

Briefing for the House and Senate Agricultural Committees on Comparison of H.R.2646 and S.1731

March 4, 2002

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Professor

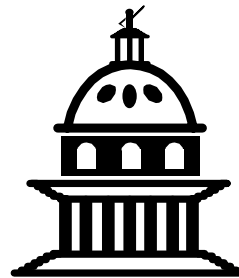
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Assumptions

- Update base acres for H.R. 2646 and base acres and program yield for S.1731 on a whole farm basis
- Prices from FAPRI's sector level analysis for H.R.2646 and S.1731
- CCP rates from FAPRI
- Fixed payment rates specified in the two bills

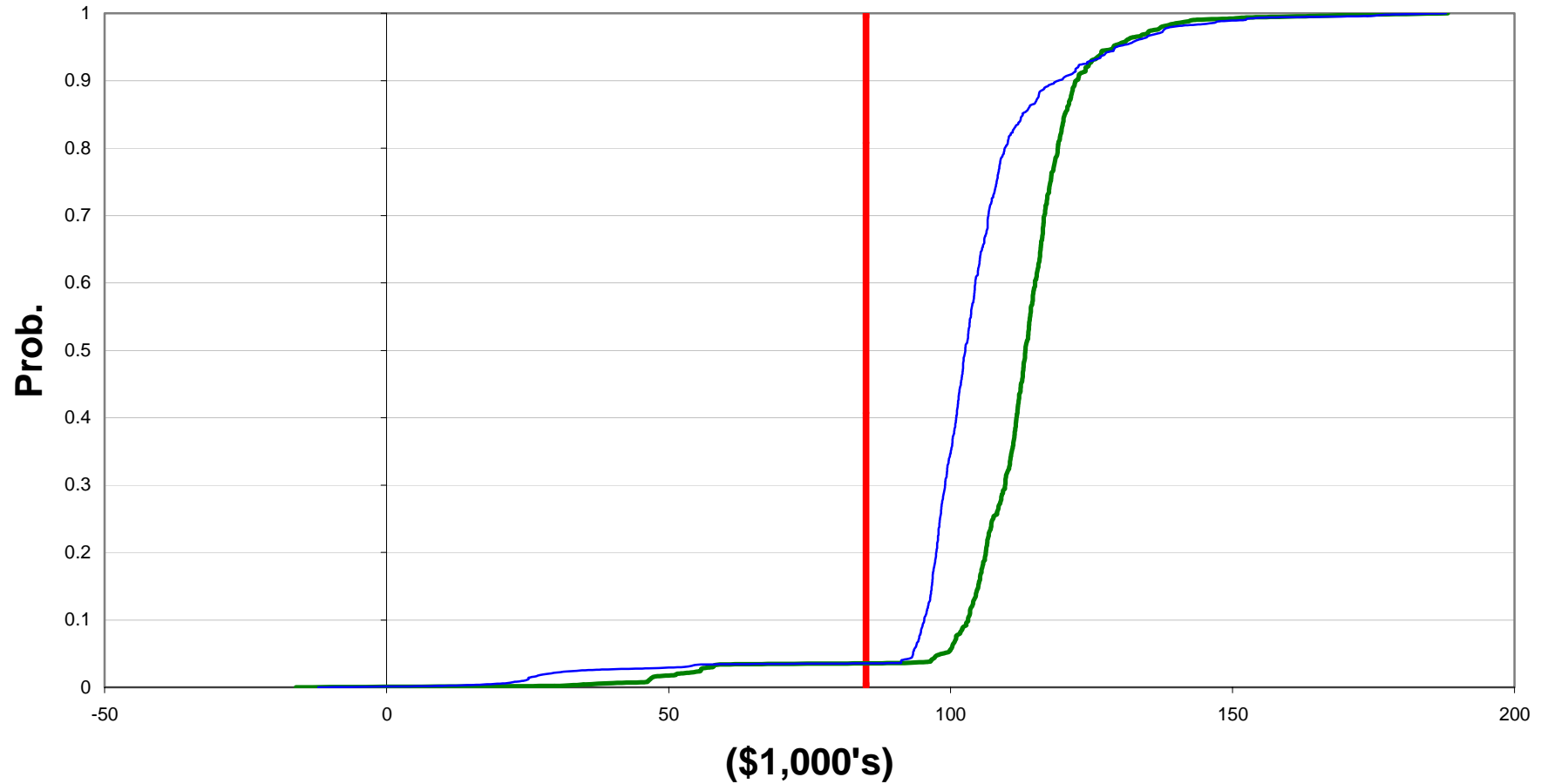
Assumptions for Payment Limitations

- H.R.2646
 - CCP limit \$ 75,000
 - Fixed payment limit \$ 50,000
 - LDP limit \$150,000
 - 3 entity total \$550,000
- S.1731
 - CCP and Fixed limit \$ 75,000
 - LDP (no certification) \$150,000
 - Qualified spouse \$ 50,000
 - 1 entity total \$ 275,000

