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Possible Expiration (or Extension) of the 2002 Farm Bill

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Summary

The 2002 farm bill (P.L. 107-171) authorized an array of agricultural, rural, and nutrition programs. Many provisions of the 2002 farm bill were scheduled to expire in 2007. If a new farm bill or year-long extension were not enacted before the 2008 harvest, permanent law would have taken effect. Under permanent law, eligible commodities would be supported at levels much higher than they are now, and many of the currently supported commodities might not be eligible (including soybeans and peanuts). Permanent law for the commodity programs is so radically different from current policy and inconsistent with today's farming, marketing, and trade agreements — as well as costly to the federal government — that Congress was unlikely to let it take effect. Lack of new legislation would have reduced or eliminated some conservation, domestic nutrition assistance, trade and foreign food aid, and rural development programs.

Six temporary extensions continued the authority of most programs in the 2002 farm bill until May 23, 2008. A new farm bill was enacted on May 22, 2008 (P.L. 110-234), when the Senate joined the House in overriding the presidential veto of H.R. 2419. However, a clerical error omitted Title III, the trade and foreign aid title from the enrolled version sent to the President. To resolve the absence of Title III, another complete version of the farm bill (H.R. 6124) was passed, vetoed and overridden. The final enacted version of the 2008 farm bill is P.L. 110-246.

Prior to enactment of the farm bill, programs that were *not* extended in the temporary extensions included the direct, counter-cyclical, and marketing loan programs for the 2008 crop year for the major crops (such as corn, soybeans, wheat, cotton, and rice), peanut storage, community food projects authorized under the Food Stamp Act, the rural broadband program, value-added market development grants, and certain renewable energy programs. However, the dairy, sugar, and wool and mohair programs were extended.

Most of the long-standing USDA conservation programs were permanently authorized and had a current appropriation. Other conservation programs that pay farmers to remove fragile crop land from production were authorized and received mandatory funding from the 2002 farm bill but awaited renewal. Two conservation programs that pay farmers for adopting resource stewardship practices (the Environmental Quality Incentives Program and the Conservation Security Program) were extended beyond FY2007 by the Deficit Reduction Act of 2005 (P.L. 109-171).

USDA's domestic food assistance programs (for example, food stamps) generally were permanently authorized, and, in most cases, they were not affected by the possible expiration of the farm bill, since they received a full-year FY2008 appropriation. However, two major provisions of the law could have been affected: nutrition assistance grants to Puerto Rico and American Samoa and authority to reduce food stamp administrative payments to states.

This report will not be updated.

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Introduction

On June 18, 2008, the Food, Conservation, and Energy Act of 2008 (P.L. 110-246, the 2008 farm bill) became law when the House and Senate voted to override President Bush's veto of H.R. 6124.[1] Enactment of the new law suspends the provisions of permanent law that would have taken effect without a new law.

For more details on the legislative history of the 2008 farm bill, see CRS Report RL33934, *Farm Bill Legislative Action in the 110th Congress*. A side-by-side summary of the provisions and changes in the 2008 farm bill is presented in CRS Report RL34228, *Comparison of the 2008 Farm Bill Conference Agreement with the House and Senate Farm Bills*.

Background

What were the consequences of Congress not having enacted a new farm bill before the end of fiscal year 2007, the commonly reported expiration date of many of the provisions of the 2002 farm bill? What might have happened if a new farm bill were not enacted in early 2008? Would programs authorized by the expiring legislation have ceased to operate, or would they have continued under non-expiring provisions of permanent law? Where there is permanent law, would the design and funding have changed?[2]

The 2002 omnibus farm bill (P.L. 107-171) included a wide range of program authorities, some of which were mandatory and others discretionary. Mandatory, in this context, means that the authority to spend necessary funds is provided by statute.[3]

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[1] The conference agreement on the 2008 farm bill was originally approved by the House and the Senate as H.R. 2419 and vetoed by the President in May 2008. Both chambers overrode the veto, making the bill law (P.L. 110-234). However, the trade title was inadvertently excluded from the enrolled bill. To remedy the situation, both chambers repassed the farm bill conference agreement (including the trade title) as H.R. 6124. The President vetoed the measure in June 2008 and both chambers again overrode the veto, which made H.R. 6124 law as P.L. 110-246, and superseded P.L. 110-234.

[2] In addition to this analysis, the USDA released an unnumbered report on February 29, 2008, titled *The Effects of Failure to Enact a New Farm Bill: Permanent Law Support for Commodities and Lapse of Other USDA Programs*, at [http://www.usda.gov/documents/fbpaper022908.doc].

[3] In this context the word mandatory does not relate to participation in the programs. In all cases, program participation is voluntary.

This mandatory category includes the commodity support programs, export programs, some conservation programs, and food stamps.[4] Discretionary programs are authorized, but annual funding is subject to congressionally approved appropriations. Discretionary programs in the farm bill include some conservation programs, federal farm loan programs, rural development programs, agricultural research, and some foreign food aid, among others.

In nearly all cases, a farm bill supersedes permanent authorizing law for a period of four to six years. The farm bill is important because it may substantially change program design from what is in the permanent law, as is the case with commodity support programs. Typically, with regard to appropriated programs, the farm bill sets policy parameters and upper limits on program activity levels and appropriations authority.

