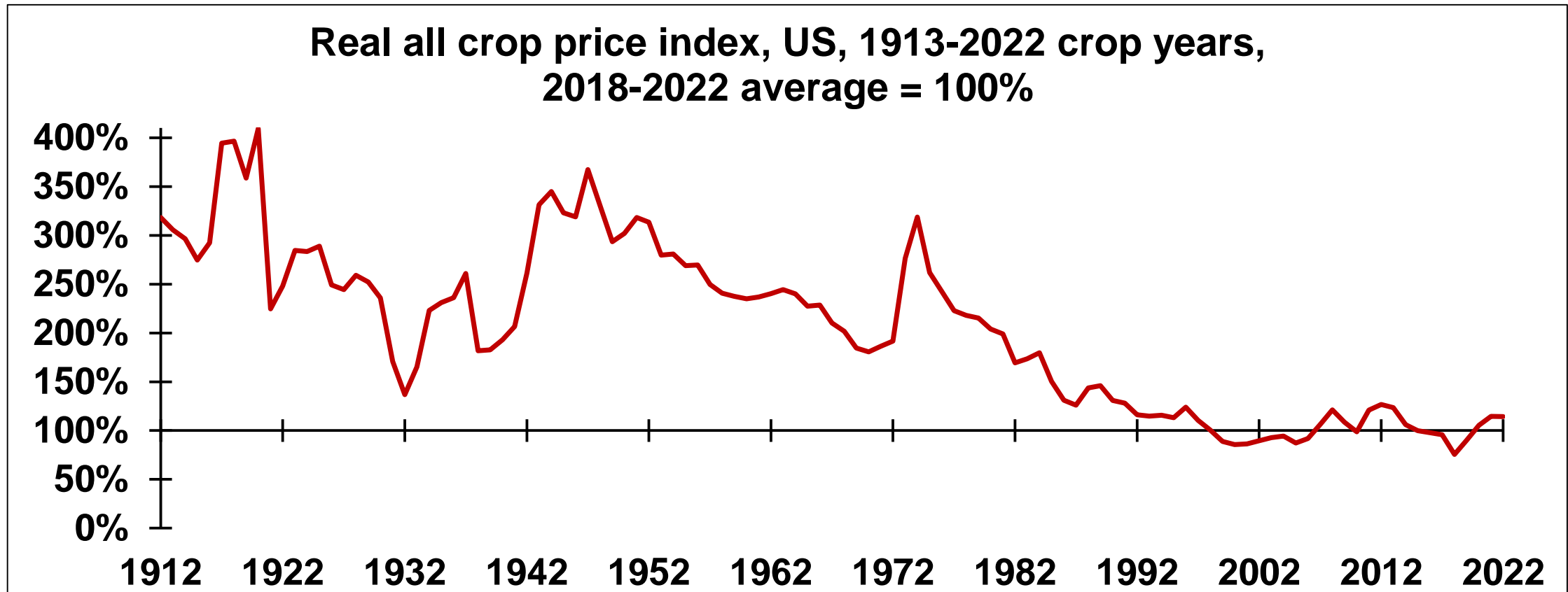


The Role and Impact of Farm Bill Programs

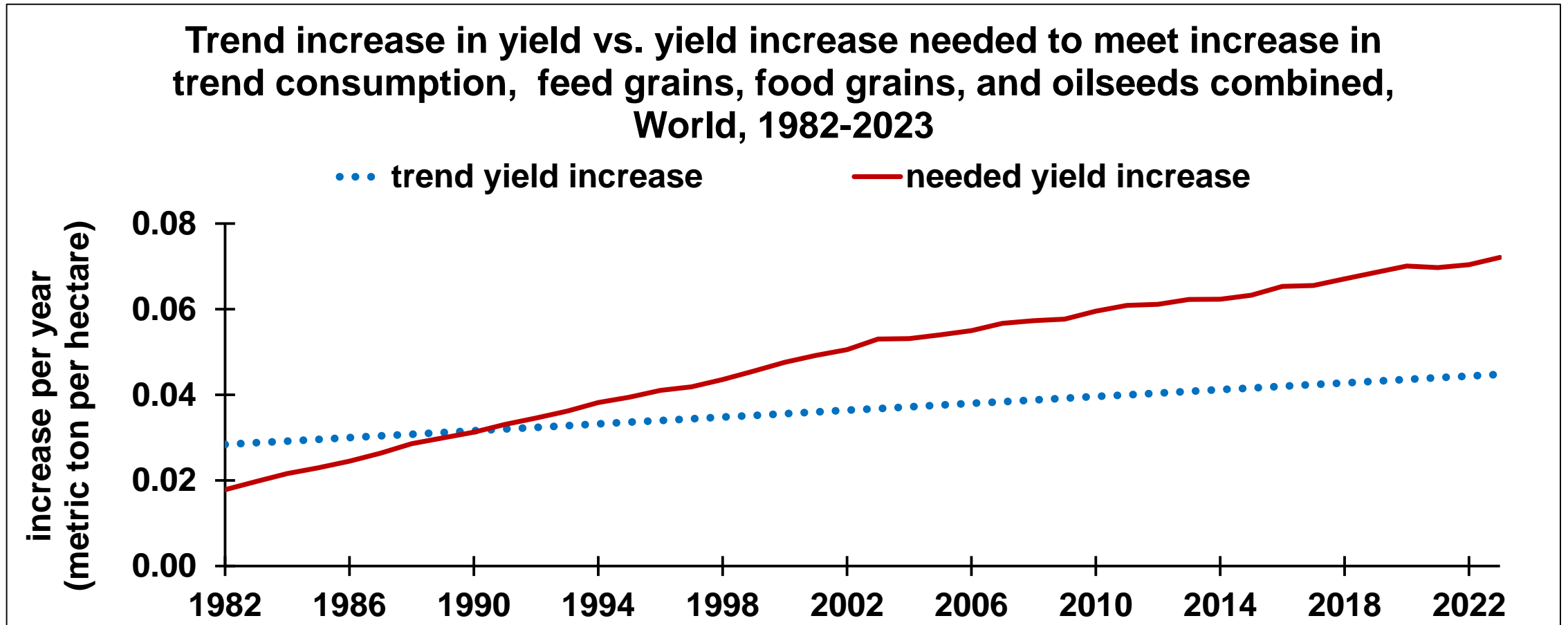
**Carl Zulauf, Professor Emeritus, Ohio State University
US Department of Agriculture
2024 Agricultural Outlook Forum
Washington, DC, February 15, 2024**

