



US Agricultural Policy

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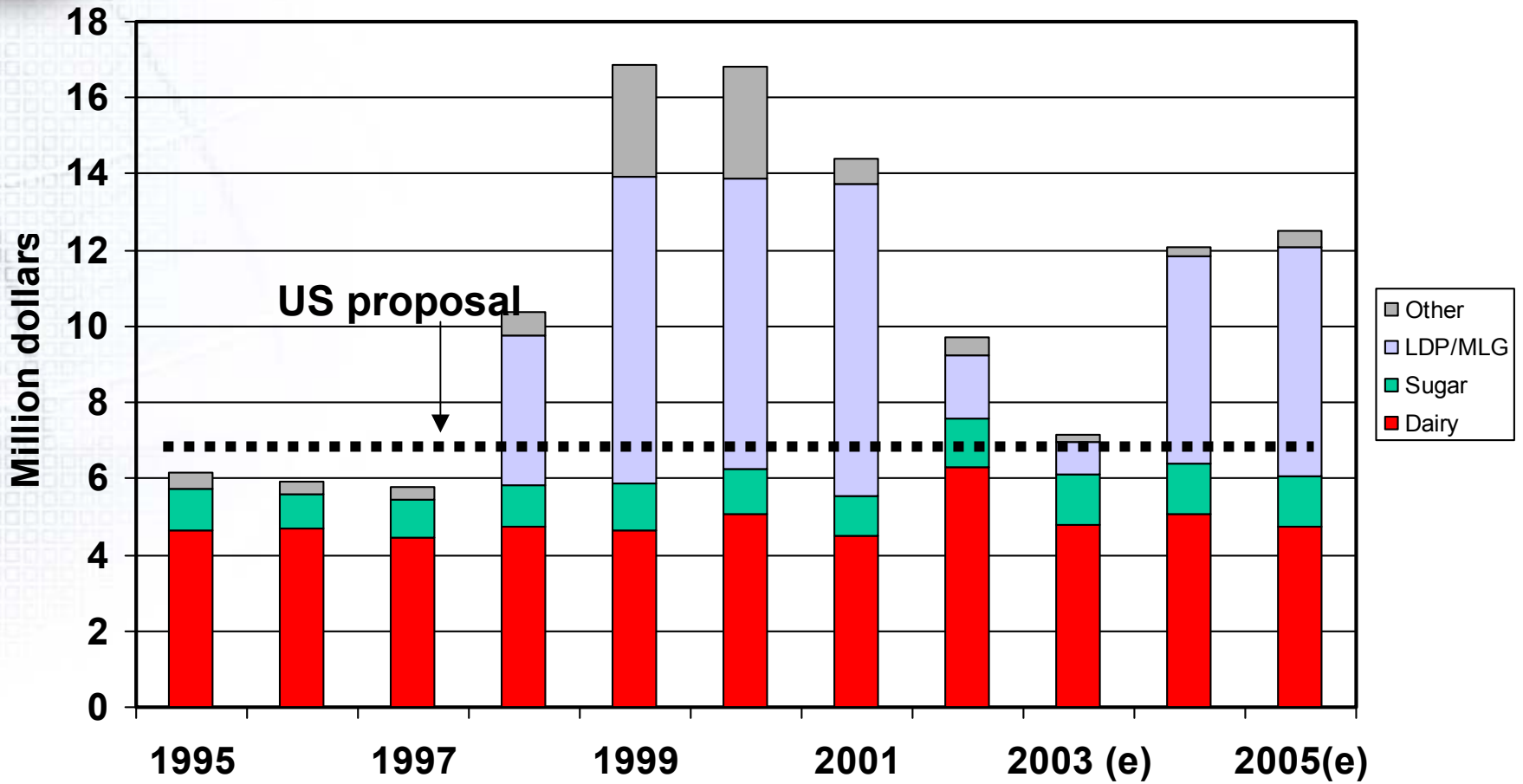


Pressures

- Budget
- Doha
- Trade disputes
 - Brazil cotton and its implications
 - ?
- “Equity” issues
 - Program commodities
 - Non-program commodities

