

Grain &
Oilseed
✓

VIEW FROM THE FIELD, TOP 10 ISSUES TO CONSIDER FOR THE 2023 FARM BILL



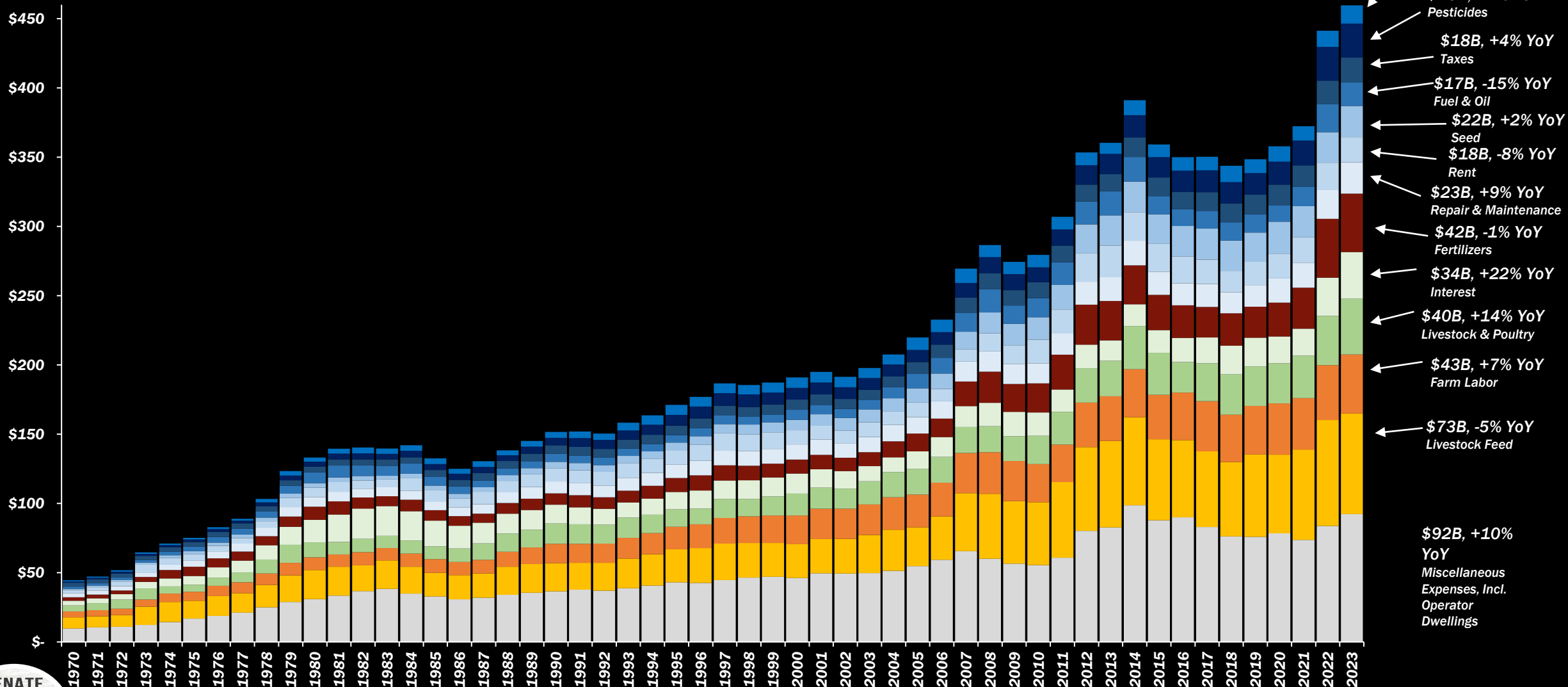
John Newton, Ph.D.

Chief Economist, U.S. Senate Committee on Agriculture, Nutrition, & Forestry



"The Most Expensive Crop Ever" (Again)

Farm Production Expenses, Billion Dollars



\$13B, +12% YoY
Marketing & Transport

\$25B, +1% YoY
Pesticides

\$18B, +4% YoY
Taxes

\$17B, -15% YoY
Fuel & Oil

\$22B, +2% YoY
Seed

\$18B, -8% YoY
Rent

\$23B, +9% YoY
Repair & Maintenance

\$42B, -1% YoY
Fertilizers

\$34B, +22% YoY
Interest

\$40B, +14% YoY
Livestock & Poultry

\$43B, +7% YoY
Farm Labor

\$73B, -5% YoY
Livestock Feed

\$92B, +10% YoY
Miscellaneous Expenses, Incl. Operator Dwellings



Senate Ag Committee Republicans

Senate Ag GOP Analysis, USDA ERS

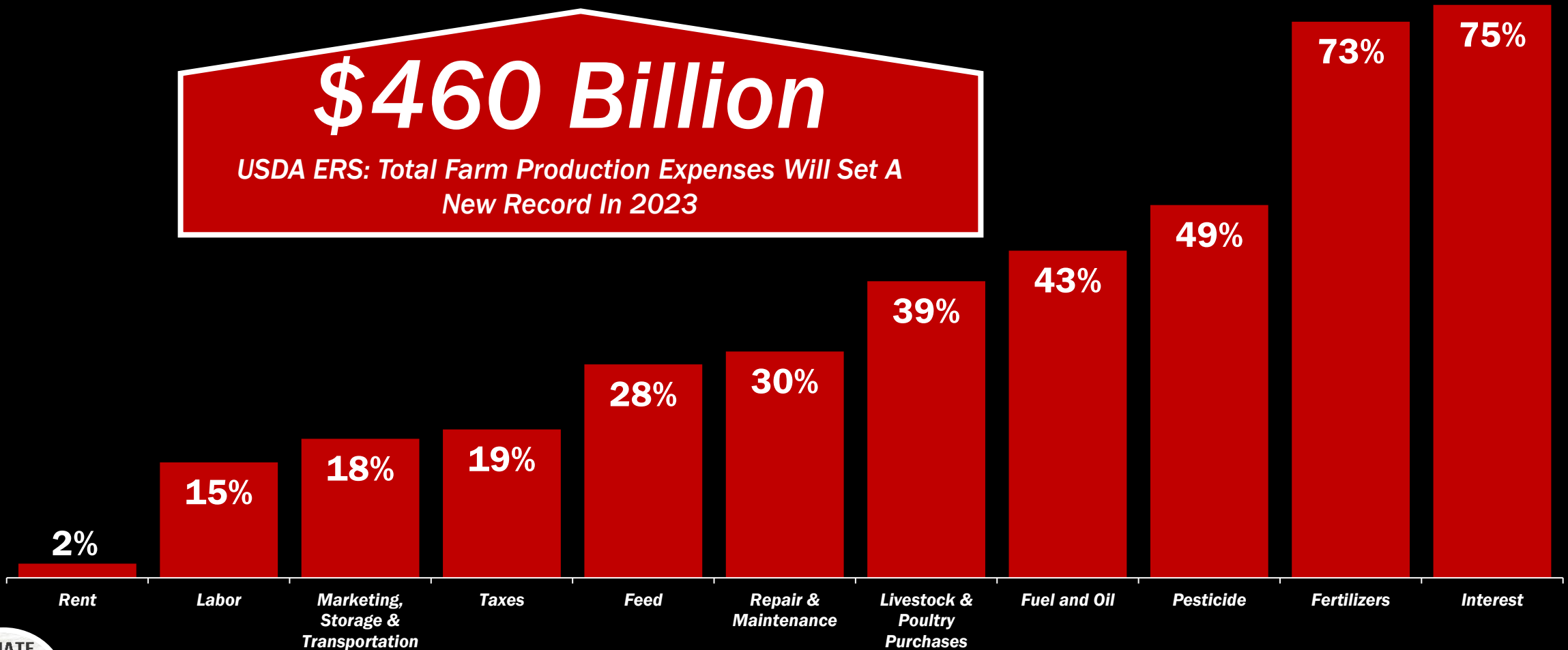
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Increase In Farm Production Costs

