

Agriculture and the budget: Some context

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Farm Foundation Forum
Washington
September 14, 2010



Agenda

- Where does the money go?
- What's changed and changing?
- Role of different programs for different crops

“Mandatory” spending in CBO’s August baseline: selected programs

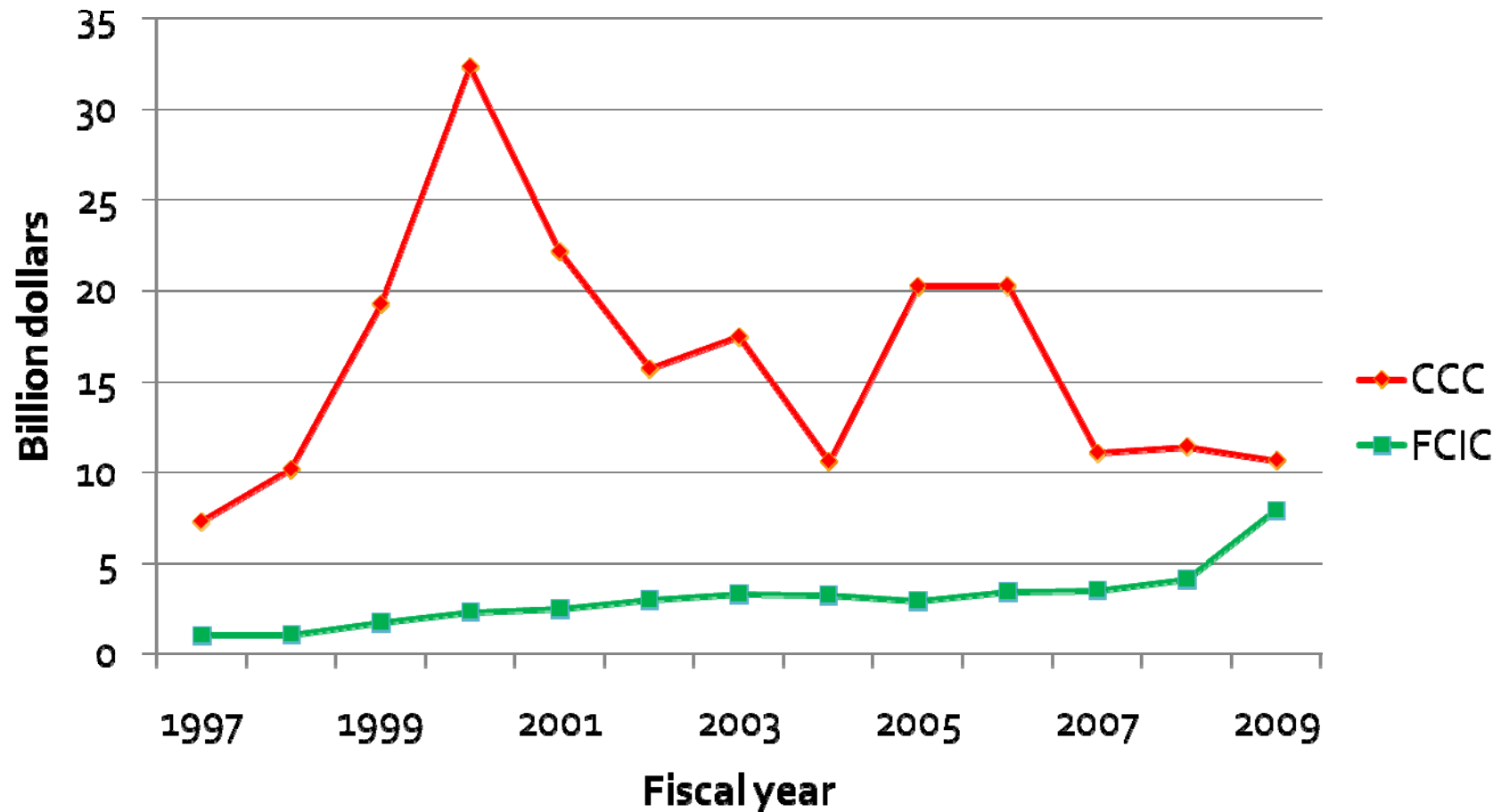
	FY 2011-FY2020 net outlays
Commodity programs	\$74 billion
Crop insurance	\$76 billion
Conservation programs	\$64 billion
Supplemental Nutrition Assistance Program	\$685 billion
Child nutrition programs	\$222 billion

Commodity Credit Corporation net outlays include commodity programs, one major conservation program (the conservation reserve program) and some other miscellaneous programs. CBO projects that net CCC outlays will total \$102 billion over the FY 2011-FY 2020 period.

Mandatory conservation program spending includes \$39 billion in Natural Resources Conservation Service programs and \$25 billion in CCC-funded programs.

Crop insurance spending by the Federal Crop Insurance Corporation reflects both subsidies to agricultural producers and program delivery costs.

CCC and FCIC net outlays



Sources: USDA's Farm Service Agency (CCC) and Department of the Treasury's Monthly Treasury Statement (FCIC).
Notes: CCC net outlays include commodity programs, the conservation reserve program, and miscellaneous programs.
FCIC net outlays are for the crop insurance program.

Selected farm program benefits

Billion dollars, 2000-09 actual and FAPRI projections for 2010-19

	2000-09 average	2010-19 average
Direct payments	5.04	4.85
Marketing loan net outlays	3.15	0.46
Countercyclical payments	1.51	0.54
ACRE payments	0.03	0.51
Crop market loss assistance	1.10	0.00
Sub-total	10.84	6.36
Crop insurance indemnities	3.94	9.92
Producer-paid premiums	2.10	3.88
Crop insurance net indemnities	1.84	6.04

Source: "Crop Insurance: Background Statistics on Participation and Results," FAPRI-MU report #10-10, Table 1 (http://www.fapri.missouri.edu/outreach/publications/2010/FAPRI_MU_Report_10_10.pdf).

