



*Southern Policies Issues for the
2002: Legacy of the 1996 Act*

Daryll E. Ray

Southern Agricultural Economics Association

Orlando Hyatt, Orlando, FL

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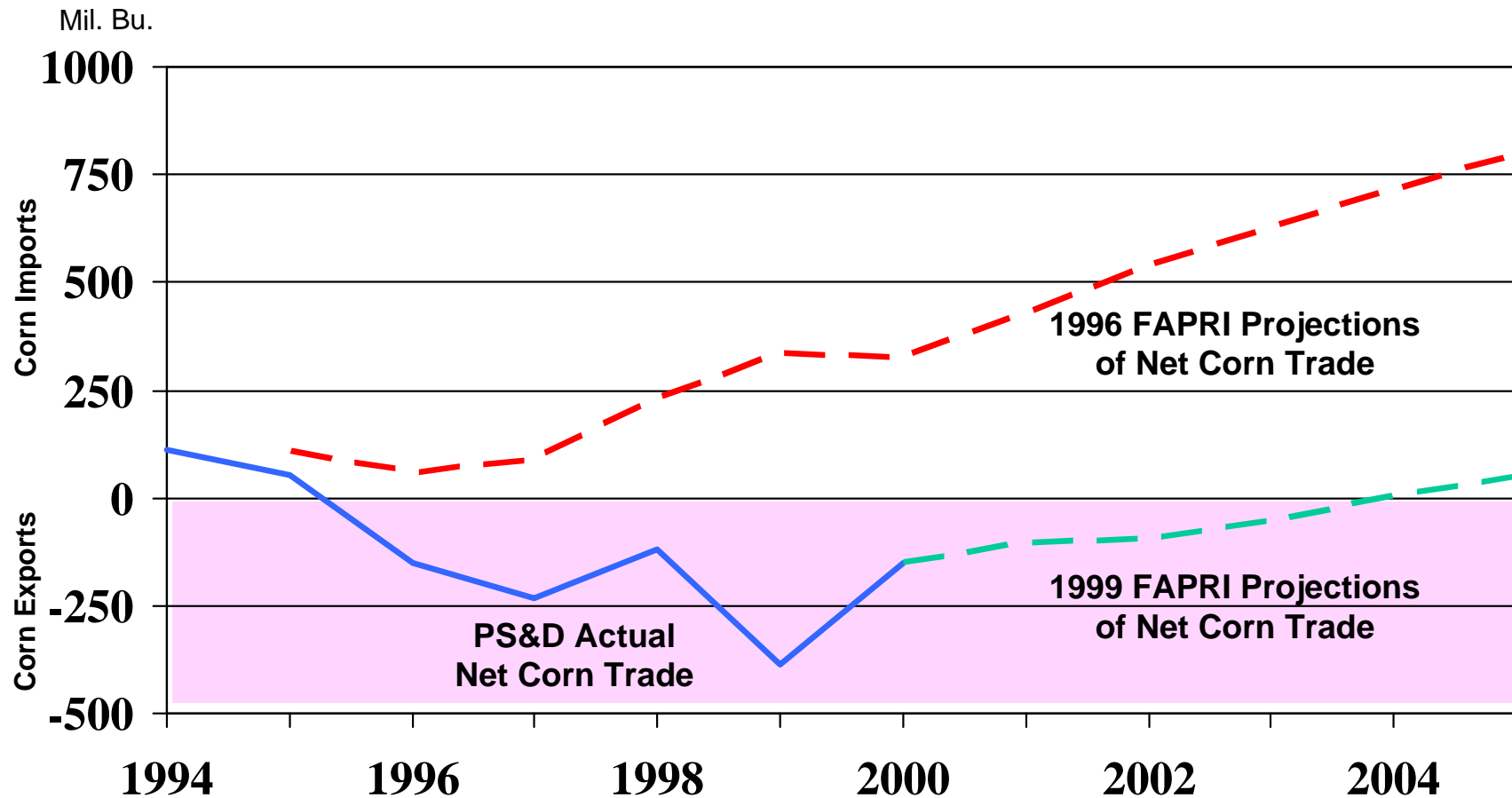
Agricultural Policy Analysis Center - Institute of Agriculture