Percent Change in Farm Production Expenses, 2020 to 2023

\$460 Billion

USDA ERS: Total Farm Production Expenses Will Set A
New Record In 2023

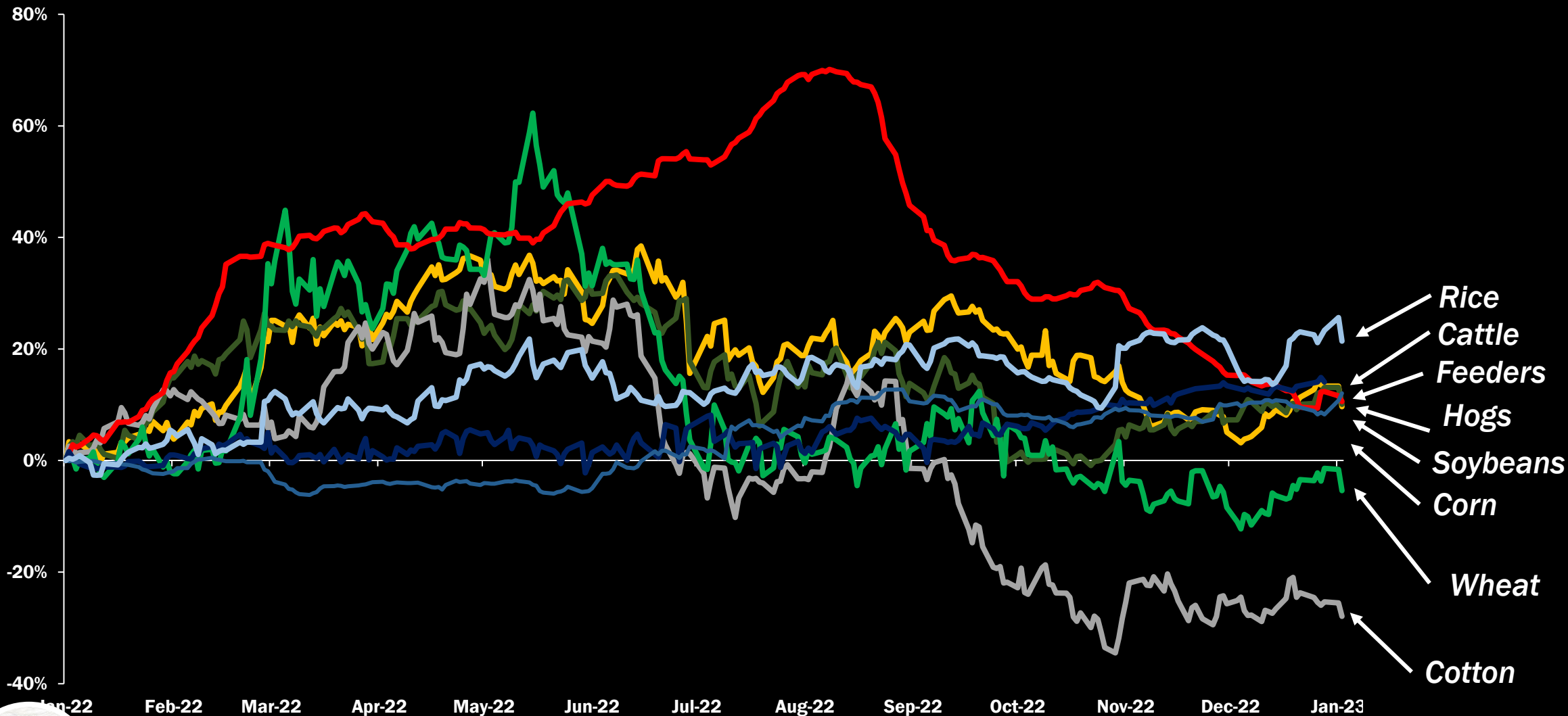


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Volatility In Commodity Prices Continues

