estimated Outlays	105	112	7
Title VII - Research, Extension, and Related Matters			
Estimated Budget Authority	580	580	0
Estimated Outlays	546	546	0
Title VIII - Forestry			
Estimated Budget Authority	4	4	0
Estimated Outlays	4	4	0
Title IX - Energy			
Estimated Budget Authority	0	0	0
Estimated Outlays	0	5	5
Title X - Horticulture			
Estimated Budget Authority	470	470	0
Estimated Outlays	428	428	0
Title XI - Crop Insurance			
Estimated Budget Authority	10,999	12,469	1,470
Estimated Outlays	9,523	10,971	1,448

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TABLE 4. CONTINUED.

	10-Year Totals in Millions of Dollars		
	H.R. 6083 In 2012	H.R. 6083 In 2013	Difference
CHANGES IN DIRECT SPENDING Continued			
Title XII - Miscellaneous			
Estimated Budget Authority	50	50	0
Estimated Outlays	50	50	0
Total Changes			
Estimated Budget Authority	-33,751	-25,199	8,552
Estimated Outlays	-35,143	-26,586	8,557

Source: Congressional Budget Office.

- a. CBO 2012 cost estimate for H.R. 6083 includes total changes in spending over the 2013-2022 period relative to CBO's March 2012 baseline. The cost estimate in 2013 for H.R. 6083, with modifications for a later enactment date, includes total changes in spending over the 2014-2023 period relative to CBO's February 2013 baseline.
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TABLE 5. CHANGES IN COMMODITY PAYMENTS UNDER S. 3240, THE AGRICULTURE REFORM, FOOD, AND JOBS ACT OF 2012, WITH MODIFICATIONS FOR A LATER ENACTMENT DATE

	By Fiscal Year, in Millions of Dollars											2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023	
Corn	0	7	-336	-244	-719	-841	-646	-812	-631	-790	-1,291	-5,012	
Sorghum	0	-8	-12	-20	-67	-77	-58	-72	-56	-67	-106	-437	
Barley	0	-61	-66	-68	-69	-71	-73	-73	-71	-71	-264	-623	
Oats	0	1	-2	-2	-1	-2	-2	-2	-2	-2	-4	-14	
Subtotal – Feed Grains	0	-61	-415	-333	-856	-991	-780	-960	-760	-930	-1,665	-6,086	
Soybeans	0	705	197	297	172	140	134	89	140	208	1,371	2,082	
Wheat	0	-529	-598	-607	-660	-733	-781	-784	-750	-742	-2,394	-6,184	
Upland Cotton	0	-586	-721	-730	-744	-761	-762	-758	-743	-743	-2,781	-6,548	
Rice	0	-325	-321	-305	-297	-302	-297	-299	-298	-295	-1,248	-2,739	
Peanuts	0	-22	-36	-36	-40	-45	-49	-48	-47	-46	-134	-369	
Other Oilseeds	0	24	8	11	7	5	5	4	5	8	49	77	
Dairy	-31	-8	-4	18	18	48	72	66	85	58	-7	322	
Wool	0	0	0	0	0	0	0	0	0	0	0	0	
Mohair	0	0	0	0	0	0	0	0	0	0	0	0	
Honey	0	0	0	0	0	0	0	0	0	0	0	0	
Dry Peas	0	4	5	5	4	3	3	3	3	3	18	33	
Lentils	0	4	4	2	2	3	3	3	3	3	12	27	
Small Chickpeas	0	0	0	0	0	0	0	0	0	0	0	0	
Large Chickpeas	0	0	0	0	0	0	0	0	0	0	0	0	
Total Changes	-31	-794	-1,881	-1,679	-2,394	-2,633	-2,452	-2,684	-2,362	-2,476	-6,779	-19,385	

Source: Congressional Budget Office.

Notes: Components may not sum to totals because of rounding.

Changes in commodity payments represent the net change from: (1) elimination of direct payments, countercyclical payments, average crop revenue election payments, dairy product price support, milk income loss contract payments, and dairy export incentive program; (2) payments under the agricultural risk coverage program; (3) marketing loan benefits; and (4) dairy basic and supplemental margin protection.