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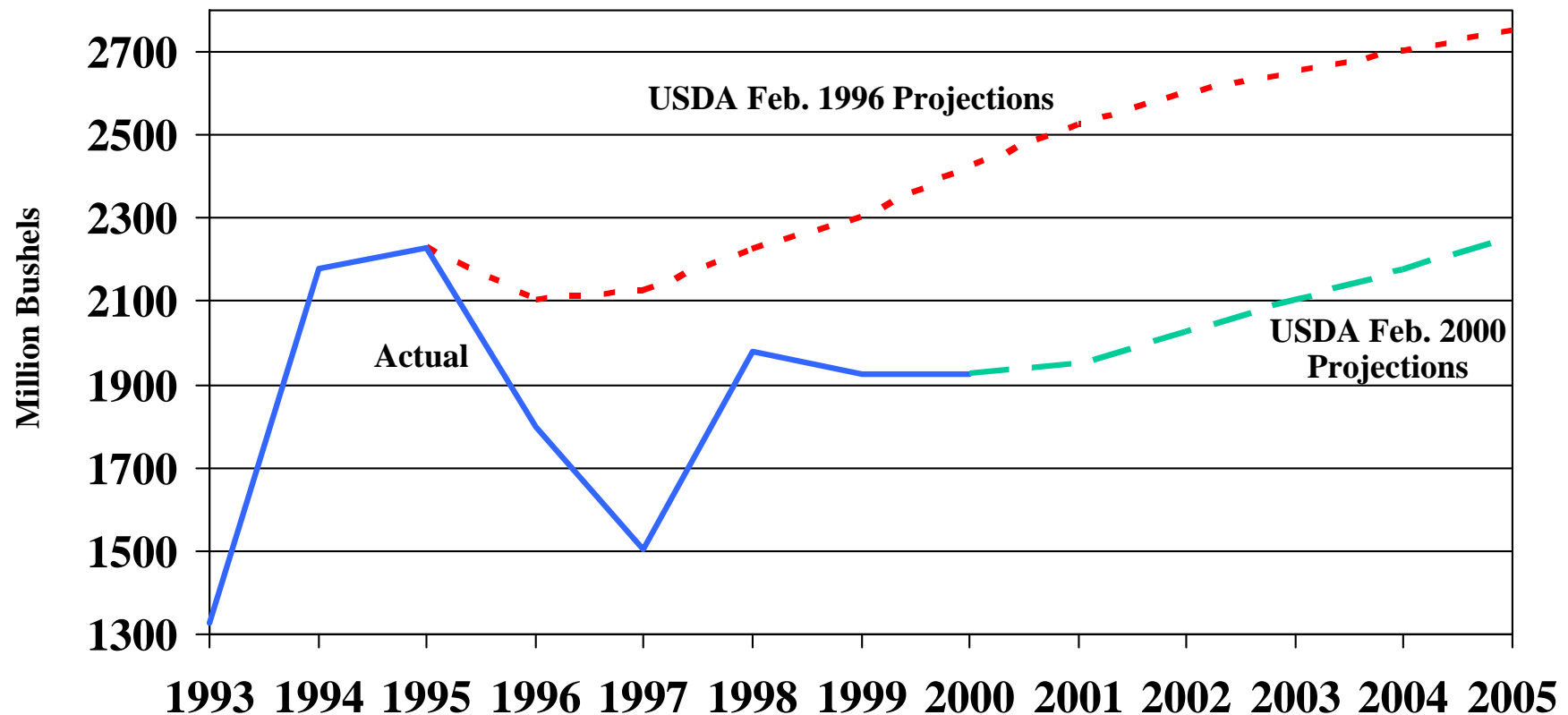
Expectations

- **“High” Prices and Incomes Like 1995/1996**
- **Because:**
 - **Rapid Per Capita Income Growth in China/Asia Will Increase Demand and U.S. exports**
 - **With Planting Flexibility & Decoupled Payments Farmers Would Plant for the Market – Reduce Production When Needed**
 - **With No Brake on Prices, Importers Will Import More From the U.S. When Prices Decline –Increase Consumption & Reduce Production When Needed**
 - **With Marketing Loans, Competitors Would Not Be Under U.S. Price Support Umbrella –Reduce Production When Needed**

