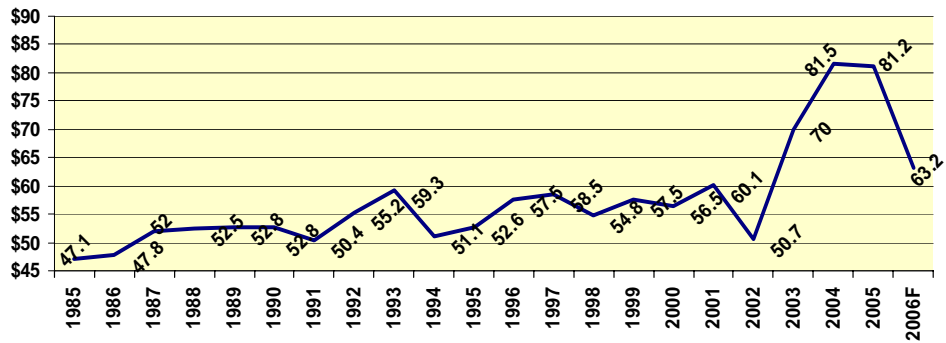
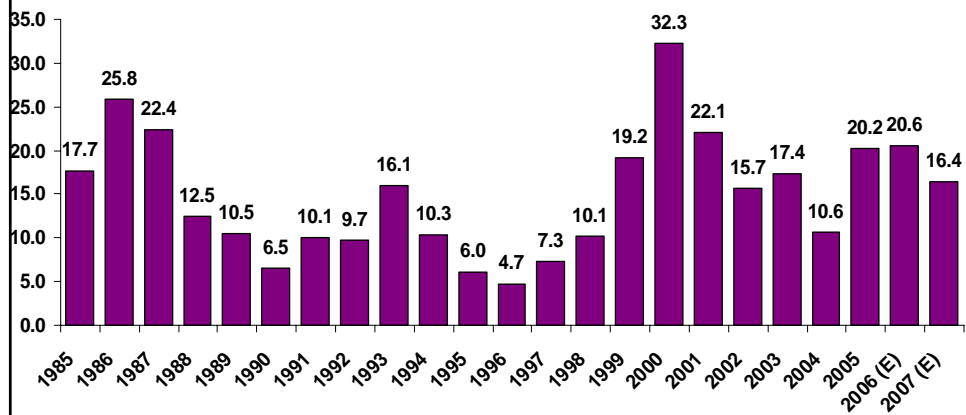
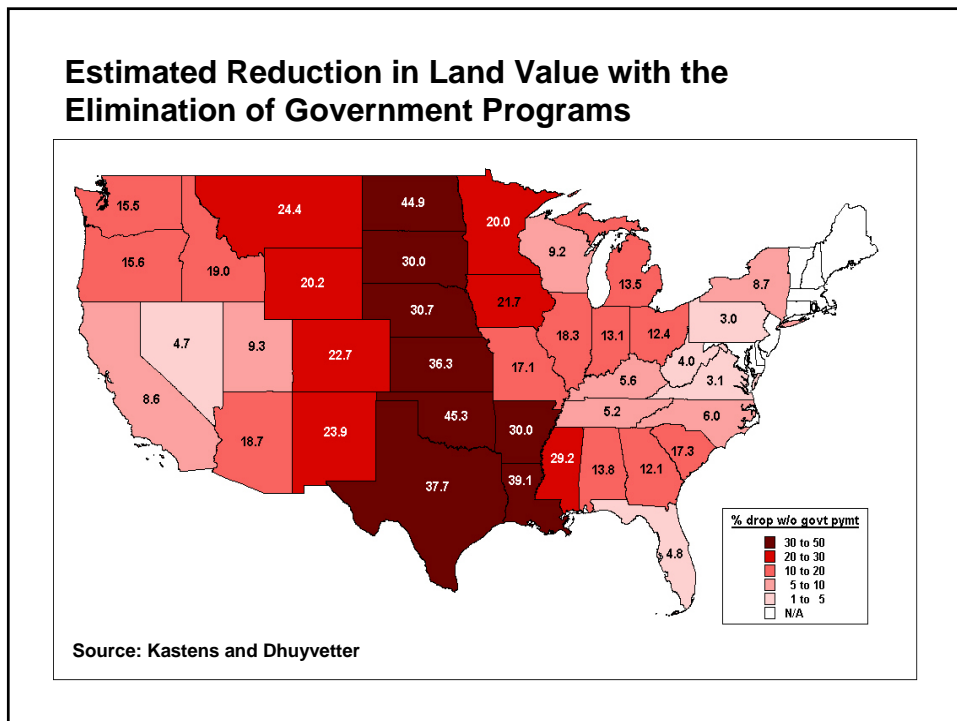
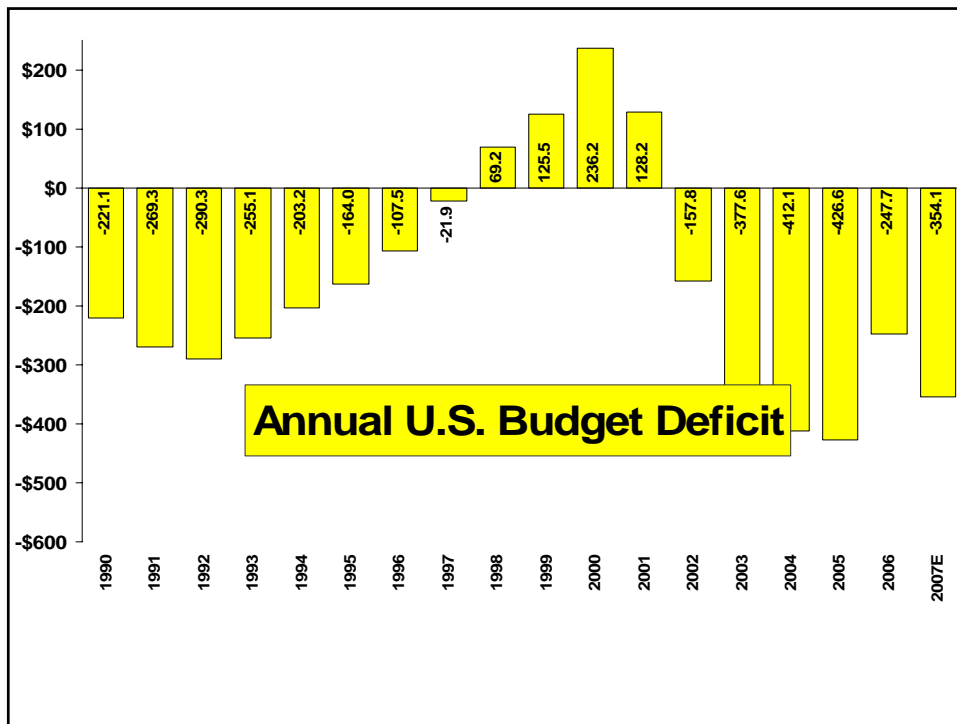


