

# Farm Bill Perspectives

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# Farm Bill Budget Outlook

## ◆ Big 4 account for 99% of spending

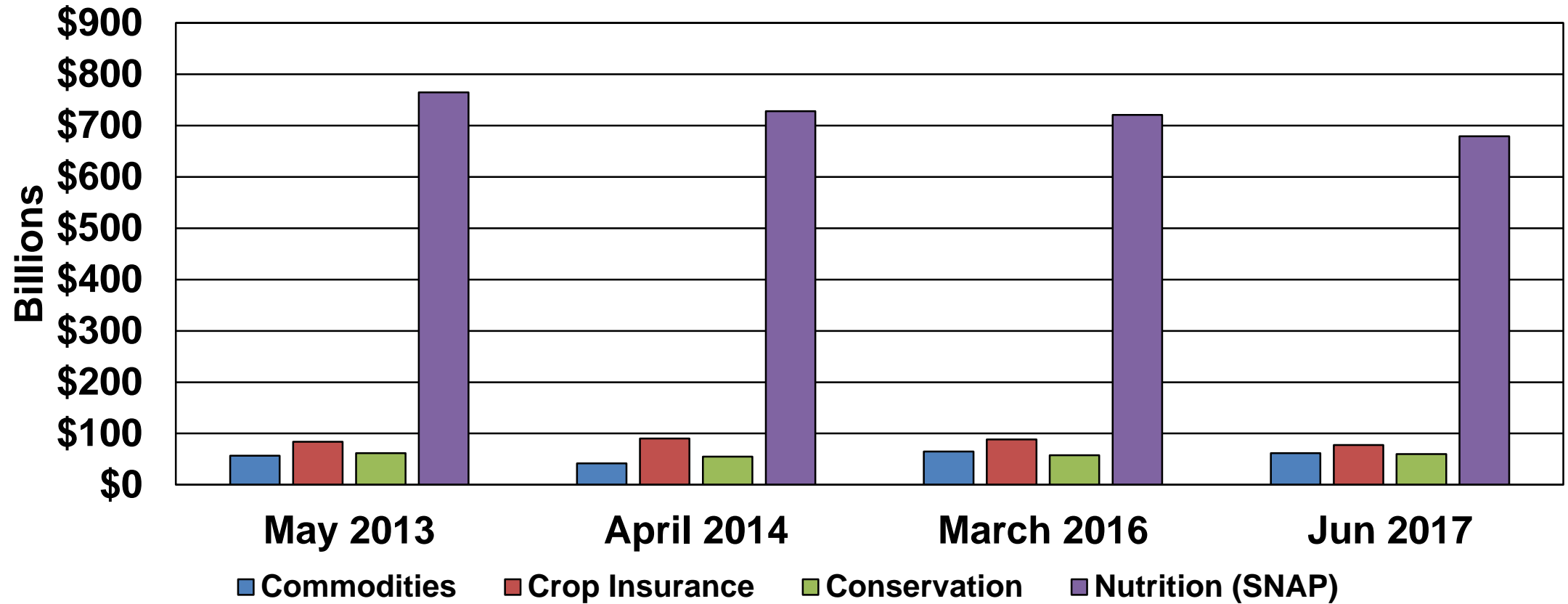
- Commodities
- Crop Insurance
- Conservation
- Nutrition (Supplemental Nutrition Assistance Program)

## ◆ Everything else fits in the 1%

- Trade
- Credit
- Rural Development
- Research, Extension, and Related Matters
- Forestry
- Energy
- Horticulture
- Miscellaneous

