

Public Policy Education—Federal Government Perspective

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September 20, 2006

Topics

- **Essentials of a good effort & USDA's 2007 Farm Bill effort**
 - Educational challenges
- **Recent key educational challenges related to the 2007 Farm Bill**
 - Disaster assistance
 - Energy and agriculture
 - & many others: AI, biotech rice, Doha, Brazil cotton case, etc.

USDA Farm Bill education efforts ...

USDA's Farm Bill Process

Education first, Advocacy second

- **Step 1: Gather information**
 - What does public know/want?
 - What do we know?

Federal Register Qs
52 Farm Bill Forums
41 summary papers
 - **Step 2: Present facts**
 - **Step 3: Present alternatives**
 - **Step 4: Present recommendations**
- 5 theme papers
- TBD

Scoring our Theme Paper

Educational Effort

- **Facts** **A-**
- **What's behind the facts** **B**
- **Feasible alternatives** **A-**
- **No advocacy** **B**
- **Balanced** **B**
- **Fair** **A**
- **Brief** **D**

Broad Educational Challenges

- **Philosophical:**
 - Role of Federal government; goals of programs
- **Technical:**
 - Understanding budget constraints, baselines, budget scoring
 - Understanding how programs work
- **Economic:**
 - State of ag & rural areas
 - Effects of programs on consumers, producers, taxpayers
 - Identifying areas of program inefficiencies
 - Identifying options to achieve alternative goals

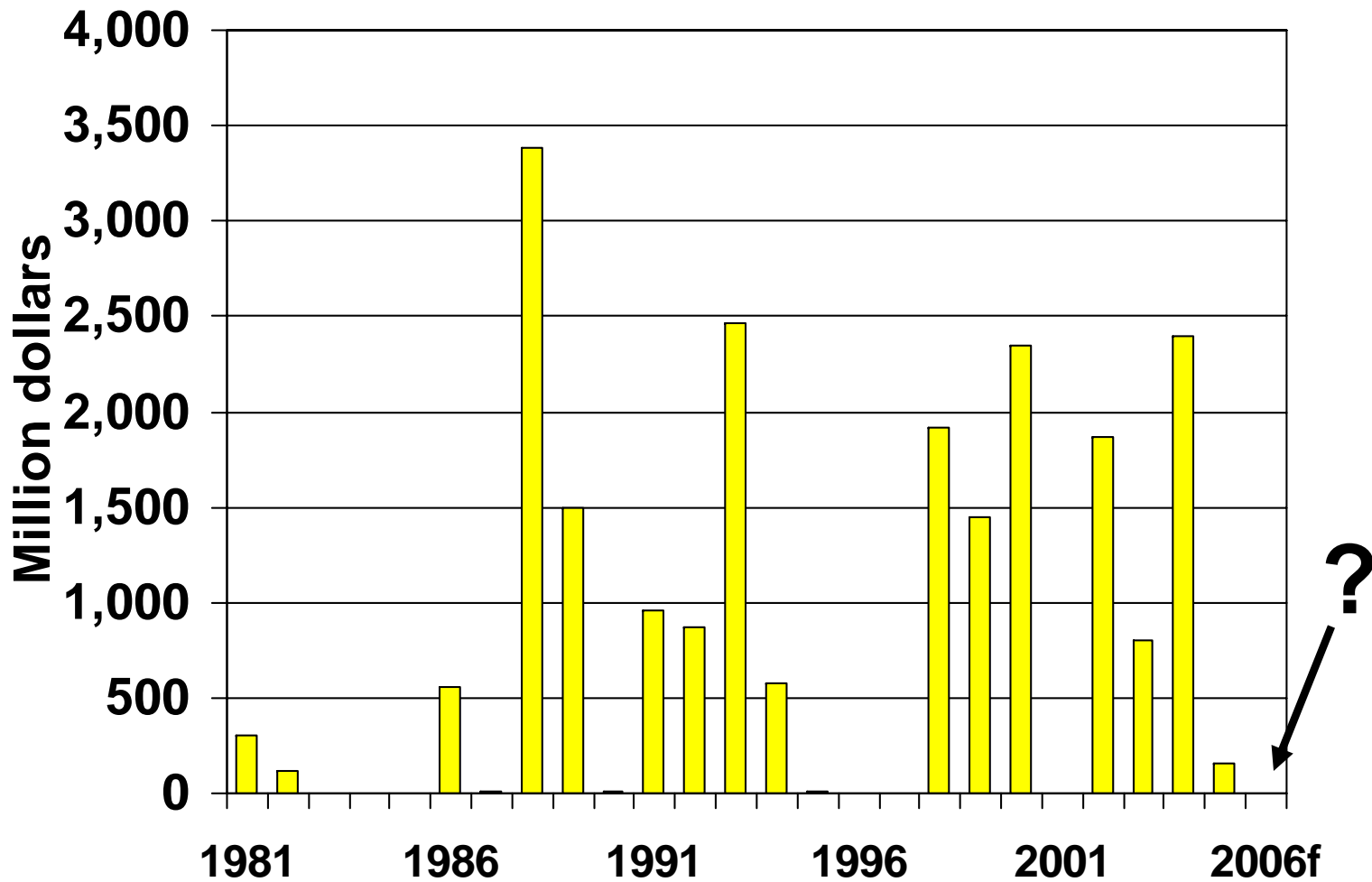
Some Key Issues for Technical and Economic Analysis for the 2007 Farm Bill

