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A Framework for Estimating U.S. WTO Domestic Support to 2015

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1. Introduction

The framework we present in this poster allows us to measure U.S. domestic support to the year 2015 in a consistent and transparent manner. This tool is valuable in the timely analysis of U.S. domestic support for the Doha Development Round and the 2007 Farm Bill. It replicates the U.S. notifications to the WTO and anticipates the nature of future U.S. notifications under alternative assumptions about classification of support and amounts of support under different programs. The poster will present key assumptions of a baseline scenario, the methodology used to construct the framework and main results.

The framework's historical information is based on U.S. domestic support notifications to the World Trade Organization (WTO) to 2001, and validation with original data sources. Projections of future U.S. domestic support patterns, assuming a continuation of the 2002 Farm Bill, are made with estimates published in the United States Department of Agriculture (USDA) Agricultural Baseline Projections. We also use information from the Organization for Economic Cooperation and Development (OECD), the Food Agricultural Policy Research Institute (FAPRI), the U.S. National Agricultural Statistics Service (NASS), as well as our own estimates.

The framework's baseline scenario can then be used to compare results with the analysis of constraints and classifications under various assumptions arising out of: 1) revisions based on new price and quantity projections or new information about classification of programs; 2) budgetary reductions and increases; 3) the WTO cotton case; 4) possible Doha Development Round rules and reductions; 5) the 2007 Farm Bill; and, 6) other scenarios.

1.1. Key Assumptions of a Baseline Scenario

- The U.S. 2002 Farm Act is assumed to remain in effect throughout the baseline to 2015
- De minimis percentages remain the same at 5% of the value of production to 2015
- Applied administrative prices for market price support remain the same to 2015
- Direct Payments (DP) are classified in the green box
- Counter-Cyclical Payments (CCP) are classified as Non-Product-Specific Aggregate Measurement of Support (NPSAMS)
- No blue box support is provided to 2015
- Peanuts and tobacco quota buyouts are classified in the green box

These assumptions are intended to establish a benchmark to compare with other constraints and classifications, and are not meant to prejudge the possible classification of future U.S. programs notifications or negotiated outcomes.

2. Methodology

Our framework consists of 65 spreadsheets, which are grouped into four stages of analysis: 1) calculation of program expenditures and value of production by commodity; 2) calculation of product-specific (PS) AMS by commodity; 3) estimation of major agricultural programs; and, 4) calculation of WTO boxes and the overall value of production. The information flows from the first stage to the other stages.

1) Calculation of program and value of production by commodities. 26 spreadsheets containing data for acreage, production, prices and income by commodity from 2002 to 2015 is taken mainly from USDA (2005b). These estimates are based on the USDA Agricultural

Baseline Projections. Different estimates for acreage, production and prices change the value of production of the commodity as well as the value of some programs.

2) *Calculation of PSAMS.* For each of the 26 commodities, a spreadsheet (table) contains all notified product-specific programs for 1986-88 and from 1995 to 2001. The classification of programs used in these notifications is extended to 2015. The future commodity value of production determines whether the PSAMS is de minimis or not. Yearly projections of programs and the value of production for each commodity were referenced from the commodity estimates developed in stage 1.

When program information is not available, the 2001 notified amount is used throughout the 2002-2015 period. The value of production estimates for 2002 and 2003 were revised using data published in USDA (2005c) because this is the source for the value of production data used by the United States in its WTO domestic support notifications.

Market price support for dairy and sugar is estimated by holding constant the 2001 difference between the applied administrative price and the external reference price to 2015. However, the market price support for these commodities increases over time because eligible production increases as projected in the Commodity Estimates Book. The dairy market loss payment program is assumed to end in 2005 as established in the 2002 Farm Bill.

3) *Calculation of Major Agricultural Programs.* Data from stage 1 is also used to construct tables to calculate total estimates for CCP, Production Flexibility Contract (PFC) Payments, Direct Payments, Marketing Loan Gains (MLG), Loan Deficiency Payments (LDP) and the Conservation Reserve Program (CRP). These tables include all the commodities which are receiving the program. For example, PFC payments are estimated for seven commodities and CCP for these seven commodities plus peanuts and soybeans.