Cumulative Percentage Change In Cash Price Since January 2022





Early Signs Point To Lower Cash Receipts In '23

Billion Dollars

\$520B, -4% YoY

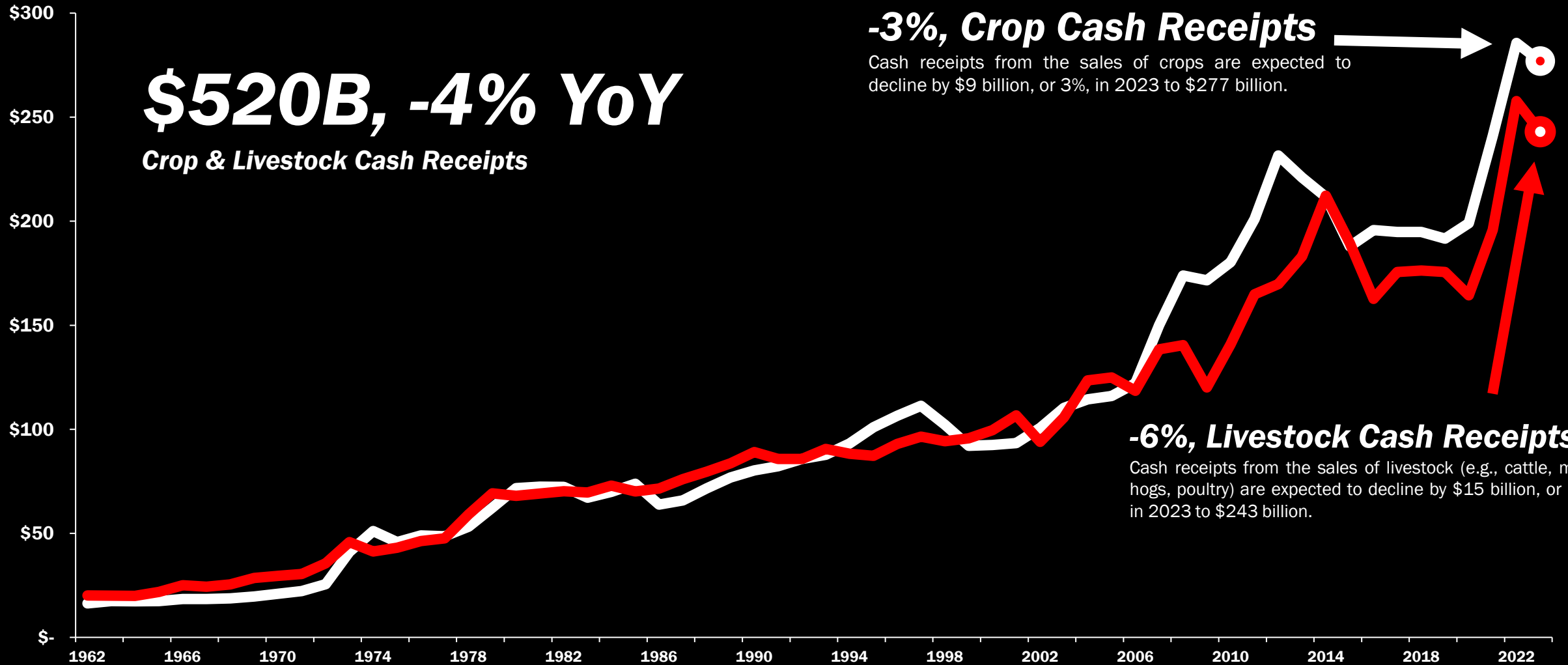
Crop & Livestock Cash Receipts

-3%, Crop Cash Receipts

Cash receipts from the sales of crops are expected to decline by \$9 billion, or 3%, in 2023 to \$277 billion.

-6%, Livestock Cash Receipts

Cash receipts from the sales of livestock (e.g., cattle, milk, hogs, poultry) are expected to decline by \$15 billion, or 6%, in 2023 to \$243 billion.



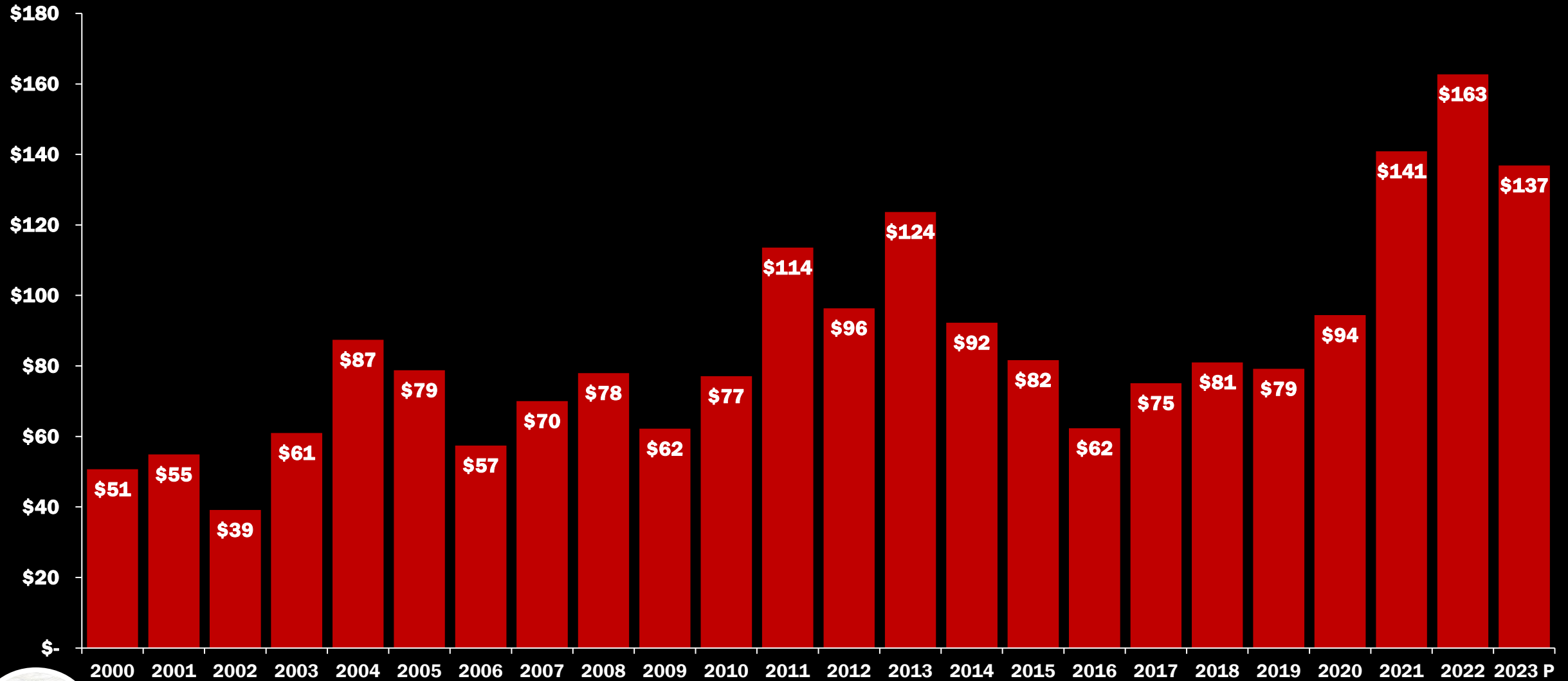
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U.S. Farm Income Declining 16% In 2023

