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# Expiration of the Farm Bill

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# Expiration of the Farm Bill

The farm bill is an omnibus, multiyear law that governs an array of agricultural and food programs. It provides an opportunity for policymakers to address a broad range of agricultural and food issues about every five years. The current farm bill (the Agriculture Improvement Act of 2018; P.L. 115-334) has many provisions expiring in 2023.

Recent farm bills have faced legislative hurdles for enactment, such as insufficient votes to pass the House floor, presidential vetoes, and delays resulting in short-term extensions. The 2002 farm bill expired at the end of 2007, and parts were extended in the spring of 2008. The 2008 farm bill expired at the end of 2012 and was extended for one year in 2013. The 2014 farm bill was not extended because the 2018 farm bill was enacted during the period between the end of the fiscal year and the end of the calendar year.

The timing and consequences of the farm bill expiring vary by program across the breadth of the act. There are two principal expiration dates: September 30, 2023, and December 31, 2023. The major issues and consequences for expiration are the following:

- For programs with mandatory funding that is provided by the farm bill and have provisions that expire at the end of FY2023, authority to operate may cease.
- For programs with a fiscal year authorization that are funded with discretionary appropriations, or for programs with mandatory spending authorized but not appropriated by the farm bill—such as the Supplemental Nutrition Assistance Program (SNAP)—an appropriations act or continuing resolution could allow operations to continue.
- For the farm commodity and dairy support programs that expire after the 2023 crop year, the consequences of expiration begin on January 1, 2024, when inactive and outdated laws—commonly called “permanent law”—would be restored for dairy, the first commodity affected in the new crop year.
- Some programs had their expiration dates extended beyond the expiration of the farm bill by other legislation. P.L. 117-169, commonly known as the Inflation Reduction Act of 2022, extended some—but not all—conservation programs through FY2031.
- Some programs, such as crop insurance, are permanently authorized, do not expire, and would not be affected by farm bill expiration.

For the farm commodity programs that face consequences after January 1, 2024, permanent law refers to a set of non-expiring provisions from the 1938 and 1949 farm bills that remain in statute but are temporarily suspended by each recent farm bill. Permanent law does not recognize relationships in productivity gains and technological advances in agriculture. It is inconsistent with modern government policies that reduce the effects of market intervention and that meet U.S. obligations in the World Trade Organization. Permanent law would support dairy, wheat, rice, cotton, and corn but would not support soybeans, peanuts, and sugar, among other commodities. If the permanent law suspension were to expire, the U.S. Department of Agriculture (USDA) would be required to implement permanent law, which is likely more expensive to the government and consumers than the current farm bill. Under permanent law, USDA would be required to support eligible commodities at levels that exceed 2023 market prices. USDA has found during previous farm bill reauthorizations that billions of dollars of additional government expenditures could occur if the suspension were to expire.

**SUMMARY**

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# Farm Bill Expiration: Timing and Effects Vary

The farm bill is an omnibus, multiyear law that governs an array of agricultural and food programs. It provides an opportunity for policymakers to periodically address a broad range of agricultural and food issues about every five years. In the past, farm bills have focused primarily on farm commodity program support for a handful of staple commodities—corn, soybeans, wheat, cotton, rice, dairy, and sugar. In recent decades, farm bills have expanded in scope. A nutrition title was added in 1973, and other prominent titles include conservation, horticulture, credit, research, rural development, and bioenergy programs.[1]

Recent farm bills have faced legislative hurdles for enactment, such as insufficient votes to pass the House floor, presidential vetoes, and delays resulting in short-term extensions. The 2002 farm bill was the last farm bill to be enacted before its fiscal year expiration. The 2008 and 2014 farm bills were each enacted during extensions of the previous farm bill. The 2018 farm bill was enacted without an extension during a period after its fiscal year expiration and before the farm commodity programs reverted to outdated laws that could have taken effect.[2]

The timing and consequences of farm bill expiration vary by program across the breadth of the act. The current farm bill (the Agriculture Improvement Act of 2018; P.L. 115-334) has provisions that begin to expire in 2023.

This report first explains timing and budget factors affecting the consequences of expiration. Then it illustrates those concepts by discussing the authorizations for the farm commodity programs and agricultural conservation programs, as well as the Supplemental Nutrition Assistance Program (SNAP) and other nutrition programs that could be most affected by an expiration. Other farm bill programs that may be affected by expiration are identified in a final heading.

## Timing of Expiration

There are two principal expiration dates for the farm bill: the end of the *fiscal year* (September 30, 2023) and the end of the *crop year* (December 31, 2023).

### Expiration by Fiscal Year

Expiration of a farm bill on September 30 matters for programs with fiscal year authorizations. The effects may vary among the mandatory spending programs—including nutrition, conservation, and other agricultural programs—and may affect some programs' operations, as explained through this report. The fiscal year date also affects programs with *authorizations of appropriations* to receive discretionary funding but with fewer consequences.

### Expiration by Crop Year

Farm commodity support programs are authorized on the basis of *crop years*. A crop year refers to the calendar year during which a crop is harvested.[3] The 2018 farm bill authorizes the farm

[1] CRS In Focus IF12047, *Farm Bill Primer: What Is the Farm Bill?*, by Renée Johnson and Jim Monke.

[2] CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2018*, by Jim Monke.

[3] The end of a crop year is the last month in which a commodity is typically harvested. A marketing year is the 12 months following harvest during which a crop is typically sold and is eligible for commodity program benefits. Dairy is the exception because milk is produced or "harvested" daily, and the current Dairy Margin Coverage program pays (continued...)

commodity programs through the 2023 crop year. The first crop harvested with a 2024 crop year is dairy, which coincides with the calendar year beginning on January 1, 2024.

## Historical Examples of Expiration

Farm bill expiration has recent precedent: The 2002 farm bill expired at the end of 2007 and was extended for a short term, the 2008 farm bill expired at the end of 2012 and was extended for one year, and the 2014 farm bill expired during the fall of 2018 but was not extended.[4]

When the 2002 farm bill expired, portions of it were extended six times in spring 2008 for less than a year in total. The first of those extensions continued authority for many expired programs for about three months (P.L. 110-161, Division A, §751). Because final agreement was pending on a new farm bill, five more extensions each covered periods of a week to a month (P.L. 110-196, P.L. 110-200, P.L. 110-205, P.L. 110-208, and P.L. 110-231). With a few exceptions, these extensions continued the 2002 farm bill provisions, including the dairy and sugar programs, but not the price and income support programs for the other supported farm commodities that had not yet been harvested.

When the 2008 farm bill expired in 2012, some farm bill programs ceased new operations after October 1, 2012, and others continued under appropriations acts. Because the 112th Congress was about to end legislatively, a one-year extension of all provisions that were in effect on September 30, 2012, was enacted to cover FY2013 and the 2013 crop year (P.L. 112-240, Title VII). Programs without a budget baseline (see "Mandatory Funding"), however, did not continue in FY2013 because no additional mandatory funding was provided during the extension.[5] When the one-year extension expired at the end of 2013, Congress did not renew the extension, because a conference agreement was near and permanent law for dairy was delayed, citing the need for rulemaking to implement it.

Congress did not pass any extensions of the 2014 farm bill in fall 2018. When the fiscal year provisions of the 2014 farm bill began expiring on October 1, 2018, regular appropriations acts allowed many programs to continue operations without specifically mentioning farm bill expiration. The 2018 farm bill was enacted on December 20, 2018, before permanent law for the farm commodity programs would have taken effect on January 1, 2019.

