Overview of the 2008 Farm Bill

Bradley Lubben

University of Nebraska-Lincoln, blubben2@unl.edu

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Overview of the 2008 Farm Bill

Bradley D. Lubben, Ph.D.
Assistant Professor and Extension Public Policy Specialist
Department of Agricultural Economics
University of Nebraska-Lincoln
Paper from the 2008 Farm Bill Education Conference

July 8-9, 2008

Kansas City, Missouri

The following presentations summarize various titles and sections of the 2008 Farm Bill and provide program details and mechanics of the new legislation as well as potential impacts of the new programs. The presentations were delivered at the 2008 Farm Bill Education Conference and serve as both an outline of the new programs as well as a working template for further education and analysis. The conference was organized by the University of Nebraska-Lincoln along with Auburn University, The University of Georgia, and Oklahoma State University. The conference was sponsored through grants from the Farm Foundation and the North Central Risk Management Education Center along with support from the Southern, Western, and Northeastern risk management education centers and the Digital Center for Risk Management Education, home of the national Ag Risk Education Library.
Farm Bill Timeline

July 7, 2005

- Secretary Johanns and Orion Samuelson conduct first Farm Bill Listening Session at RFD-TV studio in Nashville.
The Setting for the New Farm Bill

- The Economic Setting
- The Budget Setting
- The Trade Setting
- The Political Setting
Farm Bill Timeline

May 13, 2002

- Farm Security and Rural Investment Act of 2002 enacted.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Futures Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$2.10</td>
</tr>
<tr>
<td>KC Wheat</td>
<td>$2.79</td>
</tr>
<tr>
<td>Cotton</td>
<td>34.71¢</td>
</tr>
<tr>
<td>Rice</td>
<td>$3.51</td>
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<tr>
<td>Cattle</td>
<td>$63.13</td>
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<tr>
<td>Lean Hogs</td>
<td>$46.30</td>
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<tr>
<td>Crude Oil</td>
<td>$28.38</td>
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</table>
Farm Bill Timeline

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<tr>
<td>Corn</td>
<td>$2.34</td>
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<tr>
<td>Wheat</td>
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<tr>
<td>Cotton</td>
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<tr>
<td>Rice</td>
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<td>Lean Hogs</td>
<td>$68.35</td>
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<tr>
<td>Crude Oil</td>
<td>$60.73</td>
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The Economic Setting
U.S. Net Farm Income and Government Payments

Source: USDA Economic Research Service
Farm Bill Producer Survey
Existing Program Funding Priorities

Note: Average scores by size category (1 = least important, 5 = most important).
The Budget Setting
Deficits Are Not the Only Factor

Source: Congressional Budget Office and other historical sources
The Trade Setting
WTO or not WTO?

- **WTO negotiations**
  - Domestic supports
  - Export competition
  - Market access

- **No WTO negotiations**
  - WTO dispute settlement
    - Brazil-US cotton case
    - Canada-US consultation on corn
    - Brazil-US complaint on domestic supports
The Political Setting

- More players at the table
  - Conservation interests want a larger share of money
  - Nutrition and food assistance are key to the Farm Bill coalition
  - Rural development and energy are looking for funding
January 31, 2007

- Secretary Johanns releases USDA farm bill proposals.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Futures Price</th>
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<td>Corn</td>
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<td>Rice</td>
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<td>Lean Hogs</td>
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<tr>
<td>Crude Oil</td>
<td>$58.14</td>
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</tbody>
</table>
Farm Bill Timeline

June 18, 2008

- House and Senate override Presidential veto of H.R. 6124
- Food Conservation and Energy Act of 2008 becomes P.L. 110-246
  - 3+ years of deliberation
  - 6-9 months of delay
  - 8 temporary extensions
  - 1 incomplete farm bill veto and override

<table>
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<tr>
<th>Commodity</th>
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</tr>
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<tbody>
<tr>
<td>Corn</td>
<td>$7.46</td>
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<td>Rice</td>
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<tr>
<td>Lean Hogs</td>
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<td>Crude Oil</td>
<td>$136.68</td>
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</table>
The 2008 Farm Bill
More than Just the Farm

- Commodity Programs
- Conservation
- Trade
- Nutrition
- Credit
- Rural Development
- Research and Related Matters
- Forestry
- Energy
- Horticulture and Organic Agriculture
- Livestock
- Crop Insurance and Disaster Assistance Programs
- Commodity Futures
- Miscellaneous
- Trade and Tax Provisions
The Budget Picture
U.S. Farm Bill Spending by Category

2002 Farm Bill
- Other: 15%
- Commodities: 23%
- Conservation: 8%
- Nutrition: 62%

2008 Farm Bill
- Other: 12%
- Commodities: 11%
- Conservation: 8%
- Nutrition: 68%