TABLE 6. DETAILED EFFECTS ON DIRECT SPENDING OUTLAYS FOR S. 3240, THE AGRICULTURE REFORM, FOOD, AND JOBS ACT OF 2012, WITH MODIFICATIONS FOR A LATER ENACTMENT DATE

	By Fiscal Year, in Millions of Dollars										2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
Title I – Commodity Programs												
Repeal Direct Payments	0	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-19,784	-44,514
Repeal Countercyclical Payments	0	0	-162	-175	-191	-209	-212	-205	-191	-188	-528	-1,533
Repeal Average Crop Revenue Election Payments	0	0	-1,304	-708	-469	-426	-413	-453	-428	-504	-2,481	-4,705
Popcorn as a Covered Commodity	8	9	11	12	10	10	10	10	11	11	50	102
Agricultural Risk Coverage	0	4,155	4,530	4,127	3,189	2,894	3,042	2,848	3,112	3,100	16,001	30,997
Nonrecourse Marketing Assistance Loans	0	3	3	3	3	4	5	5	5	5	13	37
Sugar Program	0	0	0	0	0	0	0	0	0	0	0	0
Dairy Program	-31	-8	-4	18	18	48	72	66	85	58	-7	322
Supplemental Agriculture Disaster Assistance	1,072	320	287	282	283	285	288	290	291	294	2,244	3,692
Adjusted Gross Income Limitation of \$750,000	0	-9	-11	-11	-10	-10	-10	-11	-11	-11	-41	-94
Implementation	<u>85</u>	<u>15</u>	<u>0</u>	<u>100</u>	<u>100</u>							
Subtotal – Title I	1,134	-461	-1,596	-1,398	-2,113	-2,350	-2,164	-2,396	-2,072	-2,181	-4,433	-15,596
Title II - Conservation												
Conservation Reserve Program	25	37	-82	-236	-336	-453	-447	-457	-483	-529	-592	-2,961
Conservation Stewardship Program	-7	-50	-87	-130	-173	-221	-265	-308	-351	-394	-447	-1,986
Environmental Quality Incentives Program	-69	-89	-80	-92	-100	-111	-121	-101	-100	-100	-430	-963
Agricultural Conservation Easement Program	-53	138	315	321	211	122	58	49	56	60	932	1,277
Regional Conservation Partnership Program	-4	-7	-8	-8	-10	-10	-10	-10	-10	-10	-37	-87
Other Conservation Programs	158	8	8	8	8	0	0	0	0	0	190	190
Funding	10	10	10	10	10	10	10	10	10	10	50	100
Repeal Wildlife Habitat Incentives Program	<u>-7</u>	<u>-26</u>	<u>-41</u>	<u>-51</u>	<u>-61</u>	<u>-70</u>	<u>-80</u>	<u>-85</u>	<u>-85</u>	<u>-85</u>	<u>-186</u>	<u>-591</u>
Subtotal – Title II	53	21	35	-178	-451	-733	-855	-902	-963	-1,048	-520	-5,021
Title III - Trade	0	0	0	0	0	0	0	0	0	0	0	0
Title IV - Nutrition												
Standard Utility Allowances ^a												
Retailers	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-40	-80
Assistance for Community Food Projects	5	5	5	5	5	5	5	5	5	5	25	50
Emergency Food Assistance	21	37	17	11	2	2	2	2	2	2	88	98
Retailer Trafficking	9	19	19	19	19	19	19	19	19	19	83	176
Whole Grain Products	5	5	0	0	0	0	0	0	0	0	10	10
Hunger-Free Communities	<u>6</u>	<u>14</u>	<u>19</u>	<u>20</u>	<u>22</u>	<u>14</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>81</u>	<u>100</u>
Subtotal – Title IV	38	72	52	47	40	32	23	18	18	18	247	354
Title V - Credit	0	0	0	0	0	0	0	0	0	0	0	0

Continued

TABLE 6. CONTINUED.