US Agriculture's Strategic Economic Environment



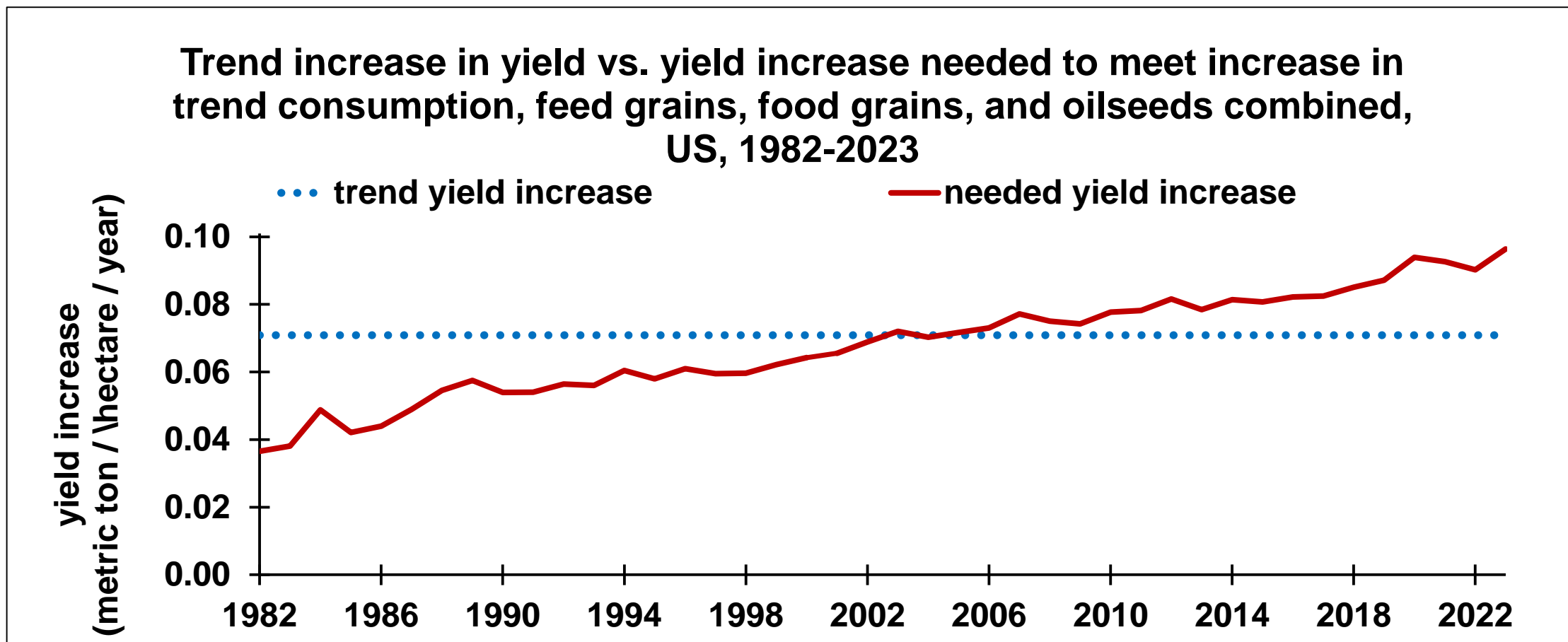
SOURCE: Zulauf, C., N. Paulson, J. Coppess, and G. Schnitkey. The Post 1990 New Normal: Stable Real US Crop Prices. *farmdoc daily* (13):199. Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign. October 