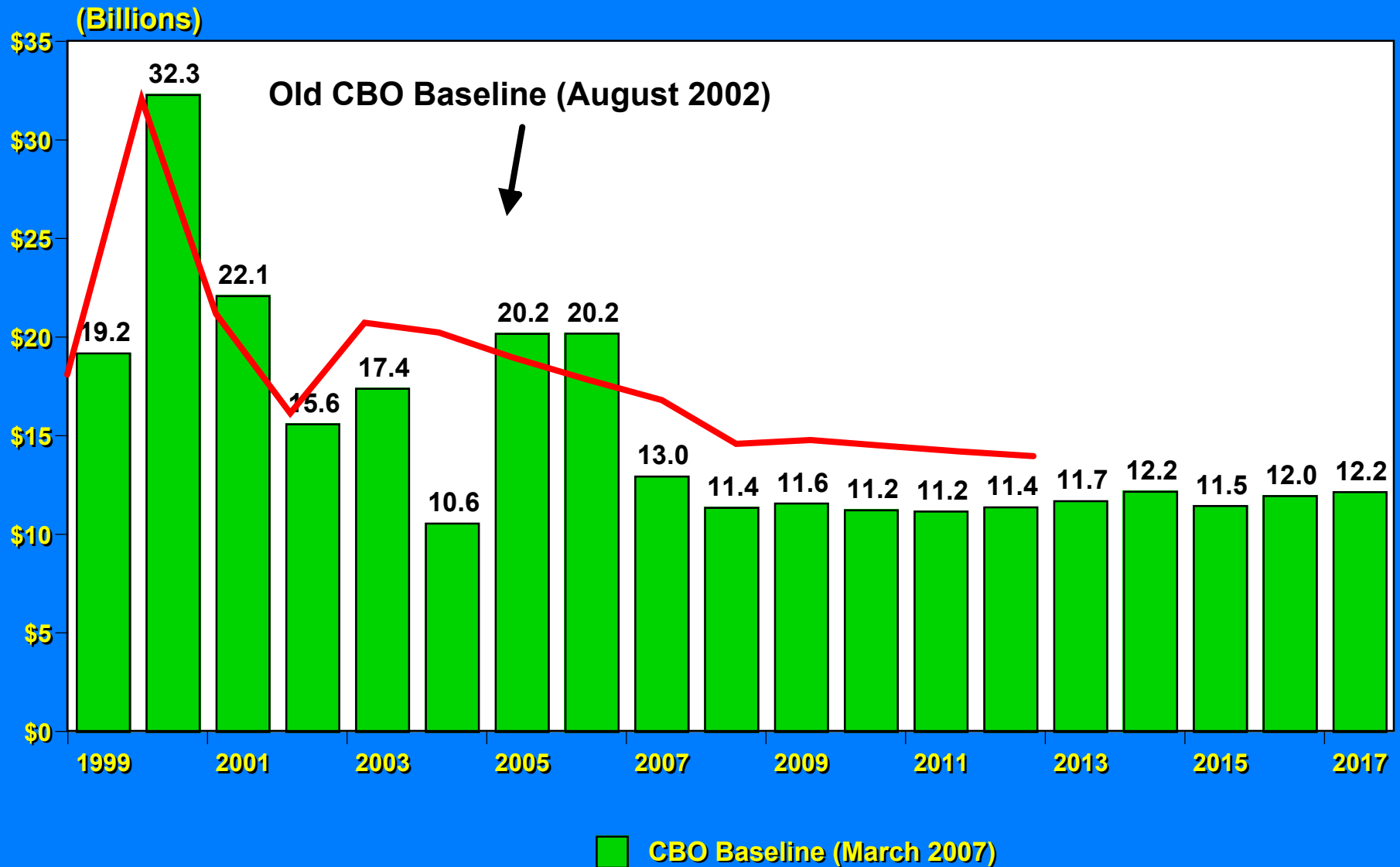


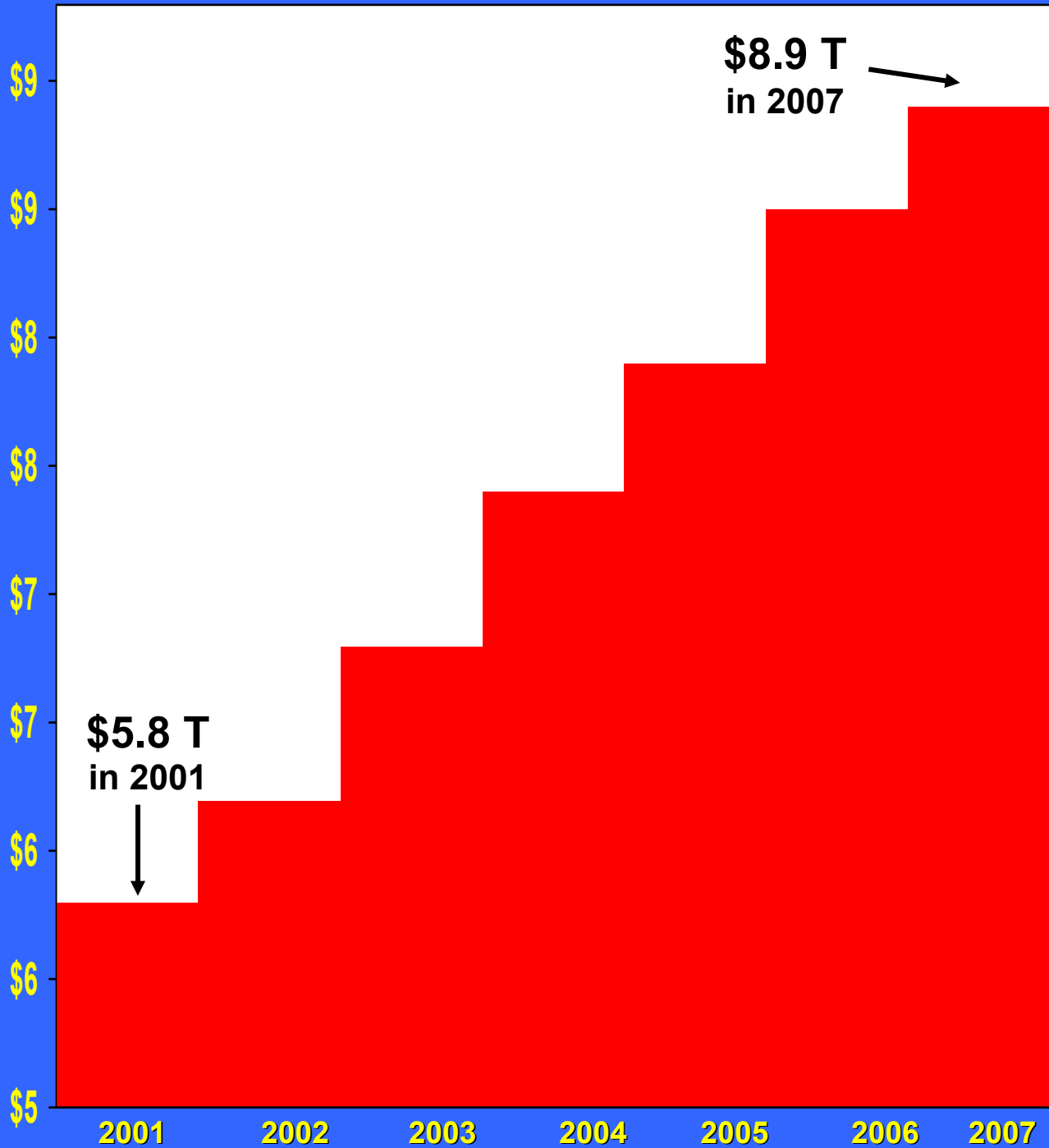
CCC FARM, CONSERVATION AND EXPORT PROGRAM OUTLAYS



Building a Wall of Debt

Gross Federal Debt Soars

(\$ in trillions)