U.S. Net Cash Farm Income (\$ billion)

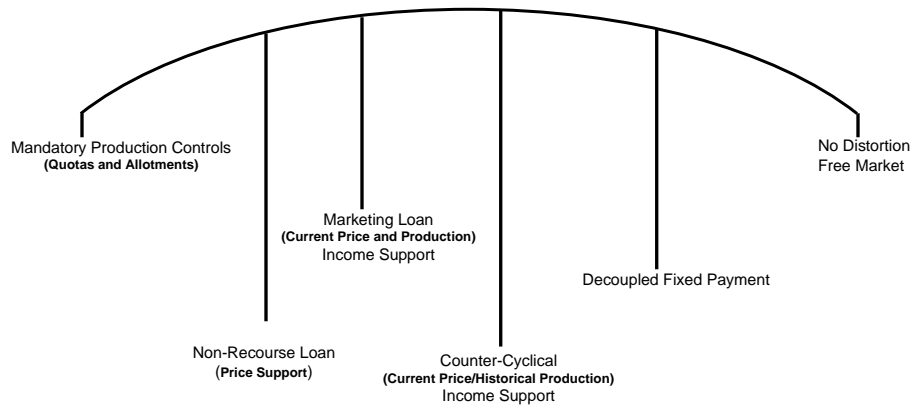


USDA Commodity Program Net Outlays Fiscal Years 1985 to 2007





**Figure – Market Distortion and Farm Programs –
Ranked by Degree of Market Distortion**



**Loan Rates, Direct Payment Rates, and Target Prices
for Covered Commodities (2004 - 2007)**

	Loan Rate	Direct Rate	Target Price
Corn (bu)	\$ 1.95	\$ 0.28	\$ 2.63
Wheat (bu)	\$ 2.75	\$ 0.52	\$ 3.92
Soybeans (bu)	\$ 5.00	\$ 0.44	\$ 5.80
Rice (cwt)	\$ 6.50	\$ 2.35	\$ 10.50
Upland Cotton (lb)	\$ 0.5200	\$ 0.0667	\$ 0.7240
Sorghum (bu)	\$ 1.95	\$ 0.35	\$ 2.57