31, 2023. <http://www.farmdoc.illinois.edu/>

US Agriculture's Strategic Economic Environment



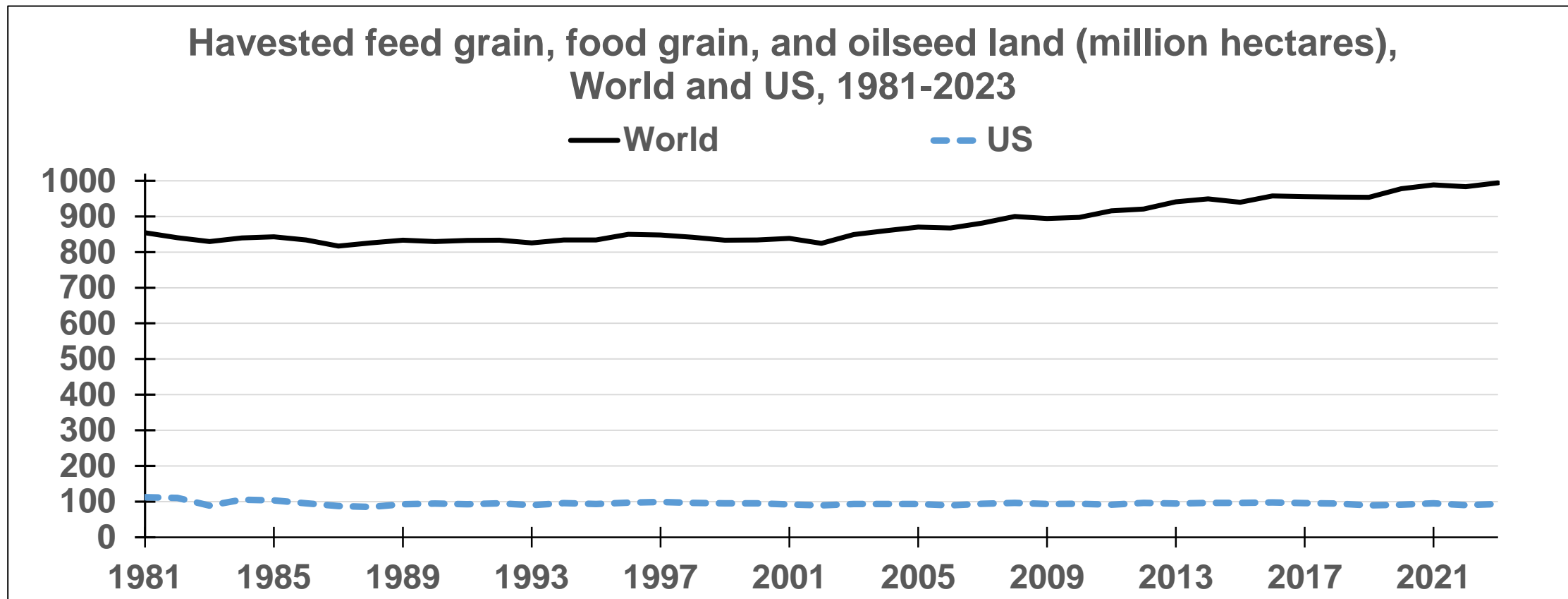
SOURCE: updated from original in *farmdoc daily* (13):199. October 31, 2023. <http://www.farmdoc.illinois.edu/>

