Farm Commodity Payment Limits: What Impact Will they have on the Economic Viability of Southeastern Agriculture?

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Farm Commodity Payment Limits: What Impact Will they have on the Economic Viability of Southeastern Agriculture? **Stanley M. Fletcher, Audrey S. Luke-Morgan, Allen E. McCorvey, University of Georgia; and James W. Richardson, Texas A&M University.**

Southeastern agriculture is very unique and diversified when compared to agriculture in other areas of the United States. As the 2002 Farm Bill was debated, the impact of commodity payment limits on Southeastern agriculture was of great concern. This was especially important given that the current peanut program was being converted into a program similar to other program crops. For the first time, peanuts would be included in the payment limitation feature of the Farm Bill. This analysis, based on ten Southeastern representative peanut farms, evaluates the potential impact of payment limits on the economic viability of Southeastern agriculture.

Objectives and Background:

As farm commodity payment limits were discussed in the 2002 Farm Bill debate, the impact of such limits on Southeast agriculture was a question that the National Center for Peanut Competitiveness felt needed to be analyzed. This was especially important given that the current peanut program was being converted into a program similar to other program crops. Thus, for the first time, peanuts would be included in the payment limitation feature of the Farm Bill. The potential impact from payment limits continues to be an issue given current attempts by Congressional leaders to include such limits in an appropriations bill or as an amendment to an appropriations bill.

Data and Methods:

This analysis is based on ten representative Southeastern peanut farms. These ten representative farms were developed by the National Center for Peanut Competitiveness to aid in the analysis of impacts on the agricultural sector of potential adoption of alternative production technologies, environmental regulations, policy alternatives, water usage and other potential changes in peanut production. Each farm was developed by a panel of approximately six producers of similar size, geographic location and production practices. Panel members then derived a consensus farm representative of the area. The farms include both irrigated and dryland production, as well as, conventional and conservational tillage practices. The area considered by these ten Southeastern peanut representative farms includes Georgia, Florida, Alabama and South Carolina. Table 1 shows the cultivatable acreage and crop mix for these ten representative farms and exemplifies the uniqueness and diversity of the multi-culture system typical in the Southeast.

These representative farms were used to evaluate the potential impact of the payment limits set forth by the House (H.R. 2646) and Senate (S. 1731) proposed farm bills, the April 18, 2002 House Farm Bill Conference Proposal, the Senate Farm Bill Conference Proposal of April 18, 2002, the Farm Security and Rural Investment Act of 2002 passed on May 13, 2002, and a few other, more restrictive alternatives that are discussed in more detail below. Overall, the impact from various payment limit considerations is analyzed to determine the impact on the economic vitality of Southeastern agriculture over the life of the new farm bill.

Several parameters were utilized in this analysis. The first parameter defined in our analysis was the payment limitations set forth under the two original proposed farm bills, the House Farm Bill Conference proposal, the Senate Farm Bill Conference proposal, and the Farm Security and Rural Investment Act of 2002. Table 2 shows the limits for each classification of payment set forth in each of the bills and the House and Senate Conference proposals. It should be noted that in the House bill and in the House Conference proposal fixed, decoupled payments and counter-cyclical payments would be paid at a maximum of 85% of the base; whereas, in the Senate bill and in the Senate Conference proposal these payments would be made on 100% of the base for the program crops with the exception of peanuts which is paid on 85% of its base. In the final bill passed, fixed and counter cyclical payments will be paid on 85% of the crop base.

The second set of key parameters for this analysis was commodity support levels, target prices, and payment rates in each of the bills for the commodities included in the Southeast representative peanut farms' crop mixes. Table 3 shows these parameters set forth in H.R. 2646, the Senate bill, the House Conference proposal, the Senate Conference proposal and the Farm Security and Rural Investment Act of 2002 for the commodities included in the Southeast representative peanut farms' crop mixes.

