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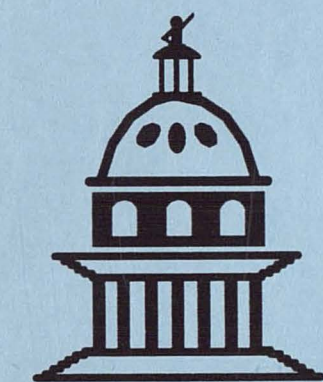
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IMPACTS OF 1995 FARM BILL POLICY OPTIONS ON THE DAIRY INDUSTRY

AFPC Working Paper 95-16

August 1995



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Agricultural and Food Policy Center
Department of Agricultural Economics
Texas A&M University
College Station, Texas 77843-2124

or call 409-845-5913.

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Joe L. Outlaw
Ronald D. Knutson
James W. Richardson
Robert B. Schwartz

Agricultural and Food Policy Center
Department of Agricultural Economics
Texas Agricultural Experiment Station
Texas Agricultural Extension Service
Texas A&M University System

August 1995

College Station, Texas 77843-2124
Telephone: (409) 845-5913

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IMPACTS OF 1995 FARM BILL POLICY OPTIONS ON THE DAIRY INDUSTRY

Executive Summary

Four policy options studies in this report with a brief summary of the results include:

- **Baseline: Continue Current Program** continues the current price support at \$10.10 per cwt with DEIP at GATT prescribed levels and maintaining the current Federal Milk Marketing Order structure. Under the baseline 10 of 22 farms lose equity reflecting the intense structural change that currently pervades the milk industry.
- **No Program with DEIP** eliminates supports for dairy and all other agricultural products, but keeps DEIP and orders. Milk prices fall \$0.40 - \$0.60 per cwt due to the elimination of the milk price support program. Feed costs fall \$0.10 due to lower crop prices. Incrementally, equity falls by 5-11 percentage points relative to the baseline and twelve of 22 farms lose equity under this option.
- **No Program, No DEIP** drops export incentives in addition to price and income supports while keeping Federal orders. Incrementally, milk prices fall \$0.50 - \$0.60 per cwt and \$1.00 - \$1.20 relative to the baseline. Fourteen of 22 farms lose equity.
- **No Program, No Orders** drops all dairy programs in addition to DEIP. Incrementally, milk prices fall an additional \$0.20 - \$0.30 per cwt due to the elimination of Federal orders, \$1.20 - \$1.50 per cwt decline from the baseline.

While none of the options studied are perhaps the most likely scenario for the 1995 dairy program, the incremental effects provide considerable insight into the impacts of some policy changes in the price support, order and export arena that are being considered. This also indicates the resilience of milk production continue to lie geographically distributed across the United States in California, Texas, Wisconsin and New York.

This report consolidates the dairy-specific results of several studies that have been completed by the Food and Agricultural Policy Research Institute (FAPRI) and the Agricultural and Food Policy Center (AFPC) for the 1995 Farm Bill that included impacts on the dairy industry. These studies, however, have not analyzed dairy impacts singularly but have examined the cross commodity impacts of policy changes for all major program crops. This report has its origin in an Agriculture Committee request that asked FAPRI/AFPC to analyze a set of policy options ranging from elimination of the Dairy Price Support Program (DPSP) to elimination of Federal Milk Marketing Orders (FMMOs). Some of the results in this report previously appeared in the following FAPRI and AFPC publications:

- Impacts of Commodity Program Elimination on the U.S. Dairy Sector. FAPRI Working Paper 4-95, April 25, 1995.
- Impacts of Elimination of the Commodity Credit Corporation Purchase Program on the U.S. Dairy Sector. FAPRI Working Paper 7-95, May 10, 1995.
- Implications of the 1990 Farm Bill and FAPRI January 1995 Baseline on Representative Farms. AFPC Working Paper 95-1, February 1995.
- Aggregate and Representative Farm Impacts Resulting from Extending the 1990 Farm Bill, Program Elimination, and Marketing Loan Only Scenarios. AFPC Policy Briefing Series 95-4, April 1995.

This report is designed to encompass all dairy policy options that have been analyzed for the 1995 Farm Bill to date.

Options Analyzed

A summary description of the four policy options reported in this publication follows:

- **Baseline** involves extending the provisions of the 1990 Farm Bill throughout the period 1996-2000. The exception is the Conservation Reserve Program (CRP) would be cut approximately in half to 19 million acres by 2000. Target prices for crops would remain frozen at 1990 levels while loan rates and acreage reduction requirements would be determined by formula. The export enhancement programs for crops would be funded at the maximum agreed upon in GATT. The Dairy Price Support Program (DPSP) would continue to support the price of milk at \$10.10 per cwt and producer assessments would also continue. Federal Milk Marketing Orders (FMMOs) would remain and DEIP would continue to be funded at the maximum agreed upon in GATT.
- **No Program With DEIP** involves elimination of virtually all federal programs that directly support agriculture sector prices and incomes including grain export subsidies. All that would remain of crop programs is a 19 million acre CRP, federal crop insurance, the wheat and feed grain food reserve, PL 480, programs to expand industrial use, and farm credit programs. The Dairy Price Support Program (DPSP) and assessments would be eliminated while Federal Milk Marketing Orders (FMMOs) would remain. DEIP and all other export enhancement programs would continue to be funded at the maximum agreed upon in GATT. For dairy, this essentially is an option that only eliminates price supports for butter, cheese and nonfat dry milk (NDM).

- **No Program, No DEIP** involves elimination of all federal programs as in the No Program With DEIP option except DEIP would also be eliminated. FMMOs would remain in this option. Compared with the previous option, this isolates the impact of DEIP.
- **No Program, No Orders** involves the elimination of all federal programs as in the No Program No DEIP option except FMMOs would also be eliminated. However, it was assumed that the California state milk marketing order would remain. Compared with the previous option, this isolates the impacts of FMMOs.

Dairy Sector and Farm Level Impacts

Table 1 provides a summary of feed prices, cattle prices and milk assessments projected for each of the four policy options analyzed. Due to the elimination of crop programs and a smaller amount of land in CRP, feed prices are lower than the Baseline under each of the remaining three policy alternatives by an average of \$0.10 per cwt. The elimination of the assessment would result in an average \$0.14 per cwt higher revenues over the period. Table 2 indicates the regional milk prices projected to year 2000 for each of the four alternatives.

The price declines range from \$0.50 to \$0.70, \$1.00 to \$1.20, and \$1.20 to \$1.50 per cwt lower respectively, under the three alternatives than under the Baseline. These results suggest that the support program on milk, combined with the effects of the crop price and income support programs contributes about \$0.50 - \$0.70 per cwt to the price of milk. By subtracting the \$0.10 lower feed cost due to the elimination of price and income supports on crops, this analysis suggests that the dairy price support program itself contributes about \$0.40 - \$0.60 per cwt to the price of milk. DEIP contributes \$0.50 - 0.60 to the price of milk ($\$1.00 - \$0.50 = 0.50$, $\$1.20 -$

Table 1. Comparison of Crop Prices for Alternative Policy Scenarios.

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Corn (\$/bu.)									
Baseline	2.07	2.50	2.15	2.31	2.24	2.11	2.21	2.22	2.25
NoPrg wDEIP	2.07	2.50	2.15	2.31	2.22	2.17	2.30	2.26	2.35
NoPrg nDEIP	2.07	2.50	2.15	2.31	2.22	2.17	2.30	2.26	2.35
NoPrg nOrd	2.07	2.50	2.15	2.31	2.22	2.17	2.30	2.26	2.35
Soybean Meal (\$/ton)									
Baseline	181.75	180.53	150.80	160.98	166.95	166.00	167.93	171.80	178.95
NoPrg wDEIP	181.75	180.53	150.80	160.98	159.73	160.14	162.59	167.29	173.90
NoPrg nDEIP	181.75	180.53	150.80	160.98	159.73	160.14	162.59	167.29	173.90
NoPrg nOrd	181.75	180.53	150.80	160.98	159.73	160.14	162.59	167.29	173.90
All Hay (\$/ton)									
Baseline	74.30	81.60	78.15	76.15	77.07	78.31	79.75	77.63	73.18
NoPrg wDEIP	74.30	81.60	78.15	76.15	75.28	74.51	74.22	70.82	65.53
NoPrg nDEIP	74.30	81.60	78.15	76.15	75.28	74.51	74.22	70.82	65.53
NoPrg nOrd	74.30	81.60	78.15	76.15	75.28	74.51	74.22	70.82	65.53
Feeder Cattle Prices (\$/cwt)									
Baseline	86.47	91.72	83.08	79.77	75.96	70.73	71.99	76.62	83.22
NoPrg wDEIP	86.47	91.72	83.08	79.77	75.82	71.24	72.57	77.32	83.51
NoPrg nDEIP	86.47	91.72	83.08	79.77	75.82	71.24	72.57	77.32	83.51
NoPrg nOrd	86.47	91.72	83.08	79.77	75.82	71.24	72.57	77.32	83.51
Milk Cow Prices (\$/cwt)									
Baseline	44.84	47.52	42.56	40.24	38.11	35.12	35.46	38.08	42.38
NoPrg wDEIP	44.84	47.52	42.56	40.24	37.85	35.29	35.79	38.53	42.45
NoPrg nDEIP	44.84	47.52	42.56	40.24	37.85	35.29	35.79	38.53	42.45
NoPrg nOrd	44.84	47.52	42.56	40.24	37.85	35.29	35.79	38.53	42.45
Milk Assessment (\$/cwt)									
Baseline	0.13	0.14	0.15	0.15	0.14	0.14	0.14	0.14	0.14
NoPrg wDEIP	0.13	0.14	0.15	0.15	0.00	0.00	0.00	0.00	0.00
NoPrg nDEIP	0.13	0.14	0.15	0.15	0.00	0.00	0.00	0.00	0.00
NoPrg nOrd	0.13	0.14	0.15	0.15	0.00	0.00	0.00	0.00	0.00

Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri - Columbia and Iowa State University.