US Agriculture's Strategic Economic Environment



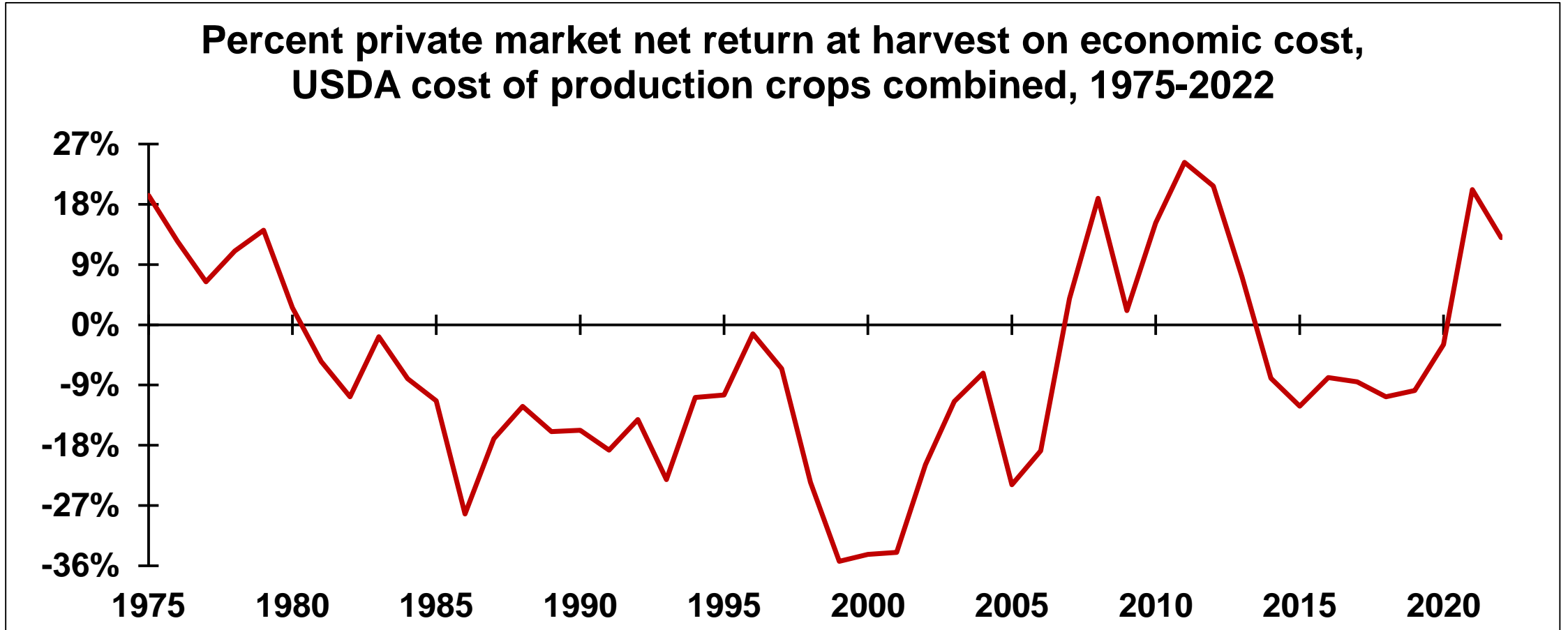
SOURCE: updated from original in Zulauf, C. and G. Schnitkey. The Post 2006 New Normal: US Grain and Oilseed Profitability. *farmdoc daily* (13):204. Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign. November 8, 2023. <http://www.farmdoc.illinois.edu/>

