

ORGANIZED SYMPOSIUM

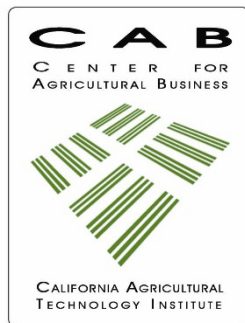
The Impacts of U.S. Trade Policies on Southern Agriculture

The Impacts of the World Trade Organization on U.S. Agricultural Policy

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*Southern Agricultural Economics
Association Annual Meeting, Dallas, TX,
February 2-6, 2008*



Administration Version of House & Senate Versions of 2007 Farm Bill WTO Compliance



While speaking to the South Dakota Corn Growers Association, Then Acting Secretary of Agriculture Chuck Conner:

“Our goal should be to make our programs more secure, less subject to challenge by our trading partners. And that is why we do believe that providing higher levels of trade-distorting support to 80 percent of crops grown in America today, as has been done in both the House and the Senate bill, is moving in the wrong direction. We've described it as painting as bull's eye on our back. At a time that we have record exports, record farm income, good prices, we don't need a bull's eye on our back.” (1/5/2008)

Target Prices for Counter-Cyclical Payments

Commodity	\$/Unit	2007 House	2002 Farm Bill	Change	2007 Senate	Change
Wheat	Bu.	4.15	3.92	0.23	4.20	0.28
Corn	Bu.	2.63	2.63	No Change	2.63	No Change
Sorghum	Bu.	2.57	2.57	No Change	2.63	0.08
Barley	Bu.	2.73	2.24	0.49	2.63	0.39
Oats	Bu.	1.50	1.44	0.06	1.83	0.39
Up. Cotton	Lb.	0.70	0.72	-0.024	0.72	No Change
Rice	Cwt.	10.50	10.50	No Change	10.50	No Change
Soybeans	Bu.	6.10	5.80	0.3	6.00	0.20
Peanuts	Ton	495.00	495.00	No Change	?	?
Minor Oilseeds	Lb.	0.12	0.10	0.014	0.12	0.014

Nonrecourse Marketing Loan Rates

Commodity	\$/Unit	2007 House	2002 Farm Bill	Change	2007 Senate	Change
Wheat	Bu.	2.94	2.75	0.19	2.94	0.19
Corn	Bu.	1.95	1.95	No Change	1.95	No Change
Sorghum	Bu.	1.95	1.95	No Change	1.95	No Change
Malt Barley*	Bu.	2.5	1.85	0.65	NA	NA
Feed Barley*	Bu.	1.9	1.85	0.05	1.95	0.10
Oats	Bu.	1.46	1.33	0.13	1.39	0.06
Up. Cotton	Lb.	0.52	0.52	No Change	0.52	No Change
ELS Cotton	Lb.	0.7977	0.7977	No Change	0.7977	No Change
Long Grain	Cwt.	6.50	6.50	No Change	6.50	No Change
Rice**						
Medium/Short	Cwt.	6.50	6.50	No Change	6.50	No Change
Grain Rice**						
Soybeans	Bu.	5.00	5.00	No Change	5.00	No Change
Peanuts	Ton	355	355	No Change	?	?
Minor Oilseeds	Lb.	0.107	0.093	0.014	0.1009	0.0079
Dry Peas	Cwt.	5.40	6.22	-0.82	5.40	-0.82
Lentils	Cwt.	11.28	11.72	-0.44	11.28	-0.44
Small Chickpeas	Cwt.	8.54	7.43	1.11	7.43	No Change
Graded Wool	Lb.	1.10	1.00	0.10	1.20	0.20
Nongraded Wool	Lb.	0.40	0.40	No Change	0.40	No Change
Honey	Lb.	0.60	0.60	No Change	0.72	0.12
Mohair	Lb.	4.20	4.20	No Change	4.20	No Change

How Much are so called Trade-Distorting Crop Supports The Issue for the Future?

U.S. SUBMITS NOTIFICATION OF DOMESTIC AGRICULTURAL SUPPORT PAYMENTS TO WORLD TRADE ORGANIZATION

Item	2002	2003	2004	2005
	<i>\$U.S. billion</i>			
Amber Box	\$9.6	\$6.9	\$11.6	\$12.9
Amber Box Limit (WTO ceiling)	\$19.1	\$19.1	\$19.1	\$19.1
Green box – No Limit	\$58.3	\$64.1	\$67.4	\$71.8

As Reported 10/4/07

Prior to this notice, the U.S. last Notified the WTO of its domestic support levels in March 2004 for the years 2000-2001.

For Future Compliance Has the Administration Missed the Bull's-eye?

U.S. Dairy



U.S. Sugarcane & Sugar Beet Production



Description of basic products including non-product-specific (AMS)	Calculated AMS Mil. dol.	Value of production 5 per cent of value		Current Total AMS Mil. dol.
		Amount ¹ Mil. dol.	Mil. dol.	
1	2	3	4	5
Apples and pears	3.577	1,827.81	91.39	²
Barley	3.932	605.635	30.282	²
Blueberries, wild	0.208	17.86	0.893	²
Cattle and calves	136	27,097.53	1,354.88	²
Chickpeas ³	0.002	0.912	0.046	²
Corn	187.083	20,882.45	1,044.12	²
Cotton	1,186.79	4,393.48	219.674	1,186.79
Dairy	6,304.76	20,720.48	1,036.02	6,304.76
Dry peas	0.018	36.842	1.842	²
Honey	0.039	228.338	11.417	²
Lentils	2.374	36.822	1.841	2.374
Livestock	1,109.61	29,428.53	1,471.43	²
Minor Oil Seed:				
Canola	0.091	162.719	8.136	²
Crambe	0.114	1.867	0.093	0.114
Safflower	2.241	32.373	1.619	2.241
Sunflower	0.006	294.595	14.73	²
Mohair	4.84	3.432	0.172	4.84
Oats	0.065	212.078	10.604	²
Peanuts	65.995	599.714	29.986	65.995
Rice	711.572	979.628	48.981	711.572
Sheep and lamb	23	313.946	15.697	23
Sorghum	3.908	855.14	42.757	²
Soybeans	52.479	15,252.69	762.635	²
Sugar	1,327.80	2,104.47	105.224	1,327.80
Tobacco	70.408	1,686.81	84.34	²
Wheat	22.448	5,637.42	281.871	²
Wool	7.818	21.689	1.084	7.818
Total	11,227.17			9,637.30
Non-product-specific ⁴	5,100.54	194,572.22	9,728.61	²
Total:Current Total AMS				9,637.30

