

Mandatory and Receipt Proposals for Agriculture in the FY 2018 President's Budget

July 13, 2017

Change in Outlays, In Millions of Dollars, by Fiscal Year

Preliminary. Subject to Final Legislation.

Proposal	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
CBO Estimates													
Farm Bill Savings:													
Crop Insurance Proposals	---	---	-266	-2,555	-2,860	-2,868	-2,849	-2,833	-2,868	-2,884	-2,908	-8,549	-22,891
Limit Crop Insurance Premium Subsidy to \$40,000	---	---	-31	-298	-357	-362	-351	-358	-380	-364	-367	-1,048	-2,868
Limit Crop Insurance Eligibility to \$500,000 AGI	---	---	-9	-87	-105	-106	-106	-105	-105	-107	-108	-307	-838
Eliminate Harvest Price Option for Crop Insurance ^a	---	---	-226	-2,170	-2,398	-2,400	-2,392	-2,370	-2,383	-2,413	-2,433	-7,194	-19,185
Limit Eligibility for Agricultural Commodity Payments to \$500,000 Adjusted Gross Income (AGI)	---	0	-42	-31	-44	-36	-35	-38	-41	-42	-39	-153	-348
Streamline Conservation Programs^b	---	0	120	148	42	-76	-201	-381	-531	-704	-858	234	-2,441
Target Conservation Program Payments to Farmers with Adjusted Gross Income ≤ \$500,000	---	0	0	0	0	0	0	0	0	0	0	0	0
Increase Environmental Quality Incentives Program (EQIP) \$250 Million per Year	---	0	59	113	141	171	197	224	250	250	250	484	1,655
Increase Agricultural Conservation Easement Program (ACEP) \$450 Million per Year	---	0	153	326	394	418	443	444	446	447	448	1,291	3,519
Eliminate New Enrollments in the Conservation Stewardship Program (CSP)	---	0	-27	-205	-382	-555	-729	-931	-1,109	-1,286	-1,428	-1,169	-6,652
Eliminate Funding for the Regional Conservation Partnership Program (RCPP)	---	0	-42	-76	-83	-90	-97	-100	-100	-100	-100	-291	-788
Eliminate Conservation Reserve Program (CRP) Signing Bonuses and Practice Incentive Payments	---	0	-23	-10	-28	-20	-15	-18	-18	-15	-28	-81	-175
Eliminate Small Programs^c	---	-210	-361	-348	-345	-335	-335	-335	-335	-335	-335	-1,599	-3,274
Eliminate Market Access Program (MAP)	---	-30	-184	-200	-200	-200	-200	-200	-200	-200	-200	-814	-1,814
Eliminate Foreign Market Development Cooperator Program (FMDCP)	---	-24	-7	-3	0	0	0	0	0	0	0	-34	-34
Eliminate Biomass Crop Assistance Program (BCAP)	---	0	0	0	0	0	0	0	0	0	0	0	0
Eliminate Farmers Market and Local Food Promotion Program	---	0	-10	-10	-10	0	0	0	0	0	0	-30	-30
Eliminate Specialty Crop Block Grants	---	-78	-83	-84	-85	-85	-85	-85	-85	-85	-85	-415	-840
Eliminate Pima Cotton Trust Fund	---	-15	0	0	0	0	0	0	0	0	0	-15	-15
Eliminate Agricultural Wool Apparel Manufacturers Trust Fund	---	-28	-30	0	0	0	0	0	0	0	0	-58	-58
Eliminate Rural Energy for America Program	---	-35	-47	-51	-50	-50	-50	-50	-50	-50	-50	-233	-483
Total Farm Bill Savings	---	-210	-549	-2,786	-3,207	-3,315	-3,420	-3,587	-3,775	-3,965	-4,140	-10,067	-28,954
Establish Food Safety and Inspection Service (FSIS) User-Fee Tax^d	---	---	-651	-650	-650	-651	-651	-651	-651	-650	-650	-2,603	-5,857
Establish Animal Plant and Health Inspection Service (APHIS) User-Fee Tax^d	---	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-74	-148
Establish Grain Inspection, Packers, and Stockyards Administration (GIPSA) User-Fee Tax^d	---	-22	-22	-22	-22	-22	-22	-22	-22	-22	-22	-111	-222
Establish Agricultural Marketing Service (AMS) User-Fee Tax^d	---	-15	-15	-15	-15	-15	-15	-15	-15	-15	-15	-74	-148
Eliminate Interest Payments to Electric & Telecommunications Utilities	---	-26	-52	-78	-104	-130	-130	-130	-130	-130	-130	-390	-1,040
Eliminate the Rural Economic Development Program	---	-23	-24	-24	-25	0	0	0	0	0	0	-96	-96
Total User Fees and Other	---	-101	-779	-804	-831	-833	-833	-833	-833	-832	-832	-3,348	-7,511
Total Agriculture	---	-311	-1,328	-3,590	-4,038	-4,148	-4,253	-4,420	-4,608	-4,797	-4,972	-13,415	-36,465