Figure 1. Representative Farms and Ranches

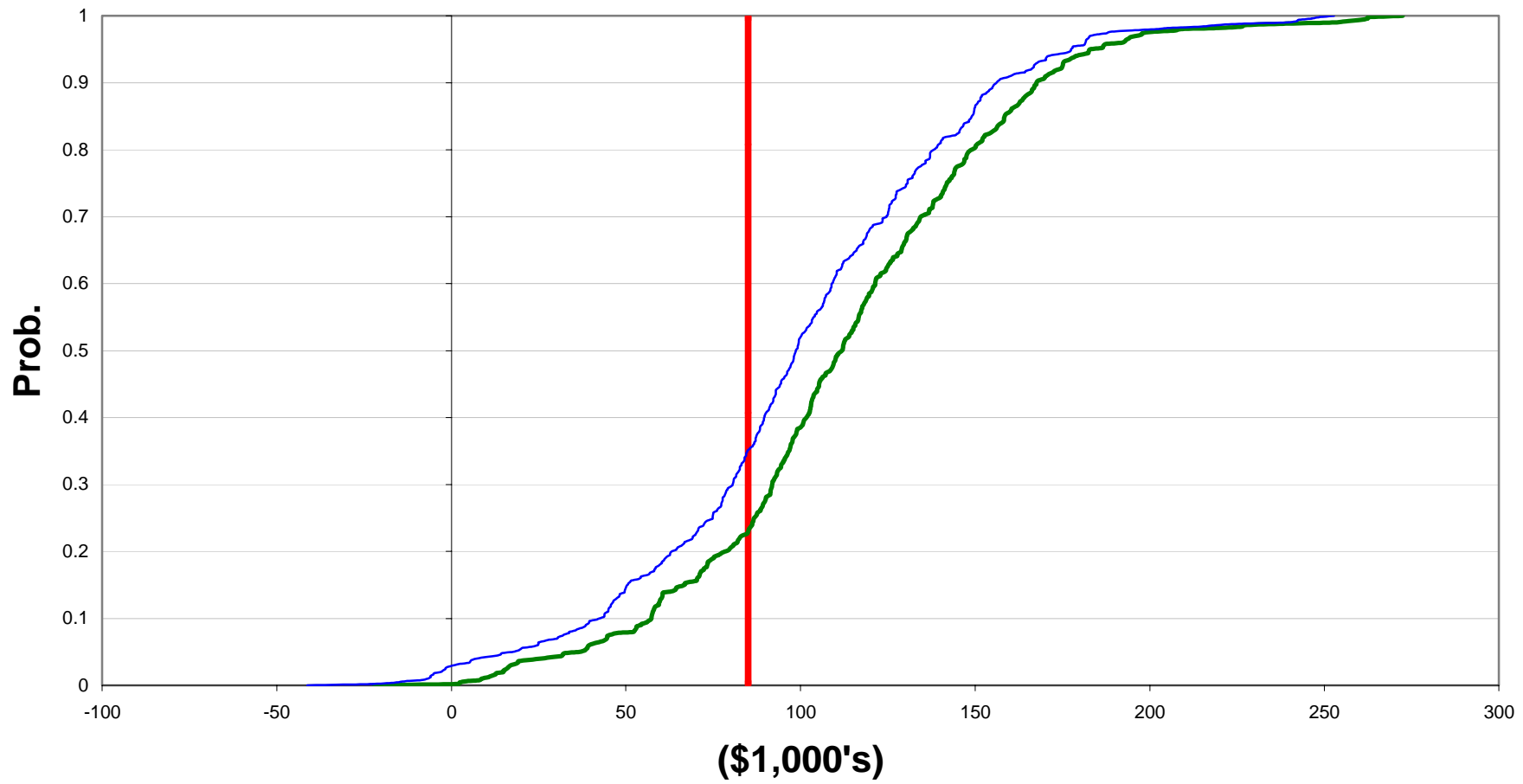


Net Cash Income Under HR2646 and S1731 for 2003: IAG950



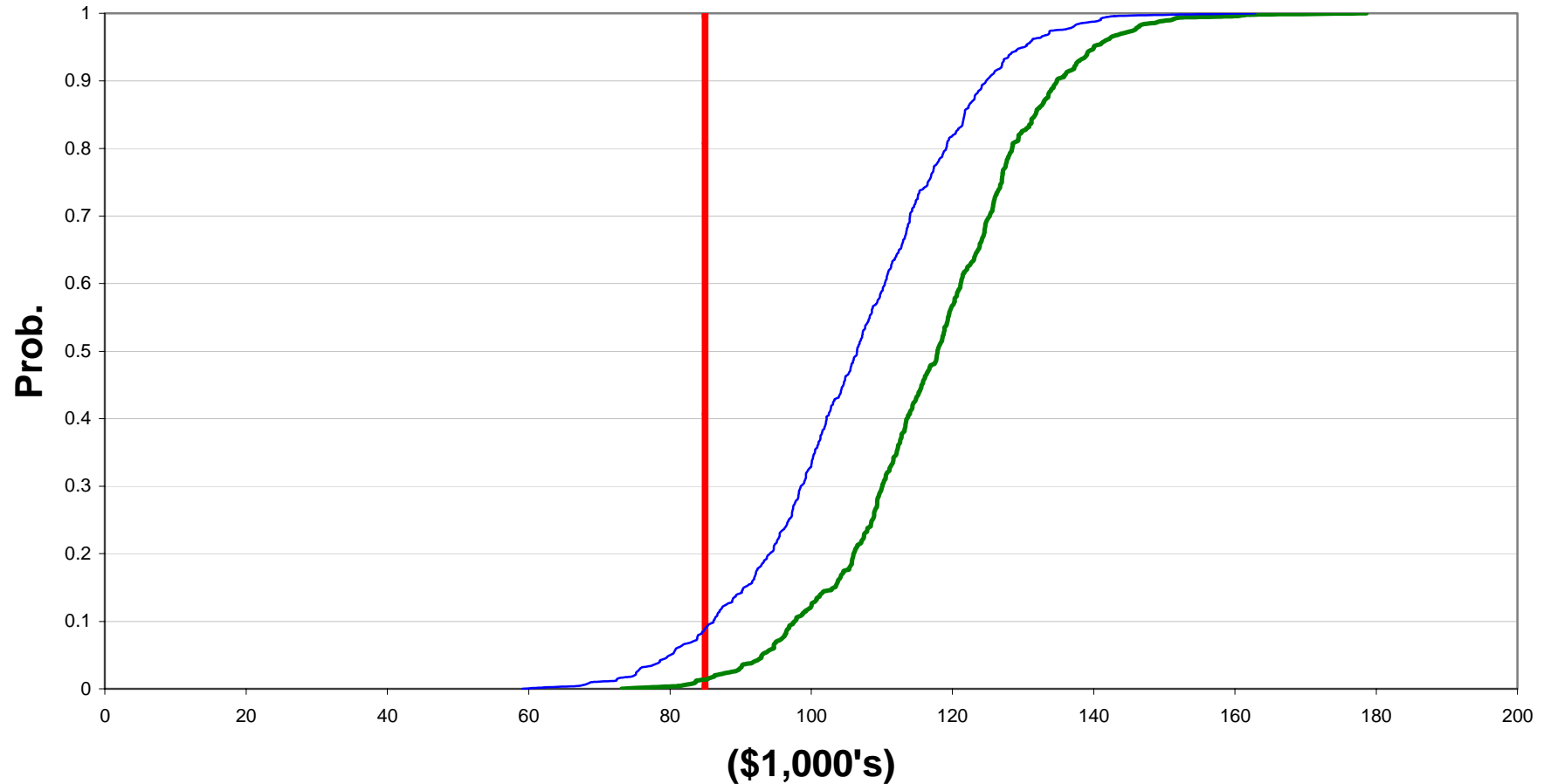
— Minimum Cash Needs — HR2646 — S1731

Net Cash Income Under HR2646 and S1731 for 2006: IAG950



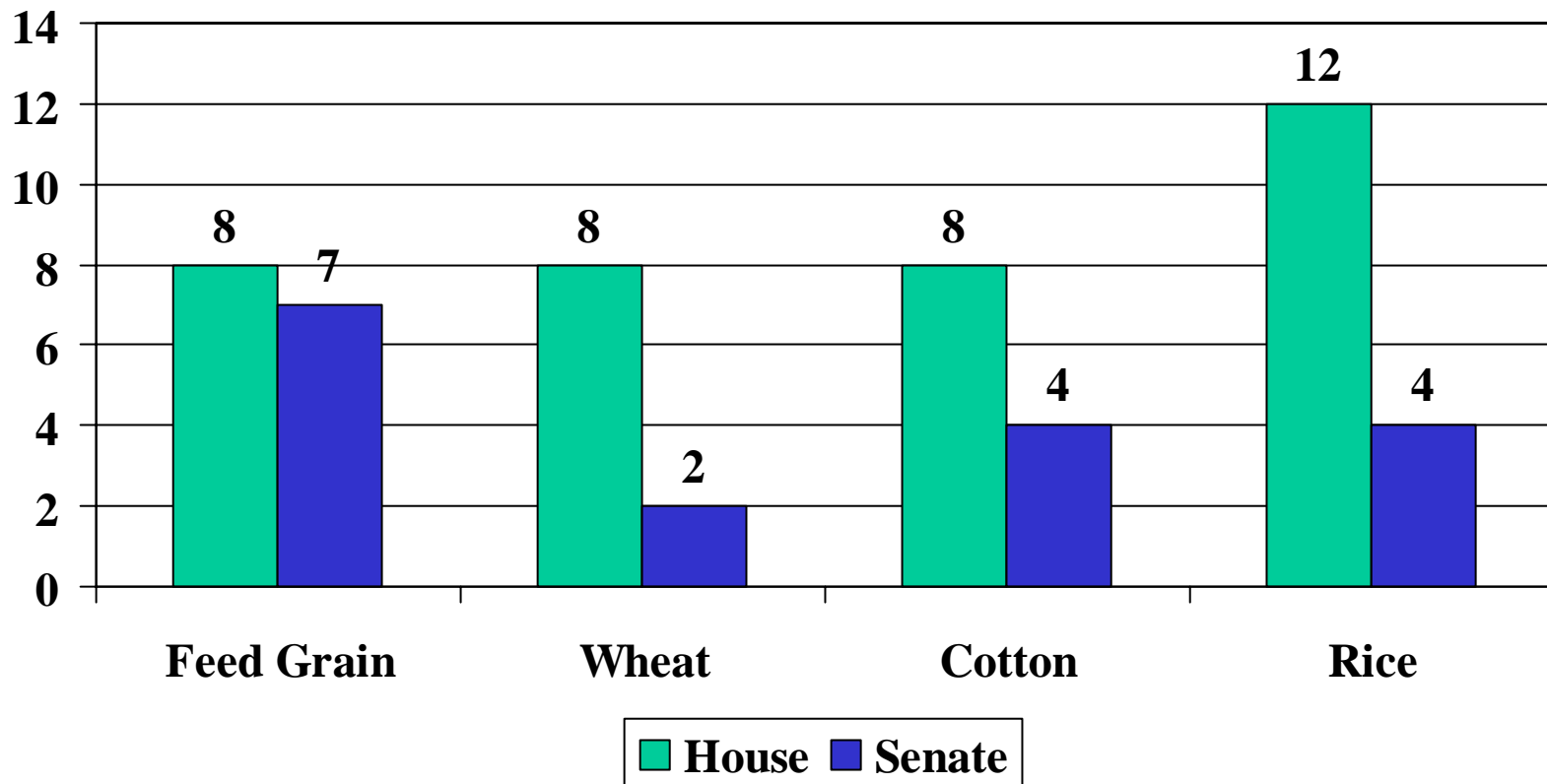
— Minimum Cash Needs — HR2646 — S1731