2003

Description of basic products including non-product- specific (AMS)	Calculated AMS	Value of production Amount ¹ value		Current Total AMS
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1	2	3	4	5
Barley	1.051	755.14	37.757	²
Chickpeas	0.113	0.912	0.046	0.113
Corn	232.619	24,476.80	1,223.84	²
Cotton	434.914	6,295.76	314.788	434.914
Dairy	4,736.81	21,381.32	1,069.07	4,736.81
Dry peas	14.07	39.352	1.968	14.07
Grapes	0.122	2,609.29	130.464	²
Honey	0.031	255.791	12.79	²
Lentils	0.007	41.407	2.07	²
Livestock	0.8	34,572.92	1,728.65	²
Lychee	0.075	5.603	0.28	²
Minor Oil Seed:				
Canola	7.186	159.849	7.992	²
Crambe	0.056	1.168	0.058	²
Sunflower	0.346	316.214	15.811	²
Mohair	4.231	3.435	0.172	4.231
Oats	3.408	224.91	11.246	²
Olives	0.622	48.289	2.414	²
Peanuts	21.037	799.428	39.971	²
Potatoes	0.65	2,685.82	134.291	²
Rice	503.036	1,628.95	81.447	503.036
Sorghum	17.118	964.978	48.249	²
Soybeans	24.592	18,013.75	900.688	²
Sugar	1,249.84	2,268.30	113.415	1,249.84
Tobacco	19.022	1,576.44	78.822	²
Wheat	107.421	7,929.04	396.452	²
Wool	7.012	28.126	1.406	7.012
Total	7,386.19			6,950.03
Non-product-speci	2,800.69	216,478.10	10,823.91	²

86%

**Total: Current
Total AMS**

6,950.03

2005

Description of basic products including non-product-specific (AMS)	Calculated AMS Mil. dol.	Value of production		Current Total AMS Mil. dol.
		Amount ¹ Mil. dol.	5 per cent of value Mil. dol.	
		3	4	
1	2	3	4	5
Avocados	0.007	353.808	17.69	²
Barley	46.196	527.633	26.382	46.196
Chickpeas	0.304	2.262	0.113	0.304
Corn	4,490.00	22,198.47	1,109.92	4,490.00
Cotton	1,620.70	5,695.22	284.761	1,620.70
Dairy	5,149.25	26,873.95	1,343.70	5,149.25
Dry peas	37.431	66.046	3.302	37.431
Grapes	0.811	3,489.12	174.456	²
Honey	0.174	157.795	7.89	²
Lentils	11.375	53.64	2.682	11.375
Livestock	0.3	39,237.67	1,961.88	²
Minor Oil Seed:				
Canola	13.518	152.033	7.602	13.518
Sunflower	18.214	487.654	24.383	²
Mohair	1.542	4.851	0.243	1.542
Oats	0.043	195.15	9.758	²
Orchards and vineyards	0.127	16,432.87	821.644	²
Peanuts	89.185	843.435	42.172	89.185
Rice	132.509	1,741.72	87.086	132.509
Sorghum	139.751	737.038	36.852	139.751
Soybeans	69.168	17,269.14	863.457	²
Sugar	1,199.21	1,947.68	97.384	1,199.21
Wheat	28.924	7,171.44	358.572	²
Wool	6.624	26.272	1.314	6.624
Total	13,055.37			12,937.60
Non-product-specific	5,862.29	236,001.01	11,800.05	²
Total: Current Total AMS				12,937.60

Revised draft modalities for agriculture

1 August 2007 (corrected 16 August 2007)

Ambassador Crawford Falconer
Chairman
Committee on Agriculture, Special Session

B. Final Bound Total Ams: A Tiered Formula

1. Tiered reduction formula

(a) Reductions in Final Bound Total AMS

11. The Final Bound Total AMS shall be reduced in accordance with the following tiered formula:

(a) where the Final Bound Total AMS is greater than US\$40 billion, or the equivalent in the monetary terms in which the binding is expressed, the reduction shall be [70] per cent;

(b) where the Final Bound Total AMS is greater than US\$15 billion and less than or equal to US\$40 billion, or the equivalents in the monetary terms in which the binding is expressed, the reduction shall be [60] per cent;

(c) where the Final Bound Total AMS is less than or equal to US\$15 billion, or the equivalent in the monetary terms in which the binding is expressed, the rate of reduction shall be [45] per cent.

Problems for the Future?

- **Current Limit: \$19.1 Billion**
- **With Reduction of 60%: \$7.64**

U.S. SUBMITS NOTIFICATION OF DOMESTIC AGRICULTURAL SUPPORT PAYMENTS TO WORLD TRADE ORGANIZATION

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Sugar and Dairy AMS Estimates Using USDA Baseline Projections

Table 16
U.S. sugar projections 1/

Item	Units	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sugarbeets Production	Mil. s. tons	4,444	4,901	4,453	4,114	4,282	4,307	4,400	4,483	4,553	4,612	4,669	4,726
Sugarcane Production	Mil. s. tons	2,955	3,617	3,949	3,739	3,923	3,947	3,989	4,022	4,055	4,085	4,116	4,149
Total		7399.0	8518.0	8402.0	7853.0	8205.0	8254.0	8389.0	8505.0	8608.0	8697.0	8785.0	8875.0
Avg Support	\$ per metric ton	374.79	374.79	374.79	374.79	374.79	374.79	374.79	374.79	374.79	374.79	374.79	374.79
Reference Price		230.82	230.82	230.82	230.82	230.82	230.82	230.82	230.82	230.82	230.82	230.82	230.82
AMS Margin		143.97	143.97	143.97	143.97	143.97	143.97	143.97	143.97	143.97	143.97	143.97	143.97
AMS Billion US \$		0.966	1.112	1.097	1.025	1.071	1.078	1.095	1.111	1.124	1.136	1.147	1.159
1986-88 Average Carribean Price			\$202.16										
Transportation			28.66										
			\$230.82 mt										

USDA Baseline Production Based AMS Estimate

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Milk production	Bil. lbs.	183.0	183.9	183.8	184.5	185.9	188.0	189.2	191.1	193.2	195.7
U.S. Support Price		9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90
WTO Reference Price		7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26
AMS per unit (cwt)		2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64
Milk AMS?		4.8312	4.85496	4.85232	4.8708	4.90776	4.9632	4.99488	5.04504	5.10048	5.16648

