

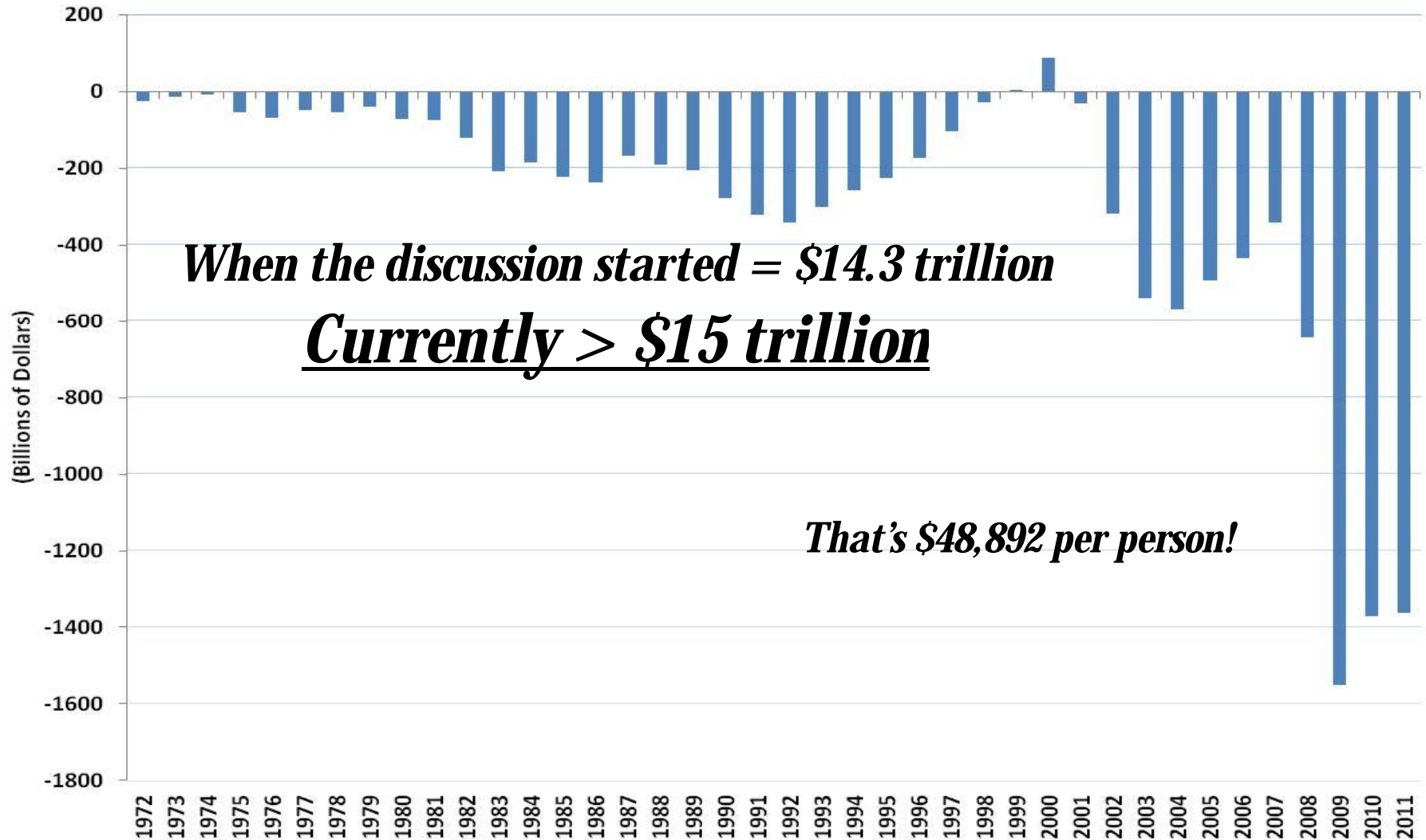
The 2012 Farm Bill

"A Work in Progress."

Brian Breaux
Louisiana Farm Bureau Federation

The Fiscal House of the U.S.

Actual Deficits and Surpluses of the United States (1972 - 2011)