Selected farm program benefits

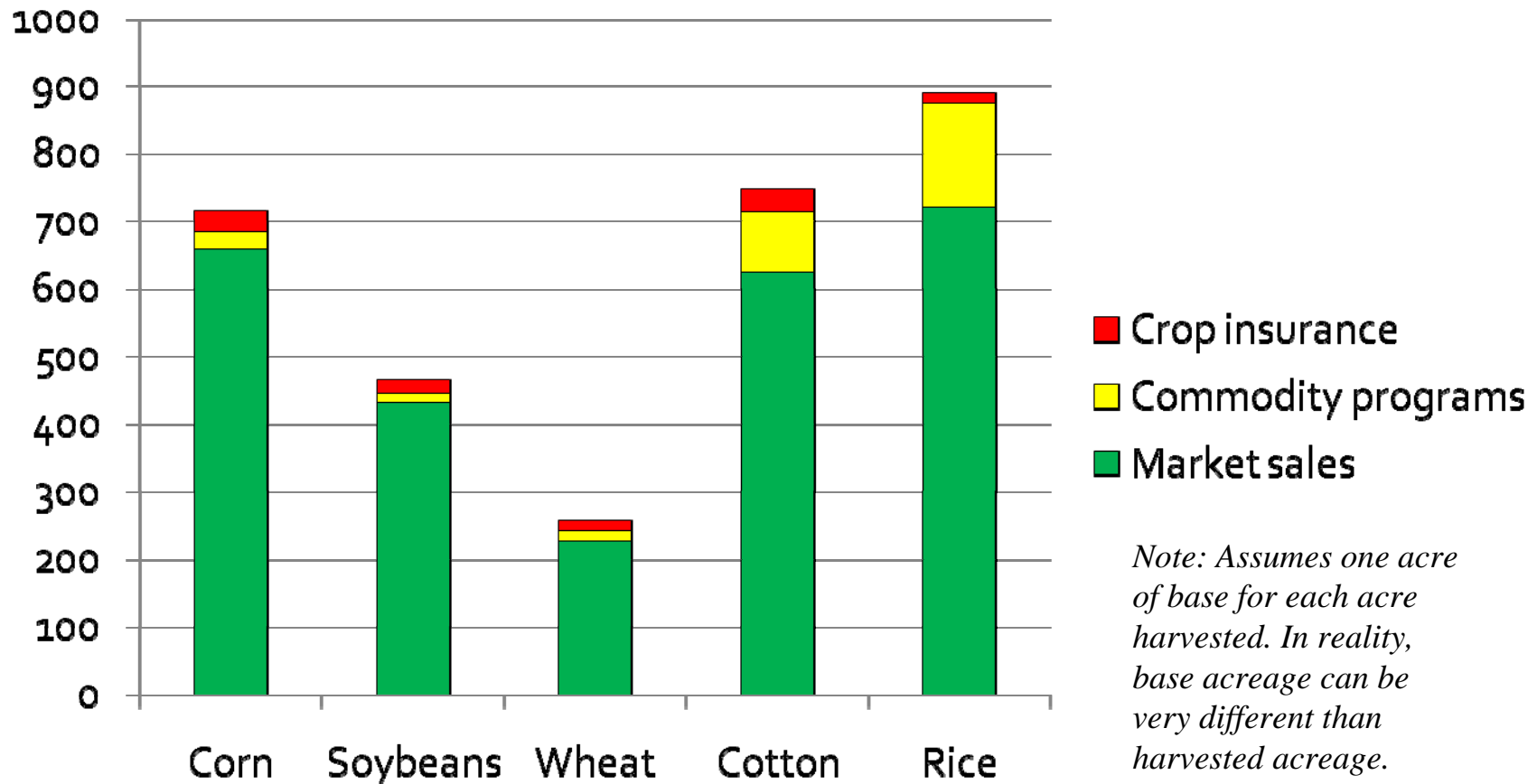
Dollars per acre, 2010-2019 stochastic average, FAPRI-MU projections

	Corn	Soybeans	Wheat	Cotton	Rice
Crop insurance net indemnities/acre	30.73	19.73	14.62	34.24	15.09
Marketing loan/acre	0.06	0.08	0.15	31.99	45.56
ACRE payments/acre	2.57	2.22	1.44	0.01	0.00
Direct payments/base a.	23.18	10.99	14.50	33.59	95.86
Countercyclical payments/base acre	0.08	0.09	0.36	24.61	13.09
Total/acre or base acre	56.61	33.12	31.07	124.44	169.61
Crop insurance/total	54%	60%	47%	28%	9%

Source: "Crop Insurance: Background Statistics on Participation and Results," FAPRI-MU report #10-10, Table 2 (http://www.fapri.missouri.edu/outreach/publications/2010/FAPRI_MU_Report_10_10.pdf).

Farm program and market receipts

Dollars per acre, 2010-2019 stochastic average, FAPRI-MU projections



Source: "Crop Insurance: Background Statistics on Participation and Results," FAPRI-MU report #10-10, Table 2 (http://www.fapri.missouri.edu/outreach/publications/2010/FAPRI_MU_Report_10_10.pdf).

THANKS!

- To contact me: westhoffp@missouri.edu
- FAPRI-MU website: www.fapri.missouri.edu
- My book from FT Press:
The Economics of Food: How Feeding and Fueling the Planet Affects Food Prices
(<http://www.amazon.com/Economics-Food-Feeding-Fueling-Affects/dp/0137006101>)