Revised AMS Calculations for Dairy

U.S. Dairy AMS, revised version

	Unit	2000	2001	2002	2003	2004	2005
Butter AMS	1,000 \$	25,121	172,457	325,235	422,402	423,871	458,057
Reference price 1/	\$/lb	0.71	0.71	0.71	0.71	0.71	0.71
Purchase price 2/	\$/lb	0.73	0.85	0.95	1.05	1.05	1.05
Production 3/	1,000 lb	1,256,032	1,231,838	1,355,147	1,242,360	1,246,678	1,347,227
NFDM AMS	1,000 \$	464,511	353,444	392,248	238,356	211,857	177,916
Reference price 1/	\$/lb	0.65	0.65	0.65	0.65	0.65	0.65
Purchase price 2/	\$/lb	0.97	0.90	0.90	0.80	0.80	0.80
Production 3/	1,000 lb	1,451,597	1,413,777	1,568,991	1,589,041	1,412,381	1,186,104
Cheese AMS	1,000 \$	1,446,362	1,404,658	1,443,221	1,406,013	1,536,490	1,561,005
Reference price 4/	\$/lb	0.62	0.62	0.62	0.62	0.62	0.62
Purchase price	\$/lb	1.13	1.13	1.13	1.13	1.13	1.13
Production 3/	1,000 lb	2,828,240	2,746,691	2,822,099	2,749,342	3,004,477	3,052,415
Cheese AMS	1,000 \$	824,149	800,386	822,360	801,158	875,505	889,474
Reference price 5/	\$/lb	0.84	0.84	0.84	0.84	0.84	0.84
Revised AMS 4/	1,000 \$	1,935,994	1,930,559	2,160,704	2,066,772	2,172,217	2,196,978
Revised AMS 5/	1,000 \$	1,313,781	1,326,287	1,539,843	1,461,917	1,511,232	1,525,447
Old AMS (MPS only)	1,000 \$	4,377,477	4,483,202	4,479,776	4,509,388	4,647,660	4,715,000

1/ From original U.S. AMS dairy calculations. Average for 1986/87-1988/89 marketing years, CIF.

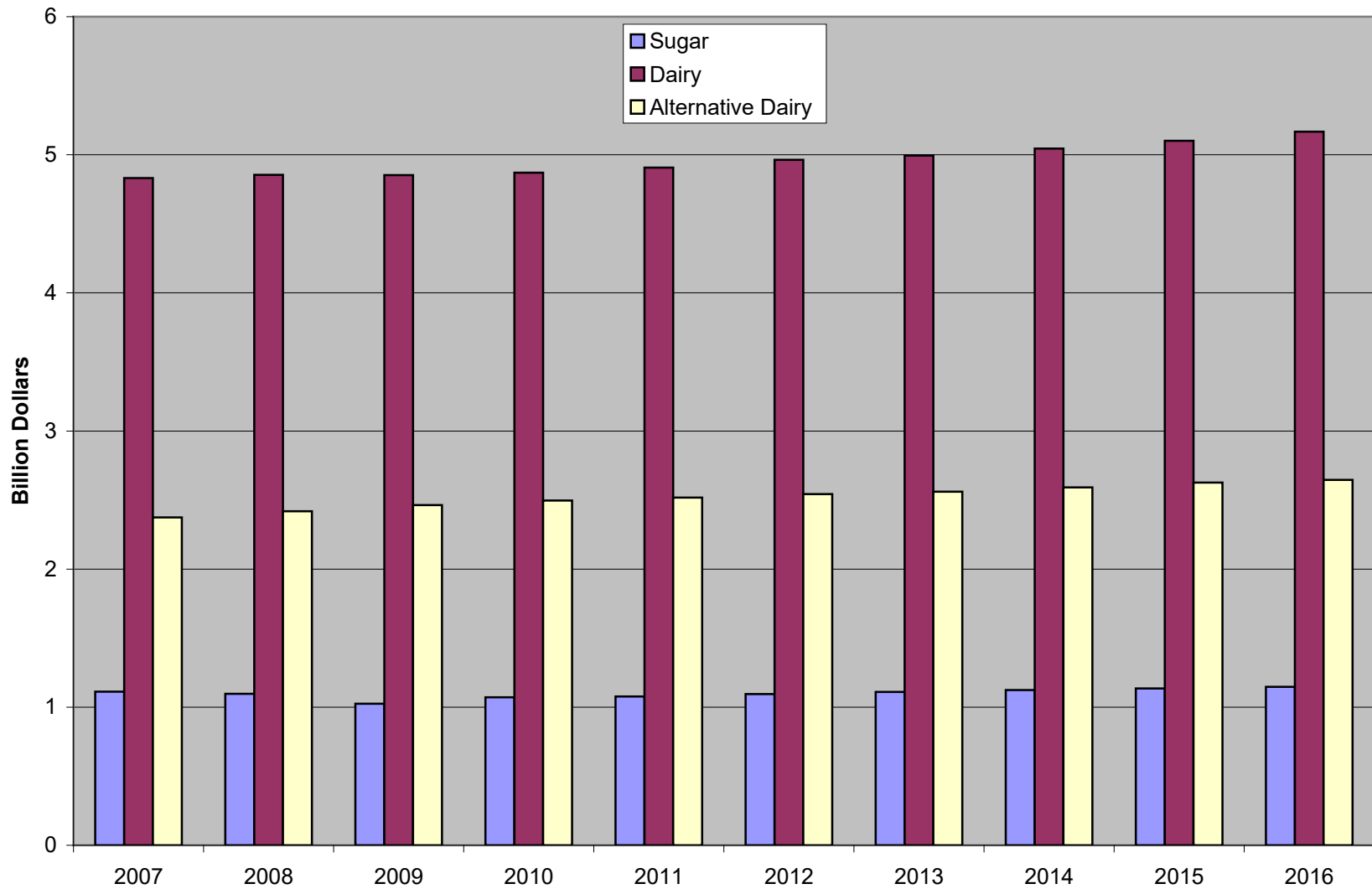
2/ Estimated calendar year.

3/ Cheddar, calendar year from NASS.