Without an extension, most appropriated programs (also referred to as discretionary programs) in the 2002 farm bill and some mandatory programs, such as food stamps, would have faced the prospect of not having statutory authority for the appropriations committees to provide funding in FY2008 and subsequent years. The lack of authority to appropriate funds for authorized programs (and even for some programs not authorized) has not been a barrier for appropriations in past Congresses.

Temporary Extensions

FY2007 came to a close on September 30, 2007, without either a new farm bill or an FY2008 appropriations act. Hence, Congress adopted several continuing resolutions (P.L. 110-92, P.L. 110-116, P.L. 110-137, and P.L. 110-149) last fall that provided stopgap funding for most non-defense discretionary spending until the Consolidated Appropriations Act of 2008 (P.L. 110-161) was enacted on December 26, 2007.

For the farm bill specifically, six temporary extensions were enacted. The first extension was in the Consolidated Appropriations Act of 2008. It extended the authority for many expiring farm bill programs for nearly three months until March 15, 2008 (P.L. 110-161, Division A, Sec. 751). The second extension in P.L. 110-196 lasted for about one month until April 18, 2008. Then, P.L. 110-200 continued the extension for one week until April 25, 2008, and P.L. 110-205 for another week until May 2, 2008. The fifth extension in P.L. 110-208 lasted for two weeks until May 16, 2008. The sixth extension in P.L. 110-231 continued for one week until the earlier of May 23, 2008 or the date the 2008 farm bill was enacted.

All but one title of the 2008 farm bill, except the trade title (which was mistakenly missing from the enrolled version), were enacted on May 22 when the House and Senate overrode the presidential veto[5] of H.R. 2419, and the 2008 farm

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[4] Crop insurance is an important farm program with mandatory funding that does not depend on periodic renewal through farm bills because it is authorized by its own permanent law.

[5] The vetoes in 2008 were the second and third presidential veto of a complete stand-alone

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bill became P.L. 110-234. Because no further temporary extension was passed, the trade provisions in Title III of the 2002 farm bill expired. To deal with the omission of Title III, both chambers repassed the farm bill conference agreement (including the trade title) as H.R. 6124. The President vetoed the measure on June 18, 2008, and both chambers again overrode the veto, which made H.R. 6124 law as P.L. 110-246, superseding P.L. 110-234.

While the 2008 farm bill was being completed in Congress, the temporary extensions stated that, unless otherwise excepted, 2002 farm bill provisions in effect on September 30, 2007, shall continue until the new expiration date. The extensions funded three conservation programs at specific levels (Farmland Protection Program at $97 million/year, Ground and Surface Water Conservation at $60 million/year, and Wildlife Habitat Incentives Program at $85 million/year). For the commodity title, the dairy and sugar programs were included in the extension, as were price support loan programs for wool and mohair.

Programs that specifically were *not* extended included the direct, counter-cyclical, and marketing loan programs for the 2008 crop year for all other supported commodities (e.g., feed grains, oilseeds, wheat, rice, cotton, and peanuts), peanut storage payments, agricultural management assistance for conservation, community food projects in the food stamp program, the rural broadband program, value-added market development grants, federal procurement of biobased products, the biodiesel fuel education program, and the renewable energy systems program.

Commodity Support Programs[6]

The mandatory commodity support programs authorized in the 2002 farm bill cover the 2007 crops. So, all subsidy obligations related to 2007 crop production are covered by the law, even if spending occurs in FY2008. For commodity support programs, there was little reason to enact a farm bill before the end of calendar year 2007. In fact, past farm bills generally have been enacted late in the year, after the end of the fiscal year. The 1981 and 1985 farm bills were enacted in late December, and the 1990 farm bill was enacted in late November. What was expected to be a 1995 farm bill was not enacted until April 4, 1996, another case of belated action. Even in that case, payments were made on the 1995 crops and farmers went ahead with planting operations for their 1996 crops.[7]

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[5] (...continued)
farm bill. President Eisenhower vetoed H.R. 12, the first version of the Agricultural Act of 1956. The overrides in 2008 were the first time a farm bill was enacted by overriding a veto. A budget reconciliation package that included a 1995 farm bill was vetoed in 1995, but the farm bill was not necessarily the basis of the veto (see footnote 7).

[6] This section on commodity support programs is written by Jim Monke, Specialist in Agricultural Policy, CRS. It was initially composed by Jasper Womach.

[7] The situation surrounding delayed enactment of a 1995 farm bill until 1996 was complicated by several factors. First, some support provisions for some commodities had been extended through 1997 by budget savings action taken in the Agricultural
(continued...)

Policy officials and the agriculture community expected a 2007 farm bill to be enacted before the end of calendar year 2007. However, lack of new commodity support legislation before harvest in 2008 did little harm other than leaving producers of "covered commodities" uncertain about the size of payments they might receive.[8] The uncertainty about future policy could have affected some farmers' ability to acquire production loans from commercial lenders. But even if Congress had deemed a one- or two-year extension necessary for the commodity support programs beyond the 2007 crop year, that action likely could have waited until June 2008, when winter wheat — the first of the 2008 crop year commodities — was harvested.[9]

Possible Reversion to Permanent Law

If Congress had not enacted the 2008 farm bill before the beginning of the 2008 harvest, then the non-expiring provisions of primarily the Agriculture Adjustment Act of 1938 and the Agriculture Act of 1949 would have taken effect. Provisions of these permanent laws are temporarily superseded by each farm bill. The commodity support provisions of permanent law are so radically different from current policy — and inconsistent with today's farming, marketing, and trade agreements, as well as potentially costly to the federal government — that Congress was unlikely to let permanent law take effect.