Source: OMB, CBO

The Washington Post
Monday, July 3, 2006

**Growers Reap Benefits Even in Good Years;
Crops That Sell High Qualify for Payments**

**Federal Subsidies Turn
Farms Into Big Business**

The Washington Post
Friday, July 21, 2006

**Farm Harm; Could sunlight
cure corruption?**

The Washington Post
Sunday, July 2, 2006

**Farm Program Pays \$1.3 Billion
to People Who Don't Farm**

The Washington Post
Monday, January 8, 2007

Agriwelfare

The Washington Post
Sunday, October 15, 2006

**Aid Is a Bumper
Crop for Farmers**

The Washington Post
Tuesday, July 18, 2006

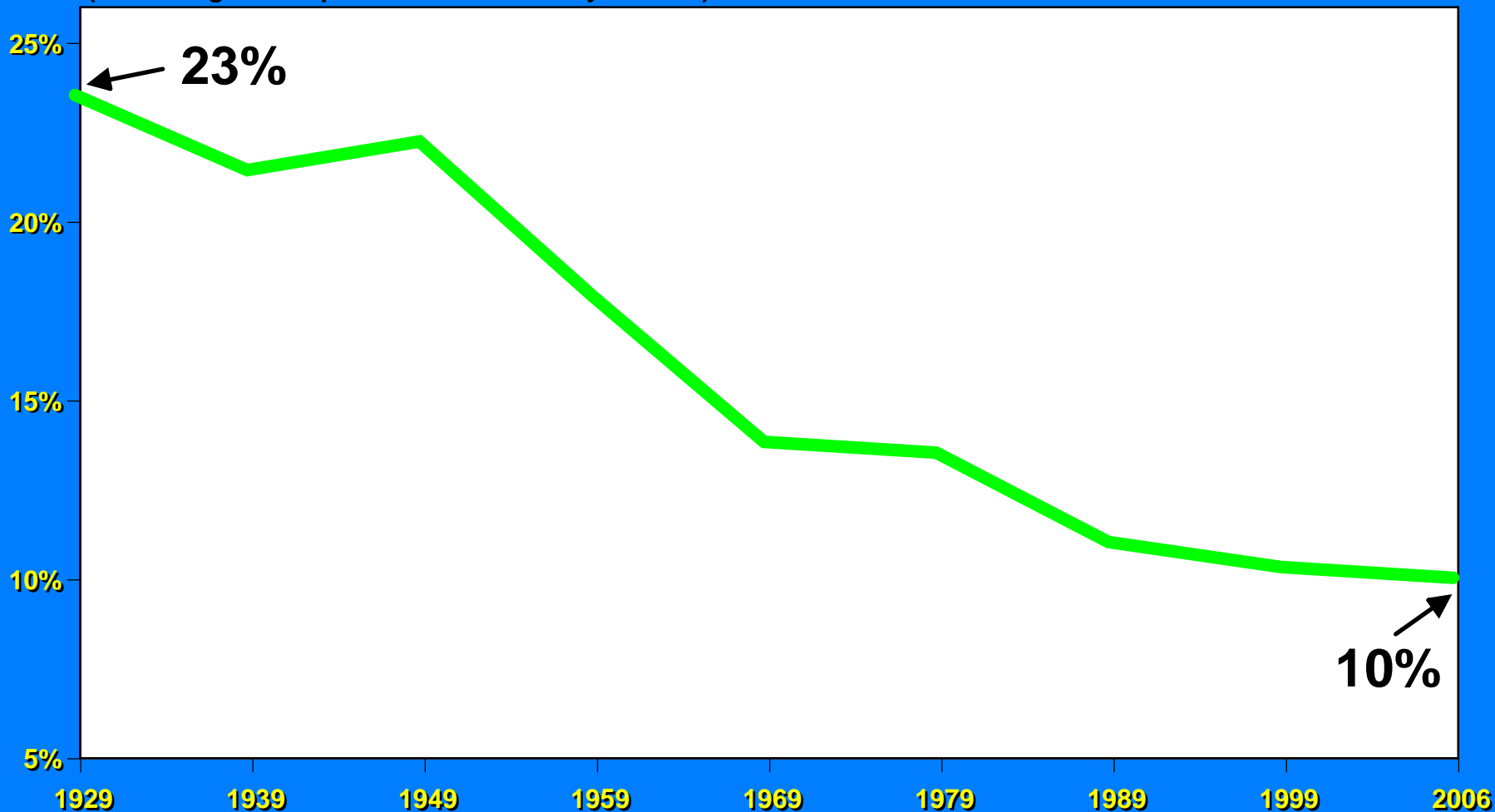
No Drought Required For Federal Aid

**Crop Insurers Piling
Up Record Profits**

Aid to Ranchers Was Diverted For Big Profits
Tons of Powdered Milk Ended Up on the Market

Food Expenditures as a Share of Disposable Personal Money Income

(Percentage of Disposal Personal Money Income)



Source: USDA Economic Research Service

Who pays the least for Food? America!