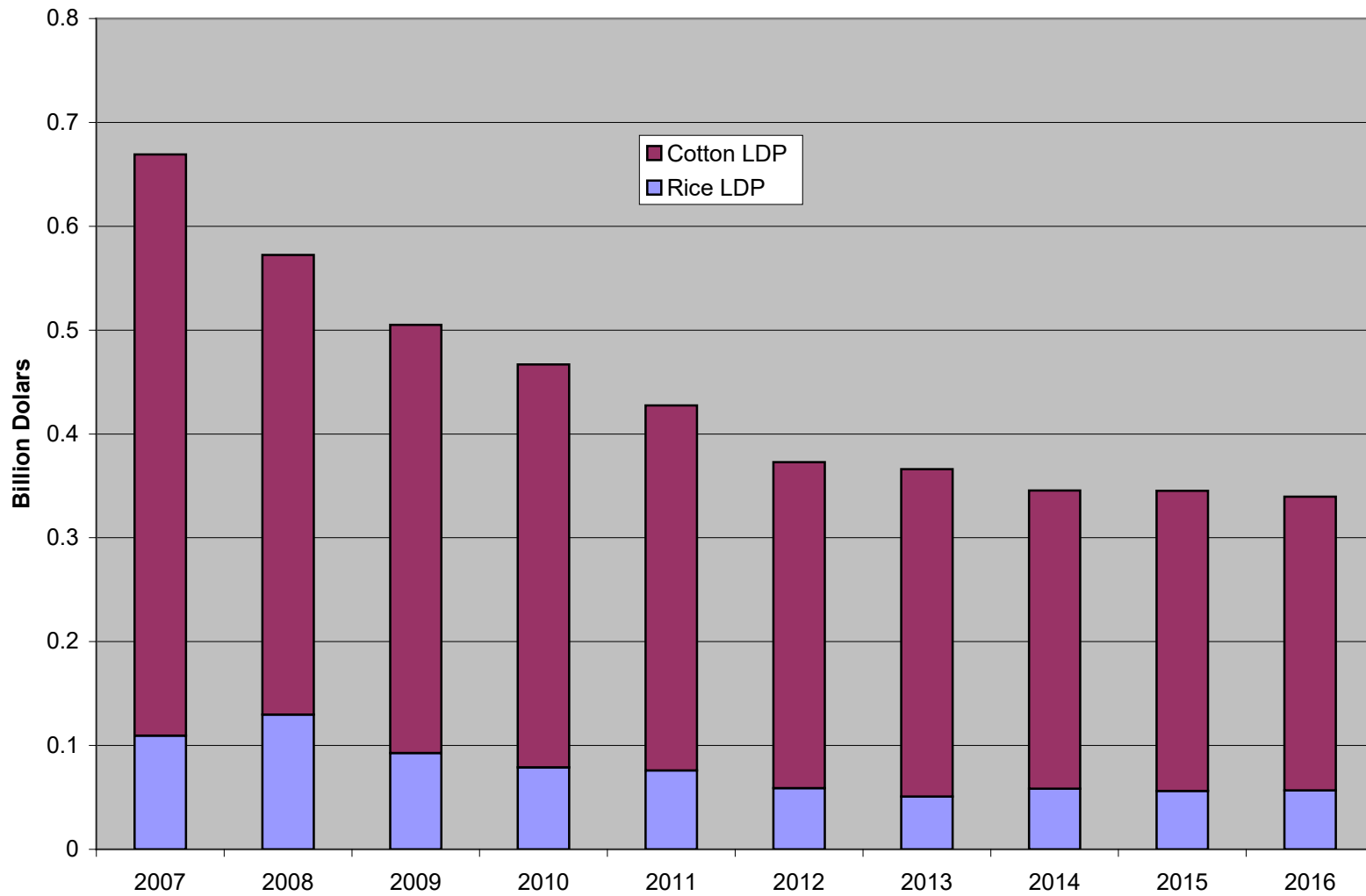
4/ Northern Europe fob price, cheddar, low spring price, from FAS dairy circulars. Adjusted by average freight and handling charge (12.5 cents per pound) from ITC report on tariff equivalents, April 1990.

5/ Northern Europe fob price, cheddar, high fall price, from FAS dairy circulars. Adjusted by average freight and handling charge (12.5 cents per pound) from ITC report on tariff equivalents, April 1990.

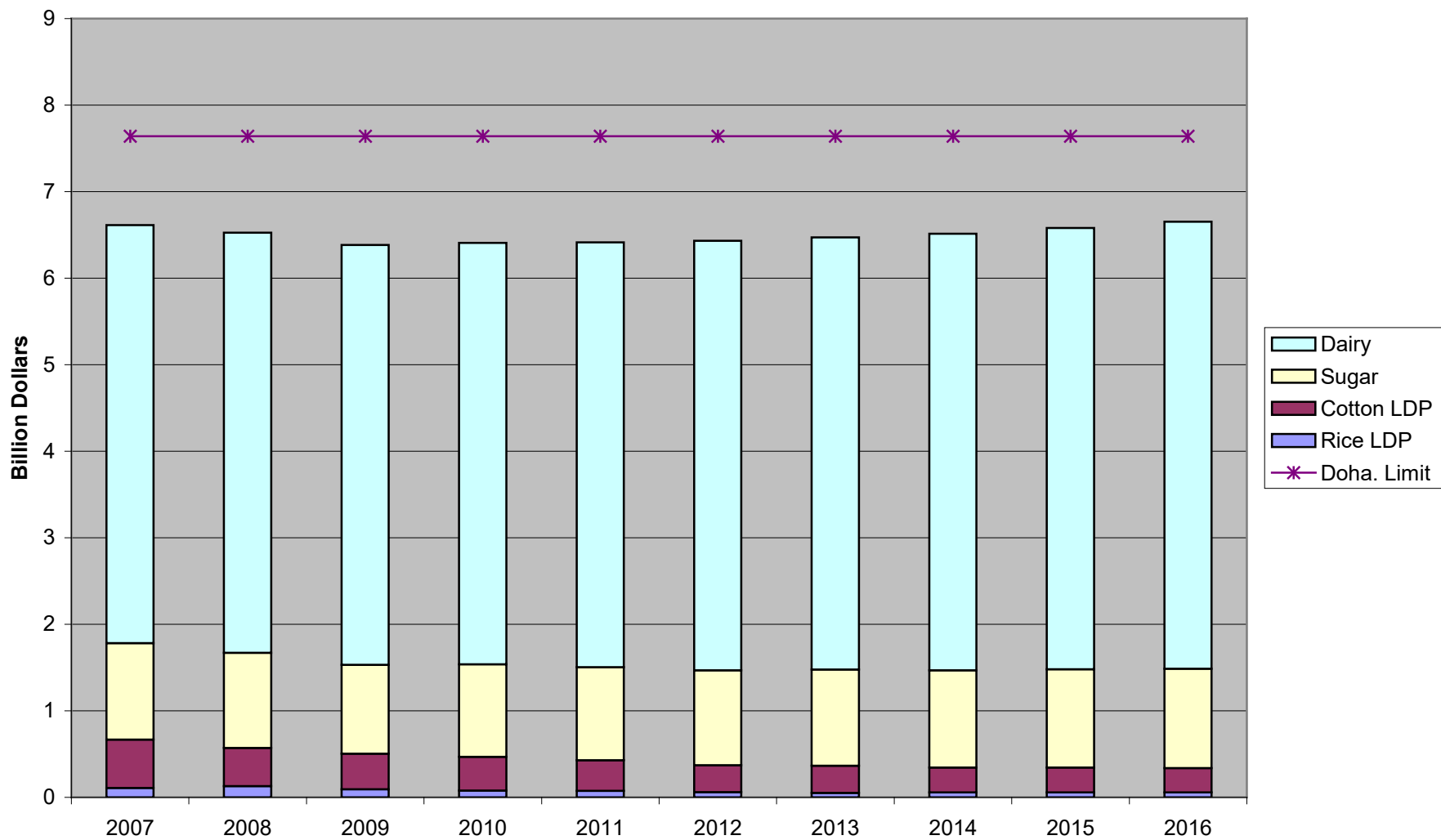
Product Specific Amber Box Payments
FAPRI Baseline 2007 & USDA Baseline 2007



