



## Setting the Stage for the Next Farm Bill

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Ag econ information – [agecon.unl.edu](http://agecon.unl.edu)  
USDA program information – [www.usda.gov](http://www.usda.gov)



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## The Setting for the Next Farm Bill



- ◆ The Economic Setting
- ◆ The Budget Setting
- ◆ The Trade Setting
- ◆ The Political Setting

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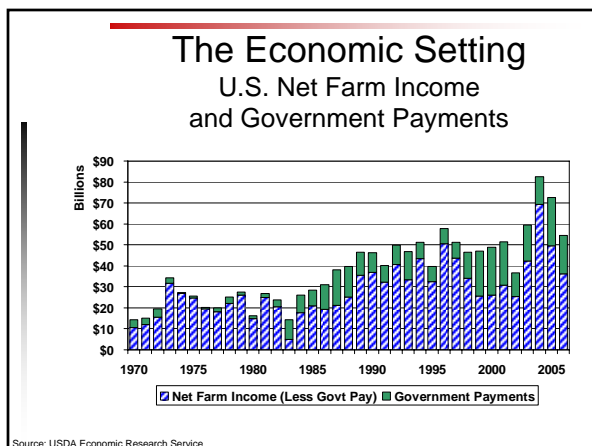
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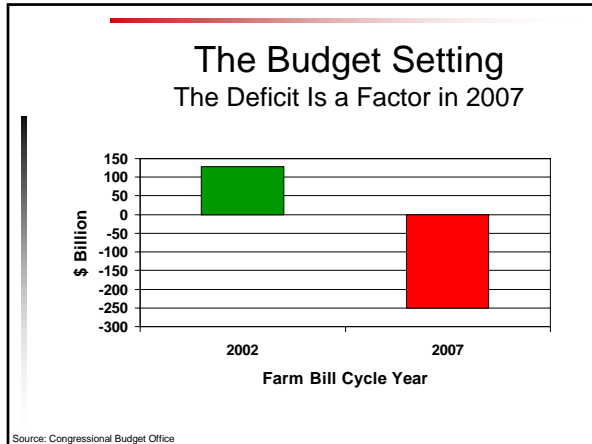
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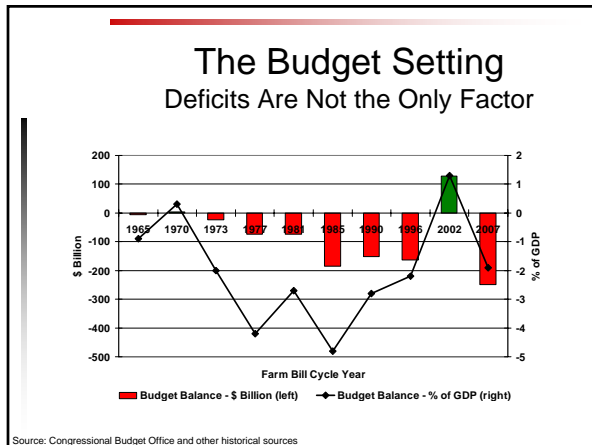
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- ### The Trade Setting
- WTO or not WTO?
- ◆ WTO Negotiations
    - Domestic Supports
    - Export Competition
    - Market Access
  - ◆ WTO Dispute Settlement
    - Brazil-US Cotton Case
    - Brazil-EU Sugar Case
  - ◆ Bilateral and Regional Trade Negotiations and Implementation

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## The Political Setting

- ◆ More players at the table
  - Conservation interests want a larger share of money
  - Food safety and homeland security are competing for funds
    - Animal identification, BSE surveillance
  - Nutrition and food assistance are key to the Farm Bill coalition
  - Rural development and energy are looking for funding

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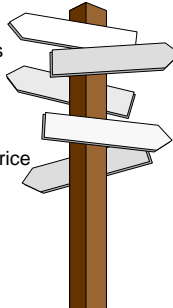
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## The Farm Support Alternatives