Next, base acreage and yield updates were analyzed for the various options presented in the proposals and final bill. The House and Senate bills and the House and Senate Conference proposals allow the producer to update their base acres based on 1998-2001 planted and prevented planted acres. The Senate bill allowed the producer to update their yields based on 1998-2001 while the House bill did not allow any yield updating. In the House and Senate Conference proposals, producers who update their base acres would be allowed to update their yields for counter-cyclical payments only. The update yield was the AMTA yield plus 70% of the difference between a full yield update based on 1998-2001 yield and the current AMTA yield.

The final bill passed allows producers to update base acreage by either retaining current AMTA base and adding oilseeds or to update acreage by using the 1998-2001 planted and considered planted acreage for all crops. Under the bill passed, only yields for counter-cyclical payments can be updated and they can only be updated if the base acreage is updated. Producers have three options in updating which include retaining the current program yields, updating by adding 70% of the increase for the 1998-2001 average yield (excluding any year the planted acreage was zero) over the current yield to the current yield, or updating by taking 93.5% of the 1998-2001 average yield excluding any year the planted acreage was zero. For this analysis, each farm was individually analyzed and the option chosen for updating bases was the one most beneficial to the farm enterprise given the projected prices over the life of the new farm bill.

Results:

Direct and Counter Cyclical Payments

Given the values set forth in each of the bills and Conference proposals and the Southeastern representative farms' acreage, bases, and crop mixes, the fixed decoupled payment (or direct payment) and counter-cyclical payments received by each of these ten farms under the various options were calculated. Then it was determined how many of the farms were within the limits set by the various bills and proposals. Table 4 shows the how many of the farms would be within the payment limits set by the various proposals when the limits for fixed, decoupled and counter-cyclical payments were considered.

Depending on the parameters set forth in each proposal for fixed decoupled payment (or direct payment) and counter-cyclical payments, the number of farms within the payment limit ranged from zero to nine for the farm entity alone. When the special spouse or three entity rule was considered the range was from three to all ten farms within the limits depending on the parameters and proposal considered.

First, in H.R. 2646, separate limits were set for fixed, decoupled payments, counter-cyclical payments, and marketing loan benefits for program commodities. Likewise, there were also limits set for these same classifications of payments for peanuts. Therefore, for a farm with peanuts and other program crops, the total payment limit would be $550,000. However, the House bill preserved current law with regard to the "husband & wife rule" and the "three entity rule" which would allow a farm to increase those limits. The House bill also preserved the use of generic certificates.

With the "husband & wife rule," a husband and wife can request to be treated as separate persons for payment limit purposes and can therefore double the payment limits for the farm. Similarly, the "three entity rule" can be used to increase the payment limits for a farm. This rule provides that one person is eligible for payments on up to three farm entities with the payment limit on each of the second and third farms half of the amount of the first farm. Therefore, with two farm entities the limit would be $825,000 and with three entities the payment limit would be $1,100,000. For purposes of this analysis, the three entities limit will be used for this rule. Note that a farm can claim only one of the two rules ("husband & wife" or "three entity") to increase payment limits.

In the House Conference proposal the payment limits were reduced. The limit on fixed, decoupled payments was reduced to $40,000, counter-cyclical payments to $65,000 and market loan benefits to $75,000. The separate limit for peanuts and program crops was preserved as was the special rule elections. Therefore, the total limitation for a farm entity that grows both peanuts and other program crops would be $360,000. If either of the special rules were considered, the total limit would be $720,000.

The limits set forth by the Senate proposal (S. 1731), and amendments, and the Senate Conference proposal were much lower than current law or H.R. 2646. This bill set forth one limit for fixed, decoupled payments and counter-cyclical payments of $75,000 for program commodities and peanuts. There was also one limit set for marketing loan benefits for both program commodities and peanuts of $150,000. This bill did not preserve the "husband & wife rule" or the "three entity rule." Instead, all payments from all farms were attributed to the individual, and an additional husband-wife benefit of $50,000 would be included. For this analysis, the additional $50,000 benefit was attributed to the limits for fixed, decoupled payments and counter-cyclical payments.

