

Policy

- Defn: Guiding principle leading to course of action or specific program pursued by governments
 - ✓ Rationale for what we do (basis for action)
- Programs (or policy tools) implement policy
- Examples:
 - ✓ Policy – Reduce global warming
 - ✓ Programs – Cap and trade program

Agricultural and Food policy

- Principles that guide government programs that influence:
 - ✓ Production
 - ✓ Resources used and how they are used
 - ✓ Domestic and international markets
 - ✓ Food consumption
 - ✓ Conditions under which rural people live



Why Do You Think We Study Ag Policy?

- Give me something to do?
- Quite simply... if you want to know how to influence policy and political outcomes you have to understand how it is made and influencing decision makers

More than domestic farm programs that support farm prices and/or incomes

- Retirement of fragile land from production (CRP)
- Negotiation to reduce barriers to trade (WTO)
- Resource allocation, development and pricing
- Food safety and terrorism
- Supplemental Nutrition Assistance Program (SNAP)
- Child nutrition (WIC)
- Renewable Fuels
- Now... climate change

144

largest counties

population: 159,524,138

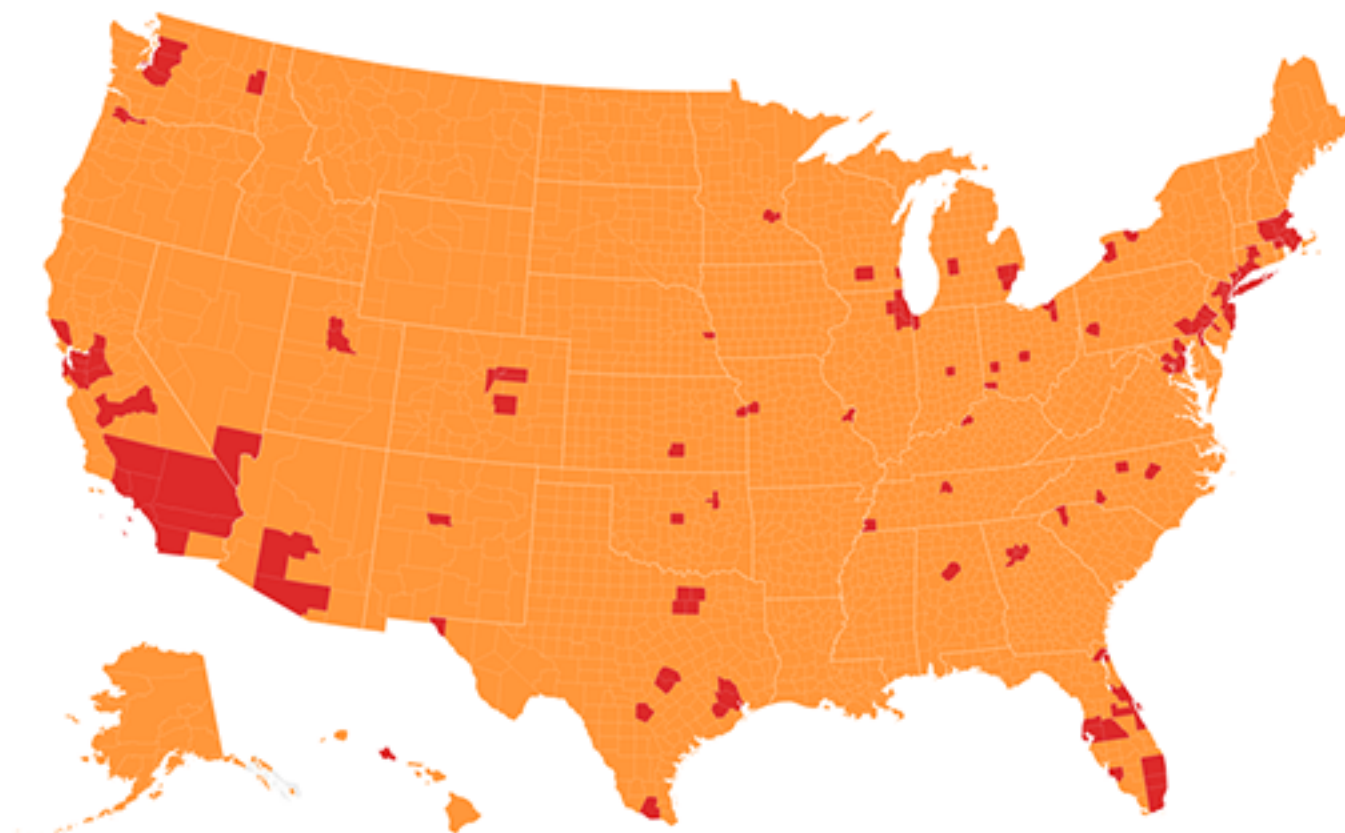
50.03% of total population

2,998

smallest counties

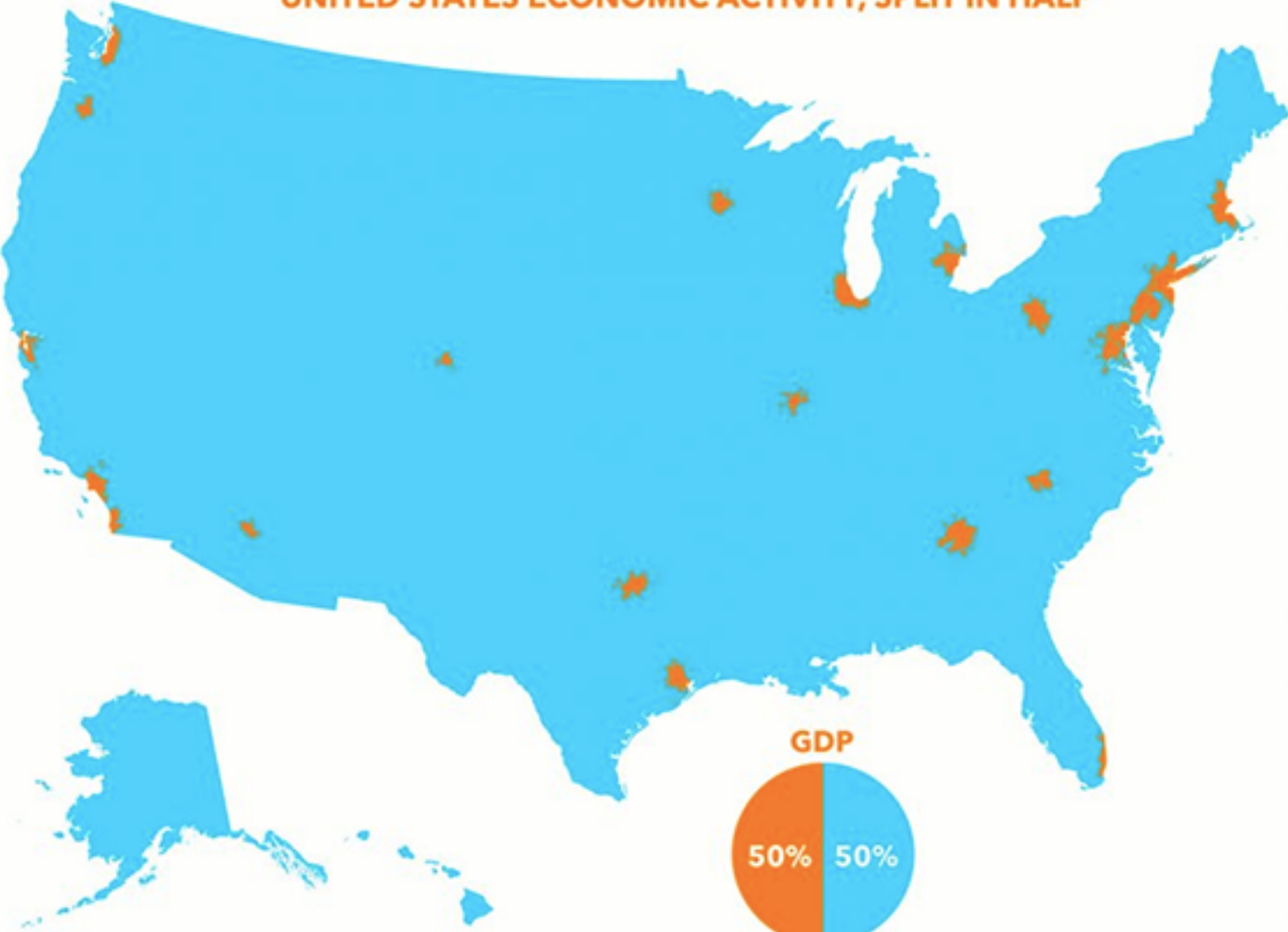
population: 159,332,918

49.97% of total population



Population Estimate, as of July 1, 2014

UNITED STATES ECONOMIC ACTIVITY, SPLIT IN HALF

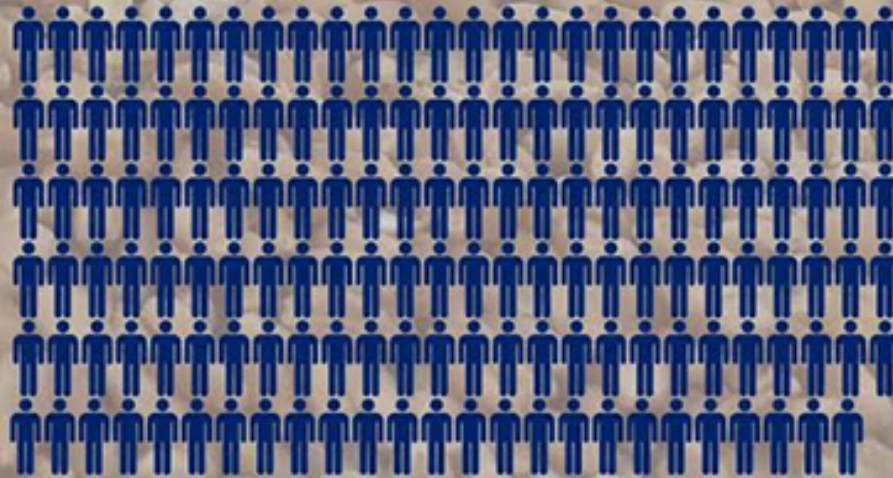


A. T. T. T.

How much does Agriculture Matter to the U.S. economy?

