

**SELECTED KEY POLICY QUESTIONS FOR 2007 FARM BILL:
COMMODITY PROGRAMS, CONSERVATION, TRADE, AND ENERGY**

**Carl Zulauf, Professor, Ohio State University
As of May 11, 2007**

Commodity Programs

- ▶ Should farm programs focus on (1) enhancing farm income or (2) helping farmers manage price/revenue risk?
- ▶ Should price support programs (loan deficiency and counter-cyclical program) be replaced in part or in total with a gross revenue (price times yield) support programs?
- ▶ Should the direct payment program be redesigned as a “green payments” program? More broadly, should direct payments be reduced, even eliminated; with the \$5.2 billion in annual spending redistributed among other programs?
- ▶ Should permanent disaster assistance be authorized? Currently, disaster assistance is authorized on an *ad hoc* basis.
- ▶ Should the farm insurance program be brought into the Farm Bill? Historically, insurance has been addressed in separate legislation.
- ▶ Should the restriction on planting fruits and vegetables by farm program recipients (e.g. corn and soybean producers) be eliminated to comply with a WTO ruling? If “yes,” what assistance should be enacted for fruit and vegetable (more broadly, specialty crop) producers?
- ▶ What should be the limits on farm payments?

Conservation

- ▶ Should the criteria used to decide which areas and/or farmers receive funds from farm environmental programs be based on (1) the highest environmental benefits or (2) be distributed equally across U.S. farm land?
- ▶ Is the current portfolio of conservation programs appropriate or should they be streamlined?
- ▶ Should funding for the Conservation Security Program be increased?
- ▶ Should the Conservation Security Program only pay for new improvements in environmental performance and no longer pay producers for existing good stewardship practices?
- ▶ Should the number of acres allowed in the Wetland Reserve Program be increased?
- ▶ Under what conditions, if any, should Conservation Reserve Program land be opened up to growing crops used for cellulose-derived ethanol?
- ▶ Is current compliance monitoring and reporting adequate to ensure that funded practices are being installed and that environmental benefits are being achieved?

Trade

- ▶ Should Congress act in advance to address programs that may conflict with multilateral trade agreements or maintain them as negotiating positions/tactics?
- ▶ What actions should be taken pursuant to the World Trade Organization’s ruling against the U.S. cotton program?
- ▶ Should export promotion programs be targeted at bulk commodities or processed commodities?
- ▶ Should export promotion programs be expanded for fruits and vegetables?

Energy

- ▶ How will jurisdictional issues between the agricultural and energy committees in the House of Representatives and Senate affect what is written in the Farm Bill?
- ▶ Should funding for bio-energy research projects be directed toward basic research that is broadly applicable or toward specific technologies?
- ▶ Should funding be directed at research that increases yields of crops, corn, switchgrass, etc.?
- ▶ What share of research funding should go to cellulose-based energy?