A separate spreadsheet estimates the crop insurance program. For this estimation, we use the crop insurance model developed by FAPRI. To estimate the total cost of the crop insurance program for a particular year, we add subsidies and indemnity payments received and subtract premiums paid by producers.

4) Calculation of WTO boxes and the overall value of production. The framework includes tables for PSAMS, NPSAMS, Current Total AMS, Green Box, Blue Box and the overall value of production. The PSAMS table (Table 1) includes all commodities for which the United States notified PSAMS in the base period and from 1995 to 2001. For each commodity in 2002-2015 we include either the PSAMS or de minimis values (de minimis values are reported in bold).

The NPSAMS table (Table 2) includes the crop insurance estimates from the FAPRI crop insurance model. Crop insurance estimates for 2002-2003 were revised using data from the OECD PSE database which provides an accurate estimate for past years. Grazing and irrigation payments were taken from the OECD database for 2002-2004 and remain constant at the 2004 level from 2005 onwards. CCP are referenced from the CCP table in section 3. The overall value of production (explained below) is included to establish whether the NPSAMS is de minimis or not.

The Current Total AMS table adds the PSAMS and the NPSAMS, net of de minimis AMS amounts.

Green box payments (Table 3) are estimated for domestic food aid, decoupled income support, payments for relief from natural disasters, structural adjustment through resource retirement and environmental payments. General services and structural adjustment through investment aid are assumed the same as in 2001. Direct payments and the peanuts and tobacco

quota buyouts are classified as direct income support. Most estimates for 2002-2004 were obtained from the OECD PSE database. From 2005 onwards, some programs remain at the 2004 level.

Blue box payments in the form of deficiency payments are reported as notified in 1995.

The value of production table (Table 4) includes the value of production of individual commodities and the overall value of production as notified in the base period and 1995-2001. For most commodities, NASS statistics are used for 2002-2003. Data from the USDA baseline projections is used for the 26 estimated commodities in 2004-2015. Farm market receipts estimates from the USDA baseline projections is used as a proxy for the overall value of production. For the remaining AMS commodities, from 2004 onwards we used the difference between the overall value of production, minus the value of USDA baseline projections, times the relative share of remaining AMS products in 2001. Other products (not in the AMS calculation) are estimated as the difference between the overall value of production, minus the estimated individual value of production of the AMS commodities.

3. Main Results

- The U.S. overall value of production is projected to increase by almost 40% from 2002 to 2015. This would increase the overall de minimis allowance from US\$9.5 billion in 2002 to US\$13 billion in 2005, as well as the same amount for individual products, totalling US\$26 billion in the de minimis allowance by 2015. The increase is significant because it allows the U.S. to increase further domestic support under the Uruguay Round rules.
- Based on the 2005 optimistic USDA Agricultural Baseline Projections and assumptions used in this report, the United States would be able to maintain its Uruguay Round

commitments through to 2015. This suggests that the U.S. would not need to change its domestic support programs if there is no new WTO trade agreement.

- The U.S. PSAMS in 2002-2015 is smaller than the PSAMS notified in 1999-2001. This is due in part because commodity prices have remained higher in 2002-2004 than in 1999-2001 and because the USDA baseline projections are, by construction, optimistic. This shows that the PSAMS under the 2002 Farm Bill would not be higher than under the 1996 Farm Bill.
- Support for dairy and sugar is high in the projection period due to increases in eligible production. As a result, beyond 2008, the PSAMS is mostly composed of dairy and sugar PSAMS.
- A significant decline in the 2004 average price of corn resulted in sizable increases in corn's PSAMS. As a result, corn would have the second highest PSAMS in 2004.
- U.S. NPSAMS reaches high levels in 2004 and 2005, triggered by large CCP and rising crop insurance payments. The U.S. NPSAMS will continue to remain de minimis in the projection period. This shows that the 5% de minimis exemption is sufficient to exempt the U.S. NPSAMS from the Current Total AMS.
- U.S. green box payments are projected to increase almost threefold from the base period to 2015 due mainly to increases in domestic food aid programs. The growth of these payments is of concern because of their size, they could affect production.
- If less optimistic scenarios are embraced than the USDA baseline, the U.S. could have more problems meeting their WTO obligations. For example, using other price scenarios or classification as required under the WTO cotton case, it is less likely that the U.S. would be able to maintain its Uruguay Round commitments.

