

The Ogallala Aquifer and the Next Farm Bill

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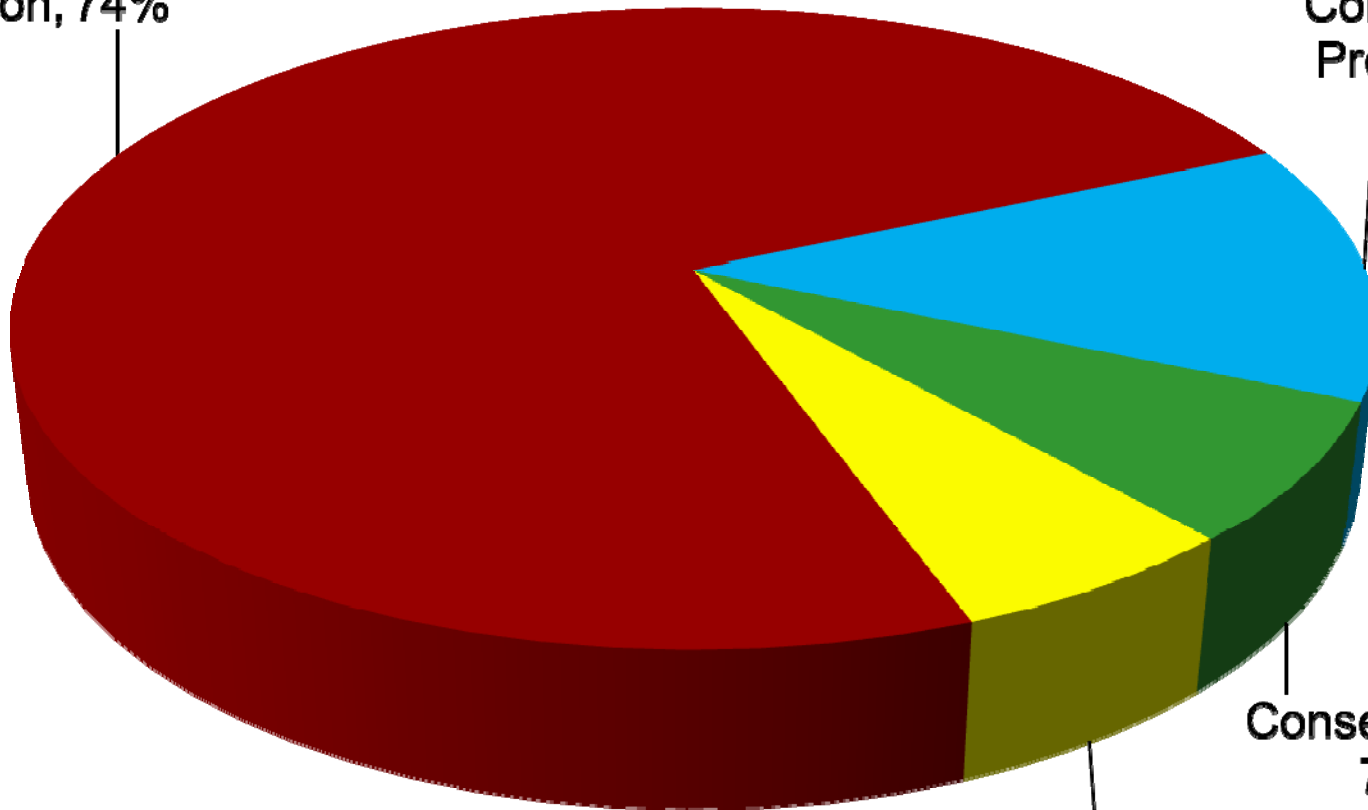
Driving Factors for Next Farm Bill