Permanent law provides mandatory support for basic crops through nonrecourse loans, but without the option of settling the loan obligations at posted county prices or receiving loan deficiency payments. The only settlement options in permanent law are forfeiture of the commodities used as loan collateral or full repayment of the loans. Permanent law does not authorize counter-cyclical payments or decoupled direct payments. Also, nonrecourse loan rates could be as high as 90% of parity but not less than 50% of parity for corn, wheat, and rice, and 65% of parity for cotton.[10] Acreage allotments and marketing quotas could be implemented for wheat and cotton. Milk support would be between 75% and 90% of parity. Support for soybeans, other oilseeds, and peanuts would not be mandatory. Other commodities

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[7] (...continued)
Reconciliation Act of 1993 (P.L. 103-66, Sections 1101-1111). Second, a 1995 farm bill was included in a large budget reconciliation package (H.R. 2491) that was vetoed on December 6, 1995, by President Clinton.

[8] Under the 2002 farm bill, farmers receiving direct payments have the option of receiving them in the calendar year prior to the applicable crop year. This provision allows farmers to possibly achieve tax savings. The delay of the farm bill until 2008 precluded the possibility for farmers to receive part of their 2008 direct payment in calendar year 2007.

[9] Milk is a commodity that required attention before the end of 2007, because the dairy price support program was scheduled to expire on December 31, 2007. The temporary extensions avoided the reversion to permanent law, whereby the government would have been obligated to purchase surplus cheese, nonfat dry milk, and butter at prices substantially higher than current support prices.

[10] Parity is a price relationship that gives a unit of the commodity the same purchasing power it had in the 1910-1914 time period. (Average prices received by farmers and commodity parity prices are reported monthly by the USDA's National Agricultural Statistics Service report, *Agricultural Prices*.

now receiving mandatory support but not identified in permanent law are: sugar beets, sugar cane, wool, mohair, small chickpeas, dry peas, and lentils.

For wheat and cotton, permanent law requires USDA to announce acreage allotments and marketing quotas during the prior crop year, and to hold producer referenda on whether to implement marketing quotas. A two-thirds or more affirmative producer vote for marketing quotas results in the highest levels of support, but also mandatory restrictions on planted acreage and therefore on the quantity eligible for support. For this analysis, it is assumed the Secretary announces no marketing quotas, and thus no producer referenda. Therefore, the only requirement is to announce wheat acreage allotments prior to the 2008 harvest.[11] **Table 1** summarizes the support estimates based on these assumptions.

As shown in **Table 1**, not all commodities currently receiving federal support would be covered by mandatory provisions in permanent law. The commodities losing mandatory support include peanuts, wool, mohair, sugar beats and sugar cane, soybeans and other oilseeds, dry peas, lentils, and small chick peas. Any and all of these commodities could receive support under discretionary authority given the Secretary of Agriculture in the Agriculture Act of 1949 and the CCC Charter Act. For budgetary and other reasons, that discretionary authority has been seldom used and was unlikely to be applied in 2008. Important to this supposition is the fact that, with few exceptions, market prices for agricultural commodities are high and there would be little economic justification for federal support to be implemented.

Milk is supported currently and in permanent law through the offer of USDA to purchase manufactured dairy products (nonfat dry milk, cheddar cheese, and butter) at prices equivalent to the mandated support price for manufacturing grade milk. Under permanent law those purchase prices (based on January 2008 data) would be about three times as high a currently mandated and nearly 50% higher than market prices. Such high USDA purchase prices could result in the government outbidding commercial markets for a sizeable share of processor output. Under the 2002 farm bill, permanent law would have taken effect on January 1, 2008. However, temporary extensions continued the dairy price support program.

Under permanent law, nonrecourse loan rates for wheat, corn, and other feed grains, and cotton function as USDA purchase prices. Unless commercial markets pay more than the nonrecourse loan prices, farmers simply put their crops under loan and forfeit the commodities to USDA when the nine-month loans come due. Thus loan prices effectively are government purchase prices. When market prices are lower than the nonrecourse loan rates, commercial buyers have to raise their prices to outbid the USDA to acquire wheat, feed grains, and cotton. These crop subsidy programs were *not* extended beyond the 2007 crop year by the temporary extensions.

[11] In fact, USDA issued press releases on April 5, 2007 (FSA News Release No. 1439.07), and September 25, 2007 (FSA News Release No. 1526.07), stating there would be no national acreage allotments or marketing quotas for, respectively, crop year 2008 wheat and cotton under the 1938 Act.