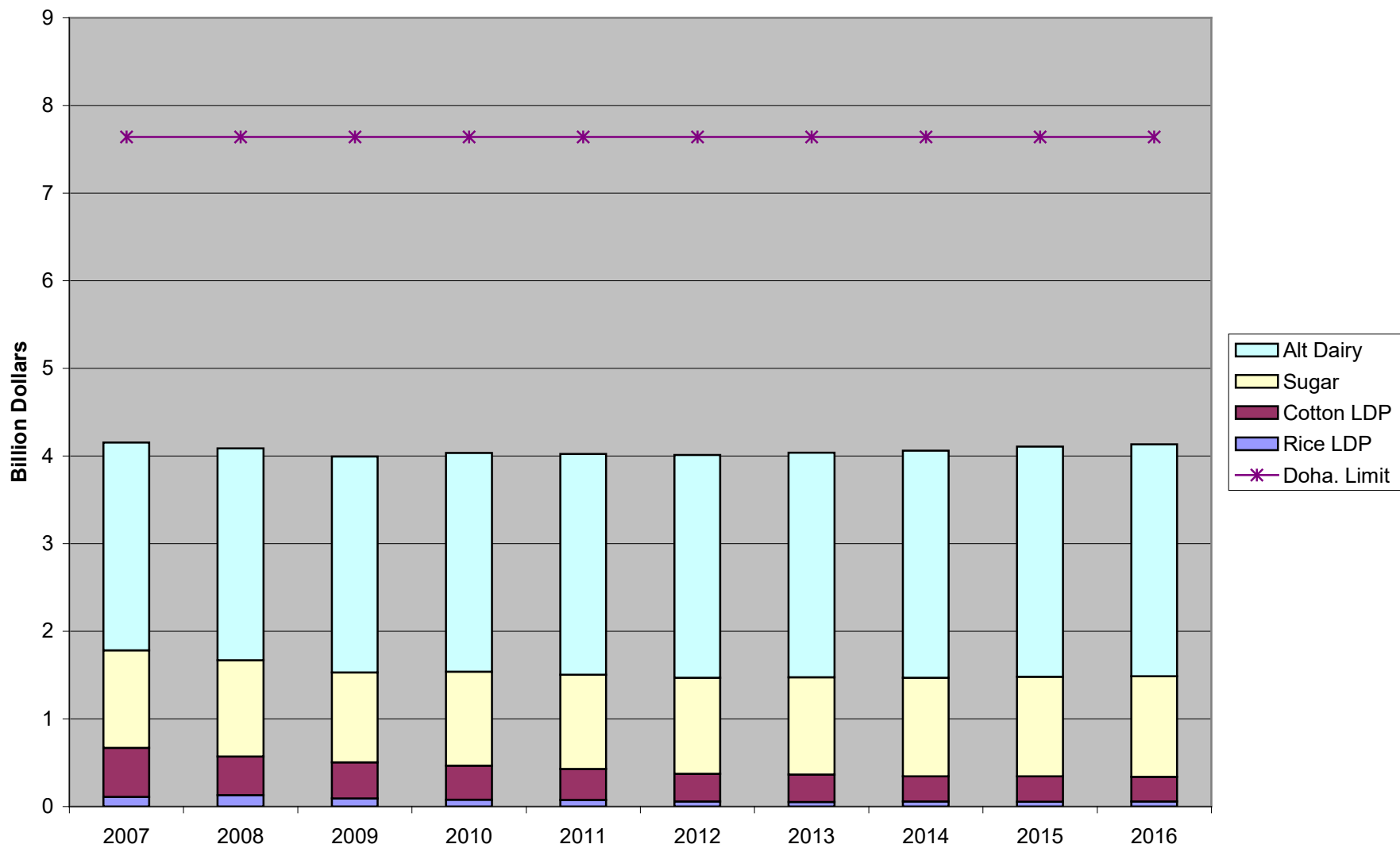
Product Specific Amber Box Payments
FAPRI Baseline 2007, LDP Payments