4. Conclusion

This tool allows us to analyze domestic support simulations for the United States and anticipate their program categorization and negotiations strategies. It is useful for assessing Doha proposals, WTO commodity cases and the 2007 Farm Bill. This can be done by changing the classification of programs, the parameters included on the spreadsheets, and by introducing new constraints. Given that data is available at the commodity level, the monitoring of individual commitments is also easily accomplished to a level of accuracy that has not been done elsewhere.

References

FAPRI. Crop Insurance Model (<http://www.fapri.iastate.edu/tools/outlook.aspx>).

OECD. U.S. PSE database (http://www.oecd.org/topicstatsportal/0,2647,en_2825_494504_1_1_1_1_1,00.html).

U.S. Department of Agriculture (USDA), 2005a. USDA Agricultural Baseline Projections to 2014. (<http://www.usda.gov/oce/waob/commodityprojections/USDA%20Agricultural%20Baseline%20Projections%20to%202014.pdf>).

_____, 2005b. Commodity Estimates Book for Fiscal Year 2006 President's Budget (<http://www.fsa.usda.gov/dam/bud/CCC%20Estimates%20Book/estimatesbook.htm>).

_____, 2005c. National Agricultural Statistics Service. Agricultural Statistics Book by Year (<http://www.usda.gov/nass/pubs/agstats.htm>).

WTO. U.S. domestic support notifications (http://docsonline.wto.org/gen_search.asp?searchmode=simple)

Table 1. U.S. Product-Specific Aggregate Measurement of Support (US\$ million)

Product	Notified									Estimates												
	1986-88	1995	1996	1997	1998	1999	2000	2001	2002e	2003e	2004e	2005e	2006e	2007e	2008e	2009e	2010e	2011e	2012e	2013e	2014e	2015e
Barley	336	1	1	4	84	39	70	16	4	1	94	57	24	16	6	2	1	1	1	1	1	0
Beef and veal	375	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corn	7838	32	28	150	1533	2554	2757	1270	92	154	3495	1849	468	76	76	76	76	76	76	76	76	76
Cotton	2349	32	3	466	934	2354	1050	2810	1141	454	2085	980	381	307	269	269	269	269	269	269	269	269
Dairy	5766	4655	4690	4455	4560	4660	5070	4483	6295	4758	5085	4715	4744	4850	4877	4956	4983	5062	5089	5115	5195	5221
Hogs/pork	0	0	0	0	123	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Honey	55	1	0	0	0	0	29	0	0	0	0	25	30	35	33	28	25	0	0	0	0	0
Canola					8	39	82	23	0	7	0	15	17	11	3	1	0	0	0	0	0	0
Crambe						1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flaxeed					2	11	25	12	0	0	0	5	6	4	0	0	0	0	0	0	0	0
Mustard					0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rapeseed					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Safflower					0	2	3	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Sunflower					22	143	161	55	1	0	0	31	42	38	15	9	5	1	0	0	0	0
Mohair	46	15	0	0	0	2	2	0	6	5	4	3	3	3	4	4	4	4	4	4	4	4
Oats	22	0	0	0	20	30	44	4	0	3	3	16	10	10	7	3	1	1	1	1	1	1
Peanuts	347	415	299	305	340	349	438	305	758	0	0	0	0	0	0	0	0	0	0	0	0	0
Rice	980	12	6	6	21	435	625	762	755	558	157	60	50	50	50	50	50	50	50	50	50	50
Rye	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sorghum	956	0	1	2	63	154	84	6	3	13	145	109	44	8	1	1	1	1	1	1	1	1
Soybeans	249	16	14	45	1275	2856	3606	3610	184	168	708	2252	1835	939	181	168	168	168	168	168	168	168
Sugar	1054	1091	908	1011	1056	1207	1178	1061	1129	1158	1140	1177	1163	1136	1138	1149	1181	1188	1208	1215	1225	1227
Tobacco	45	0	0	0	0	924	519	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wheat	4073	5	8	37	516	974	848	190	31	109	96	328	263	164	83	15	15	15	15	15	15	15
Wool	78	38	0	0	0	9	33	0	8	7	8	8	8	8	8	8	8	8	8	7	7	7
Cranberries						20	0	0														
Sheep & Lamb						13	10	22														
Potatoes						14	26	0														
Apples						99	175	0														
Dry peas									0	14	32	29	32	34	34	35	38	42	45	48	51	53
Lentils									2	0	0	0	0	0	0	0	0	0	0	0	0	0
Chickpeas																						
Onions							10	0														
Apricots							2	0														
Sesame							0	0														
Peaches							7	0														
Pears							3	0														
Tomatoes							7	0														
Total PS-AMS (after exempting de minimis amounts)	23878	6214	5897	6237	10391	16860	16803	14413	10098	6954	12245	11599	8315	7375	6115	6179	6238	6303	6352	6390	6482	6512
Sum of de minimis exempted	692	99	61	244	166	29	63	216	315	448	807	60	805	314	669	593	586	582	581	581	581	580