U.S. Net Farm Income, Nominal In Billion Dollars



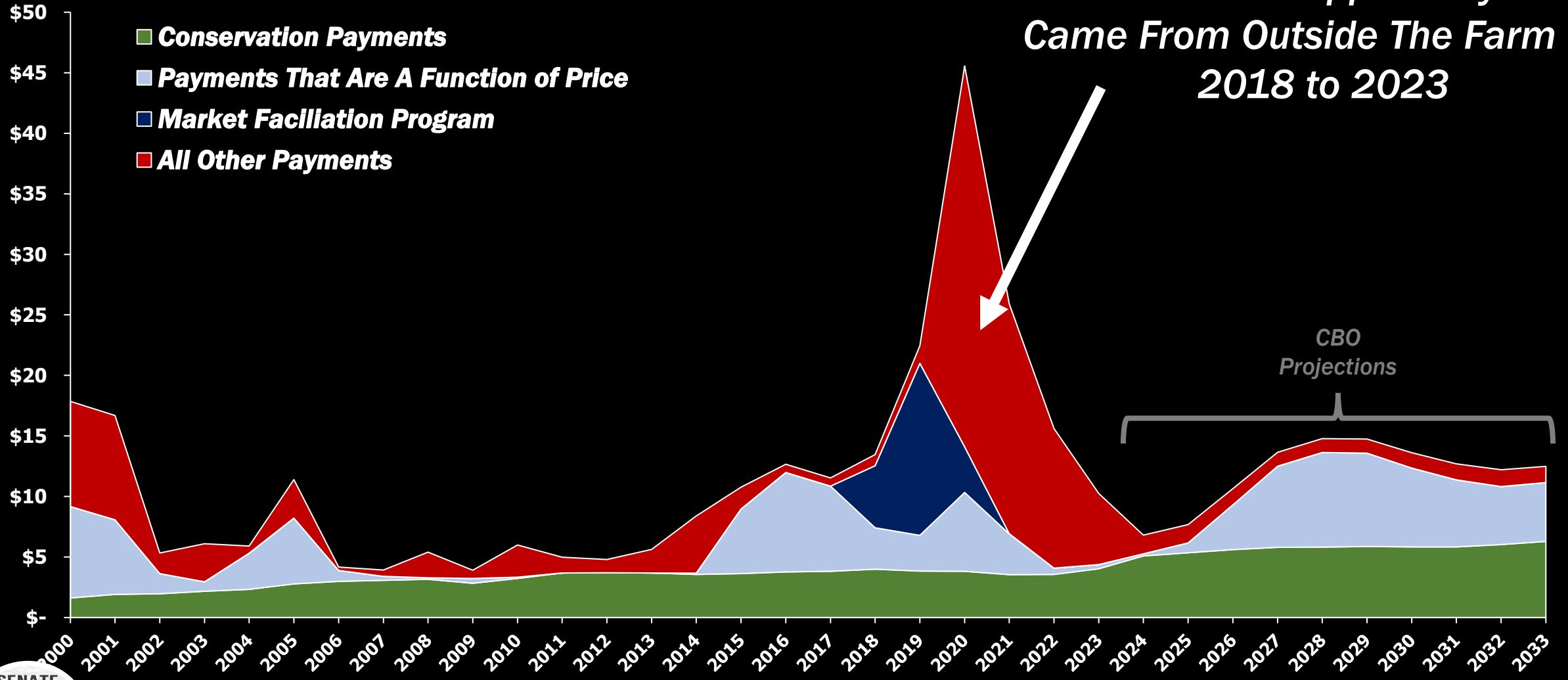
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Gaps In Farm Programs Exposed

Billion Dollars

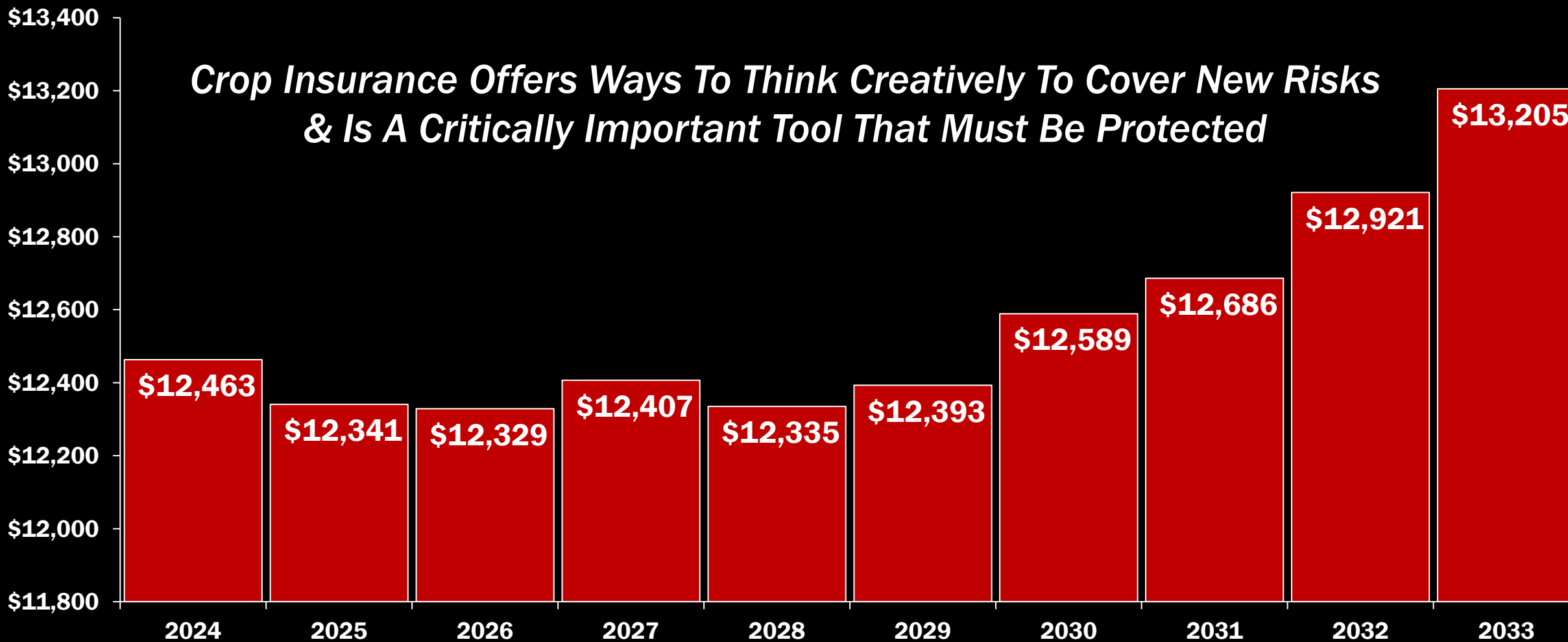


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Crop Insurance Offers Predictability

Projected Crop Insurance Premium Expenses, 2024 to 2033, Million Dollars

Crop Insurance Offers Ways To Think Creatively To Cover New Risks & Is A Critically Important Tool That Must Be Protected