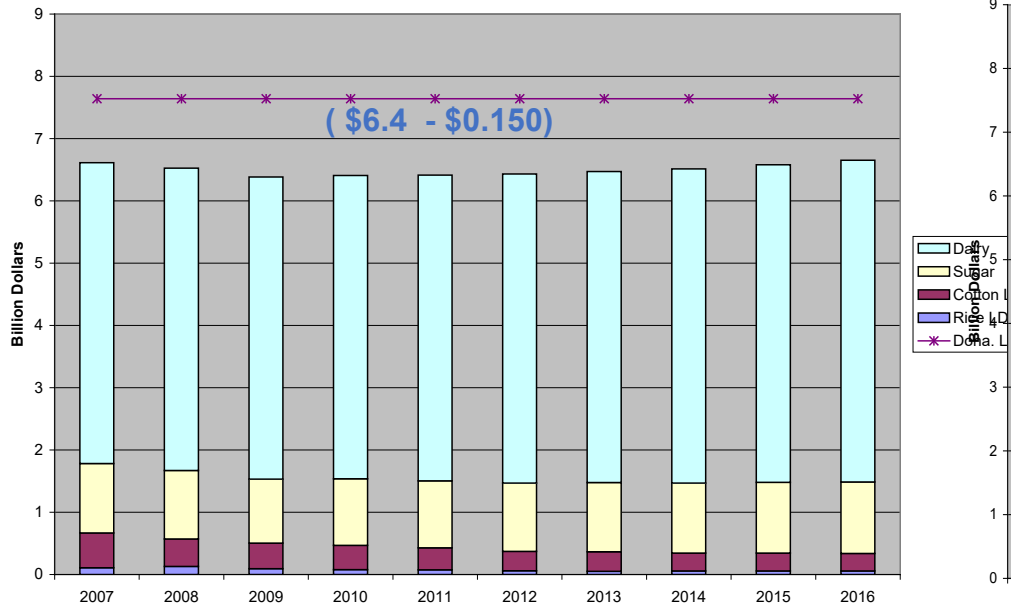
Total Amber Box AMS Projections



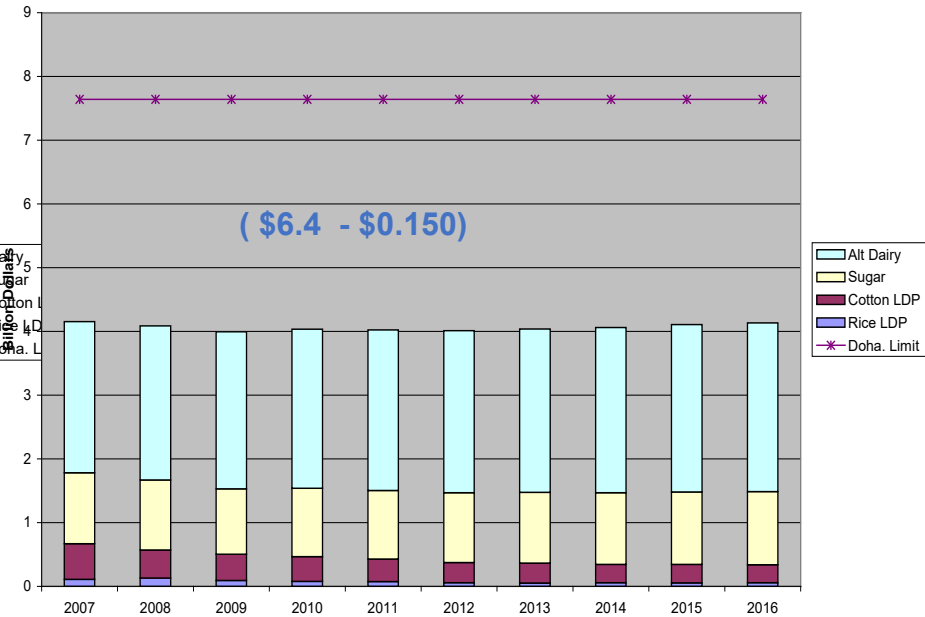
Total Amber Box AMS



**Total Amber Box AMS
Projections**



Total Amber Box AMS



- **What about other Doha Round Changes?**

\$7.6 billion

AMBER BOX



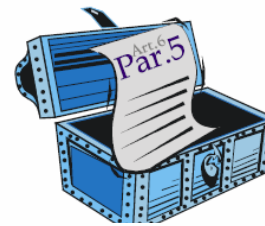
LDP Avg. : \$2.3 billion (\$6.4 - \$0.150)

Dairy: \$ 4.9 billion

Sugar: \$1.1 billion

All domestic support measures considered to distort production and trade (with some exceptions) fall into the amber box, which is defined in Article 6 of the Agriculture Agreement as all domestic supports except those in the blue and green boxes. These include measures to support prices, or subsidies directly related to production quantities.

BLUE BOX



About \$5 billion
The Box for Counter Cyclical
Payments

Avg.: \$2.3 billion
Range: \$0.809 - \$4.4

This is the “amber box with conditions” — conditions designed to reduce distortion. Any support that would normally be in the amber box, is placed in the blue box if the support also requires farmers to limit production (details set out in Paragraph 5 of Article 6 of the Agriculture Agreement).

GREEN BOX



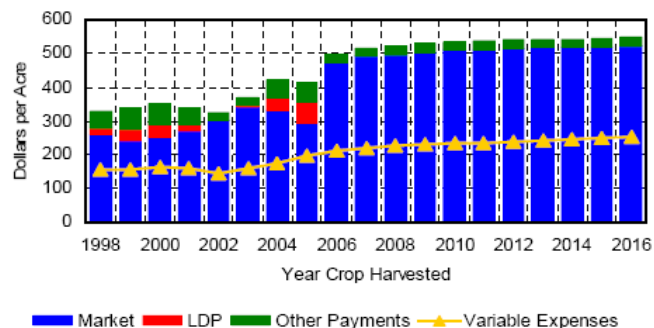
In order to qualify, green box subsidies must not distort trade, or at most cause minimal distortion (paragraph 1). They have to be government-funded (not by charging consumers higher prices) and must not involve price support.

Unlimited – Place for Direct Payments or what is Left
Of them after Conference Committee