- **Budget**
- **WTO consistency**
- **Dairy and sugar programs**
- **Marketing loan programs**
- **Payment limits**
- **Specialty crops**
- **Energy**
- **Conservation**

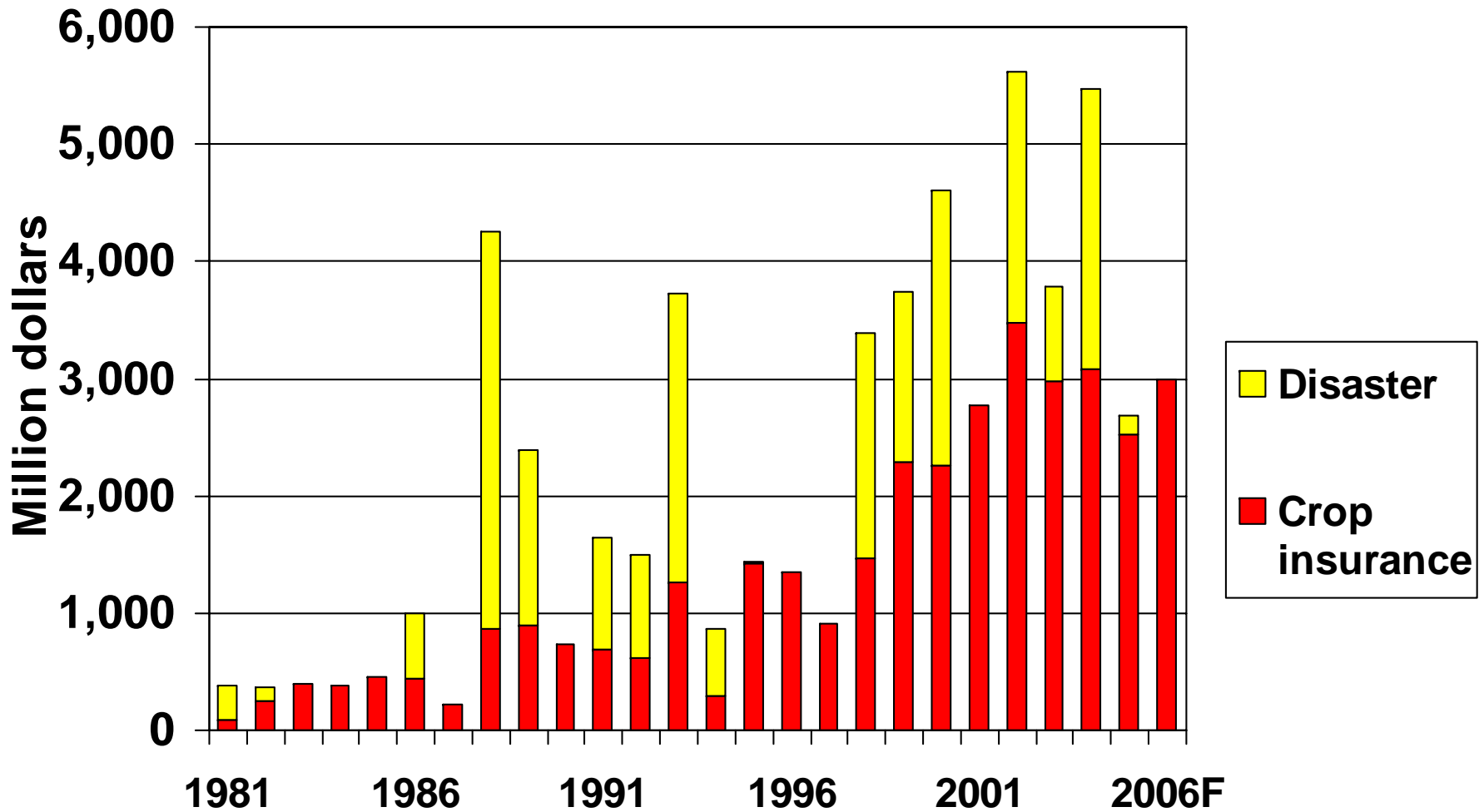
Recent educational challenges ...