Table 1. Average Prices Received and Parity Prices for Farm Products, and Support Provisions Under Permanent Law

Commodity and Unit	Farm Market Price, Jan 2008[a]	Parity Price, Jan 2008[b]	Farm Price as % of Parity, Jan 2008	Minimum Support Provisions Under Permanent Law (Agricultural Adjustment Act of 1938 and Agricultural Act of 1949)[c]	Minimum Loan / Purchase Price Under Permanent Law
Basic Commodities					
Wheat, Bu	$8.55	$12.00	71%	Nonrecourse loans and direct purchases. Acreage allotments. Quotas approved, loan rate = 65%-90% parity. Quotas not approved, loan rate = 50% parity. Quotas not announced, loan rate = 75%-90% of parity.	75% parity = $8.40
Rice, Cwt	$11.60	$28.90	40%	Permanent authority repealed by P.L. 104-127 (1981 farm bill), Sec 601, but restored by P.L. 104-127 (1996 farm bill), Sec. 171(b). Loan rate = 50%-90% of parity.	50% parity = $15.15
Corn, Bu	$4.28	$7.56	57%	Nonrecourse loans and direct purchases. Acreage allotments are not authorized. Loan rate = 50%-90% of parity.	50% parity = $3.78
Sorghum, Bu	$4.61	$7.56	61%	Support set in relation to feed value (TDN) compared to corn (sorghum =95%, barley=90%, oats=90%), and adjusted for differing bushel weights. Sorghum loan = 95% of corn loan, barley loan = 77% of corn, oats = 51% of corn.	$3.59
Barley, Bu	$4.92	$8.26	60%		$3.40
Oats, Bu	$2.71	$4.91	55%		$1.93
Cotton, Upland, Lb	$0.614	$2.06	30%	Nonrecourse loans and direct purchases. Acreage allotments. Quotas approve, loan rate = 65%-90% parity. Quotas not approved, loan rate = 50% parity Quotas not announced, loan rate = 65%-90% parity.	$1.34
Peanuts, Lb	$0.220	$0.785	28%	Permanent authority repealed by P.L. 107-171 (1996 farm bill), Title I, Subtitle C.	none
Designated Nonbasic Commodities					
Milk, Mfg, Cwt	$20.10	$40.40	50%	Purchases of milk and butterfat products at 75%-90% of parity. Direct payments under Milk Income Loss Contracts (MILC)	75% parity = $30.30 none
Honey, Lb	$1.04	$2.74	38%	Purchases of honey at 60%-90% of parity.	$1.60
Wool, Lb	$0.88	$1.80	49%	Permanent authority repealed by P.L. 103-130.	none
Mohair, Lb	$2.78	$8.33	33%	Permanent authority repealed by P.L. 103-130.	none
Other Nonbasic Commodities					
Sugar, Refined Beet	na	na		Tariff rate quotas continue under authority of chapter 17 of the Harmonized Tariff Schedule of the United States, Additional Note 5.	none
Sugar, Raw Cane	na	na			none

Commodity and Unit	Farm Market Price, Jan 2008[a]	Parity Price, Jan 2008[b]	Farm Price as % of Parity, Jan 2008	Minimum Support Provisions Under Permanent Law (Agricultural Adjustment Act of 1938 and Agricultural Act of 1949)[c]	Minimum Loan / Purchase Price Under Permanent Law
Soybeans, Bu	$11.00	$18.70	59%	Permanent law includes no mandatory support for these other nonbasic commodities. However, Sec. 301 of the Agricultural Act of 1949, and in the Commodity Credit Corporation Charter Act give discretionary authority to the Secretary of Agriculture to "make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity ... [not otherwise designated for mandatory support]...."	none
Sunflower Seed, Cwt	$20.90	$37.70	55%		none
Rapeseed, Cwt	$17.70	$38.80	46%		none
Canola, Cwt	$20.00	$34.30	58%		none
Safflower, Cwt	$18.70	$42.20	44%		none
Flaxseed, Bu	$13.90	$20.20	69%		none
Mustard Seed, Cwt	$19.80	$44.90	44%		none
Crambe	na	na	na		none
Sesame Seed	na	na	na		none
Chickpeas, Small, Cwt	$16.10	na	na		none
Peas, Dry, Cwt	$15.50	na	na		none
Lentils, Cwt	$28.50	na	na		none

a. Average January 2008 prices received by farmers as reported by USDA, NASS. January prices are not available for all commodities, so marketing year 2007 prices are used for wool, rapeseed, safflower, mustard, and small chickpeas; 2006 prices are used for honey and mohair.

b. Reported by USDA, NASS, Agricultural Prices, January 2008. Parity prices are computed under the provisions of Title III, Subtitle a, Section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948, 1949, and 1956.

c. An explanation of permanent law is provided by USDA, ERS, P*ossible Economic Consequences of Reverting to Permanent Legislation or Eliminating Price and Income Support,* AER 526, January 1985. For purposes of this table it is assumed permanent law is implemented without time to hold producer referenda on national quotas and so mandatory support would be implemented without marketing quotas.

Conservation Programs[12]

Many of the USDA conservation programs administered by the Natural Resources Conservation Service (NRCS) deal with evaluating the causes and severity of resource problems, developing physical and management systems to address the problems, and providing technical and financial assistance to farmers implementing preventive and remedial practices. The cost of these programs largely relates to agency personnel who provide specialized technical training, cost-sharing with farmers, and administrative overhead. Conservation program spending recently has averaged about $5 billion annually.