US Agriculture's Strategic Economic Environment



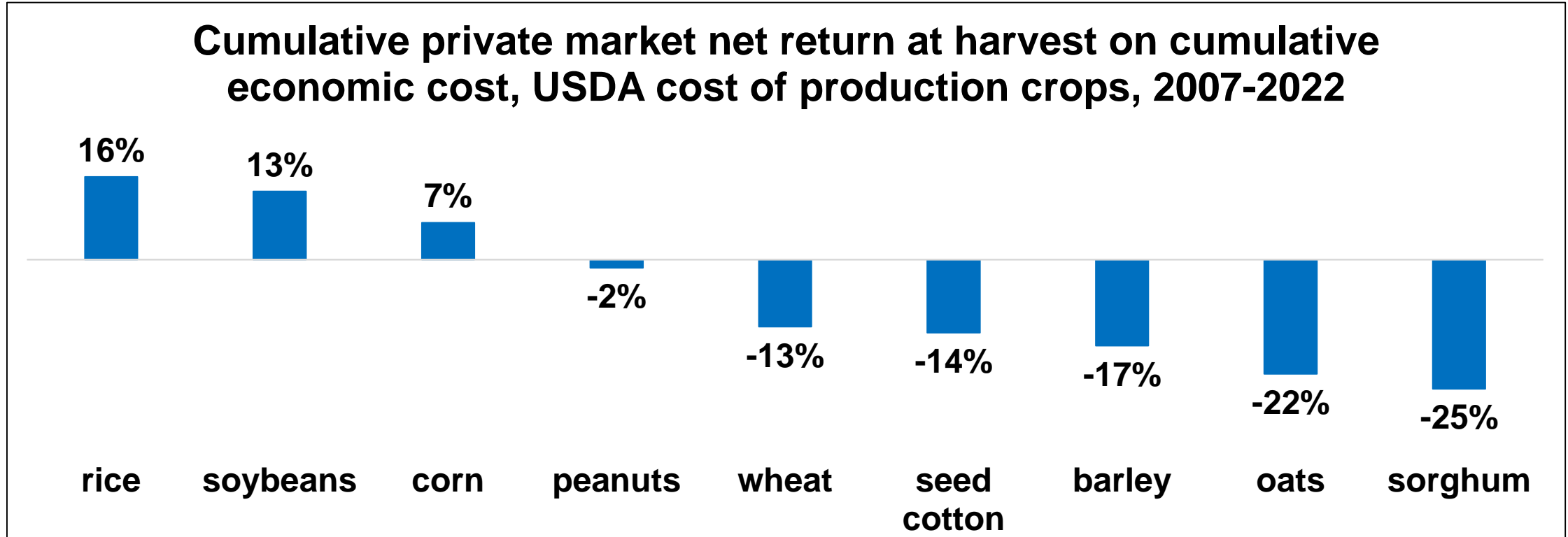
SOURCES: updated from originals in *farmdoc daily* (13):199, October 31, 2023. <http://www.farmdoc.illinois.edu/> and Zulauf, C. US Feed Grain, Oilseed, and Food Grain Land since 1980. *farmdoc daily* (12):176. Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign. November 21, 2022. <http://www.farmdoc.illinois.edu/>