- Depends
- What do you call agriculture?
- Do you define it by:
 - ✓ What Ag committees have responsibility for?
 - ✓ Production only?
- Farming accounts for 1.4% of workforce and .7% of GDP
- Entire food and fiber system accounts for 17% of workforce and 12% of GDP

How many people does a U.S. farmer feed?



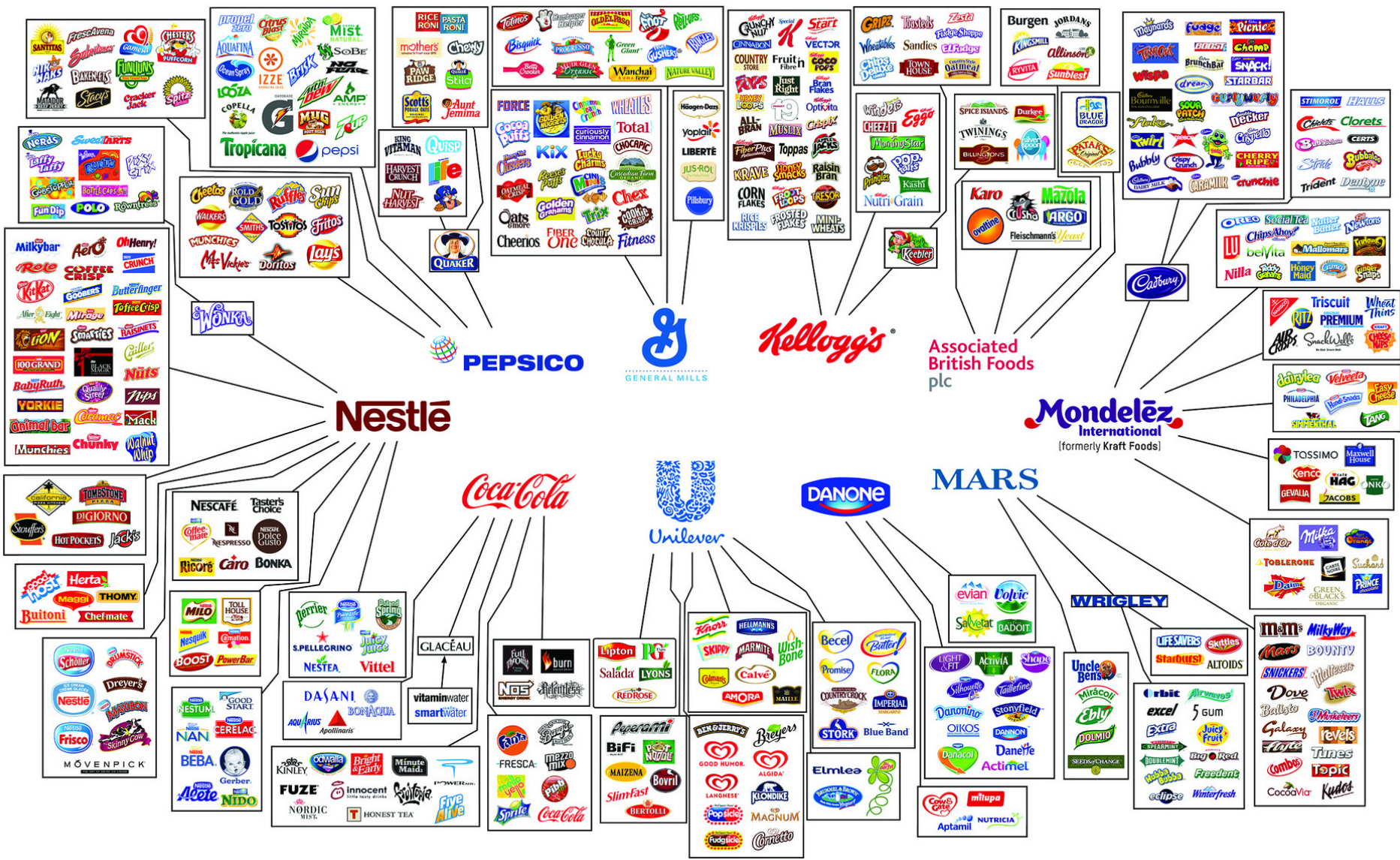
On average, an American farmer feeds 155 people worldwide.



In 1960, an American farmer fed an average of 28.5 people.

2014 Food dollar: Industry Group (nominal)





Nestlé

PEPSICO

GENERAL MILLS

Kellogg's

Associated British Foods plc

Mondelez International
(formerly Kraft Foods)

