

# The Agricultural Policy Outlook

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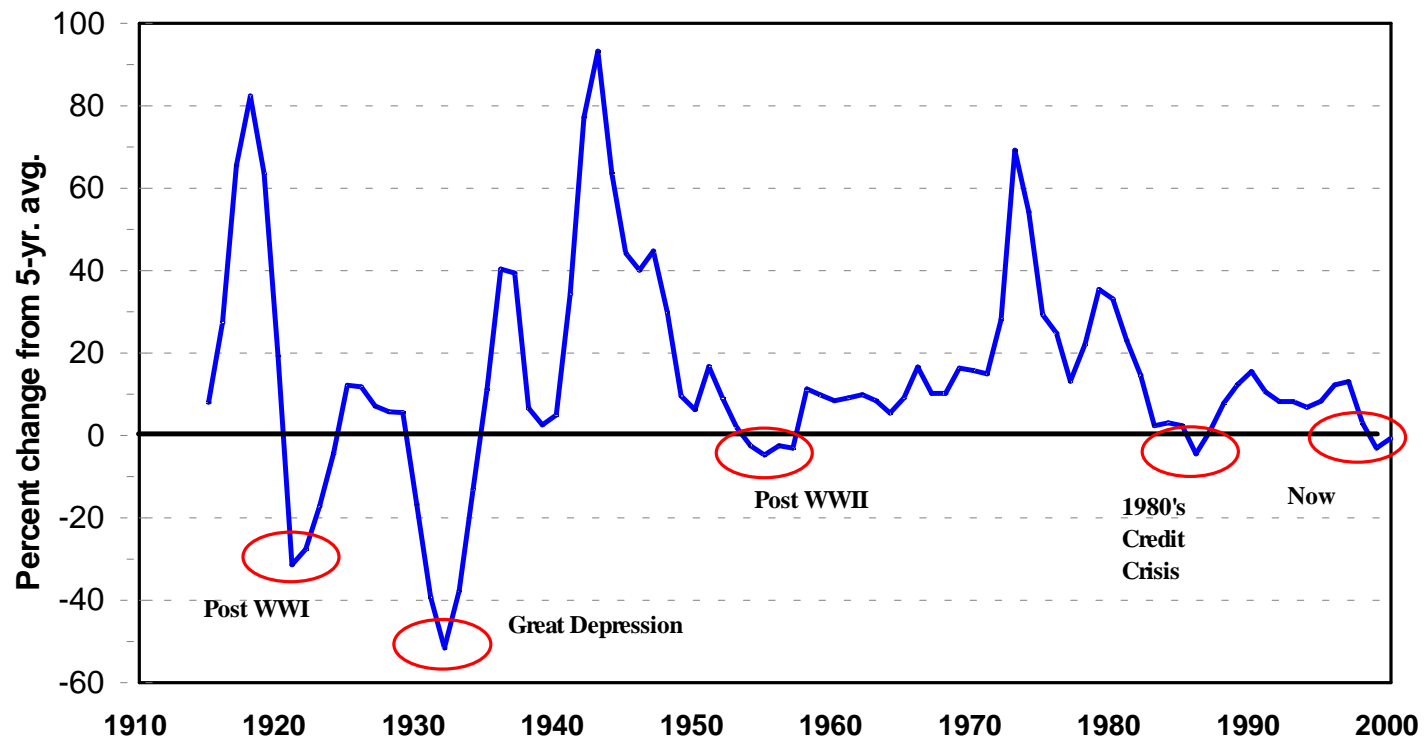
Joe Glauber, USDA