Challenge #1—Disaster Assistance

Assistance Expenditures



Disaster Assistance & Crop Insurance Indemnity & Delivery Costs



Senate Disaster Assistance Proposal

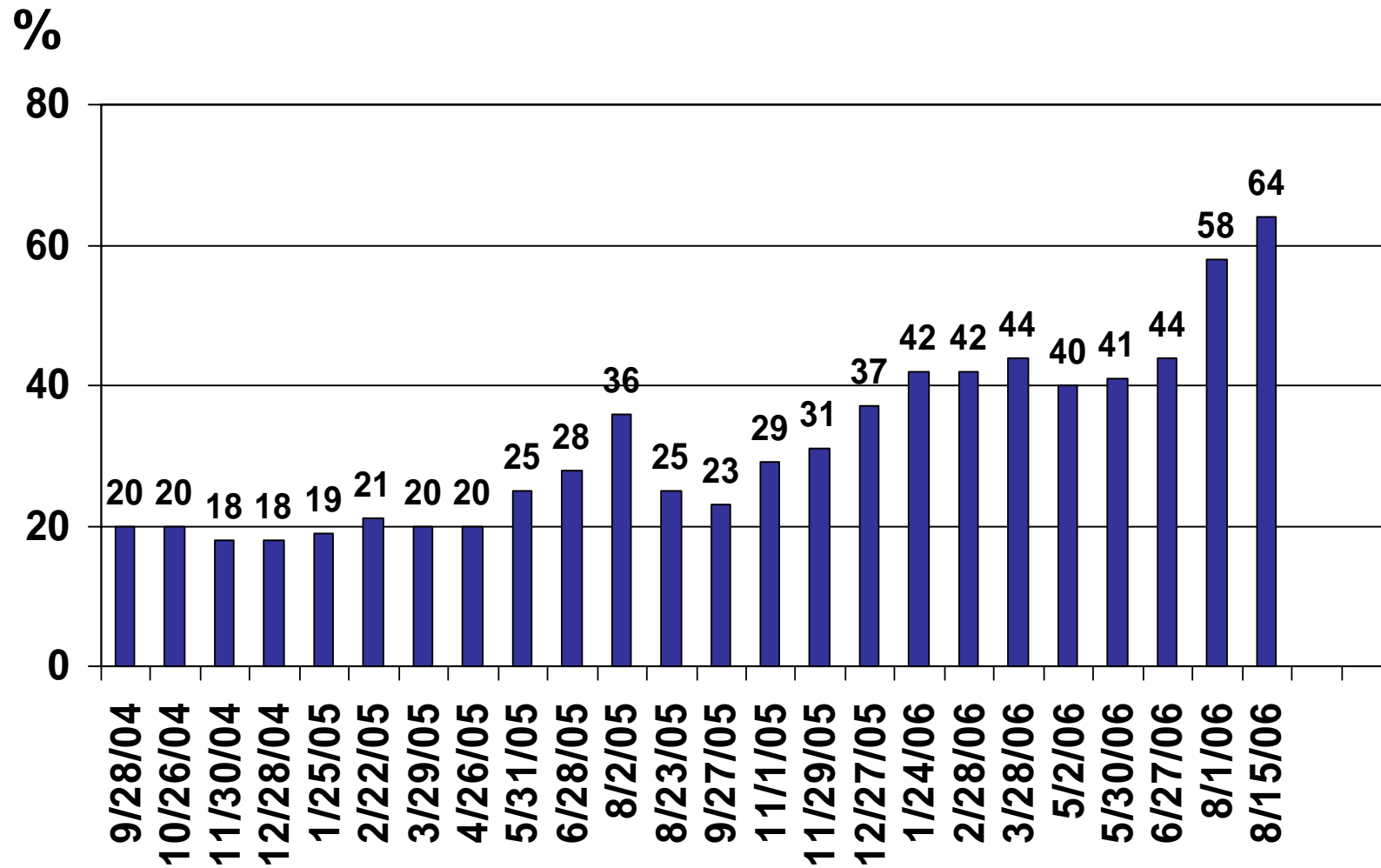
Bill now under debate in Senate: \$6.5 bil.