Net Cash Income Under HR2646 and S1731 for 2002-2010: IAG950

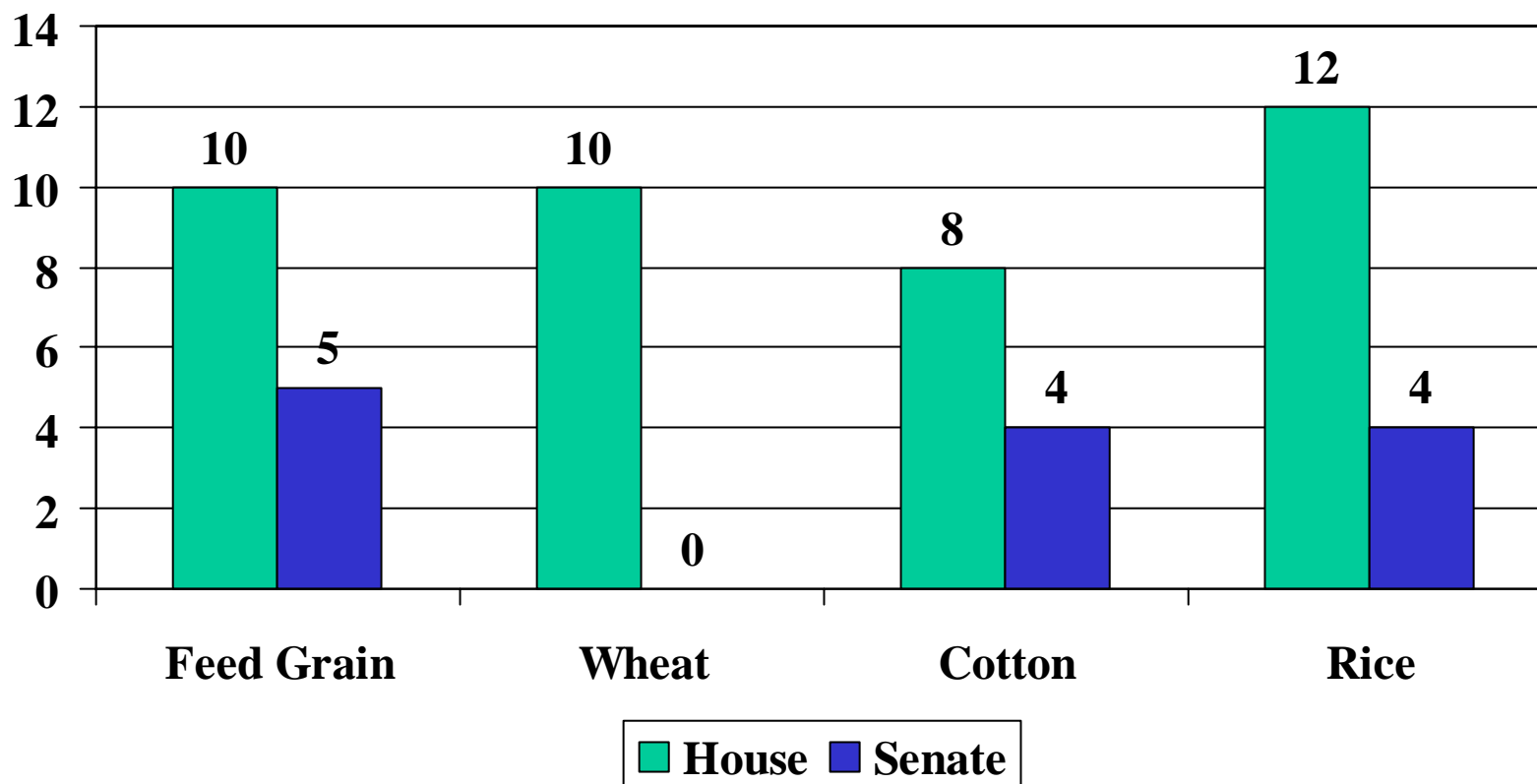


— Minimum Cash Needs — HR2646 — S1731

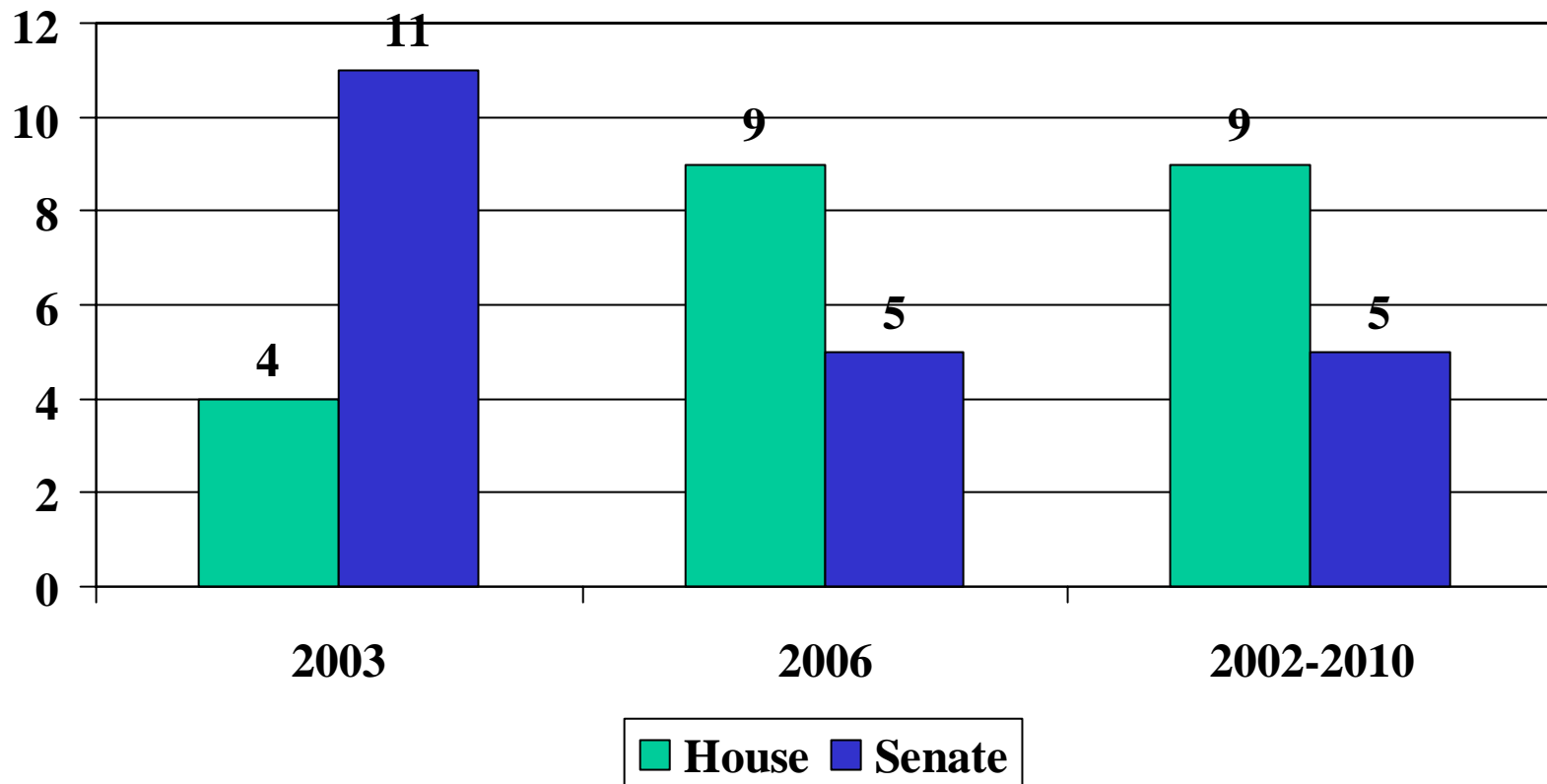
Preference for H.R.2646 vs. S.1731 for Crop Farms Based on Change in Net Worth 2002-2010



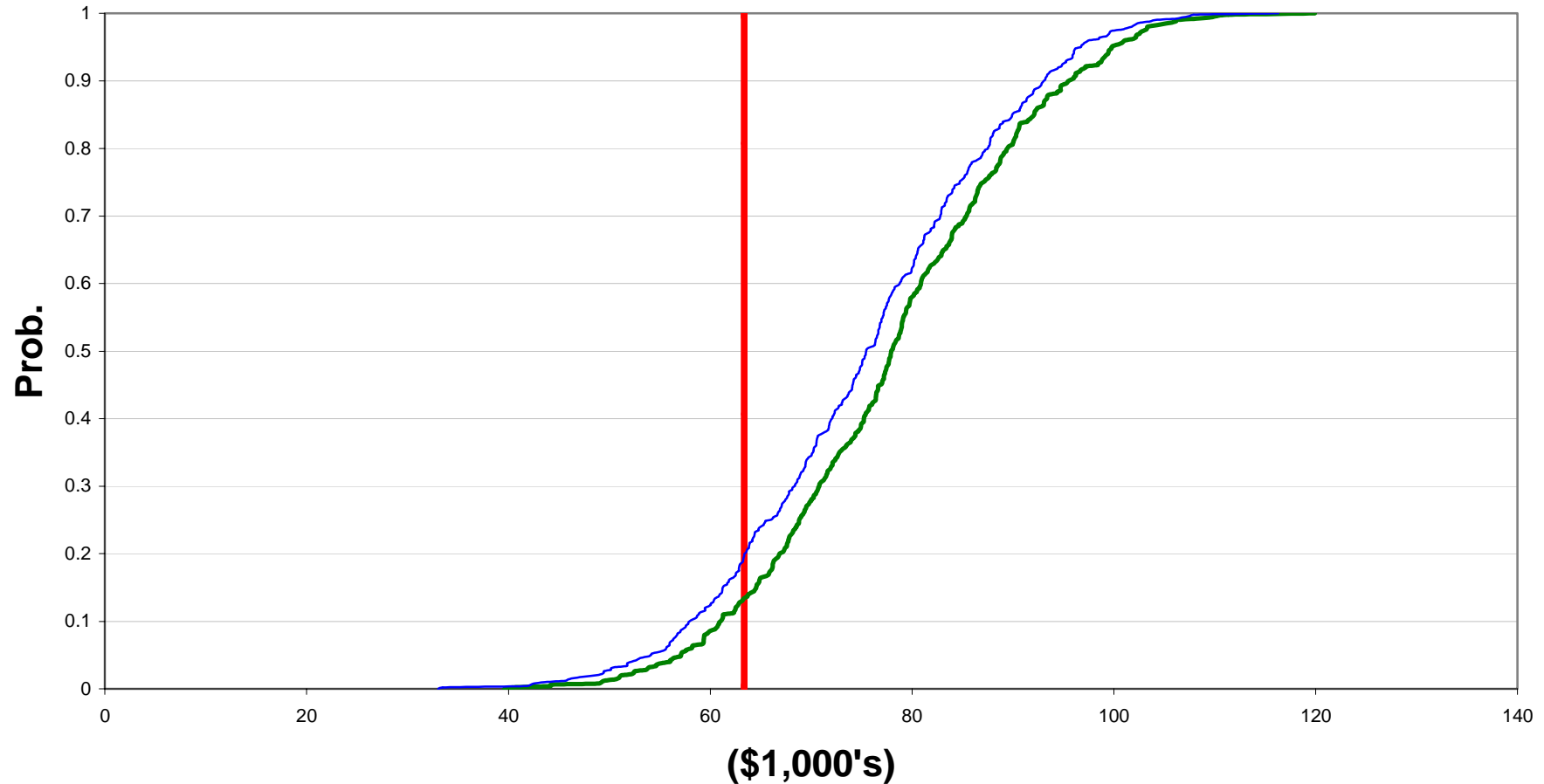
Preference for H.R.2646 vs. S.1731 for Crop Farms Based on Net Cash Income 2002-2010



