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## **New \$1 Trillion Farm Bill 50% Bigger Than Last Farm Bill**

By Steve Stanek

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The U.S. House of Representatives in late January passed a nearly \$1 trillion farm bill that raises spending nearly 50 percent above the last farm bill in 2008. Senators are also expected to soon pass the bill, as it represents the outcome of negotiations involving House and Senate agriculture committee members.

That 2008 farm bill was projected to spend \$640 billion over 10 years. The 2014 farm bill is projected to spend \$956 billion over 10 years.

The vote was 251-166. Most Republican lawmakers supported the bill, whereas most Democrats opposed it. Democrats objected to “cuts” in food stamp spending, yet nearly 80 percent of the spending in the so-called “farm” bill goes toward food stamps, formally known as the Supplemental Nutrition Assistance Program.

### **Bill Cuts Almost Nothing**

“Even according to the official score, [the bill] just trims \$16.5 billion from expected spending of \$956 billion over the decade, which is just 1.7 percent. The food stamp (‘nutrition’) portion of the bill trims just \$8 billion from expected spending of \$756 billion, which is just 1.1 percent,” noted Chris Edwards director of tax policy studies at the Cato Institute, at the Cato At Liberty blog.

House Speaker John Boehner (R-OH) applauded the bill’s passage:

“All Americans stand to benefit in some way from this farm bill, which maintains critical assistance for families in need and improves programs for producers while cutting the cost of government,” Boehner said in a statement. “More reform is needed, but this is an improvement over current law, and there are no earmarks. It is also the result of the kind of vigorous debate and bipartisan collaboration that the House owes the people it serves, and I am grateful to Chairman Frank Lucas [R-OK] for his steadfast leadership throughout the process.”

Many critics of the bill say the bipartisan collaboration resulted in continued payoffs to special interests on the political left (social welfare spending) and on the political right (farm price supports and other protections for agribusinesses).

### **‘Savings Will Never Materialize’**

“Given the Congressional Budget Office’s history of underestimating the cost of prior farm bills, we take it as given that much, if not all, of the \$23 billion in projected savings in this bill will never materialize,” said Andrew Moylan, a senior fellow at the R Street Institute in Washington, D.C., in a statement. “The shallow loss programs alone could prove catastrophically expensive, and no one should be surprised if, five years from now, this farm bill ends up proving more expensive than if Congress simply extended existing law.”

He said this is because the House-Senate conference report replaces the direct payments program for farm commodities with several new “shallow loss” insurance programs that would lock in record-high commodity prices. In fact, given recent drops in the price of corn, the shallow loss program would be triggered on day one for the nation’s largest commodity crop.

### **‘Increases Spending on Handouts’**

The bill “not only fails to make long overdue reforms to outdated costly farm subsidy programs, but also increases spending on handouts for profitable agribusinesses during a time when the agriculture sector is experiencing record profits,” said Ryan Alexander, president of Taxpayers for Common Sense, in a statement.

“In fact, the retrograde farm bill is so wasteful that ‘reform’ was stripped from the title of the bill. Worse yet, it fails to rein in unlimited crop insurance spending or make even minimal reforms to farm subsidy payment limits that were already agreed to last year in both the House and Senate,” Alexander said.

He also noted, “According to the Congressional Budget Office, two-thirds of savings are expected to occur in Fiscal Years 2019-23, after the 2014 farm bill will have already expired, while more than half of the spending will occur in the next five years. The farm bill conference report is yet another example of Congress's penchant to increase spending now with promises to save later. Promises we all know will not come to bear, as the last two farm bills are on pace to exceed their CBO price tag by \$400 billion.”

### **Fiscal Hawks Rejected**

The House-Senate bill comes after much wrangling months ago. Many of the 63 Republicans who voted against the farm bill also opposed it last June, when the House rejected it. Fiscal conservatives wanted farm programs handled separately from nutrition programs.

One month later House leaders brought a “farm only” bill to the floor, separating food stamps from the measure. That version of the bill passed but the Senate refused to bring it to a vote.

Republican leaders caved to demands to keep farm and food stamp programs in one bill, resulting in the current House-Senate compromise.