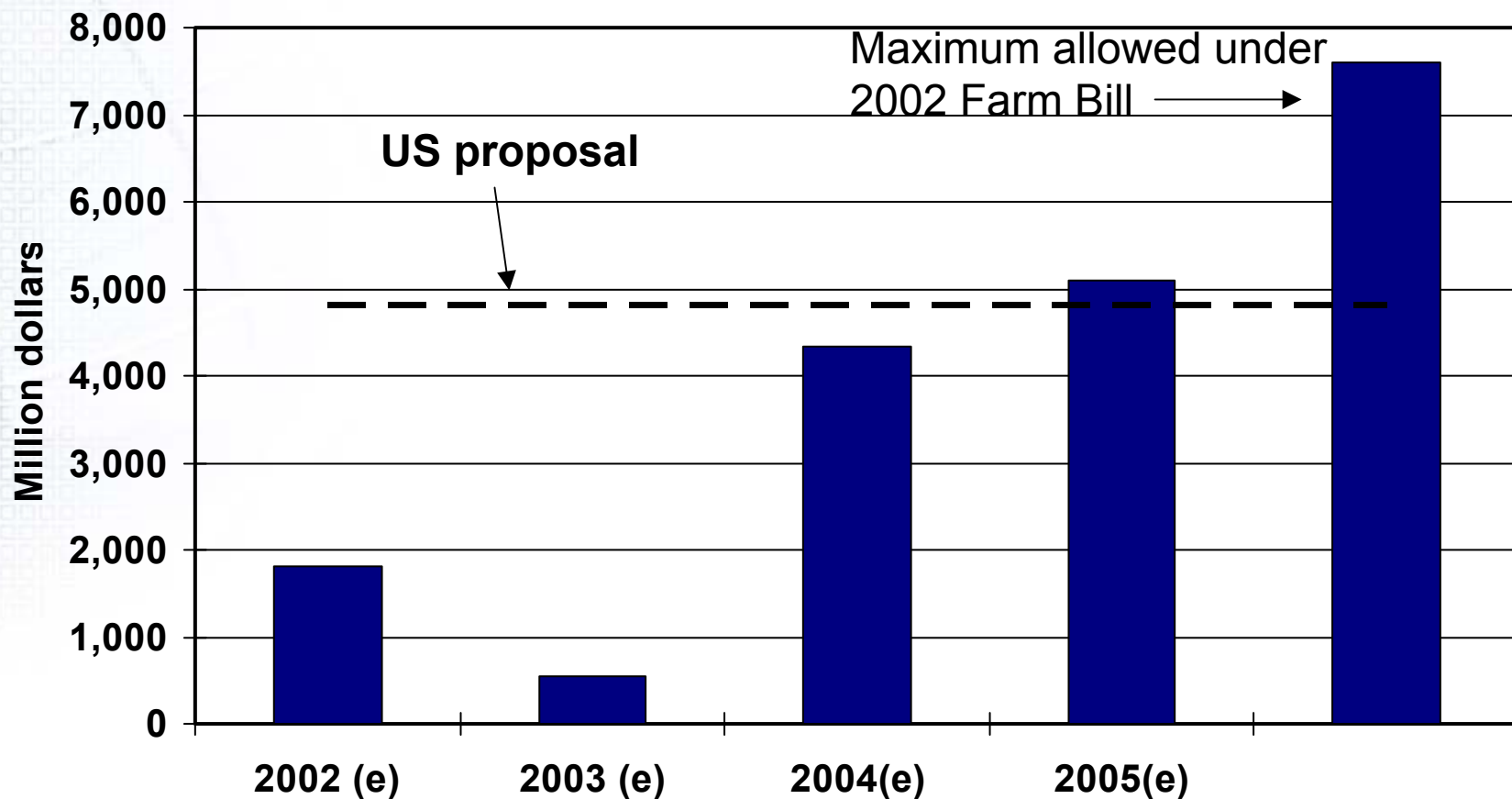


US AMS Compared to Proposed Limit



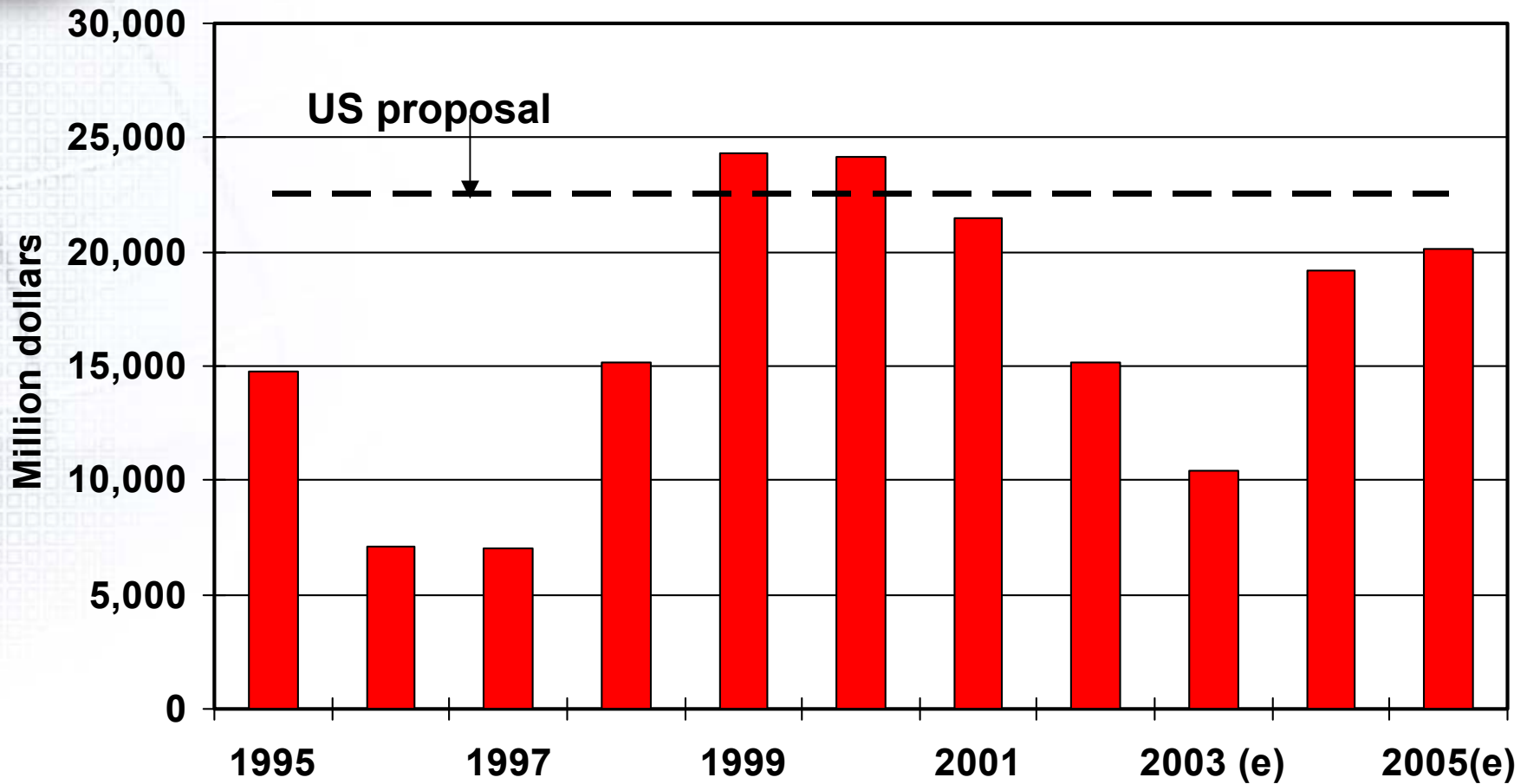


Counter-cyclical Payments Compared to Proposed Limit on New Blue Box





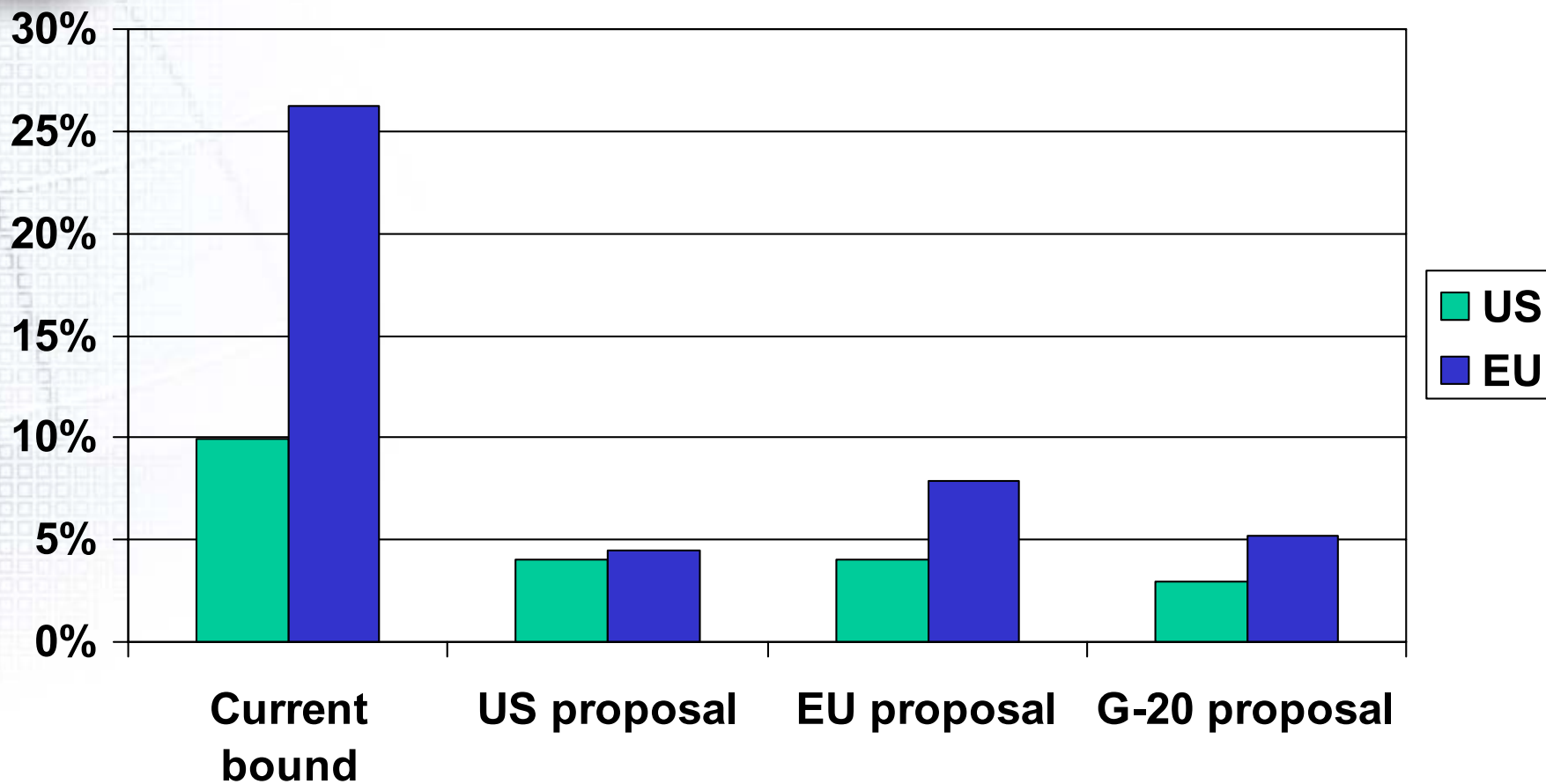
Overall Trade Distorting Support



OTDS = amber + blue + de minimis



AMS as Percent of the Value of Agricultural Production





Farm Bill Theme Papers

- Risk management alternatives
 - Retain current structure, but more WTO compatible (lower LR, higher DP)
 - Less price-based, more revenue-based policies (e.g., NCGA)
 - Transfer traditional commodity programs
=>conservation, rural development, energy



Views of Farm Groups

Group	LDP	DP	CCP	Revenue?	Conservation
AFBF	maintain	maintain	maintain	Interest in concept	Not a substitute
NFU	maintain	maintain	maintain	---	CRP ↑, CSP↑
Wheat	LR too low	raise	TP too low	---	Support
Corn	Replace existing price and income support programs with revenue-based program				CRP↓, CSP↑
Soy	Raise LR	lower	Raise TP	Support concept	CRP↓
Cotton	maintain	maintain	maintain	doubtful	maintain
Rice	maintain	maintain	maintain	---	CSP↑



Conclusions

- Difficult to motivate large changes in absence of Doha Agreement
- Pressures will remain to modify current law to comply with existing WTO disciplines