

## Overview

Every five years, Congress and the President debate how to improve the federal government's many agricultural and nutritional programs. The result of this debate directly affects small farmers, large agribusiness operations, and the food that ends up on tables across the country and around the world. The key policy decisions included in this legislation are intended to protect Americans' access to safe and affordable food and fiber, and they largely shape today's global agricultural economy.

## What is the Farm Bill?

Beginning in 1933, federal lawmakers decided to consider the government's agricultural programs and their spending separately from the typical, annual process. Instead, Congress began enacting multiyear legislation, which authorized programs for wheat, cotton, and grains used for livestock feed. In 2008, Congress passed the tenth and most recent Farm Bill, which included federal programs for crops and livestock but also made significant changes to federal policies on energy, conservation, nutrition, credit, rural development, forestry, and research.

## Why is the Farm Bill important to U.S. Agriculture?

The United States agriculture sector produces hundreds of billions in revenue each year. At the same time, farmers and ranchers take on a large amount of financial risk each year. For instance, in 2012, American farms are expected to spend over \$330 billion on overhead costs like fuel, chemicals, labor, and land. In this environment, the support systems created by federal insurance and direct payment programs are central to the way the American farmer and rancher plans their business. Today, the Farm Bill's average annual spending of \$56.8 billion represents more than half of the farm sector's annual net income, making the Farm Bill vital to American agriculture and the rural economies that depend on it.

## How has the Farm Bill become an international issue?

Programs funded through the Farm Bill have a significant impact on the economies and politics of developing countries and are increasingly controversial among fair trade advocates. The U.S. Department of Agriculture (USDA) and the U.S. Agency for International Development (USAID) operate several programs to distribute American food products to hungry populations around the world, and these programs are funded through the Farm Bill. While these programs are vital in providing nutrition to people who would otherwise go hungry, other provisions of the Farm Bill have an even greater impact on the economies of seemingly remote places. Critics of U.S. agriculture policy argue the federal government would have a more positive impact by purchasing food for international aid at the local or regional level and by providing more nutrient-rich products. The Farm Bill has also complicated recent negotiations between the U.S. and its trading partners. These trade tensions have provided critics with another reason to demand changes to Farm Bill policies.

## Key Facts

- Number of Full-time American Farmers Today: **210,000**
- 2008 Farm Bill Spending Breakdown:
  - Nutrition Programs: **67%**
  - Farm Commodity Support: **15%**
  - Conservation: **9%**
  - Crop Insurance: **8%**
  - Other: **3%**
- U.S. Farm Land Lost to Development in the last 20 years: **23 million acres**
- Ages of American Farm Operators:
  - Under 35: **5%**
  - 36 to 44: **12%**
  - 45 to 54: **26%**
  - 55 to 64: **27%**
  - Over 65: **30%**

## Other Resources

- Congressional Research Service —
  - [Previewing the Next Farm Bill \(R42357\)](#)
  - [Budget Issues Shaping a 2012 Farm Bill \(R42484\)](#)
- USDA — [Farm Bill Clearinghouse](#)
- Farm Policy Facts — [Agriculture Policy Library](#)
- US Farm Bureau — [Issue Backgrounders](#)
- USDA — [State-by-State Fact Sheets](#)
- Oxfam America — [Food Aid in the Farm Bill: One Step Closer to Reform](#)

## Links to Other Resources

- Congressional Research Service (CRS) — Previewing the Next Farm Bill (R42357)  
<http://www.nationalaglawcenter.org/assets/crs/R42357.pdf>
- Congressional Research Service (CRS) — Budget Issues Shaping a 2012 Farm Bill (R42484)  
<http://www.nationalaglawcenter.org/assets/crs/R42484.pdf>
- USDA — Farm Bill Clearinghouse  
<http://www.usda.gov/wps/portal/usda/farmbill2008?navid=FARMBILL2008>
- Farm Policy Facts — Agriculture Policy Library  
<http://www.farmpolicyfacts.org/index.php/policy-library/>
- US Farm Bureau — Issue Backgrounders  
<http://www.fb.org/index.php?action=issues.backgrounders>
- Oxfam America — Food Aid in the Farm Bill: One Step Closer to Reform  
<http://politicsofpoverty.oxfamamerica.org/2012/04/30/food-aid-in-the-farm-bill-one-step-closer-to-reform/>