Agricultural Issues Center

October 26, 2000

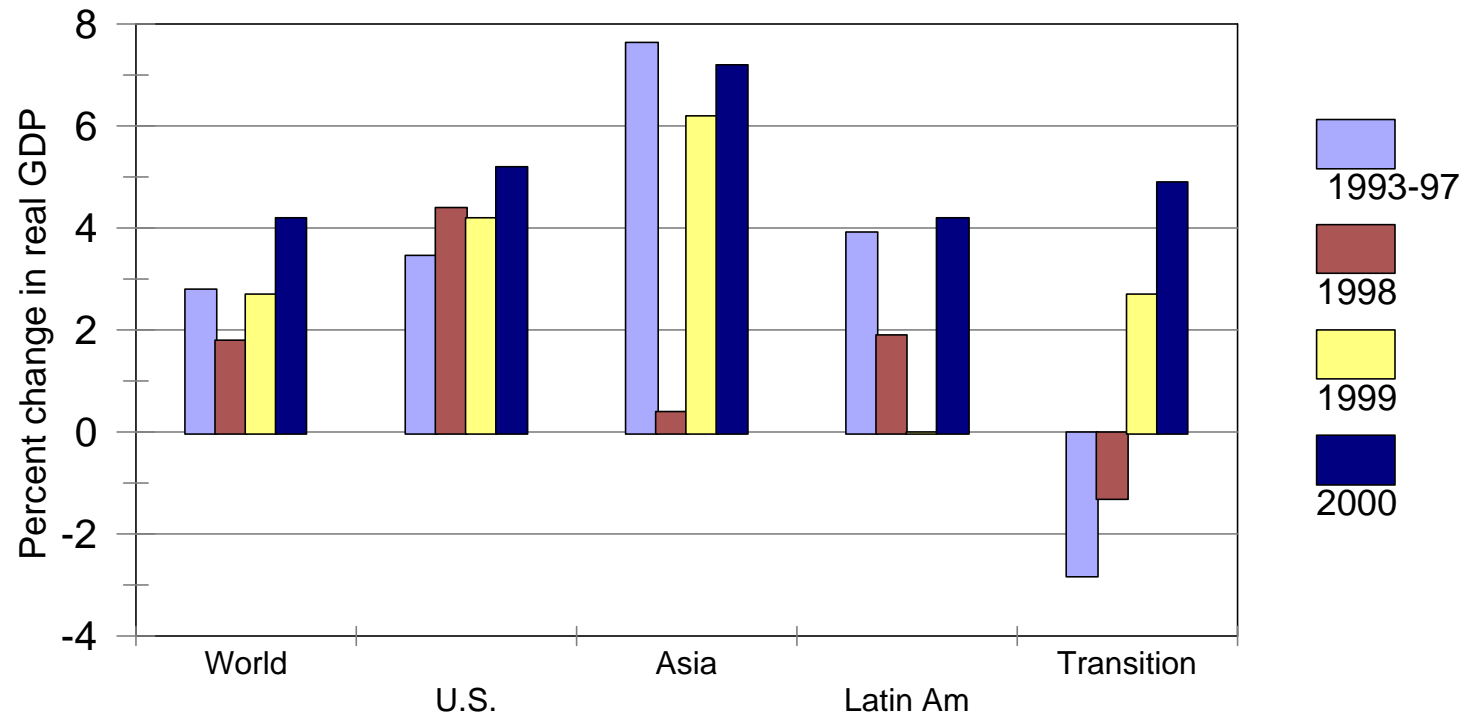
# Weak U.S. Agricultural Markets

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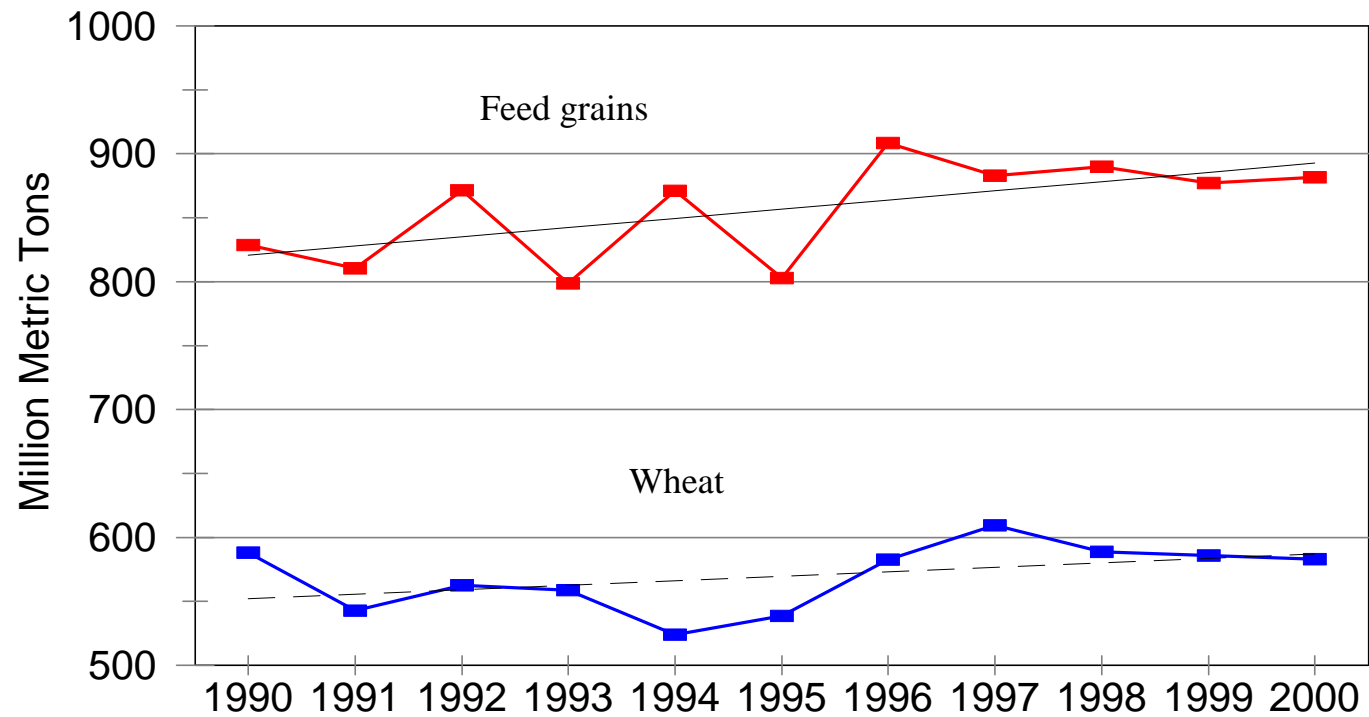
# World Economic Growth