# The Budget Challenge

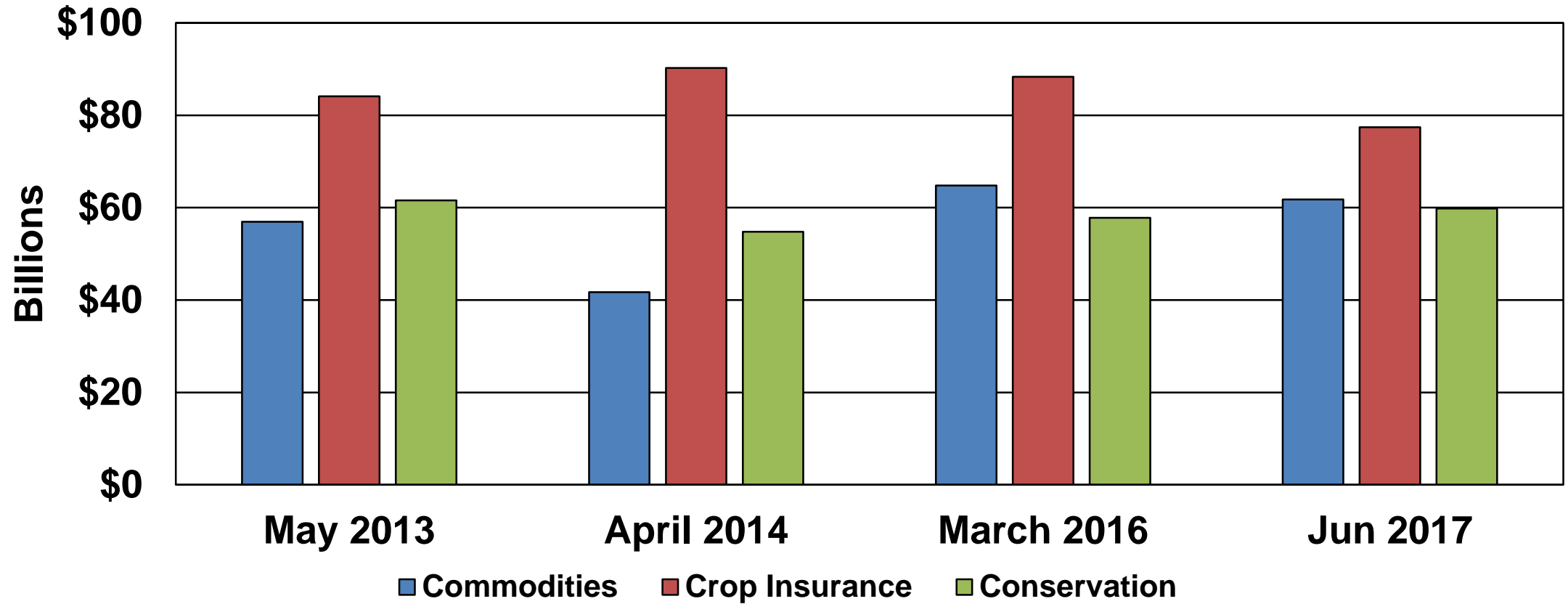
## Government Spending – 10-Year Baseline Projections



♦ Source: CBO

# The Budget Challenge

## Government Spending – 10-Year Baseline Projections



♦ Source: CBO

# Farm Bill Outlook

- ◆ Commodity program safety net has evolved over time
  - Price support and supply control
  - Income support tied to price and revenue
  - Risk management
  
- ◆ Future program directions
  - Crop insurance as the foundation
  - Revenue safety net to complement crop insurance
  - Price safety net as an alternative
  - Underlying marketing loan
  - Supplemental crop insurance
  - Disaster assistance
  - No direct payments

# Farm Bill Outlook

## ◆ Commodity programs

- ARC yields – data and history
- Reference prices
- ARC v. PLC decision
- Dairy and cotton

## ◆ Crop insurance programs

- Program features
- Eligibility limits
- Premium subsidy

## ◆ Conservation

- CRP enrollment cap
- CRP rental rates

## ◆ Nutrition (Supplemental Nutrition Assistance Program)

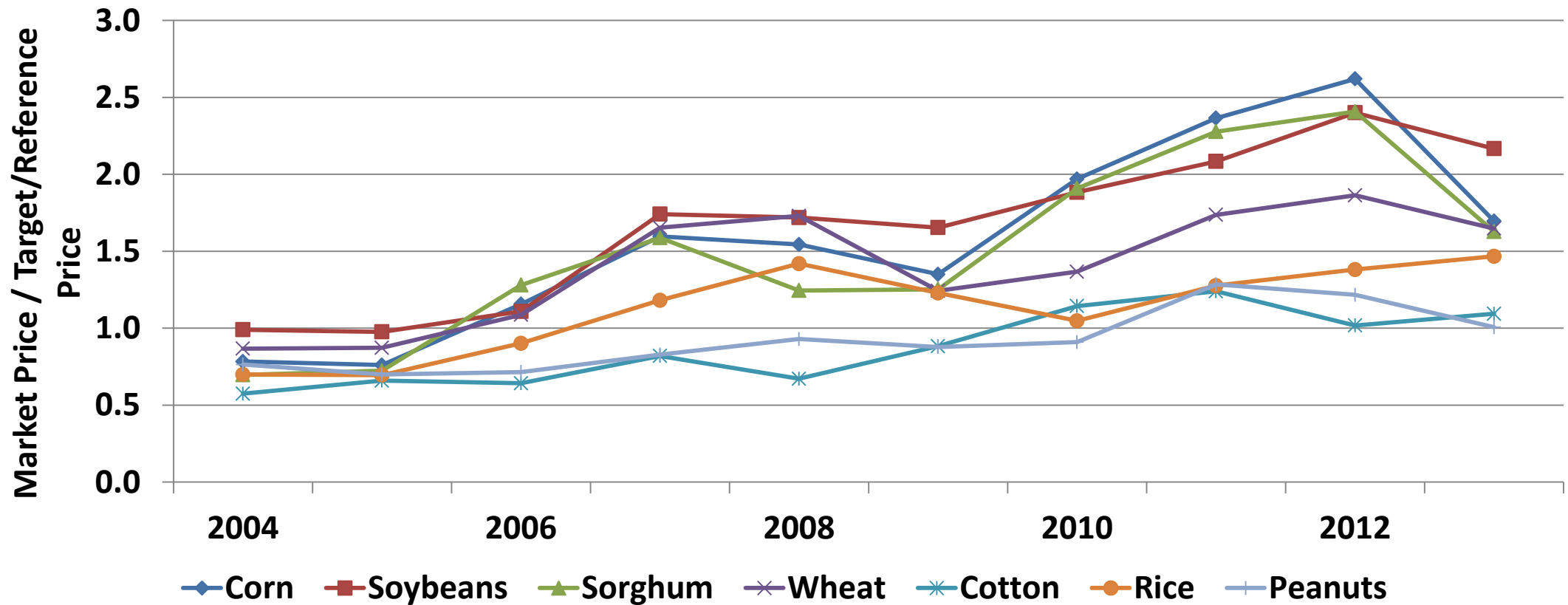
- Supports and eligibility levels
- Not a source of funds for farm program spending