Indonesia 55%



Philippines 38%



China 26%



France 15%



Japan 14%



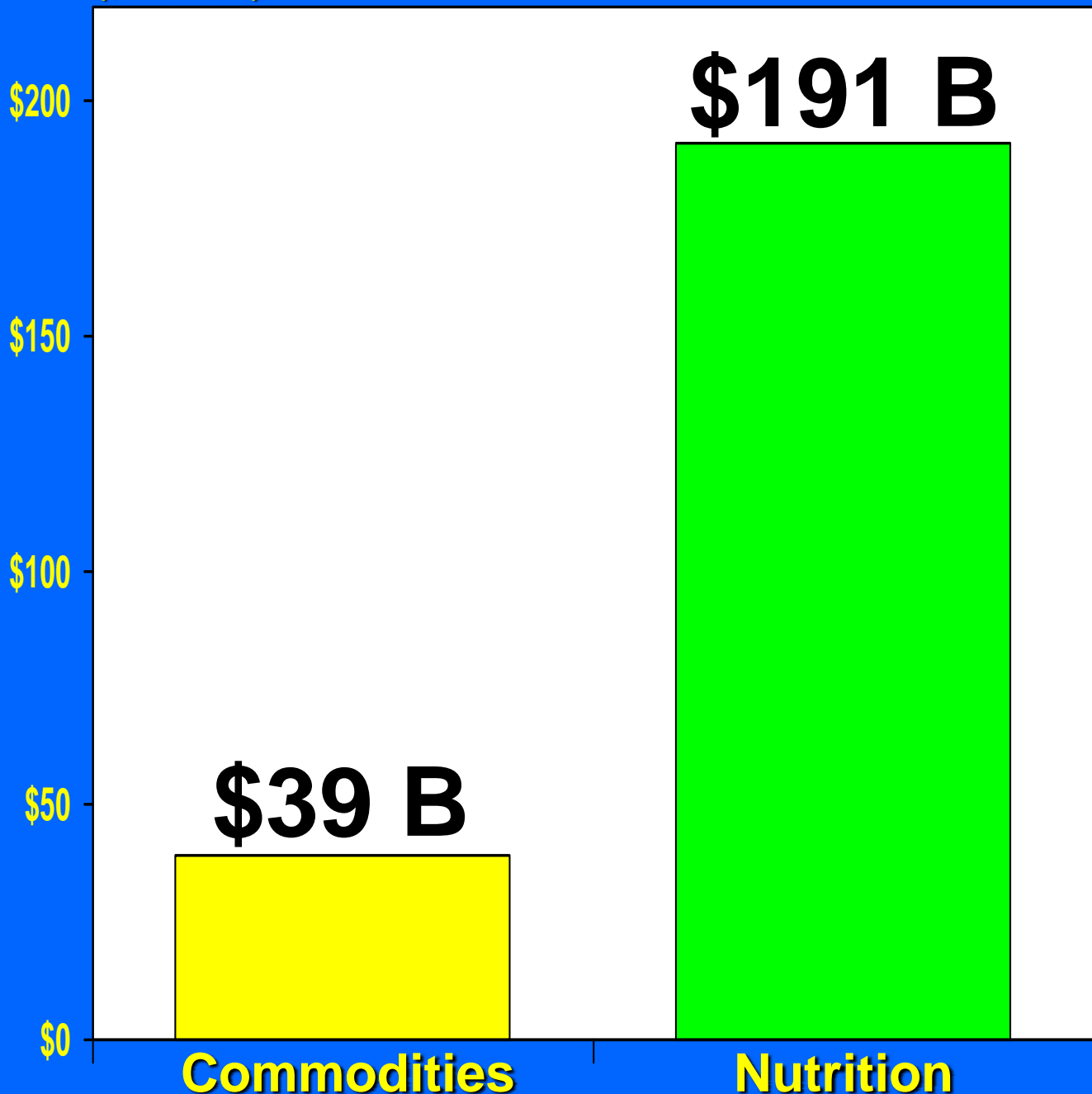
United States* 10%

Of the 10 percent of disposable income
Americans spend on food, an average of
5.8 percent is spent on food eaten at home and
4.1 percent is spent on food eaten away from home.

*U.S. figure is for food consumed at home and away from home. Figures for all other countries are for food consumed at home. As food consumed at home is less expensive, the gap between these countries and the U.S. would be greater if food consumed away from home was added.

2007 Farm Bill: Nutrition Spending Almost 5 Times Commodity Spending 5-year Baseline (2008 – 2012)

(\$ in billions)