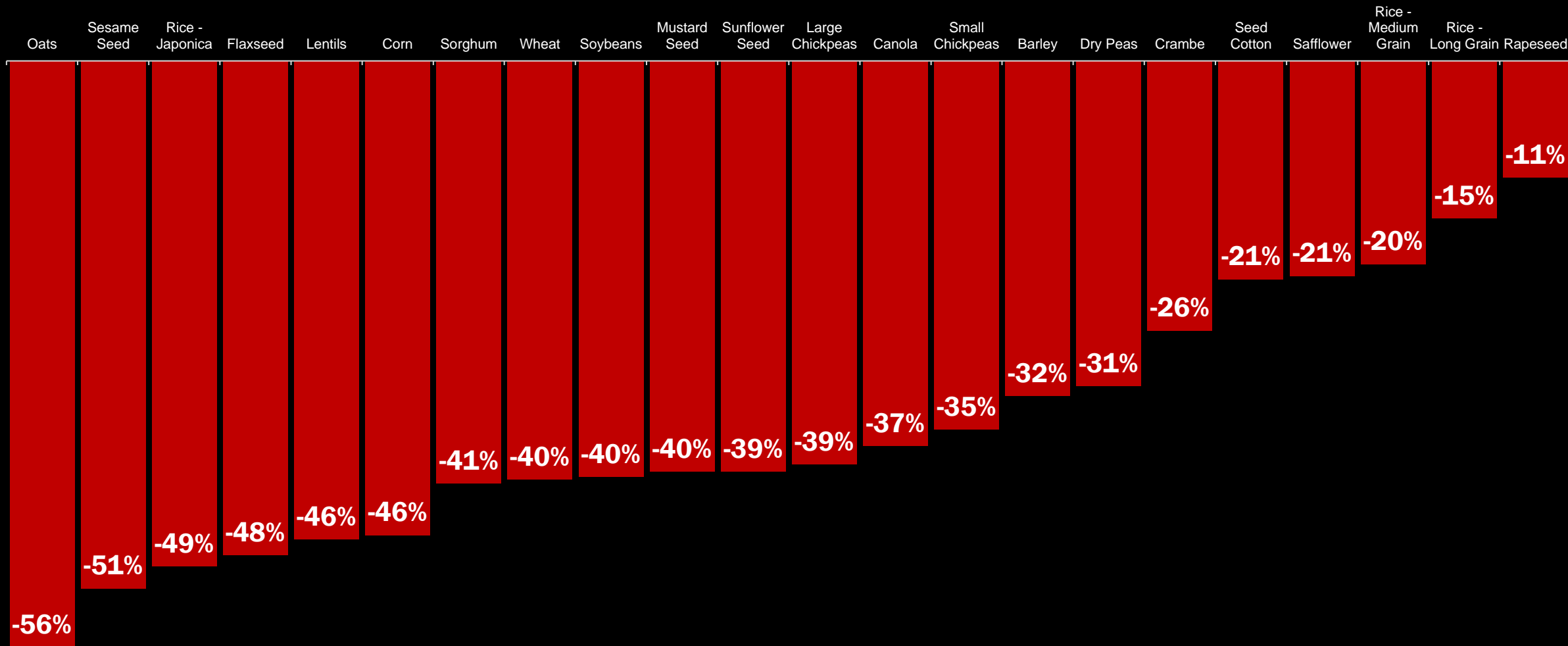
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Senate Ag GOP Analysis, Congressional Budget Office February 2023 Baseline



Title I Safety Net Lags Markets

Percentage Prices Need To Decline In Order To Trigger Price Loss Coverage Support



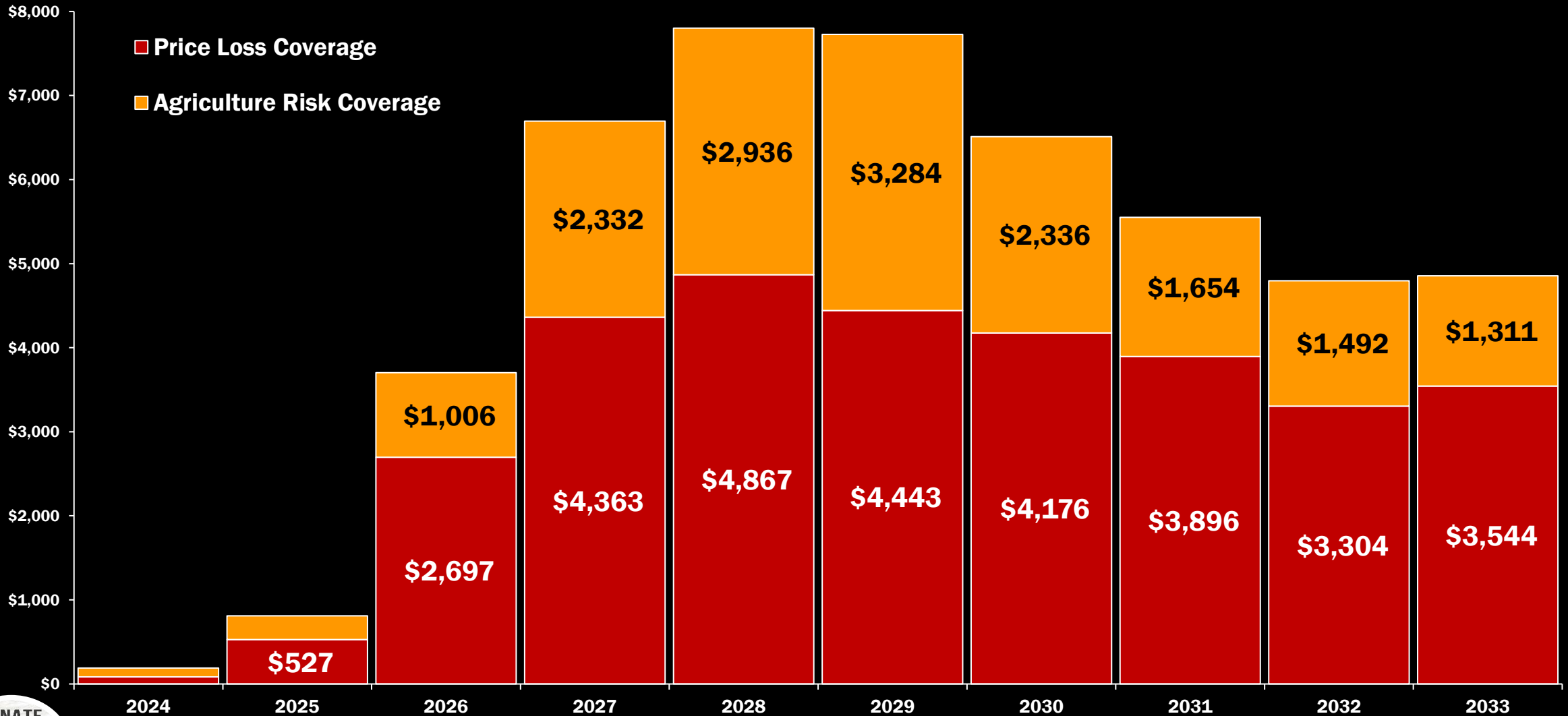
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Source: Senate Ag GOP Analysis, USDA FSA