Table 2. Comparison of Regional Milk Prices for Alternative Policy Scenarios.

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Appalachia (\$/cwt)									
Baseline	14.08	13.79	13.53	13.31	13.21	13.31	13.48	13.70	13.89
NoPrg wDEIP	14.08	13.79	13.53	13.31	12.58	12.92	13.11	13.42	13.67
NoPrg nDEIP	14.08	13.79	13.53	13.31	12.20	12.59	12.95	13.28	13.54
NoPrg nOrd	14.08	13.79	13.53	13.31	11.09	11.69	12.18	12.56	12.83
Corn Belt (\$/cwt)									
Baseline	12.56	12.63	12.74	12.13	12.03	12.12	12.27	12.48	12.66
NoPrg wDEIP	12.56	12.63	12.74	12.13	11.33	11.68	11.87	12.16	12.40
NoPrg nDEIP	12.56	12.63	12.74	12.13	10.95	11.33	11.69	12.01	12.26
NoPrg nOrd	12.56	12.63	12.74	12.13	10.62	11.23	11.73	12.12	12.39
Upper Midwest (\$/cwt)									
Baseline	12.36	12.14	12.40	11.65	11.55	11.65	11.80	12.02	12.20
NoPrg wDEIP	12.36	12.14	12.40	11.65	10.86	11.21	11.40	11.70	11.94
NoPrg nDEIP	12.36	12.14	12.40	11.65	10.48	10.86	11.22	11.55	11.81
NoPrg nOrd	12.36	12.14	12.40	11.65	10.22	10.85	11.35	11.75	12.03
Northeast (\$/cwt)									
Baseline	13.46	13.18	13.33	12.72	12.63	12.73	12.90	13.12	13.31
NoPrg wDEIP	13.46	13.18	13.33	12.72	11.87	12.24	12.46	12.77	13.02
NoPrg nDEIP	13.46	13.18	13.33	12.72	11.50	11.89	12.26	12.60	12.88
NoPrg nOrd	13.46	13.18	13.33	12.72	10.79	11.43	11.94	12.33	12.62
Pacific (\$/cwt)									
Baseline	11.85	11.60	12.06	11.32	11.21	11.30	11.45	11.65	11.83
NoPrg wDEIP	11.85	11.60	12.06	11.32	10.41	10.77	10.98	11.28	11.51
NoPrg nDEIP	11.85	11.60	12.06	11.32	10.05	10.41	10.77	11.09	11.36
NoPrg nOrd	11.85	11.60	12.06	11.32	9.55	10.17	10.68	11.07	11.36
Southeast (\$/cwt)									
Baseline	14.72	14.46	14.12	13.87	13.74	13.81	13.94	14.13	14.28
NoPrg wDEIP	14.72	14.46	14.12	13.87	13.12	13.43	13.58	13.85	14.06
NoPrg nDEIP	14.72	14.46	14.12	13.87	12.74	13.10	13.42	13.71	13.93
NoPrg nOrd	14.72	14.46	14.12	13.87	12.21	12.82	13.30	13.69	13.96
Southern Plains (\$/cwt)									
Baseline	13.70	13.35	13.28	12.80	12.66	12.72	12.85	13.03	13.18
NoPrg wDEIP	13.70	13.35	13.28	12.80	11.89	12.22	12.40	12.67	12.88
NoPrg nDEIP	13.70	13.35	13.28	12.80	11.53	11.86	12.20	12.49	12.72
NoPrg nOrd	13.70	13.35	13.28	12.80	10.35	10.97	11.47	11.86	12.14

Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri - Columbia and Iowa State University.

\$0.60 = \$0.60). Orders contribute \$0.20 - \$0.30 per cwt ($\$1.20 - \$1.00 = \$0.20$, $\$1.50 - \$1.20 = \$0.30$), although the regional effects of order elimination differ markedly.

Table 3 indicates the changes in regional cow numbers associated with each of the policy alternatives. By year 2000, in all but the Upper Midwest, regional cow numbers are lowest under the No Program, No Orders alternative. This result is not surprising as prices in the Upper Midwest region are not as adversely affected by order elimination as by support price and DEIP elimination. This is the case because of lower fluid utilization and a smaller Class I differential in the Upper Midwest.

The Representative Farm Modeling System

AFPC maintains and updates the 22 representative dairy farms located in major milk production regions every 2 to 3 years (Figure 1). These farms are developed and updated with the assistance of panels of dairy farmers. The farmers on the panel are selected with the assistance of a state Extension dairy management specialist, a local county agent, and/or employees of a major cooperative serving the area. In most production areas, two dairy farm panels are selected:

Table 3. Impacts of the Dairy Policy Alternatives on Regional Dairy Cow Numbers.

	1996	1997	1998	1999	2000
Appalachian Baseline	483	456	429	408	392
Change from Baseline					
NoPrg wDEIP	-2	-4	-4	-4	-3
NoPrg nDEIP	-3	-6	-6	-6	-6
NoPrg nOrd	-7	-13	-14	-16	-15
Corn Belt Baseline	800	785	769	755	743
Change from Baseline					
NoPrg wDEIP	-2	-5	-6	-6	-6
NoPrg nDEIP	-4	-9	-11	-13	-13
NoPrg nOrd	-5	-12	-14	-14	-14
Upper Midwest Baseline	2449	2388	2323	2265	2213
Change from Baseline					
NoPrg wDEIP	-5	-10	-12	-14	-13
NoPrg nDEIP	-8	-19	-25	-28	-29
NoPrg nOrd	-10	-24	-28	-28	-25
Northeast Baseline	1853	1806	1755	1710	1668
Change from Baseline					
NoPrg wDEIP	-3	-6	-7	-7	-6
NoPrg nDEIP	-4	-11	-14	-15	-15
NoPrg nOrd	-7	-19	-25	-28	-29
Pacific Baseline	1780	1814	1841	1868	1895
Change from Baseline					
NoPrg wDEIP	-1	-4	-7	-8	-8
NoPrg nDEIP	-2	-6	-9	-11	-12
NoPrg nOrd	-3	-12	-19	-24	-28
Southeast Baseline	286	288	288	288	288
Change from Baseline					
NoPrg wDEIP	0	-1	-1	-1	-2
NoPrg nDEIP	-1	-2	-3	-3	-3
NoPrg nOrd	-1	-3	-4	-5	-5
Southern Plains Baseline	393	387	381	379	377
Change from Baseline					
NoPrg wDEIP	-1	-2	-2	-3	-3
NoPrg nDEIP	-3	-3	-4	-5	-5
NoPrg nOrd	-1	-8	-13	-17	-18
Other States Baseline	1387	1389	1390	1392	1393
Change from Baseline					
NoPrg wDEIP	-3	-8	-10	-12	-12
NoPrg nDEIP	-5	-13	-18	-20	-21
NoPrg nOrd	-8	-20	-25	-28	-29

The seven regions are defined to include the following states: Appalachian (Virginia, North Carolina, Kentucky, Tennessee); Southeast (Georgia, Florida); Corn Belt (Missouri, Iowa, Illinois, Indiana); Northeast (Ohio, New York, Maine, Vermont, Rhode Island, Pennsylvania, Connecticut, Massachusetts, New Hampshire); Pacific (California, Washington, Idaho); Southern Plains (Texas); Upper Midwest (South Dakota, Michigan, Minnesota, Wisconsin); Other States (Delaware, Oregon, Maryland, Wyoming, Montana, Nebraska, Colorado, Kansas, South Carolina, Oklahoma, West Virginia, Alaska, New Jersey, North Dakota, Nevada, Arkansas, Utah, Louisiana, New Mexico, Alabama, Arizona, Mississippi, Hawaii).

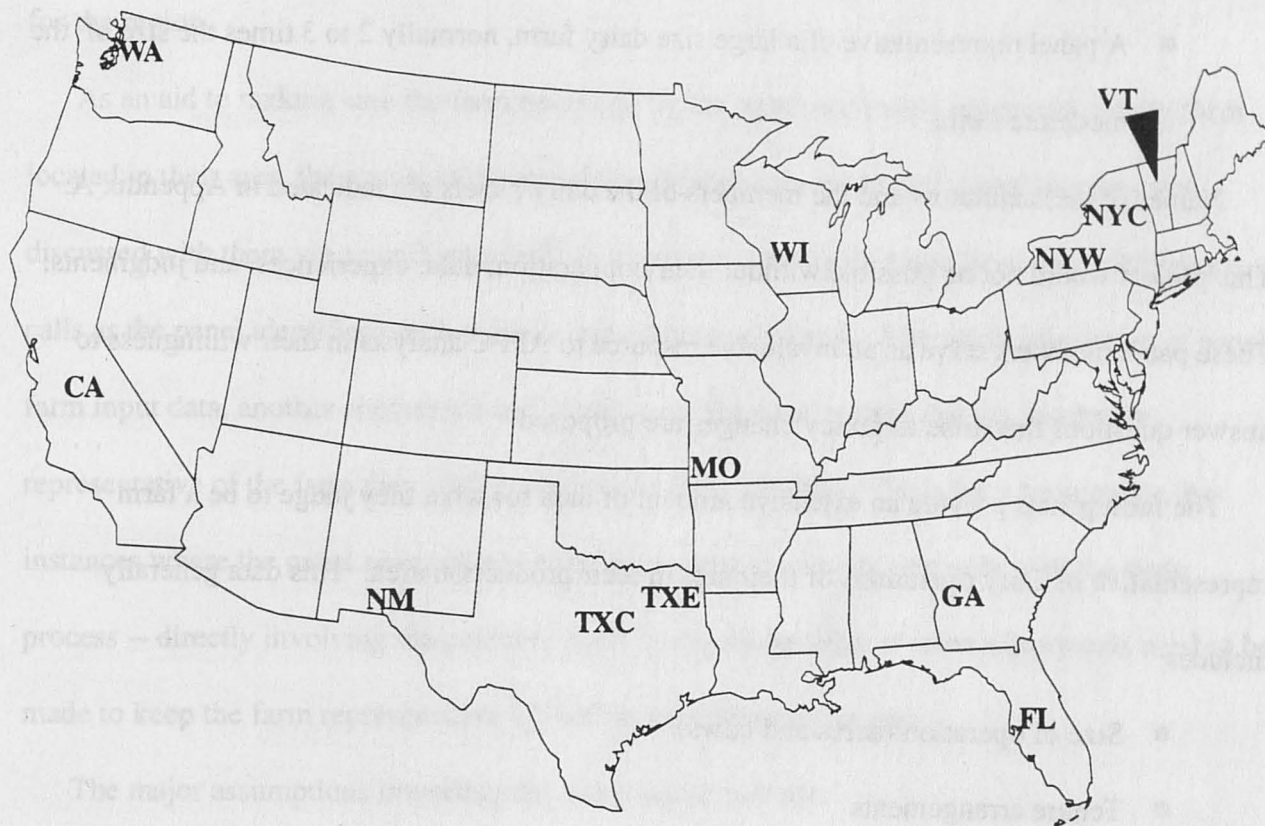


Figure 1. Panel Farms Producing Milk

- A panel representative of a moderate size full-time family dairy farm.
- A panel representative of a large size dairy farm, normally 2 to 3 times the size of the moderate farm.