## Farm Program Sign-Up Results By Crop Base Acreage in the United States

Commodity	PLC	ARC-CO	ARC-IC
Barley	75%	22%	4%
Corn	7	93	0
Grain Sorghum	66	33	1
Oats	32	67	1
Soybeans	3	97	0
Sunflowers	56	43	1
Wheat	42	56	2
Peanuts	100	0	0
Long Grain Rice	100	0	0

# Farm Income Safety Net

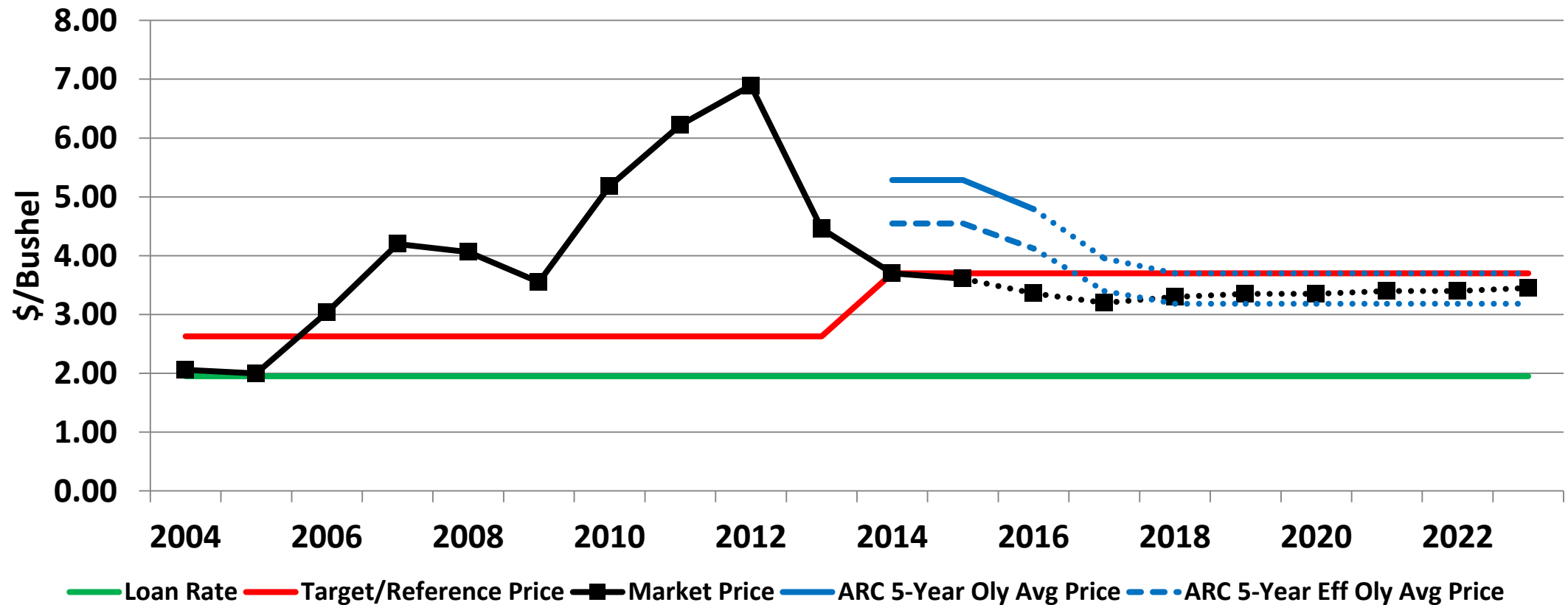
## Commodity Prices and Target/Reference Prices