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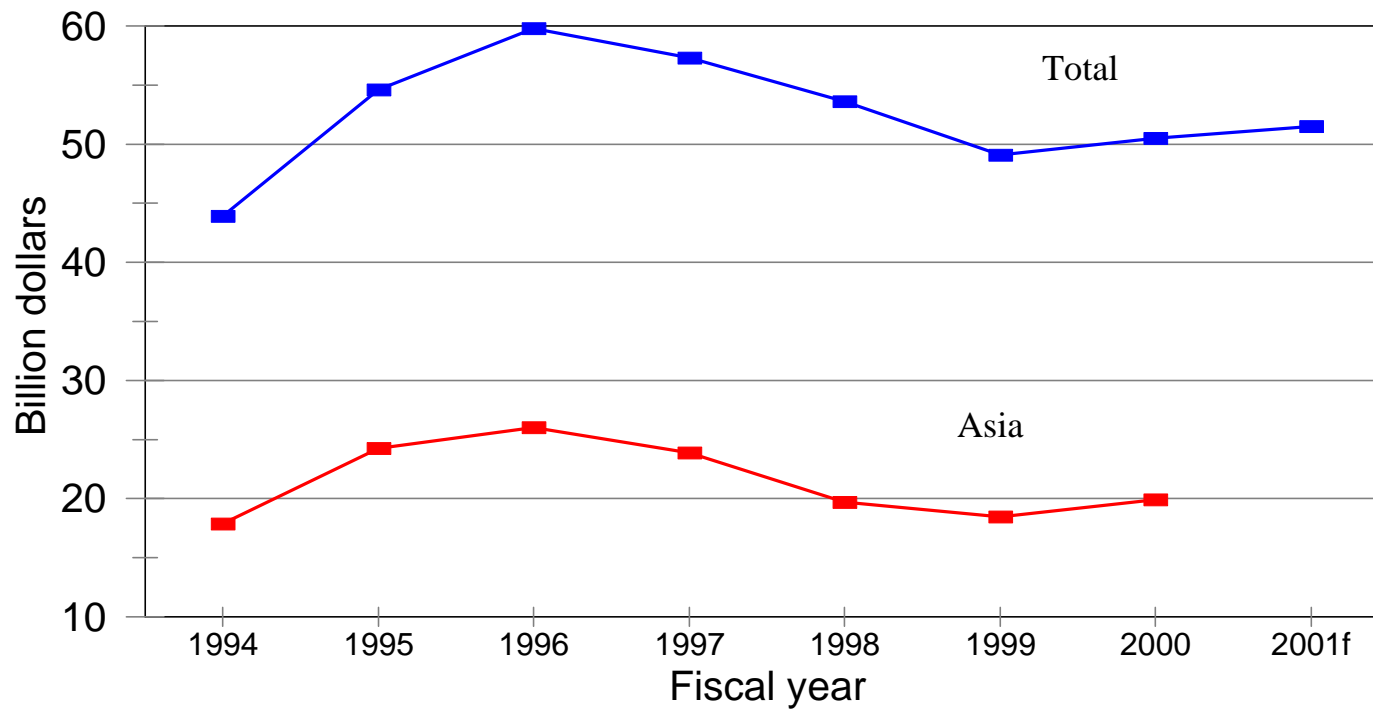
# World Grain Production