For the parameters set forth in H.R. 2646, nine of the ten farms were within the payment limits for fixed, decoupled payments for the farm entity alone for both program commodities and peanuts. When the special spouse or three entity rule was considered all 10 farms were within limits for both program commodities and peanuts. For counter-cyclical payments, eight of the farms were within the limits for program commodities for the farm as one entity. The number of farms rose to nine when the spouse or three entity rule was considered. For peanut counter-cyclical payments, nine of the farms were within the limit regardless if considered with or without the special rules.

For the House compromise proposal as well as the final bill, the Farm Security and Rural Investment Act of 2002, eight of the ten farms were within the payment limits for fixed, decoupled payments for the farm entity alone for program commodities and nine of the ten were within the limits for peanuts. When the special spouse or three entity rule was considered nine of the farms were within limits for program commodities and all ten were within the limit for peanuts. For counter-cyclical payments, seven of the farms were within the limits for program commodities for the farm as one entity. The number of farms rose to nine when the spouse or three entity rule was considered. For peanut counter-cyclical payments, six of the farms were within the limits for the farm entity alone and nine farms when either of the special rules was considered.

Table 5 shows the results for fixed, decoupled payments and counter-cyclical payments under the Senate (S. 1731) proposed farm bill and the Senate Conference proposal. Given the parameters in S.1731, none of the farms were within the payment limits for the farm entity alone. When the spouse benefit was included, half of the farms were within the limits set forth. For the Conference proposal, again no farms were within the payment limits for the farm entity alone. When the spouse benefit was considered only three farms were within the limit.

Another alternative considered, that was not directly included in any of the bills or proposals, was the impact of removing the separate payment limit for peanuts and having only one payment limit for all commodities equal to the levels passed in the final bill for the other commodities. Under this scenario, as seen in Table 6, only five of our farms would be with in the limit for the farm entity alone for fixed decoupled payments and no farms would be within the limit for counter cyclical payments. When the spouse or three-entity rule is considered, nine of the farms would be within the limit for fixed decoupled payments and seven would be within the limit for counter cyclical payments.

Marketing Loan Benefits

The second part of the payment limitations analyzed in this study dealt with marketing loan benefits received as loan deficiency payments or marketing loan gains. The parameters key to this analysis were commodity prices and loan rates. The prices used to determine market loan benefits for program commodities were based on the 2001 FAPRI Baseline Projections for crop years 2001/2002 and 2002/2003 for the commodities represented on these Southeastern representative farms as shown in Table 7.

A price was also needed for peanuts to calculate the potential market loan payments. In the past, peanuts have always had a price support system in concert with a supply management program. Now, however, the peanut program is being changed to a total market oriented system. Given the history of the peanut program, there is no known market price at the present time since peanuts have not made the transition from a controlled market to a totally free market and no equilibrium prices have been set. Therefore, for purposes of this analysis three alternative prices for peanuts were considered. Prices were pegged at $325/ton, $300/ton and $275/ton to determine the maximum potential impact from the alternative payment limits from the market loan component on these representative peanut farms. These prices represent the lower bounds of what the free market peanut price should be under the new program.

Given the FAPRI projected commodity prices and the loan rates under the proposed bills, the two Conference proposals, and the Farm Security and Rural Investment Act of 2002, the marketing loan benefits were calculated for each of the ten representative farms. It was then determined how many of the farms were within the limits set forth in the various bills and Conference proposals.

Results show that the number of farms within the payment limit ranged from one to ten when marketing loan benefits were considered under the various proposals. However, the use of generic certificates was preserved. Therefore, those farms not meeting the dollar limit will be able to utilize generic certificates. These results point out the importance of the certificates, as well as the importance of an adequate understanding of how to use them. Table 8 shows how many of the ten Southeastern peanut representative farms were within the payment limits set for marketing loan benefits under the House bill and House Conference Proposal had the use of generic certificates not been allowed.

For peanuts, all 10 farms were within the limits set forth by H.R. 2646 for marketing loan benefits for all three peanut prices. For program commodities, seven of the farms were within the limit for the 2001/2002 projected crop price for the farm entity alone. This increased to nine farms when the spouse or three entity rule was considered. For the 2002/2003 crop year price projections, the numbers rose to eight farms for the farm alone and all ten farms when considering the spouse/three entity rules. However, those farms not meeting the dollar limit will be able to utilize generic certificates.