# Farm Income Safety Net

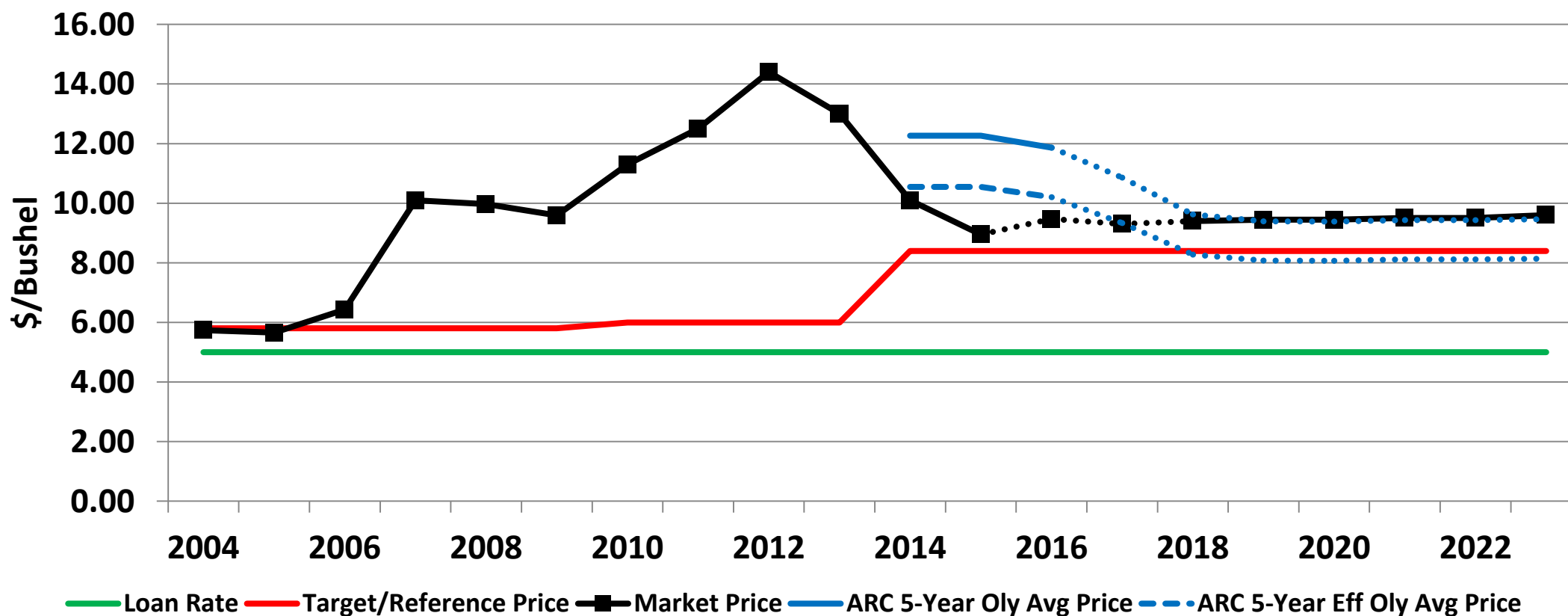
## Corn Prices and Effective ARC Price Protection\*



\* Estimated national marketing year average price for 2017 projected from USDA-WAOB as of November 11, 2017. Projected prices for 2018-2023 from USDA estimates as of December 2015 and author's calculations. Effective ARC price protection based on price only, assuming average yields – actual ARC protection based on revenue.