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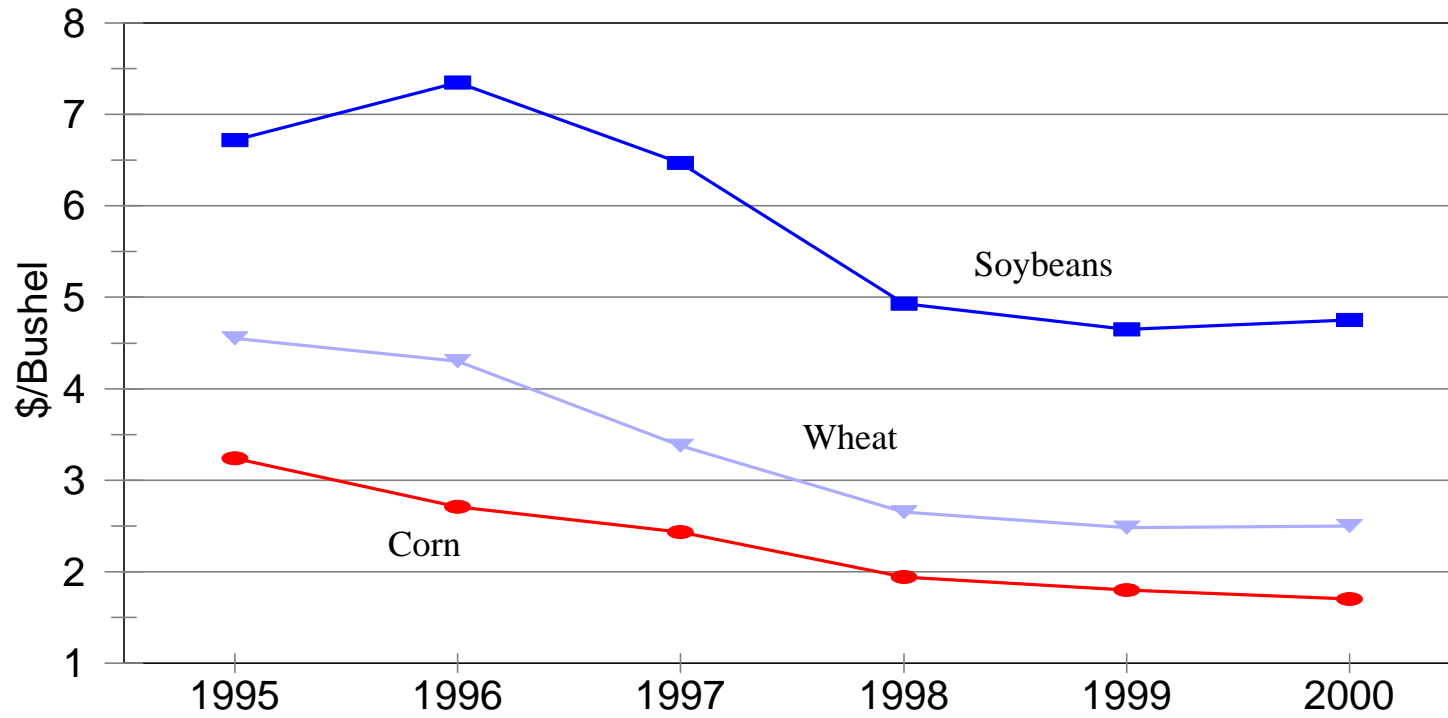
# U.S. Agricultural Exports