Coca-Cola

Unilever

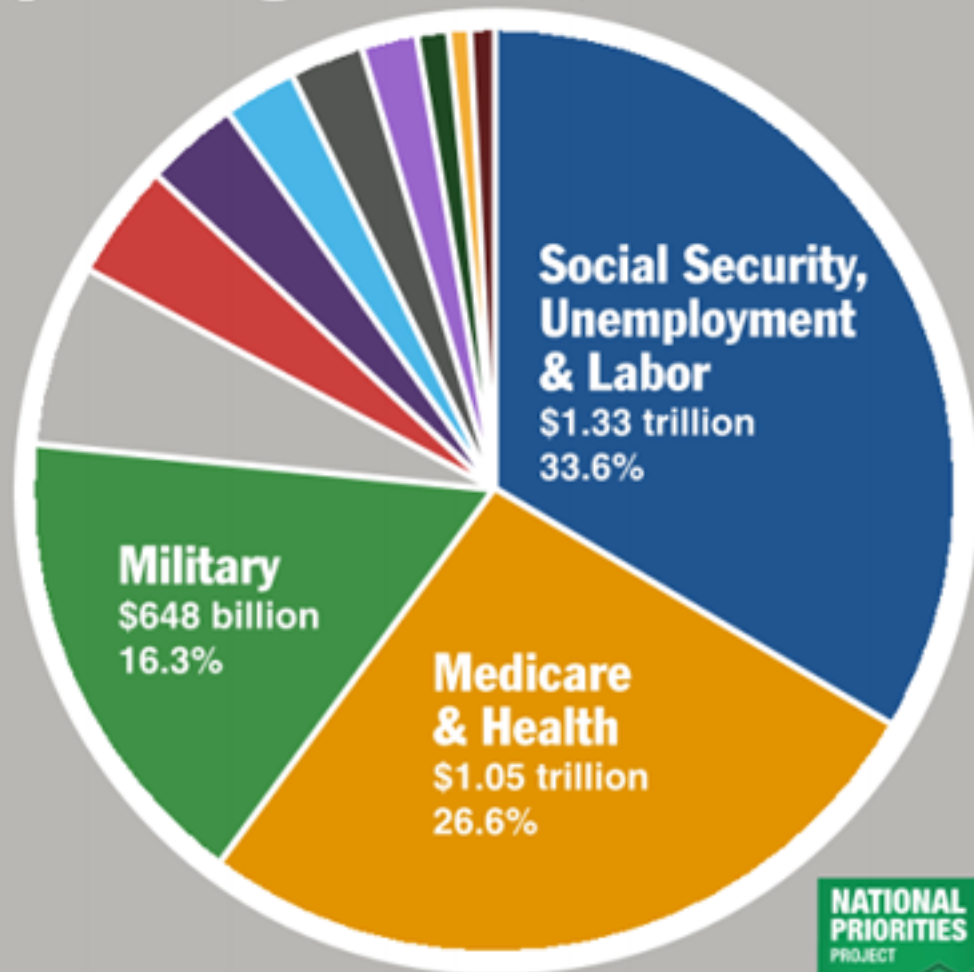
DANONE

MARS

WRIGLEY

Total Federal Spending 2015: \$3.9 trillion

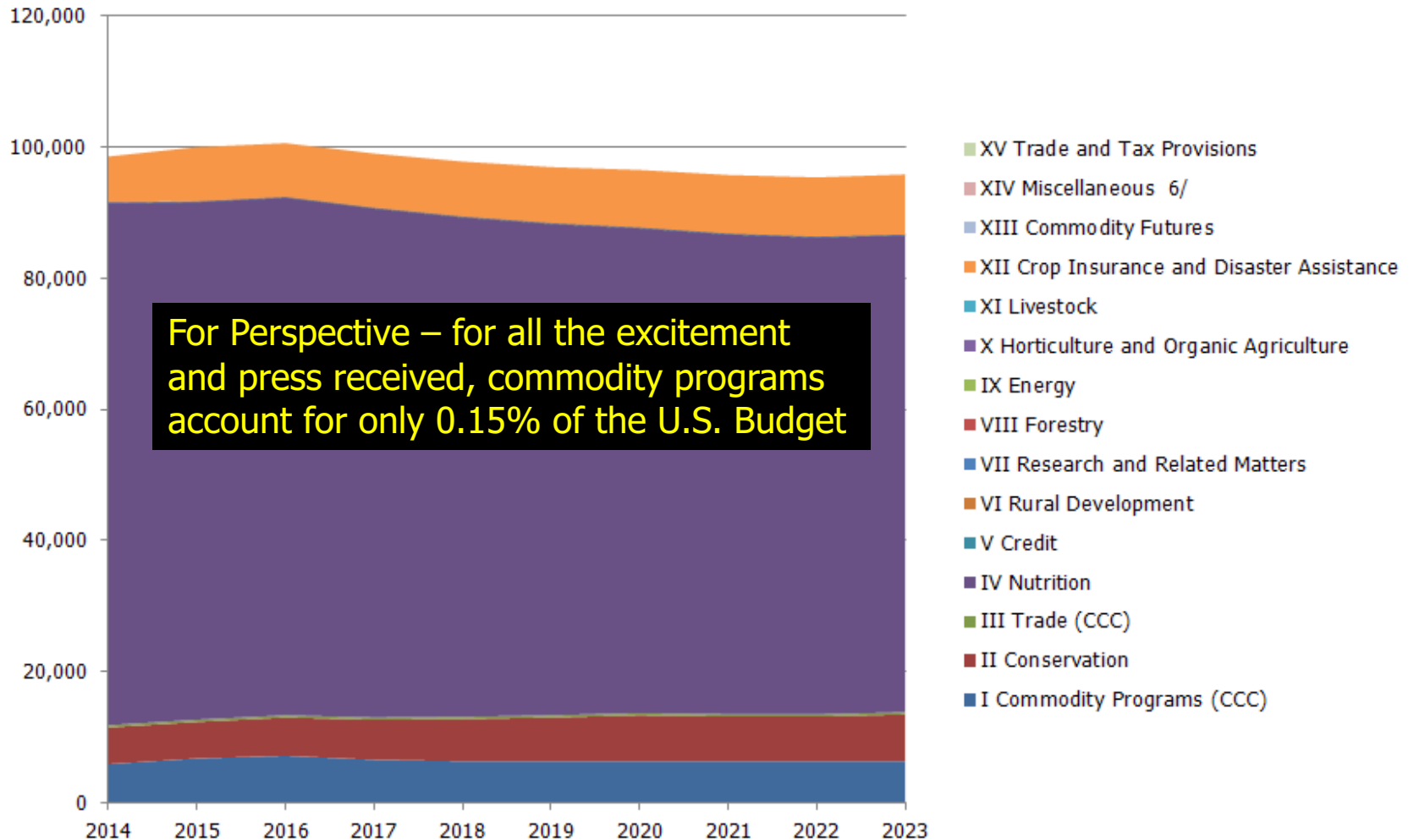
Interest On Debt \$251 billion / 6.3%
Veterans Benefits \$161 billion / 4.1%
Food & Agriculture \$130 billion / 3.3%
Transportation \$103 billion / 2.6%
Housing & Community \$102 billion / 2.6%
Education \$80.9 billion / 2.0%
Energy & Environment \$44.5 billion / 1.1%
Science \$29.3 billion / 0.7%
International Affairs \$27.2 billion / 0.7%
Government \$2.7 billion / 0.1% * not shown