Budget Control Act

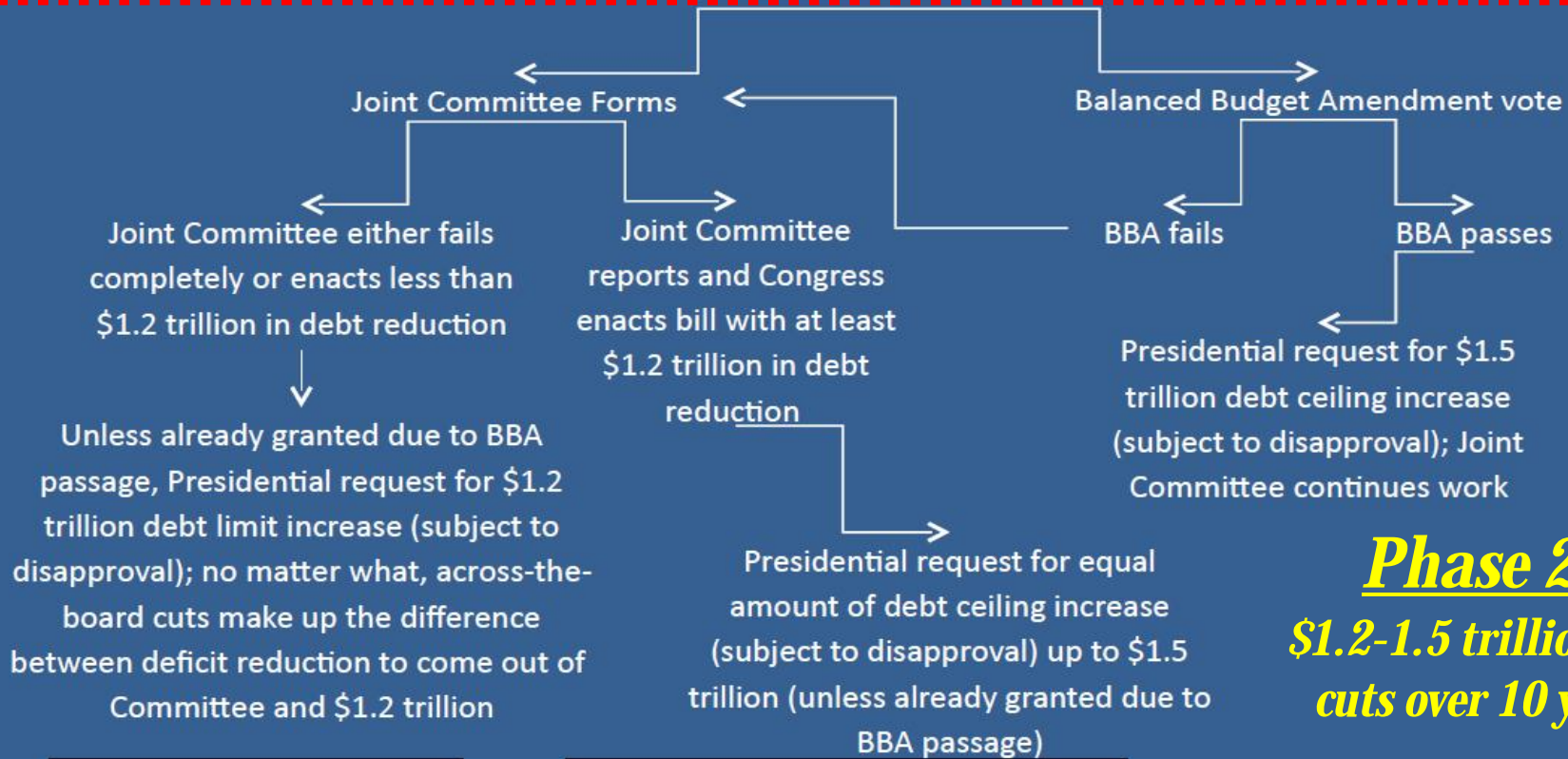
Pass Budget Control Act of 2011

\$400b debt ceiling increase
(subject to disapproval)

If no disapproval, \$500b additional
debt ceiling increase

Phase 1

**\$917 billion in cuts
over 10 yrs.**



Phase 2

**\$1.2-1.5 trillion in
cuts over 10 yrs.**

2011 Budget Control Act Timeline

August 16:

Majority and minority leaders of the House and Senate will each appoint 3 members of the 12-member committee

December 9:

The committees will recommend whether or not to pass the committee bill.

November 23:

The joint committee will vote on a bill.



August 2:

Debt ceiling deal reached and signed by Pres. Obama

October 14:

Each committee of jurisdiction in the House and Senate will report recommendations for cuts from the programs under its jurisdiction.

December 2:

The joint committee will release legislative language on the bill.

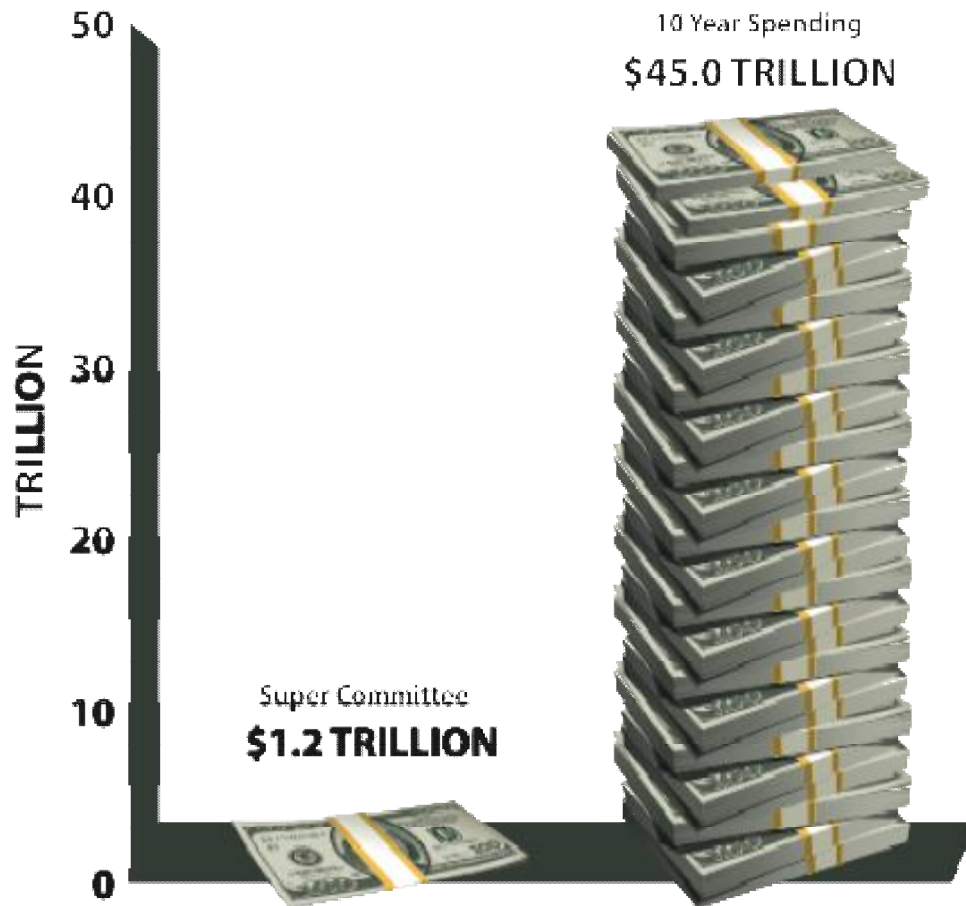
December 23:

The House and Senate must vote on the bill.

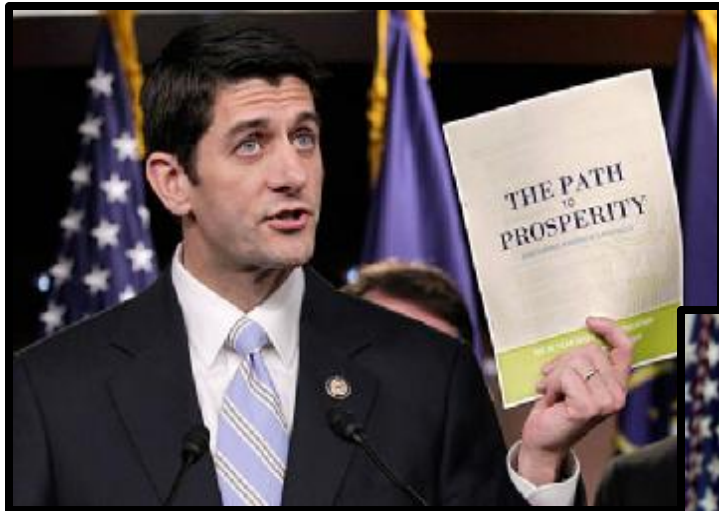
The Budget Control Act of 2011

- **Required All Authorizing Committees to Deliver Specific Proposal to Cut Their Government Spending by October 14, 2011.**
- **Only Joint House-Senate Agricultural Committee submitted Budget Reduction Proposal to Congress for Agriculture.**
- **As a result of Congressional Non-Compliance, Budget Sequestration will begin in 2013.**

Budget Control Act = \$1.2 Trillion Sequestration



What's the Number?