# Farm Income Safety Net

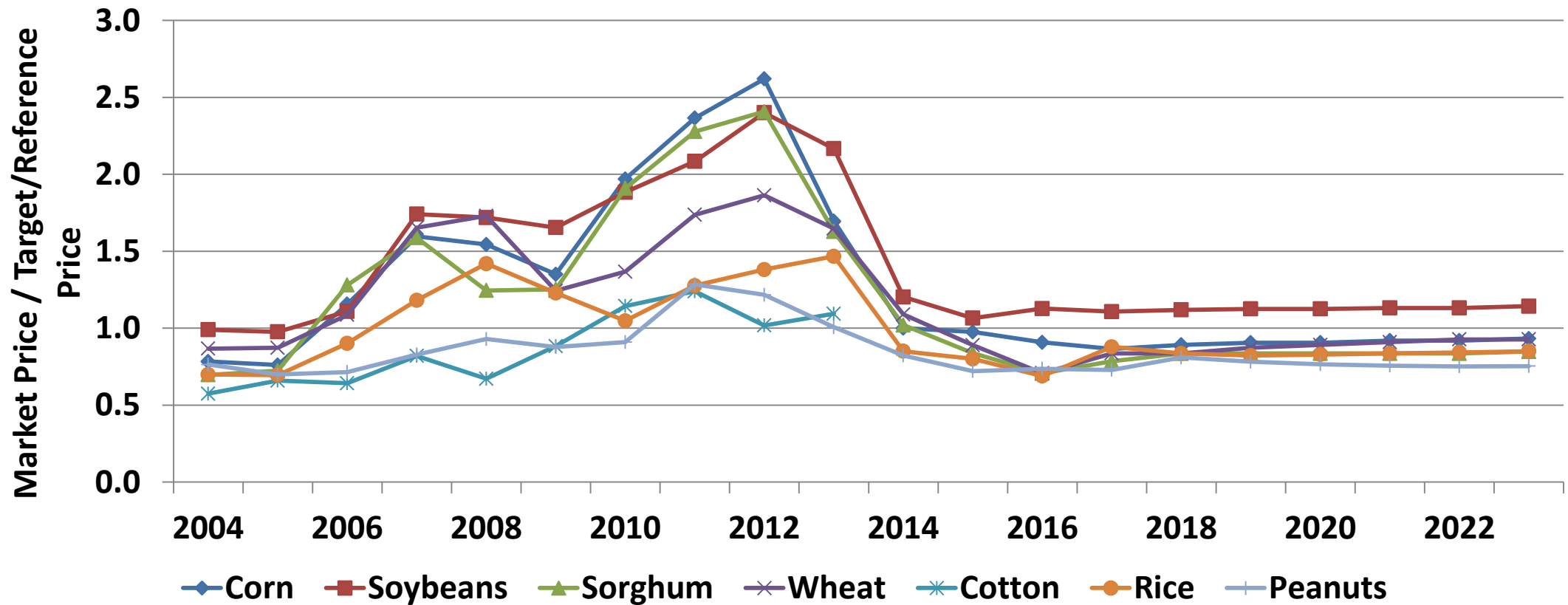
## Soybean Prices and Effective ARC Price Protection\*



\* Estimated national marketing year average price for 2017 projected from USDA-WAOB as of November 11, 2017. Projected prices for 2018-2023 from USDA estimates as of December 2015 and author's calculations. Effective ARC price protection based on price only, assuming average yields – actual ARC protection based on revenue.