	By Fiscal Year, in Millions of Dollars										2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
Title VI – Rural Development												
Value-Added Marketing Grants	0	4	8	12	13	13	8	4	0	0	37	62
Rural Microenterprise Program	1	3	4	4	4	3	0	0	0	0	16	19
Rural Water and Waste Disposal	<u>2</u>	<u>11</u>	<u>13</u>	<u>10</u>	<u>8</u>	<u>4</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>	<u>50</u>
Subtotal – Title VI	3	18	25	26	25	20	10	4	0	0	97	131
Title VII – Research, Extension, and Related Matters												
Organic Agriculture Research and Extension	8	13	16	16	16	8	3	0	0	0	69	80
Specialty Crop Research	13	23	29	48	50	53	50	50	50	50	163	416
Beginning Farmer and Rancher Development Foundation for Food and Agriculture Research	4	9	14	17	17	13	8	3	0	0	61	85
	<u>10</u>	<u>20</u>	<u>20</u>	<u>30</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>
Subtotal – Title VII	35	64	79	111	103	74	61	53	50	50	392	681
Title VIII - Forestry	1	1	1	1	1	1	1	1	1	1	5	10
Title IX - Energy												
Biorefinery Assistance	5	32	50	55	44	20	10	0	0	0	186	216
Rural Energy for America Program	10	30	42	48	48	38	20	4	0	0	178	240
Biomass Research and Development	1	5	16	25	26	25	21	10	1	0	73	130
Biomass Crop Assistance Program	4	12	20	27	31	29	23	16	8	4	94	174
Other Energy Programs	<u>-2</u>	<u>-1</u>	<u>12</u>	<u>6</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19</u>	<u>20</u>
Subtotal – Title IX	18	78	140	161	153	113	74	30	9	4	550	780
Title X - Horticulture												
Farmers Market and Local Food Promotion	20	20	20	20	20	0	0	0	0	0	100	100
Coordinated Plan Management Program	3	6	8	9	11	13	14	15	15	15	36	108
Specialty Crop Block Grants	8	14	15	15	15	15	15	15	15	15	66	141
Other Horticulture Programs	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>10</u>
Subtotal – Title X	32	42	45	46	48	28	29	30	30	30	212	359
Title XI – Crop Insurance												
Supplemental Coverage Option	23	224	300	307	324	318	348	348	361	370	1,178	2,923
Catastrophic Crop Insurance Rerating	-4	-38	-50	-51	-52	-53	-54	-54	-55	-56	-195	-467
Enterprise Units for Irrigated and Nonirrigated Crops	5	47	62	63	64	66	68	69	71	72	241	586
Adjustment in Average Producer History Yields	2	22	50	76	104	131	139	141	143	146	253	952
Stacked Income Protection For Cotton	28	278	362	347	423	438	459	451	467	488	1,438	3,741
Peanut Revenue Crop Insurance	3	26	30	30	30	30	30	30	30	30	119	269

Continued

TABLE 6. CONTINUED.

	By Fiscal Year, in Millions of Dollars										2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
Title XI – Crop Insurance, Cont’d.												
Implementation	2	21	16	15	15	14	2	0	0	0	69	85
Crop Insurance for Organic Crops	0	0	1	1	1	1	1	1	1	1	3	8
Index-Based Weather Insurance	0	1	9	10	10	10	9	1	0	0	30	50
Beginning Farmer Provisions	2	20	26	28	31	34	35	36	36	36	106	283
Agricultural Management												
Assistance and Education	1	5	9	10	11	10	-2	-4	-6	-7	36	27
Crop Production on Native Sod	0	-5	-12	-18	-23	-24	-24	-24	-24	-24	-58	-178
Conservation Compliance for												
Crop Insurance	0	-2	-4	-6	-8	-9	-9	-9	-9	-9	-20	-65
Participation Effects of												
Commodity Programs	<u>-33</u>	<u>-320</u>	<u>-389</u>	<u>-359</u>	<u>-288</u>	<u>-258</u>	<u>-262</u>	<u>-241</u>	<u>-267</u>	<u>-273</u>	<u>-1,388</u>	<u>-2,689</u>
Subtotal – Title XI	<u>28</u>	<u>279</u>	<u>409</u>	<u>454</u>	<u>642</u>	<u>707</u>	<u>740</u>	<u>746</u>	<u>747</u>	<u>774</u>	<u>1,812</u>	<u>5,526</u>
Title XII - Miscellaneous												
Outreach for Socially												
Disadvantaged Farmers	3	4	5	5	5	2	1	0	0	0	22	25
Sheep Production and Marketing												
Grant Program	1	1	0	0	0	0	0	0	0	0	2	2
Noninsured Crop Disaster												
Assistance Program	<u>6</u>	<u>48</u>	<u>-36</u>	<u>-52</u>	<u>-86</u>	<u>-346</u>						
Subtotal – Title XII	<u>10</u>	<u>53</u>	<u>-31</u>	<u>-47</u>	<u>-47</u>	<u>-50</u>	<u>-51</u>	<u>-52</u>	<u>-52</u>	<u>-52</u>	<u>-62</u>	<u>-319</u>
Total Changes	1,352	166	-842	-778	-1,598	-2,159	-2,133	-2,469	-2,232	-2,404	-1,700	-13,096