## Funding Sources Affect the Consequences of Expiration

Some farm bill programs are designed to use discretionary spending (provided by appropriations acts), and others receive mandatory funding. These differences affect the consequences of expiration and extension.

producers monthly if a payment is triggered. The dairy crop year and marketing year run from January 1 until December 31.

[4] CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2018*, by Jim Monke.

[5] CRS Report R41433, *Programs Without a Budget Baseline at the End of the 2008 Farm Bill*, by Jim Monke. For an extension to provide mandatory funding for programs without a baseline, new spending authority would be needed, and the extension would not be costless. While the one-year extension included new authorizations of appropriations for FY2013 for some of the programs without a baseline, those authorizations went unfunded in appropriations acts.

## Discretionary Funding

Discretionary programs include most rural development, credit, and research programs, as well as some conservation and nutrition programs.[6]

In addition to setting policy parameters, farm bills provide *authorizations of appropriations* for discretionary programs. Subsequent annual appropriations acts may or may not provide funding. Appropriated levels may be different from authorizations of appropriations. Budget enforcement for discretionary spending is through appropriations acts and budget resolutions.

Without a new farm bill or extension, some discretionary programs may not appear to have statutory authority to receive appropriations.[7] However, appropriations practice allows programs to continue to operate when they receive appropriations.

The Government Accountability Office (GAO) has determined that there is no constitutional or statutory requirement for appropriations to have a prior authorization.[8] Congress distinguishes between the processes of authorizing and appropriating, but this is a congressional construct.[9] GAO states that "the existence of a statute imposing substantive functions upon an agency that require funding for their performance is itself sufficient legal authorization for the necessary appropriations." For expired authorizations, GAO states that "appropriation of funds for a program whose funding authorization has expired … provides sufficient legal basis to continue the program." Bills containing unauthorized appropriations may require waivers of House and Senate rules to avoid being subject to a point of order on the floor.[10]

## Mandatory Funding

Programs that rely on mandatory funding are perhaps the most at risk for interruption if a farm bill expires. A mandatory funded program may have an expiring program authority or an expiring funding authority. Without reauthorization or an extension, such programs generally cease to operate or undertake new activities following a farm bill expiration.

A farm bill authorizes mandatory spending for entitlement programs and pays for it with multiyear budget estimates when the farm bill is enacted. Budget enforcement is through "PayGo" budget rules, baseline projections, and scores of the effects of proposed bills. The *baseline* is a projection of future federal spending on mandatory programs under current law. It is a benchmark against which proposed changes in law are measured (i.e., the score of a bill).[11]

Two categories of mandatory funded programs exist regarding expiration—programs with a budget baseline and programs without a budget baseline.[12] Both categories may face similar

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[6] Discretionary funded farm bill nutrition programs include the Commodity Supplemental Food Program (CSFP) and administrative funds for The Emergency Food Assistance Program (TEFAP). The Special Supplemental Program for Women, Infants, and Children (WIC) consists of discretionary funding as well but is not part of the farm bill.

[7] An *authorization of appropriations* is a recommendation from an authorizing committee to the appropriations committee via a law. It is nonbinding and has no bearing on budget enforcement for an authorizing bill. Appropriators may choose not to fund a program or may choose to exceed the authorization. Authorization amounts may be specific or indefinite ("such sums as necessary").

[8] Government Accountability Office (GAO), *Principles of Federal Appropriations Law*, Chapter 2, "The Legal Framework" (4th ed. 2016 rev.), p. 2-55, at https://www.gao.gov/legal/appropriations-law-decisions/red-book.

[9] CRS Report R42098, *Authorization of Appropriations: Procedural and Legal Issues*, coordinated by Edward C. Liu.

[10] GAO, *Principles of Federal Appropriations Law*, Chapter 2, p. 2-80.

[11] CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*, by Jim Monke.

[12] CRS In Focus IF12115, *Farm Bill Primer: Programs Without Baseline Beyond FY2023*, by Jim Monke.

disruption from a farm bill expiration. Not having a baseline, however, imposes budgetary costs to reauthorize or extend a program.

For example, when Congress enacted the one-year extension of the 2008 farm bill, the expedient compromise was for the extension bill to be budget-neutral. The major farm bill programs that had a budget baseline were able to be extended at no additional projected budgetary cost. Extending programs without a budget baseline would have needed budgetary offsets to provide continued mandatory funding. Congress decided not to extend mandatory funding for programs without a baseline.

# Farm Commodity Support Programs

Farm commodity programs in the farm bill (Title I) support farm income by making payments and reducing financial risks from uncertain weather and market conditions. They include the Marketing Assistance Loan (MAL) program, Loan Deficiency Payments (LDP), the Price Loss Coverage (PLC) program, the Agriculture Risk Coverage (ARC) program, and the Dairy Margin Coverage (DMC) program. These programs make payments when market-based receipts fall below support levels (government-set reference prices, revenue guarantees, or margin guarantees above input costs).[13]

The last year authorized for the 2018 farm bill's commodity programs is the 2023 crop year—that is, crops *harvested* during calendar year 2023 and *marketed* during the 12 months following harvest.[14] Government supports for crops harvested in the 2023 crop year may be payable until the end of the crop's marketing year, which for corn and soybeans would end in September 2024.[15] These obligations on the 2023 crop would continue despite farm bill expiration.

Regarding the consequences of expiration, the first commodity harvested in the 2024 crop year (and thus not covered by the 2018 farm bill) is dairy on January 1, 2024, since some cows are milked every day of the year. New plantings of other commodities harvested in 2024—such as wheat, corn, cotton, and rice—would not be affected until harvest in the summer or fall of 2024, when their respective marketing years would begin.

## Possible Reversion to Permanent Law

Farm bills have revised and superseded policy since the first farm bill in 1933. However, a set of non-expiring provisions from the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949—commonly known as "permanent law"—remain in statute suspended and inactive.

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[13] CRS In Focus IF12218, *Farm Bill Primer: Farm Safety Net Programs*, by Stephanie Rosch; CRS In Focus IF12114, *Farm Bill Primer: PLC and ARC Farm Support Programs*, by Stephanie Rosch; CRS In Focus IF12140, *Farm Bill Primer: MAL and LDP Farm Support Programs*, by Stephanie Rosch; and CRS In Focus IF12202, *Farm Bill Primer: Support for the Dairy Industry*, by Joel L. Greene.

[14] See footnote 3. For example, for wheat, barley, and oats, the crop year is June 1-May 31; for cotton, peanuts, and rice, it is August 1-July 31; for sugar beets, it is September 1-August 31; for corn, sorghum, and soybeans, it is October 1-September 30. The dairy program is authorized for the calendar year. For wool, mohair, and sugarcane, the marketing year is January 1-December 31; for honey, it is April 1-March 31.

[15] Under the 2018 farm bill, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments for the 2023 crops year are to be disbursed in October 2024, which is in FY2025. Additionally, Marketing Assistance Loans (MAL) are loans of nine-month duration, which may begin as late as May 31, 2024, for 2023 corn and soybean crops, and such loans may have benefits payable as late as February 2025.

Each farm bill since the 1960s and 1970s contained a temporary suspension of permanent law.[16] Some see the existence of permanent law—and the policy and budget consequences that could result from restoring permanent law if the suspension expired—as assurance that Congress would revisit the farm commodity programs when a farm bill expires. Recent farm bills have retained permanent law and continued to suspend it. Some Members have proposed bills over the past three decades to repeal or replace permanent law (see options and discussion in the **Appendix**).