Continued

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CBO's June 2017 Baseline

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Proposal	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
OMB Estimates^e													
Farm Bill Savings:													
Limit Crop Insurance Premium Subsidy to \$40,000	---	---	-1,552	-1,620	-1,815	-1,826	-1,845	-1,856	-1,885	-1,897	-1,920	-6,813	-16,218
Limit Crop Insurance Eligibility to \$500,000 AGI	---	---	-34	-35	-40	-42	-45	-49	-53	-58	-64	-151	-420
Eliminate Harvest Price Option for Crop Insurance	---	---	-1,212	-1,251	-1,314	-1,325	-1,335	-1,353	-1,365	-1,378	-1,390	-5,103	-11,924
Total Crop Insurance Proposals	---	---	-2,798	-2,906	-3,169	-3,193	-3,225	-3,258	-3,303	-3,333	-3,374	-12,067	-28,560
Limit Eligibility for Agricultural Commodity Payments to \$500,000 Adjusted Gross Income (AGI)	---	-72	-60	-77	-73	-71	-67	-64	-60	-56	-53	-353	-653
Streamline Conservation Programs	---	-84	-210	-272	-319	-402	-560	-716	-886	-1,072	-1,234	-1,287	-5,755
Eliminate Small Programs	---	-111	-304	-313	-339	-335	-335	-335	-335	-335	-335	-1,402	-3,077
Total Farm Bill Savings	---	-267	-6,170	-6,474	-7,069	-7,194	-7,413	-7,631	-7,887	-8,130	-8,370	-27,174	-66,605
Establish Food Safety and Inspection Service (FSIS) User Fee	---	---	-660	-660	-660	-660	-660	-660	-660	-660	-660	-2,640	-5,940
Establish Animal Plant and Health Inspection Service (APHIS) User Fee	---	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-100	-200
Establish Grain Inspection, Packers, and Stockyards Administration (GIPSA) User Fee	---	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-150	-300
Establish Agricultural Marketing Service (AMS) User Fee	---	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-100	-200
Eliminate Interest Payments to Electric & Telecommunications Utilities	---	-131	-136	-136	-140	-142	-137	-138	-139	-139	-139	-685	-1,377
Eliminate the Rural Economic Development Program	---	-6	-154	-158	-159	---	---	---	---	---	---	-477	-477
Total User Fees and Other	---	-207	-1,020	-1,024	-1,029	-872	-867	-868	-869	-869	-869	-4,152	-8,494
Total Agriculture	---	-474	-7,190	-7,498	-8,098	-8,066	-8,280	-8,499	-8,756	-8,999	-9,239	-31,326	-75,099