Names of the facilitators and the members of the dairy panels are indicated in Appendix A.

This project would not be possible without their cooperation, data, experiences, and judgments.

These panel members serve as an invaluable resource to AFPC analysts in their willingness to answer questions that arise as policy changes are proposed.

The farm panels provide an extensive amount of data for what they judge to be a farm representative of dairy operations of their size in their production area. This data generally includes:

- Size of operation (acres and cows)
- Tenure arrangements
- Management practices
- Physical facilities
- Machinery complement
- Output per cow and crop yield (if applicable)
- Cost of production
- Mailbox milk price

The panel farm data provides input for a computer simulation model developed and maintained by James Richardson and Clair Nixon at Texas A&M. For each farm, milk prices are adjusted regionally to represent local marketing order regulations, premium structures, marketing costs, and competitive conditions. In other words, the prices utilized for each farm is a projection

of what would actually be received on the farmer's milk check given the projected all-milk price for the region.

As an aid to making sure the farm described by the panel accurately represents a dairy farm located in their area, the results of the initial simulations are sent to each panel member and discussed with them via a conference call. Adjustments invariably result from these conference calls as the panel identifies problem areas and suggests solutions. After each adjustment of panel farm input data, another conference call is held until the panel agrees that the results are representative of the farm they initially developed and described. There have been only a few instances where the panel never comes to an agreement. Updating proceeds with the same process -- directly involving the producer panel in the discussions of what adjustments need to be made to keep the farm representative of current conditions in the area.

The major assumptions impacting the dairy results include:

- The initial debt for the panel farm was specified as being a uniform 30 percent. In the updating process, we had considerable discussion of appropriate debt levels with many of the panels. The 30 percent debt level is higher than used in the past because in updating the panel members contended that higher debts are typical of progressive dairies attempting to adapt to change.
- The dairy herd size was held constant over the planning horizon. This means that herd and farm size are adjusted only when the farms are updated.
- The farm program parameters, crop prices and milk prices were as indicated in Tables 1 and 2.

- Feed grown and fed on the dairy farm is valued at its cost of production, not at the market price indicated in Table 1.
- Family living withdrawals were assumed at a minimum of \$25,000 annually with a maximum of \$50,000, depending on the profitability of the dairy.
- No off-farm income was allowed, thus the farm's financial experience reflects only its dairy-related economic activity over the study period.
- All farms are assumed to have adopted BST on an average of 30 percent of their cows with an average increase in production per treated cow of about nine pounds.

The simulation model is constructed in a manner which allows incorporation of historical variation in input prices, milk prices, milk per cow, and crop yields. Variability due to weather and market forces over the past ten years is thus incorporated into the analysis.

Tables 4-6 provide a description of some of the important characteristics of the 22 panel dairy farms. Space limitation makes it necessary to abbreviate the name of each dairy. The dairies are ordered from west to east, across the United States. The first two letters in the abbreviated name are the standard abbreviation for the state where the farm is located. If there is more than one dairy location in the state, the third letter indicates where the dairy is located, such as E stands for east or C for central. If there is not more than one dairy location in the state, the third letter (D) indicates it is a dairy farm. The numbers indicate the number of cows on the farm. The following are the abbreviations used, with a brief description of each farm:

- WAD175** a 175-cow Northern Washington (Whatcom County) moderate size dairy farm that had a herd average of 24,800 pounds of milk per cow. The farm grew 114 acres of silage and generated about 92 percent of its revenue from milk sales.
- WAD850** an 850-cow Northern Washington (Whatcom County) large dairy farm that had a herd average of 25,600 pounds of milk per cow. The farm grew 385 acres of silage and generated about 93 percent of its revenue from milk sales.
- CAD2150** a 2,150-cow Central California (Tulare County) large dairy farm that had a herd average of 23,800 pounds of milk per cow. The farm grew no feed and generated about 88 percent of its revenue from milk sales.
- NMD2000** a 2,000-cow Southern New Mexico (Dona Anna County) large dairy farm that had a herd average of 22,400 pounds of milk per cow. The farm grew 180 acres of silage and generated about 92 percent of its revenue from milk sales.
- TXCD300** a 300-cow Central Texas (Erath County) moderate size dairy farm that had a herd average of 17,000 pounds of milk per cow. The farm grew 303 acres of hay and silage, and generated about 91 percent of its revenue from milk sales.
- TXCD720** a 720-cow Central Texas (Erath County) large dairy farm that had a herd average of 20,300 pounds of milk per cow. The farm grew 380 acres of silage and produced about 91 percent of its receipts from milk sales.
- TXED200** a 200-cow Eastern Texas (Hopkins County) moderate size dairy farm that had a herd average of 17,300 pounds of milk per cow. By double cropping, the farm grew 450 acres of hay and generated about 87 percent of its receipts from milk sales.
- TXED812** an 812-cow Eastern Texas (Hopkins County) large dairy farm that had a herd average of 19,200 pounds of milk per cow. The farm grew 790 acres of hay, silage, and coastal pasture. The farm generated about 91 percent of its receipts from milk sales.

Table 4. Characteristics of Panel Farms in Washington, California, New Mexico, and Texas Producing Milk.

	WAD175	WAD850	CAD2150	NMD2000	TXCD300	TXCD720	TXED200	TXED812
Total Cropland	120.00	428.00	320.00	150.00	303.00	190.00	400.00	500.00
Acres Owned	60.00	225.00	320.00	150.00	150.00	190.00	200.00	500.00
Acres Leased	60.00	203.00	0.00	0.00	153.00	0.00	200.00	0.00
Total Pasture	0.00	0.00	0.00	0.00	150.00	155.00	0.00	300.00
Acres Owned	0.00	0.00	0.00	0.00	0.00	155.00	0.00	300.00
Acres Leased	0.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00
Assets (\$1000)								
Total	827.00	3242.00	8774.00	6698.00	1144.00	2695.00	1053.00	3110.00
Real Estate	406.00	1741.00	2939.00	2485.00	536.00	872.00	359.00	1527.00
Machinery	76.00	308.00	126.00	639.00	204.00	354.00	152.00	380.00
Other & Livestock	345.00	1193.00	5709.00	3574.00	404.00	1469.00	542.00	1203.00
Debt/Asset Ratios*								
Total	0.14	0.19	0.08	0.17	0.59	0.04	0.70	0.19
Intermediate	0.06	0.08	0.12	0.11	0.27	0.04	0.58	0.12
Long Run	0.22	0.29	0.00	0.28	0.95	0.02	0.95	0.27
1996 Livestock								
Dairy Cows	175.00	850.00	2150.00	2000.00	300.00	720.00	200.00	812.00
Cwt Milk/Cow	248.00	256.00	238.00	224.00	170.00	203.00	173.00	192.00
1996 Gross Receipts (\$1,000)*								
Total	561.50	2740.20	6303.00	5391.70	740.70	2134.50	508.20	2168.40
Milk	515.80 91.90%	2542.90 92.80%	5535.50 87.80%	4931.50 91.50%	675.50 91.20%	1938.10 90.80%	443.30 87.20%	1970.30 90.90%
Dairy Cattle	35.30 6.30%	159.40 5.80%	732.50 11.60%	460.20 8.50%	65.30 8.80%	196.40 9.20%	64.80 12.80%	198.10 9.10%
Silage	10.40 1.90%	37.90 1.40%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
Other Income	0.00 0.00%	0.00 0.00%	35.00 0.60%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
1996 Planted Acres**								
Total	114.00	385.00	0.00	180.00	303.00	380.00	450.00	790.00
Hay	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	136.00 44.90%	0.00 0.00%	250.00 55.60%	337.00 42.70%
Silage	114.00 100.00%	385.00 100.00%	0.00 0.00%	180.00 100.00%	167.00 55.10%	380.00 100.00%	0.00 0.00%	163.00 20.60%
Improved Pasture	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	200.00 44.40%	290.00 36.70%

Receipts for 1996 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 1996 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

- WID55** a 55-cow Eastern Wisconsin (Winnebago County) moderate size dairy farm that averaged 20,300 pounds of milk per cow, generating about 82 percent of its total revenue from milk sales. The farm grew 20 acres of silage, 43 acres of hay, 72 acres of haylage, 40 acres of corn for grain, and 15 acres of soybeans.
- WID190** a 190-cow Eastern Wisconsin (Winnebago County) large dairy farm that averaged 21,600 pounds of milk per cow. The farm grew 90 acres of silage, 120 acres of hay, 242 acres of haylage, 144 acres of corn for grain, and 87 acres of soybeans. The farm generated about 87 percent of its revenue from milk sales.
- NYWD600** a 600-cow Western New York (Wyoming County) moderate size dairy farm that averaged 21,500 pounds of milk per cow. The farm grew 470 acres of silage and 405 acres of haylage. About 90 percent of the farm revenue came from milk sales.
- NYWD1000** a 1,000-cow Western New York (Wyoming County) large dairy farm that averaged 21,500 pounds of milk per cow, generating about 90 percent of its total receipts from milk sales. The farm grew 850 acres of silage and 660 acres of haylage.
- NYCD110** a 110-cow Central New York (Cayuga County) moderate size dairy farm that averaged 21,600 pounds of milk per cow. The farm grew 88 acres of hay, 80 acres of silage, 77 acres of haylage, and 120 acres of corn for grain. About 90 percent of the farm's gross receipts came from milk sales.
- NYCD225** a 225-cow Central New York (Cayuga County) large dairy that averaged 21,500 pounds of milk per cow. The farm grew 99 acres of silage, 99 acres of hay, 128 acres of haylage, and 89 acres of corn for grain. The farm generated about 92 percent of its total receipts from milk sales.
- VTD70** a 70-cow Vermont (Washington County) moderate size dairy farm that averaged 22,400 pounds of milk per cow, generating about 87 percent of its revenue from milk sales. The farm grew 32 acres of hay, 50 acres of silage, and 56 acres of haylage.
- VTD186** a 186-cow Vermont (Washington County) large dairy farm that averaged 20,800 pounds of milk per cow, generating about 90 percent of its total revenue from milk sales. The farm grew 67 acres of hay, 117 acres of silage, and 100 acres of haylage.