Net Corn Trade for China: Actual and Projections, 1994-2005



U.S. Corn Exports: Actual and Projections, 1993-2005

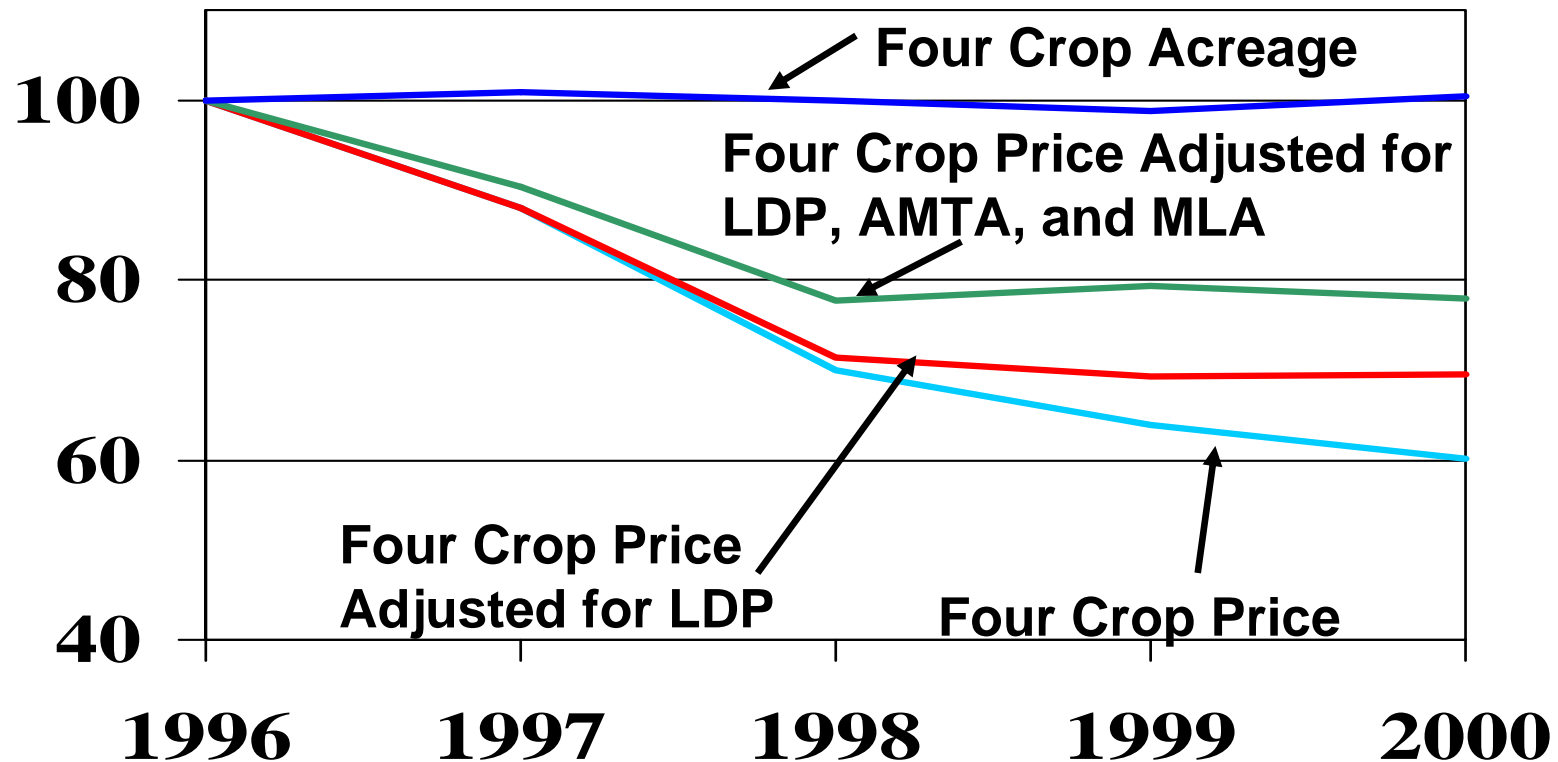


- **Expected Rapid Growth in Exports Did Not Occur**

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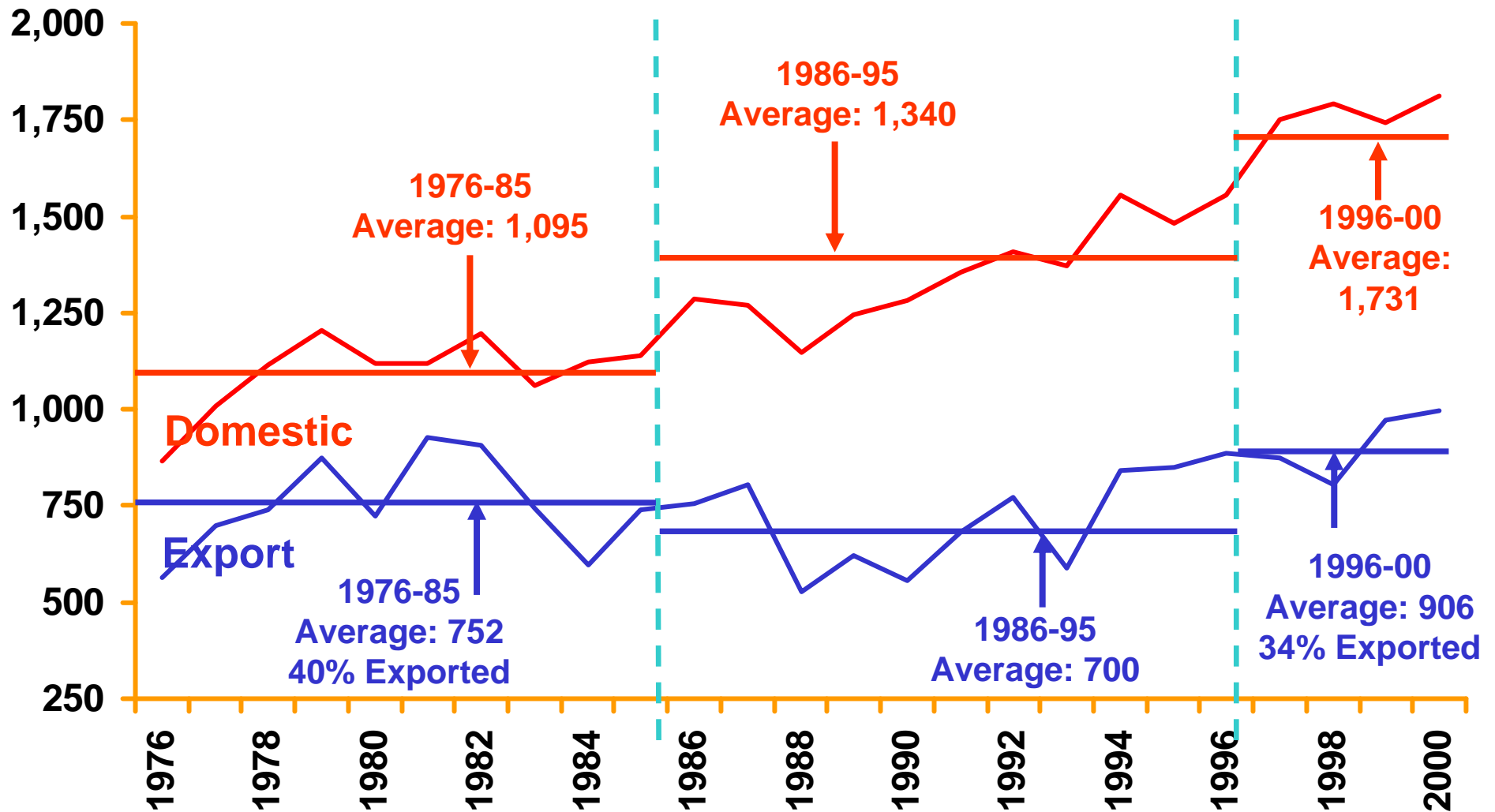
Indexed Four Crop Acreage, Price and Price Adjusted for LDP and Contract Payments