Cong. Ryan
\$48 billion/10 years




President Obama
\$32 billion/10 years



Ag Committees
\$23 billion/10 years

Farm Bill During Supercommittee Process

- Summary ***not*** Language
 - Ag committees proposal (cuts) = \$23 billion/10 years
 - \$13 billion (commodity programs); \$6 bn (conservation); \$4 bn (nutrition)
 - Title I Farm Bill Highlights to Supercommittee
 - Eliminates DPs, CCPs, ACRE and the SURE program
 - Crop insurance maintained and marketing loans continued
 - Three program approach:
 - 1) STAX
 - 2) Shallow Loss (ARC)
 - 3) Higher target prices
-  Program crop producers, except cotton, will be provided a one-time option.
- **Failure of Super Committee - Farm Bill will follow regular process of hearings, proposals, Conference Committees along with opponents, delays and possible extensions.**

2012 Farm Bill – Consideration Under Regular Order

Farm Bill Consideration Expected to Begin in Senate

- Senate Ag Committee Chairman Debbie Stabenow to hold first Ag Committee Risk Management and Commodities Hearing on Farm Bill on March 21, 2012.
- Possibility that Senate Ag Committee will release Farm Bill Proposal in March or April following hearing.
- No word from House Agriculture Chairman Lucas on House consideration of Farm Bill.

2012 : *What about this
year?*

**Last year of current Farm Bill for
all Louisiana commodities**

2012 Crop Year Farm Program Provisions

Last Year of 2008 Farm Bill

- Direct Payment Rates

Corn	\$ 0.28 per bu.
Cotton	\$ 0.0667 per lb.
Rice	\$ 2.35 per cwt.
Soybeans	\$ 0.44 per bu.
Wheat	\$ 0.52 per bu.

- Target Prices

Corn	\$ 2.63 per bu.
Cotton	\$ 0.7125 per lb.
Rice	\$10.50 per cwt.
Soybeans	\$ 6.00 per bu.
Wheat	\$ 4.17 per bu.

- Marketing Loan Rates

Corn	\$ 1.95 per bu.
Cotton	\$ 0.52 per lb.
Rice	\$ 6.50 per cwt.
Soybeans	\$ 5.00 per bu.
Wheat	\$ 2.94 per bu.



2008 Farm Bill Payment Limits

- **Direct Payments - \$40,000 per person**
- **Countercyclical Payments - \$65,000 per person**
- **Marketing Loan Gains – No Limits**
- **Separate \$40,000 Direct and \$65,000 Countercyclical for peanuts**
- **Loss of 3 entity rule**

Joint Ag Committee 2012 Sugar Program Proposal – Extend 2008 Sugar Program





2008 Sugar Program – 2012 No Changes

- **Non-Recourse Loan Rate** – 18.75 cents per lb. (2012), last year of 3 year progressive loan rate increase.
- **Sugarbeet Loan Rate** = 128.5% of raw sugar loan rate
- **Proportionate shares** - Assigned to Louisiana producers: Limits a producers sales of raw sugar to a percentage of production (mill) in years when LA is estimated to exceed sugar allocation.
- **Sugar Acreage Base Transfer** - Louisiana may transfer sugar base acres lost prior to May 13, 2002 to non-sugar base acres in Louisiana capable of producing and delivering sugarcane to a Louisiana sugar mill.
- **85% Market Share** – 85% of domestic consumption allocated to domestic sugar production



2008 Sugar Program – 2012 No Changes

- **Minimum Level of Imports**- 1.532 million tons of sugar allocated to TRQ imports
- **NAFTA** - Mexico has tariff-free access to ship sugar to U.S.A. (2008)
- **Feedstock Flexibility Program** – In years of oversupply, U.S. sugar can be sold to CCC for conversion into renewable energy to keep sugar supply in line with demand to prevent CCC sugar loan forfeitures.
- **Sugar – No Cost Program** – Program to be Managed at No-Cost to US Government
- **Transfer of Sugar Marketing Allocation** - Louisiana Sugar Producers are permitted are to transfer marketing allocation for their sugar acreage to another Louisiana sugar mill for processing.

2012 Farm Bill Proposal to Super Committee

\$15 billion in proposed commodity title savings

- 2012 Farm Bill Proposals to Super Committee:
 - Ag Risk Coverage (ARC) Program
 - Shallow loss program
 - Loan rate maintained
 - Income coverage on 13% of loss (87% - 75% of ref. income, 2yr national average price X average farm yield)
 - Payment on 60% of planted acres with \$100,000 payment limit

- Price Only Coverage Option
 - Payment if 5-month mkting. avg. price is less than reference price
 - Higher target price & current pay. limit
 - Payment on 85% of planted acres