Preference for H.R.2646 vs. S.1731 for Feed Grain Farms Based on Net Income Risk

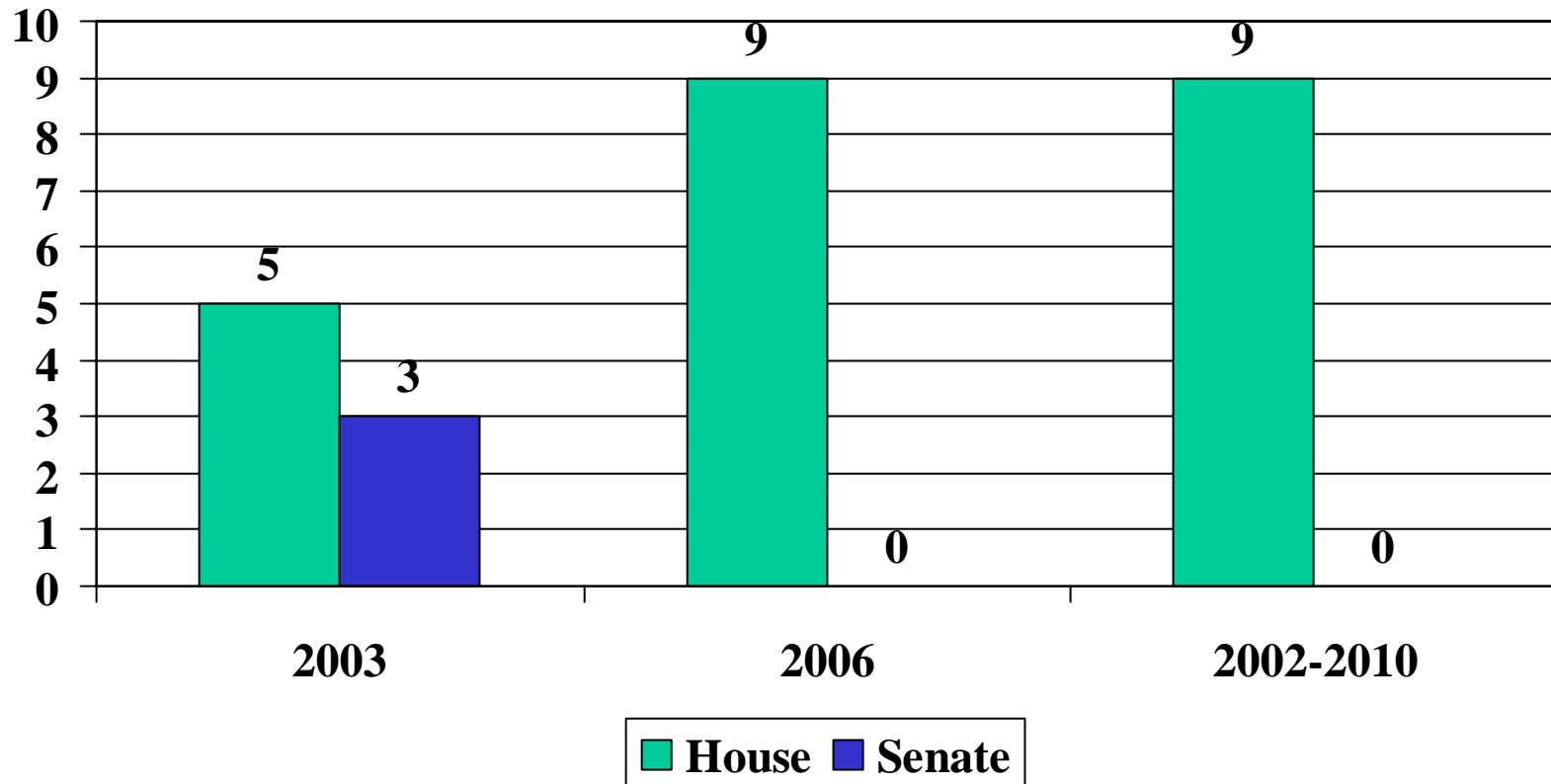


Net Cash Income Under HR2646 and S1731 for 2002-2010: NDW1760

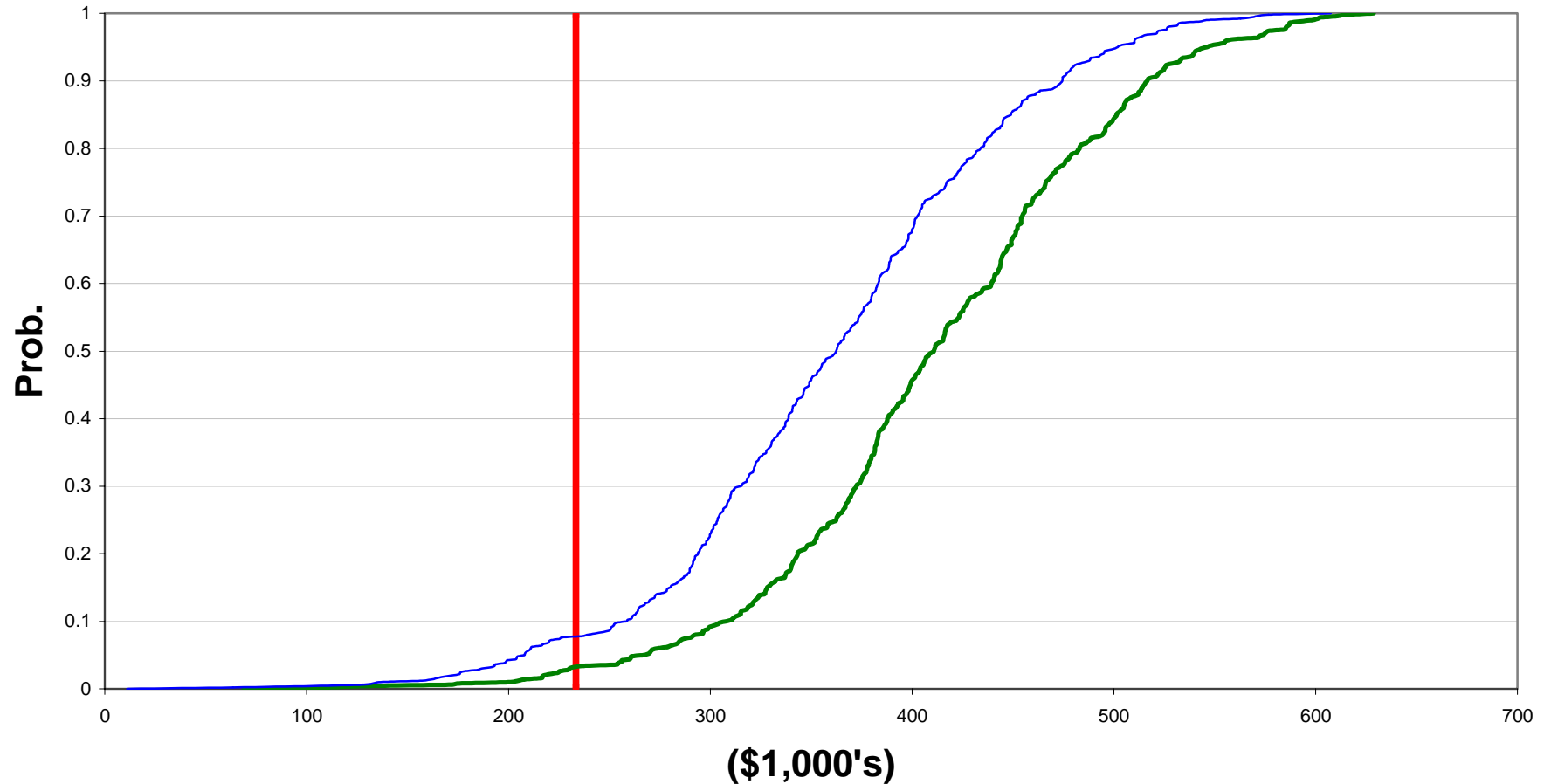


— Minimum Cash Needs — HR2646 — S1731

Preference for H.R.2646 vs. S.1731 for Wheat Farms Based on Net Income Risk

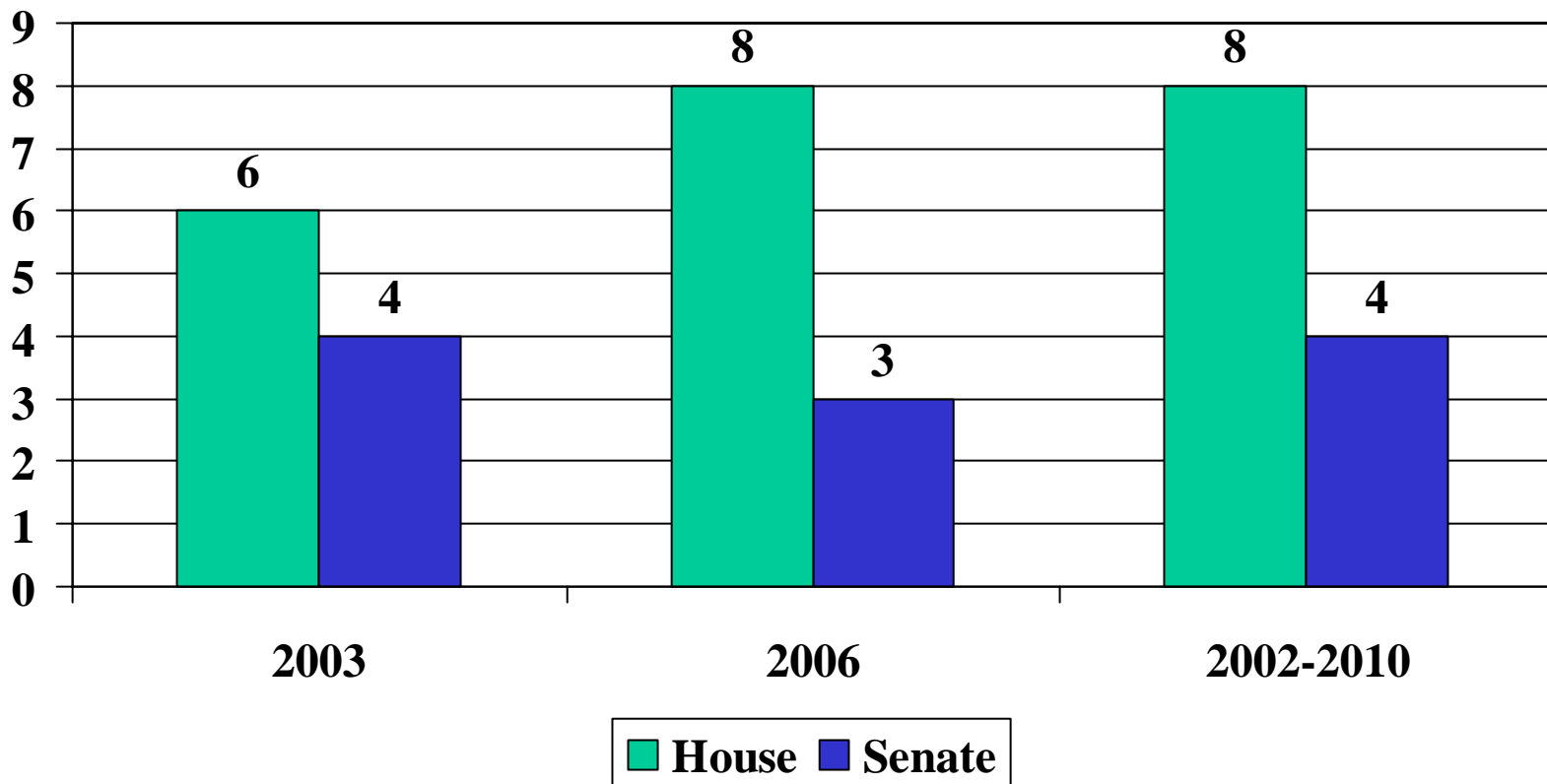


Net Cash Income Under HR2646 and S1731 for 2002-2010: ALC3000

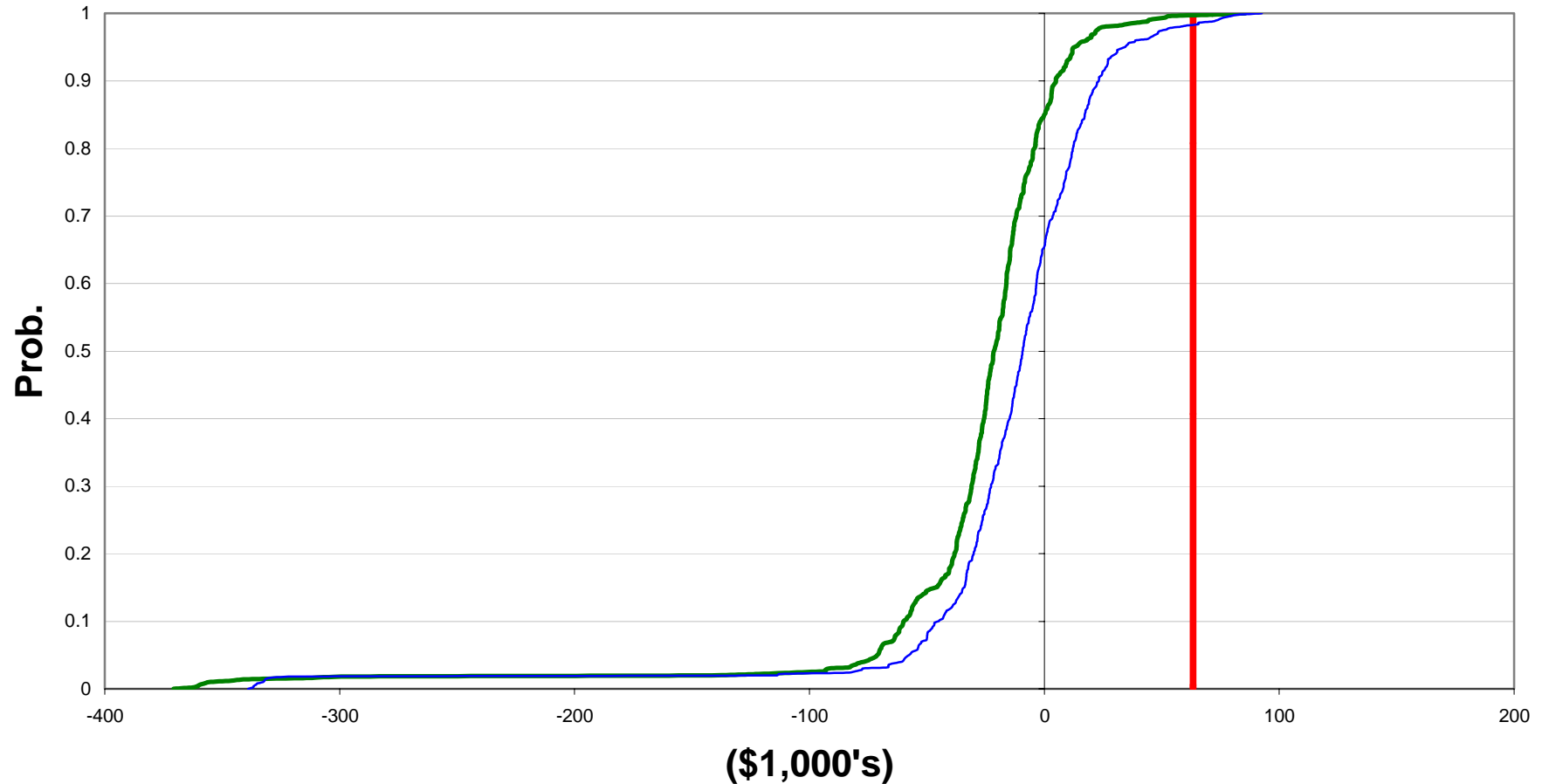


— Minimum Cash Needs — HR2646 — S1731

Preference for H.R.2646 vs. S.1731 for Cotton Farms Based on Net Income Risk

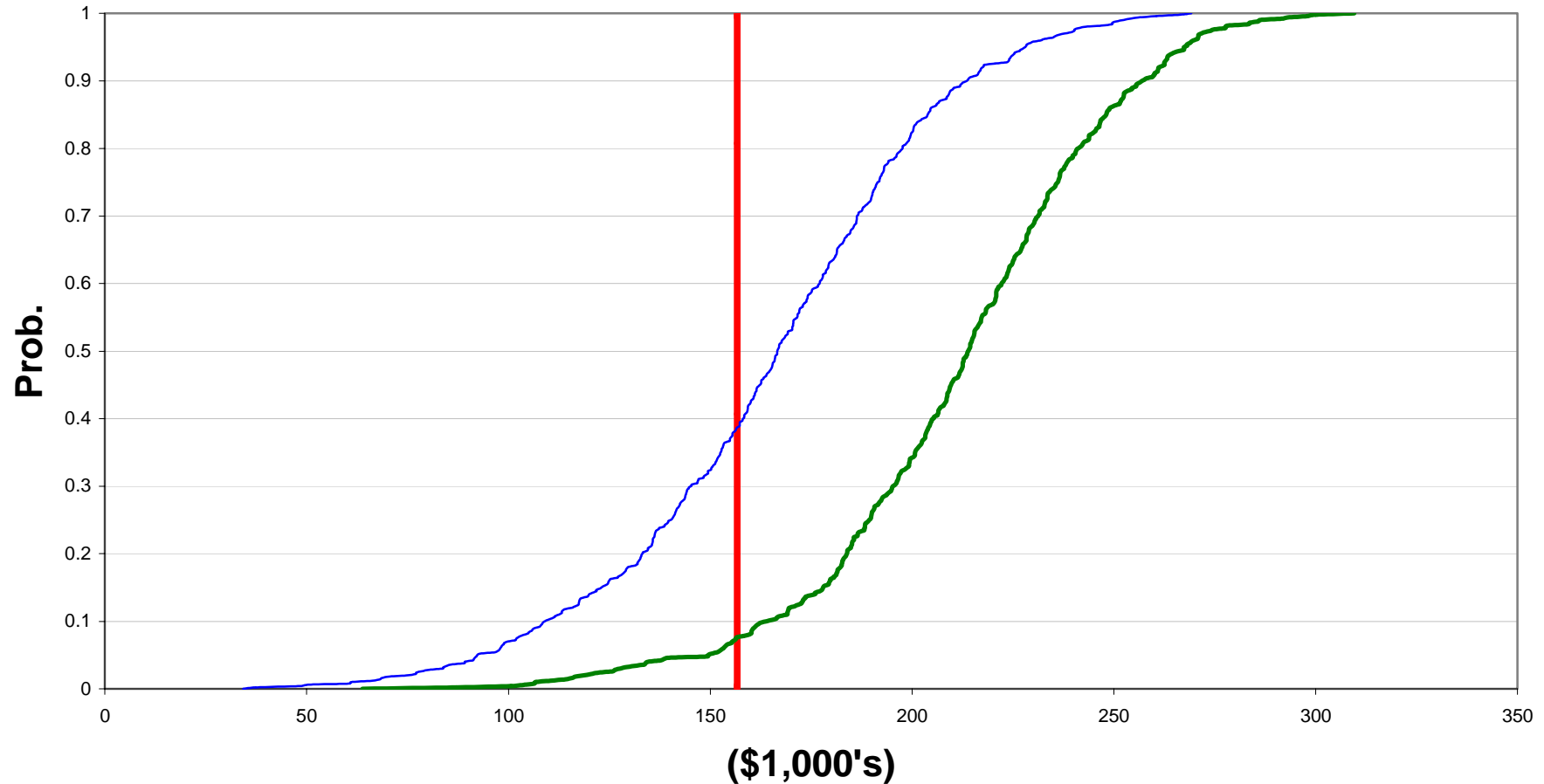