When the House Farm Bill Conference proposal is considered, given this set of payment limits and the FAPRI 2001/2002 Baseline crop prices, only one of the ten farms was within the limits for program commodities when the farm entity was considered alone. That rose to seven farms when the special spouse or three entity rule was considered. For the FAPRI 2002/2003 Baseline crop prices, three farms were within the limit if the farm alone was considered. The number of farms rose to eight when the spouse or three entity rule was considered. However, those farms not meeting the dollar limit will be able to utilize generic certificates.

Under the House Conference proposal, for peanuts all ten of the farms were within the limits at a market price of $325/ton. If the price dropped to $300/ton only nine farms met the criteria if the farm entity alone was considered. However, with the special rule consideration all ten farms were within the limit at the $300/ton price. The number of farms within the payment limits when the price of peanuts was $275/ton was nine farms for the farm entity alone or with the special rules. Those farms not meeting the criteria should be able to use generic certificates.

Table 9 shows the results of the analysis for the Senate bill. With only one limit for both program commodities and peanuts, only three farms are within the payment limits for marketing loan benefits under the FAPRI price projections for 2001/2002 crop year commodity prices and the three peanut prices. When the FAPRI 2002/2003 Baseline crop year prices are considered, six farms are within the limit if peanuts are priced at $325/ton. The number of farms within the limit drops to four farms if peanuts are $300/ton and 3 farms if peanuts are $275/ton.

Table 9 also shows the results of the analysis for the Senate Farm Bill Conference proposal. With only one limit for both program commodities and peanuts, seven of the farms are within the payment limits for marketing loan benefits under the FAPRI price projections for 2001/2002 crop year commodity prices with peanuts at $325/ton. The number of farms drops to six farms when the peanut price is lowered to $300/ton, and 4 farms when peanuts are $275/ton. When the FAPRI 2002/2003 Baseline crop year prices are considered, eight farms are within the limit if peanuts are priced at $325/ton. The number of farms within the limit drops to seven farms if peanuts are $300/ton or $275/ton given the single limit considered under the Senate proposal.

As seen in Table 10, given the three varying market prices for peanuts and the final bill passed, the results would be the same as those under the House Conference proposal for peanuts and marketing loan benefits given a separate limit for peanuts and other commodities. Without the use of generic certificates one farm would be over the limit if the market price of peanuts was $275/ton for both the farm entity alone or with the use of the special rule. If the market price of peanuts was $300/ton there would be one farm that would be over the limit if it was structured as a single entity.

Continuing the preface that the use of generic certificates would not be allowed, it was also determined how many of the farms would be within the limits for marketing loan benefits for each year of the life of the new farm bill for the other program commodities. Again, the market price used for each of the other commodities was based on the FAPRI baseline projections. Table 11 shows how many of the farms were within the limit given the single entity farm or the farm with the special rule election. For the farm entity alone in years one and two of the farm bill only three of the farms would be within the limits set if no generic certificates were allowed. That number rises to seven and eight respectively when the farm is structured as multiple entities.

Given the structure of farm entity alone, for year three, there would be six farms within the limits set and seven farms within the limit for years four and five of the farm bill. When the spouse or three entity rule is considered that number would rise to nine farms for each of these years. In year six, given the forecast of increasing commodity market prices over time, nine of the farms, if structured as a single entity, and all ten, if structured as multiple entities, would be within the limits set forth in the Farm Security and Rural Investment Act of 2002 if generic certificates were not allowed.

An alternative scenario was also considered in this analysis. Table 12 shows the results if payments limits were to become more restrictive whereby there was not a separate limit for marketing loan benefits for peanuts and, again, if generic certificates were not allowed. Depending on the market price of peanuts, when the farm was structured as a single entity, the number of farms within the limits for the life of the farm bill ranged from one to seven. When the special rules for multiple entities were considered the range increased to five to nine farms within the limit.