While most of the larger conservation programs were authorized by the 2002 farm bill and would have expired the end of FY2007, several mostly older programs, with total spending about $1 billion, are permanently authorized and appropriations

[12] This section on conservation programs is written by Tadlock Cowan, Analyst in Natural Resources Policy, CRS. It was initially composed by Jeffrey A. Zinn.

committees are to provide such sums as necessary to meet program needs. Thus, there is no constraint on appropriators in future years. As with most appropriated (discretionary) programs, funding depends heavily on budget requests from the administering executive agency. So, the future of these programs, short of a change in the permanent authorizing law, largely is in the hands of the appropriators. These programs are listed at the top of **Table 2**.

The Food Security Act of 1985 (P.L. 99-198) and subsequent amendments have become the legal foundation for another set of programs that now account for almost $4 billion, 80% of USDA conservation spending. Most of these programs are administered by NRCS, while the largest (the Conservation Reserve Program (CRP)) is administered by USDA's Farm Service Agency (FSA), with support from NRCS. The original authorizing legislation expired in 1990, but has been extended and amended by periodic farm bills. Many of these programs were extended by the 2002 farm bill and most of the programs expired September 30, 2007. However, the temporary farm bill extensions continued these programs.

The absence of new mandatory program authority likely would mean that no new contracts could be signed with farmers. All existing contracts would stay in force for their specified lives, and payments would continue to be made on the existing contracts. Three mandatory conservation programs were funded at specific levels by the temporary extensions — the Farmland Protection Program ($97 million), the Wildlife Habitat Incentives Program ($85 million), and the Ground and Surface Water Conservation Program ($60 million). Also, two programs, the Environmental Quality Incentives Program (EQIP) and the Conservation Security Program (CSP), have been extended in earlier legislation to FY2010 and FY2011, respectively. The mandatory conservation programs are listed in the bottom half of **Table 2,** with their temporary expiration dates.

Table 2. Conservation Program Authorization and Funding

Permanently Authorized and Funded with Annual Appropriations[a]	
Program	**Expiration of Appropriations Authority (prior to 2008 farm bill)**
Conservation Technical Assistance	No expiration date (n.e.d.)
Soil Surveys	(n.e.d.)
Watershed Planning and Surveys	(n.e.d.)
Watershed and Flood Prevention Operations	(n.e.d.)
Watershed Rehabilitation Program	May 23, 2008[c]
Resource Conservation and Development (RC&D)	(n.e.d.)
Agricultural Management Assistance Program	(n.e.d.)
Emergency Watershed Program	(n.e.d.)
Emergency Conservation Program	(n.e.d.)

Programs with Mandatory Funding[b]	
Program	**Expiration of Program Authority**
Conservation Reserve Program (CRP)	May 23, 2008[c]
Farmland Protection Program (FPP)	May 23, 2008[c]
Wildlife Habitat Incentives Program (WHIP)	May 23, 2008[c]
Grassland Reserve Program (GRP)	May 23, 2008[c]
Ground and Surface Water Program	May 23, 2008[c]
Wetlands Reserve Program (WRP)	May 23, 2008[c]
Watershed Rehabilitation Program	May 23, 2008[c]
Environmental Quality Incentives Program (EQIP)	Sept. 30, 2010[d]
Conservation Security Program (CSP)	Sept. 30, 2011[d]
Agricultural Management Assistance	(n.e.d.)

a. With the exception of the Watershed Rehabilitation Program (authorized at $85 million in FY2007), these programs all are authorized to indefinitely receive appropriations of such sums as necessary.

b. With one exception, these programs were initially authorized by the Food Security Act of 1985 (P.L. 99-198), or amendments to that act. The Watershed Rehabilitation Program was initially authorized by amendment to the Watershed Protection and Flood Prevention Act (P.L. 106-472). All of these programs were extended through FY2007 by the 2002 farm bill.

c. Each of these conservation programs expired on September 30, 2007, under their 2002 farm bill program authority. Temporary extensions have continued their authority.

d. Subsequent to the 2002 farm bill, the Deficit Reduction Act of 2005 (P.L. 109-171) authorized the Environmental Quality Incentives Program (EQIP) through FY2010, and the Conservation Security Program (CSP) through FY2011.

Nutrition Programs[13]

At the end of FY2007 (and with no enacted farm bill to extend them), a number of authorities in domestic food assistance laws expired. They effectively were extended by a series of appropriations actions and temporary farm bill extensions. Because the Appropriations Act provided funding for all domestic food assistance programs through the end of FY2008, most programs (and the terms and conditions under which they operate) would have been unaffected if temporary extensions expired without new legislation. However, some provisions of domestic food assistance law would have terminated.

Without some action, authority to continue to pay out nutrition assistance grants to Puerto Rico and American Samoa (totaling some $1.6 billion for FY2008) would have terminated without a temporary extension. Provisions allowing USDA to reduce, by just under $200 million a year, states' regular federal matching payments for food stamp administrative costs also would have terminated without a temporary extension. This authority is intended to adjust for administrative costs shared with other federally supported public assistance programs.

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[13] This section on nutrition programs is written by Joe Richardson, Specialist in Domestic Social Policy, CRS.