Source: OMB
National Priorities Project

nationalpriorities.org

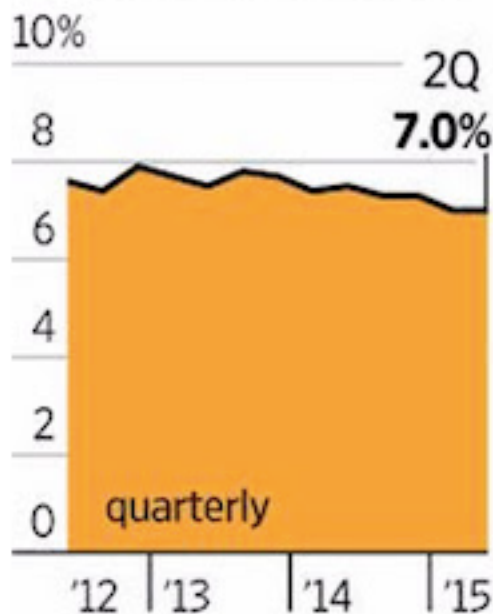
Mandatory Spending Baseline for the 2008 Farm Bill Programs and Provisions, by Title, (\$M), FY 2014-23



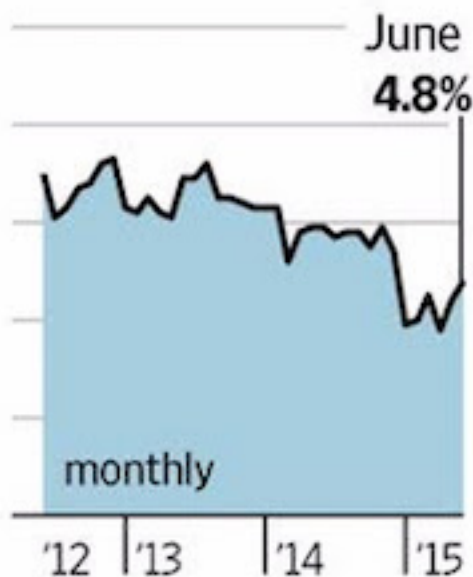
Source: CBO February 2013 Baseline

China's GDP growth, change from the same period a year earlier

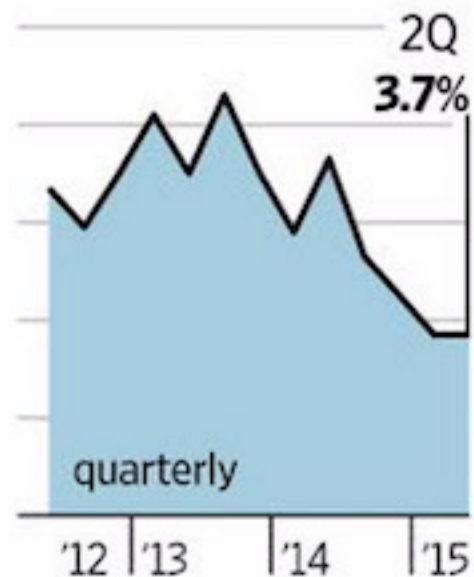
OFFICIAL GDP FIGURES



CAPITAL ECONOMICS



LOMBARD STREET



Note: Quarterly data are as of June 30; monthly data are as of June 1.

Sources: China's National Bureau of Statistics (official GDP); economist estimates

THE WALL STREET JOURNAL.