Discussion:

This analysis presents the potential impact from the payment limits set forth by the various proposed bills and the final bill on the economic viability of Southeastern agriculture. Payment limits have the potential to have a major impact on the livelihood of Southern agriculture if any changes are made that are more restrictive than the current set. This study points out how many farms could be impacted over the next decade given the diverse crop mix unique to Southern agriculture in contrast to the monoculture practices of the Corn Belt or High Plains.

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Table 1. Cultivatable Acreage and Crop Mixes of Representative Southeastern Peanut Farms

Farm #	Irrigated Cotton	Dryland Cotton	Irrigated Peanuts	Dryland Peanuts	Irrigated Corn	Dryland Corn	Sweet Corn	Water-melons	Tobacco	Coastal Hay	Pasture	Soy-beans	Total Acres
1	1,350	150	800		350		350						3,000
2	200	400	175	175	110					40	150		1,250
3	120	280	100	100				75	25				700
4	360	540	150	150									1,200
5			250	250				100					600
6	560	240	280	70	200								1,350
7		700		500		75							1,275
8	150	250	50	150	100							100	800
9	100	400	50	200	50	200							1,000
10	250	375	150	225									1,000

Table 2. Commodity Program Payment Limit Provisions under Proposed Alternatives

	H.R. 2646		**House Conference Proposal & Farm Security and Rural Investment Act of 2002**			**S. 1731 & Senate Conference Proposal**	
	FARM	W/ Spouse OR W/ 3 Entity	FARM	W/ Spouse OR W/ 3 Entity		FARM	W/ Spouse
Fixed, Decoupled Payments—Program Crops	50,000	100,000	40,000	80,000	Fixed, Decoupled and Counter-Cyclical Payments—Program Crops & Peanuts	75,000	125,000
Counter-Cyclical Payments—Program Crops	75,000	150,000	65,000	130,000			
Marketing Loan Benefits—Program Crops	150,000	300,000	75,000	150,000	Marketing Loan Benefits—Program Crops & Peanuts	150,000	150,000
Total: Program Crops	**275,000**	**550,000**	**180,000**	**360,000**	**Total: Program Crops & Peanuts**	**225,000**	**275,000**
Fixed, Decoupled Payments—Peanuts	50,000	100,000	40,000	80,000			
Counter-Cyclical Payments—Peanuts	75,000	150,000	65,000	130,000			
Marketing Loan Benefits—Peanuts	150,000	300,000	75,000	150,000			
Total: Peanuts	**275,000**	**550,000**	**180,000**	**360,000**			
Grand Total	**550,000**	**1,100,000**	**360,000**	**720,000**	**Grand Total**	**225,000**	**275,000**

Table 3. Commodity Support Levels and Maximum Payment Rates under the various proposals.