US Agriculture's Strategic Economic Environment



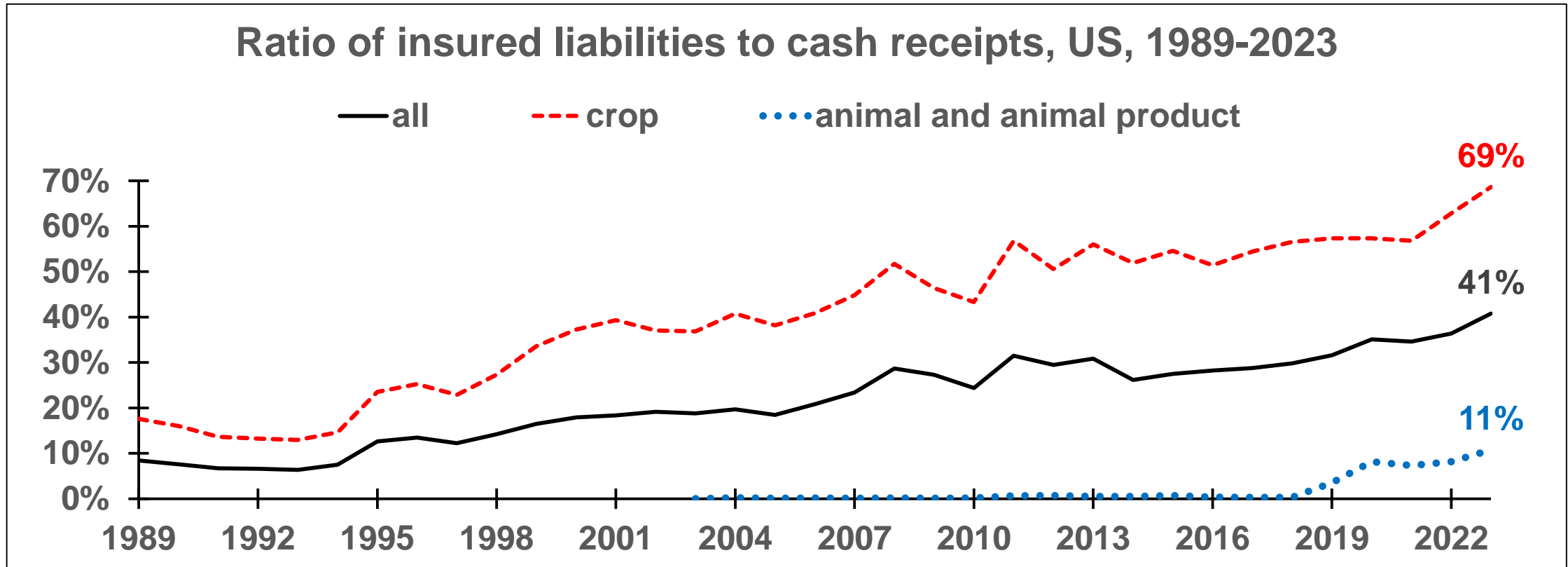
SOURCE: *farmdoc daily* (13):204. November 8, 2023. <http://www.farmdoc.illinois.edu/>