Table 5. Characteristics of Panel Farms in Wisconsin, New York, and Vermont Producing Milk.

	WID55	WID190	NYWD600	NYWD1000	NYCD110	NYCD225	VTD70	VTD186
Total Cropland	195.00	685.00	875.00	1510.00	355.00	413.00	140.00	285.00
Acres Owned	152.00	411.00	600.00	967.00	205.00	309.00	100.00	225.00
Acres Leased	43.00	274.00	275.00	543.00	150.00	104.00	40.00	60.00
Total Pasture	30.00	0.00	200.00	200.00	50.00	300.00	125.00	100.00
Acres Owned	30.00	0.00	200.00	200.00	50.00	300.00	100.00	50.00
Acres Leased	0.00	0.00	0.00	0.00	0.00	0.00	25.00	50.00
Assets (\$1000)								
Total	519.00	1255.00	2476.00	4934.00	596.00	1014.00	661.00	1155.00
Real Estate	260.00	517.00	979.00	1777.00	373.00	464.00	357.00	579.00
Machinery	139.00	270.00	379.00	914.00	104.00	290.00	184.00	315.00
Other & Livestock	120.00	467.00	1118.00	2243.00	120.00	259.00	120.00	261.00
Debt/Asset Ratios*								
Total	0.24	0.18	0.18	0.06	0.45	0.25	0.33	0.39
Intermediate	0.20	0.11	0.15	0.10	0.04	0.25	0.19	0.22
Long Run	0.27	0.27	0.21	0.00	0.69	0.25	0.45	0.56
1996 Livestock								
Dairy Cows	55.00	190.00	600.00	1000.00	110.00	225.00	70.00	186.00
Cwt Milk/Cow	203.00	216.00	215.00	215.00	216.00	215.00	224.00	208.00
1996 Gross Receipts (\$1,000)*								
Total	170.20	591.60	1821.70	3000.90	305.40	655.90	227.80	539.50
Milk	139.80 82.10%	514.00 86.90%	1639.40 90.00%	2685.00 89.50%	274.90 90.00%	600.70 91.60%	197.70 86.80%	487.80 90.40%
Dairy Cattle	21.10 12.40%	63.20 10.70%	163.10 9.00%	223.40 7.40%	30.60 10.00%	55.20 8.40%	21.40 9.40%	45.80 8.50%
Hay	160.00% 0.01	280.00% 0.01	0.00% 0.00	0.00% 0.00	0.00% 0.00	0.00% 0.00	0.00% 0.00	0.00% 0.00
Silage	0.50 0.30%	0.00 0.00%	19.10 1.00%	92.60 3.10%	0.00 0.00%	0.00 0.00%	4.60 2.00%	5.90 1.10%
Haylage	0.30 0.20%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2.50 1.10%	0.00 0.00%
Corn	0.50 0.30%	0.60 0.10%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
Soybeans	0.00 0.00%	7.30 1.20%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
Other Income	4.10 2.40%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	1.50 0.70%	0.00 0.00%
1996 Planted Acres**								
Total	190.00	683.00	875.00	1510.00	365.00	415.00	138.00	284.00
Hay	43.00 22.60%	120.00 17.60%	0.00 0.00%	0.00 0.00%	88.00 24.10%	99.00 23.90%	32.00 23.20%	67.00 23.60%
Silage	20.00 10.50%	90.00 13.20%	470.00 53.70%	850.00 56.30%	80.00 21.90%	99.00 23.90%	50.00 36.20%	117.00 41.20%
Haylage	72.00 37.90%	242.00 35.40%	405.00 46.30%	660.00 43.70%	77.00 21.10%	128.00 30.80%	56.00 40.60%	100.00 35.20%
Corn	40.00 21.10%	144.00 21.10%	0.00 0.00%	0.00 0.00%	120.00 32.90%	89.00 21.40%	0.00 0.00%	0.00 0.00%
Soybeans	15.00 7.90%	87.00 12.70%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%

Receipts for 1996 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 1996 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

- MOD77** a 77-cow Southwestern Missouri (Christian County) moderate size dairy farm that had a herd average of 20,900 pounds of milk per cow. The farm grew 161 acres of hay and generated about 87 percent of its revenue from milk sales.
- MOD220** a 220-cow Southwestern Missouri (Christian County) large dairy farm that had a herd average of 21,600 pounds of milk per cow. The farm grew 452 acres of hay, 160 acres of silage, and 40 acres of alfalfa haylage. About 87 percent of the farm's revenue came from milk sales.
- GAD160** a 160-cow Central Georgia (Putnam County) moderate size dairy farm that had a herd average of 19,800 pounds of milk per cow. The farm grew 150 acres of improved pasture. The farm generated about 92 percent of the total revenue from milk sales.
- GAD600** a 600-cow Southern Georgia (Spalding County) large size dairy farm that had a herd average of 21,300 pounds of milk per cow. The farm grew 150 acres of hay, 400 acres of silage, and 150 acres of improved pasture. About 91 percent of the farm's revenue came from milk sales.
- FLD375** a 375-cow North Florida (Lafayette County) moderate size dairy farm that had a herd average of 17,800 pounds of milk per cow. The farm grew 590 acres of hay and generated about 93 percent of its revenue from milk sales.
- FLD1500** a 1,500-cow South Central Florida (Okeechobee County) large dairy farm that had a herd average of 18,400 pounds of milk per cow. The farm grew 300 acres of hay and 800 acres of improved pasture. About 92 percent of the farm's total revenue came from milk sales.

Table 6. Characteristics of Panel Farms in Missouri, Georgia, and Florida Producing Milk.

	MOD77	MOD220	GAD160	GAD600	FLD375	FLD1500
al Cropland	161.00	600.00	0.00	350.00	590.00	300.00
Acres Owned	130.00	402.00	0.00	300.00	440.00	300.00
Acres Leased	31.00	198.00	0.00	50.00	150.00	
Total Pasture	110.00	0.00	200.00	150.00	60.00	800.00
Acres Owned	30.00	0.00	200.00	150.00	60.00	800.00
Acres Leased	80.00	0.00	0.00	0.00	0.00	0.00
Assets (\$1000)						
Total	459.00	1338.00	661.00	2092.00	1267.00	5345.00
Real Estate	202.00	697.00	389.00	850.00	698.00	2848.00
Machinery	111.00	259.00	83.00	346.00	126.00	307.00
Other & Livestock	146.00	382.00	190.00	897.00	444.00	2191.00
Debt/Asset Ratios*						
Total	0.22	0.21	0.37	0.21	0.40	0.29
Intermediate	0.19	0.18	0.12	0.12	0.08	0.11
Long Run	0.27	0.24	0.54	0.34	0.67	0.44
1996 Livestock						
Dairy Cows	77.00	220.00	160.00	600.00	375.00	1500.00
Cwt Milk/Cow	209.00	216.00	198.00	213.00	178.00	184.00
1996 Gross Receipts (\$1,000)*						
Total	235.80	692.40	466.80	1888.20	1096.30	4567.60
Milk	204.80 86.80%	605.30 87.40%	426.90 91.50%	1714.90 90.80%	1023.70 93.40%	4184.70 91.60%
Dairy Cattle	31.00 13.20%	56.20 8.10%	39.90 8.50%	149.40 7.90%	72.60 6.60%	357.40 7.80%
Hay	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	18.30 0.40%
Silage	0.00 0.00%	14.70 2.10%	0.00 0.00%	23.90 1.30%	0.00 0.00%	0.00 0.00%
Haylage	0.00 0.00%	16.20 2.30%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
Improved Pasture	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	7.20 0.20%
1996 Planted Acres**						
Total	161	1002	150	700	1180	1100
Hay	161.00 100.00%	452.00 45.10%	0.00 0.00%	150.00 21.40%	590.00 50.00%	300.00 27.30%
Silage	0.00 0.00%	160.00 16.00%	0.00 0.00%	400.00 57.10%	0.00 0.00%	0.00 0.00%
Haylage	0.00 0.00%	40.00 4.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
Improved Pasture	0.00 0.00%	350.00 34.90%	150.00 100.00%	150.00 21.40%	590.00 50.00%	800.00 72.70%

*Receipts for 1996 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 1996 are included to indicate the relative importance of each enterprise to the farm; these values reflect acreage reduction percentages that year. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

Aside from differences in the size of farm and in output per cow, it is important to note that some farms produce significant quantities of inputs (crops) for milk production while others produce no crops -- buy all their feed. Moreover, some utilize pasture for milking cows while others operate as a drylot dairy. For example, the East Texas, Georgia, and Florida dairies as well as the large Missouri dairy make extensive use of pasture. Most of the other representative dairies utilize very little pasture as a major component of their ration.