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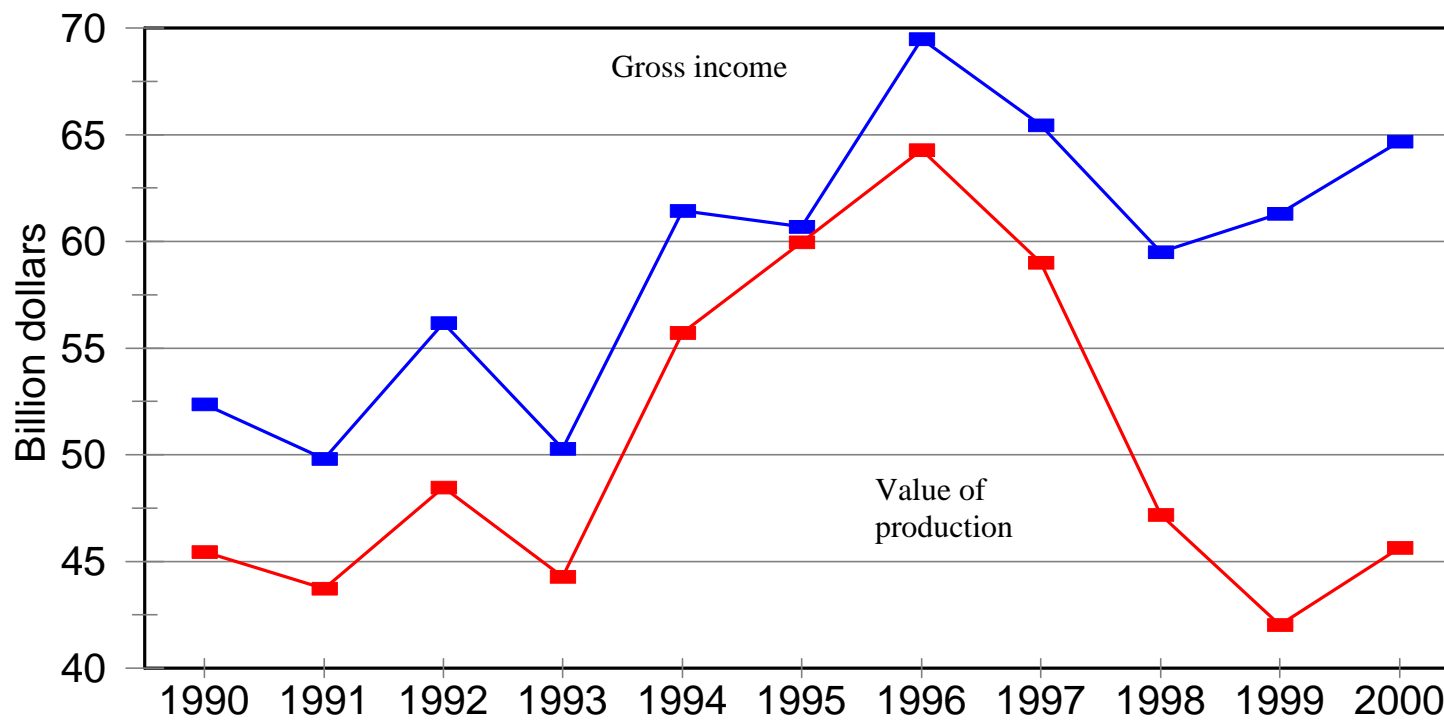


# Crop Prices

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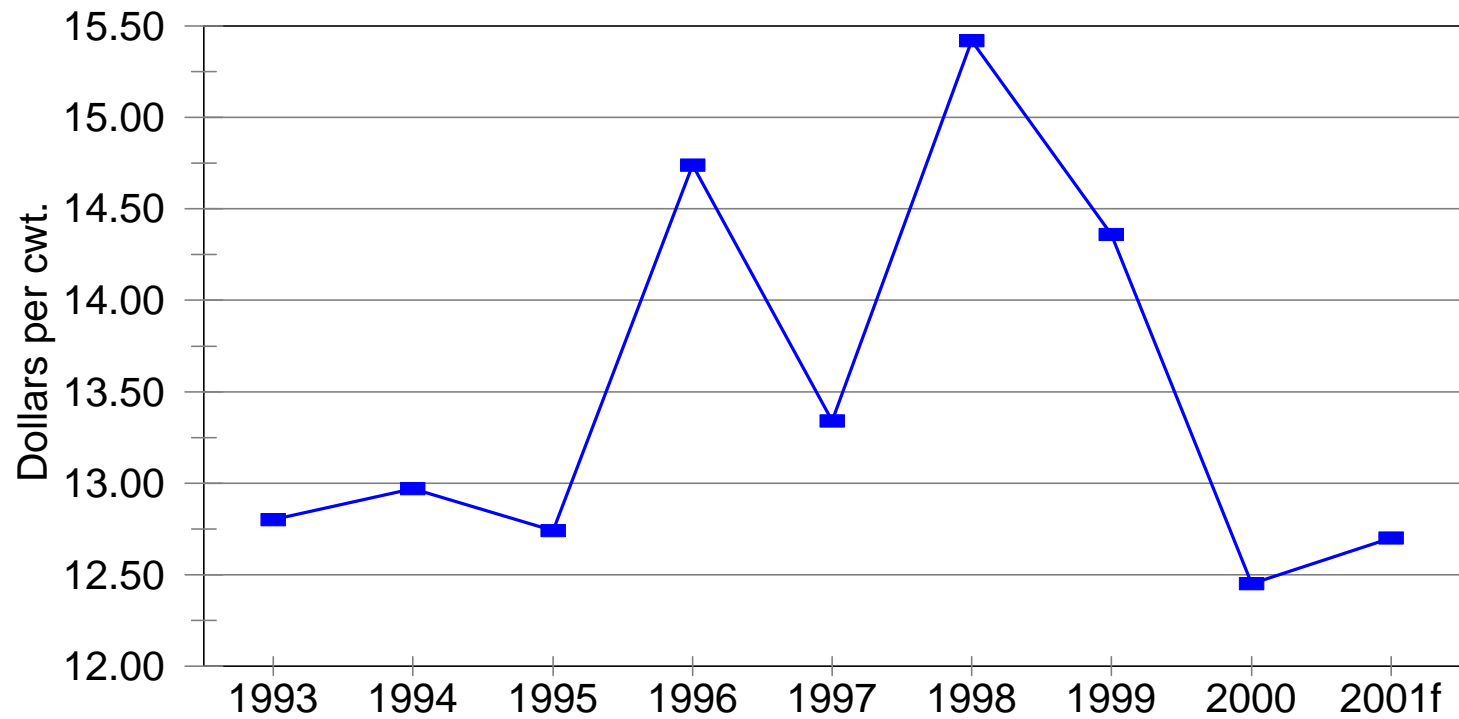


