

Extended Abstract

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Paper/Poster Title	A new farm bill in the U.S., economic analysis and policy implications
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Abstract prepared for presentation at the 98th Annual Conference of The Agricultural Economics Society will be held at The University of Edinburgh, UK, 18th - 20th March 2024.

Abstract	<i>200 words max</i>
It is likely that in 2024 a new farm bill will be agreed in the U.S. As part of that discussion these authors have used partial equilibrium models to analyse potential changes. In this paper we set out the policy process, selected proposals, how these complex policy instruments are incorporated into the model, and the implications of the proposals for U.S. agricultural markets. We compare the U.S. process and analysis to that which occurs in a European setting and speculate on the usefulness of the U.S. experience for future EU policy analysis.	
Keywords	Agricultural policy, the farm bill, partial equilibrium models
JEL Code	D040 Microeconomic Policy: Formulation, Implementation, and Evaluation
Introduction	<i>100 – 250 words</i>
It is likely that in 2024 a new farm bill for the U.S.A. will be agreed. The policies included in this bill include most of the support policies that are in place in the U.S. for the agriculture sector and includes payments, price support, insurance subsidies and other policies that vary across commodities. Periodically these policies are reviewed and revised, with implications for spending and the operation of the commodity markets themselves. The aim of this paper is to use some examples from the current discussions to outline the process of farm bill discussions, how policy changes come about, and how proposed policy changes are incorporated into the modelling framework. Where appropriate each of these facets is compared to the process in Europe (and/or the UK).	
Methodology	<i>100 – 250 words</i>
A partial equilibrium model of the U.S. agriculture sector is used for the economic analysis. Parts of the model are econometrically estimated. Where there are new, novel, or complicated policies to be analysed a combination of other approaches may be used such as taking parameters from other studies, surveys of producers, or the use of structural models based on economic theory. Examples from actual proposals for changes in the crop programs will be used to illustrate the approach and challenges associated with it.	

Results	<i>100 – 250 words</i>
<p>Results will be taken from the most up to date publicly available analysis. At time of writing the latest report looked at a proposed increase in reference prices for the Price Loss Coverage program of 10 per cent. Model results that on average this would lead to an increase in program expenditure of \$15 billion dollars with little impact on planted area and the markets for the products covered.</p>	
Discussion and Conclusion	<i>100 – 250 words</i>
<p>Any changes made to the various farm support programs included under the farm bill must first be analysed for their budgetary impact, with the budget a constraint on any potential changes. This process means that process of changing these programs differs from that in the European Union, and often results in a large number of proposals that often include small changes that can nonetheless have significant impacts on either expenditure or farmer program choice. This presents challenges to the prospective modeller. We think that a discussion of how we practically address these challenges and how they differ for European analysis will be of interest to a British audience.</p>	