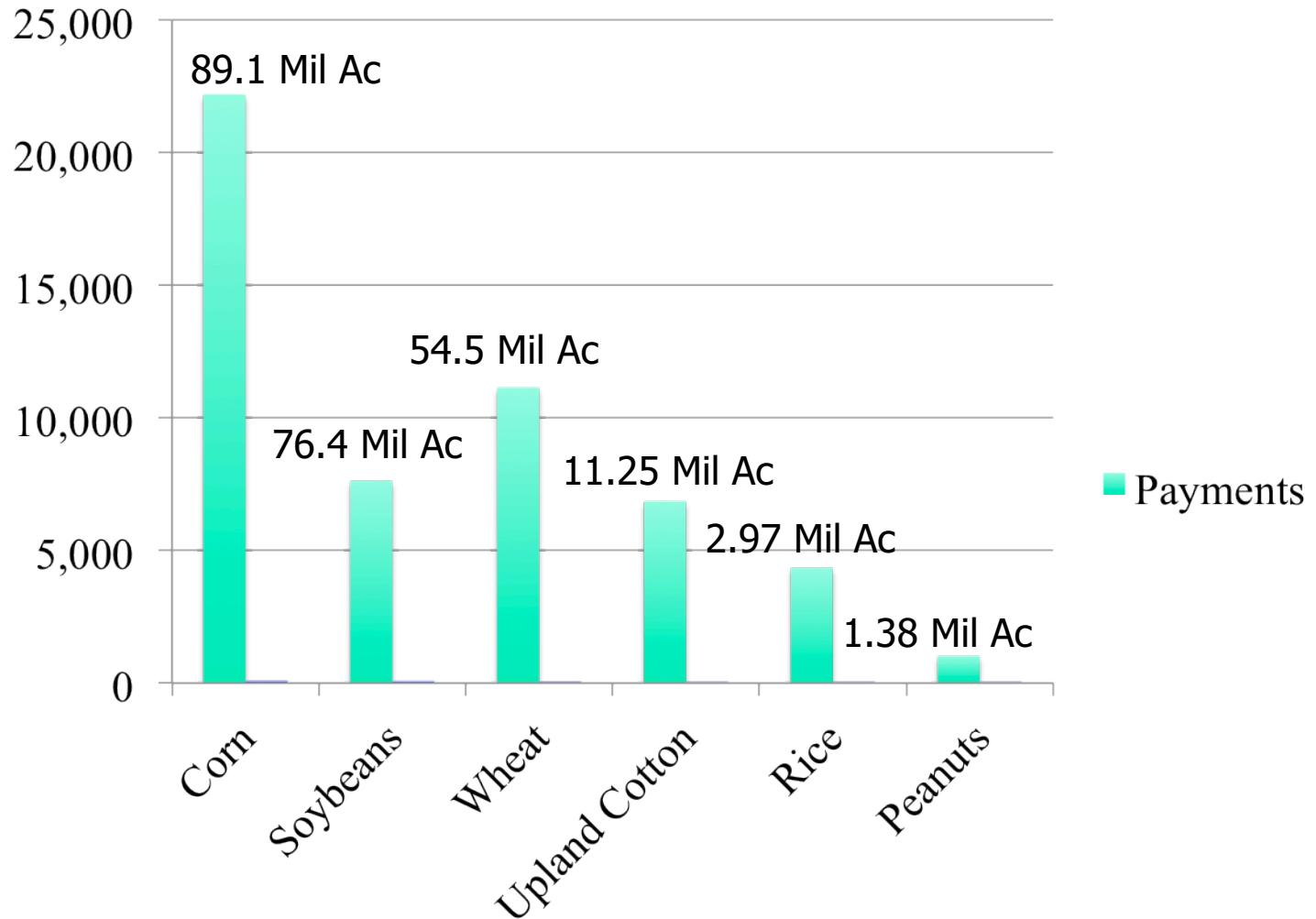
source: @MaryLuWSJ

Wild Swings in Food Prices

■ UN Food Price Index



Baseline Payments (\$M) and Planted Acres, Major Program Crops, 2013-22



Policies and programs are constantly changing – Forces of Change

- Instability of agriculture
- Globalization
- Technology
- Food safety
- Environment
- Industrialization
- Politics
- Unforeseen events



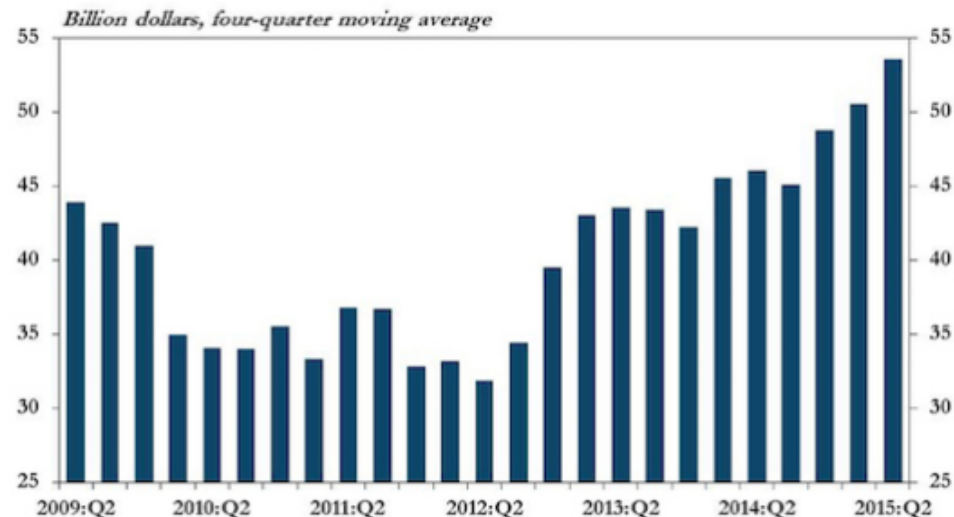
Why Do You Think These Groups Would Contract With Us to Do Economic Analyses for them?