# Gross Revenue--8 Principal Crops

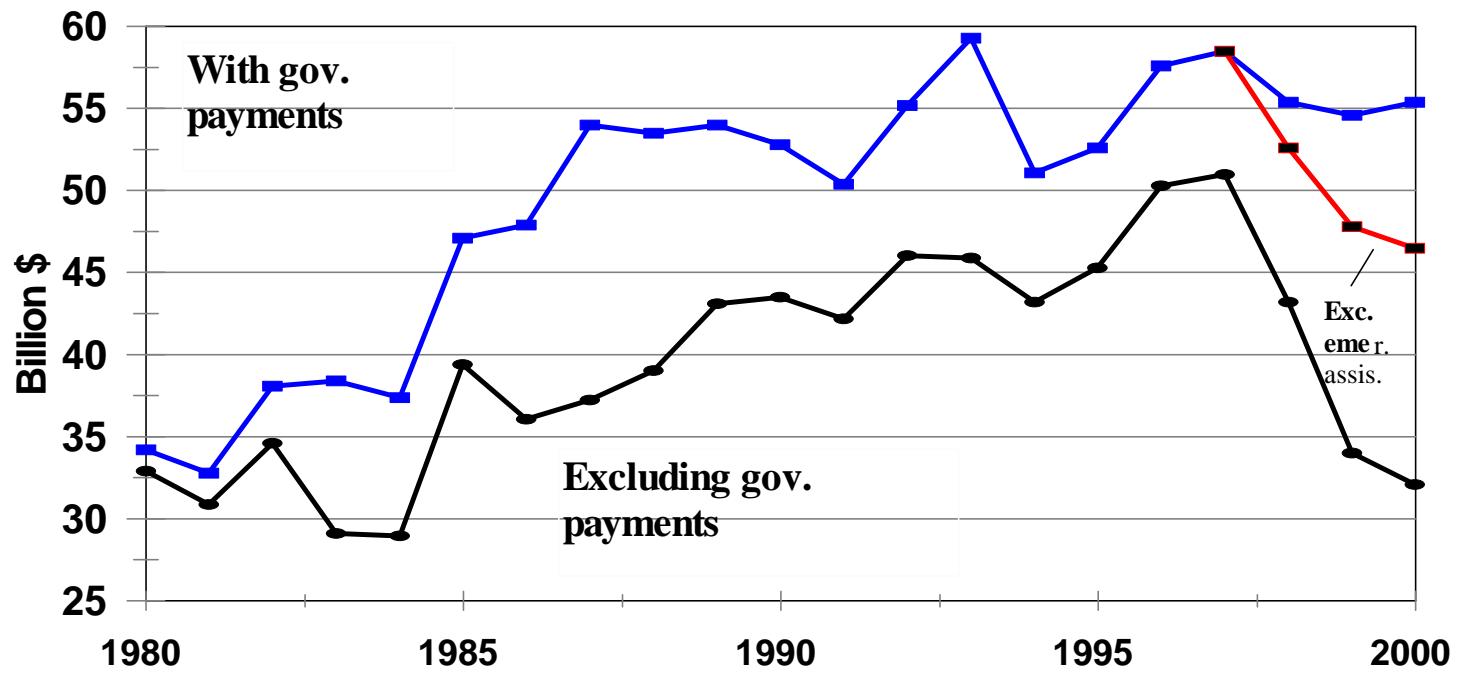


# All milk price

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# Net Cash Farm Income



# Major legislation since farm bill

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- 1998 Emergency Appropriations (\$6 billion in FY 1999)
- 1999 Emergency Appropriations (\$9 billion in FY 2000)