- Crop loss payments**
- 30% top up for program crops**
- Livestock loss payments**
- Block grants (F&V states/small businesses)**
- Waives requirement to buy crop insurance and 95% cap**

Participation in Crop Insurance, 2004

Crop	Percent of Crop Value Insured	Liability as a Percent of Crop Value
Corn	92	64
Soybeans	80	56
Wheat	82	54
Cotton	99	61
Rice	58	25
Peanuts	78	46
Potatoes	70	34
Sugarcane	71	23

U.S. Beef Cows Experiencing Drought



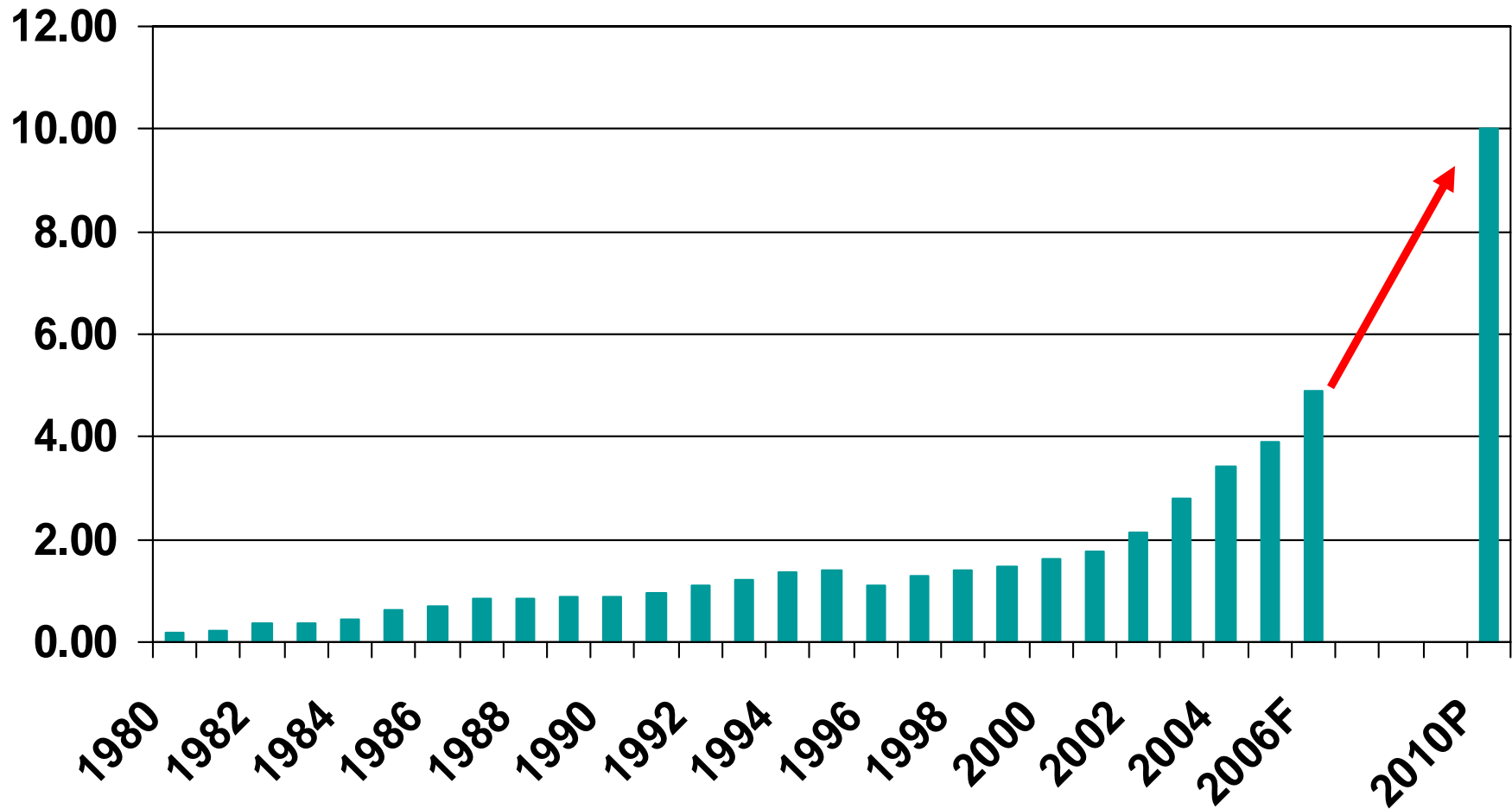
Disaster Assistance: Issues for Discussion