## Description of Permanent Law

The commodity support provisions of the 1938 and 1949 acts are commonly viewed as so fundamentally different from current policy and potentially costly to the federal government that Congress has been reluctant to let permanent law take effect. Permanent law is generally considered inconsistent with modern farming practices, marketing systems, and international trade agreements. Permanent law provides support based on a *parity price* from the 1910-1914 period that does not recognize productivity gains and technological advances in agriculture.[17] Permanent law also does not utilize modern government policy and marketing approaches to reduce market distortions. Permanent law may require the U.S. Department of Agriculture (USDA) to purchase or take possession of commodities to raise market price levels. In contrast, modern farm bills allow supply and demand to determine market prices and make direct payments to producers in the event of low prices.

Not all commodities supported by the 2018 farm bill would be included under permanent law. Permanent law would support dairy, wheat, rice, cotton, corn, and other feed grains.[18] Support would not continue for soybeans and other oilseeds, peanuts, wool, mohair, sugar beets and sugarcane, dry peas, lentils, and small and large chickpeas.[19]

**Permanent Law and the "Dairy Cliff"**

Dairy is often mentioned concerning farm bill expiration because it would be the first commodity to revert to permanent law, and it signals the scale of potential market and budget consequences.

Permanent law would compel USDA to purchase dairy products (whole milk, butterfat, and products of such commodities) in quantities sufficient to raise demand so that the farm price of milk would rise to the desired support level. Under permanent law, the mandated purchase price for milk would be $50.70 per hundredweight (cwt., or100 pounds) based on May 2023 data, more than 2.5 times (or 162% higher than) the current market price of milk ($19.30/cwt. for all milk; **Table 1**).

The high purchase price under permanent law could result in the government outbidding commercial markets for a sizeable share of dairy output; changing the shares of fluid milk, butter, cheese, and nonfat dry milk in the market; and subsequently raising the retail price of milk. The possibility that fluid milk prices could more than double became known as the "dairy cliff" in December 2012 during the time of the budgetary "fiscal cliff" (see CRS Report R42884, *The "Fiscal Cliff" and the American Taxpayer Relief Act of 2012*, coordinated by Mindy R. Levit).

[16] For example, 7 U.S.C. §9092, updated in the 2018 farm bill (P.L. 115-334, §1702): "(a) The following provisions of the Agricultural Adjustment Act of 1938 … [and] the Agricultural Act of 1949 shall not be applicable to the 2014 through 2023 crops … and shall not be applicable to milk … through December 31, 2023." See full text in the **Appendix**.

[17] U.S. Department of Agriculture (USDA) Economic Research Service (ERS), *Possible Economic Consequences of Reverting to Permanent Legislation or Eliminating Price and Income Supports*, AER-526, January 1985, pp. 1-2, at https://www.ers.usda.gov/webdocs/publications/40547/50862_aer526a.pdf?v=7772.8. See also USDA-NASS, "Prices Paid and Received: Parity Ratio by Year," https://www.nass.usda.gov/Charts_and_Maps/Agricultural_Prices/parity.php.

[18] *Feed grains* refers to any of the several grains most commonly used to feed livestock, including corn, grain sorghum, oats, rye, and barley.

[19] Parity-based supports once existed for wool, mohair, and peanuts but were repealed.

## Parity Price Support Levels and Production Controls

The parity prices used in permanent law refer to the relationship between prices that farmers receive for their products and prices they paid for inputs during a benchmark period of 1910-1914.[20] Permanent law requires USDA to set support prices that would guarantee producers between 50% and 90% of the parity price depending on the commodity (**Table 1**).[21]

Permanent law uses nonrecourse loans to support wheat, rice, cotton, corn, and other feed grains. This is similar to the commodity loan program authorized in the 2018 farm bill.[22] At harvest, a farmer can receive a loan for their production valued at the loan rate (price) by pledging the crop as collateral. If market prices remain below the loan rate during the nine-month duration of the loan, the producer may forfeit the collateral of a nonrecourse loan, surrender the crop to the government, and keep the principal amount. Historically, grain forfeitures were expensive and challenging for USDA to manage. To avoid forfeiture problems from the government taking possession of large quantities of grain, USDA has permanent authority allowing farmers to repay nonrecourse loans for less than the principal (loan rate), plus interest, similarly as with marketing loans in the modern commodity program.[23] The approach of encouraging producers to market their commodities to repay the loans yet receive a supported price has reduced government storage costs and improved the market for processors.

Production controls also exist for wheat and cotton. Permanent law would require USDA to announce acreage allotments and to hold producer referenda on implementing marketing quotas. This can result in farmers not planting land in order to qualify for support payments. A two-thirds affirmative vote for marketing quotas results in the highest levels of support and mandatory acreage and quantity restrictions.

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[20] Parity prices are computed pursuant to provisions in Title III, §301(a), of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Acts of 1948, 1949, and 1956. Permanent law requires USDA to regularly estimate and publish parity prices (see USDA-NASS, *Agricultural Prices*, monthly).

[21] 7 U.S.C. §1441; 7 U.S.C. §1444; 7 U.S.C. §1444b; 7 U.S.C. §1445; 7 U.S.C. §1446.

[22] CRS In Focus IF12140, *Farm Bill Primer: MAL and LDP Farm Support Programs*, by Stephanie Rosch.

[23] The repayment provision was added to permanent law in §1009 of the Food Security Act of 1985 (7 U.S.C. §1308a).

**Table 1. Parity Prices and Permanent Law Support Prices**

| | Permanent Law Provisions | | | | |
|---|---|---|---|---|---|
| **Commodity[a]** | **Description** | **Parity Price** | **Permanent Law Support Price (minimum of range)** | **2018 Farm Bill Support Price[b]** | **Farm Prices Received (May 2023)** |
| All Milk, Cwt. | Purchase milk and butterfat products at 75%-90% of parity. | $67.60 | 75% of parity = $50.70 | Margin-based[c] | $19.30 |
| Wheat, Bu. | Nonrecourse loans and direct purchases. Acreage allotments.[d] If marketing quotas are approved, loan rate = 65%-90% of parity.[e] If quotas are not approved, loan rate = 50% parity. If quotas are not announced, loan = 75%-90% parity. | $20.40 | 75% of parity = $15.30 | $3.38 | $8.07 |
| Upland cotton, Lb. | Nonrecourse loans and direct purchases. Acreage allotments. If quotas are approved, loan rate = 65%-90% of parity. If quotas are not approved, loan rate = 50% parity. If quotas are not announced, loan rate = 65%-90% of parity. | $2.48 | 65% of parity = $1.61 | $0.52 | $0.853 |
| Rice, Cwt. | Permanent authority repealed by 1981 farm bill but restored by 1996 farm bill. Loan rate = 50%-90% of parity. | $48.50 | 50% of parity = $24.25 | $7.00 | $18.90 |
| Corn, Bu. | Nonrecourse loans and direct purchases. Acreage allotments are not authorized. Loan rate = 50%-90% of parity. | $15.30 | 50% of parity = $7.65 | $2.20 | $6.54 |
| Sorghum, Bu. | Support for sorghum, barley, oats, and rye is set based on the feeding value of each in relation to corn. | $27.00 | 50% of parity = $13.50 | $2.20 | $11.60 |
| Barley, Bu. | | $18.40 | 50% of parity = $9.20 | $2.50 | $7.56 |
| Oats, Bu. | | $11.30 | 50% of parity = $5.65 | $2.00 | $4.31 |
| Rye, Bu. | | $22.50 | 50% of parity = 11.25 | none | $6.75[f] |
| Honey, Lb. | Purchases of honey at 60%-90% of parity. | $7.44 | 60% of parity = $4.46 | $0.69 | $2.98[g] |

**Source:** CRS, using USDA National Agricultural Statistics Service (NASS), *Agricultural Prices*, June 30, 2023; the Agriculture Improvement Act of 2018 (P.L. 115-334); and policy in USDA, *The Effects of Failure to Enact a New Farm Bill: Permanent Law Support for Commodities and Authorization Lapse of Other USDA Programs*, 2012, at https://www.agri-pulse.com/ext/resources/pdfs/p/e/r/m/o/Permanent_Law_Authorization_memo.pdf.