H.R. 2646					
	Wheat	Corn	Cotton	Soybeans	Peanuts
	(bu)	(bu)	(lb)	(bu)	(lb)
Target Price	$4.04	$2.78	$0.7360	$5.86	$0.24
Loan Rate	$2.58	$1.89	$0.5192	$4.92	$0.175
Fixed, Decoupled Payment Rate	$0.53	$0.30	$0.0667	$0.42	$0.018
Maximum Counter-Cyclical Payment Rate	$0.93	$0.59	$0.1501	$0.52	$0.047
S. 1731					
	Wheat	Corn	Cotton	Soybeans	Peanuts
	(bu)	(bu)	(lb)	(bu)	(lb)
Income Protection Price	$3.45	$2.35	$0.68	$5.75	$0.26
Loan Rate	$3.00	$2.08	$0.55	$5.20	$0.20
Direct Payment Rate (fiscal years 2002 & 2003)	$0.45	$0.27	$0.13	$0.55	$0.018
Maximum Counter-Cyclical Payment Rate (fiscal years 2002 & 2003	$0.00	$0.00	$0.00	$0.00	$0.042
House Conference Proposal, April 18, 2002					
	Wheat	Corn	Cotton	Soybeans	Peanuts
	(bu)	(bu)	(lb)	(bu)	(lb)
Target Price	$3.92	$2.64	$0.7200	$5.82	$0.25
Loan Rate	$2.74	$1.95	$0.5257	$4.98	$0.18
Fixed, Decoupled Payment Rate	$0.53	$0.30	$0.0667	$0.42	$0.018
Maximum Counter-Cyclical Payment Rate	$0.65	$0.39	$0.1276	$0.42	$0.052
Senate Conference Proposal, April 18, 2002					
	Wheat	Corn	Cotton	Soybeans	Peanuts
	(bu)	(bu)	(lb)	(bu)	(lb)
Income Protection Price	$3.78	$2.56	$0.72	$5.90	$0.2445
Loan Rate	$2.91	$2.02	$0.52	$5.04	$0.175
Direct Payment Rate (fiscal years 2002 & 2003)	$0.58	$0.33	$0.072	$0.60	$0.018
Maximum Counter-Cyclical Payment Rate (fiscal years 2002 & 2003	$0.29	$0.21	$0.128	$0.26	$0.0515
Farm Security and Rural Investment Act of 2002 (Prices for 2002-2003)					
	Wheat	Corn	Cotton	Soybeans	Peanuts
	(bu)	(bu)	(lb)	(bu)	(lb)
Target Price	$3.86	$2.60	$0.724	$5.80	$0.2475
Loan Rate	$2.80	$1.98	$0.52	$5.00	$0.1775
Fixed, Decoupled Payment Rate	$0.52	$0.28	$0.0667	$0.44	$0.018
Maximum Counter-Cyclical Payment Rate	$0.54	$0.34	$0.1373	$0.36	$0.052
Farm Security and Rural Investment Act of 2002 (Prices for 2004-2007)					
	Wheat	Corn	Cotton	Soybeans	Peanuts
	(bu)	(bu)	(lb)	(bu)	(lb)
Target Price	$3.92	$2.63	$0.724	$5.80	$0.2475
Loan Rate	$2.75	$1.95	$0.52	$5.00	$0.1775
Fixed, Decoupled Payment Rate	$0.52	$0.28	$0.0667	$0.44	$0.018
Maximum Counter-Cyclical Payment Rate	$0.65	$0.40	$0.1373	$0.36	$0.052

(Maximum Counter-Cyclical Payment Rate = Target Price – Loan Rate – Direct Payment Rate)

Table 4. Number of farms within payment limits set forth by House Farm Bill (H.R. 2646), House Farm Bill Conference Proposal, and the Farm Security and Rural Investment Act of 2002

	H.R. 2646			
	Program Commodities		Peanuts	
	FARM	W/ Spouse or 3 Entity	FARM	W/ Spouse or 3 Entity
Fixed Decoupled Payment	9	10	9	10
Counter-Cyclical Payment	8	9	9	9
	House Compromise Proposal and Farm Security and Rural Investment Act of 2002			
	Program Commodities		Peanuts	
	FARM	W/ Spouse or 3 Entity	FARM	W/ Spouse or 3 Entity
Fixed Decoupled Payment	8	9	9	10
Counter-Cyclical Payment	7	9	6	9

Table 5. Number of farms within payment limits set forth by the Senate farm bill (S.1731) and Senate Farm Bill Conference Proposal

	S. 1731	
	Program Commodities and Peanuts	
	FARM	W/ Spouse
Direct Payment & Counter-Cyclical Payment	0	5
	Senate Compromise Proposal	
	FARM	W/ Spouse
Direct Payment & Counter-Cyclical Payment	0	3

Table 6. Number of farms within payment limits set forth by an alternative scenario with only one payment limit for all commodities at levels equal to those set forth in the final bill for the other program commodities. (i.e. NO Separate limit for peanuts)

	Alternative Scenario	
	Program Commodities and Peanuts	
	FARM	**W/ Spouse or 3 Entity**
Limit	***$40,000***	***$80,000***
Direct Payment	5	9
Limit	***$65,000***	***$130,000***
Counter-Cyclical Payment	0	7

Table 7. FAPRI 2001 Baseline Price Projections per unit

	2001/2002 Crop Year	**2002/2003 Crop Year**
Wheat	$2.84	$2.94
Corn	$2.00	$2.13
Cotton (AWP)*	$0.283	$0.347
Soybeans	$4.30	$4.33

*AWP is the Adjusted World Price; the prices for the other commodities are domestic.