US Agriculture's Strategic Economic Environment



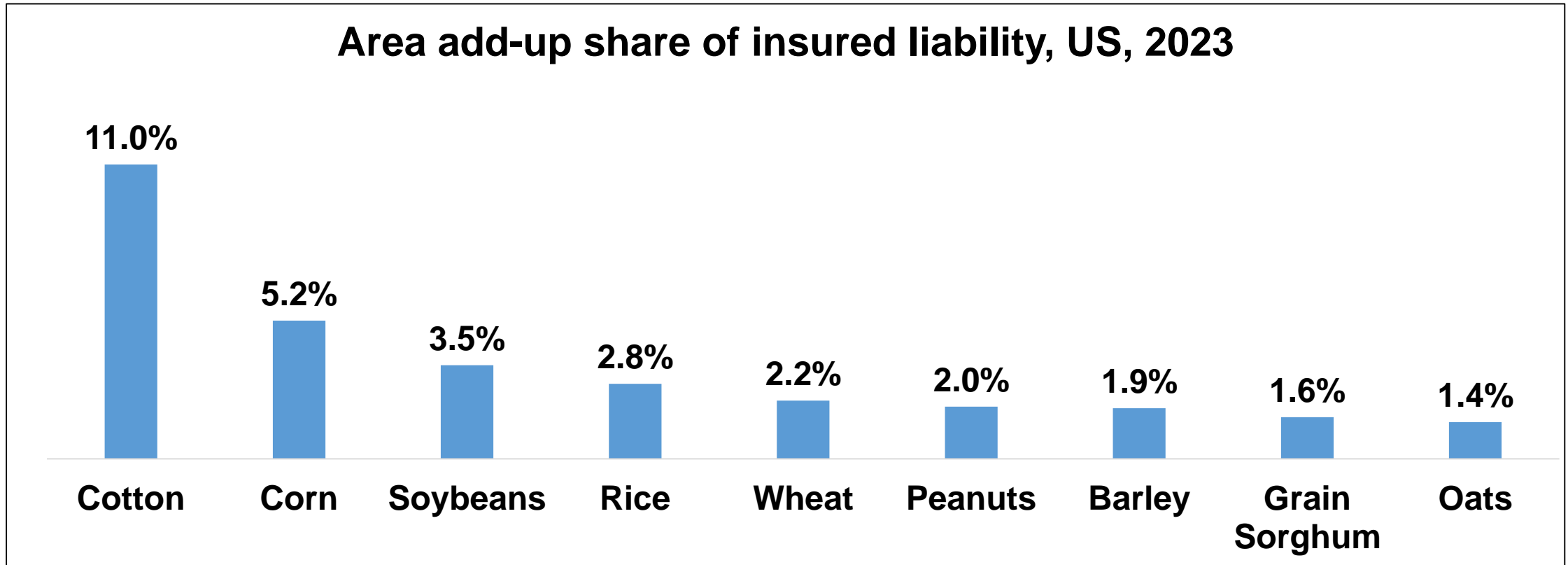
SOURCE: *farmdoc daily* (13):204. November 8, 2023. <http://www.farmdoc.illinois.edu/>

Farm Bill Strategic Policy Environment



SOURCE: Zulauf, C., G. Schnitkey, J. Coppess, and N. Paulson. US Farm Commodity Insurance Program Trends. *farmdoc daily* (14):16. Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign. January 24, 2024. <http://www.farmdoc.illinois.edu/>