Impacts on the Representative Dairy Farms

The results in terms of income and growth prospects are, perhaps, best reviewed in terms of the concepts of net farm cash income and the real change in net worth defined as follows:

- Net farm cash income includes all receipts from milk, livestock and crops sold, including any applicable government payments less all cash expenses. Out of net cash income, the farmer must pay family living, principal payments, cost of capital replacement, and state and/or federal income taxes. The projected net income results for the four alternatives are summarized in Figures 2-23. Tables 7-17 are located in Appendix B and provide detailed data on the simulation results for each of the panel farms over the five year time horizon (1996-2000).

In all cases, the largest changes in net cash farm income occurs in the first few years. The gradual increase in net cash farm income later in the period results from higher prices.

The higher prices result from a reduction supply as producers exit the industry due to lower incomes.

- Real change in net worth is the percent change in the present value of ending net worth. It indicates whether the farmer is gaining or eroding equity over the study period, after adjusting for inflation. Figure 24 summarizes these results for the representative dairies for each alternative. This value indicates whether the farm operation is contributing to the owner's capital formation, thus providing the basis for future growth, or drawing on capital; thus suggesting a declining equity situation or a change in farm structure.

Baseline: Continue Current Program

Under a continuation of the current program with a \$10.10 per cwt price support 10 of the 22 dairies lose equity. Of these 10 farms, 7 are moderate size operations. Those losing equity are primarily located in the East and South, although the 55 cow Wisconsin farm also loses equity. Two moderate size Texas farms go out of business under the Baseline.

No Program With DEIP

This option eliminates all price and income supports, including the dairy purchase program, but keeps DEIP. This option reduces the milk price by \$0.50 - \$0.70 per cwt of which \$0.10 is due to removal of crop price and income supports including the release of about 10 million acres of CRP lands.

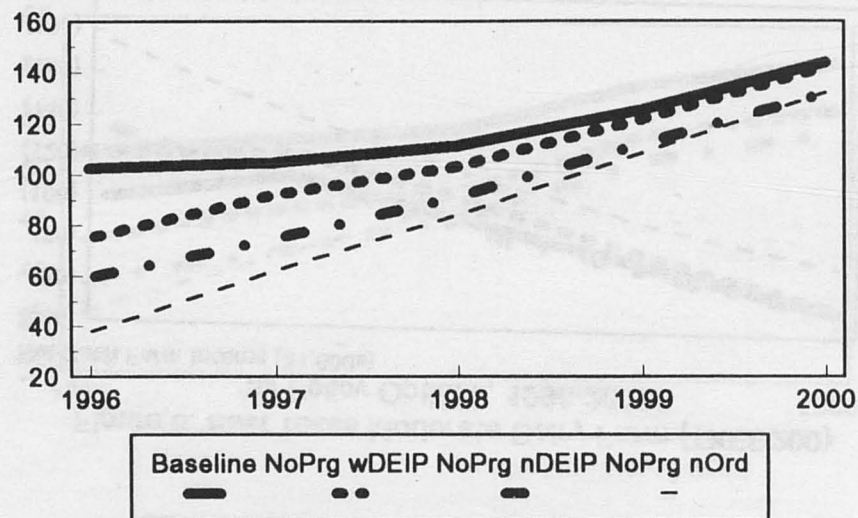
Equity losses due to this option were mostly from about 5-11 percentage points. Without a price support program, but in the presence of DEIP, 12 of the 22 farms lose equity.

No Program, No DEIP

With no program and no DEIP, milk prices drop by \$1.00 - \$1.20 per cwt, \$0.50 - \$0.60 of which is due to DEIP alone. In other words, dropping DEIP has approximately the same impact as dropping the price support program.

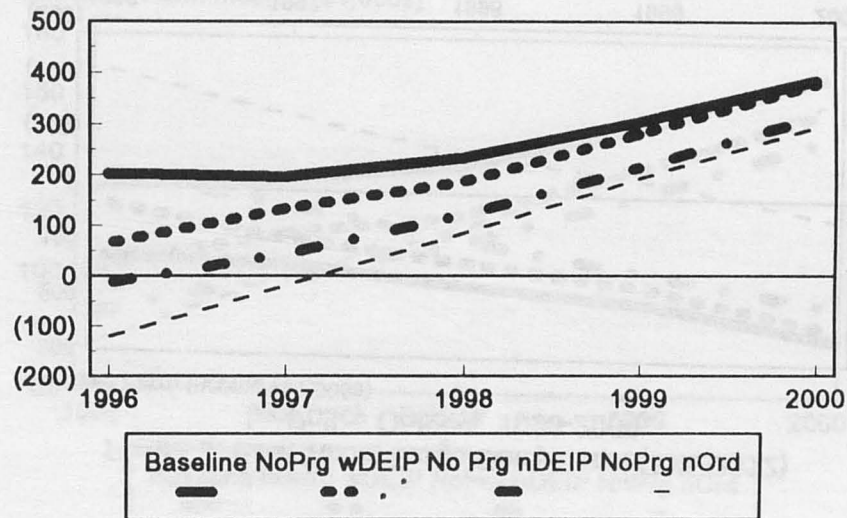
**Figure 2. Washington Moderate Dairy Farm (WAD175)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



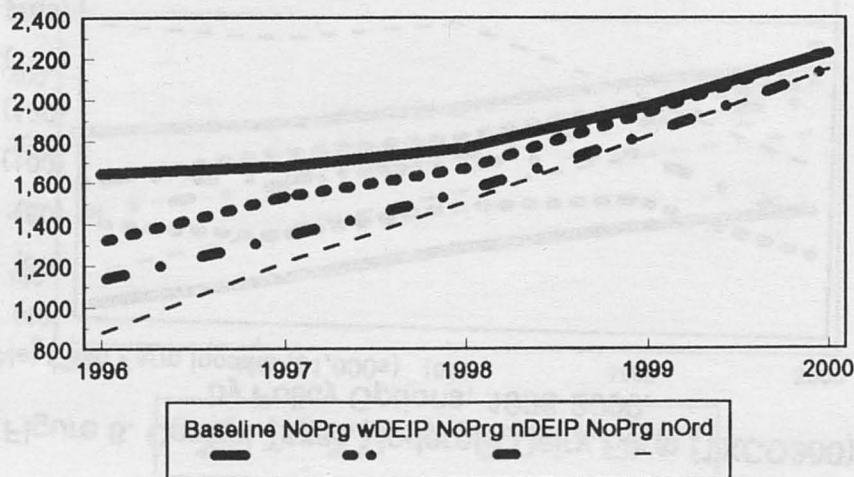
**Figure3. Washington Large Dairy Farm (WAD850)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



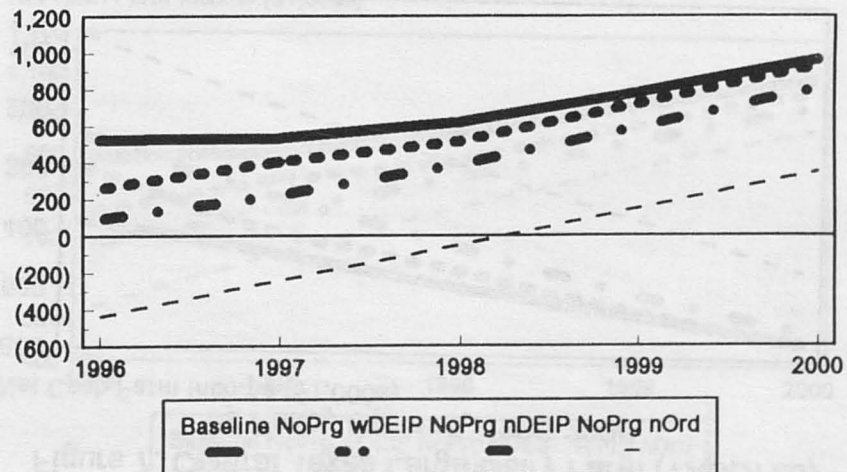
**Figure 4. California Large Dairy Farm (CAD2150)
By Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



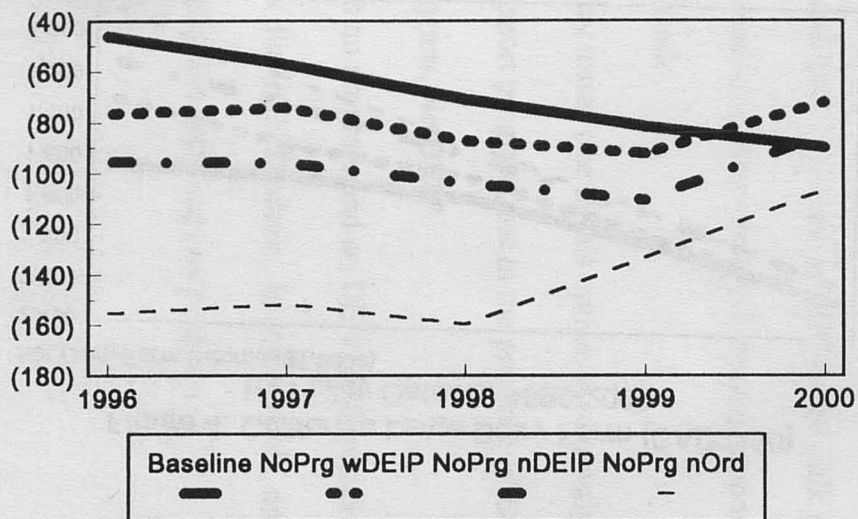
**Figure 5. New Mexico Large Dairy Farm (NMD2000)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