Source: Congressional Budget Office.

Notes: Components may not sum to totals because of rounding.

a. Based on new information, CBO now expects that this provision, as drafted, would have little to no budgetary effect.

TABLE 7. CHANGES IN COMMODITY PAYMENTS UNDER TITLE I OF H.R. 6083, THE FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2012, WITH MODIFICATIONS FOR A LATER ENACTMENT DATE

	By Fiscal Year, in Millions of Dollars											2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023	
Corn	0	-1,970	-1,149	-732	-811	-1,104	-1,159	-1,069	-1,160	-1,122	-4,661	-10,275	
Sorghum	0	-191	-89	-69	-78	-107	-113	-103	-111	-104	-428	-966	
Barley	0	-82	-7	1	2	0	-1	-4	-7	-10	-86	-109	
Oats	0	-3	10	10	11	11	10	10	10	9	29	79	
Subtotal – Feed Grains	0	-2,246	-1,235	-790	-876	-1,200	-1,263	-1,166	-1,268	-1,227	-5,147	-11,271	
Soybeans	0	-551	-292	6	75	-44	-71	-79	-116	-107	-762	-1,180	
Wheat	0	-1,072	-546	-502	-541	-591	-622	-666	-662	-656	-2,661	-5,858	
Upland Cotton	0	-586	-721	-730	-744	-761	-762	-758	-743	-743	-2,781	-6,548	
Rice	0	-404	-189	-176	-163	-171	-154	-142	-139	-140	-932	-1,678	
Peanuts	0	-65	31	49	43	45	47	39	33	27	58	249	
Other Oilseeds	0	-18	18	28	28	20	16	16	13	16	56	137	
Dairy	-31	10	22	11	34	78	98	53	83	83	46	441	
Wool	0	0	0	0	0	0	0	0	0	0	0	0	
Mohair	0	0	0	0	0	0	0	0	0	0	0	0	
Honey	0	0	0	0	0	0	0	0	0	0	0	0	
Dry Peas	0	0	1	3	3	3	3	3	3	3	7	22	
Lentils	0	0	0	0	-1	0	0	0	0	0	-1	-1	
Small Chickpeas	0	0	0	0	0	0	0	0	0	0	0	0	
Large Chickpeas	0	0	0	0	0	0	0	0	0	0	0	0	
Total Changes	-31	-4,932	-2,911	-2,101	-2,142	-2,620	-2,709	-2,700	-2,797	-2,744	-12,117	-25,687	

Source: Congressional Budget Office.

Notes: Components may not sum to totals because of rounding.

Changes in commodity payments represent the net change from: (1) elimination of direct payments, countercyclical payments, average crop revenue election payments, dairy product price support, milk income loss contract payments, and dairy export incentive program; (2) payments under the agricultural risk coverage program; (3) marketing loan benefits; and (4) dairy basic and supplemental margin protection.