Other, less significant authorities that would have been affected include:

- continuation of several food stamp pilot projects in which elderly or disabled recipients receive cash benefits,
- $5 million in grants for simplified application projects,
- $5 million in grants for community food projects,
- a directive for minimum, per-case administrative cost payments for Commodity Supplemental Food Program (CSFP) projects,
- provisions regarding the amounts of cheese and nonfat dry milk to be provided to the CSFP, and
- provisions regarding contracting with private companies to process USDA-donated commodities.[14]

Trade and Foreign Food Aid Programs[15]

Several agricultural trade and international food aid programs were subject to expiration unless a new farm bill was enacted. In fact, a short-term expiration occurred between May 22, 2008, and June 18, 2008 — that is, the period between enactment of the 2008 farm bill without Title III (P.L. 110-234) and enactment of the version with Title III (P.L. 110-246).

These trade programs were authorized by the 2002 farm bill to receive mandatory funding. The programs in question regarding expiration were export credit guarantees, export credit guarantees for emerging markets, facilities credit guarantees, export market promotion, general export and dairy export subsidies, and technical assistance for specialty crops.

Authority to carry out international emergency and non-emergency food aid programs is provided by P.L. 480, the Agricultural Trade Development and Assistance Act. Several authorities in P.L. 480 expired without a temporary extension or a new farm bill. These include the authorization of minimum volumes of commodity assistance under Title II (Title II of P.L. 480, emergency and private assistance), the authority to finance sales (Title I) or enter into agreements to provide commodities for emergencies or development projects (Title II), and the authority to carry out P.L. 480-financed agricultural technical assistance in sub-Saharan African and Caribbean countries. Authority to replenish stocks of the Bill Emerson Humanitarian Trust, a reserve of commodities and cash used to meet unanticipated food aid needs, also expired without temporary extension.

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[14] The USDA has determined that other authorities that might appear to be affected would not — e.g., continuation of the Senior Farmers' Market Nutrition program, continued funding for employment and training programs for food stamp recipients, support for TEFAP. Moreover, ending the six affected authorities noted here may not, in the short term, have a significant effect because of the existence of other authorities that could be used to replace them or the timing of grant decisions.

[15] This section on trade and aid programs is written by Charles Hanrahan, Senior Specialist in Agricultural Policy, CRS.

Rural Development Programs[16]

Most rural development loan and grant programs are authorized through permanent law and funded through annual appropriations, which were received for FY2008 in the Consolidated Appropriations Act (P.L. 110-161). However, several mandatory rural development programs were newly authorized or extended by the 2002 farm bill. These programs expired on September 30, 2007, and were *not* included in the temporary extensions:

- Enhanced Rural Access to Broadband Technology Program;
- Value-Added Product Development Grants Program;
- Renewable and Alternative Energy Systems Grant Program.

Historical Farm Bill Chronology of Major Actions

1973 Farm Bill

P.L. 93-86 (S. 1888), an original bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices

Summary of Major Actions

Introduced May 23, 1973.
Enacted August 10, 1973.
Expiration:

- Appropriations authorities expire June 30, 1977.
- Commodity support authorities expire after the 1977 crop year.

Chronology of Major Actions

05/23/1973 — S. 1888 introduced in Senate
05/23/1973 — S. 1888 reported to Senate, S.Rept. 93-173.
06/08/1973 — S. 1888 passed by roll call vote (78-9).
06/20/1973 — H.R. 8860 introduced in House
06/27/1973 — H.R. 8860 reported to House, H.Rept. 93-337.
07/19/1973 — H.R. 8860 laid on table in House, S. 1888 passed in lieu.
08/10/1973 — Signed by President.

1977 Farm Bill

P.L. 95-113 (S. 275), Food and Agriculture Act of 1977

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[16] This section on rural development programs is written by Tadlock Cowan, Analyst in Natural Resources Policy, CRS.

Summary of Major Actions

Introduced January 18, 1977.
Enacted September 29, 1977.
Expiration:

- Appropriations authorities expire September 30, 1981.
- Commodity support authorities expire after the 1981 crop year.

Chronology of Major Actions

01/18/1977 — S. 275 introduced in Senate.
05/13/1977 — H.R. 7171 introduced in House.
05/16/1977 — Reported to Senate, S.Rept. 95-180.
05/16/1977 — H.R. 7171 reported from the House Ag. Committee, H.Rept. 95-348.
05/24/1977 — Passed Senate by roll call, 69-18.
07/28/1977 — Passed House in lieu of H.R. 7171 by roll call, 294-114.
09/09/1977 — Conference report S.Rept. 95-418 agreed to 9/12/1977 by roll call, 63-8.
09/16/1977 — Conference report agreed to in House by roll call, 283-107.
09/29/1977 — Signed by President.

1981 Farm Bill

P.L. 97-98 (S. 884), Agriculture and Food Act of 1981

Summary of Major Actions

Introduced April 7, 1981.
Enacted December 22, 1981.
Expiration:

- Appropriations authorities expire September 30, 1985.
- Commodity support authorities expire after the 1985 crop year.