- 2000 Agricultural Risk Protection Act (\$5.5 billion in FY 2000; \$1.6 billion in FY 2001)
- FY 2001 Appropriations (\$3.5 billion in FY 2001)

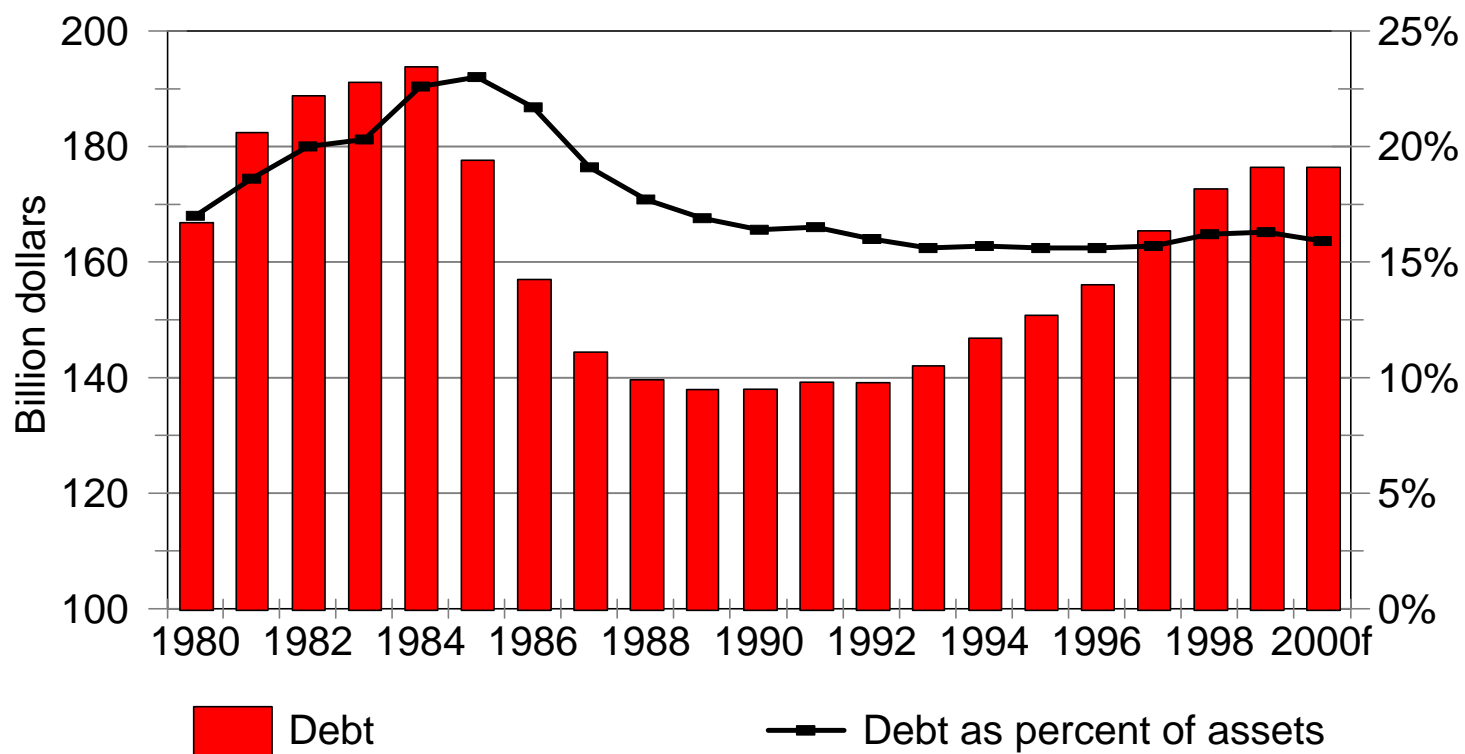
# Effective Price Received by Farmers

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Crop	Market Price	Effective Price Received
Corn (\$/bu)	1.70	2.51
Wheat (\$/bu)	2.50	4.09
Soybeans (\$/bu)	4.75	5.72
Cotton (\$/cwt.)	60.0	81.0
Rice (\$/cwt)	6.00	12.88