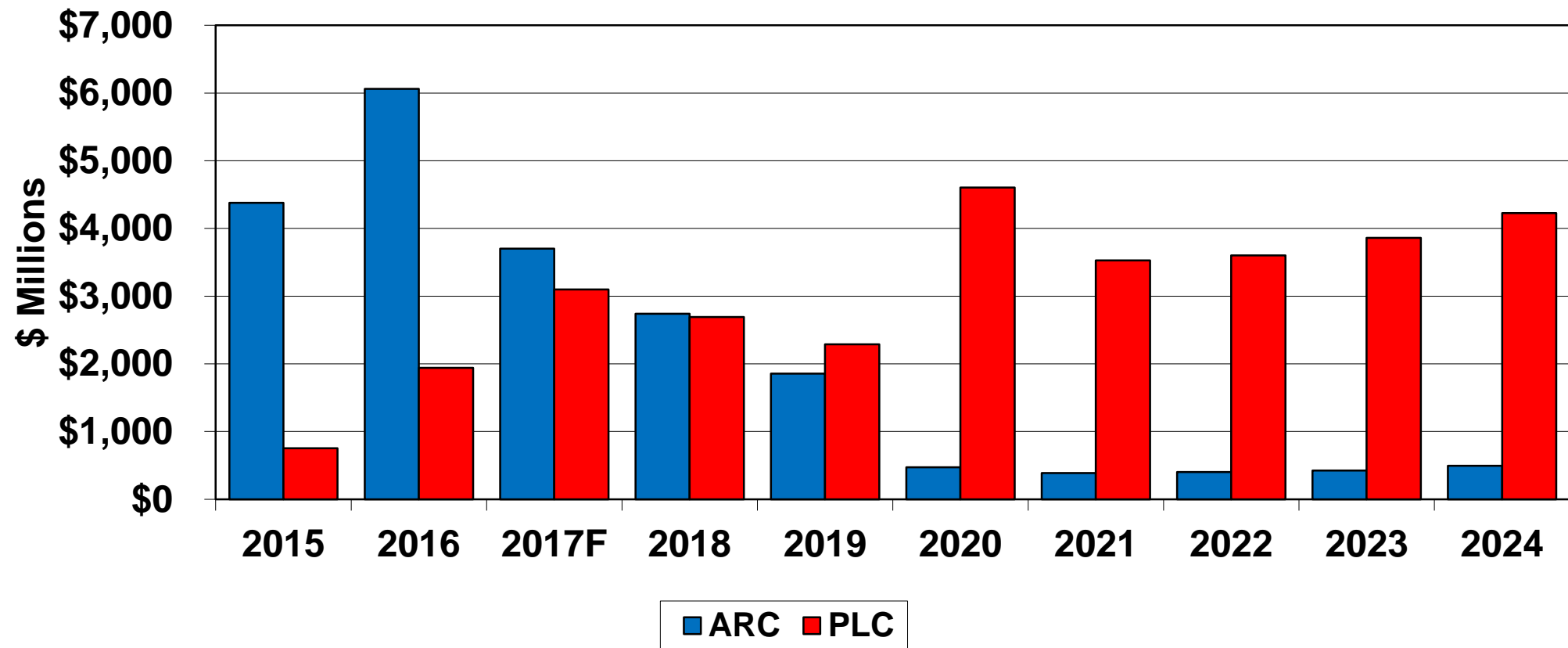
# Farm Income Safety Net

## Commodity Prices and Target/Reference Prices\*



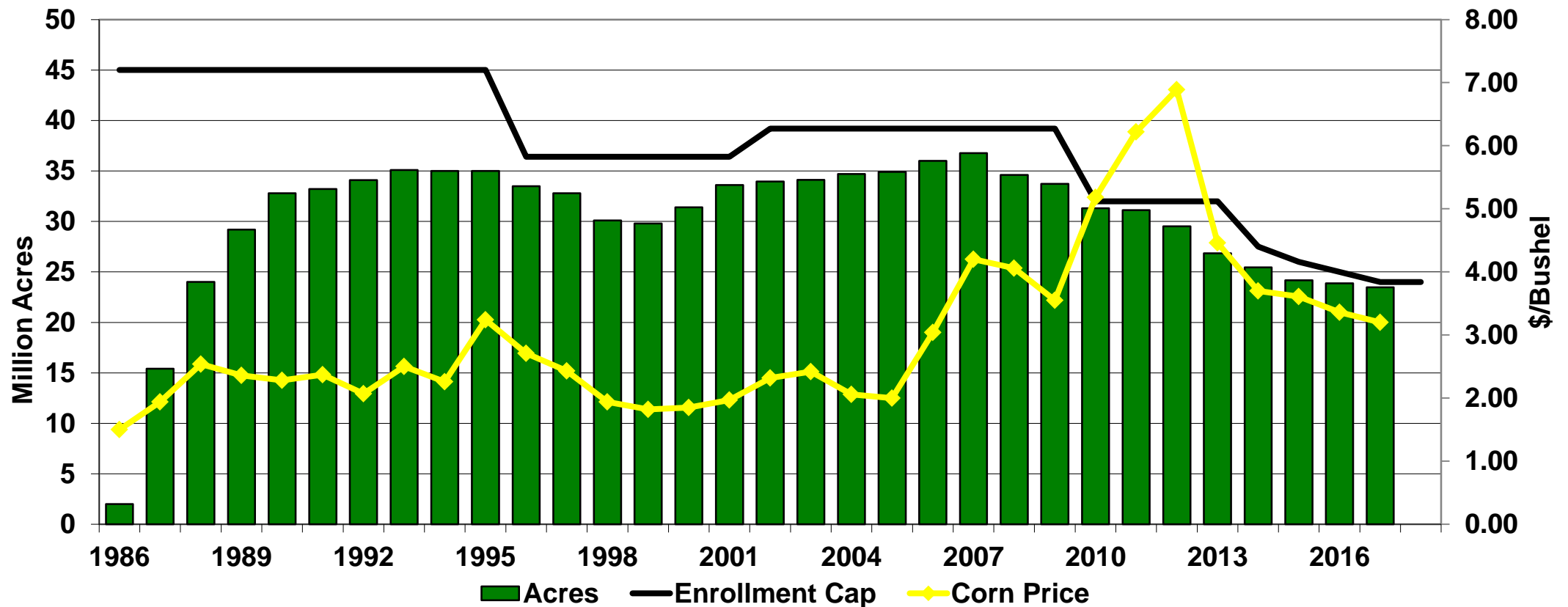
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# Farm Program Payments