- Texas Corn Producers
- USA Rice Federation
- Texas Deer Association
- McGuire, Craddock & Strother, PC
- USDA Risk Mgmt Agency
- John Deere
- National Crop Insurance Services



"Surging Demand for Farm Operating Loans Hints at Growing Risk" - The KC Fed recently reported, "Short-term operating loan volumes continued to surge in the second quarter of 2015, highlighting a growing risk in U.S. agriculture amid a period of lower farm income." "According to the USDA, crop cash receipts have declined 22 percent since 2012, but costs associated with manufactured inputs, seeds and rent declined just 1 percent in the same period. Amid growing disparity between crop revenue and input costs, the ratio of current operating loan volumes to net farm income grew significantly in 2015." As you can see from the graphic below, "operating loan" volumes surged 25 percent from a year ago. This is some good information presented by The Federal Reserve Bank of Kansas City, specifically Nathan Kauffman, Assistant Vice President and Omaha Branch Executive, Cortney Cowley, Economist and John McCoy, Intern. Read the entire report [HERE](#).

Chart 2: Current Operating Loan Volume



12 Things That Didn't Exist 12-Years Ago: *I'm always talking about how quickly things are changing, well here's a real life look. Below are 12 huge companies that didn't exist just 12-years ago and are currently influencing millions of lives. Things are definitely changing faster and faster...*

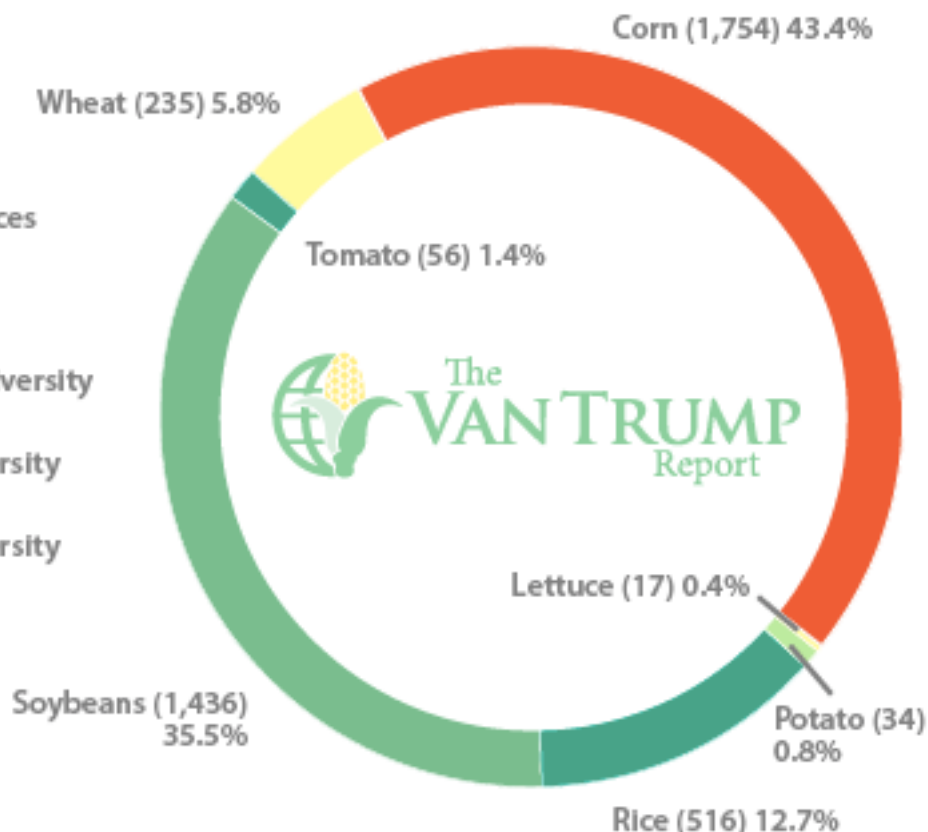
- *Facebook*
- *YouTube*
- *Uber*
- *Twitter*
- *Airbnb*
- *Snapchat*
- *Instagram*
- *Fitbit*
- *Spotify*
- *Dropbox*
- *Tumblr*
- *Pinterest*

Worldwide Crop Breeding Patents by Company and Nation

Top 10 worldwide patent filers
by country | organization

- 1  Monsanto
- 2  DuPont
- 3  Chinese Academy of Sciences
- 4  Syngenta
- 5  Huazhong Agricultural University
- 6  Nanjing Agricultural University
- 7  Chinese Agricultural University
- 8  Zhejiang University
- 9  Republic of Korea
- 10  Agrigenetics Inc.