Net Cash Income Under HR2646 and S1731 for 2002-2010: TXR1650



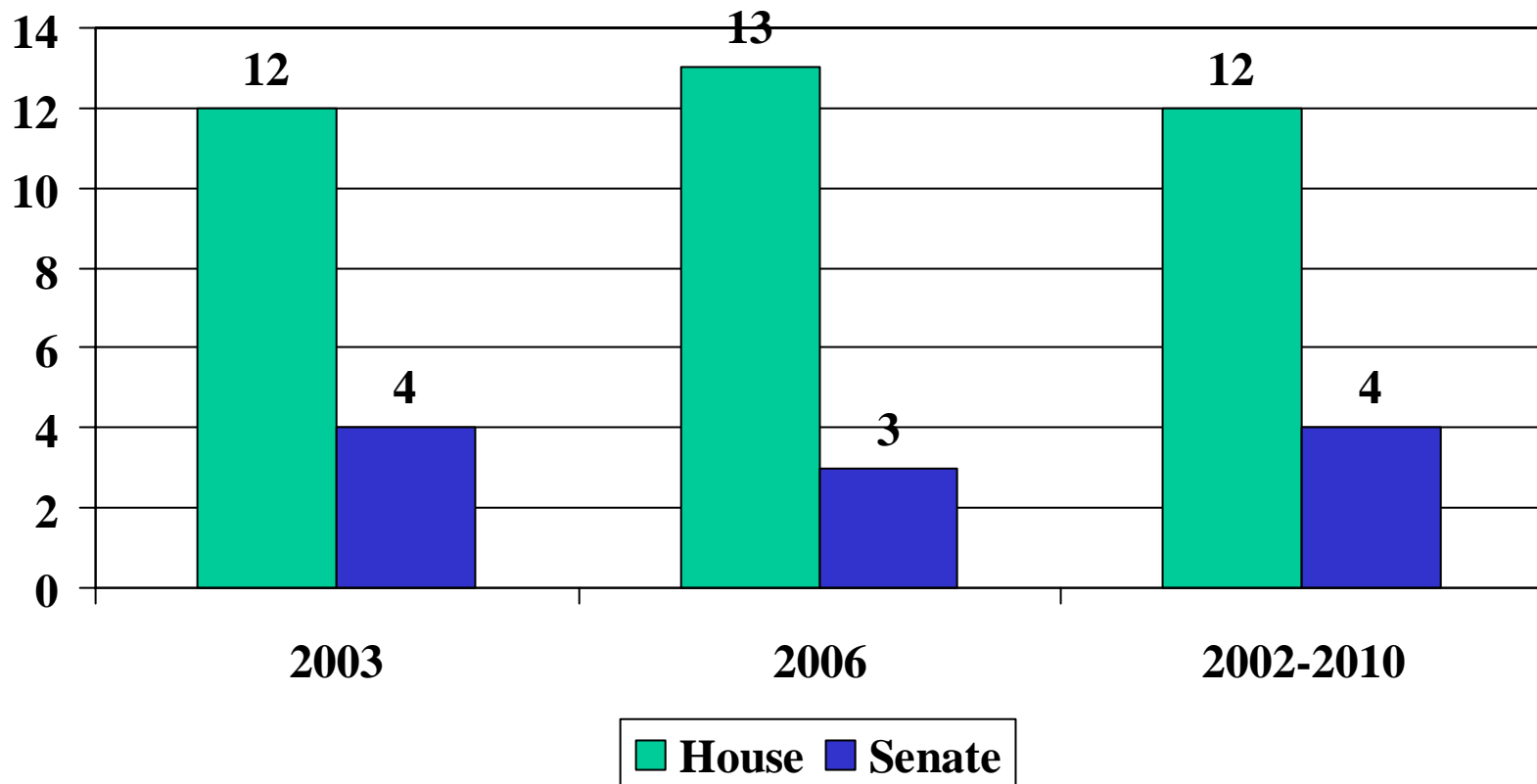
— Minimum Cash Needs — HR2646 — S1731

Net Cash Income Under HR2646 and S1731 for 2002-2010: TXR3774

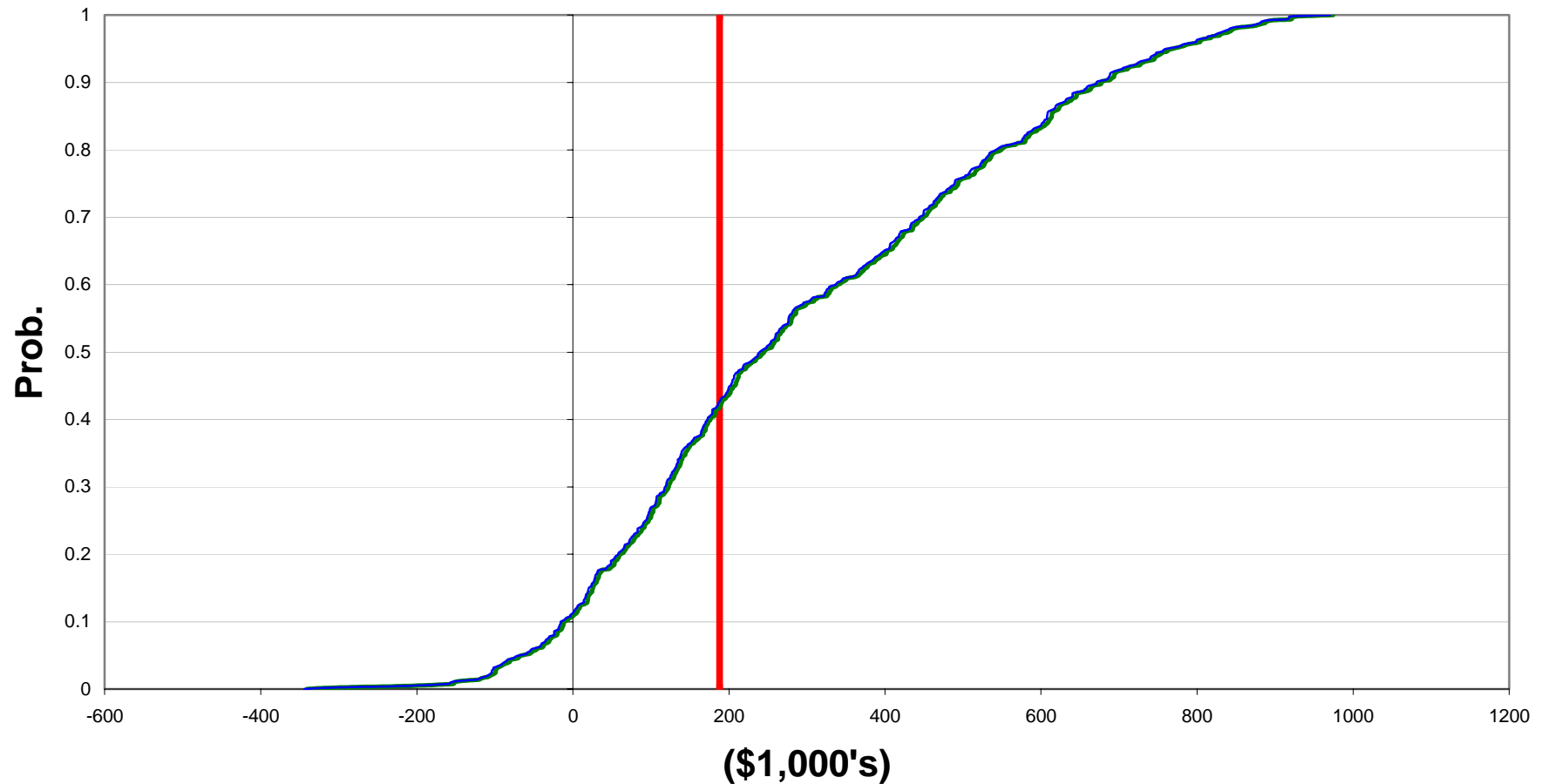


— Minimum Cash Needs — HR2646 — S1731

Preference for H.R.2646 vs. S.1731 for Rice Farms Based on Net Income Risk

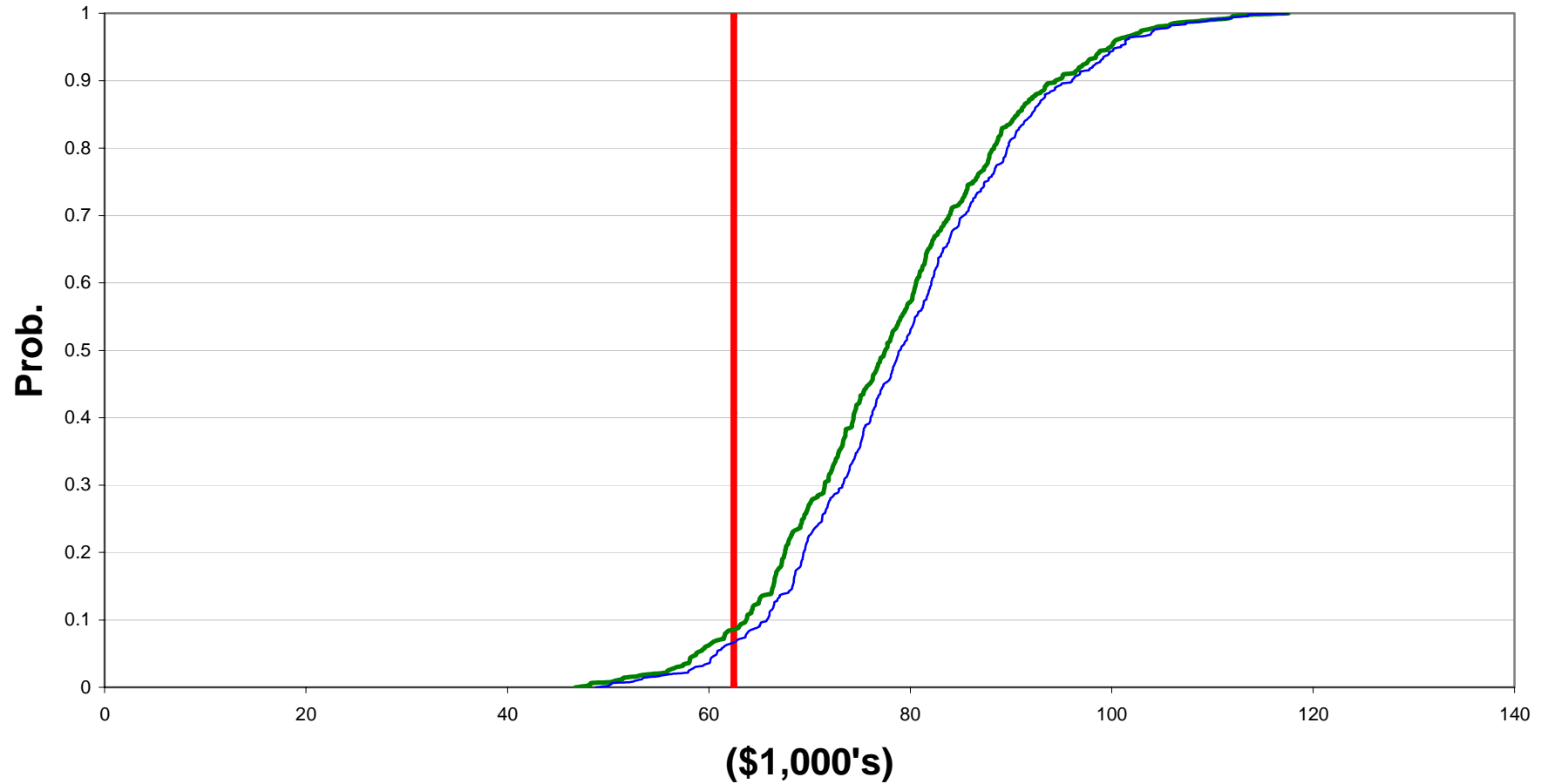


Net Cash Income Under HR2646 and S1731 for 2006: WID600



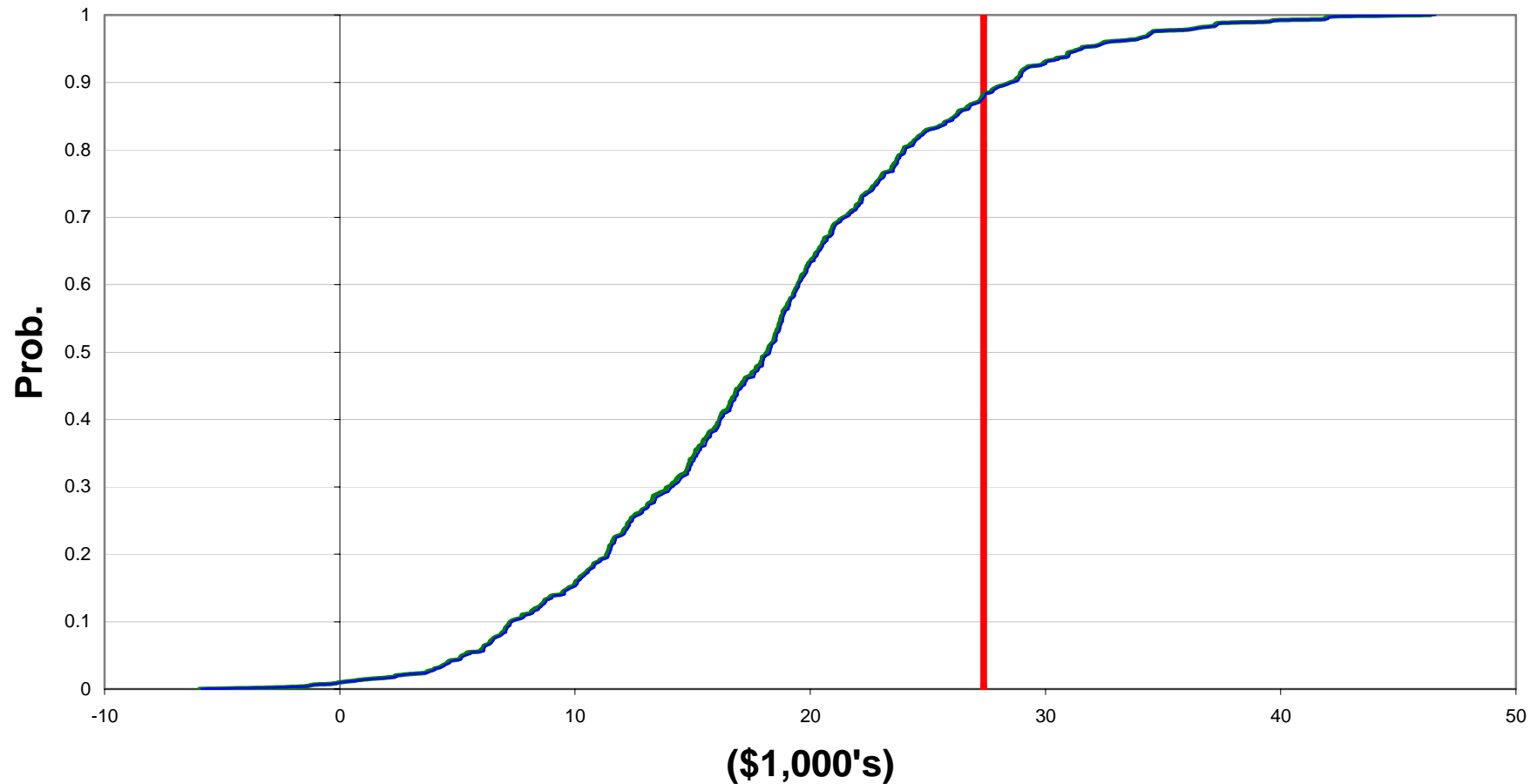
— Minimum Cash Needs — HR2646 — S1731

Net Cash Income Under HR2646 and S1731 for 2002-2010: WID70