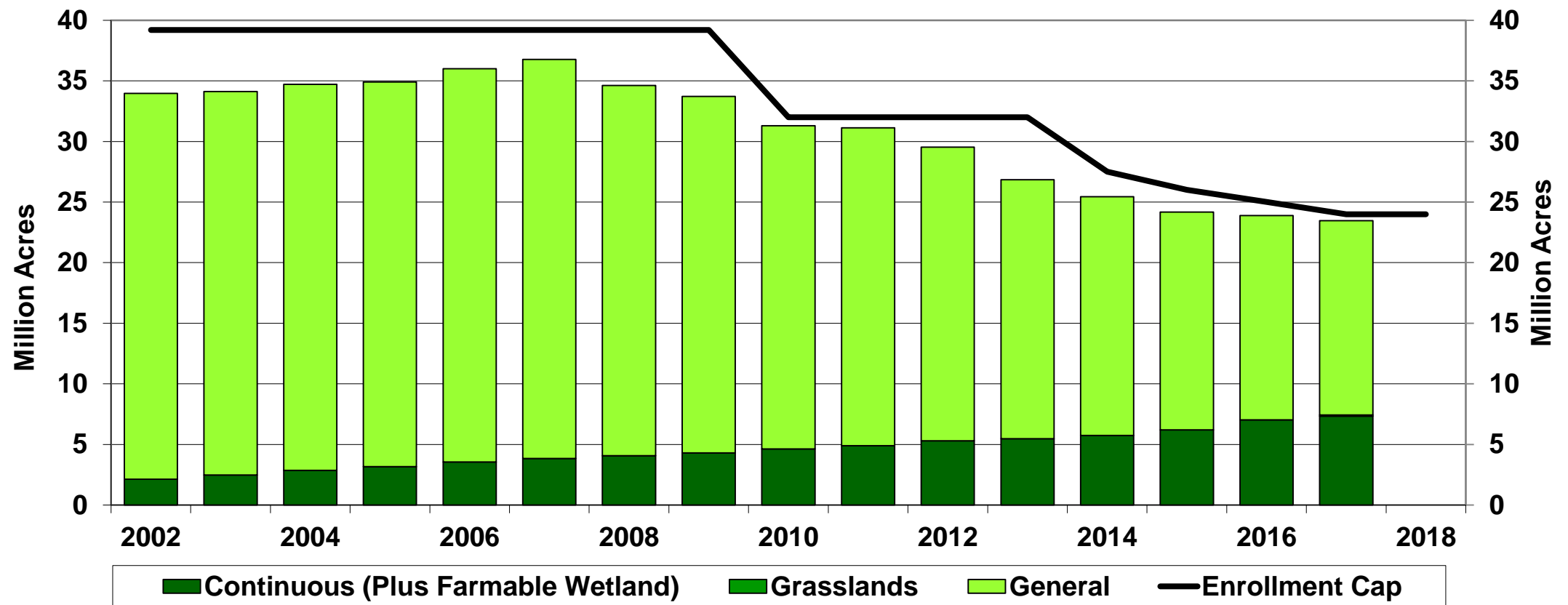
# Conservation Reserve Program

## Enrolled Acreage and Corn Prices



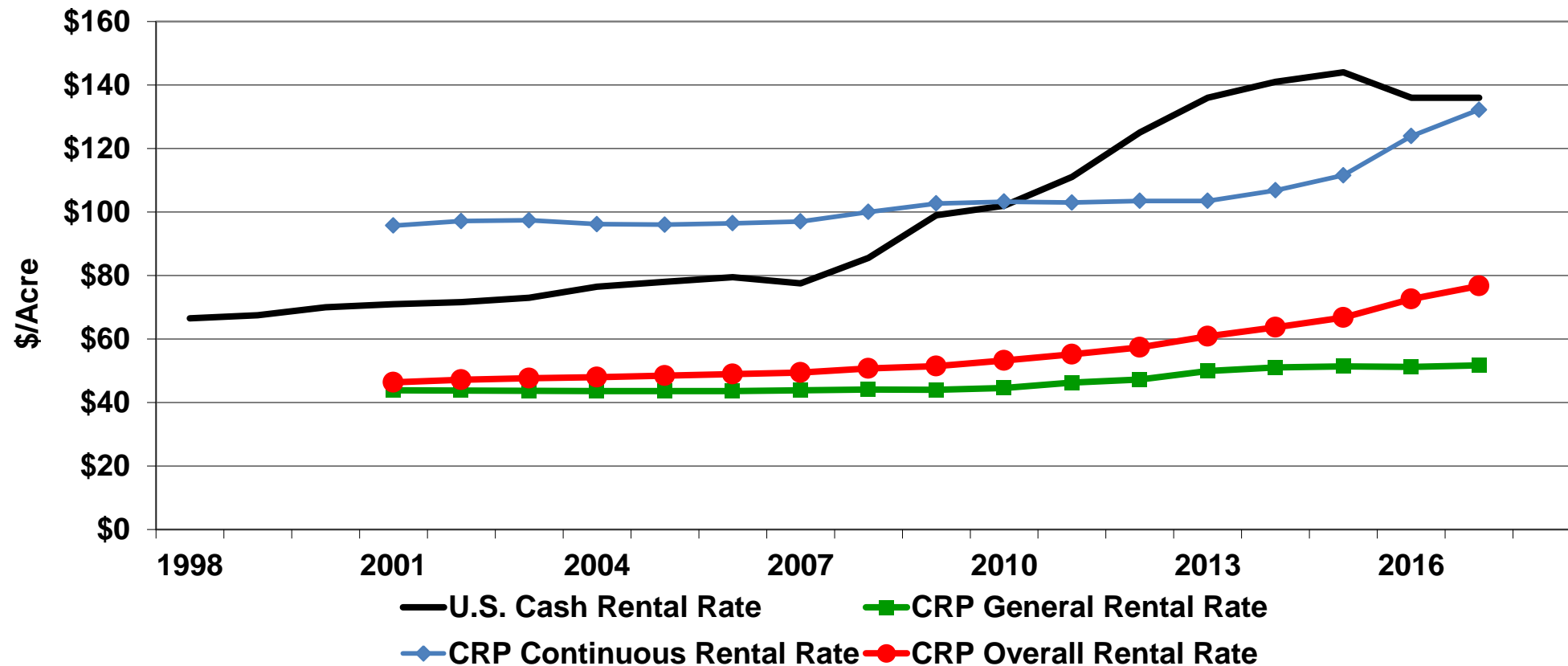
# Conservation Reserve Program

## Enrolled Acreage by Category