- **Why disaster assistance at all?**
 - Appropriate level of risk sharing
 - How bad is the damage and does it matter?
- **For what purpose?**
 - Adequacy of Federal crop insurance
 - Crops v. livestock
 - Program crops v. other crops
 - Farms v. nonfarms
- **What can policy officials do?**
 - No or targeted assistance
 - Cap total disaster spending (what level?)
 - Offset spending
 - Improve/develop alternative tools

Challenge #2—Food v. Fuel

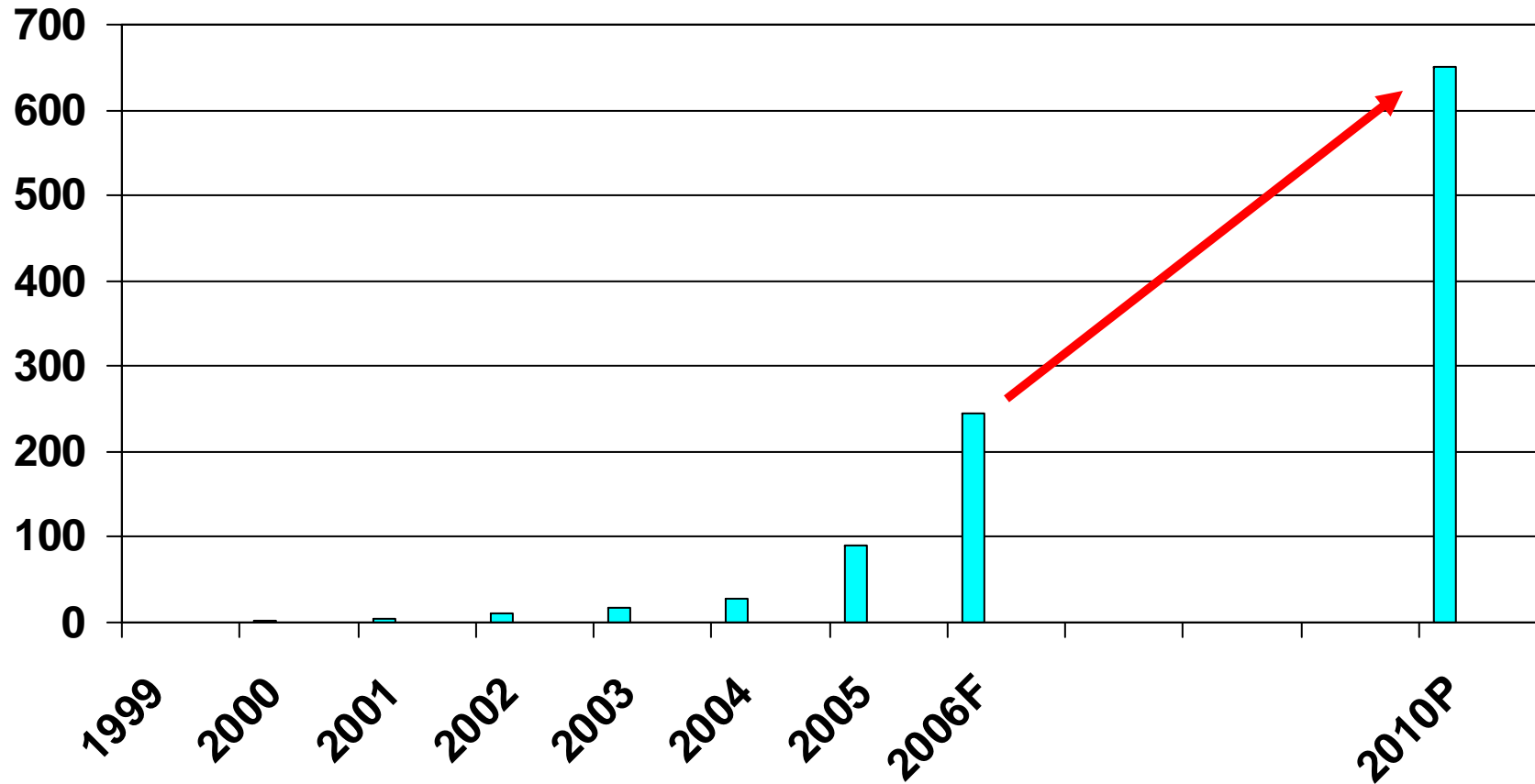
U.S. Annual Ethanol Production

Bil. gal.



U.S. Annual Biodiesel Production

Mil gal.



Food v. Fuel: Issues

- **How big will the biofuels market get?**
- **What ag. adjustments are expected?**
- **Can enough corn be supplied without serious effects on feed/food/export markets?**
- **Mitigating factors?**
- **What can policy officials do?**