Source: CBO

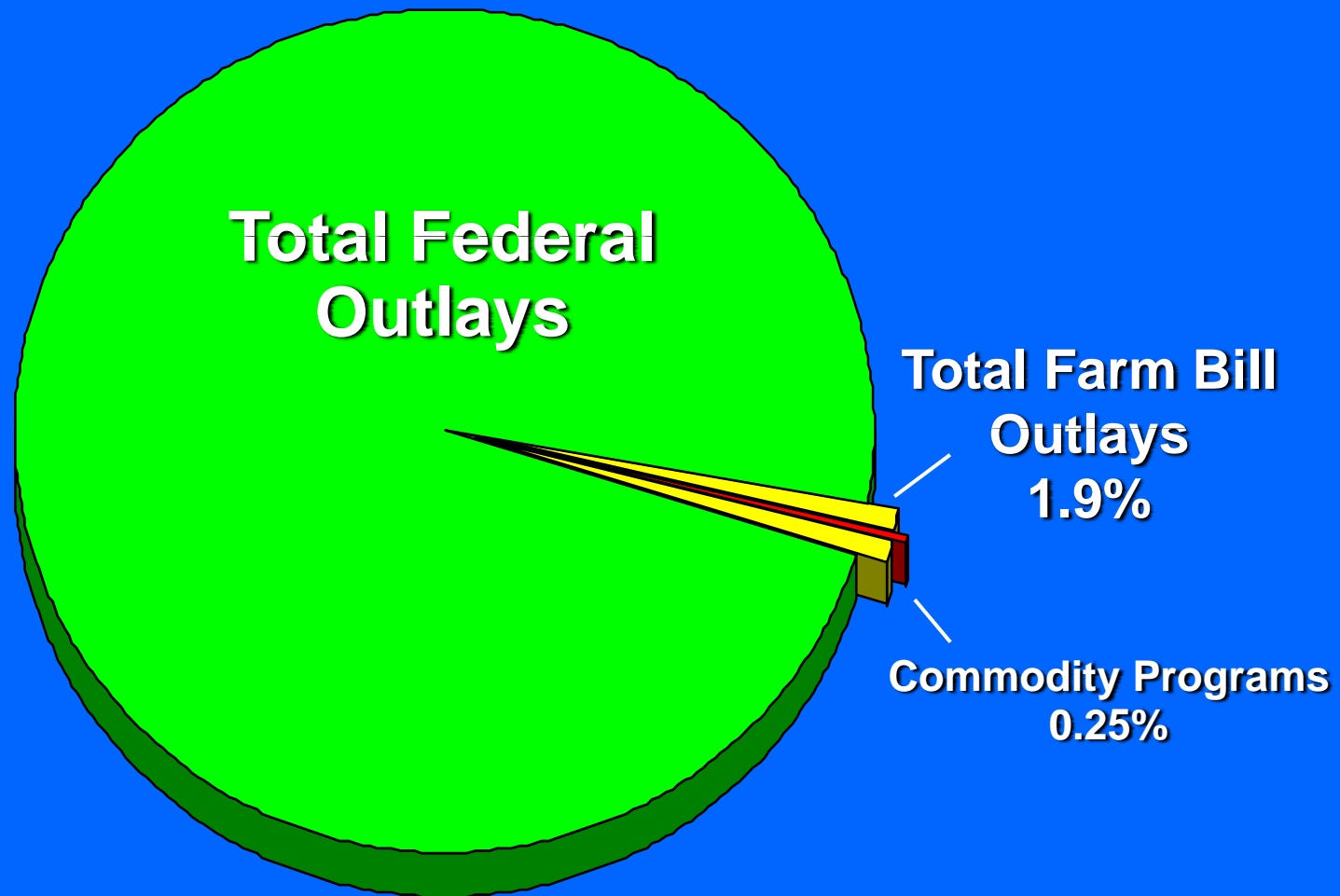
Farm Productivity Spurs Global Economy

“The prospect for a long boom is riveting economists because the declining real price of grain has long been one of the unsung forces behind the development of the global economy. Thanks to steadily improving seeds, synthetic fertilizer and more powerful farm equipment, the productivity of farmers in the West and Asia has stayed so far ahead of population growth that prices of corn and wheat, adjusted for inflation, had dropped 75% and 69%, respectively, since 1974. Among other things, falling grain prices made food more affordable for the world’s poor, helping shrink the percentage of the world’s population that is malnourished.”