Olympic MA Effect Will Boost Title I Support Eventually

Projected Commodity and Income Support Program Spending, 2024 to 2033, Million Dollars

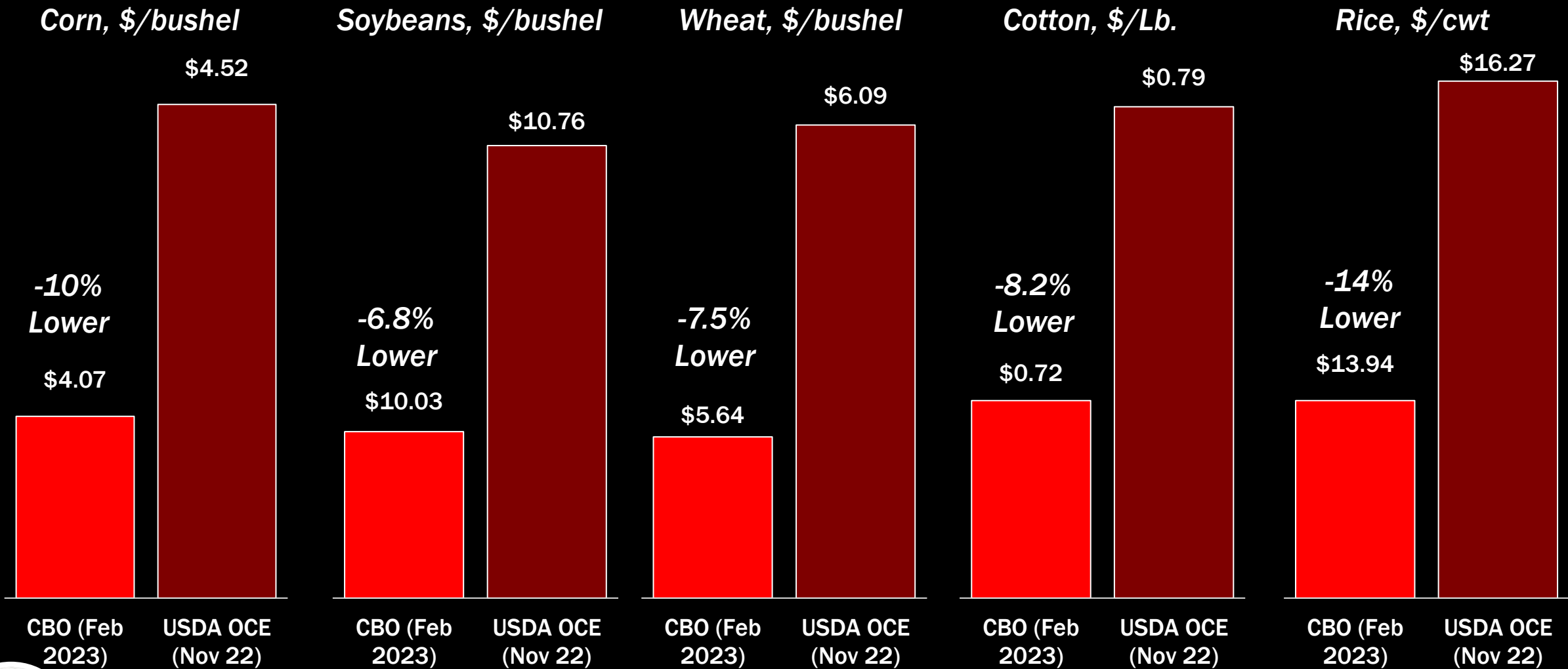


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Senate Ag GOP Analysis, Congressional Budget Office February 2023 Baseline

7 Farm Bill Math: Changes Can Be Costly

Projected Commodity Prices From CBO and USDA OCE, 2023 to 2032



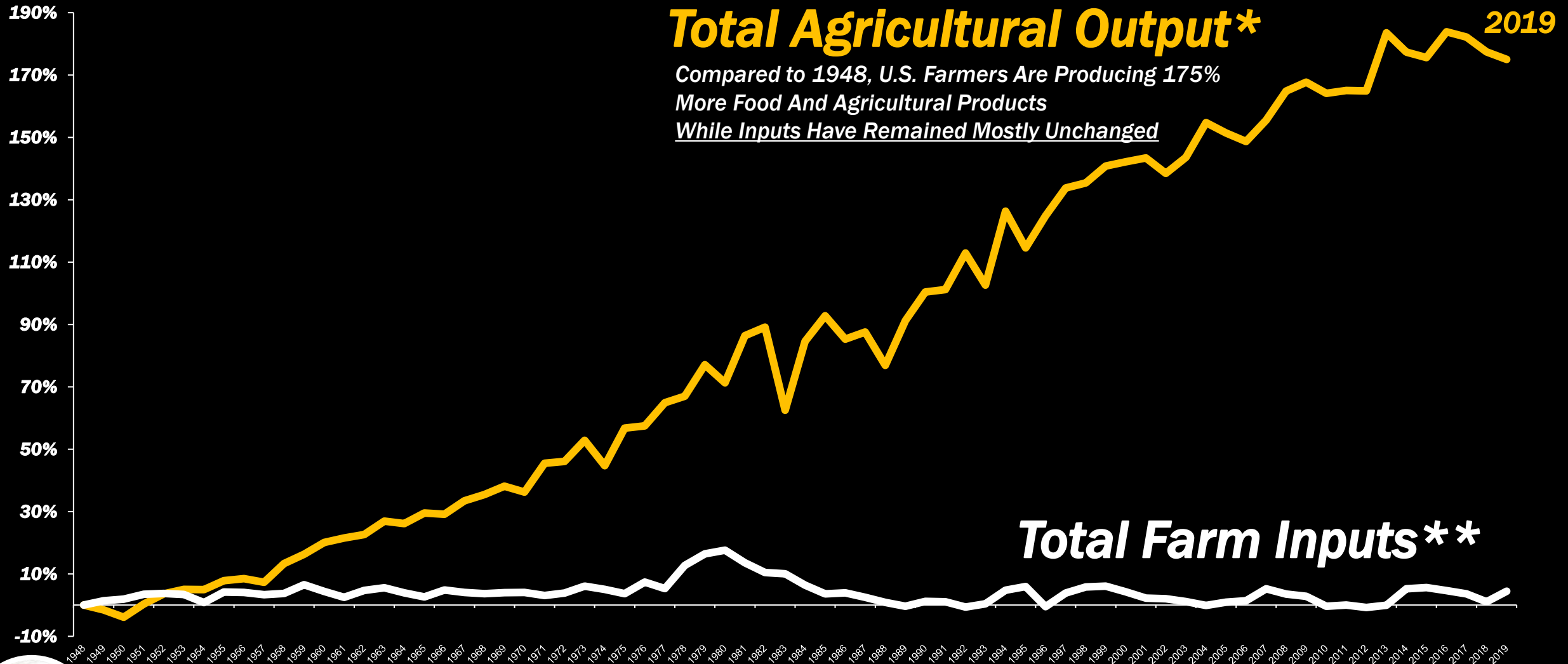
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Senate Ag GOP Analysis, Congressional Budget Office February 2023 Baseline, USDA OCE