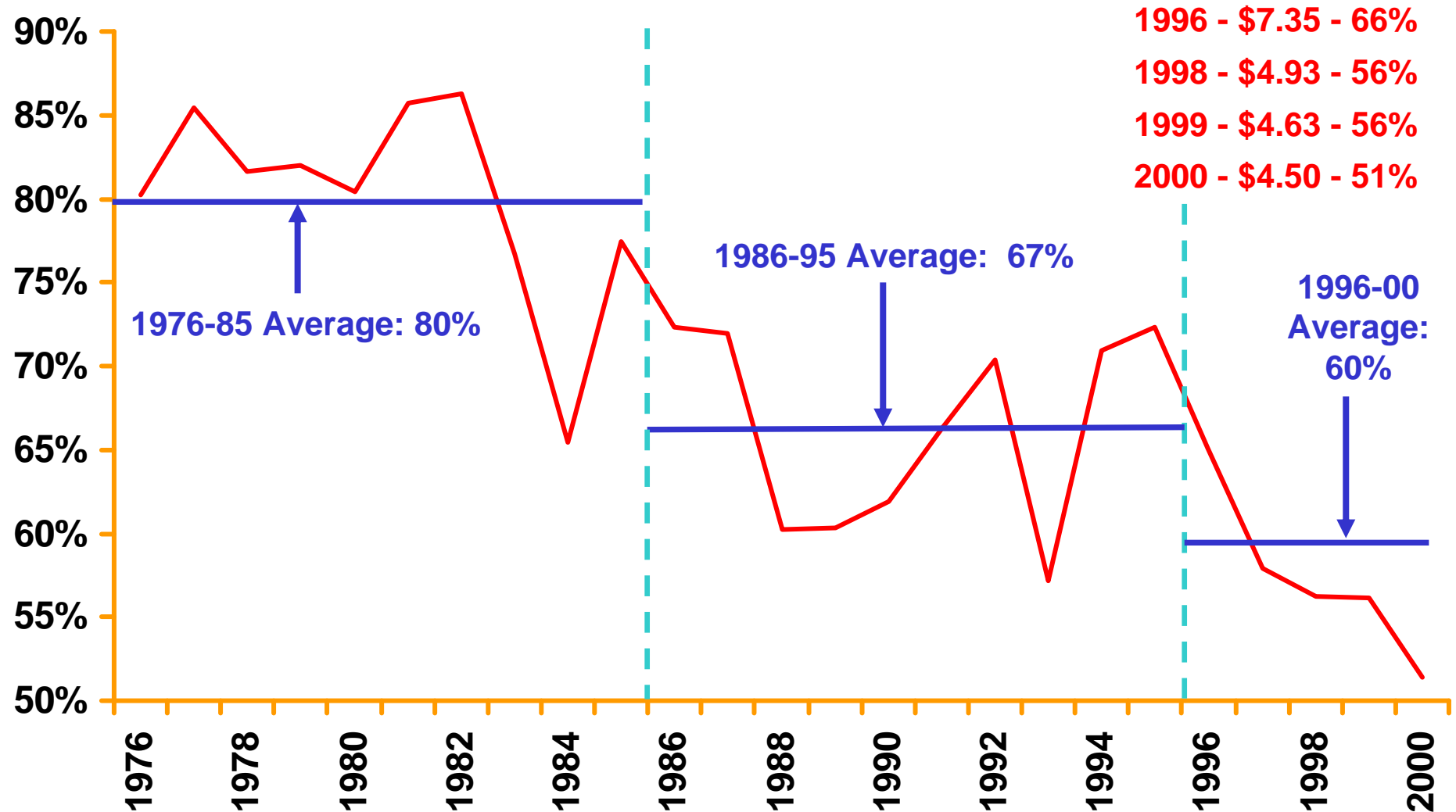
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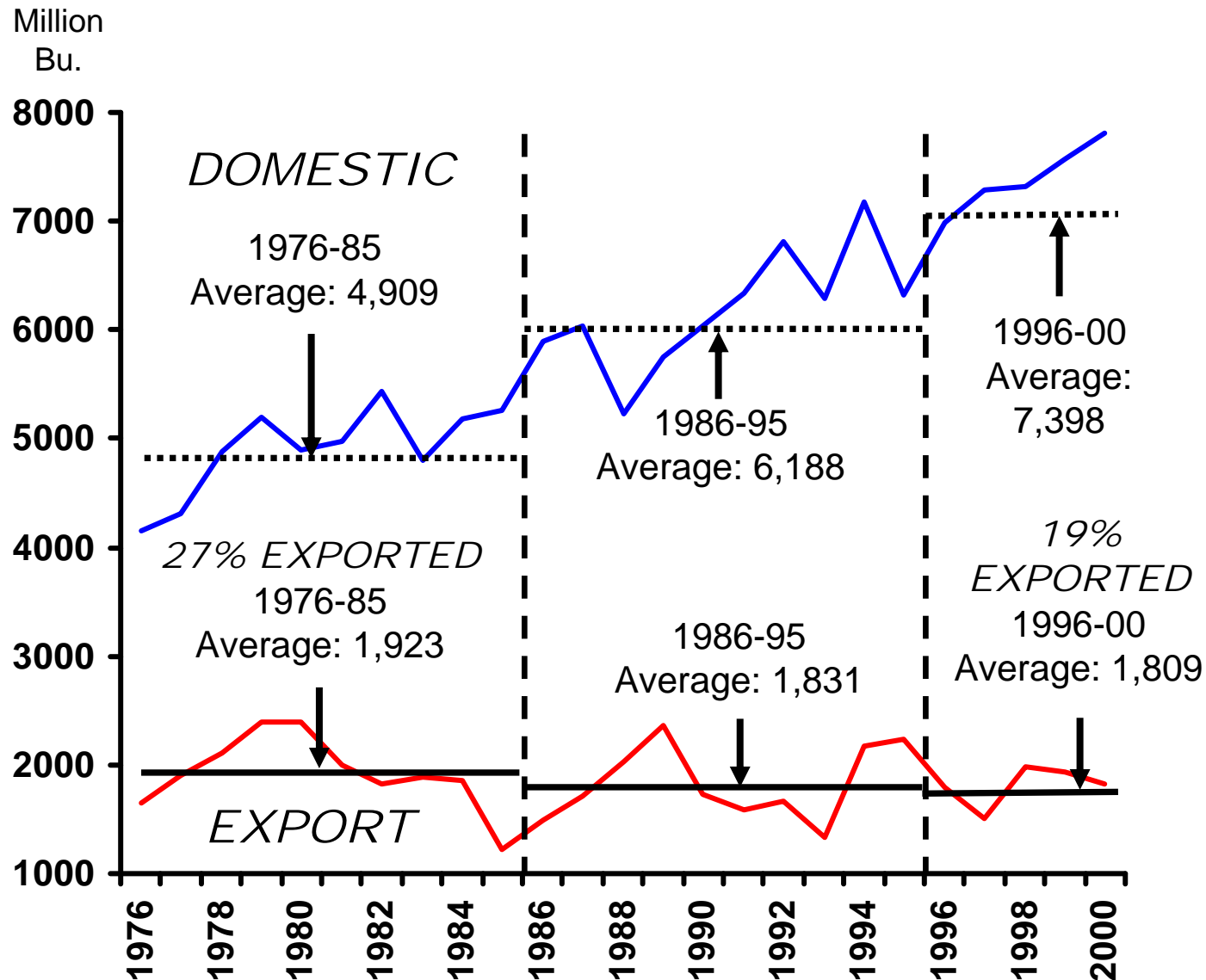
U.S. Domestic & Export Demand