- Federal Budget
- Economic Conditions
- Trade/WTO Commitments
- Politics

USDA Outlays, FY2012

Nutrition, 74%

Commodity Programs, 13%



Conservation, 7%

Other, 6%

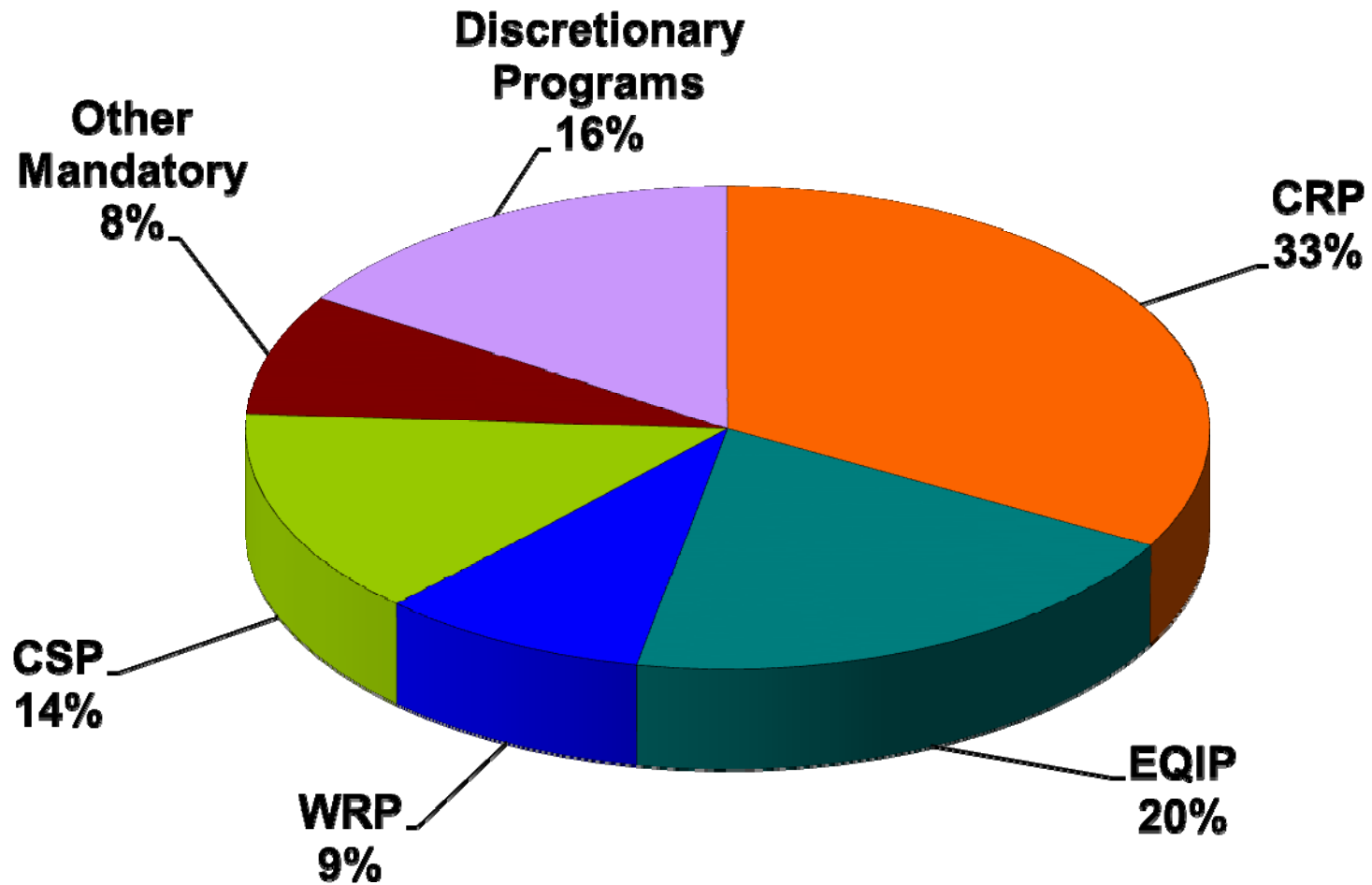
Total Outlays FY2012 = \$145 billion

U.S. Commodity Subsidies by Program

Program	2008	2009	2010E	2011E
	Million \$			
Direct Payment	4,821	5,222	5,144	4,963
ACRE	0	0	0	734
CCP	359	731	1,079	749
LDP/MLG	6	146	183	24