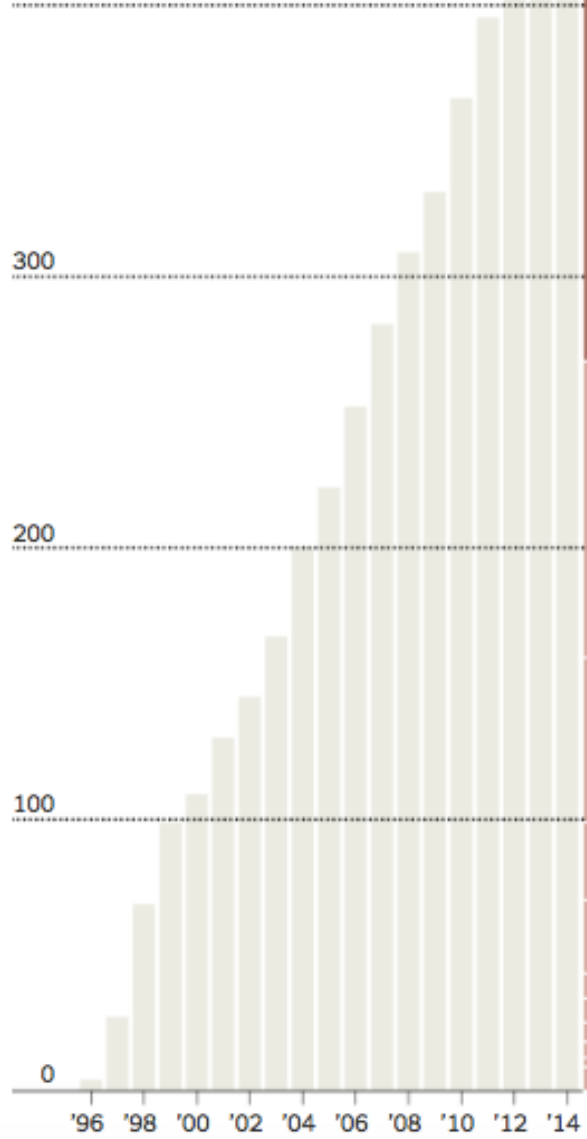
Worldwide patents filed by crop type



Source: Thomson Reuters - **9 Billion Bowls report**

Based on worldwide crop breeding patents applied for since 2010 and published since 2012.

Worldwide acreage of genetically modified crops
400 million acres



Top growers of genetically modified crops, 2015

COUNTRY	MILLIONS OF ACRES	MAJOR CROPS
United States	175.2	corn, soybeans, cotton, canola, sugar beets, alfalfa, papaya, squash, potatoes
Brazil	109.2	soybeans, corn, cotton
Argentina	60.5	soybeans, corn, cotton
India	28.7	cotton
Canada	27.2	canola, corn, soybeans, sugar beets
China	9.1	cotton, papaya, poplar
Paraguay	8.9	soybeans, corn, cotton
Pakistan	7.2	cotton
South Africa	5.7	corn, soybeans, cotton
Uruguay	3.5	soybeans, corn
others	8.8	
2015 TOTAL	444.0	

U.S. Elections: Money Matters

Campaign budgets of U.S. presidential candidates*

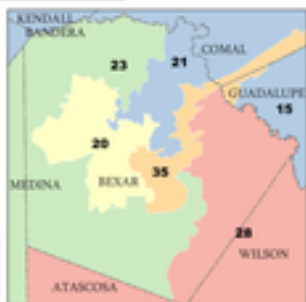
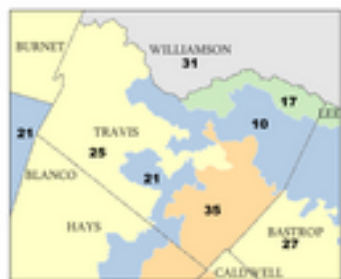


* Converted from EUR to USD on 28/07/15 and unadjusted for inflation

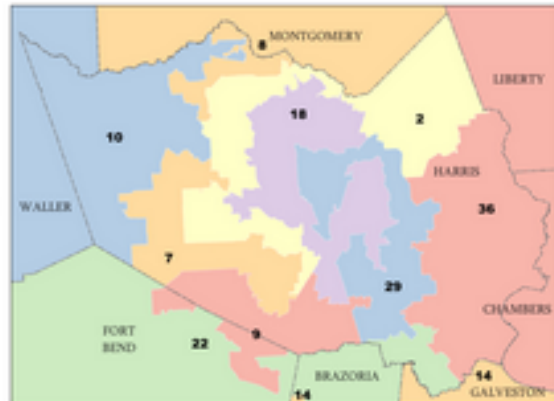
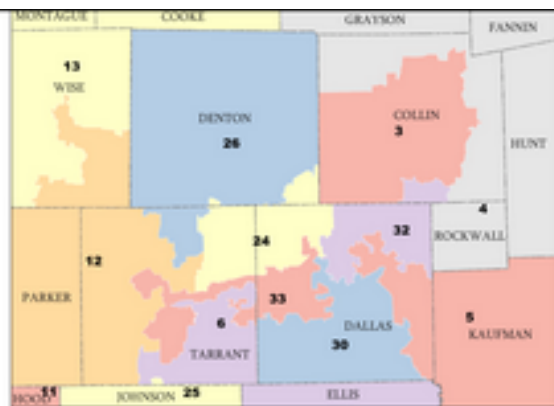
Source: Handelsblatt



U.S. Congressional Districts Court-Ordered Interim Congressional Plan PLANC235



2041
2018 Census
PLAN235 2012-01-27 14:43:09



COUNTIES
PLANC235

Map ID 1000
10/06/12 14:44:09



What Each State Googled More Than Any Other State in 2015



Source: Google Trends search data for 2015



Estate.ly

Where do you want to live?