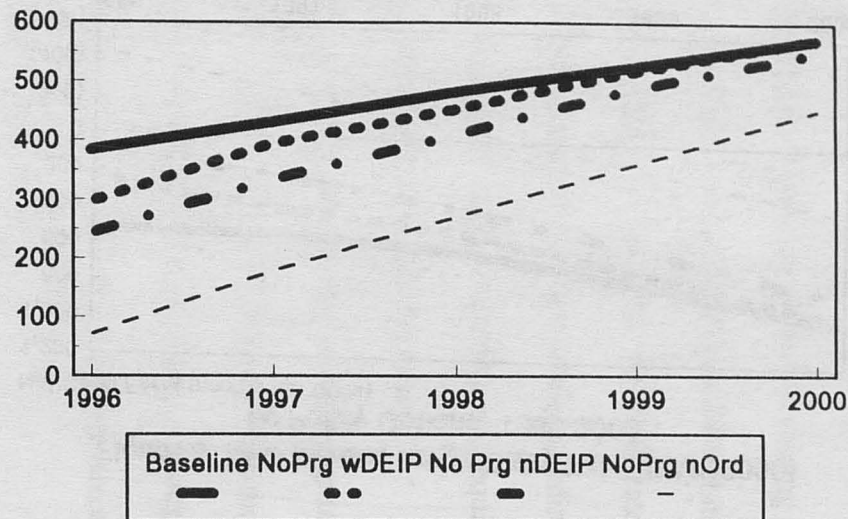
**Figure 6. Central Texas Moderate Dairy Farm (TXCD300)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



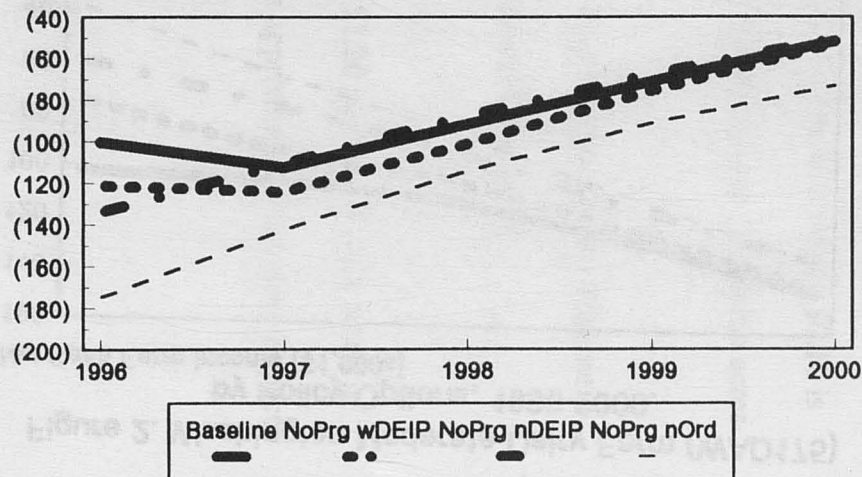
**Figure 7. Central Texas Large Dairy Farm (TXCD720)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



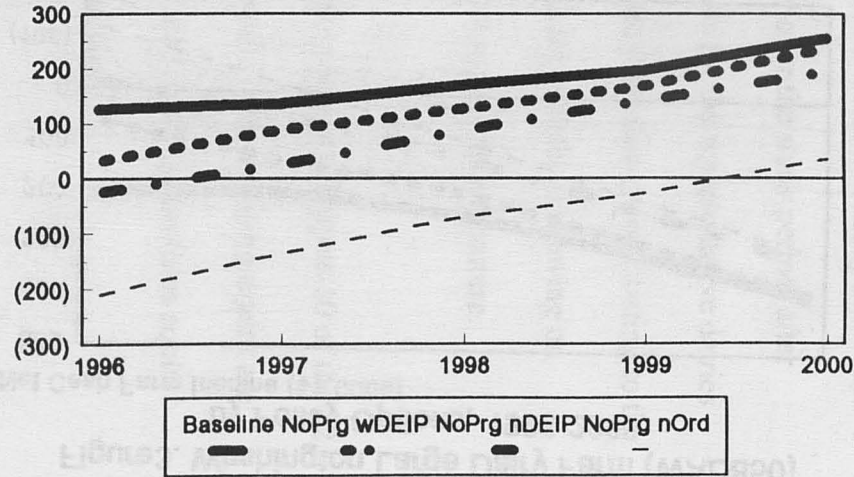
**Figure 8. East Texas Moderate Dairy Farm (TXED200)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



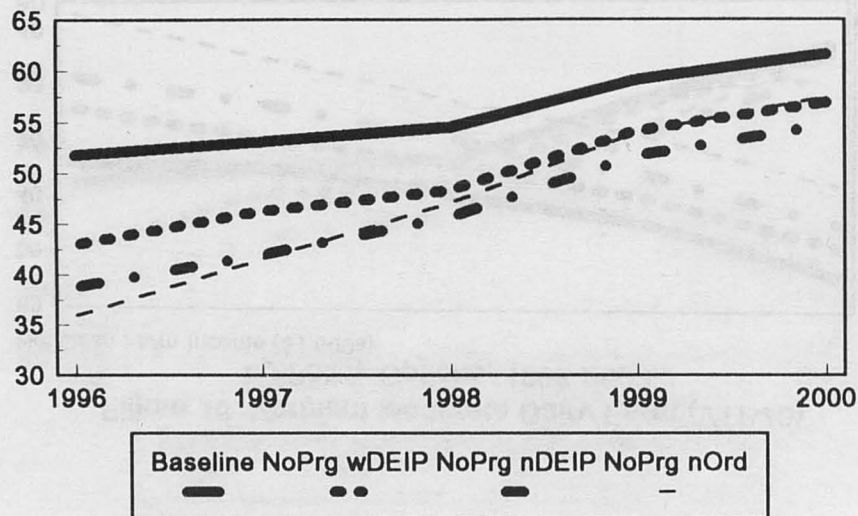
**Figure 9. East Texas Large Dairy Farm (TXED812)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



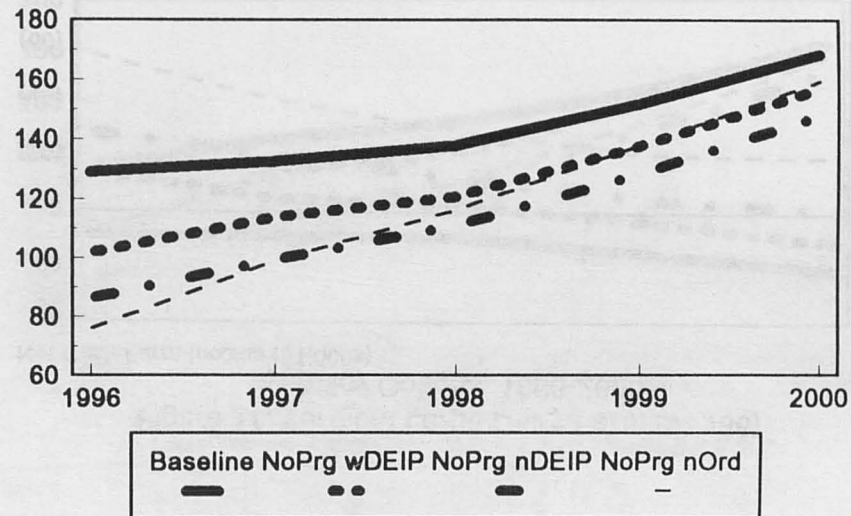
**Figure 10. Wisconsin Moderate Dairy Farm (WID55)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



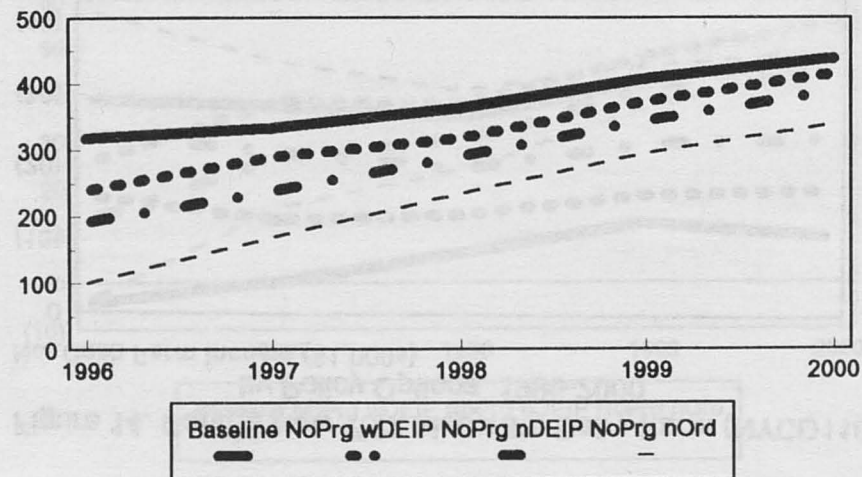
**Figure 11. Wisconsin Large Dairy Farm (WID190)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



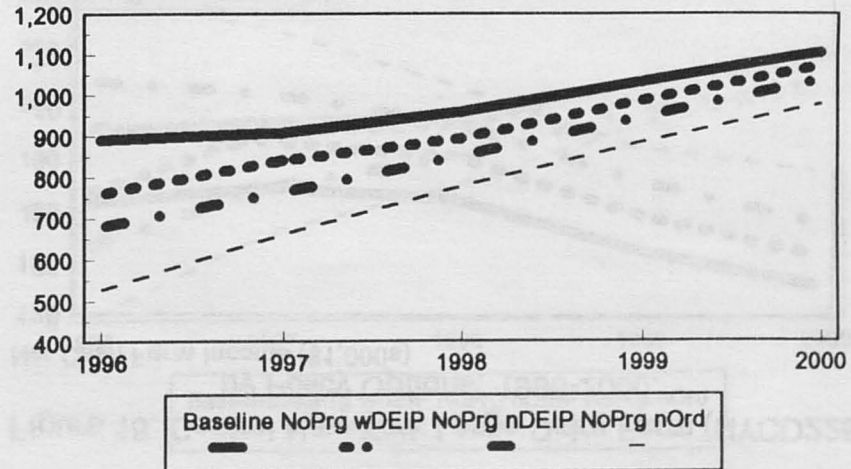
**Figure 12. Western New York Moderate Dairy Farm (NYWD600)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



