

Farm Policy Setting

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Over the past two decades the level of farm subsidies has been driven by the relative weight of two primary forces – the budget and farm income. When farm income falls below \$ 45-50 billion the economic and political pressures build for more subsidies. Farmers demonstrated in the period 1999 to 2001 that they still base considerable political clout. But during this period the budget constraint was not as obvious. It appears that these two opposing forces are coming back into balance, along with WTO compliance considerations. In addition, there are several forces or “drivers of change” that are impacting agriculture. The following three articles provide a prospective overview of the potential impacts of these economic and political forces whose balance will ultimately be revealed in the 2002 Farm Bill.