– *Wall Street Journal*
September 28, 2007

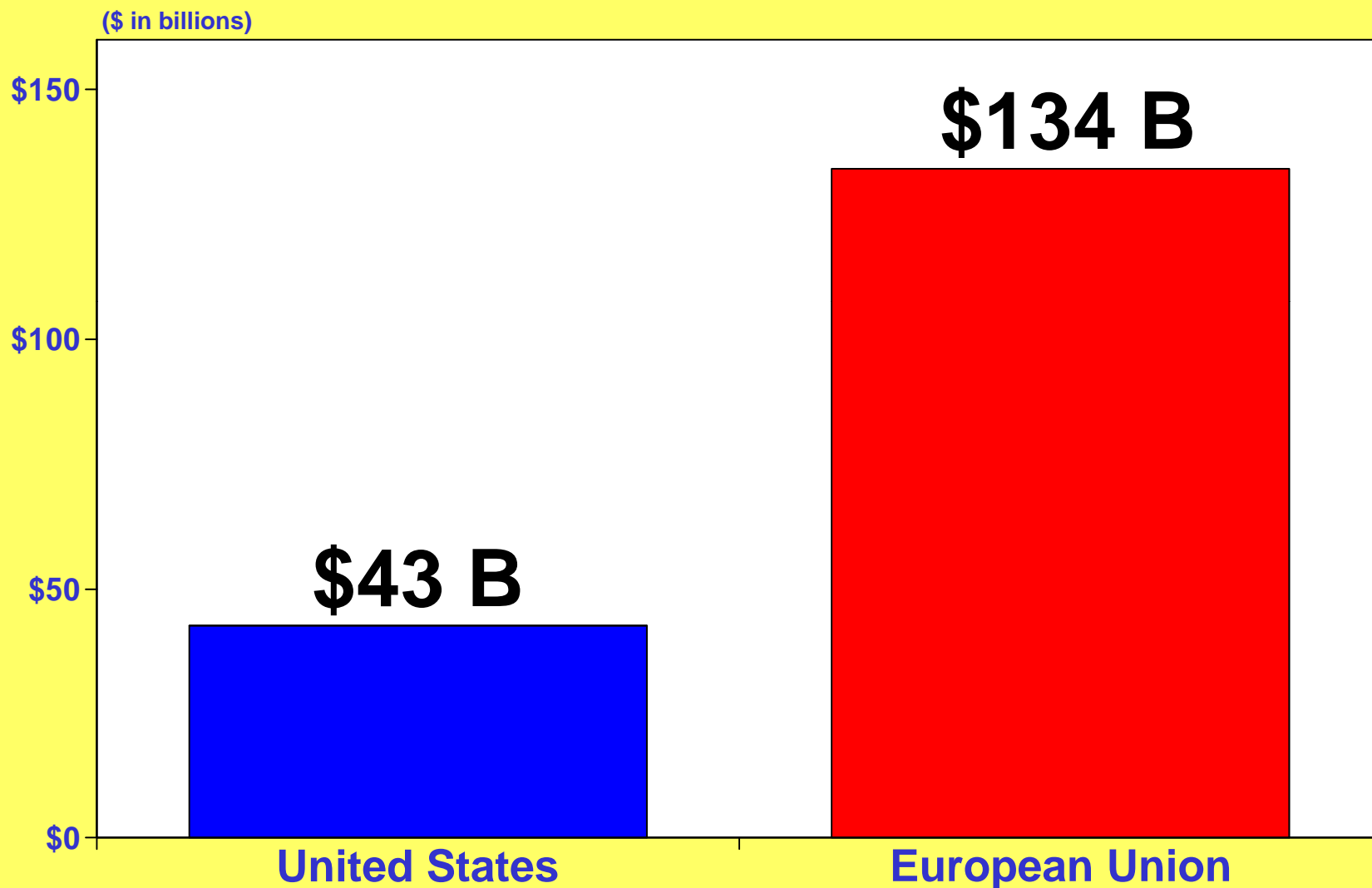
Total Farm Bill Outlays as Percent of Total Federal Outlays

FY 2008 - 2012



EU SUPPORT MUCH HIGHER THAN U.S.

After CAP Reform E.U. Farm Supports Remain More Than 3 Times Greater Than In The U.S.