TABLE 8. DETAILED EFFECTS ON DIRECT SPENDING OUTLAYS FOR H.R. 6083, THE FEDERAL AGRICULTURE REFORM AND RISK MANAGEMENT ACT OF 2012, WITH MODIFICATIONS FOR A LATER ENACTMENT DATE

	By Fiscal Year, in Millions of Dollars											2014- 2018	2014- 2023
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Title I – Commodity Programs													
Repeal Direct Payments	0	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-4,946	-19,784	-44,514
Repeal Countercyclical Payments	0	0	-162	-175	-191	-209	-212	-205	-191	-188	-528	-1,533	
Repeal Average Crop Revenue Election Payments	0	0	-1,304	-708	-469	-426	-413	-453	-428	-504	-2,481	-4,705	
Farm Risk Management Election	0	0	3,475	3,711	3,427	2,876	2,758	2,844	2,679	2,806	10,613	24,576	
Nonrecourse Marketing Assistance Loans	4	3	3	3	3	4	5	5	5	5	16	40	
Sugar Program	0	0	0	0	0	0	0	0	0	0	0	0	
Dairy Program	-31	10	22	11	34	78	98	53	83	83	46	441	
Supplemental Agriculture Disaster Assistance	773	300	260	247	247	249	251	252	253	256	1,827	3,088	
Administration	<u>65</u>	<u>35</u>	<u>0</u>	<u>100</u>	<u>100</u>								
Subtotal – Title I	810	-4,598	-2,652	-1,857	-1,895	-2,374	-2,459	-2,450	-2,545	-2,488	-10,191	-22,507	
Title II - Conservation													
Conservation Reserve Program	20	18	-226	-218	-279	-346	-292	-349	-355	-356	-685	-2,383	
Conservation Stewardship Program	-10	-79	-136	-203	-269	-344	-412	-479	-546	-613	-697	-3091	
Environmental Quality Incentives Program	0	0	0	0	0	0	0	0	0	0	0	0	
Agricultural Conservation Easement Program	108	256	318	234	122	73	57	47	63	59	1,038	1,337	
Regional Conservation Partnership Program	-4	-7	-8	-8	-10	-10	-10	-10	-10	-10	-37	-87	
Other Conservation Programs	122	83	44	30	6	0	0	0	0	0	285	285	
Funding	10	10	10	10	10	10	10	10	10	10	50	100	
Repeal Wildlife Habitat Incentives Program	<u>-18</u>	<u>-37</u>	<u>-47</u>	<u>-57</u>	<u>-66</u>	<u>-76</u>	<u>-85</u>	<u>-85</u>	<u>-85</u>	<u>-85</u>	<u>-225</u>	<u>-641</u>	
Subtotal – Title II	228	244	-45	-212	-486	-693	-732	-866	-923	-995	-271	-4,480	
Title III - Trade	0	0	0	0	0	0	0	0	0	0	0	0	
Title IV - Nutrition													
Retailers	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-40	-80	
Upgrading Program Eligibility Standard Utility Allowances ^a	-535	-1,295	-1,295	-1,270	-1,240	-1,220	-1,200	-1,175	-1,165	-1,160	-5,635	-11,555	
Repeal Grant Program	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-25	-50	
Repeal Bonus Program	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-240	-480	
Assistance for Community Food Projects	10	10	10	10	10	10	10	10	10	10	50	100	
Emergency Food Assistance	25	25	26	26	27	27	27	28	28	29	129	268	
Retailer Trafficking	5	5	5	5	5	5	5	5	5	5	25	50	
Commonwealth of the Northern Mariana Islands Pilot Program	<u>1</u>	<u>1</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31</u>	<u>33</u>	
Subtotal – Title IV	-555	-1,315	-1,305	-1,280	-1,251	-1,237	-1,219	-1,193	-1,183	-1,177	-5,706	-11,715	
Title V - Credit	0	0	0	0	0	0	0	0	0	0	0	0	

Continued

TABLE 8. CONTINUED.