There Are Many Needs In Ag

Percent change in indices of farm outputs and inputs for the United States, 1948-2019



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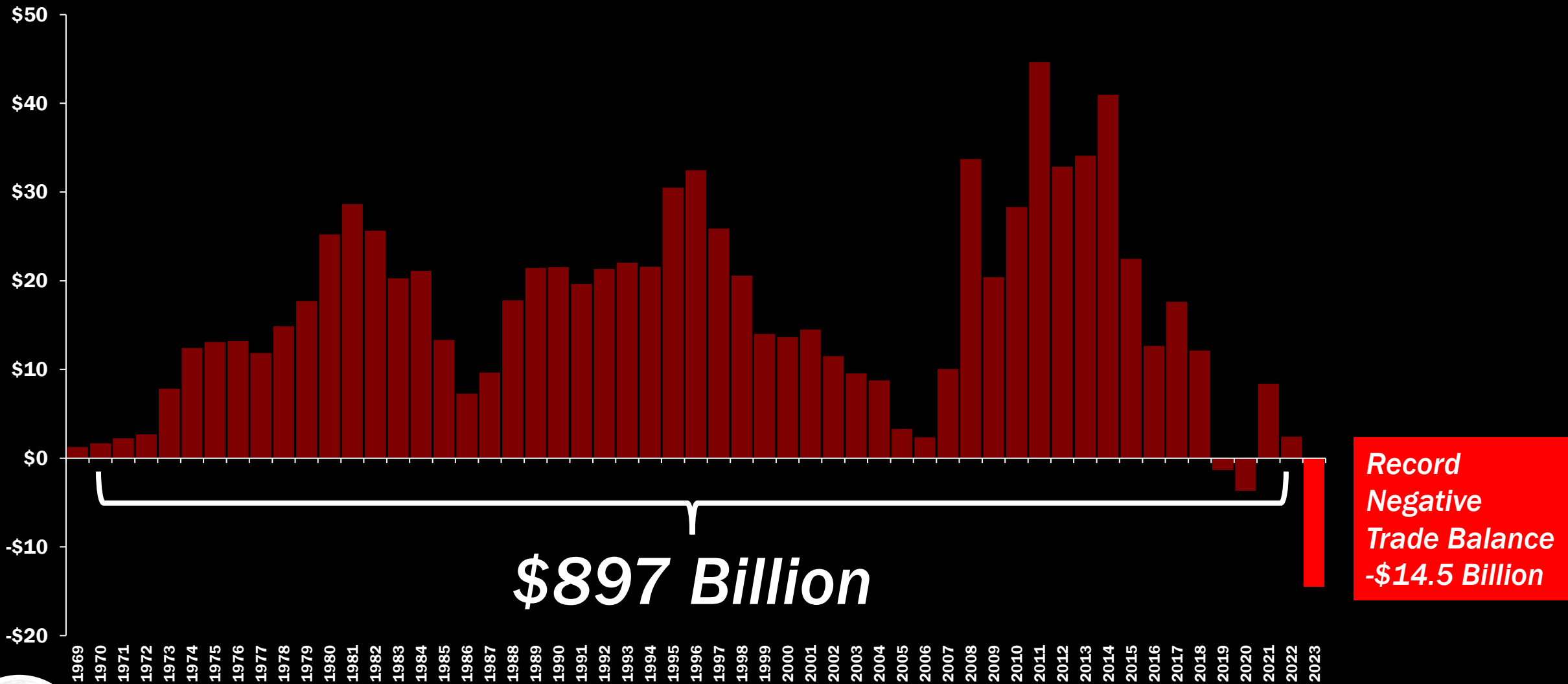
Senate Ag GOP Analysis, USDA ERS

*Output includes crops, livestock, fruits and vegetables, fiber and other agricultural commodities.

**Inputs include land, labor, capital and machinery, and materials including energy, fertilizer and chemicals.

Trade & Investing In New Markets Is Critical

U.S. Agricultural Trade Balance, Fiscal Year, 1969 to 2023P, Billion Dollars



\$897 Billion

Record Negative Trade Balance -\$14.5 Billion



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Senate Ag GOP Analysis, USDA FAS GATS, USDA OCE