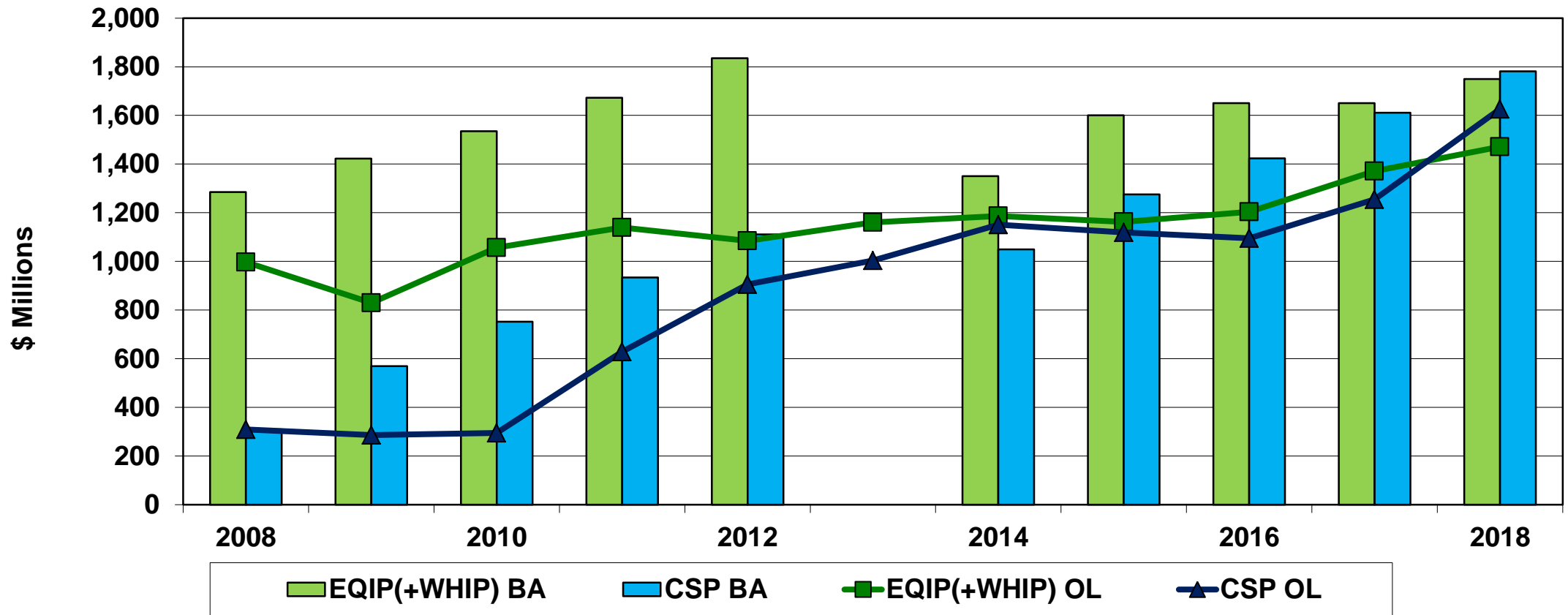
# Conservation Reserve Program

## Comparable Rental Rates



# Working Lands Programs

## Budget Authority and Outlays





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