The 2007 Farm Bill And The Outlook For U.S. Cotton Producers

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Debate on the 2007 Farm Bill is expected to begin in earnest in the spring of 2007. What will the next farm bill look like is anybody's guess at this point. Having said that, there are a few things we do know that will certainly impact the 2007 Farm Bill. This session will provide the backdrop to the discussions that will begin in 2007 along with some of the factors that will influence the debate as the year progresses.

Over the past two years, the republican led House and Senate agricultural committees and the Secretary of Agriculture held field hearings across country to get feedback on producer desires for the next farm bill. In general, while there was some interest expressed in a completely new approach, the overwhelming feedback was that the 2002 Farm Bill had worked well and should be extended or at least use the 2002 Farm Bill as the structure of the new bill with a few modifications.

While some may point to the switch in Congressional leadership and the stalled WTO negotiations as potentially having the most impact on the direction of the bill, the baseline will likely have the most impact. The baseline is simply the amount of money the authorizing committees (in this case, the house and Senate agricultural committees) will have to spend on programs in a new farm bill.

Without a doubt the switch in Congressional leadership will impact the farm bill as the leadership of the new majority in both the House and Senate have strong interest in enhancing current programs (CSP in the Senate) or creating new ones (Permanent Disaster Funding in the House). However, both Mr. Harkin in the Senate and Mr. Peterson in the House were in significant leadership positions when the 2002 Farm Bill was passed with Mr. Harkin being in the majority on the Senate Agricultural Committee for most of the time the bill was being debated. It wouldn't seem that either will consider the approach taken in the 2002 Farm Bill as inappropriate.

The second major factor that has the potential to impact the new farm bill is the currently stalled WTO Doha Round negotiations. Any movement in these negotiations in early 2007 will likely favor an extension of the current bill as Congress waits to see outcome of the trade talks. Recently, there has been some discussion of a Doha Round minus Ag meaning trade rules for all sectors other than agriculture would be agreed upon. It is not clear whether such a measure would pass the U.S. Congress much less the countries where most of their trade is agricultural trade.

At this point, our work suggests that there will be significantly less money available to spend on commodity programs than there was when the 2002 Farm Bill was being debated. Due to an improved price outlook during the baseline period for most of program commodities, our estimates of the March 2007 baseline indicate very little commodity program expenditures as compared to anytime over the past 5 years. The exceptions to this are cotton and rice that are both expected to see significant expenditures on marketing loans/LDPs and CCPs although rice spending is expected to decline significantly over the baseline period as prices improve.

Our representative farm work indicates that even with significant cotton program expenditures, 12 of 20 representative cotton farms located across the cotton belt are expected experience significant financial difficulties over the near term. This work assumes current policy is extended at least through 2011. The implication of this being any change to current policy that does not spend at least as much on cotton will create even more financial difficulties for cotton producers.

Managing Cotton Diseases In Reduced Tillage Systems

Presented by Dr. Boyd Padgett
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If not properly managed diseases reduce cotton yield and quality. In Louisiana, annual losses ranged from 12.0 to 12.5% from 2003 to 2005. The majority of these losses were due to