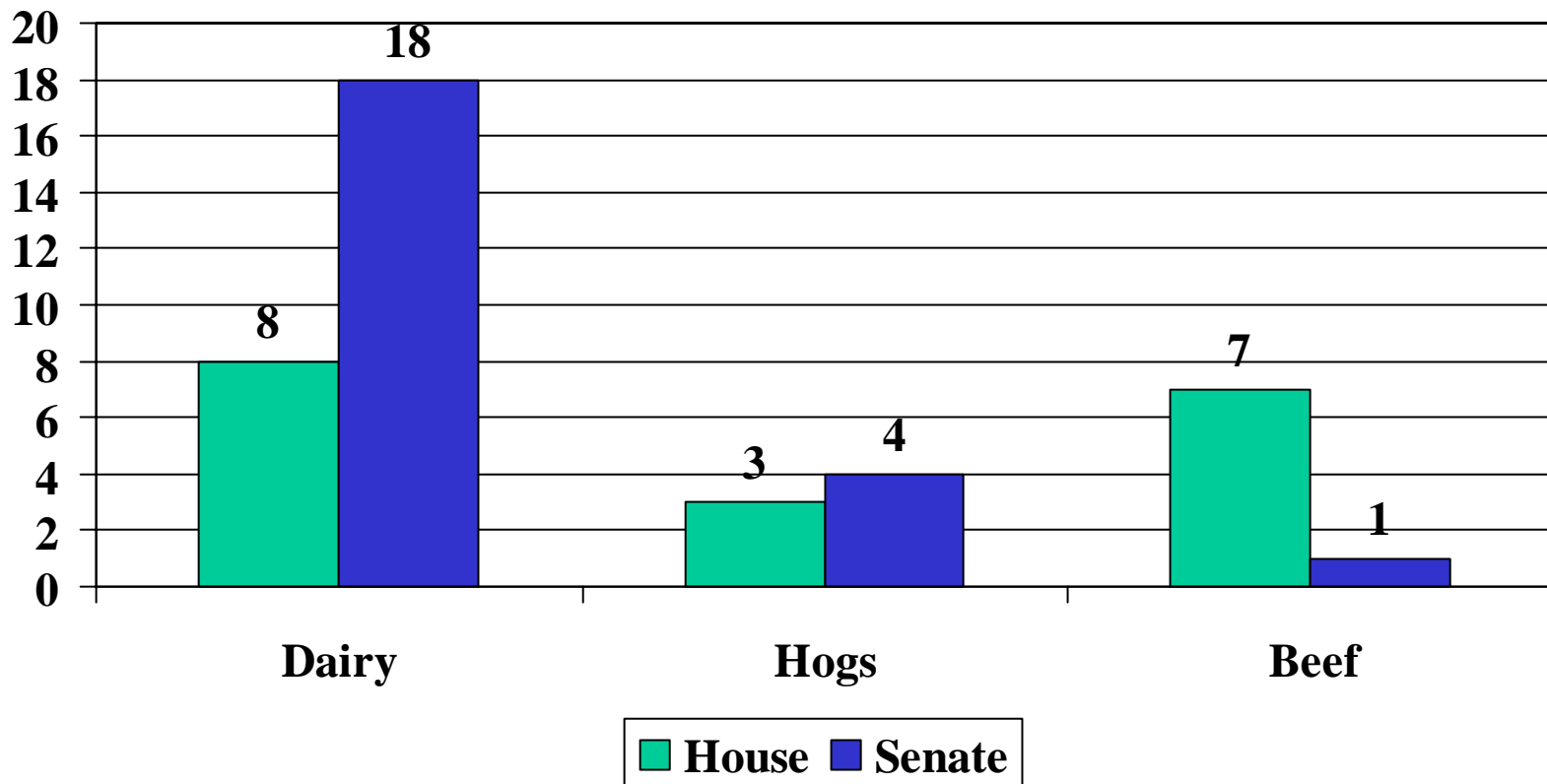
— Minimum Cash Needs — HR2646 — S1731

Net Cash Income Under HR2646 and S1731 for 2002-2010: MOCB350

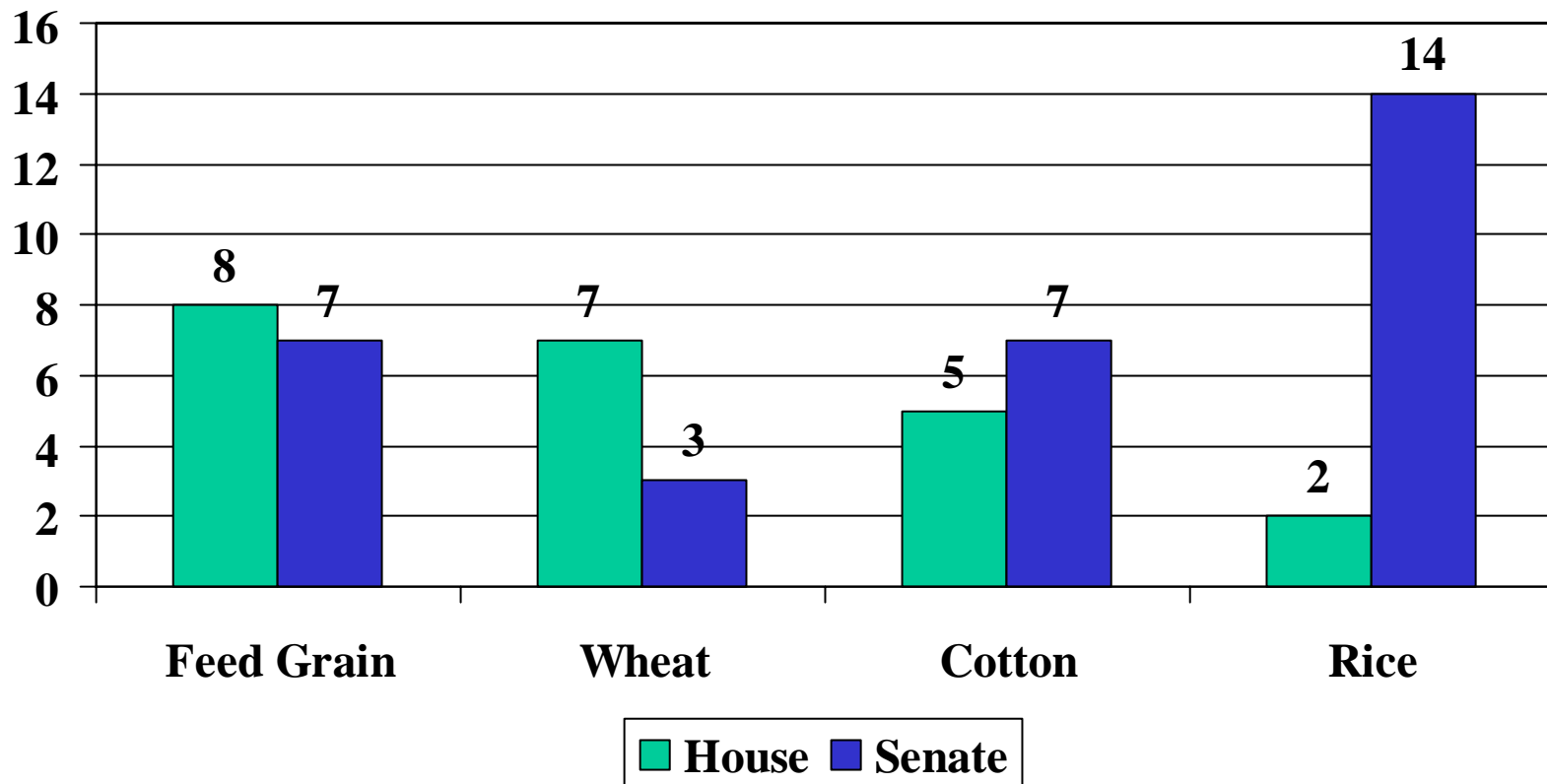


— Minimum Cash Needs — HR2646 — S1731

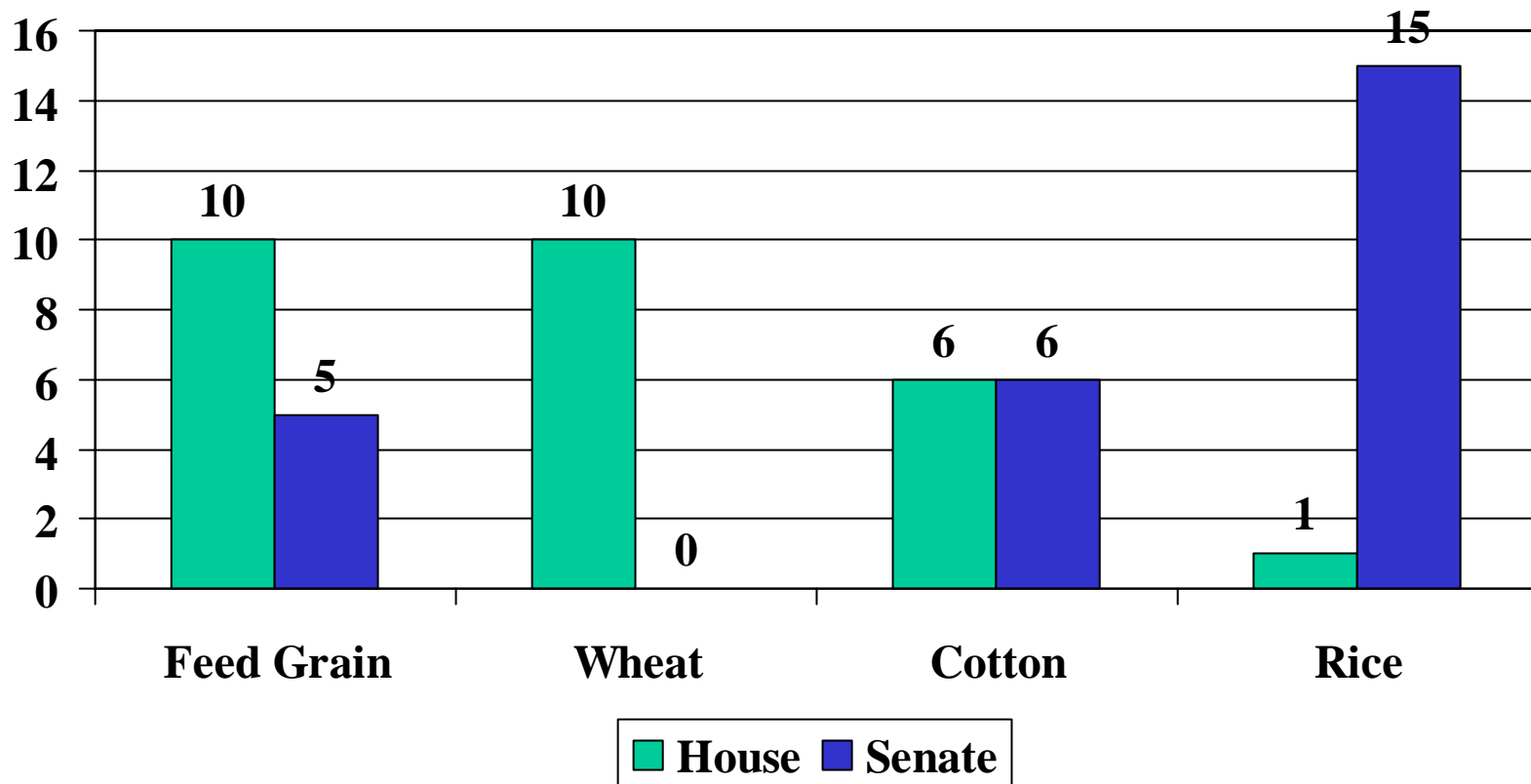
Preference for H.R.2646 vs. S.1731 for Livestock Farms Based on Change in Net Worth 2002-2010



Preference for H.R.2646 vs. S.1731 Under 3 Entity Rule for Change in Real Net Worth



Preference for H.R.2646 vs. S.1731 Under 3 Entity Rule for Average Annual Net Cash Income



Effects of H.R. 2646 with 3 Entity Rule in Place on Cotton Farms

Farms	P(Exceeding Limits) %			Loss in Payments (\$1000)			