	By Fiscal Year, in Millions of Dollars											2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023	
Title VI – Rural Development													
Value-Added Marketing Grants	0	18	15	15	2	0	0	0	0	0	50	50	
Rural Economic Development Loans and Grants	<u>1</u>	<u>5</u>	<u>7</u>	<u>27</u>	<u>62</u>								
Subtotal – Title VI	<u>1</u>	<u>23</u>	<u>22</u>	<u>22</u>	<u>9</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>77</u>	<u>112</u>	
Title VII – Research, Extension, and Related Matters													
Organic Agriculture Research and Extension	8	13	16	16	16	8	3	0	0	0	69	80	
Specialty Crop Research	13	23	29	48	50	53	50	50	50	50	163	416	
Beginning Farmer and Rancher Development	<u>3</u>	<u>5</u>	<u>8</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>5</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>36</u>	<u>50</u>	
Subtotal – Title VII	<u>23</u>	<u>40</u>	<u>53</u>	<u>74</u>	<u>76</u>	<u>68</u>	<u>58</u>	<u>52</u>	<u>50</u>	<u>50</u>	<u>267</u>	<u>546</u>	
Title VIII - Forestry	1	1	1	1	0	0	0	0	0	0	4	4	
Title IX - Energy	-5	8	2	0	0	0	0	0	0	0	5	5	
Title X - Horticulture													
Farmers Market and Local Food Promotion	20	20	20	20	20	0	0	0	0	0	100	100	
Organic Agriculture	1	1	1	1	1	0	0	0	0	0	5	5	
Specialty Crop Block Grants	8	14	15	15	15	15	15	15	15	15	67	142	
Plant Pest and Disease Management	<u>5</u>	<u>13</u>	<u>16</u>	<u>17</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>73</u>	<u>181</u>	
Subtotal – Title X	<u>34</u>	<u>48</u>	<u>52</u>	<u>53</u>	<u>58</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>245</u>	<u>428</u>	
Title XI – Crop Insurance													
Supplemental Coverage Option	41	409	542	554	578	574	627	628	645	666	2,124	5,264	
Catastrophic Crop Insurance Rerating	-4	-38	-50	-51	-52	-53	-54	-54	-55	-56	-195	-467	
Enterprise Units for Irrigated and Nonirrigated Crops	5	47	62	63	64	66	68	69	71	72	241	586	
Adjustment in Average Producer History Yields	10	97	126	128	131	134	139	141	143	146	492	1,194	
Equitable Relief for Specialty Crop Producers	82	41	41	41	0	0	0	0	0	0	205	205	
Crop Production Native Sod (Prairie Potholes)	0	-4	-8	-11	-15	-16	-16	-16	-16	-16	-38	-118	
Coverage Level by Practice	2	17	20	20	21	21	21	22	22	22	80	188	
Beginning Farmer and Rancher Provisions	2	20	26	28	31	34	35	36	36	36	106	283	
Stacked Income Protection For Cotton	0	285	375	350	440	455	476	467	479	504	1,450	3,831	
Peanut Revenue Crop Insurance	3	26	30	30	30	30	30	30	30	30	119	269	
Implementation	2	21	16	15	15	14	2	0	0	0	69	85	
Limitation on Expenditures for Livestock Pilot Program	0	3	26	30	30	30	30	30	30	30	89	239	

Continued

TABLE 8. CONTINUED.

	By Fiscal Year, in Millions of Dollars											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014- 2018	2014- 2023
Title XI – Crop Insurance, Cont’d.												
Noninsured Assistance Program	1	10	12	12	12	12	12	12	12	12	48	108
Participation Effects of Commodity Programs	<u>-9</u>	<u>-89</u>	<u>-109</u>	<u>-97</u>	<u>-71</u>	<u>-60</u>	<u>-65</u>	<u>-60</u>	<u>-67</u>	<u>-69</u>	<u>-375</u>	<u>-696</u>
Subtotal – Title XI	135	845	1,108	1,112	1,214	1,240	1,304	1,305	1,330	1,377	4,414	10,971
Title XII - Miscellaneous	<u>5</u>	<u>8</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>5</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43</u>	<u>50</u>
Total Changes	678	-4,695	-2,753	-2,077	-2,264	-2,947	-3,002	-3,108	-3,228	-3,190	-11,112	-26,586

Source: Congressional Budget Office.

Notes: Components may not sum to totals because of rounding.

a. Based on new information, CBO now expects that this provision, as drafted, would have little to no budgetary effect.