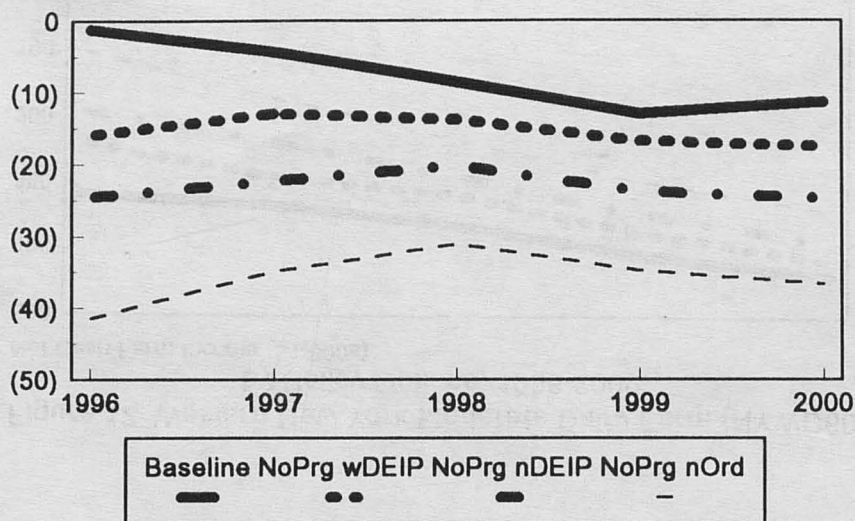
**Figure 13. Western New York Large Dairy Farm (NYWD1000)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



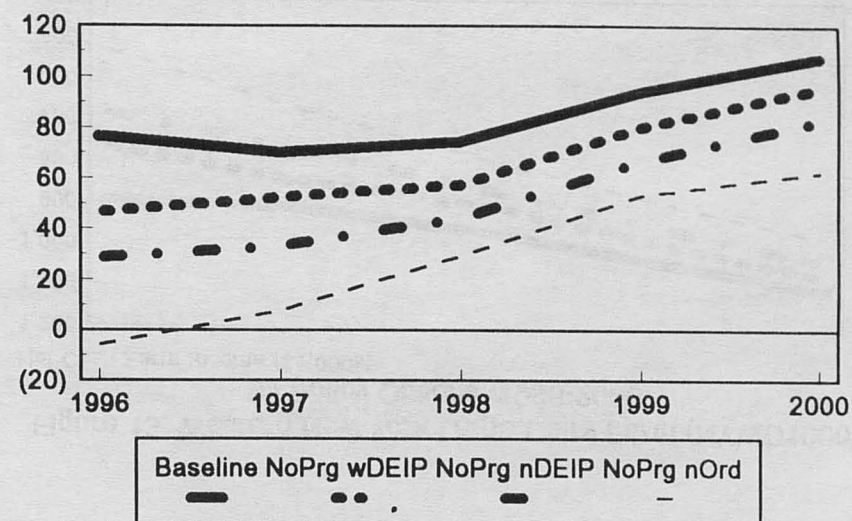
**Figure 14. Central New York Moderate Dairy Farm (NYCD110)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



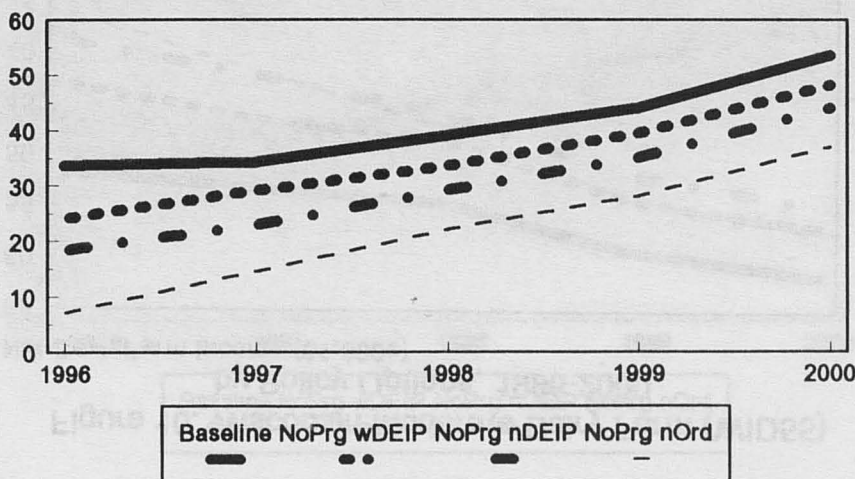
**Figure 15. Central New York Large Dairy Farm (NYCD225)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



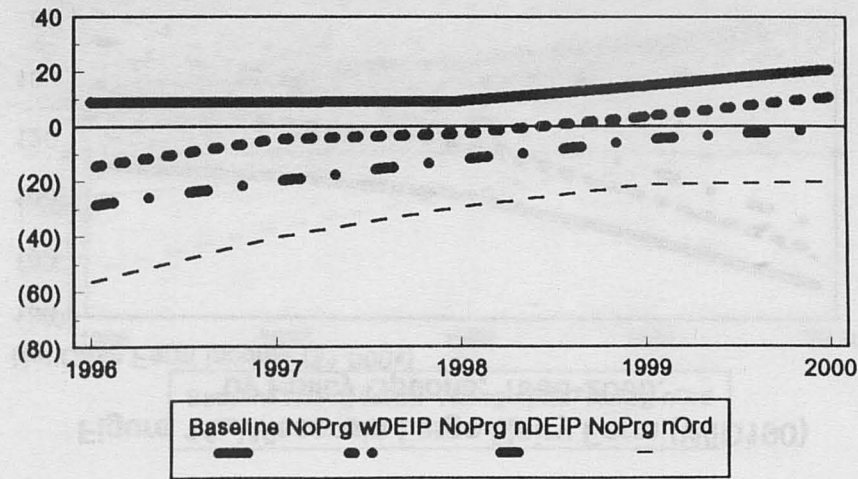
**Figure 16. Vermont Moderate Dairy Farm (VTD70)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



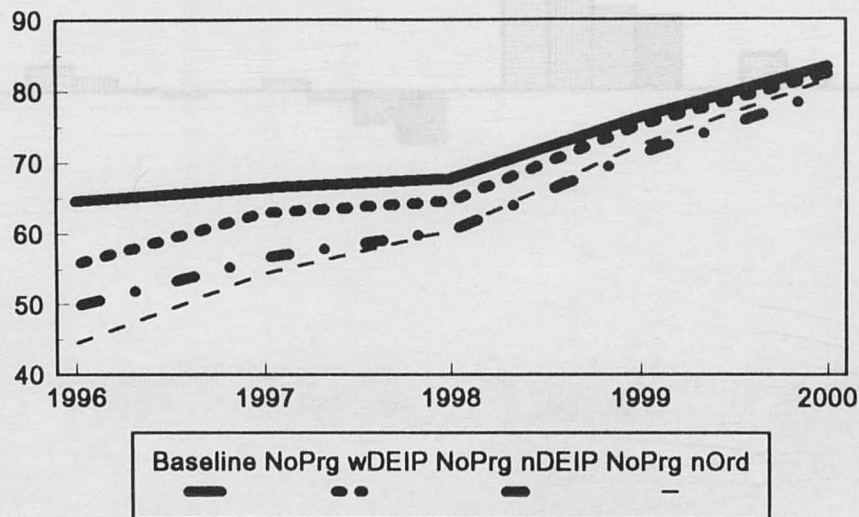
**Figure 17. Vermont Large Dairy Farm (VT186)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



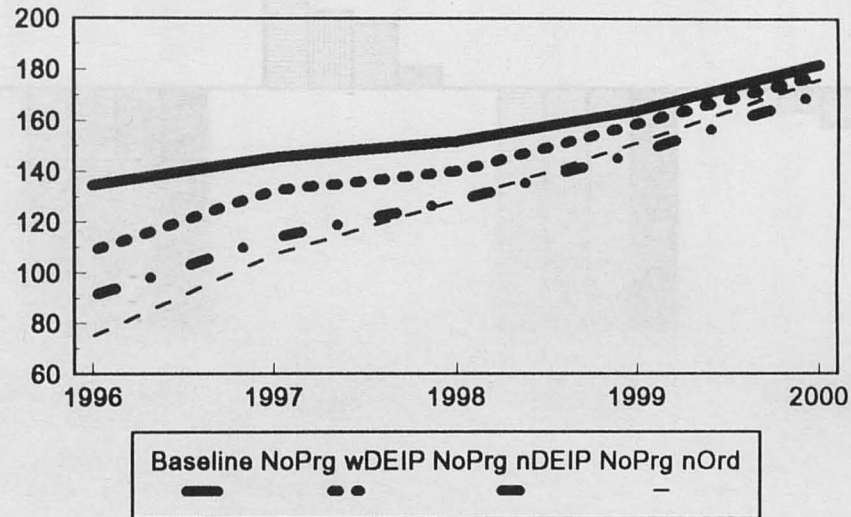
**Figure 18. Missouri Moderate Dairy Farm (MOD77)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



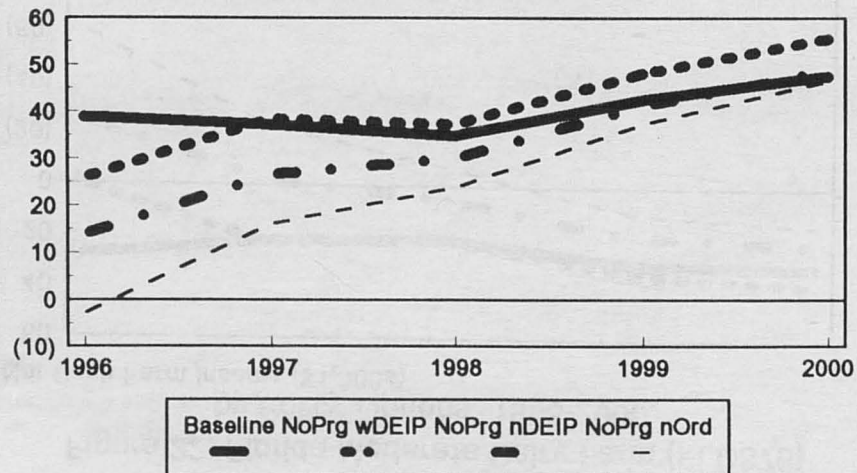
**Figure 19. Missouri Large Dairy Farm (MOD220)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