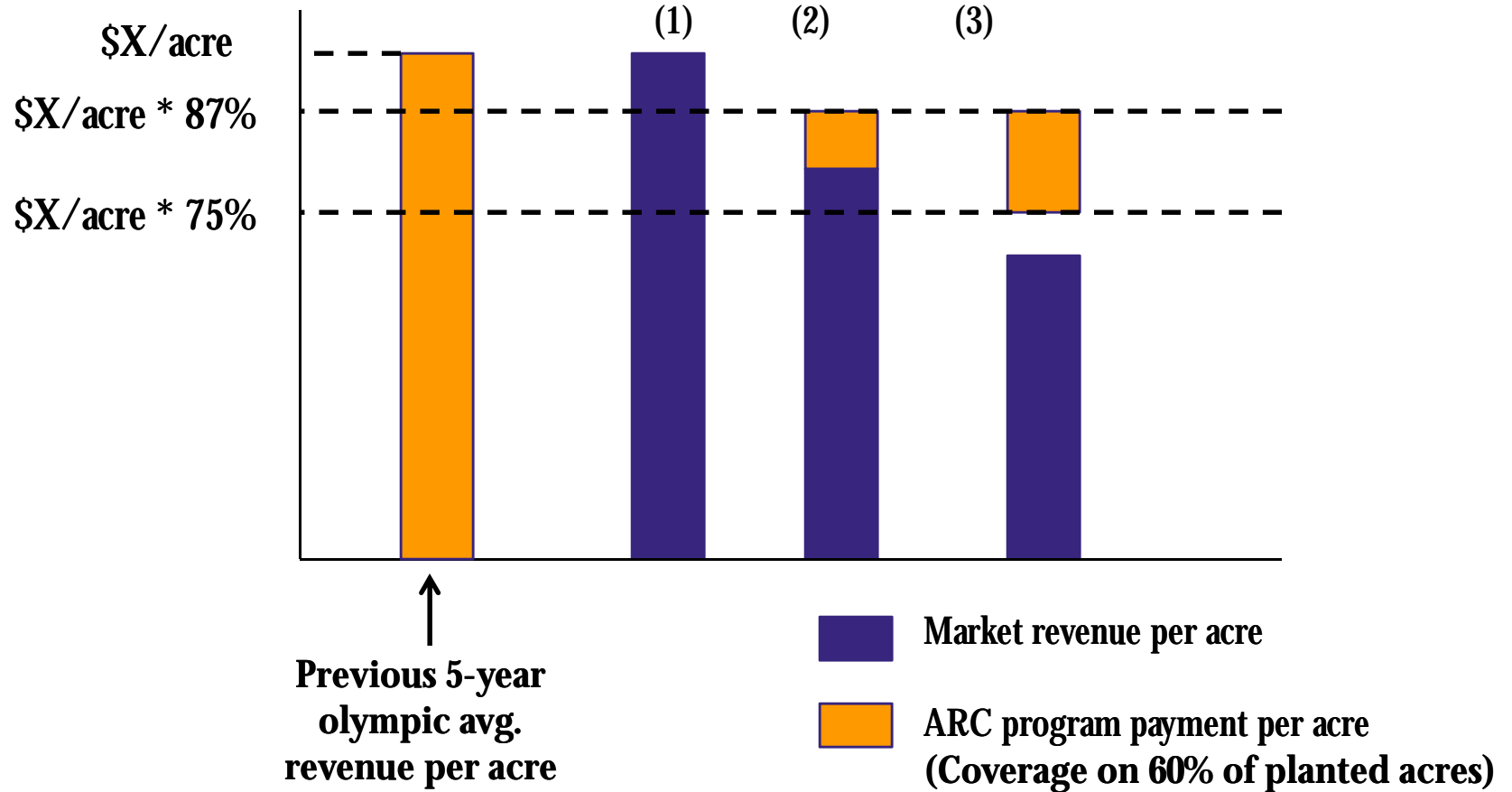
	<u>Current</u>	<u>New Rate</u>
Rice	\$10.50	\$13.98
Corn	\$ 2.63	\$ 3.64
Soybeans	\$ 6.00	\$ 8.31
Wheat	\$ 4.17	\$ 5.50

- STAX Program for Cotton
 - Shallow loss program, 20% revenue coverage + 70%crop ins.
 - Coverage on 70% to 90% of reference income
 - Fixed reference price, below current target price
 - Producer premiums subsidized and no payment limits