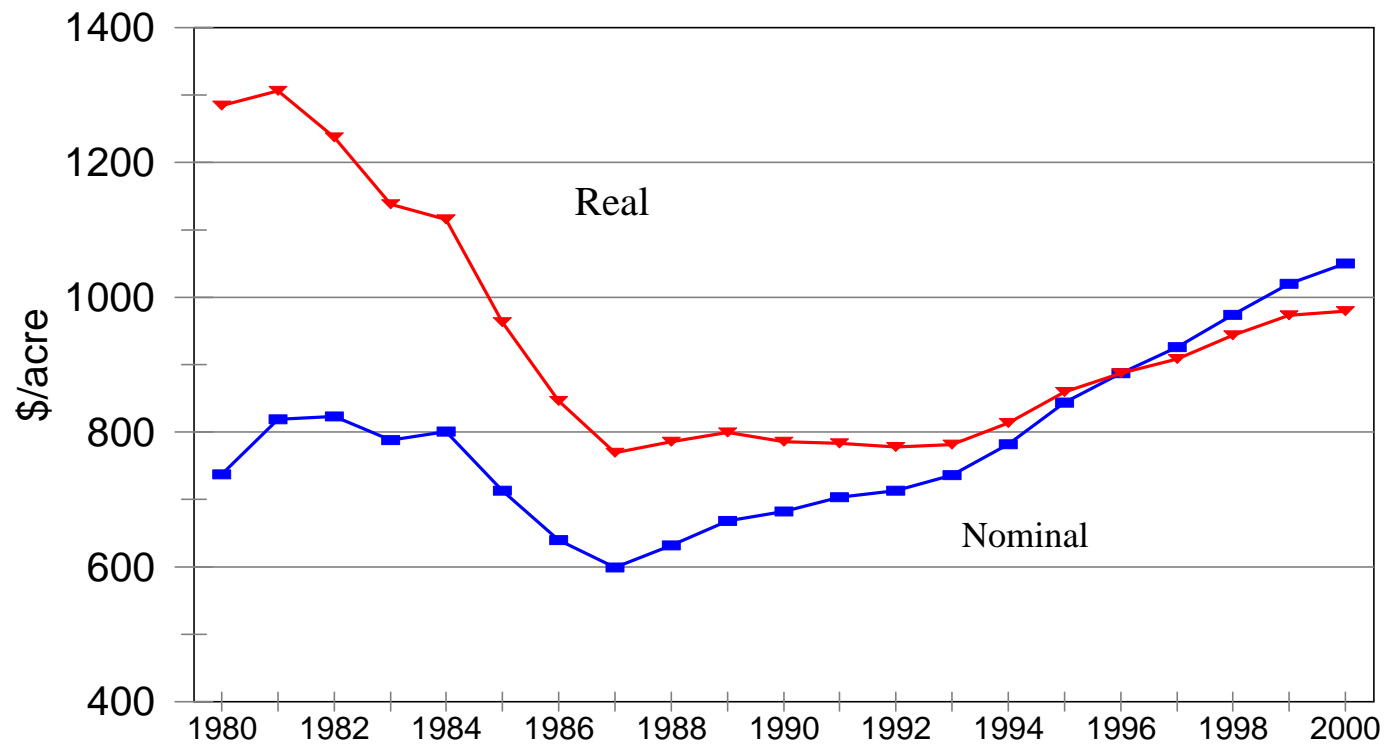
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# Farm Debt



# Average Farm Real Estate Value

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# 2002 Farm Bill

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- return to more regulated govt programs (set asides, base acres) ?
- return to countercyclical payments?
  - based on current or historical production?
  - price or revenue based?
  - commodity specific?
- changes to who receives payments ?
- raise/rebalance loan rates ?

# Other farm bill issues

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- Crop insurance/disaster policy
  - little or no experience under ARPA
  - delivery issues
- WTO constraints
  - disciplines on support tied to current production and prices
  - role of “green box” programs

# U.S. domestic support levels

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