Note:

De minimis values are reported in bold

Sources:

Commodity Estimates Book for FY 2006 President's Budget

NASS for some 2002 & 2003 value of production

For base period and 1995-2001 US WTO domestic support notifications

Table 2. U.S. Non-product-specific AMS (US\$ million)

Measure Type	1986-88	1995	1996	Notified				Estimates															
				1997	1998	1999	2000	2001	2002e	2003e	2004e	2005e	2006e	2007e	2008e	2009e	2010e	2011e	2012e	2013e	2014e	2015e	
REPORTED MEASURES																							
Crop insurance	385	906	633	119	747	1514	1396	1770	2889	1666	1800	2130	2210	2280	2330	2380	2420	2460	2510	2540	2570	2570	
Multi-year crop disaster payments					577																		
Market Loss Assistance					2811	5468	5463	4640															
Counter-cyclical payments									1805	655	5650	5726	4255	2939	1341	828	712	712	712	712	712	712	712
Grazing livestock	26	45	50	51	51	55	51	65	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57
State credit programs	43	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49
Irrigation	543	381	381	349	349	316	316	300	300	300	269	269	269	269	269	269	269	269	269	269	269	269	269
Emergency loans for seed producers						3																	
Farm storage facility loan program						1	3	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Total	997	1381	1113	567	4583	7405	7278	6828	5104	2731	7829	8235	6844	5598	4050	3587	3511	3551	3601	3631	3661	3661	
Value of production	142930	190109	205700	203884	190887	184733	189522	198502	189448	208100	231900	218900	223700	229900	234600	239800	245000	249700	253100	256500	260800	260800	
5% of vop	7147	9505	10285	10194	9544	9237	9476	9925	9472	10405	11595	10945	11185	11495	11730	11990	12250	12485	12655	12825	13040	13040	
De minimis exempt	997	1381	1113	567	4583	7405	7278	6828	5104	2731	7829	8235	6844	5598	4050	3587	3511	3551	3601	3631	3661	3661	
NPSAMS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sources:

AGST: WTO: US Domestic Support Notification for Marketing Year 1986-88 (G/AG/AGST/USA)
 1995: WTO: US Domestic Support Notification for Marketing Year 1995 (G/AG/N/USA/10, June 12 1997)
 1996: WTO: US Domestic Support Notification for Marketing Year 1996 (G/AG/N/USA/17, June 15 1998)
 1997: WTO: US Domestic Support Notification for Marketing Year 1997 (G/AG/N/USA/27, June 28 1999)
 1998: WTO: US Domestic Support Notification for Marketing Year 1998 (G/AG/N/USA/36, June 26 2001)
 1999: WTO: US Domestic Support Notification for Marketing Year 1998 (G/AG/N/USA/43, 5 February 2003)
 2000&2001: WTO: US Domestic Support Notification for Marketing Year 2000&2001 (G/AG/N/USA/51, 17 March 2004)

Crop insurance. OECD PSE database for 2002-2003. For 2004-2015 from FAPRI crop insurance model, 2005

Market loss assistance payments ended in 2001.