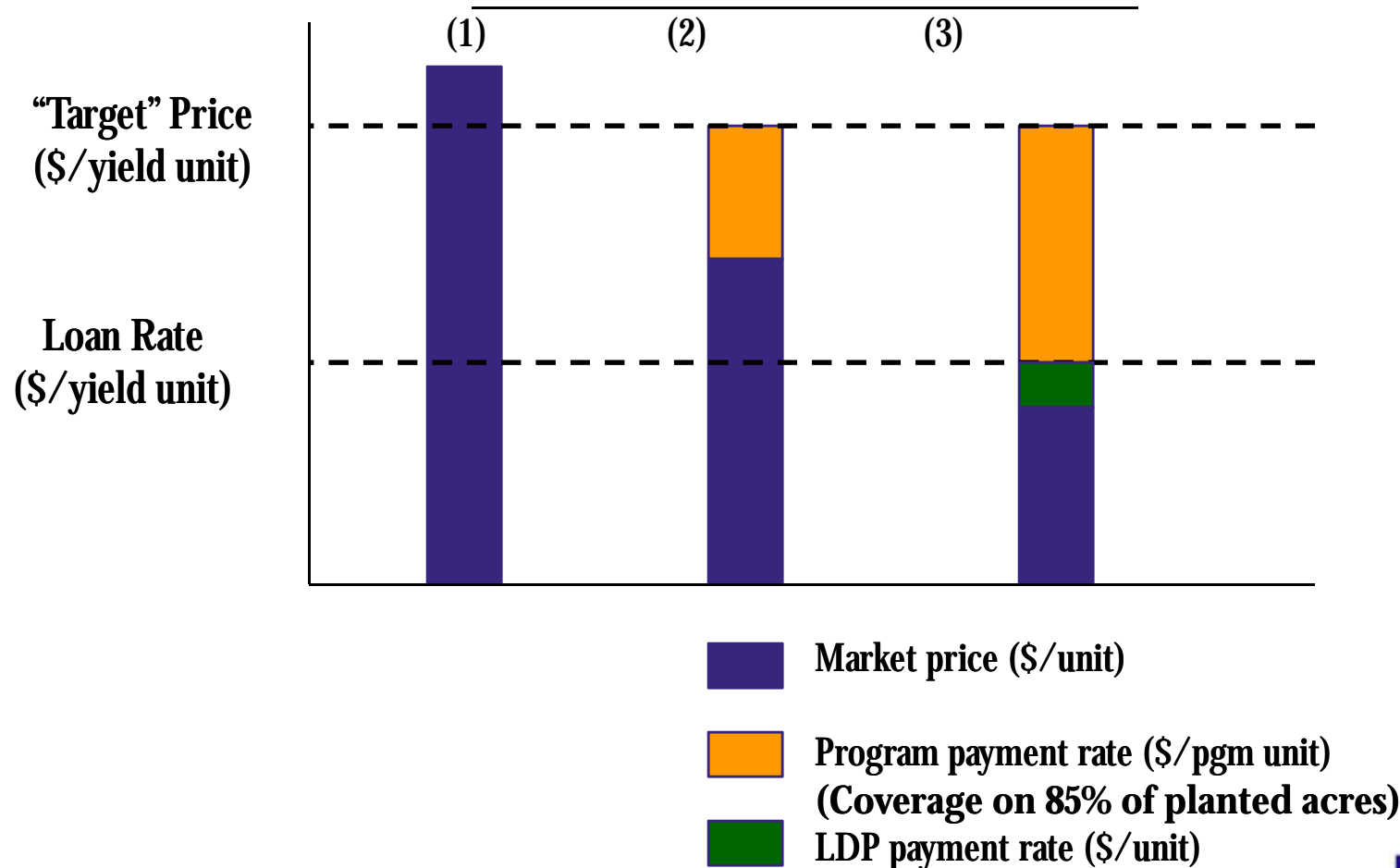
Ag Risk Coverage (ARC) Program

Three Actual Crop Revenue per Acre Scenarios



“Target” Price Only Option

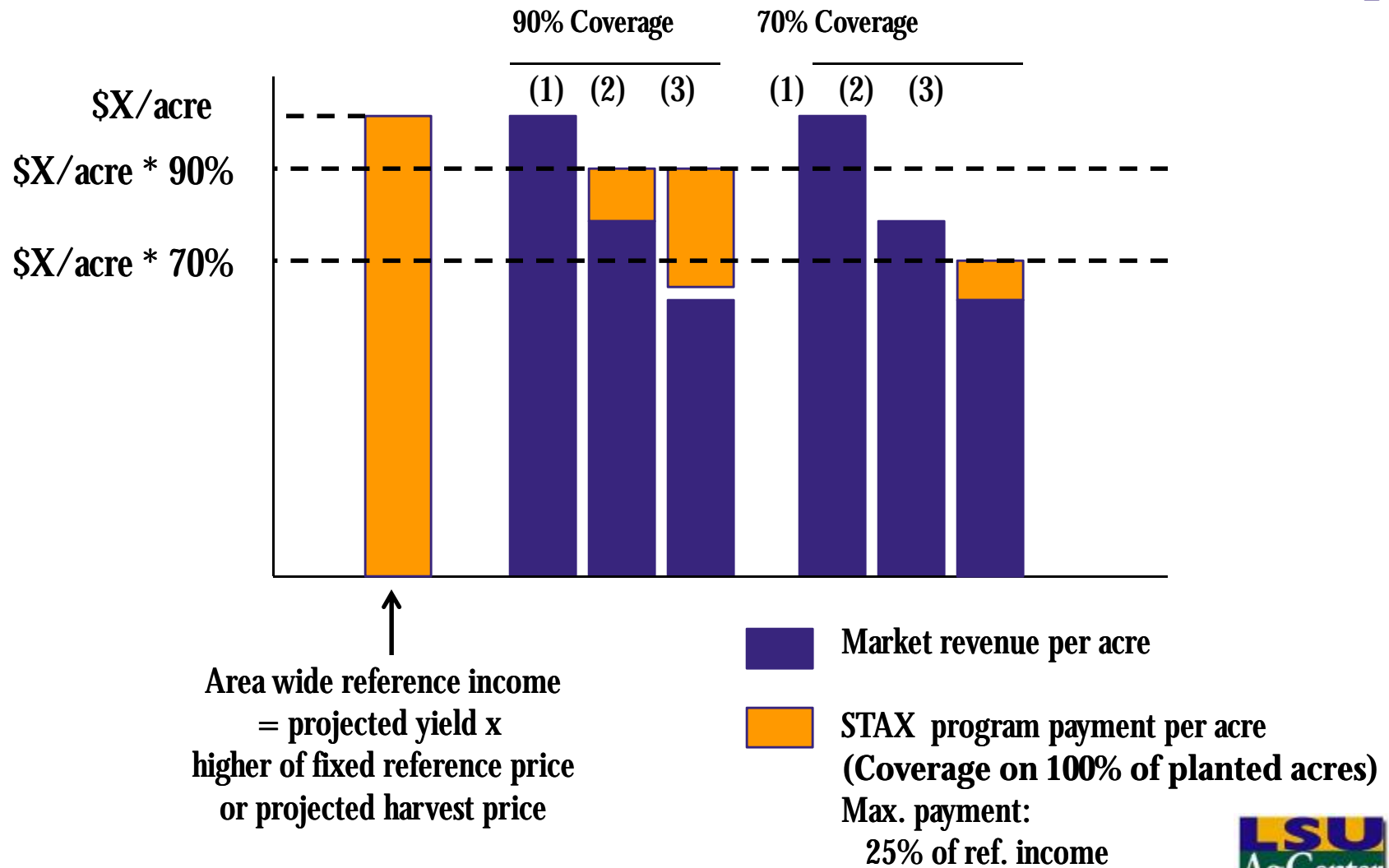
Three Commodity Market Price Scenarios



2012 Cotton Program Proposal – STAX to Satisfy Brazil vs. U.S. Cotton WTO Case



STAX Program - Cotton

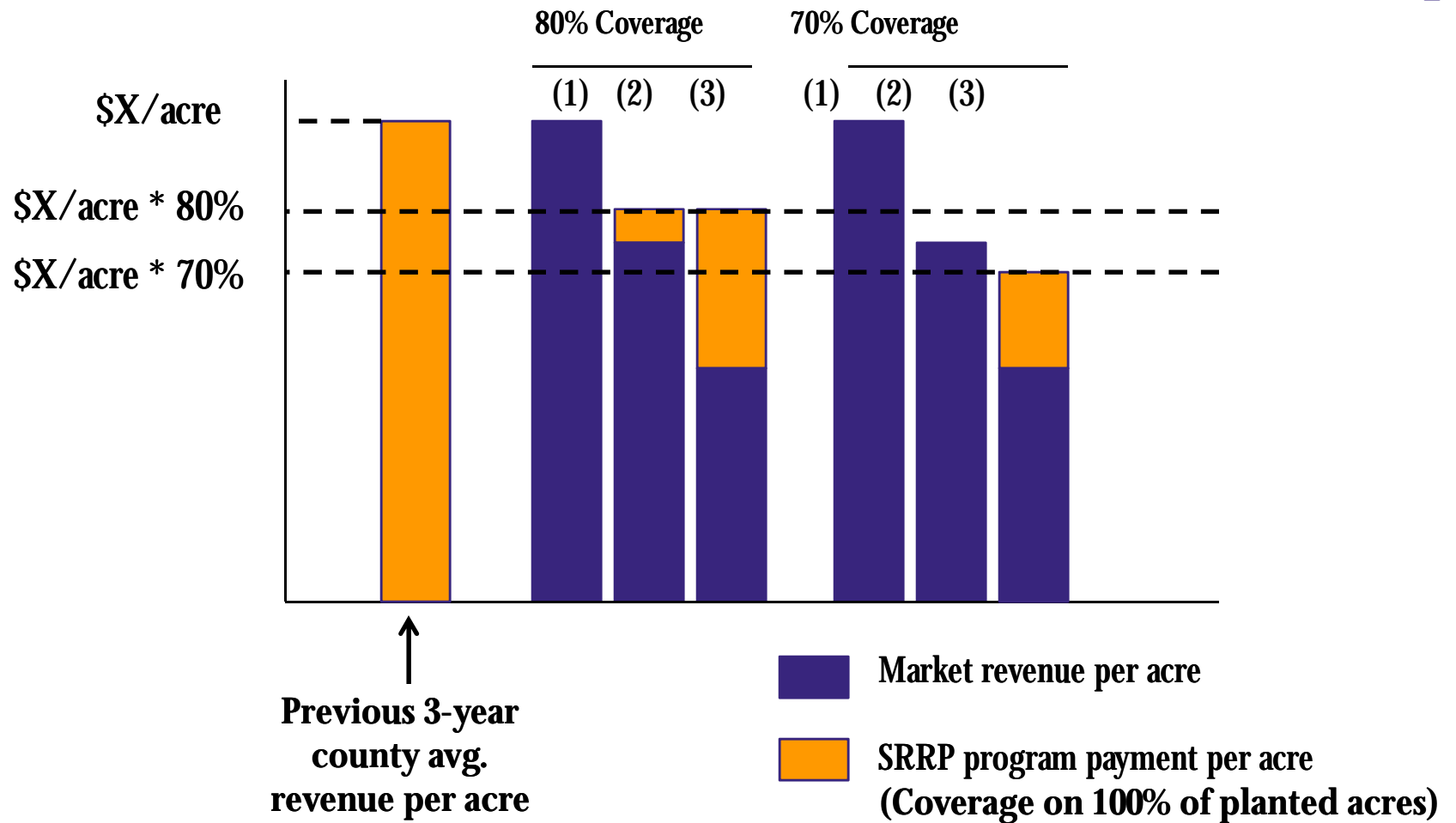


American Farm Bureau

**Systemic Risk Reduction
Program (SRRP)**

****Catastrophic Revenue Loss
Coverage Approach***

Systemic Risk Reduction (SRRP) Program



AFBF Proposal

Your County: 75% Expected Revenue

Producer Risk

- Re-rated Premium to Account for Core Program
- Same as Current Insurance Programs From Yield to Price Issues

Individual Crop Insurance

- 70% - 80% of 5-Year Olympic Average Revenue (Harvest Price times Yield)
- Minimal Administrative Fee
- Provided Through RMA/Crop Insurance System
- Settled Using Harvest Prices

Core Risk Protection:

Area Triggered Insurance

- 5-Year Olympic Average Revenue

Biggest Loss to Farmers

Direct Payments (*paid on 85% of base acres*)

Average Direct Payment for LA Commodities (LSU AgCenter)

- **Rice - \$99 per acre**
- **Cotton - \$49 per acre**
- **Corn - \$20 per acre**
- **Soybeans - \$ 9 per acre**

Biggest Jeopardy of Shift to Average Revenue Coverage– Declining Prices

- **Shifting away from Target and Marketing Loan to Revenue Insurance /Marketing Loan is that Revenue Coverage declines as average prices decline, thereby reducing the revenue safety net for farmers.**
- **Farmers must know what their fixed and variable costs are and compare against safety net provided to know their exposure to revenue losses before selecting their crop.**
- **Only cotton STAX Program has fixed reference price floor of 65 cents per lb. to protect in times of lower prices.**

Dr. Mike Salassi, LSU Ag Center
Dept. of Agricultural Economics

Farm Bill Proposals Applied to Louisiana Crops

Table 1 - Rice – Direct Payment Counter Cyclical (DCC) Program (Current Program under 2008 Farm Bill)

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Acadia Parish Rice Yield	Actual Revenue	Target Price	Loan Rate	DP Program Payment	CCP Program Payment	LDP Payment	Market Income	Total Income
	(\$/cwt)	(\$/cwt)	(cwt/acre)	(\$/acre)	(\$/cwt)	(\$/cwt)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	4.49	4.14	57.0	236	10.50	6.50	99	69	184	236	588
2003	8.08	7.68	62.3	478	10.50	6.50	99	3	114	478	694