Chronology of Major Actions

04/07/1981 — S. 884 introduced in Senate.
05/18/1981 — H.R. 3603 introduced in House.
05/19/1981 — Reported by House Ag. Committee, H.Rept. 97-106, Part I. Reported by House Committee on Appropriations 6/11/1981, H.Rept. 97-106, Part II. Reported by House Committee on Ways and Means on 6/19/1981, H.Rept. 97-106, Part III. Discharged by House Committee on Banking, Finance and Urban Affairs on 6/19/1981.
05/27/1981 — S. 884 reported by Senate Ag. Committee under the authority of the order of May 21, 1981, with written report S.Rept. 97-126.
09/18/1981 — Passed Senate by yeas-nays, 49-32.
10/22/1981 — Passed House by yeas-nays, 192-160.
12/09/1981 — Conference Report H.Rept. 97-377 filed in House.
12/10/1981 — Conference report agreed to in Senate by yeas-nays, 67-32.
12/10/1981 — Conference report S.Rept. 97-290 filed in Senate on the disagreeing votes of the two Houses on the amendments of the House.

12/16/1981 — Conference report agreed to in House by yeas-nays, 205-203.
12/22/1981 — Signed by President.

1985 Farm Bill

P.L. 99-198 (H.R. 2100), Food Security Act of 1985

Summary of Major Actions

Introduced April 17, 1985.
Enacted December 23, 1985.
Expiration:

- Appropriations authorities expire September 30, 1990.
- Commodity support authorities expire after the 1990 crop year.

Chronology of Major Actions

04/17/1985 — H.R. 2100 introduced in House.
09/13/1985 — Reported to House by House Ag. Committee, H.Rept. 99-271, Part I; and reported to House by House Committee on Merchant Marine and Fisheries on 9/19/1985, H.Rept. 99-271, Part II.
09/19/1985 — Senate Ag. Committee incorporated provisions of related measures S. 501, S. 616, S. 843, S. 908, S. 1036, S. 1041, S. 1051, S. 1083, S. 1119, S. 42, S. 171, S. 1040, S. 1049, S. 1050, S. 250, S. 1069 into a single measure that was ordered to be reported.
09/30/1985 — S. 1714 introduced in Senate and reported to Senate with written report S.Rept. 99-145.
10/08/1985 — H.R. 2100 passed House by yeas-nays, 282-141.
11/23/1985 — H.R. 2100 passed Senate in lieu of S. 1714 by yeas-nays, 61-28.
12/17/1985 — Conference Report H.Rept. 99-447 filed in House and agreed to in House on 12/18/1985 by yeas-nays, 325-96; and agreed to in Senate by yeas-nays, 55-38.
12/23/1985 — Signed by President.

1990 Farm Bill

P.L. 101-624 (S. 2830), Food, Agriculture, Conservation, and Trade Act of 1990

Summary of Major Actions

Introduced July 6, 1990.
Enacted November 28, 1990.
Expiration:

- Appropriations authorities expire September 30, 1995.
- Commodity support authorities expire after the 1995 crop year.
- As a buget savings action, some support provisions for several commodities were reduced and extended beyond 1995 by P.L. 103-66 (Omnibus Budget Reconciliation Act of 1993).

> Support for milk was extended through 1996. Some provisions affecting cotton, wheat, feedgrains, rice, peanuts, wool, and mohair were extended through 1997. Support for honey was extended through 1998.

Chronology of Major Actions

02/05/1990 — H.R. 3950 introduced in House.
07/03/1990 — H.R. 3950 reported by the House Ag. Committee with H.Rept. 101-569, Part I. Reported 7/16/1990 by the Committee on Foreign Affairs, H.Rept. 101-569, Part II. Supplemental report filed 7/17/1990 by the House Ag. Committee, H.Rept. 101-569, Part III. Reported 7/18/1990 by the Committee on Education and Labor, H.Rept. 101-569, Part IV. Reported 7/18/1990 by the Committee on Ways and Means, H.Rept. 101-569, Part V, filed late, pursuant to previous special order. Discharged 7/18/1990 by the Committee on Merchant Marine and Fisheries.
07/06/1990 — S. 2830 introduced in Senate.
07/06/1990 — S. 2830 reported to Senate under the authority of the order of June 26, 1990, with written report S.Rept. 101-357.
07/27/1990 — S. 2830 passed Senate by yeas-nays, 70-21.
08/01/1990 — H.R. 3950 passed House by recorded vote, 327-91.
08/04/1990 — S. 2830 passed in House without objection.
10/22/1990 — Conference report H.Rept. 101-916 filed.
10/23/1990 — Conference report agreed to in House by yeas-nays, 318-102.
10/25/1990 — Conference report agreed to in Senate by yeas-nays, 60-36.
11/28/1990 — Signed by President.

1996 Farm Bill

P.L. 104-127 (H.R. 2854), Federal Agriculture Improvement and Reform Act of 1996

Summary of Major Actions

Introduced January 5, 1996.
Enacted April 4, 1996.
Expiration:

- Appropriations authorities expires September 30, 2002.
- Commodity support authority expires after the 2002 crop year.

Chronology of Major Actions

08/04/1995 — H.R. 2195 introduced in House.
09/20/1995 — H.R. 2195 marked up by House Ag Committee and voted down.
09/28/1995 — Senate Ag Committee completed markup and approved unnumbered farm bill.
10/26/1995 — H.R. 2195 included in H.R. 2491, Balanced Budget Act of 1985. H.R. 2491 approved by House on 10/26.