Counter-cyclical payments. Commodity Estimates Book for FY 2006 President's Budget

Grazing. OECD PSE database for 2002-2004. Form 2005-2015 same as 2004

State credit. From 2002-2015 same as in 2001

Irrigation. OECD PSE database for 2002-2004. Form 2005-2015 same as 2004

Table 3. U.S. Green Box Support (US\$million)

Description of Program	Notified								Estimates													
	1986-88	1995	1996	1997	1998	1999	2000	2001	2002e	2003e	2004e	2005e	2006e	2007e	2008e	2009e	2010e	2011e	2012e	2013e	2014e	2015e
General services	4738	6419	6550	6797	7225	7694	8554	9214	9214	9214	9214	9214	9214	9214	9214	9214	9214	9214	9214	9214	9214	9214
Domestic food aid																						
Food stamp program	11813	25554	25422	22857	20141	19005	18295	19096	22069	25325	29044	34211	37599	37599	37599	37599	37599	37599	37599	37599	37599	37599
Child nutrition program	4050	7499	7875	8265	8565	8878	9203	9560	10254	10827	11456	12564	12877	12877	12877	12877	12877	12877	12877	12877	12877	12877
Special supp. Nutrition	1711	3404	3679	3866	3902	3942	3950	4077	4330	4548	4715	5088	5465	5465	5465	5465	5465	5465	5465	5465	5465	5465
Other food aid programs	1584	1013	858	975	879	1225	929	1183	1183	1183	1183	1183	1183	1183	1183	1183	1183	1183	1183	1183	1183	1183
Total	19158	37470	37834	35963	33487	33050	32377	33916	37836	41883	46398	53046	57124	57124	57124	57124	57124	57124	57124	57124	57124	57124
Decoupled income support																						
Production Flexibility Contract Payments	0	0	5186	6284	5658	5469	5066	4100	3675													
Direct Payments									1618	5267	5283	5304	5304	5304	5304	5304	5304	5304	5304	5304	5304	4779
Peanuts quota buyout									1006	211	10	4	4	0	0	0	0	0	0	0	0	0
Tobacco quota buyout												1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	0
Total	0	0	5186	6284	5658	5469	5066	4100	6299	5477	5293	6308	6308	6304	6304	6304	6304	6304	6304	6304	6304	4779
Payments for relief from natural disasters																						
Livestock indemnity program	0	0	0	49	5	4	5	0	3	251	130	130	130	130	130	130	130	130	130	130	130	130
Emergency loans	3	5	13	12	8	26	13	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Other relief payments	53	97	143	96	58	366	289	644	644	644	644	644	644	644	644	644	644	644	644	644	644	644
Crop disaster payments	1332	0	0	0	1341	1239	1834	771	935	0	0											
Total	1388	102	156	157	1412	1635	2141	1421	1588	901	780	780	780	780	780	780	780	780	780	780	780	780
Structural adjustment through resource retirement																						
Conservation Reserve Program	194	1732	1732	1691	1688	1434	1476	1624	1785	1785	1788	1788	1788	1788	1788	1788	1788	1788	1788	1788	1788	1788
Structural adjustment through investment aid	470	84	88	89	93	134	132	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106
Environmental Payments																						
Wetland reserve program (WRP)	0	16	109	80	121	162	120	134	107	48	27	27	27	27	27	27	27	27	27	27	27	27
EQIP	0	0	0	49	61	92	95	93	146	101	65	65	65	65	65	65	65	65	65	65	65	65
2002 Farm Bill											371	566	718	834	928	1010	1107	1107	1107	1107	1107	1107
Other than WRP & EQIP																						
environmental payments	202	218	170	137	74	78	94	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
Total	202	234	279	266	256	332	309	291	317	213	526	721	873	989	1083	1165	1262	1262	1262	1262	1262	1262
Grand Total	26150	46041	51825	51247	49819	49748	50055	50672	57145	59580	64105	71963	76193	76305	76399	76481	76578	76578	76578	76578	76578	75053