U.S. Share of World Exports



U.S. Domestic and Export Demand

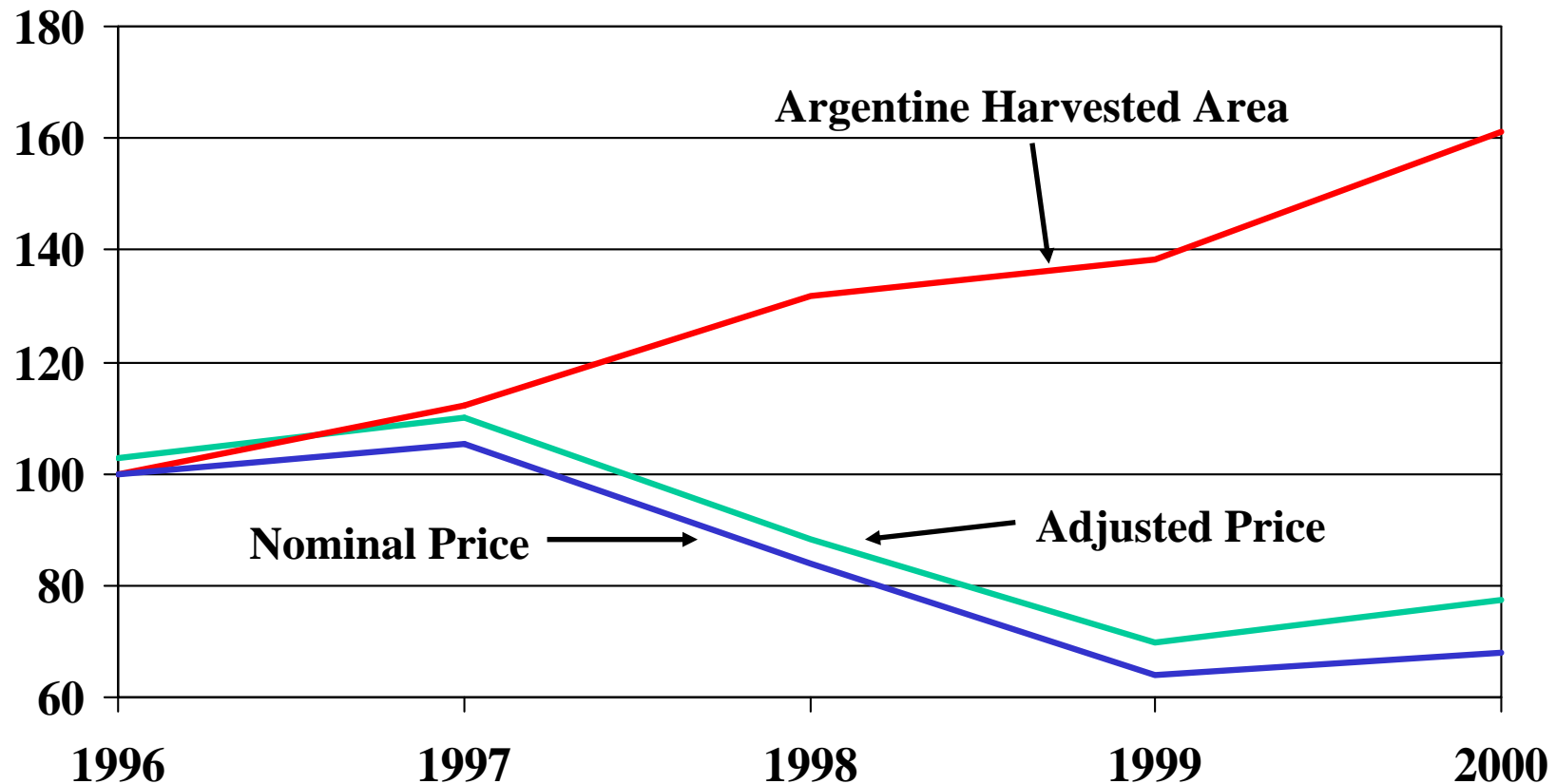


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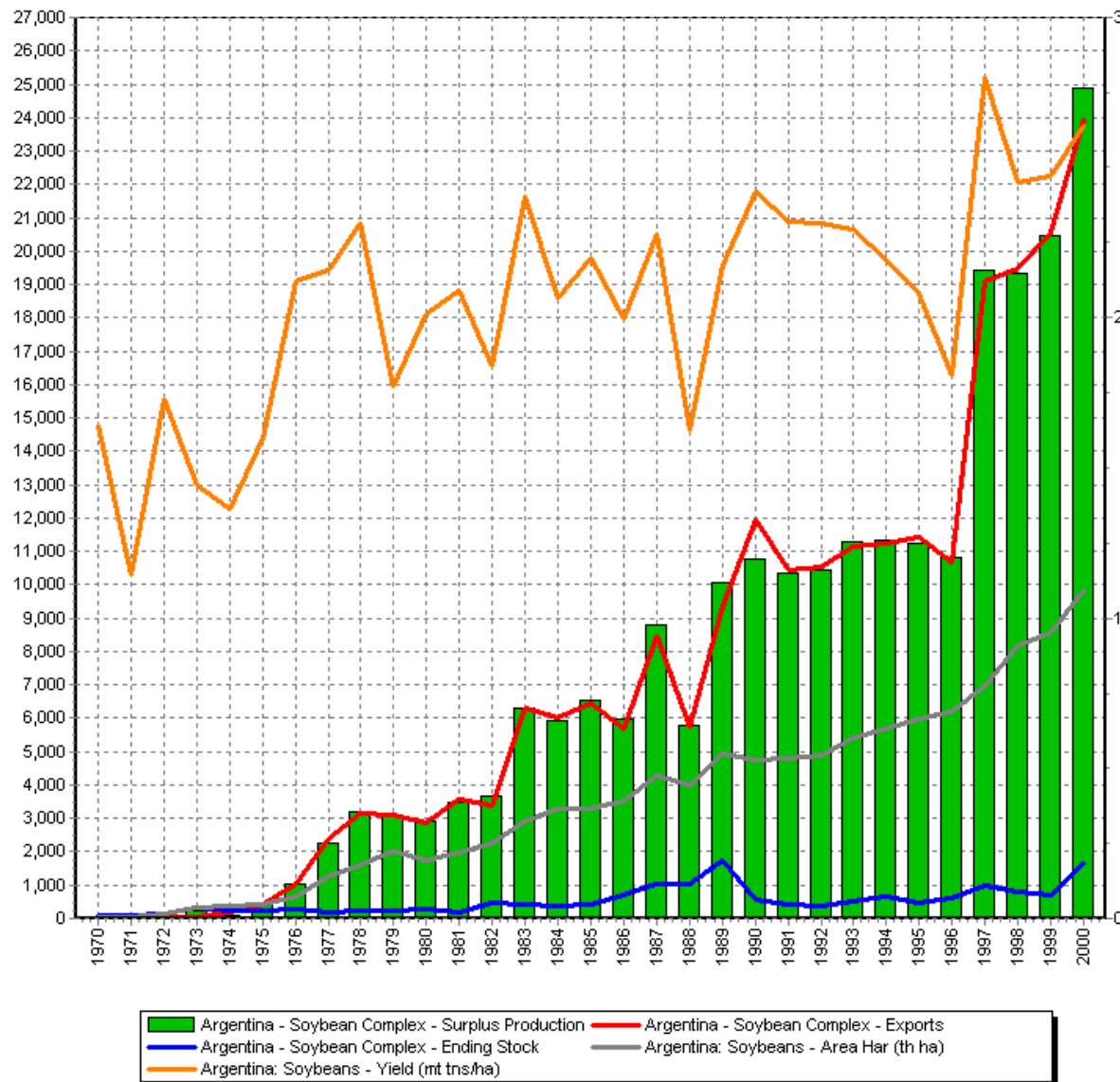
Argentine Soybean Price* and Harvested Area