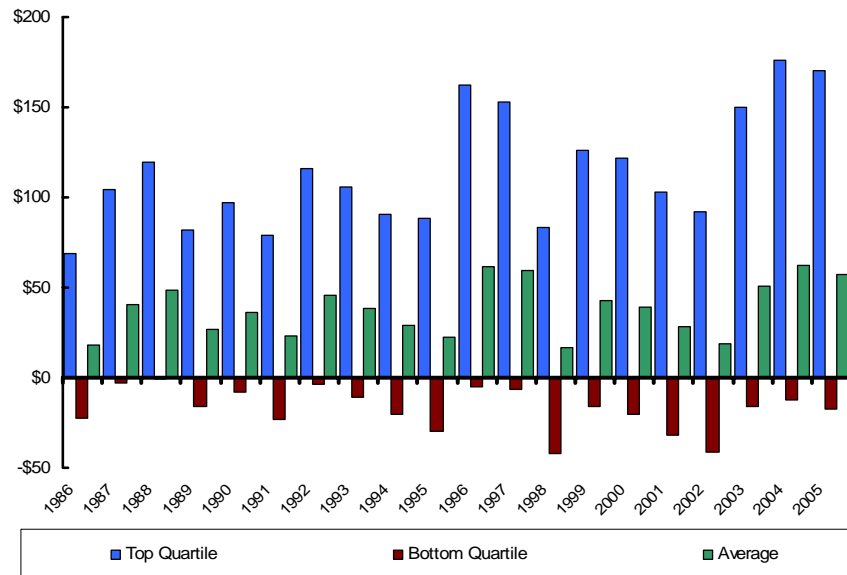
Minimum Commodity Prices
That Result in No Counter-Cyclical Payments

Crop	2004-2007
Corn (bu)	\$2.35
Sorghum (bu)	\$2.22
Wheat (bu)	\$3.40
Soybeans (bu)	\$5.36
Upland Cotton (lb)	\$0.6573

Maximum Counter-Cyclical and Direct Payments for
Program Commodities
2004-2007

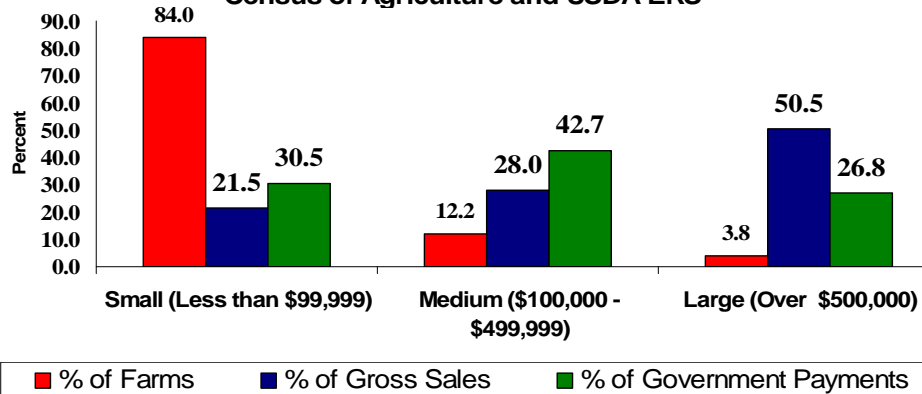
Crop	Maximum Counter-Cyclical Payments	Direct (Fixed) Payment Rates	
Corn (bu)	\$0.40	\$0.28	(+43%)
Sorghum (bu)	\$0.27	\$0.35	(less)
Wheat (bu)	\$0.65	\$0.52	(+25%)
Soybeans (bu)	\$0.36	\$0.44	(less)
Rice (cwt)	\$1.65	\$2.35	(less)
Upland Cotton (lb)	\$0.1373	\$0.0667	(double)
MCC vs. Direct			

Net Farm Income of Members of the Kansas Farm Management Association



Farm Structure

Census of Agriculture and USDA-ERS



Producer Support Estimate by Country (%)

	1986-88	2003-2005	2002	2003	2004	2005p
Australia	8	5	6	5	5	5
Canada	36	22	21	25	21	21
European Union	41	34	35	36	33	32
Japan	64	58	58	59	58	56
Mexico	28	15	26	19	12	14
New Zealand	11	2	2	2	2	3
USA	22	16	18	15	16	16

Source: OECD, PSE/CSE database 2006.

U.S. AGRICULTURAL TRADE



YEAR	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 F
Exports	60.4	57.4	53.7	49.1	50.8	52.7	53.1	56.2	62.4	62.5	68.0
Imports	33.6	35.8	37.0	37.5	38.9	39.0	41.9	45.7	52.7	57.7	64.5
Trade Balance	26.8	21.6	16.7	11.6	11.9	13.7	11.2	10.5	9.7	4.8	3.5