Table 8. Number of farms within payment limits for Marketing Loan benefits set forth by H.R. 2646 and House Conference Proposal for given price assumptions.

H.R. 2646				
	Program Commodities		Peanuts	
	FARM	W/ Spouse or 3 Entity	FARM	W/ Spouse or 3 Entity
FAPRI 01/02 Baseline, Peanuts $325/ton	7	9	10	10
FAPRI 01/02 Baseline, Peanuts $300/ton	7	9	10	10
FAPRI 01/02 Baseline, Peanuts $275/ton	7	9	10	10
FAPRI 02/03 Baseline, Peanuts $325/ton	8	10	10	10
FAPRI 02/03 Baseline, Peanuts $300/ton	8	10	10	10
FAPRI 02/03 Baseline, Peanuts $275/ton	8	10	10	10
House Conference Proposal of April 18, 2002				
	Program Commodities		Peanuts	
	FARM	W/ Spouse	FARM	W/ Spouse
FAPRI 01/02 Baseline, Peanuts $325/ton	1	7	10	10
FAPRI 01/02 Baseline, Peanuts $300/ton	1	7	9	10
FAPRI 01/02 Baseline, Peanuts $275/ton	1	7	9	9
FAPRI 02/03 Baseline, Peanuts $325/ton	3	8	10	10
FAPRI 02/03 Baseline, Peanuts $300/ton	3	8	9	10
FAPRI 02/03 Baseline, Peanuts $275/ton	3	8	9	9

Table 9. Number of farms within payment limits for Marketing Loan benefits set forth by S. 1731 and the Senate Conference Compromise Proposal for given price assumptions.

	S. 1731		***Senate Conference Proposal, April 18, 2002***
	FARM		FARM
FAPRI 01/02 Baseline, Peanuts $325/ton	3		7
FAPRI 01/02 Baseline, Peanuts $300/ton	3		6
FAPRI 01/02 Baseline, Peanuts $275/ton	3		4
FAPRI 02/03 Baseline, Peanuts $325/ton	6		8
FAPRI 02/03 Baseline, Peanuts $300/ton	4		7
FAPRI 02/03 Baseline, Peanuts $275/ton	3		7

Table 10. Number of farms within limits for marketing loan benefits for peanuts under the Farm Security and Rural Investment Act of 2002 for various market prices for peanuts given separate limits for peanuts and other commodities.

	Peanuts	
	FARM	W/ Spouse or 3 Entity
Peanuts $325/ton	10	10
Peanuts $300/ton	9	10
Peanuts $275/ton	9	9

Table 11. Number of farms within limits for other commodities for marketing loan benefits under the Farm Security and Rural Investment Act of 2002 using FAPRI baseline price projections and given separate limits for peanuts and other commodities.

	Program Commodities	
	FARM	W/ Spouse or 3 Entity
Year 1	3	7
Year 2	3	8
Year 3	6	9
Year 4	7	9
Year 5	7	9
Year 6	9	10

Table 12. Number of farms within limits for other commodities for marketing loan benefits under the Farm Security and Rural Investment Act of 2002 using FAPRI baseline price projections and given no separate limits for peanuts and other commodities at three market prices of peanuts.

	Peanut Market Price $325/ton		Peanut Market Price $300/ton		Peanut Market Price $250/ton	
	FARM	W/ Spouse or 3 Entity	FARM	W/ Spouse or 3 Entity	FARM	W/ Spouse or 3 Entity
Year 1	1	7	1	7	1	5
Year 2	3	8	1	7	1	7
Year 3	3	8	3	8	1	7
Year 4	3	9	3	8	3	8
Year 5	7	9	4	9	3	8
Year 6	7	9	5	9	4	9