**Notes:** Cwt. = hundredweight; Bu. = bushel; and Lb. = pound.

a. Permanent law mandates support for the commodities listed in the table. Parity support is not provided for oilseeds or sugar. Wool, mohair, and peanuts were formerly included, but their supports were repealed.

b. The 2018 farm bill support prices listed in this table are the marketing loan rates that are coupled to production and are most similar to policy under permanent law. Reference prices for PLC are decoupled from production. Minimum support prices under permanent law also exceed PLC reference prices for all commodities.

c. The 2018 farm bill does not specify a support price for milk. The DMC program makes payments if the margin of the milk market price minus feed costs falls below certain guaranteed levels. See CRS In Focus IF12202, *Farm Bill Primer: Support for the Dairy Industry*, by Joel L. Greene.

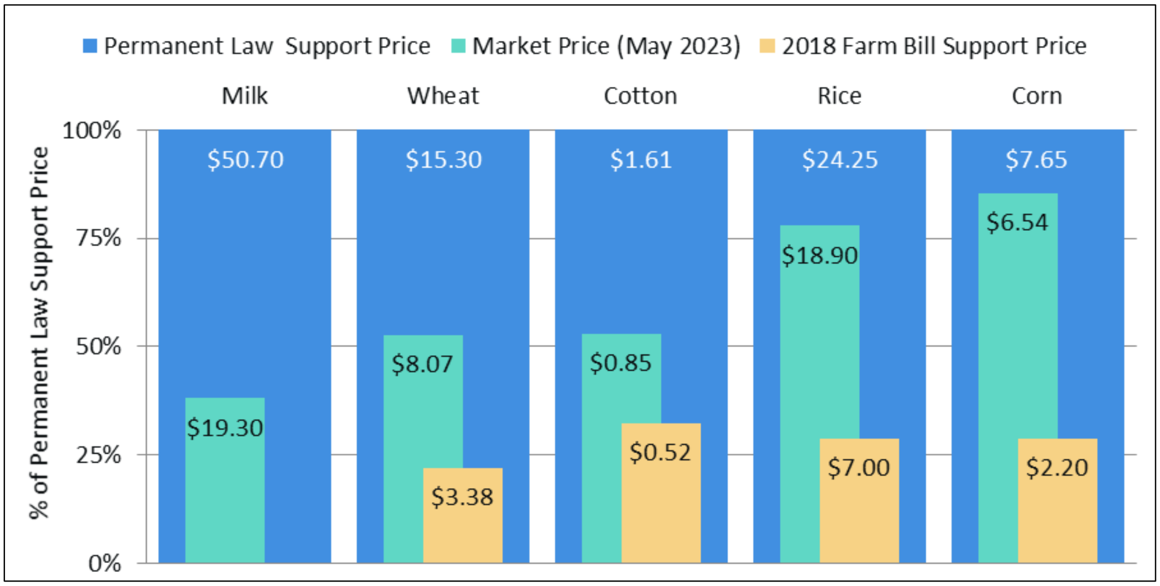
d. An *acreage allotment* is a share of the national acreage needed to produce sufficient supplies of a particular crop and is based on a farm's previous production.

e. Marketing quotas may limit farm sales of certain commodities and must be approved by a two-thirds referendum of eligible producers. Quotas were intended to ensure a normal supply of the commodity. Producers who market in excess of their quotas pay penalties on the excess and are ineligible for government price-support loans.

f. The most recent market price published for rye is the 2021 marketing year (*Agricultural Prices*, August 2022).

g. The market price for honey is implied from the "price as a percent of parity" published in *Agricultural Prices*.

**Figure 1. Permanent Law Relative to Current Market Prices and the 2018 Farm Bill**




**Source:** CRS using USDA-NASS, *Agricultural Prices*, June 30, 2023; and P.L. 115-334.

**Note:** The 2018 farm bill support prices shown in this figure are the marketing loan rates (prices) that are coupled to production most similar to the policy under permanent law.

## Government Costs Under Permanent Law

A likely consequence of permanent law is greater federal outlays for agricultural commodity support than under the 2018 farm bill. Support levels at the lower end of the range provided in permanent law exceed market prices for all the supported commodities in 2023 (**Figure 1**, **Table 1**).

Official government estimates of the cost of reverting to permanent law have been rare. In 1979, the Congressional Budget Office (CBO) studied the effect on dairy policy.[24] In 1985, USDA analyzed more comprehensively the possible economic consequences of permanent law.[25] USDA found that significant market intervention and increased government expenditures could occur. USDA estimated that permanent law for dairy could cost $6.5 billion per year in 1990.[26]

In 2013, the White House indicated that permanent law for dairy could cost $12 billion per year and result in milk prices doubling.[27] This statement is consistent with the methodology and

[24] Congressional Budget Office (CBO), *Consequences of Dairy Price Support Policy*, March 1979, at https://www.cbo.gov/sites/default/files/96th-congress-1979-1980/reports/79doc637.pdf.

[25] USDA ERS, *Possible Economic Consequences of Reverting to Permanent Legislation or Eliminating Price and Income Supports*, AER-526 (1985), pp. 65-67 and pp. 21-35.

[26] The 1985 ERS report estimated that USDA would need to remove (that is, purchase) 13%-17% of milk production to raise market prices to support levels that would be mandated under permanent law (p. 33). The market effect of that demand based on price elasticity would have nearly doubled market prices from about $13/hundredweight (cwt.) in 1985 to a parity-based support price of $24/cwt. in 1990. The report estimated that removing 270 million cwt. (17.5% of 154 billion pounds of milk produced) would cost about $6.5 billion per year (p. 34).

[27] White House, *The Economic Importance of Passing a Comprehensive Food, Farm, and Jobs Bill*, November 2013, (continued...)

economic relationships in the 1985 study by applying 2013 prices and production levels. Estimated outlays would be between $10 billion and $12.5 billion per year for dairy.[28]

For 2023, applying the same methodology suggests a possible, albeit unofficial, cost estimate of between $15 billion and $19 billion per year to support dairy at permanent law support prices.[29] By comparison, the CBO projection for dairy outlays under the 2018 farm bill in FY2023 is $521 million.[30] These estimates for a cost of permanent law may not be precise due to the use of economic parameters (price elasticities) from the 1985 study. However, the potential difference between continuing 2018 farm bill policy and permanent law (more than one order of magnitude) may be sufficient to illustrate how government costs may increase.