Sources:

U.S. WTO notifications (up to 2001)

For 2002-2014

General Services. Assumed the same as in 2001

Domestic Food Aid. Food aid from OECD PSE database for 2002-2004. USDA 2004-06 Budget Summary (Outlays) for food stamp program for 2005-2006. 2007 to 2015 assumed same as in 2006

Production Flexibility Contracts. USDA and Commodity Estimates Book for FY 2006 President's Budget

Direct Payments. Commodity Estimates Book for FY 2006 President's Budget

Peanut quota buyout. Commodity Estimates Book for FY 2006 President's Budget

Tobacco quota buyout. <http://www.agpolicy.org/tobquota.html>

Livestock Indemnity Program. OECD PSE database for 2002-2004. For 2005-2015 same as in 2004

Emergency Loans and other relief payments. Assumed the same as in 2001

Crop disaster payments. OECD PSE database for 2002-2004

Conservation Reserve Program. OECD PSE database for 2002-2004. For 2005-2015 same as in 2004

Structural Adjustment. Assumed the same as in 2001

Wetland Reserve Program. OECD PSE database for 2002-2004. For 2005-2015 same as in 2004

Environmental Quality Incentives Program. OECD PSE database for 2002-2004. For 2005-2015 same as in 2004

Other environmental payments same as in 2001. 2002 Farm Bill estimates from the CBO office for 2004-2011. For 2012-2014 same as in 2011

Table 4. U.S. Value of Production (US\$ million)