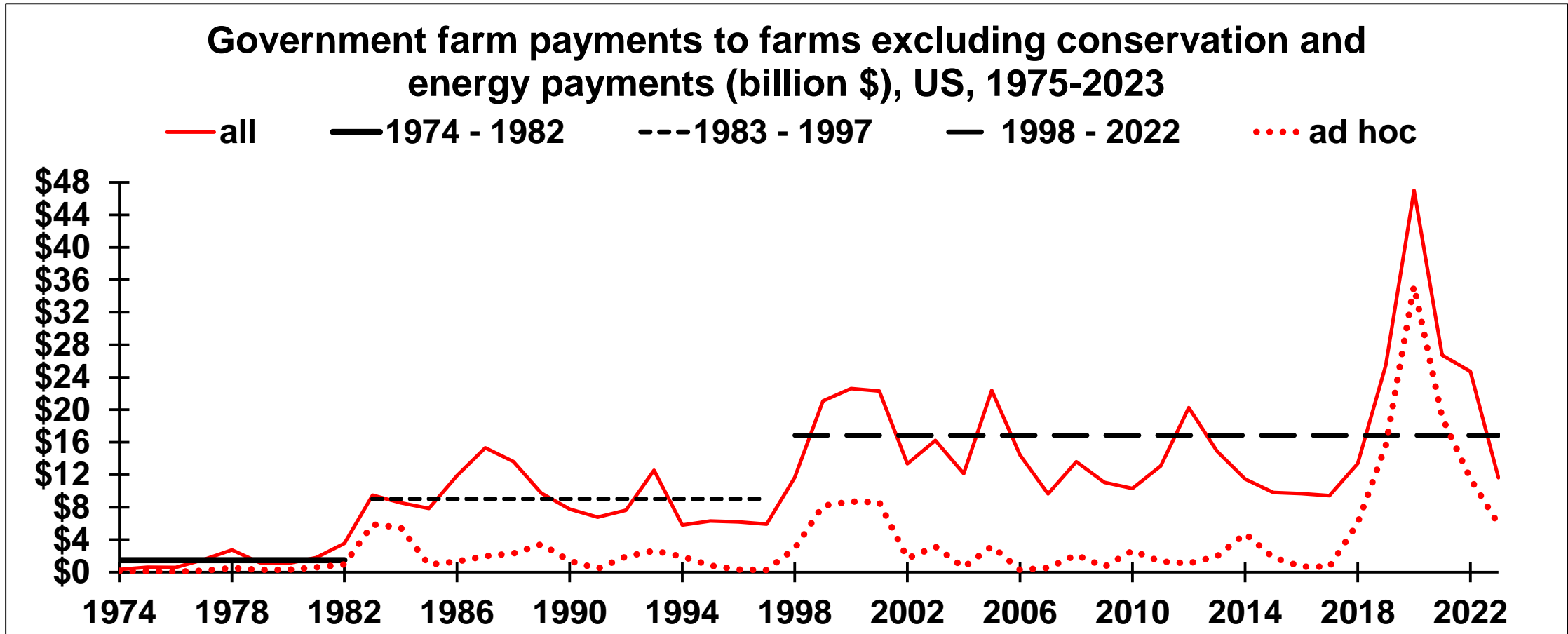
Farm Bill Strategic Policy Environment



Area add-up insurance include MP (Margin Insurance), SCO (Supplemental Coverage Option), ECO (Enhanced Coverage Option), and STAX (Stacked Income Protection Option).

SOURCE: *farmdoc daily* (14):16. January 24, 2024. <http://www.farmdoc.illinois.edu/>

Farm Bill Strategic Policy Environment



SOURCE: updated from original in Zulauf, C., G. Schnitkey, J. Coppess, N. Paulson, and K. Swanson. Ad Hoc Payments: A Leading Indicator of Farm Policy Change. *farmdoc daily* (10):140. Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign. July 29, 2020. <http://www.farmdoc.illinois.edu/>

Summary, Questions, Implications, and Issues

The 22nd Century has, so far, seen a new normal in US crop profitability. US and world yields are not increasing fast enough to satisfy trendline growth in demand. Nevertheless, multiple years of low returns will exist (see 2014-18).

The US has an effective limit on cropland. Reasons include conservation compliance policy constraints and physical limits on convertible land at current market returns.

Policy Questions: “How should trade-offs be addressed between farming’s role in mitigating climate change and the need for more cropland?” “Is a ‘Star Wars’ research focus needed on multiple harvests per crop acre?”

Policy Question: “Given an effective cap on cropland, how should US export programs be designed so that the US, not other countries, capture the demand expansion created by US export programs?”

Summary, Questions, Implications, and Issues

Policy Questions: “Given premium subsidies that average over 60%, has US field crop insurance become a payment program, especially in more risky production areas?” If payments are expected even if triggered by a risk event, they will be incorporated into business behavior, potentially reducing their risk management value. Thus, “Is the sizable *ad hoc* disaster assistance since 2018 an indication that a new 1-year farm resiliency policy is needed?”

Policy Questions: With demand growing faster than yields, upward pressure exists on farm costs and prices costs. “How should the ARC (Agriculture Risk Coverage) commodity program be redesigned to be a more effective multiple-year farm resiliency policy in the new normal?” “Should ARC and PLC (Price Loss Coverage) be merged into one multiple year, market responsive farm resiliency policy?”

HOPEFULLY, I GIVEN YOU FOOD FOR THOUGHT.
MY THANKS AND BEST WISHES.