### Implementing Permanent Law

If the suspension of permanent law expires, USDA would be required to begin implementing the permanent law statutes. USDA outlined how it would implement permanent law when the farm bill faced expiration in 2012.[31] To actually implement the law, however, USDA might need time to write and publish new regulations. The market effects from implementing permanent law may be gradual and take effect over weeks or months.[32]

## Crop Insurance and Disaster Programs

The federal crop insurance program protects producers against losses in crop revenue or yield through federally subsidized policies that are purchased by producers. The program is permanently authorized and funded by the Federal Crop Insurance Act, as amended (7 U.S.C. §1501 et seq.). The program does not expire with the 2018 farm bill.[33]

Producers who grow crops that are ineligible for crop insurance may be eligible for risk coverage through USDA's Noninsured Crop Disaster Assistance Program (NAP), which has permanent authority under Section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. §7333).[34]

Previous farm bills also authorized four agricultural disaster programs for livestock and fruit trees—Livestock Indemnity Program (LIP); Livestock Forage Disaster Program (LFP); Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP); and

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pp. 24, 27, at https://obamawhitehouse.archives.gov/sites/default/files/docs/farm_bill_report_211.pdf. See also *New York Times*, "With Farm Bill Stalled, Consumers May Face Soaring Milk Prices," December 20, 2012, at http://www.nytimes.com/2012/12/21/us/milk-prices-could-double-as-farm-bill-stalls.html.

[28] Using the same economic responsiveness as in the 1985 USDA study (for the ratio of milk to remove from the market to double prices, a midpoint of 15%), removing 300 million cwt. (15% of 200 billion pounds of milk produced in 2013) would cost over $11 billion per year at a parity-based dairy support price of $37/cwt.

[29] Using the same economic responsiveness as in the 1985 USDA study for the ratio of milk to remove from the market to double prices, removing 15% of 225 billion pounds of milk produced in 2022 (NASS, *Milk Production*, June 21, 2023), or 337 million cwt., may cost over $17 billion per year at a parity-based dairy support price of $50.70/cwt.

[30] CBO, *Baseline Projections for USDA Mandatory Farm Programs*, May 2023, at https://www.cbo.gov/data/baseline-projections-selected-programs#25.

[31] USDA, *The Effects of Failure to Enact a New Farm Bill: Permanent Law Support for Commodities and Authorization Lapse of Other USDA Programs*, September 2012, at https://www.agri-pulse.com/ext/resources/pdfs/p/e/r/m/o/Permanent_Law_Authorization_memo.pdf.

[32] Andrew M. Novakovic, "Is Reverting to the 1949 Agricultural Act Really a Possibility for Dairy Price Supports?," December 2013, available at https://www.thebullvine.com/ing-1949-agricultural-act-possibility-dairy-price-supports.

[33] CRS In Focus IF12201, *Farm Bill Primer: Federal Crop Insurance Program*, by Stephanie Rosch.

[34] CRS In Focus IF12101, *Farm Bill Primer: Disaster Assistance*, by Megan Stubbs.

Tree Assistance Program (TAP). These four programs are permanently authorized (7 U.S.C. §9081).[35]

# Conservation Programs

USDA administers close to 20 agricultural conservation programs that are directly or indirectly available to assist producers and landowners who wish to practice conservation on agricultural lands.[36] These programs address natural resource concerns on private agricultural and forested lands through technical and financial assistance. Many conservation programs have different expiration dates for program authority and funding authority. Therefore, they may be affected differently by expiration or extension of the 2018 farm bill.[37]

For many conservation programs, program authority is permanent. Therefore, the funding authority is of interest since, if expired, the lack of funding authority could affect the program's operation. Discretionary spending is authorized through the farm bill for some conservation programs. However, since appropriations law allows the continued operation of a program where an appropriation has occurred, programs that rely on mandatory funding are most impacted when funding authority expires.[38] Without reauthorization or an extension, these mandatorily funded programs would cease to operate or undertake new activities following the expiration of funding authority.

Most farm-bill-authorized conservation programs have had program and funding authority that runs for the duration of a farm bill, typically four to six years in duration.[39] Many of the programs authorized in the 2018 farm bill were authorized through FY2023. However, P.L. 117-169, commonly known as the Inflation Reduction Act (IRA), extended some conservation programs and their funding authority for the IRA's 10-year budget window—through FY2031. This has resulted in some farm bill conservation programs expiring at the end of FY2023 and others at the end of FY2031. **Table 2** includes the expiration date of most farm bill conservation programs by type of funding authority—mandatory or discretionary.

[35] CRS In Focus IF12101, *Farm Bill Primer: Disaster Assistance*, by Megan Stubbs.

[36] CRS Report R40763, *Agricultural Conservation: A Guide to Programs*, by Megan Stubbs.

[37] CRS Report R47478, *Agricultural Conservation and the Next Farm Bill*, by Megan Stubbs.

[38] CRS Report R42388, *The Congressional Appropriations Process: An Introduction*, coordinated by James V. Saturno.

[39] CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2018*, by Jim Monke.

**Table 2. Conservation Program Funding Authority Expiration Dates**

| Program | Expiration of Funding Authority: Sept. 30, 2023 | Sept. 30, 2031 | One-Time Funds | No Expiration |
|---|---|---|---|---|
| **Programs Authorized to Receive Mandatory Funding** | | | | |
| Agricultural Conservation Easement Program (ACEP) | | X | | |
| Agricultural Management Assistance | | | | X |
| Conservation Reserve Program (CRP) | X | | | |
| CRP – Conservation Reserve Enhancement Program | X | | | |
| CRP – CLEAR30 | X | | | |
| CRP – Farmable Wetlands | X | | | |
| CRP – Grasslands | X | | | |
| CRP – Soil Health and Income Protection Program (SHIPP) | X | | | |
| Conservation Stewardship Program (CSP) | | X | | |
| CSP – Grassland Conservation Incentive | X | | | |
| Environmental Quality Incentives Program (EQIP) | | X | | |
| EQIP – Conservation Innovation Grants (CIG) | | X | | |
| EQIP, CIG – On-Farm Conservation Innovation Trials | | X | | |
| Feral Swine Eradication and Control Pilot Program | | | X | |
| Grassroots Source Water Protection Program | | | X | |
| Regional Conservation Partnership Program | | X | | |
| Voluntary Public Access and Habitat Incentive Program | | | X | |
| **Programs Authorized to Receive Discretionary Funding** | | | | |
| Emergency Conservation Program | | | | X |
| Emergency Forest Restoration Program | | | | X |
| Emergency Watershed Protection program | | | | X |
| Grassroots Source Water Protection Program | X | | | |
| Healthy Forest Restoration Program | X | | | |
| Water Bank Program | | | | X |
| Watershed and Flood Prevention Operations | | | | X |
| Watershed Rehabilitation Program | X | | | |
| Wetlands Mitigation Banking | X | | | |

**Source:** CRS using various statutory authorities.

**Notes:** Some mandatory farm bill conservation programs were authorized to receive specific amounts of one-time mandatory funding. In some cases, no fiscal year is specified or only one fiscal year is identified. Funds are to remain available until expended. These funds are referred to in the table as "One-Time Funds."

The IRA extended only some policy provisions within the funded conservation programs. Therefore, some programs that are extended through FY2031 contain policy provisions that expire at the end of FY2023. Without reauthorization or extension, policy provisions expiring in FY2023 would no longer apply to funds provided for the overall program that continues. For example, under the Environmental Quality Incentives Program (EQIP), the following policy provisions were either extended through FY2031 or will expire at the end FY2023:

**Expires in FY2023**

- **Livestock funding.** Requires 50% of funding to be used for payments related to livestock practices.
- **Payment limits.** Limits total EQIP payments to $450,000 per person or legal entity for the duration of the 2018 farm bill.
- **Organic payment limits.** Limits total EQIP payments related to organic production to $140,000 per person or legal entity for the duration of the 2018 farm bill.