2004	7.33	7.77	54.9	427	10.50	6.50	99	34	26	427	586
2005	7.65	7.47	60.7	453	10.50	6.50	99	21	18	453	592
2006	9.96	9.83	58.5	575	10.50	6.50	99	-	-	575	674
2007	12.80	12.70	63.0	800	10.50	6.50	99	-	-	800	899
2008	16.80	15.40	61.2	942	10.50	6.50	99	-	-	942	1,041
2009	14.40	13.00	64.4	837	10.50	6.50	99	-	-	837	936
2010	12.50	11.90	63.5	756	10.50	6.50	99	-	-	756	854
2011	14.00	13.82	65.9	911	10.50	6.50	99	-	-	911	1,009
Direct and counter-cyclical payments on 85% of base acres. DP and CCP payments paid on 42 cwt/acre rice program yield.											

Table 2 - Rice – Ag Risk Coverage (ARC) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Acadia Parish Rice Yield	Actual Revenue	Previous 5-Yr Olympic Average Revenue	87% of Prv 5-Yr Avg Revenue	75% of Prv 5-Yr Avg Revenue	ARC Program Payment	LDP Payment	Market Income	Total Income
	(\$/cwt)	(\$/cwt)	(cwt/acre)	(\$/acre)	(\$/ acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	4.49	4.14	57.0	236	336	293	252	40	184	236	460
2003	8.08	7.68	62.3	478	288	251	216	-	114	478	592
2004	7.33	7.77	54.9	427	288	251	216	-	26	427	453
2005	7.65	7.47	60.7	453	326	283	244	-	18	453	472
2006	9.96	9.83	58.5	575	377	328	283	-	-	575	575
2007	12.80	12.70	63.0	800	453	394	340	-	-	800	800
2008	16.80	15.40	61.2	942	502	437	377	-	-	942	942
2009	14.40	13.00	64.4	837	610	530	457	-	-	837	837
2010	12.50	11.90	63.5	756	737	642	553	-	-	756	756
2011	14.00	13.82	65.9	911	798	694	598	-	-	911	911
Ag Risk Coverage (ARC) payments on 60% of planted (and prevented planted) acres.											

Table 3 - Rice – Target Price (TP) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Acadia Parish Rice Yield	Actual Revenue	Target Price	Loan Rate	DP Program Payment	TP Program Payment	LDP Payment	Market Income	Total Income
	(\$/cwt)	(\$/cwt)	(cwt/acre)	(\$/acre)	(\$/cwt)	(\$/cwt)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	4.49	4.14	57.0	236	13.98	6.50	-	314	184	236	734
2003	8.08	7.68	62.3	478	13.98	6.50	-	248	114	478	840
2004	7.33	7.77	54.9	427	13.98	6.50	-	279	26	427	732
2005	7.65	7.47	60.7	453	13.98	6.50	-	266	18	453	738
2006	9.96	9.83	58.5	575	13.98	6.50	-	169	-	575	744
2007	12.80	12.70	63.0	800	13.98	6.50	-	50	-	800	850
2008	16.80	15.40	61.2	942	13.98	6.50	-	-	-	942	942
2009	14.40	13.00	64.4	837	13.98	6.50	-	-	-	837	837
2010	12.50	11.90	63.5	756	13.98	6.50	-	62	-	756	818
2011	14.00	13.82	65.9	911	13.98	6.50	-	-	-	911	911
Target price payments on 85% of planted acres. TP payments paid on 42 cwt/acre rice program yield.											