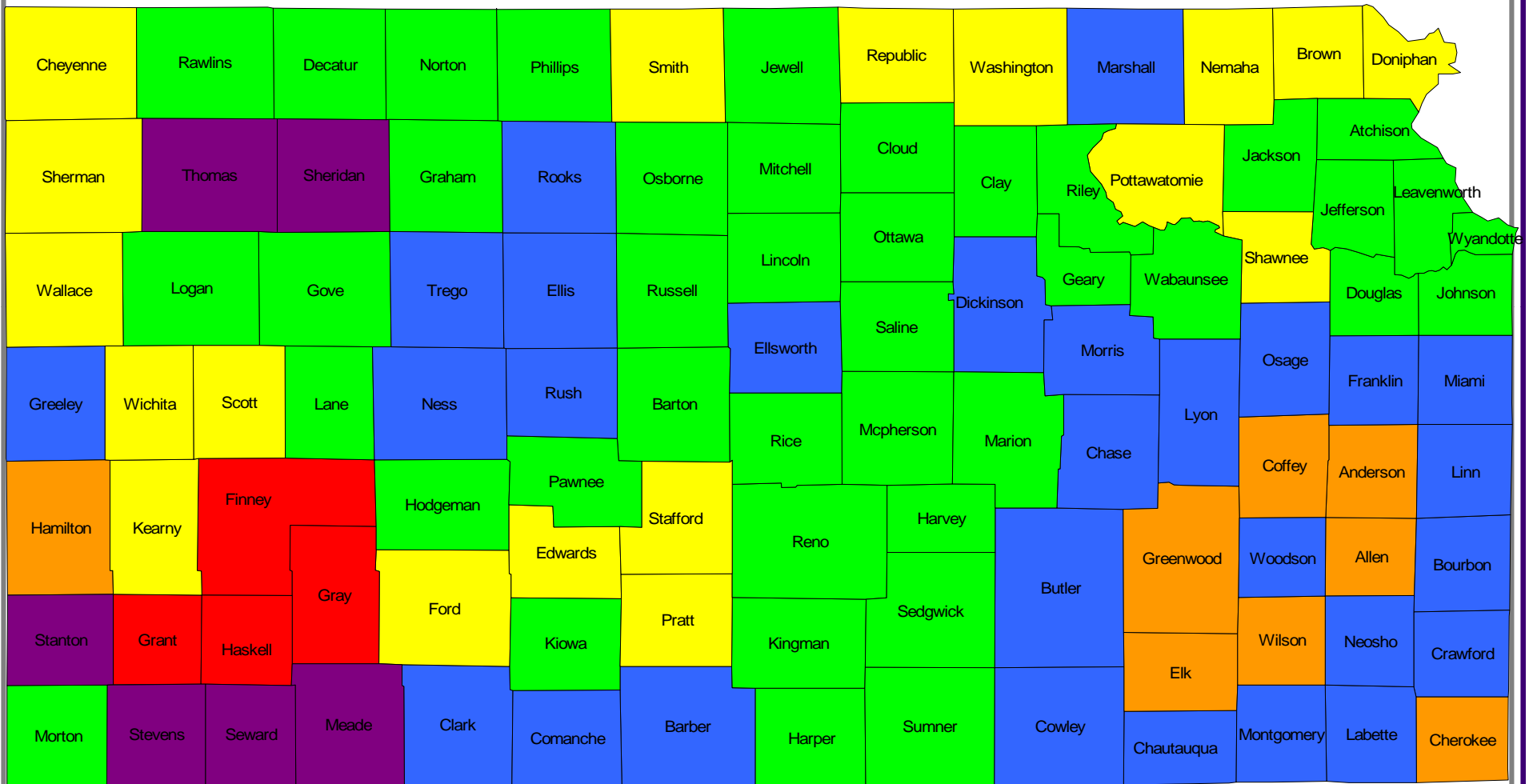
Source: Economic Research Service, USDA

Conservation Programs

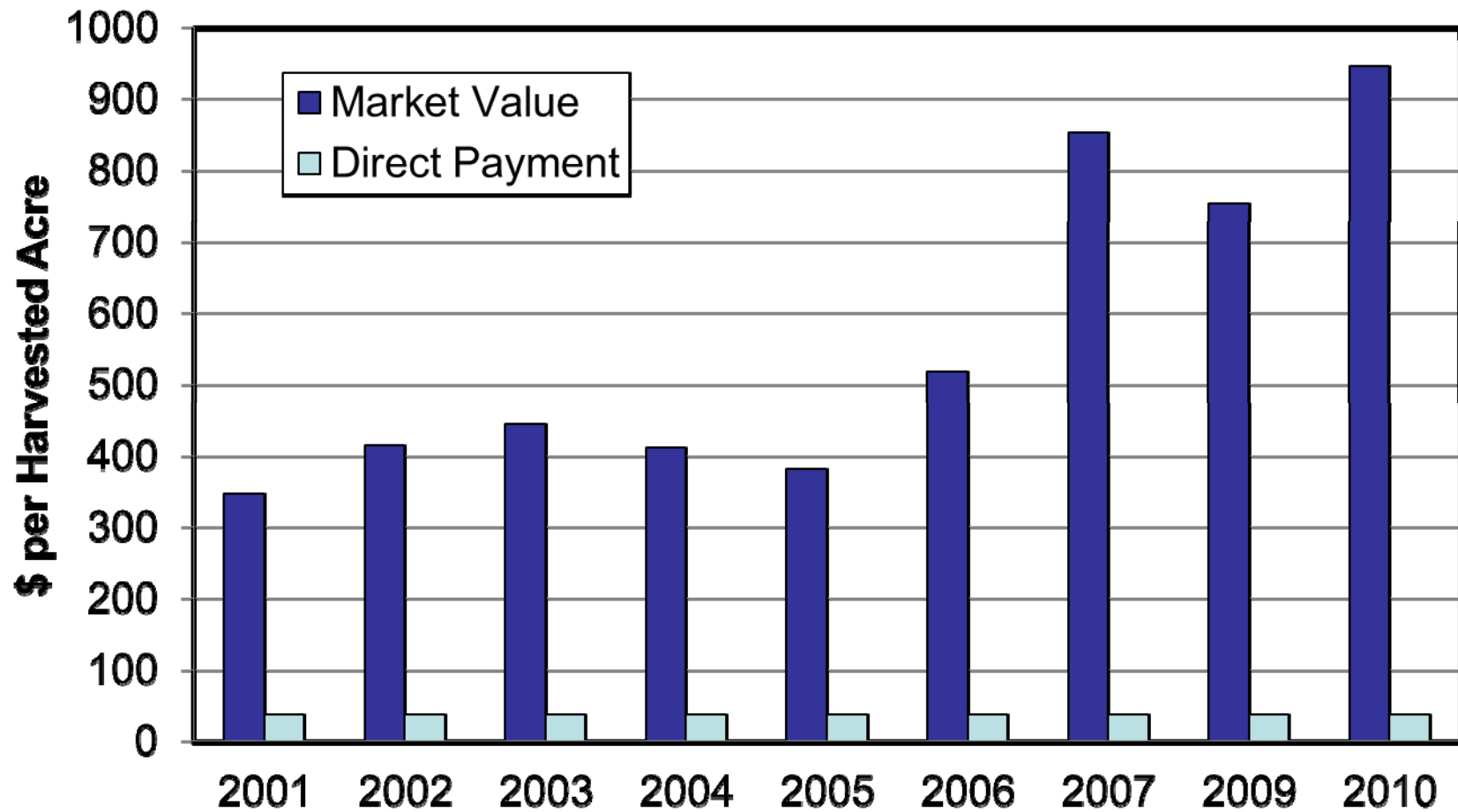


FY2012 Budget = \$6.7 billion

Kansas Direct Payments Per Acre By County



Market Value of Irrigated Corn in Haskell County



Budget Proposals

- House Budget Proposal
 - Cut \$30 billion from commodity programs and crop insurance & \$18 billion from conservation
- Biden negotiations
 - Cut \$30 to \$34 billion from Agriculture
- “Gang of Six”
 - Cut \$11 billion from Agriculture
- Presidential Debt Commission
 - Cut \$10 billion from Agriculture
- Reid Plan
 - Reduce DP payment acreage from 85 to 59%