Indexed 1996=100

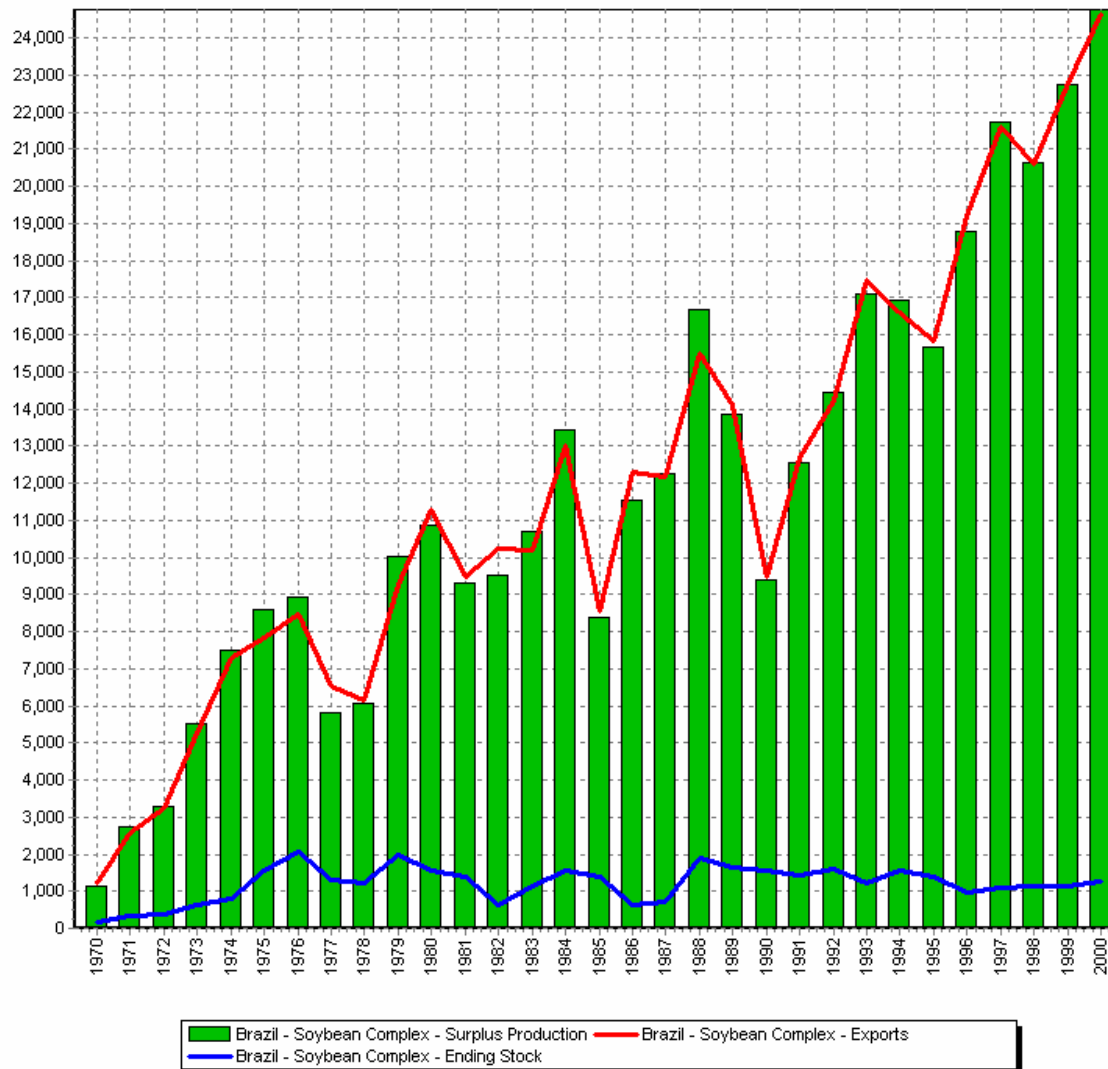


* Price is the export price posted by Abiove, the Brazilian Vegetable Oil Industry Association. Adjusted price is adjusted for changes in exchange rate and inflation.