	LDP	Fixed	CCP	LDP	Fixed	CCP	Total
TXSP1682	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TXSP3697	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TXRP2500	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TXBC1400	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TXCB1720	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAC2000	0.0	0.0	38.5	0.0	0.0	11.5	11.5
LAC2640	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ARC5000	0.0	100.0	43.8	0.0	76.0	19.8	95.9
ALC3000	0.0	0.0	36.9	0.0	0.0	10.0	10.0
NCC1500	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TNC1900	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TNC4050	0.0	0.0	35.1	0.0	0.0	8.5	8.5

Effects of S.1731 with 1 Entity Rule in Place on Cotton Farms

	P(Exceeding Limits) %		Loss in Payments (\$1000)			
	LDP	Fixed/CCP	LDP	Fixed	CCP	Total
TXSP1682	0.0	0.0	0.0	0.0	0.0	0.0
TXSP3697	27.2	72.2	13.0	16.1	17.5	46.5
TXRP2500	0.0	0.0	0.0	0.0	0.0	0.0
TXBC1400	0.0	0.0	0.0	0.0	0.0	0.0
TXCB1720	0.0	0.0	0.0	0.0	0.0	0.0
CAC2000	4.0	65.1	0.7	21.9	13.5	36.1
LAC2640	16.6	39.9	5.8	2.4	0.8	9.0
ARC5000	84.2	100.0	158.2	211.4	54.3	423.9
ALC3000	26.9	62.0	15.9	16.9	9.7	42.4
NCC1500	2.2	0.0	0.4	0.0	0.0	0.4
TNC1900	0.1	0.0	0.0	0.0	0.0	0.0
TNC4050	45.8	73.1	41.2	35.5	21.6	98.3