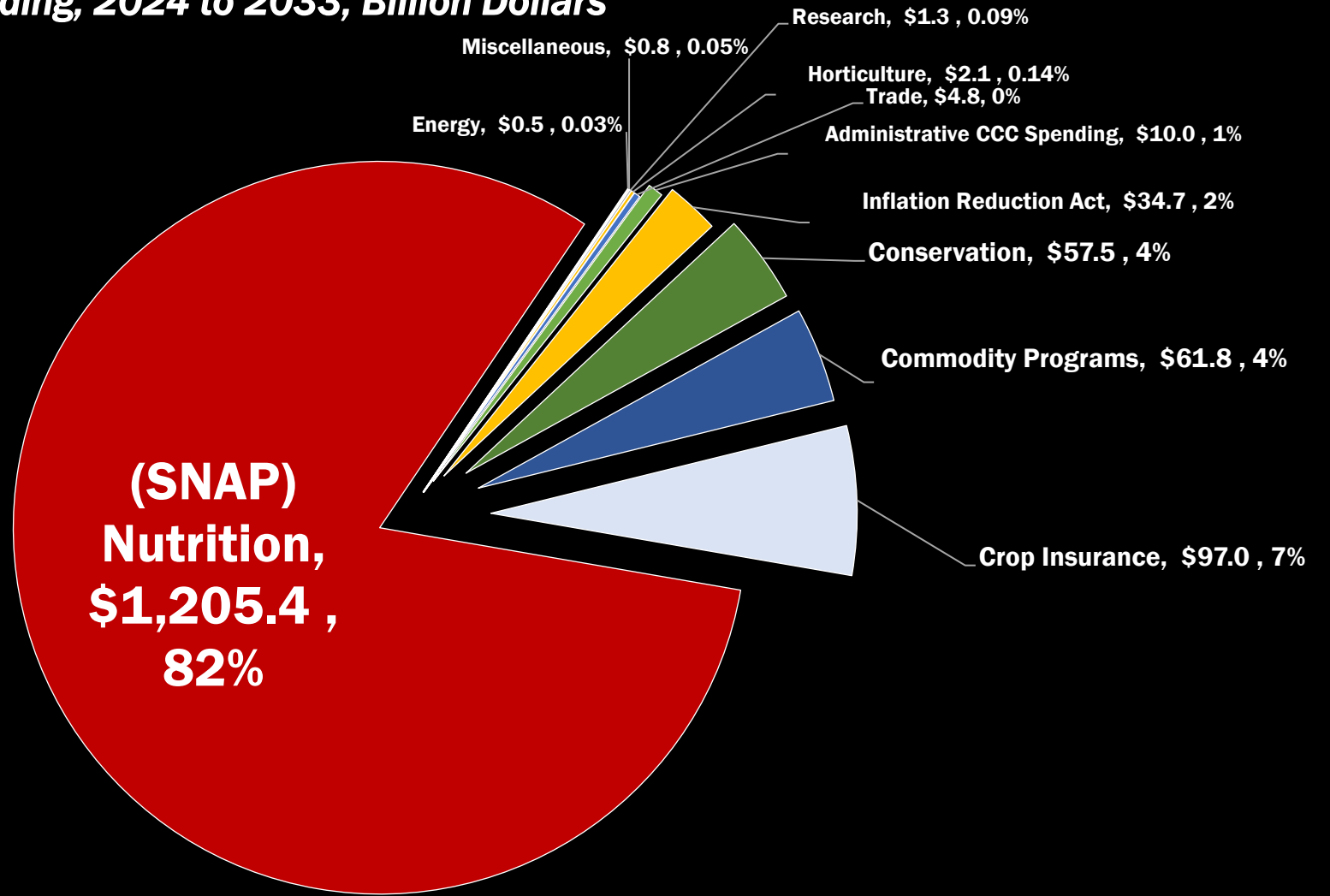


The First Trillion-Dollar Farm Bill

Projected Farm Bill Program Spending, 2024 to 2033, Billion Dollars

\$1.5 Trillion

Estimated Cost of 2023 Farm Bill
Includes IRA, and CRS Cost Estimates Of Other Farm Bill
Titles



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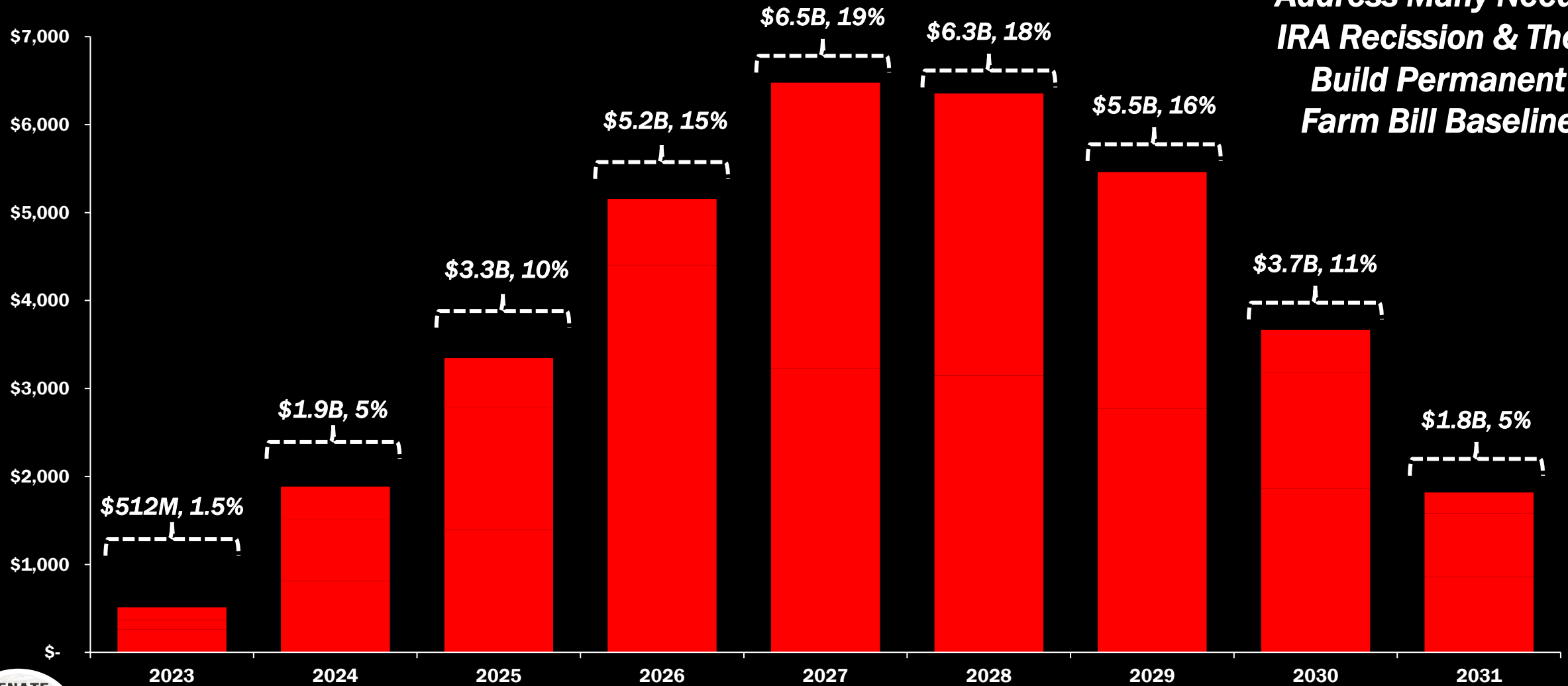
Senate Ag GOP Analysis, Congressional Budget Office February 2023 Baseline, Trade, Horticulture, Research, Energy, Rural Development, Credit and Miscellaneous Based On Prior Estimated From Congressional Research Service

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New Resources For A Bipartisan Farm Bill?

\$34 Billion In Projected IRA Outlays, 10-Year Baseline, Million Dollars

**Address Many Needs:
IRA Recission & Then
Build Permanent
Farm Bill Baseline**



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Senate Ag GOP Analysis, Congressional Budget Office

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