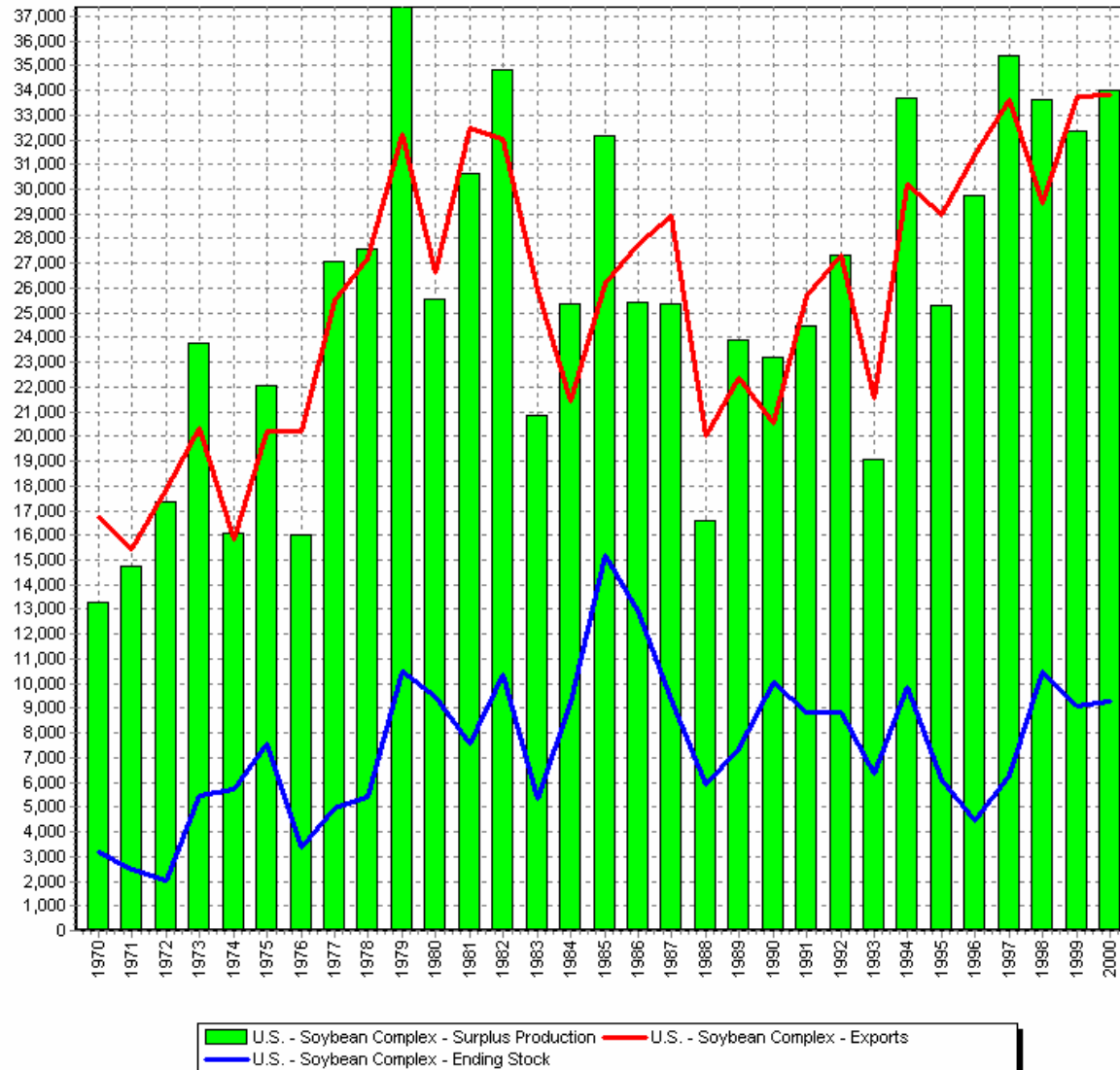
Argentine Soybean Complex Exports and Surplus Production