Products	Notified								Estimates													
	1986-88	1995	1996	1997	1998	1999	2000	2001	2002e	2003e	2004e	2005e	2006e	2007e	2008e	2009e	2010e	2011e	2012e	2013e	2014e	2015e
Barley	989	1027	1092	862	687	597	649	537	606	755	684	552	600	600	638	650	676	663	663	676	676	702
Beef and veal	20989	24822	22259	24893	24153	26052	28392	29293	27098	32198	31293	31908	32605	33422	33375	33640	34110	34248	34340	34638	34871	34871
Corn	12507	23145	25312	22352	18922	17104	18499	18888	20882	24477	22308	21430	23328	24874	26473	27540	28641	29155	29694	30025	30368	31325
Cotton	2753	7281	7323	6811	4807	4369	4928	3789	4393	6310	6173	5138	5098	6050	6109	6148	6179	6185	6221	6258	6324	6353
Dairy	18025	20127	23057	21191	24332	23400	20771	24894	20720	26600	24520	26070	27090	28100	29180	29990	31410	31910	32030	32800	33080	33320
Hogs/Pork					8674	7766	10818	11430	8679	9729	13379	12754	12813	12859	12820	12920	13071	13249	13442	13695	13962	13962
Honey	108	136	180	148	147	126	133	132	228	253	202	145	130	113	107	112	129	145	159	173	184	194
Canola		61	62	88	160	107	134	175	150	159	135	111	112	118	127	134	137	141	145	149	151	154
Crambe						3	4	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0
Flaxseed		11	10	14	34	30	36	49	69	62	92	60	59	62	68	72	75	78	81	83	85	86
Mustard		2	2	9	11	5	4	5	19	12	6	8	7	7	8	8	8	8	9	9	9	9
Rapeseed		0	0	0	1	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1
Safflower		60	76	60	58	55	30	26	36	38	22	24	25	25	26	27	28	29	30	31	31	32
Sunflower		446	418	427	537	340	247	326	300	316	317	282	256	266	271	293	300	303	309	316	322	322
Mohair	41	22	16	15	13	10	11	4	3	3	4	4	4	4	4	4	4	4	4	4	4	4
Oats	536	266	319	273	200	175	176	196	212	225	162	130	135	135	140	145	158	158	158	158	158	158
Peanuts	1073	1019	1030	1003	1126	972	896	1001	600	799	811	775	801	821	838	860	878	895	913	930	947	963
Rice	496	1514	1687	1756	1687	1231	1050	925	980	1629	1676	1610	1673	1761	1876	2000	2097	2184	2271	2347	2432	2507
Rye	28	28	33	30	30	25	22	20	22	25	27	27	27	27	27	27	27	27	27	27	27	27
Sorghum	1323	1409	2004	1409	905	937	847	980	855	965	825	814	880	935	979	1001	1024	1035	1024	1035	1047	1069
Soybeans	9274	14564	17455	17373	13494	12205	12467	12606	15253	18014	16098	13095	13455	14235	15514	16335	16706	17024	17261	17430	17756	18055
Sugar	1850	2135	2044	2050	2126	2145	2055	2028	2059	2213	1850	1967	1913	1891	1931	1940	1987	2009	2016	2018	2022	2022
Tobacco	1770	2444	2852	3217	2701	2356	1955	1628	1687	1579	1752	1292	1425	1570	1701	1808	1906	2058	2188	2321	2434	2504
Wheat	5042	9744	9815	8287	6781	5594	5782	5440	5637	7929	7192	6465	6466	6741	7101	7437	7684	7980	8190	8378	8640	8833
Wool	86	66	40	45	29	18	15	15	22	14	14	14	14	14	13	13	13	12	12	12	12	11
Cranberries *						109	96	110	183	209	134	123	124	124	124	126	128	131	133	134	137	135
Sheep & Lamb *						349	361	298	314	390	362	333	335	337	337	342	346	354	360	364	372	365
Potatoes *						2746	2591	3066	3064	2686	3729	3430	3450	3468	3467	3518	3556	3644	3706	3745	3827	3756
Apples *						1563	1326	1448	1572	1811	1761	1620	1630	1638	1637	1662	1679	1721	1750	1769	1807	1774
Dry peas									33	39	42	69	69	80	93	107	119	131	141	149	155	162
Lentils									36	41	42	68	71	73	80	87	95	102	109	114	120	126
Onions *						736	698		768	982	849	781	786	789	789	801	810	830	844	853	871	855
Apricots *						32	27		29	35	33	30	30	31	31	31	31	32	33	33	34	33
Sesame *						2	2		2	2	2	2	2	2	2	2	2	2	2	2	2	2
Peaches *						489	493		504	455	600	552	555	558	557	566	572	586	596	602	615	604
Pears *						250	272		256	270	331	304	306	308	308	312	315	323	329	332	340	333
Tomatoes *						1809	1940		1184	1332	2359	2170	2183	2194	2194	2226	2250	2306	2345	2370	2422	2377
Other Products (not in AMS calculation)	66040	79780	88614	91571	79272	74344	71908	75757	70990	65542	92114	84739	85243	85669	85653	86914	87848	90035	91564	92520	94552	92792
Total VOP	142930	190109	205700	203884	190887	184733	189522	198502	189448	208100	231900	218900	223700	229900	234600	239800	245000	249700	253100	256500	260800	260800

Note: Farm Receipts estimates from the USDA baseline projections is used as a proxy for the overall value of production
 Farm Receipts were reduced by US\$3.5 billion to calibrate Farm Receipts with the value of production in 2000 and 2001
 Value of production of * products from 2004 onwards was estimated subtracting value of production of non-star products from the overall value of production times the relative share of * products in 2001
 Other products are estimated as the difference between the overall value of production minus the estimated individual value of the AMS commodities

Source: Commodity Estimates Book for FY 2006 President's Budget; NASS, 2003-2005 for value of production
 For base period and 1995-2001 U.S. domestic support notifications

Poster layout
A Framework for Estimating U.S. WTO Domestic Support to 2015

The poster consists of 12 slides in landscape form. The slides are aligned in 3 columns and 4 rows. The poster will present a brief introduction, key assumptions of a baseline scenario, the methodology used to construct the framework, main results and principal graphs and tables. The title and the slides will be prepared in color on a high-end printer, using glossy stock. The slides will be prepared in PowerPoint style.

Slide 1. Introduction

The Introduction highlights that the framework allows easy simulation of future U.S. domestic support notifications until 2015. It is useful for assessing Doha proposals, WTO commodity cases and the 2007 Farm Bill. This enables us to better understand implications for WTO negotiations.