10/28/1995 — Senate Ag Committee farm bill approved as part of the Balanced Budget Reconciliation Act of 1995 (S. 1357), which was incorporated in H.R. 2491 and approved.
12/06/1995 — H.R. 2491 was vetoed by the President.
01/05/1996 — H.R. 2854 introduced in House.
01/26/1996 — S. 1541 introduced in Senate.
02/07/1996 — S. 1541 passed Senate by yeas-nays, 64-32.
02/09/1996 — H.R. 2854 reported by House Ag. Committee with H.Rept. 104-462, Part I, and discharged on 2/9/1996 by Committee on Ways and Means.
02/29/1996 — H.R. 2854 passed House by yeas-nays, 270-155.
03/12/1996 — H.R. 2854 passed Senate by voice vote.
03/25/1996 — Conference report H.Rept. 104-494 filed.
03/28/1996 — Conference report agreed to in Senate by yeas-nays, 74-26.
03/29/1996 — Conference report agreed to in House by recorded vote, 318-89.
04/04/1996 — Signed by President.

2002 Farm Bill

P.L. 107-171 (H.R. 2646), Farm Security and Rural Investment Act of 2002

Summary of Major Actions

Introduced July 26, 2001.
Enacted May 13, 2002. Provisions applied to 2002 crops, superseding the unexpired provisions of the 1996 farm bill.
Expiration:

- Appropriations authorities expire September 30, 2007.
- Commodity support authorities expire after the 2007 crop year.

Chronology of Major Actions

07/26/2001 — H.R. 2646 introduced in House.
08/02/2001 — H.R. 2646 reported by House Ag. Committee, H.Rept. 107-191, Part I. Supplemental report filed 8/31/2001 by House Ag. Committee, H.Rept. 107-191, Part II. Reported by the Committee on International Relations 9/10/2001, H.Rept. 107-191, Part III.
10/05/2001 — Passed in House by yeas-nays, 291-120.
11/27/2001 — S. 1731 introduced in Senate and reported to Senate by the Senate Ag. Committee without a written report. S.Rept. 107-117 was filed on 12/7/2001.
02/13/2002 — Passed in Senate in lieu of S. 1731 by yeas-nays, 58-40.
05/01/2002 — Conference report H.Rept. 107-424 filed.
05/02/2002 — Conference report agreed to in House by yeas-nays, 280-141.
05/08/2002 — Conference report agreed to in Senate by yeas-nays, 64-35.
05/13/2002 — Signed by President.

2008 Farm Bill

P.L. 110-246 (H.R. 6124), Food, Conservation, and Energy Act of 2008

Summary of Major Actions

Introduced May 22, 2007.
Enacted June 18, 2008.
Expiration:

- Appropriations authorities expire September 30, 2012.
- Commodity support authorities expire after the 2012 crop year.

Chronology of Major Actions

05/22/2007 — H.R. 2419 introduced in House.
07/23/2007 — H.R. 2419 reported by House Ag. Committee, H.Rept. 110-256.
07/23/2007 — H.R. 2419 discharged by Committee on Foreign Affairs.
07/27/2007 — H.R. 2419 passed in House (231-191).
12/14/2007 — H.R. 2419 passed in Senate, with substitute language (79-14).

Short-term extensions

12/26/2007 — P.L. 110-161 (Consolidated Appropriations Act of 2008) included language to extend the 2002 farm bill, with specific exceptions, until March 15, 2008 (Division A, Title VII, Sec. 751).
03/14/2008 — P.L. 110-196 further extended the 2002 farm bill and suspended permanent price support authority until April 18, 2008.
04/18/2008 — P.L. 110-200 continued to extend the 2002 farm bill as in the previous extension until April 25, 2008.
04/25/2008 — P.L. 110-205 continued to extend the 2002 farm bill as in the previous extension until May 2, 2008.
05/02/2008 — P.L. 110-208 continued to extend the 2002 farm bill as in the previous extension until May 16, 2008.

05/14/2008 — H.R. 2419 conference agreement passed in House (318-106).
05/15/2008 — H.R. 2419 conference agreement passed in Senate (81-15).

05/18/2008 — P.L. 110-231 continued to extend the 2002 farm bill as in the previous extension until the earlier of May 23, 2008, or enactment of the 2008 farm bill.

05/21/2008 — H.R. 2419 vetoed by President Bush (enrolled without Title III).
05/21/2008 — H.R. 2419 passed in House over veto (316-108).
05/22/2008 — H.R. 2419 passed in Senate over veto (82-13).
05/22/2008 — H.R. 2419 became P.L. 110-234 (without Title III).
05/22/2008 — H.R. 6124 passed in House (306-110, text of H.R. 2419 with Title III).
06/05/2008 — H.R. 6124 passed in Senate (77-15).
06/18/2008 — H.R. 6124 vetoed by President Bush.
06/18/2008 — H.R. 6124 passed in House over veto (317-109).
06/18/2008 — H.R. 6124 passed in Senate over veto (80-14).
06/18/2008 — H.R. 6124 became P.L. 110-246 (and superseded P.L. 110-234).