Budget Baseline

- 37 current programs have no budget baseline beyond 2012
- 12 of 15 Farm Bill titles have programs with no baseline after 2012
- Through 2017 the value of these programs is estimated at \$9-\$10 billion
 - Largest baseline reductions come in ag disaster assistance, conservation, and energy titles
- SRA reduces baseline by \$6 billion over 10 years

Source: CRS, *Previewing the Next Farm Bill: Unfunded and Early-Expiring Provisions*

The “Super Committee”

	Democrats	Republicans
Senate	Patty Murray*, WA Max Baucus, MT John Kerry, MA	Jon Kyl, AZ Pat Toomey, PA Rob Portman, OH
House	Jim Clyburn, SC Xavier Becerra, CA Chris Van Hollen, MD	Jeb Hensarling*, TX Dave Camp, MI Fred Upton, MI

* Co-Chair

KSU-Lease 2012 Irrigated.xls [Compatibility Mode] - Microsoft Excel

File Home Insert Page Layout Formulas Data Review View

Clipboard Font Alignment Number Styles Cells Editing

F32 =IF(F8=1,"",F14-F31)

CROP BUDGETS SHOWING TOTAL COSTS AND RETURNS									
Link to KSU Farm Management Guides (crop budgets)							Print budgets		
Crop/System	Wheat	Milo	Corn	Soybean	Oil SF	Alfalfa	Total	Per Acre	Per Acre
Planted acres of each crop	0.0	0.0	125.0	0.0	0.0	0.0	125.0	Planted	Tillable
Tillable acres per planted acre	1.00	1.00	1.00	1.00	1.00	0.00	125.0		
INCOME PER ACRE									
A. Yield per acre	70.0	120.0	205.0	55.0	24.0	7.0	---	---	---
B. Price per unit	\$7.16	\$4.95	\$6.00	\$11.79	\$21.30	\$108.13	\$153,750	---	\$1,230.00
C. Net government payments	\$32.53	\$32.53	\$32.53	\$32.53	\$32.53	\$32.53	\$4,066	\$32.53	\$32.53
D. Indemnity payments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00	\$0.00
E. Miscellaneous income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00	\$0.00
F. Returns/acre ((A x B) + C + D + E)			\$1,262.53				\$157,816	\$1,262.53	\$1,262.53
COSTS PER ACRE									
1. Seed			\$83.84				\$10,480	\$83.84	\$83.84
2. Herbicide			32.58				4,072	32.58	32.58
3. Insecticide / Fungicide			37.37				4,671	37.37	37.37
4. Fertilizer and Lime			184.10				23,013	184.10	184.10
5. Crop Consulting	6.00	6.25	6.50	6.25	6.50	6.50	813	6.50	6.50
6. Crop Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00
7. Drying			0.00				0	0.00	0.00
8. Miscellaneous	10.00	10.00	34.00	10.00	10.00	10.00	4,250	34.00	34.00
9. Machinery Expense			159.48				19,935	159.48	159.48
10. Non-machinery Labor			18.07				2,259	18.07	18.07
11. Irrigation			156.54				19,568	156.54	156.54
12. Land Charge / Rent			120.00				15,000	120.00	120.00
G. SUB TOTAL			\$832.48				\$104,060	\$832.48	\$832.48
13. Interest on 1/2 Nonland Costs			20.06				2,507	20.06	20.06
H. TOTAL COSTS			\$852.53				\$106,567	\$852.53	\$852.53
I. RETURNS OVER COSTS (F - H)			\$410.00				\$51,249	\$410.00	\$410.00
J. TOTAL COSTS/UNIT (H/A)			\$4.16				---	---	---

Ready

Questions???

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