Brazilian Soybean Complex Exports and Surplus Production

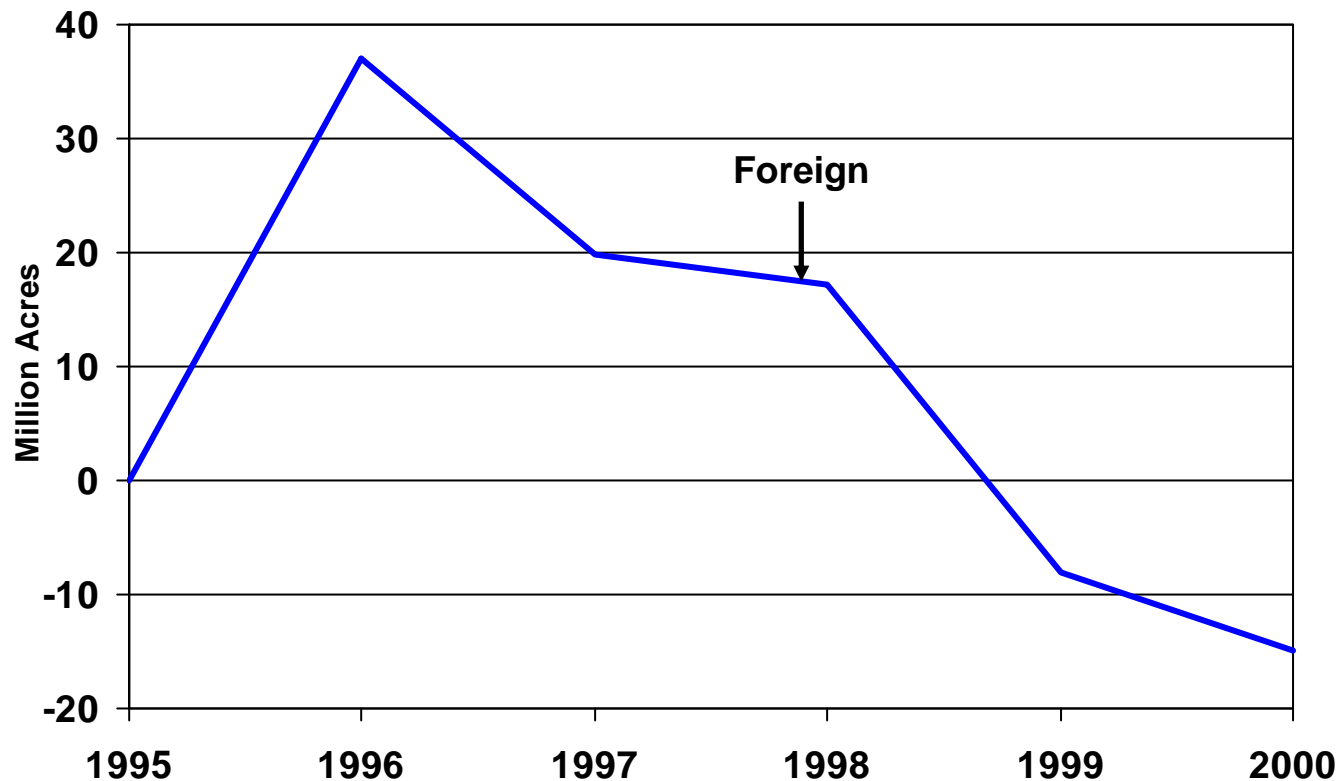


U.S. Soybean Complex Exports and Surplus Production



Foreign Crop Acreage

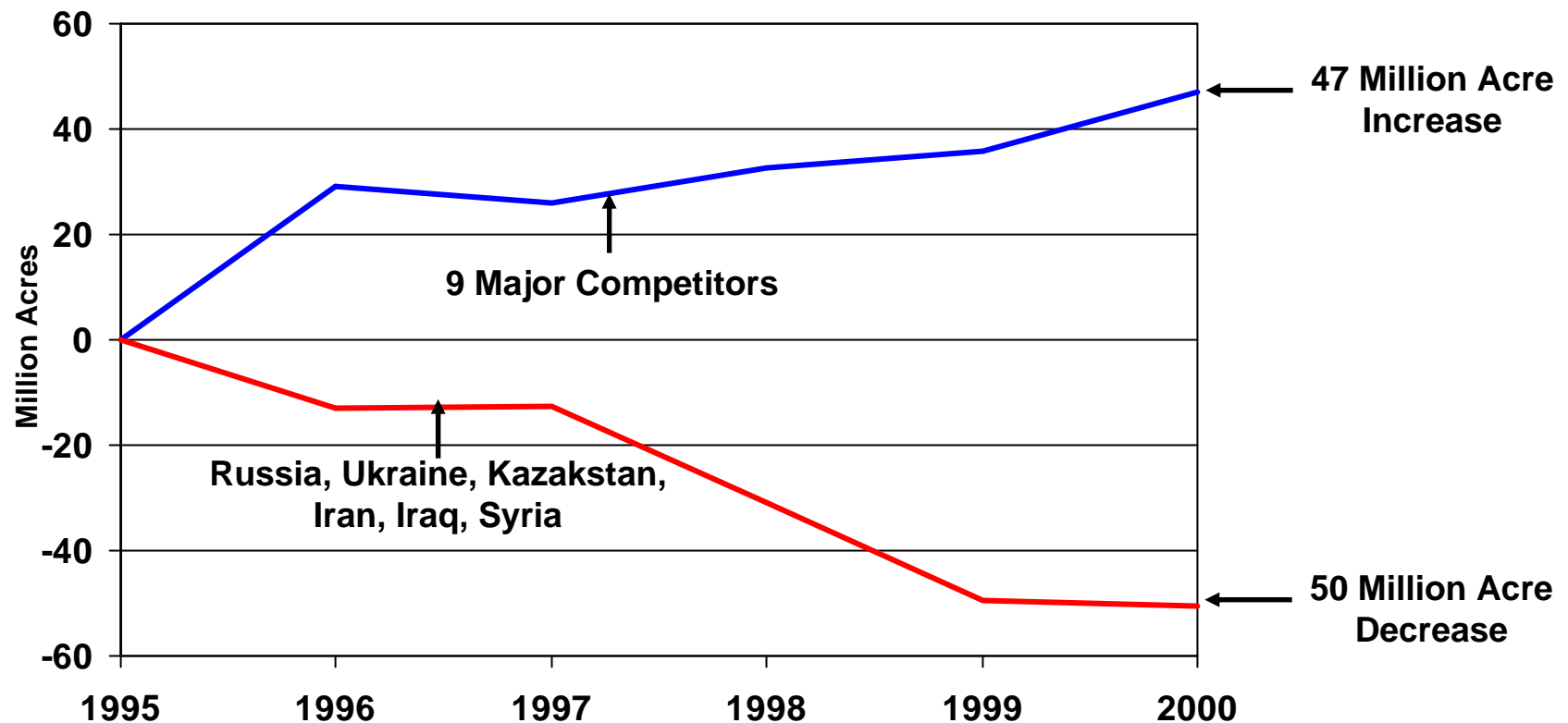
Some have cited the 1999 reduction in foreign harvested acreage as indicative of the benefits of eliminating set-asides



Gain or loss in foreign harvested acres when compared to 1995

Foreign Crop Acreage

What countries did we hope would reduce their acreage when we eliminated set-asides?



Gain or loss in 9 competitors' and a grouping of 3 former Soviet Union and 3 Middle Eastern countries' harvested acres when compared to 1995.

Agricultural Policy Analysis Center

University of Tennessee

<http://agpolicy.org>

dray@utk.edu

*Weekly Columns Available on
website: agpolicy.org*