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Proposal	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
Difference: CBO less OMB													
Farm Bill Savings:													
Limit Crop Insurance Premium Subsidy to \$40,000	---	---	1,521	1,322	1,458	1,464	1,494	1,498	1,505	1,533	1,553	5,765	13,346
Limit Crop Insurance Eligibility to \$500,000 AGI	---	---	25	-52	-65	-64	-61	-56	-52	-49	-44	-156	-418
Eliminate Harvest Price Option for Crop Insurance	---	---	986	-919	-1,084	-1,075	-1,057	-1,017	-1,018	-1,035	-1,043	-2,093	-7,263
Total Crop Insurance Proposals	---	---	2,532	351	309	325	376	425	435	449	466	3,516	5,667
Limit Eligibility for Agricultural Commodity Payments to \$500,000 Adjusted Gross Income (AGI)	---	72	18	46	29	35	32	26	19	14	14	200	305
Streamline Conservation Programs	---	84	330	420	361	326	359	335	355	368	376	1,521	3,314
Eliminate Small Programs	---	-99	-57	-35	-6	0	0	0	0	0	0	-197	-197
Total Farm Bill Savings	---	57	5,355	1,133	1,002	1,011	1,142	1,211	1,244	1,279	1,322	8,558	14,756
Establish Food Safety and Inspection Service (FSIS) User-Fee Tax ^d	---	---	9	10	10	9	9	9	9	10	10	37	83
Establish Animal Plant and Health Inspection Service (APHIS) User-Fee Tax ^d	---	5	5	5	5	5	5	5	5	5	5	26	52
Establish Grain Inspection, Packers, and Stockyards Administration (GIPSA) User-Fee Tax ^d	---	8	8	8	8	8	8	8	8	8	8	39	78
Establish Agricultural Marketing Service (AMS) User-Fee Tax ^d	---	5	5	5	5	5	5	5	5	5	5	26	52
Eliminate Interest Payments to Electric & Telecommunications Utilities	---	105	84	58	36	12	7	8	9	9	9	295	337
Eliminate the Rural Economic Development Program	---	-17	130	134	134	---	---	---	---	---	---	381	381
Total User Fees and Other	---	106	241	220	198	39	34	35	36	37	37	804	983
Total Agriculture	---	163	5,596	1,353	1,200	1,050	1,176	1,246	1,280	1,316	1,359	9,362	15,739

Notes:

- a. **Harvest Price Option for Crop Insurance** provides protection on lost production at the higher of the price projected just before planting (based on futures prices) or the price at harvest. HPO has a higher premium and higher subsidy than revenue coverage without HPO.
- b. **Streamlining Conservation Programs includes:** (1) Targeting conservation program payments to farmers with Adjusted Gross Income (AGI) < \$500,000; (2) Increase Environmental Quality Incentives Program (EQIP) by \$250 million per year; (3) Increase Agricultural Conservation Easement Program (ACEP) by \$450 million per year; (4) Eliminate new enrollments in the Conservation Stewardship Program (CSP); (5) Eliminate Conservation Reserve Program signup bonuses and practice incentive payments; and, (6) Eliminate funding for the Regional Conservation Protection Program (RCPP). All program changes would begin 2019. Since authorization for these program expires in 2018, this option would require a reauthorization of the 2014 Farm Bill at least through 2019.
- c. **Eliminate Small Programs includes:** Market Access Program; Foreign Market Development Cooperator Program; Biomass Crop Assistance Program; Farmers Market and Local Food Promotion Program; Specialty Crop Block Grants; Pima Cotton Trust Fund; Agricultural Wool Apparel Manufacturers Trust Fund; and, Rural Energy for America Program.
- d. **User Fees.** CBO considers mandatory user fees to be taxes (additional revenues), subject to an annual percentage offset of around 26 percent. In this table, a negative number for a tax represents an increase in revenues/ decrease in the deficit.
- e. **OMB Estimates** taken from "Table S-6. Mandatory and Receipt Proposals." page 33, *Budget of the U.S. Government, A New Foundation For American Greatness, Fiscal Year 2018*, 115th Congress, 1st Session, H.Doc 115-3, Vol. 1.

SOURCE: Congressional Budget Office and Office of Management and Budget.