**Extended to FY2031**

- **Wildlife habitat funding.** Requires 10% of funding to be used for payments related to wildlife habitat.
- **Air quality funding.** Requires $37.5 million annually to be used for payments for air quality concern practices.
- **On-farm conservation innovation trials.** Requires $25 million annually to be used to carry out on-farm conservation innovation trials.

# SNAP and the Other Nutrition Programs

As discussed earlier, expiration and extension of SNAP (and most of the related nutrition programs in the farm bill) particularly hinge on whether funding is provided in an explicit extension or in an appropriations act, including a continuing appropriations act (commonly referred to as a continuing resolution or CR). In the case of the 2018 farm bill's nutrition title, certain provisions of law include a September 30, 2023, expiration date. These are primarily authorizations of appropriations, but some are program authorizations. The impact on operations is based on factors related to programs' authorizing statutes, appropriations actions, and the terms of a farm bill extension (if applicable).[40]

The 2018 farm bill reauthorized a number of domestic food assistance programs, including SNAP (formerly food stamps), The Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program (CSFP), the Food Distribution Program on Indian Reservations (FDPIR), the Senior Farmers' Market Nutrition Program (SFMNP), Community Food Projects,

[40] For example, the extension in P.L. 112-240 for the most part continued the current law policies for the Supplemental Nutrition Assistance Program (SNAP) and the other programs in the SNAP account that had existed on or before September 30, 2012. The exception was that the farm bill extension contained a change to the mandatory funding of the SNAP-related Nutrition Education and Obesity Prevention Grant Program, reducing the program's FY2013 funding by $110 million. Also, the extension continued the FY2012 SNAP Employment and Training (E&T) mandatory funding, which was reduced from $90 million to $79 million. Such funding has been used in previous appropriations acts to offset additional discretionary appropriations (i.e., changes in mandatory program spending, or so-called CHIMPS).

and nutrition assistance block grants for certain U.S. territories.[41] The law also authorized and provided funding for the Gus Schumacher Nutrition Incentive Program (GusNIP), which renamed and expanded the 2014 farm bill's Food Insecurity Nutrition Incentive (FINI) grants. Regarding expiration or extension, these programs fall into one of three categories:

1. programs that are permanently authorized and funded,
2. programs that can be continued by the enactment of further funding, or
3. programs or authorities that would expire unless extended by statute or explicit appropriations for such purposes.

These categories are elaborated upon below. The majority of farm bill nutrition programs (and the majority of nutrition spending) fall into the second category.

## Programs Permanently Authorized and Funded

The 2008 farm bill included an expansion of the Fresh Fruit and Vegetable Program (FFVP, known as the "snack" program) and provided permanent funding through Section 32.[42] (The 2014 bill added a time-limited pilot project, and the 2018 bill did not amend the program.[43]) The program's base operations were not impacted by periods of expiration after the 2008 farm bill and would not be affected by an expiration after September 30, 2023.

The 2018 farm bill authorized the GusNIP grant program and provided mandatory funding via the Commodity Credit Corporation from FY2018 through FY2023 and "each year thereafter."[44] Under current law, this provides funding and continues operations for the grant program beyond FY2023.

## Programs Continued by the Enactment of Further Funding

Appropriations can allow a program to continue even if the underlying authorization or authorization of appropriations has not been extended. Because many of the nutrition programs authorize mandatory funding that is then provided via appropriations—in particular SNAP and other programs funded by SNAP's appropriations account—appropriated funds for the SNAP account would allow continued operations for most of the programs in the Food and Nutrition Act of 2008 (one of the nutrition program statutes amended by the 2018 farm bill).

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[41] Note that the National School Lunch Program (NSLP), School Breakfast Program (SBP), Child and Adult Care Food Program (CACFP), Summer Food Service Program (SFSP), Special Milk Program, and Special Supplemental Program for Women, Infants, and Children (WIC) programs are generally not reauthorized in a farm bill. These programs are authorized by the Russell National School Lunch Act and Child Nutrition Act statutes; these statutes were most recently reauthorized by P.L. 111-296 (Healthy, Hunger-Free Kids Act of 2010). See CRS In Focus IF10266, *Child Nutrition Reauthorization (CNR): An Overview*, by Kara Clifford Billings and Randy Alison Aussenberg.

[42] Section 32 (of the act of August 24, 1935; 7 U.S.C. §612c) refers to a permanent appropriation of 30% of customs receipts. Section 32 receives more than $20 billion annually, though most of it supports the child nutrition programs. About $1.5 billion is available annually to support mostly commodities typically not covered by price support programs (such as meats, poultry, fruits, vegetables, and fish). USDA often donates these surplus commodities to various nutrition assistance programs. See CRS In Focus IF12193, *Farm and Food Support Under USDA's Section 32 Account*, by Jim Monke.

[43] The 2014 farm bill included authority and funding for a one-time pilot project for canned, frozen, or dried fruits and vegetables. The pilot and evaluation have been completed. See Mathematica Policy Research for USDA Food and Nutrition Service (FNS), *Evaluation of the Pilot Project for Canned, Frozen, or Dried Fruits and Vegetables in the Fresh Fruit and Vegetable Program (FFVP-CFD)*, January 2017, at https://www.fns.usda.gov/evaluation-elementary-schools-pilot-project-canned-frozen-or-dried-fruits-and-vegetables-fresh.

[44] Food, Conservation, and Energy Act of 2008 (as amended by P.L. 115-334), §4405, codified at 7 U.S.C. §7517.

After September 30, 2023, the following farm bill programs could continue to operate if funding for the SNAP account were provided in appropriations acts, including continuing appropriations:

- SNAP and related grant programs (such as the SNAP Employment & Training Program);
- purchase and distribution of TEFAP commodities (administrative funds could continue with appropriations in the Commodity Assistance Program account);
- FDPIR;
- nutrition assistance funding for Puerto Rico, American Samoa, and Commonwealth of Northern Mariana Islands; and
- Community Food Projects.

For CSFP, in the Commodity Assistance Program account, the authority to make commodity purchases and fund administrative costs can continue with funding.

GusNIP includes an authority for discretionary appropriations on top of the mandatory funding provided. Although the discretionary authorization of appropriations appears to end in FY2023, applying principles discussed earlier, discretionary appropriations could still be provided beyond that date.

During the periods of expiration before enactment of the 2014 farm bill, for example, when funding was provided, these programs continued to operate.[45] In addition, during a partial government shutdown in October 2013, there was a period when some Commodity Assistance Program account operations were affected, but SNAP continued (discussed in the **text box**, below).

**SNAP and the October 2013 Government Shutdown**

The 2013 government shutdown sheds light on how SNAP is affected without certain congressional action. However, USDA provided SNAP benefits during that period through a legal authority that has since expired.

At the start of FY2014 (i.e., October 2013), there was a period when the farm bill extension (P.L. 112-240) had expired, and Congress had not provided FY2014 appropriations.[46] SNAP operations continued during this lapse. This continuity of operations was possible due to USDA's reliance on authority and funds provided in the American Recovery and Reinvestment Act of 2009 (ARRA; P.L. 111-5), cited in the Food and Nutrition Service's contingency plan.[47] Regular operations resumed once appropriations were provided in a continuing resolution (P.L. 113-46, enacted October 17, 2013). This ARRA authority ended after October 31, 2013.[48]

## Programs That Would Require Extension or Specific Appropriations Language

The SFMNP's authorizing law (most recently amended by the 2018 farm bill) contains both the program's authority and mandatory funding (a transfer from the Commodity Credit Corporation) through the end of FY2023.[49] Therefore, operations may be affected after September 30, 2023,

[45] Funding was provided by the continuing resolution (P.L. 113-46) and the full-year appropriation (P.L. 113-76).