This can be done by changing the classification of programs, many of the parameters on the spreadsheets and by introducing new constraints. Given that data is available at the commodity level, the monitoring of individual commitments is also easily accomplished.

Slide 2. Key Assumptions of a Baseline Scenario

- The U.S. 2002 Farm Act is assumed to remain in effect throughout the baseline to 2015
- De minimis percentage remain the same at 5% of the value of production to 2015
- Applied administrative prices for market price support remain the same to 2015
- Direct Payments (DP) are classified in the green box
- Counter-Cyclical Payments (CCP) are classified as Non-product-Specific Aggregate Measurement of Support (NPAMS)
- No blue box support is provided to 2015
- Peanuts and tobacco quota buyouts are classified in the green box

The framework's baseline scenario can then be used to compare results with the analysis of constraints and classifications under various assumptions. For example, DDA proposals and the WTO cotton case.

Slide 3. Methodology 1

The next 4 slides explain the methodology to build the framework. The framework consists of 65 spreadsheets grouped into four stages of analysis: 1) calculation of program and value of production by commodity; 2) Product-Specific (PS) AMS estimates by commodity; 3) calculation of major agricultural programs; and, 4) calculation of WTO boxes and the overall value of production.

A diagram will show the inter-linkages between the USDA Commodity Estimates Book, the USDA Agricultural Baseline Projections and our framework for 26 Commodity Estimates.

Slide 4. Methodology 2

A diagram will show the linkage between the calculations from the first stage and the determination of PSAMS for 26 commodities. The slide will also screen capture tiled PSAMS tables, with corn in the foreground to assist understanding.

Slide 5. Methodology 3

A diagram will show the linkage between stage 1 and 6 major agricultural programs: CCP, Production Flexibility Contract (PFC) Payments, Direct Payments, Marketing Loan Gains (MG), Loan Deficiency Payments (LDP) and the Conservation Reserve Program (CRP). We will also include a screen capture of the tiled CCP table to assist understanding.

Slide 6. Methodology 4

A diagram will link the PSAMS calculation method with the 26 individual PSAMS tables and the analysis of stage 1 with the NPSAMS calculation method, and the green box and the value of production.

Slide 7. Main Results 1

- The U.S. overall value of production is projected to increase by almost 40% from 2002 to 2015. This would increase the overall de minimis allowance from US\$9.5 billion in 2002 to US\$13 billion in 2005, as well as the same amount for individual products, totalling US\$26 billion in the de minimis allowance by 2015. The increase is significant because it allows the U.S. to increase further support under the Uruguay Round rules.
- Based on the relatively optimistic 2005 USDA Agricultural Baseline Projections and assumptions used in this report, the United States would be able to maintain its Uruguay Round commitments through to 2015. This suggests that the U.S. would not need to change its domestic support programs if there is no new WTO trade agreement.
- Support for dairy and sugar is high in the projection period due to increases in eligible production. As a result, beyond 2008, the PSAMS is mostly composed of dairy and sugar PSAMS.

Slide 8. Main Results 2

- A significant decline in the 2004 average price of corn resulted in sizable increases in corn's PSAMS. As a result, corn would have the second highest PSAMS in 2004.

- U.S. NPSAMS reaches high levels in 2004 and 2005 triggered by large CCP and rising crop insurance payments. The U.S. NPSAMS will continue to remain de minimis in the projection period. This shows that the 5% de minimis exemption is sufficient to exempt the U.S. NPSAMS from the Current Total AMS.
- U.S. green box payments are projected to increase almost threefold from the base period to 2015 due mainly to increases in domestic food aid programs. The growth of these payments is of concern because of their size, they could affect production.

Slide 9. Table or graph 1

A table or graph will show the total PSAMS and the sum of de minimis exempted, for the base period and from 1995 to 2015.

Slide 10. Table or graph 2

A table or graph will show the total NPSAMS, the total value of production and de minimis exempt for NPSAMS, for the base period and from 1995 to 2015.

Slide 11. Table or graph 3

A table or graph will show total green box payments for the base period and from 1995 to 2015.

Slide 12. Table or graph 4

A table or graph will show the total value of production for the base period and from 1995 to 2015.