- ◆ Status quo
  - Baseline and spending adjustments
  - Payment limits
  - Specialty crop issues
- ◆ Revenue safety net
  - Safety net based on revenue, not price
- ◆ Green payments
  - Conservation
  - Energy




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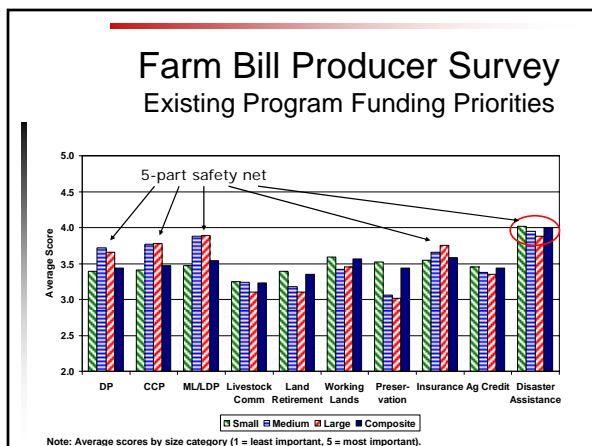
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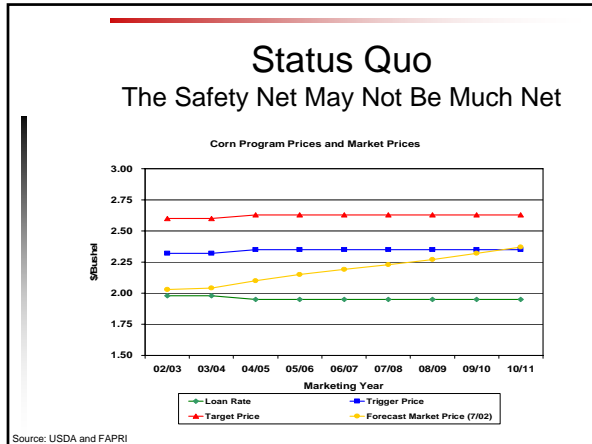
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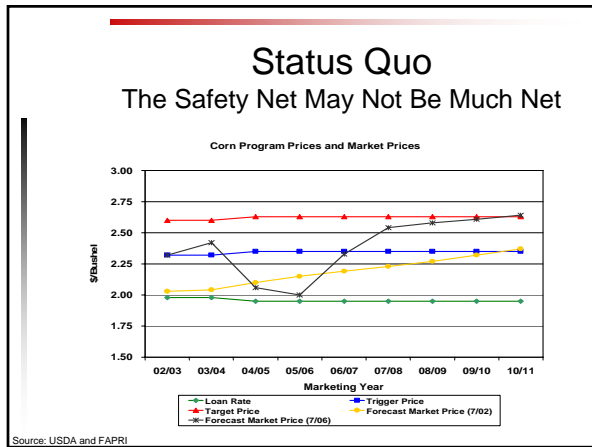
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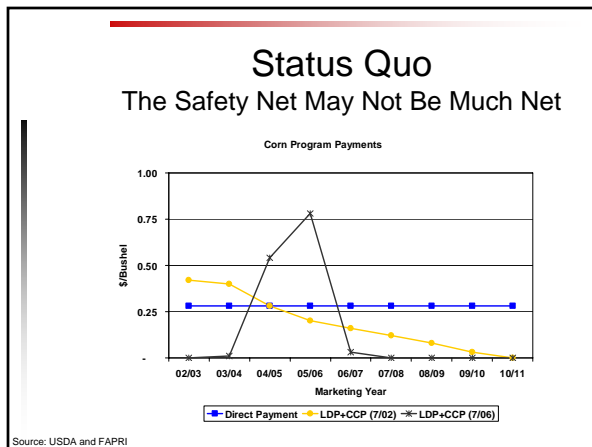
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## Revenue Safety Net

- ◆ Payments based on revenue not price
  - Crop-specific or farm-specific?
  - Farm, county, or national-level protection?
  - Program crops, or all crops and livestock?