Other Issues

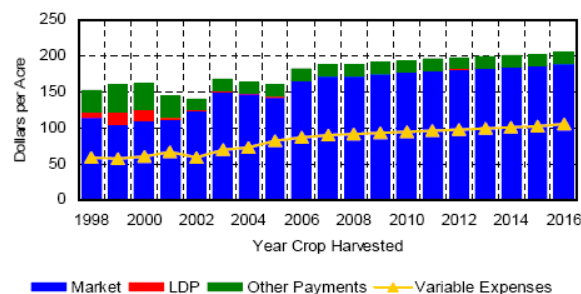
- **Product Specific Limits**

Corn Returns

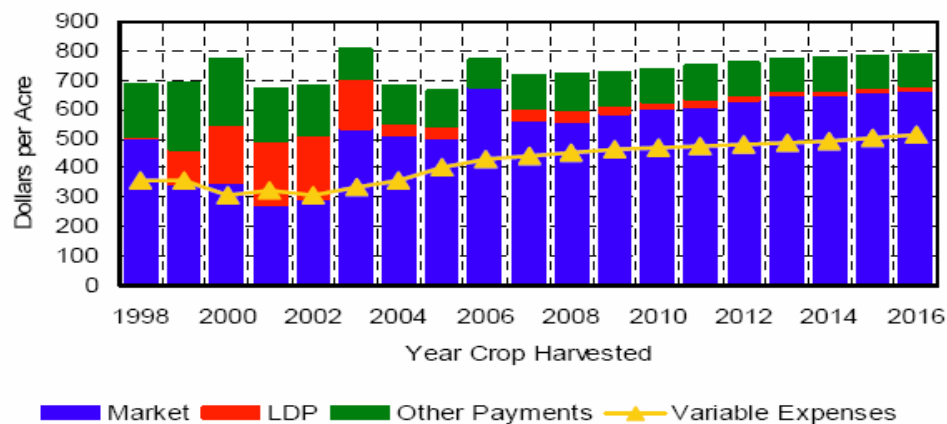


Prices and Returns						(Dollars)					
Farm Price/bu.	3.17	3.23	3.22	3.23	3.21	3.18	3.16	3.13	3.09	3.06	3.04
Loan Rate/bu.	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Average LDP Rate/bu.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Target Price/bu.	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63
CCP Rate/bu.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Direct Payment/bu.	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Crop Year	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17

Wheat Returns

[illegible]

Rice Returns



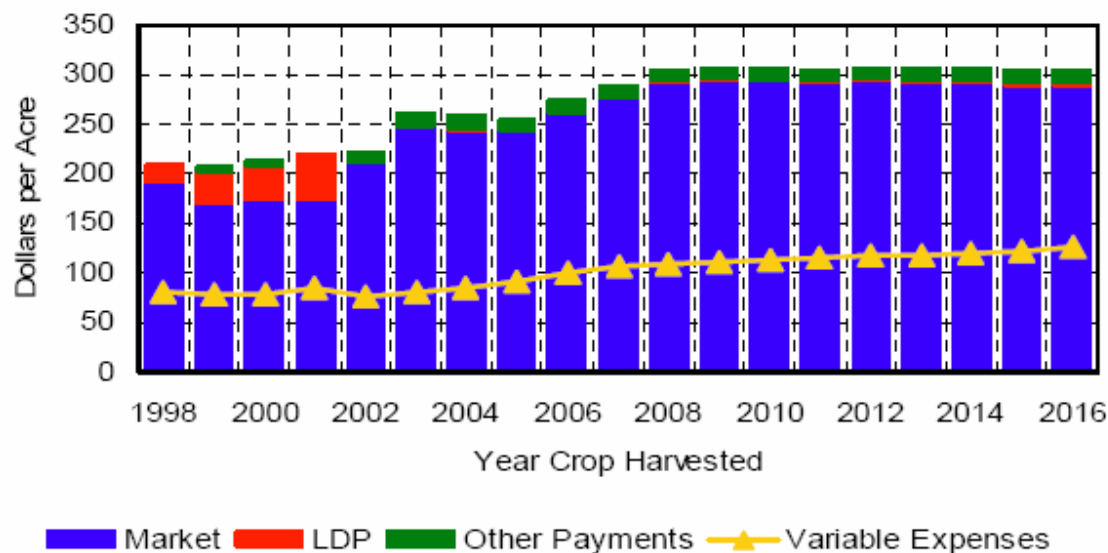
Crop Year	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
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Prices and Returns

(Dollars)

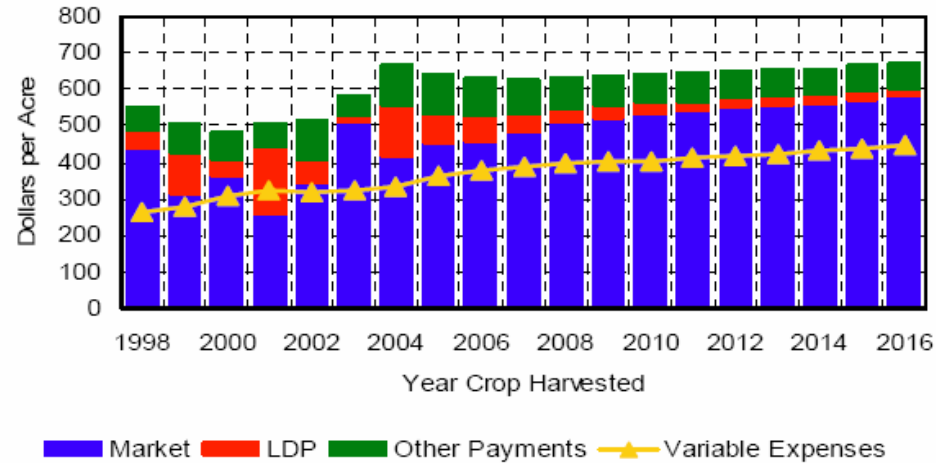
Farm Price/cwt	9.86	8.11	7.89	8.21	8.37	8.43	8.63	8.78	8.74	8.80	8.80
Adjusted World Price/cwt.	7.35	6.43	6.15	6.58	6.84	6.94	7.23	7.40	7.35	7.38	7.34
Loan Rate/cwt.	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Average LDP Rate/cwt.	0.00	0.50	0.61	0.44	0.37	0.35	0.27	0.23	0.26	0.25	0.25
Target Price/cwt.	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
CCP Rate/cwt.	0.00	0.41	0.50	0.37	0.33	0.33	0.28	0.24	0.26	0.25	0.23
Direct Payment/cwt.	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35

Soybean Returns



Crop Year	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Prices and Returns											
	(Dollars)										
Farm Price/bu.	6.10	6.73	7.05	7.03	6.92	6.81	6.79	6.70	6.59	6.48	6.43
IL Processor Price/bu.	6.39	7.00	7.32	7.29	7.19	7.08	7.06	6.97	6.87	6.76	6.71
Loan Rate/bu.	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Average LDP Rate/bu.	0.01	0.01	0.02	0.02	0.03	0.03	0.04	0.05	0.06	0.06	0.06
Target Price/bu.	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
CCP Rate/bu.	0.00	0.01	0.01	0.01	0.02	0.03	0.03	0.04	0.04	0.05	0.04
Direct Payment/bu.	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44

Upland Cotton Returns



Crop Year	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Loan Rate/lb.	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520
Average LDP Rate/lb.	0.082	0.058	0.045	0.041	0.038	0.034	0.030	0.030	0.027	0.027	0.026
Target Price/lb.	0.724	0.724	0.724	0.724	0.724	0.724	0.724	0.724	0.724	0.724	0.724
CCP Rate/lb.	0.137	0.112	0.095	0.088	0.081	0.079	0.075	0.073	0.072	0.066	0.065
Direct Payment/lb.	0.067	0.067	0.067	0.067	0.067	0.067	0.067	0.067	0.067	0.067	0.067

- What about the potential of loss of legal cases and complying with verdicts?