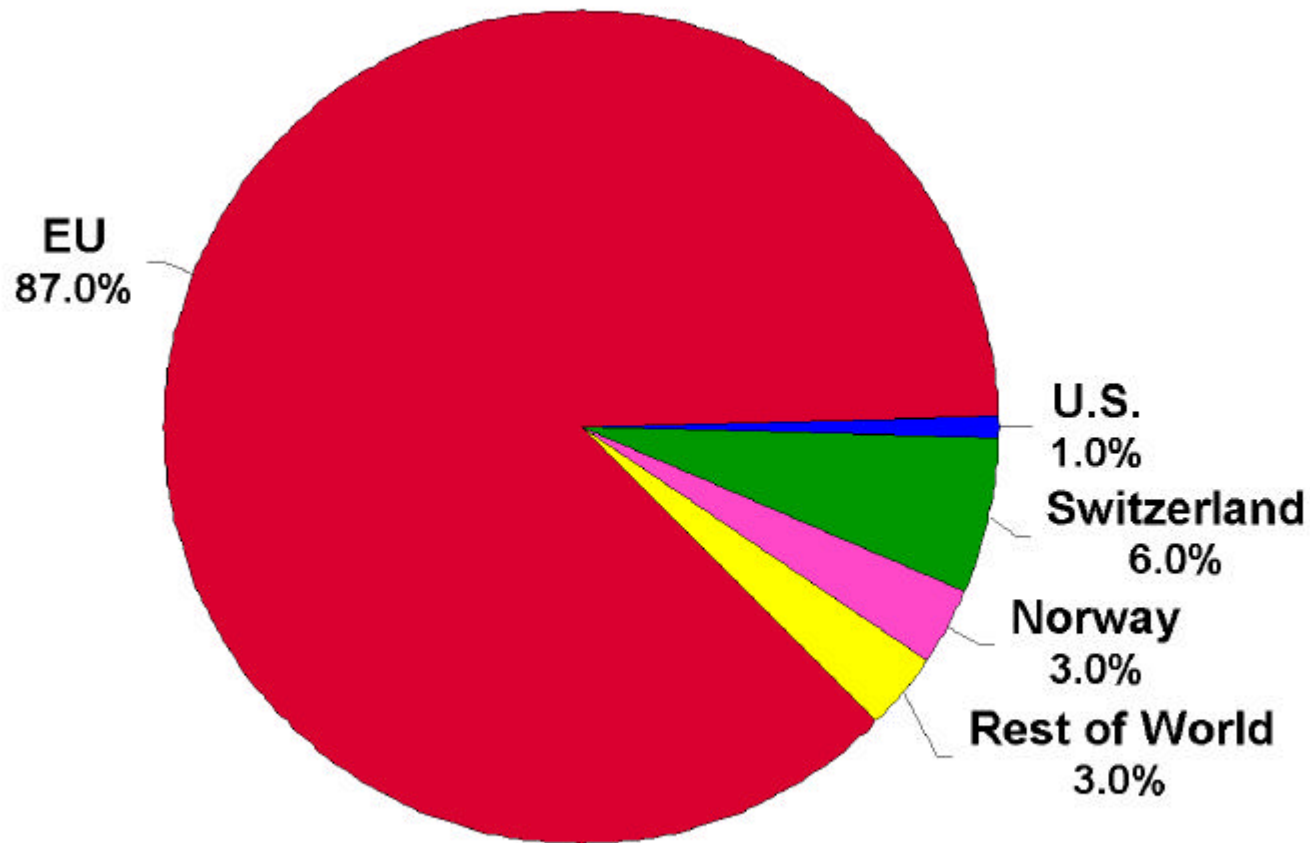


Producer Support Estimate (PSE), 2005

Source: Organization for Economic Cooperation and Development

EU Floods the World with Agricultural Export Subsidies

(share of world export subsidies, Year 2000)



Source: U.S. Dept. of Agriculture

Farm Bill Reduces Income Variability

“The average net farm income for all farms in the study was \$77,597.... Without the provisions of the farm bill, net farm income would average \$13,354....”

– “Analysis of the 2002 Farm Bill and New Farm Bill Alternatives”, Richard D. Taylor and Won W. Koo; Center for Agricultural Policy and Trade Studies; March, 2006

Title I – Commodity Programs

- **Builds upon the success of the 2002 Farm Bill commodity provisions**
- **Continues direct payment rates and planting flexibility**
- **Enhances program equity through loan rate and target price adjustments**
- **Improves the safety net for dairy producers**
- **Extends the sugar program with modest improvements**
- **Establishes new programs to support specialty crops**
- **Reforms the crop insurance and NAP programs**
- **Reforms payment limitations**



Title XII: Supplemental Agricultural Disaster Assistance

Elements:

- **Supplemental Revenue Assistance**
- **Improved Non-insurable Crop Assistance**
- **Livestock Loss Assistance**
- **Tree Assistance Program**
- **Specialty Crop Pest & Disease Prevention**

Supplemental Revenue Assistance

Sound Principles:

- Predictable agriculture disaster program
- Provide whole farm shallow loss coverage
- Addresses problems of declining yields and quality losses
- Provides assistance as a percentage of the difference between actual and expected “whole farm” crop revenue
- Complements crop insurance and non-insured assistance (NAP) programs
 - Incentive to “buy-up”

SUNDAY,
APRIL 22, 2007

The Bismarck
Tribune
www.bismarcktribune.com

First the drought, then the auction



MIKE McCLEARY/Tribune

In a crowd of bidders, auctioneer Todd Ulmer is quick to acknowledge a nod of a head from a bidder during an auction recently in New Salem at the D and K Farm Equipment Inc. auction sale.

Title IX - Energy

- More than \$2.5 billion, including Finance Committee tax credits, to encourage production of advanced biofuels and renewable energy.
- **Bioenergy Crop Transitions:** \$160 million to assist farmers in establishing, harvesting, and transporting renewable biomass crops
- **Advanced Biorefineries:** \$300 million for advanced biofuel refineries
- **Bioenergy Production:** \$245 million for increased production of advanced biofuels
- **Rural Energy:** \$230 million for farmers and rural small businesses to invest in energy efficiency and renewable energy technologies
- **R&D:** \$140 million for research and development of advanced biofuels