Table 4 - Rice – Systemic Risk Reduction (SRRP) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Acadia Parish Rice Yield	Actual Revenue	Previous 3-yr county avg benchmark revenue	Loan Rate	80% of 3-yr avg benchmark revenue	SRRP Program Payment	LDP Payment	Market Income	Total Income
	(\$/cwt)	(\$/cwt)	(cwt/acre)	(\$/acre)	(\$/cwt)	(\$/cwt)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	4.49	4.14	57.0	236	271	6.50	217	-	184	236	420
2003	8.08	7.68	62.3	478	253	6.50	202	-	114	478	592
2004	7.33	7.77	54.9	427	322	6.50	258	-	26	427	453
2005	7.65	7.47	60.7	453	375	6.50	300	-	18	453	471
2006	9.96	9.83	58.5	575	443	6.50	354	-	-	575	575
2007	12.80	12.70	63.0	800	467	6.50	374	-	-	800	800
2008	16.80	15.40	61.2	942	581	6.50	465	-	-	942	942
2009	14.40	13.00	64.4	837	757	6.50	606	-	-	837	837
2010	12.50	11.90	63.5	756	862	6.50	690	-	-	756	756
2011	14.00	13.82	65.9	911	906	6.50	725	-	-	911	911

Table 1 - Soybean – Direct Payment Counter Cyclical (DCC) Program (Current Program under 2008 Farm Bill)

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	St Landry Parish Soybean Yield	Actual Revenue	Target Price	Loan Rate	DP Program Payment	CCP Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/acre)	(\$/bu)	(\$/bu)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	5.53	5.52	29	159	5.80	5.00	9	-	-	159	168
2003	7.34	6.80	33	226	5.80	5.00	9	-	-	226	235
2004	5.74	6.29	24	150	5.80	5.00	9	-	-	150	159
2005	5.66	6.29	30	180	5.80	5.00	9	-	-	180	189
2006	6.43	5.97	38	225	5.80	5.00	9	-	-	225	234
2007	10.10	8.43	40	337	5.80	5.00	9	-	-	337	346
2008	9.97	9.52	29	276	5.80	5.00	9	-	-	276	285
2009	9.59	9.66	34	328	5.80	5.00	9	-	-	328	337
2010	11.70	10.90	40	436	6.00	5.00	9	-	-	436	445
2011	11.00	11.00	36	398	6.00	5.00	9	-	-	398	407
Direct and counter-cyclical payments on 85% of base acres.											

Table 2 - Soybean – Ag Risk Coverage (ARC) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	St Landry Parish Soybean Yield	Actual Revenue	Previous 5-Yr Olympic Average Revenue	87% of Prv 5-Yr Avg Revenue	75% of Prv 5-Yr Avg Revenue	ARC Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/bu)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	5.53	5.52	29	159	145	126	109	-	-	159	159
2003	7.34	6.80	33	226	145	126	109	-	-	226	226
2004	5.74	6.29	24	150	153	133	115	-	-	150	150
2005	5.66	6.29	30	180	154	134	115	-	-	180	180
2006	6.43	5.97	38	225	164	142	123	-	-	225	225
2007	10.10	8.43	40	337	188	164	141	-	-	337	337
2008	9.97	9.52	29	276	210	183	158	-	-	276	276
2009	9.59	9.66	34	328	227	197	170	-	-	328	328
2010	11.70	10.90	40	436	277	241	207	-	-	436	436
2011	11.00	11.00	36	398	314	273	235	-	-	398	398
Ag Risk Coverage (ARC) payments on 60% of planted (and prevented planted) acres.											

Table 3 - Soybean – Target Price (TP) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	St Landry Parish Soybean Yield	Actual Revenue	Target Price	Loan Rate	DP Program Payment	TP Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/acre)	(\$/bu)	(\$/bu)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	5.53	5.52	29	159	8.31	5.00	-	56	-	159	215
2003	7.34	6.80	33	226	8.31	5.00	-	19	-	226	245
2004	5.74	6.29	24	150	8.31	5.00	-	51	-	150	201
2005	5.66	6.29	30	180	8.31	5.00	-	53	-	180	233
2006	6.43	5.97	38	225	8.31	5.00	-	38	-	225	263
2007	10.10	8.43	40	337	8.31	5.00	-	-	-	337	337
2008	9.97	9.52	29	276	8.31	5.00	-	-	-	276	276
2009	9.59	9.66	34	328	8.31	5.00	-	-	-	328	328
2010	11.70	10.90	40	436	8.31	5.00	-	-	-	436	436
2011	11.00	11.00	36	398	8.31	5.00	-	-	-	398	398
Target price payments on 85% of planted acres.											

Table 4 - Soybean – Systemic Risk Reduction (SRRP) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	St Landry Parish Soybean Yield	Actual Revenue	Previous 3-yr county avg benchmark revenue	Loan Rate	80% of 3-yr avg benchmark revenue	SRRP Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/acre)	(\$/bu)	(\$/bu)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	5.53	5.52	29	159	145	5.00	116	-	-	159	159
2003	7.34	6.80	33	226	148	5.00	119	-	-	226	226
2004	5.74	6.29	24	150	179	5.00	143	-	-	150	150
2005	5.66	6.29	30	180	178	5.00	143	-	-	180	180
2006	6.43	5.97	38	225	185	5.00	148	-	-	225	225
2007	10.10	8.43	40	337	185	5.00	148	-	-	337	337
2008	9.97	9.52	29	276	247	5.00	198	-	-	276	276
2009	9.59	9.66	34	328	279	5.00	224	-	-	328	328
2010	11.70	10.90	40	436	314	5.00	251	-	-	436	436
2011	11.00	11.00	36	398	345	5.00	277	-	-	398	398

Table 1 - Corn – Direct Payment Counter Cyclical (DCC) Program (Current Program under 2008 Farm Bill)

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Franklin Parish Corn Yield	Actual Revenue	Target Price	Loan Rate	DP Program Payment	CCP Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/acre)	(\$/bu)	(\$/bu)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	2.32	2.40	138	330	2.60	1.98	20	-	-	330	350
2003	2.42	2.40	149	358	2.60	1.98	20	-	-	358	678
2004	2.06	2.45	145	356	2.63	1.95	20	21	-	356	396
2005	2.00	2.25	161	362	2.63	1.95	20	25	-	362	407
2006	3.04	2.80	165	462	2.63	1.95	20	-	-	462	482
2007	4.20	3.80	180	685	2.63	1.95	20	-	-	685	705
2008	4.06	4.45	158	703	2.63	1.95	20	-	-	703	723
2009	3.55	3.55	162	575	2.63	1.95	20	-	-	575	595
2010	5.40	4.40	154	676	2.63	1.95	20	-	-	676	696
2011	7.00	7.23	161	1,165	2.63	1.95	20	-	-	1,165	1,184
Direct and counter-cyclical payments on 85% of base acres.											