[46] CRS Report RS20348, *Federal Funding Gaps: A Brief Overview*, by James V. Saturno.

[47] USDA-FNS, *FNS Contingency Plan: For Shutdown Due to a Lapse in Appropriations*, October 1, 2013, p. 2, at http://www.usda.gov/documents/usda-fns-shutdown-plan.pdf.

[48] See CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*, by Randy Alison Aussenberg and Gene Falk.

[49] Farm Security and Rural Investment Act of 2002 (as amended by P.L. 115-334), §4402(a), codified at 7 U.S.C. §3007(a).

without an extension or specific additional funding provided. In parts of FY2013 and parts of FY2014, expiration temporarily affected program operations.[50]

# Other Agricultural Programs

Programs that rely on mandatory funding authorizations in the farm bill are the most impacted if the farm bill expires. By size of funding levels, programs in farm bill titles I (Commodities), II (Conservation), and IV (Nutrition) could be the most impacted, as discussed above.[51] Other farm bill titles, however, include examples of agricultural programs that could also be affected by expiration after FY2023, including programs in farm bill titles III (Trade), VII (Research), IX (Energy), X (Horticulture), and XII (Miscellaneous). Without reauthorization or an extension, these programs may not have authority to operate or continue to receive new budget authority after FY2023. This list is not meant to be comprehensive, and the consequences of expiration may vary.

- **Title III—Trade.** Agricultural Trade Promotion and Facilitation, including the Market Access Program, Foreign Market Development Cooperator Program, E (Kika) de la Garza Emerging Markets Program and Technical Assistance for Specialty Crops (7 U.S.C.§5623), Food for Progress (7 U.S.C. §1736o), and authority to replenish stocks of the Bill Emerson Humanitarian Trust (7 U.S.C. 1736f-1).
- **Title VII—Research, Extension and Related Matters.** Organic Agriculture Research and Extension Initiative (7 U.S.C. §5925b).
- **Title IX—Energy.** Biobased Markets Program (7 U.S.C. §8102) and Bioenergy Program for Advanced Biofuels (7 U.S.C. §8105).
- **Title X—Horticulture.** Specialty Crop Block Grants (7 U.S.C. §1621 note), Local Agriculture Market Program (7 U.S.C. 1627c), and National Organic Certification Cost-Share (7 U.S.C. §6523).
- **Title XII—Miscellaneous.** Farming Opportunities Training and Outreach, including the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program and the Beginning Farmer and Rancher Development Grant Program (7 U.S.C. §2279); Animal Disease Prevention and Management, including the National Animal Health Laboratory Network, the National Animal Disease Preparedness and Response Program, and the National Animal Vaccine Bank (7 U.S.C. §8308a); Emergency Citrus Disease Research and Development Trust Fund (7 U.S.C. §7632 note); Pima Cotton Trust Fund (7 U.S.C. §2101 note); Wool Apparel Manufacturers Trust Fund (7 U.S.C. §7101 note); and Wool Research and Promotion (7 U.S.C §7101 note).[52]

[50] This program expired after September 30, 2012. Once P.L. 112-240 was enacted, the funding and authority to operate the Senior Farmers' Market Nutrition Program (SFMNP) was extended through September 30, 2013. However, it expired again when that extension ended. Due to the seasonal nature of the SFMNP, it is possible that expiration of the farm bill during the fall and/or winter months may not significantly affect this program. When the 2014 farm bill was enacted in February 2014, the SFMNP provision was backdated to October 1, 2013.

[51] See the headings "**Error! Reference source not found.**," "**Error! Reference source not found.**," and "**Error! Reference source not found.**" for detailed explanations.

[52] The Pima Cotton Trust Fund, Wool Apparel Manufacturers Trust Fund, and Wool Research and Promotion program operate on a calendar-year basis and expire after December 31, 2023.

Some of these other agricultural programs have baseline beyond their expiration in FY2023, and others do not.[53] While both types of programs could be similarly impacted from lack of authorization, those without a baseline could incur budgetary costs to reauthorize or extend.[54]

[53] See the heading "**Error! Reference source not found.**" for additional information on budgetary baseline. For examples of agriculture programs that have a continuing budget baseline, see Figure 2 in CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*, by Jim Monke.

[54] See CRS In Focus IF12115, *Farm Bill Primer: Programs Without Baseline Beyond FY2023*, by Jim Monke. Not all of the programs without baseline in the aforementioned report are included in this report about expiration. For example, some of the programs without baseline received one-time funding in FY2019 to remain available until expended. These are not mentioned in this report, as their ability to operate has already been subject to the availability of unobligated funding. FY2023 may not be a technical expiration date for the program, though the program remains a program without baseline in terms of its reauthorization.

# Appendix. Legislative Options Given Existence of Permanent Law for Farm Commodity Programs

The farm commodity support provisions of permanent law have remained in statute—inactive—since the mid-20th century. Each recent farm bill has suspended permanent law for the duration of the farm bill. Some see the existence of permanent law—and the possibility of returning to permanent law—as assurance that Congress would revisit and reconsider changes to the farm commodity programs about every five years when a farm bill expires. Given the consequences of returning to permanent law, Congress has not let a farm bill remain expired long enough for permanent law to take effect for any supported commodities.

Several legislative options relative to permanent law exist as a farm bill approaches expiration:

1. Retain permanent law and then do one of the following:
    a. Do nothing (revert to permanent law).
    b. Pass an extension (with a suspension of permanent law).
    c. Pass a new farm bill (and reinstate the suspension of permanent law).
    d. Suspend permanent law (without a new farm bill or extension).
2. Repeal permanent law and then do one of the following:
    a. Do nothing (no new farm bill).
    b. Pass an extension of the current farm bill.
    c. Pass a new farm bill (with or without a new permanent law provision).

The existence of an inactive, outdated permanent law that could be automatically reactivated may encourage Congress to take action. Many policymakers perceive inaction on a farm bill and reversion to permanent law as having unacceptable consequences. If Congress were not to reach agreement on a new farm bill, then a path of least resistance may be extending the current farm bill with its suspension of permanent law—but this, too, requires legislative action, which may pose political and budgetary challenges.

For those who seek significant changes to the farm commodity programs, repealing permanent law would allow Congress to debate farm supports without the looming consequences of reverting to permanent law. But repealing permanent law also requires legislative action. Some believe that it is easier to negotiate and pass a new farm bill, with compromises and reforms, than to deal with the question of repealing permanent law.

## Suspension of Permanent Law

Throughout the 1950s and 1960s, farm bills generally used and amended the 1938 and/or 1949 acts. Amendments were sometimes made permanent and sometimes applied only to specific years. As farm commodity policy continued to evolve, farm bills in the 1970s gradually began to move away from using the permanent law provisions with their parity-based price supports and quotas.