If the Future is Certain

- High Prices make government commodity supports (LDPs) \$0.00 to below \$1.0 billion, well within new commitments. Dairy and Sugar can be accommodated.
- Direct Payments must remain in green box, Avg. \$6.6 billion, even if planting restrictions have to go (cotton case).
- Countercyclical payments notified as blue box, within commitments.
- De minimis exemption cuts non-binding (2.5% of value of production from 5%)

What Will The Future Bring?

All Grains Called Sharply Lower - Message (HTML)

File Edit View Insert Format Tools Actions Help Adobe PDF

Reply Reply to All Forward

From: DTN Snapshot Staff [noreply@dtnoutbound.com]

To: mpaggi@csufresno.edu

Cc:

Subject: All Grains Called Sharply Lower

Sent: Tue 1/22/2008 5:23 AM

 Today's DTN Market View

Corn: Continued noncommercial (speculative) long-liquidation Friday had the market under pressure, though the long-term trend of the market remains up.

Soybeans: The soybean market was giving signs that it may be establishing a bearish change in trend. Three consecutive weeks of noncommercial long-liquidation doesn't necessarily mark the end of the uptrend, but it certainly could be a cause for concern among bullish traders.

Wheat: Wheat contracts pushed higher once again Friday with the Minneapolis spring wheat market extending its long-term uptrend. Bullish underlying fundamentals continue to provide support.

Live Cattle: Live cattle contracts drifted throughout much of Friday's session, awaiting the development of the week's cash trade. Long-term fundamentals remain bullish and continue to provide an undercurrent of support.

Cotton: Noncommercial long-liquidation pressured the cotton market on Friday, but not to the point that the long-term uptrend is in doubt. At least not yet.

» Click [here](#) to continue.

DTN FUTURES OVERVIEW

As of 6:31 AM

MONTH	CLOSE	CHG
Corn - CBOT (C)		
Mar08	4982	-36
Dec08	5150	-60
Corn - e-CBOT (@C)		
Mar08	4792	-190
Dec08	4950	-200
Soybeans - CBOT (S)		
Mar08	12640	-70
Nov08	12552	-146
Soybeans - e-CBOT (@S)		
Mar08	12250	-390
Nov08	12230	-322
Wheat - CBOT (W)		
Mar08	9624	220
Jul08	8784	144
Live Cattle - CME (LC)		
Feb08	91,000	0.100
Apr08	94,250	0.425
Cotton - #2 - CSCE (CT)		
Mar08	70.73	-1.19
May08	72.52	-1.13

» Click [here](#) to continue.

GRAIN TRADING PORTAL

SELL GRAIN ONLINE

 CORN TRAITS



GT

CB

LL

RW

THE

start

Connected - BlackBer...

Inbox - Microsoft Out...

All Grains Called Shar...

Microsoft PowerPoint ...



10:35 AM

What Will The Future Bring?

Table 35—CCC Net Outlays by Commodity and Function

Function	Fiscal year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007E	2008E
	\$ million									
Price support loans (net)	1,455	3,369	3,189	4,456	4,306	1,246	5,801	5,959	4,172	3,018
Cash direct payments: ³										
Production flexibility contra	5,476	5,057	4,105	3,968	-294	-11	1	-1	-1	0
Direct payment	0	0	0	0	4,151	5,289	5,235	4,962	4,081	5,202
Counter-cyclical payment	0	0	0	0	1,743	809	2,772	4,356	2,818	1,091
Market loss assistance	3,011	11,046	5,455	-1	167	-3	2	0	0	0
Deficiency	-3	1	-1	-2	-1	-2	0	0	0	0
Dairy market income loss	0	0	0	0	1,795	221	9	352	200	0
Loan deficiency	3,360	6,419	5,293	5,345	693	461	3,856	4,630	189	150
Oilseed	0	460	921	0	0	0	0	0	0	0
Cotton User marketing	280	446	237	182	455	363	582	372	0	0
Other	1	461	820	7	1,323	20	9	12	15	0
Tobacco Buy-Out Payments	0	0	0	0	0	0	939	967	960	960
Conservation Reserve Program	1,435	1,476	1,625	1,785	1,785	1,786	1,788	1,830	1,890	1,926
Other conservation program	247	215	229	249	159	96	22	22	28	0
Emergency Forestry Conservat. Resrv.								0	18	22
Noninsured Assistance (NAP)	54	38	64	181	237	124	110	66	154	325
Total direct payments	13,861	25,619	18,748	11,714	12,214	9,153	15,325	17,568	10,352	9,676
1988-2005 crop disaster	1,913	1,251	1,848	230	1,867	804	2,395	178	880	784
Emergency livestock/tree/DRAP										
livestock indemn./forage ass	328	201	478	17	251	132	73	205	615	619
Purchases (net)	668	120	-1,310	-1,006	-2,248	-258	-4,269	-3,948	-3,362	-2,508
Processing, storage, and transportation	62	81	122	119	167	143	125	103	114	13
Export donations ocean transportation	323	370	362	302	388	-121	46	39	53	52
Operating expense ¹	4	60	5	55	81	6	10	14	4	0
Interest expenditure	210	736	428	218	49	88	71	366	426	195
Export programs ²	165	216	-2,047	-96	367	65	-1,443	-629	227	236
Other	234	242	282	-329	-17	-683	2,053	356	304	1,106
Total	19,223	32,265	22,105	15,680	17,425	10,575	20,187	20,211	13,785	13,190

1. Does not include CCC Transfers to General Sales Manager. 2. Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager, Market Access (Promotion) Program, starting in FY 1991 and starting in FY 1992 the Export Guarantee Program - Credit Reform, Export Enhancement Program, Dairy Export Incentive Program, and Technical Assistance to Emerging Markets, starting in FY 2000 Foreign Market Development Cooperative Program and Quality Samples Program, starting in FY 2003 Specialty Crops. 3. Includes cash payments only. Excludes generic certificates in FY 86-96. E = Estimated in FY 2008 President's Budget based on 'November 2006' supply and demand estimates. The CCC outlays shown for 2002-2008 include the impact of the Farm Security and Rural Investment Act of 2002, which was enacted on May 13, 2002. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds). FY 2004-FY 2005 includes revised dairy outlays.

The Questions Is

**Do You Believe
The Future is Certain?**