Title II – Conservation

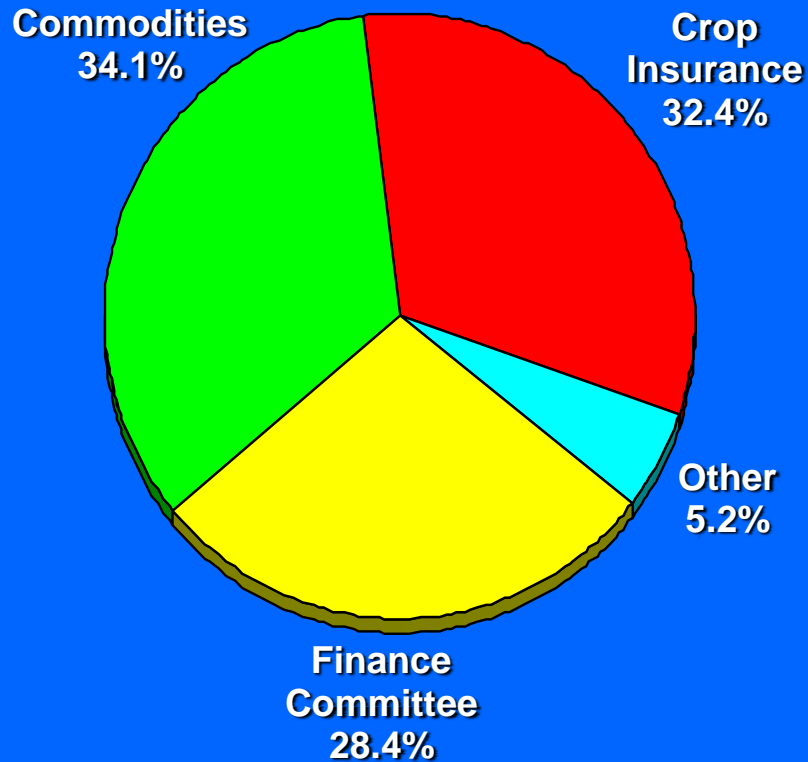
- **Adds \$4.5 billion in new resources for conservation.**
 - **\$1.9 billion for the Wetlands Reserve Program (WRP) and the Grasslands Reserve Program (GRP)**
 - **\$2 billion for the Conservation Security Program (CSP)**
- **Funds WRP to allow the enrollment of 250,000 acres per year over the life of the Farm Bill.**
- **Provides \$240 million for GRP enrollments over the life of the Farm Bill.**
- **Keeps the 39 million acre cap for the Conservation Reserve Program (CRP) intact.**
- **Reauthorizes the Environmental Quality Incentives Program (EQIP) at baseline levels.**

Title IV – Nutrition Strengthens Safety Net for Vulnerable Americans

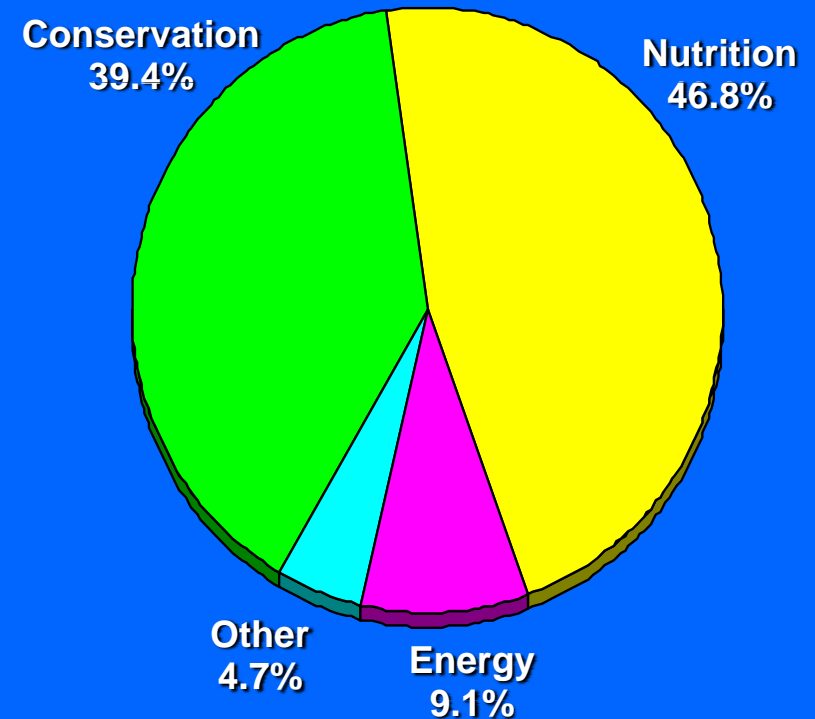
- **Increases Nutrition Title spending by \$5.3 billion over the life of the Farm Bill**
- **\$1 billion for the Fresh Fruit and Vegetable Program**
- **\$550 million for The Emergency Food Assistance Program (TEFAP)**
- **\$3.7 billion for the Food Stamp Program**

Farm Bill: Sources and Uses of Funds

Sources 2008-2012



Uses 2008-2012



Source: CBO

Note: Totals may not add due to rounding. Excludes any Finance Committee timing shift.

2007 Farm Bill: Distribution of Mandatory Outlays

2008 - 2012