Table 2 - Corn – Ag Risk Coverage (ARC) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Franklin Parish Corn Yield	Actual Revenue	Previous 5-Yr Olympic Average Revenue	87% of Prv 5-Yr Avg Revenue	75% of Prv 5-Yr Avg Revenue	ARC Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	2.32	2.40	138	330	274	239	206	-	-	330	330
2003	2.42	2.40	149	358	272	237	204	-	-	358	358
2004	2.06	2.45	145	356	310	270	233	-	-	356	356
2005	2.00	2.25	161	362	341	296	255	-	-	362	362
2006	3.04	2.80	165	462	359	304	262	-	-	462	462
2007	4.20	3.80	180	685	394	312	269	-	-	685	685
2008	4.06	4.45	158	703	503	343	296	-	-	703	703
2009	3.55	3.55	162	575	574	438	377	-	-	575	575
2010	5.40	4.40	154	676	646	499	430	-	-	676	676
2011	7.00	7.23	161	1,165	688	562	484	-	-	1,165	1,165
Ag Risk Coverage (ARC) payments on 60% of planted (and prevented planted) acres.											

Table 3 - Corn – Target Price (TP) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Franklin Parish Corn Yield	Actual Revenue	Target Price	Loan Rate	DP Program Payment	TP Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/acre)	(\$/bu)	(\$/bu)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	2.32	2.40	138	330	3.64	1.98	20	93	-	330	423
2003	2.42	2.40	149	358	3.64	1.98	20	86	-	358	444
2004	2.06	2.45	145	356	3.64	1.95	20	112	-	356	467
2005	2.00	2.25	161	362	3.64	1.95	20	116	-	362	478
2006	3.04	2.80	165	462	3.64	1.95	20	42	-	462	504
2007	4.20	3.80	180	685	3.64	1.95	20	-	-	685	685
2008	4.06	4.45	158	703	3.64	1.95	20	-	-	703	703
2009	3.55	3.55	162	575	3.64	1.95	20	6	-	575	581
2010	5.40	4.40	154	676	3.64	1.95	20	-	-	676	676
2011	7.00	7.23	161	1,165	3.64	1.95	20	-	-	1,165	1,165
Target price payments on 85% of planted acres.											

Table 4 - Corn – Systemic Risk Reduction (SRRP) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Franklin Parish Corn Yield	Actual Revenue	Previous 3-yr county avg benchmark revenue	Loan Rate	80% of 3-yr avg benchmark revenue	SRRP Program Payment	LDP Payment	Market Income	Total Income
	(\$/bu)	(\$/bu)	(bu/acre)	(\$/acre)	(\$/bu)	(\$/bu)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2002	2.32	2.40	138	330	270	1.98	216	-	-	330	330
2003	2.42	2.40	149	358	292	1.98	233	-	-	358	358
2004	2.06	2.45	145	356	341	1.95	273	-	-	356	356
2005	2.00	2.25	161	362	348	1.95	278	-	-	362	362
2006	3.04	2.80	165	462	359	1.95	287	-	-	462	462
2007	4.20	3.80	180	685	393	1.95	315	-	-	685	685
2008	4.06	4.45	158	703	503	1.95	402	-	-	703	703
2009	3.55	3.55	162	575	617	1.95	493	-	-	575	575
2010	5.40	4.40	154	676	654	1.95	524	-	-	676	676
2011	7.00	7.23	161	1,165	651	1.95	521	-	-	1,165	1,165

Table 1 - Cotton – Direct Payment Counter Cyclical (DCC) Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Year	National MYA Price	Louisiana MYA Price	Texas Parish Cotton Yield	Actual Revenue	Target Price	Loan Rate	DP Program Payment	CCP Program Payment	LDP Payment	Market Income	Total Income
	(\$/lb)	(\$/lb)	(lbs/acre)	(\$/acre)	(\$/lb)	(\$/lb)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2009	0.648	0.648	779	505	0.72	0.52	49	-	-	505	554
2010	0.832	0.832	794	661	0.72	0.52	49	-	-	661	710
2011	1.000	1.000	975	975	0.72	0.52	49	-	-	975	1,024
Direct and counter-cyclical payments on 85% of base acres.											

Table 2 - Cotton – STAX Program

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year	Projected Price (1/15-2/24 Avg Dec)	Fixed Reference Price	Area Wide Protection (higher of [2] & [3])	Expected Area Wide Yield	Area Wide Projected Income [4]x[5]	Harvest Price (10/1-10/31 Avg Dec)	Area Wide Reference Income Higher of [4 & 7]x[5]	95% of Reference Income 95% x[8]	Area Wide Actual Yield	Realized Income [7]x[10]	Income Shortfall	Max Indemnity 25% of [8]
	(\$/lb)	(\$/lb)	(\$/lb)	(lbs/acre)	(\$/acre)	(\$/lb)	(\$/acre)	(\$/acre)	(lbs/acre)	(\$/acre)	(\$/acre)	(\$/acre)
2009	0.5470	0.65	0.6500	828	538	0.6563	543	516	779	511	4	136
2010	0.7181	0.65	0.7181	828	595	1.1233	930	884	794	892	-	240
2011	1.0000	0.65	1.0000	828	828	1.0200	845	803	975	995	-	211
STAX program payments on 100% of planted acres. STAX coverage can be selected to cover losses of 5% to 30%.												

LSU Ag Center – Analysis of Previous 10 years with Various Farm Program Proposals

Corn (*Number of years indemnities paid out over last 10 years*)

- ARC Program 0/10
- TP Program 6/10
- SRRP Program 0/10

Soybeans (*Number of years indemnities paid out over last 10 years*)

- ARC Program 0/10
- TP Program 5/10
- SRRP Program 0/10

LSU Ag Center – Analysis of Previous 10 years with Various Farm Program Proposals

Rice (*Number of years indemnities paid out over last 10 years*)

- ARC Program 1/10
- TP Program 7/10
- SRRP Program 0/10

Cotton (*Number of years indemnities paid out over last 10 years*)

- STAX Program(70%) 1/10
- STAX Program(80%) 3/10
- STAX Program(90%) 4/10

Provided by Dr. Mike Salassi – LSU AgCenter



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