As recently as the 1970 and 1973 farm bills, the farm commodity programs were generally written into the 1938 and/or 1949 acts using provisions that were applicable only for the new period of the farm bill.[55] Thus, although those farm bills might not have directly suspended

[55] For example, a form of suspension that occurs within the permanent law itself is in the 1970 farm bill (P.L. 91-524), (continued...)

permanent law in the way of modern farm bills, they supplanted some portion of the permanent law parity-based support system for the life of the farm bill, albeit from within the body of the permanent law itself.

Beginning with the 1977 farm bill and continuing through the 2018 farm bill, direct suspension or nonapplicability language began to be used regarding permanent law.[56]

The 2018 farm bill provision that suspends permanent law was an extension of the suspension in the 2014 farm bill.

> **Suspension of Permanent Price Support Authority** (P.L. 115-334, §1702)
>
> Section 1602 of the Agricultural Act of 2014 (7 U.S.C. 9092) is amended by striking "2018" each place it appears and inserting "2023".

The 2014 farm bill suspension specified the following provisions:

> **Suspension of Permanent Price Support Authority** (7 U.S.C. §9092; P.L. 113-79, §1602)
>
> (a) Agricultural Adjustment Act of 1938. The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2014 through 2018 crops of covered commodities (as defined in section 1111), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2018: (1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.). (2) In the case of upland cotton, section 377 (7 U.S.C. 1377). 3) Subtitle D of title III (7 U.S.C. 1379a et seq.). (4) Title IV (7 U.S.C. 1401 et seq.).
>
> (b) Agricultural Act of 1949. The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2014 through 2018 crops of covered commodities (as defined in section 1111), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act and through December 31, 2018: (1) Section 101 (7 U.S.C. 1441); (2) Section 103(a) (7 U.S.C. 1444(a)); (3) Section 105 (7 U.S.C. 1444b); (4) Section 107 (7 U.S.C. 1445a); (5) Section 110 (7 U.S.C. 1445e); (6) Section 112 (7 U.S.C. 1445g); (7) Section 115 (7 U.S.C. 1445k); (8) Section 201 (7 U.S.C. 1446); (9) Title III (7 U.S.C. 1447 et seq.); (10) Title IV (7 U.S.C. 1421 et seq.), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431); (11) Title V (7 U.S.C. 1461 et seq.); and (12) Title VI (7 U.S.C. 1471 et seq.).
>
> (c) Suspension of Certain Quota Provisions. The joint resolution, "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended," approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2014-2018.

## Proposals to Repeal Permanent Law

Proposals to repeal permanent law have been rare, though some bills have passed either the House or the Senate. For example, a proposal to repeal permanent law advanced perhaps the furthest during the development of the 1996 farm bill. Repeal provisions may have had more

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where §501 reads, "Effective only with respect to the 1971, 1972, and 1973 crops of feed grains, section 105 of the Agricultural Act of 1949, as amended, is further amended to read as follows: 'Sec. 105. Notwithstanding any other provision of law—(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.00 per bushel nor in excess of 90 per centum of the parity price.'"

[56] For example, direct suspension of permanent law can be found in the 1977 farm bill (P.L. 95-113) in §§409-410, 503-504, 601, and 703; in the 1981 farm bill (P.L. 97-98) in §§304-305, 402, and 501; in the 1985 farm bill (P.L. 99-198) in §§312, 402, and 502; in the 1990 farm bill (P.L. 101-624) in §§302-305, 402, 502, and 801; in the 1996 farm bill (P.L. 104-127) in §171; in the 2002 farm bill (P.L. 107-171) in §1602; in the 2008 farm bill (P.L. 110-246) in §1602; in the 2014 farm bill (P.L. 113-79) in §1602; and in the 2018 farm bill (P.L. 115-334), §1702.

saliency then because of a perceived intent that the farm commodity program in the 1996 farm bill (known as "Freedom to Farm") would significantly reduce or terminate supports after 2002.[57] In the end, repeal was dropped during conference negotiations in 1996 in favor of continued suspension.

More specifically regarding the 1995-1996 developments, the initial bill considered by the House Agriculture Committee in 1995 would have continued to suspend permanent law (H.R. 2195, Title IV). After not passing in committee, the text of that bill, including the suspension provision, was incorporated into a broader House-passed budget reconciliation package (H.R. 2491, §1105). However, the Senate-passed version of the 1995 reconciliation package included a provision to repeal permanent law (S. 1357, §1101). The conference agreement for the reconciliation package adopted the Senate approach for repeal (H.R. 2491, §1109). The conference agreement passed in both the House and the Senate but was vetoed, albeit not because of the farm bill provisions.[58]

The next year, a stand-alone 1996 farm bill was introduced and passed in the House with the provision to repeal permanent law (H.R. 2854, §109). The repeal provision was also in the Senate-reported bill (S. 1541, §19). However, the Senate-passed version (S. 1541, §109) did not repeal permanent law but continued to suspend permanent law. The conference agreement for the 1996 farm bill (H.R. 2854, §171) followed the Senate-passed version and continued the suspension of permanent law.

From 1995 to 2001, other bills besides the farm bill proposed repealing permanent law but were not formally considered.[59] In 1995, several bills were introduced to restructure government agencies. A bill was introduced to abolish USDA, eliminate all price support authorities (including those of permanent law), and transfer certain powers to the Department of Commerce (H.R. 1354, S. 586). A broader government-wide restructuring bill would have repealed permanent law (H.R. 1923). A separate agricultural reform bill would have phased down agricultural supports and eventually repealed permanent law (H.R. 2010). Two other bills to repeal permanent law were introduced in 1995 (H.R. 2523 and H.R. 2787). In 1997-1998, H.R. 502 and S. 2573 would have repealed permanent law. Other bills to repeal permanent law were H.R. 328 in 1999 and S. 1571 in 2001. None of these bills advanced beyond being introduced and referred to committee.

Other bills in other Congresses have been introduced with targeted repeal provisions for certain commodities but not comprehensive repeal. Those bills are not discussed here.

In the 112th Congress during consideration of the 2012 farm bill, a Senate amendment was submitted, but not actually introduced on the floor, to replace the suspension of permanent law with the repeal of the suspended permanent law provisions (S.Amdt. 2379 to S. 3420).

In 2013, the House-passed farm bill (H.R. 2642) would have repealed the 1938 and 1949 permanent laws (§1602). As replacement, the House-proposed farm commodity program would have become the new permanent law, as it would have applied to "the 2014 crop year and each succeeding crop year" (§§1107, 1202, 1204, 1205, 1206, 1301). The Senate bill (S. 954)

[57] See Daryll E. Ray and Harwood D. Schaffer, "The 1996 'Freedom to Farm' Farm Bill," Agricultural Policy Analysis Center, Article 703, January 2014, at https://www.agpolicy.org/weekpdf/703.pdf; and Otto Doering and Phil Paarlberg, "Critical Questions About the Farm Crisis: Causes and Remedies," Purdue Ag Econ Report, PAER 1999-05, March 13, 1999, at https://ag.purdue.edu/commercialag/home/paer-article/critical-questions-about-the-farm-crisis-causes-and-remedies. See also discussion in H.Rept. 104-494, Conference Report for the Federal Agriculture Improvement and Reform Act of 1996.

[58] CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2018*, by Jim Monke.

[59] The listing of bills to repeal permanent law is not meant to be exhaustive. It is based on a full-text search of bills since 1989 for the word *repeal* within 20 words of *Agricultural Adjustment Act of 1938* or *Agricultural Act of 1949*.

continued the long-standing suspension of permanent law, as did the initial House-rejected bill (H.R. 1947). The enacted 2014 and 2018 farm bills continued to suspend permanent law.

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