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## Green Payments

- ◆ Conservation
  - Working lands programs
    - CSP
    - EQIP
  - Retirement programs
    - CRP
    - WRP
  - Preservation programs
    - FRPP
    - GRP
- ◆ Energy
  - Research
  - Investment
  - Production

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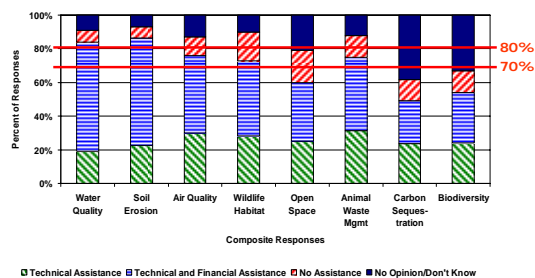
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## Farm Bill Producer Survey Environmental Goals and Conservation Programs



Note: Cumulative percent responses for composite results across size categories.

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### Farm Bill Producer Survey Conservation Security Program

CSP Option	Small	Medium	Large	Composite
<i>(percent response by size category)</i>				
Continue Implementation on Watershed-by-Watershed Basis	55	58	57	55
Increase Funding for Immediate Nationwide Implementation	22	20	21	22
Eliminate the CSP as Current Contracts Expire	22	22	22	22
	100	100	100	100

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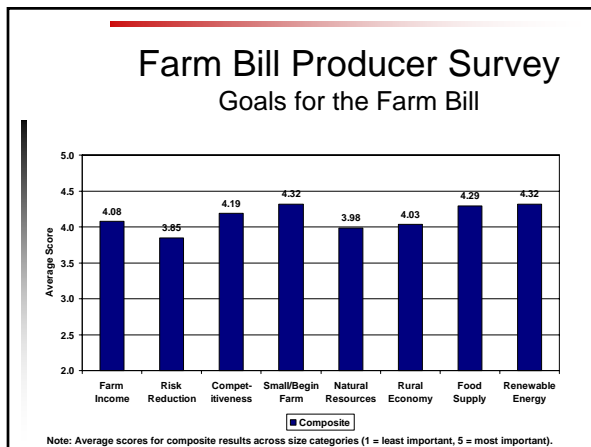
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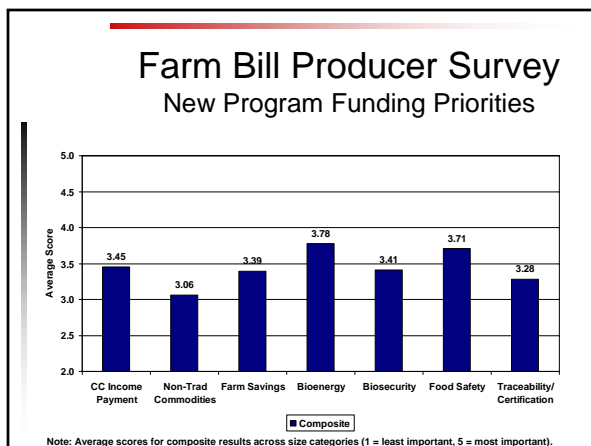
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## Summary and Outlook

- ◆ Drivers
  - Economic setting
  - Budget setting
  - Trade setting
  - Political setting
- ◆ Mega-alternatives
  - Status quo with adjustments
  - Revenue safety net
  - Green payments

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## Summary and Outlook

- ◆ Timeline
  - New Congress convenes in January 2007
  - Congressional hearings in early 2007
  - Current Farm Bill expires in September 2007
- ◆ Farm Bill Producer Survey
  - 27-state survey of producer preferences
  - Available at [www.farmfoundation.org](http://www.farmfoundation.org) or at [www.agecon.unl.edu](http://www.agecon.unl.edu)



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