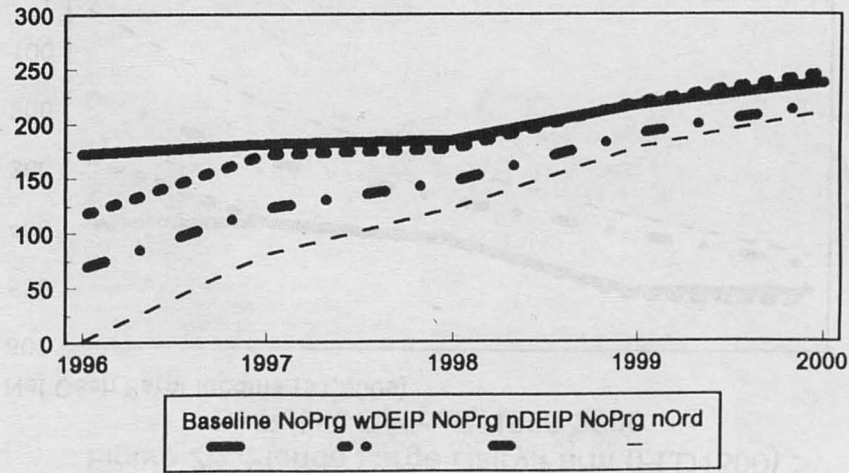
**Figure 20. Georgia Moderate Dairy Farm (GAD160)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



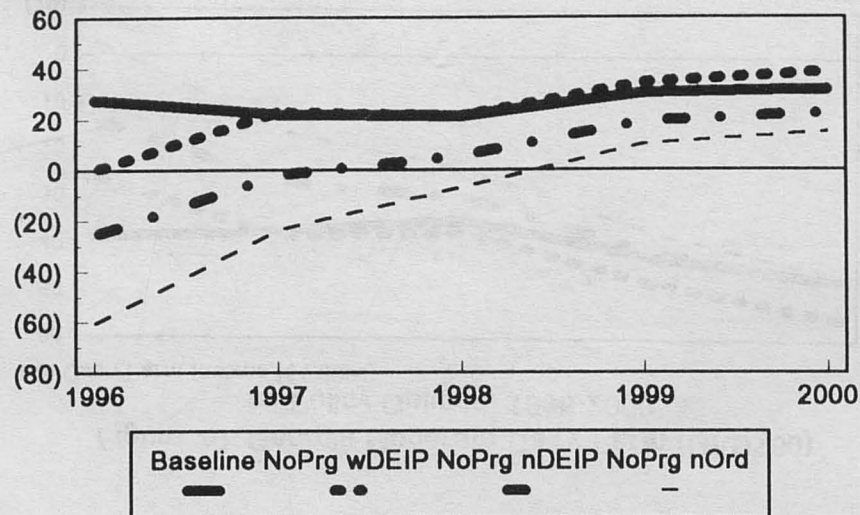
**Figure 21. Georgia Large Dairy Farm (GAD600)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



**Figure 22. Florida Moderate Dairy Farm (FLD375)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)



**Figure 23. Florida Large Dairy Farm (FLD1500)
by Policy Options, 1996-2000.**

Net Cash Farm Income (\$1,000s)

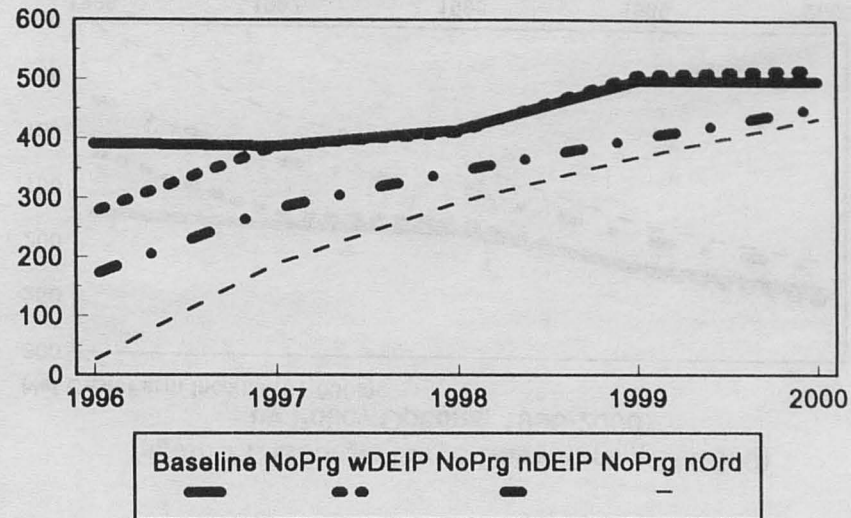


Figure 24. Real Change in Net Worth by Policy Options, 1996-2000

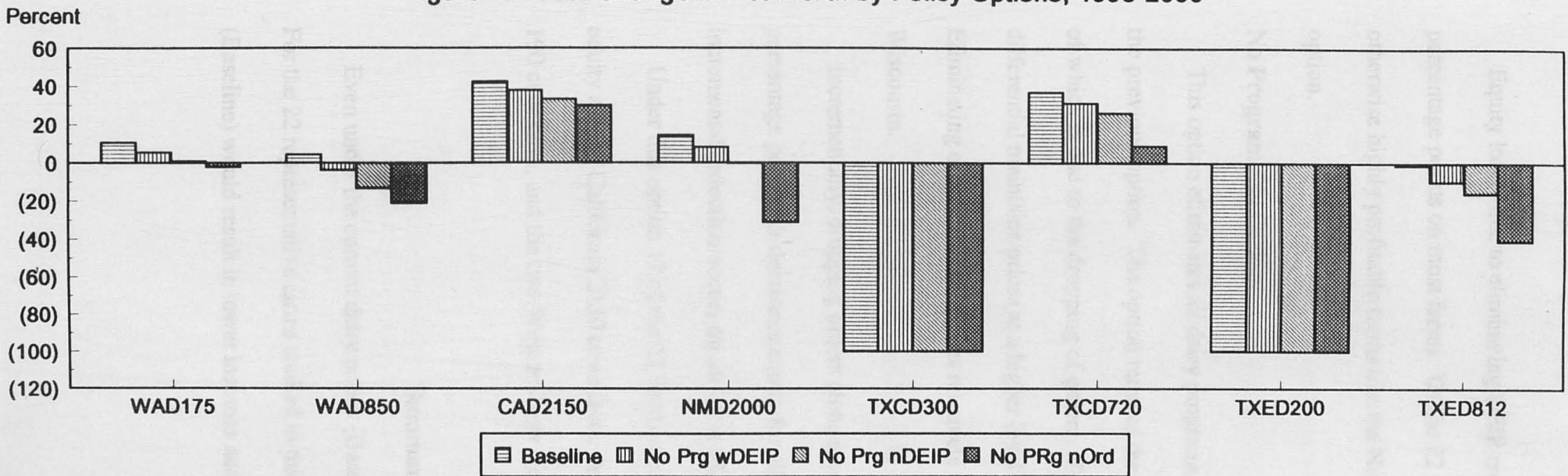


Figure 24. Continued.

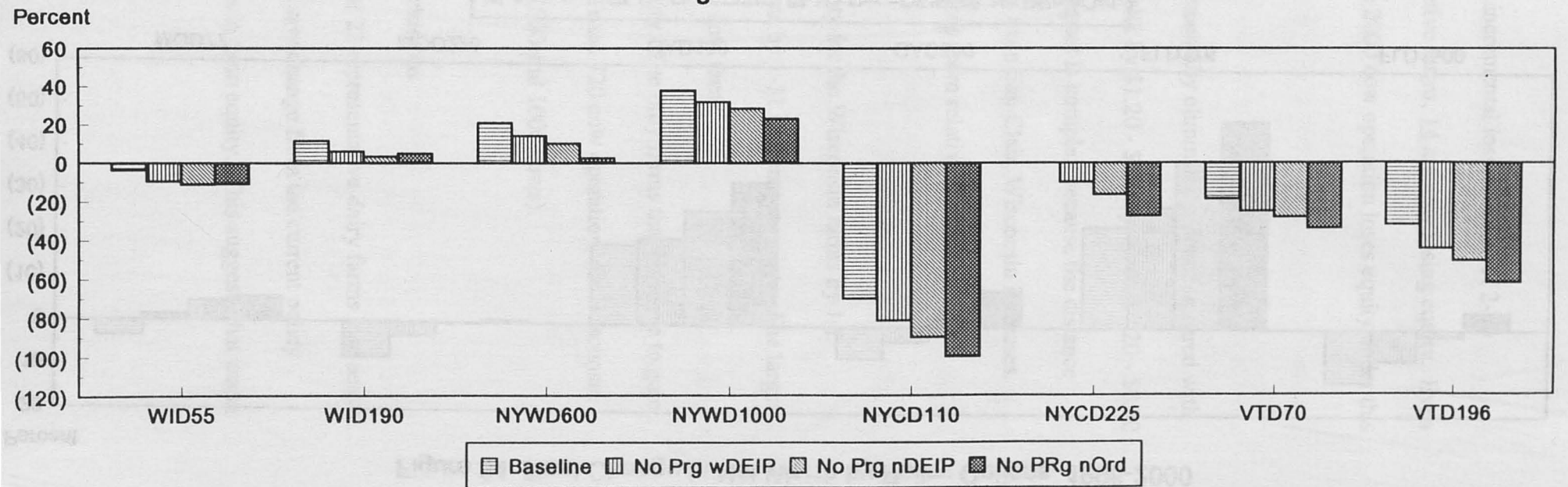
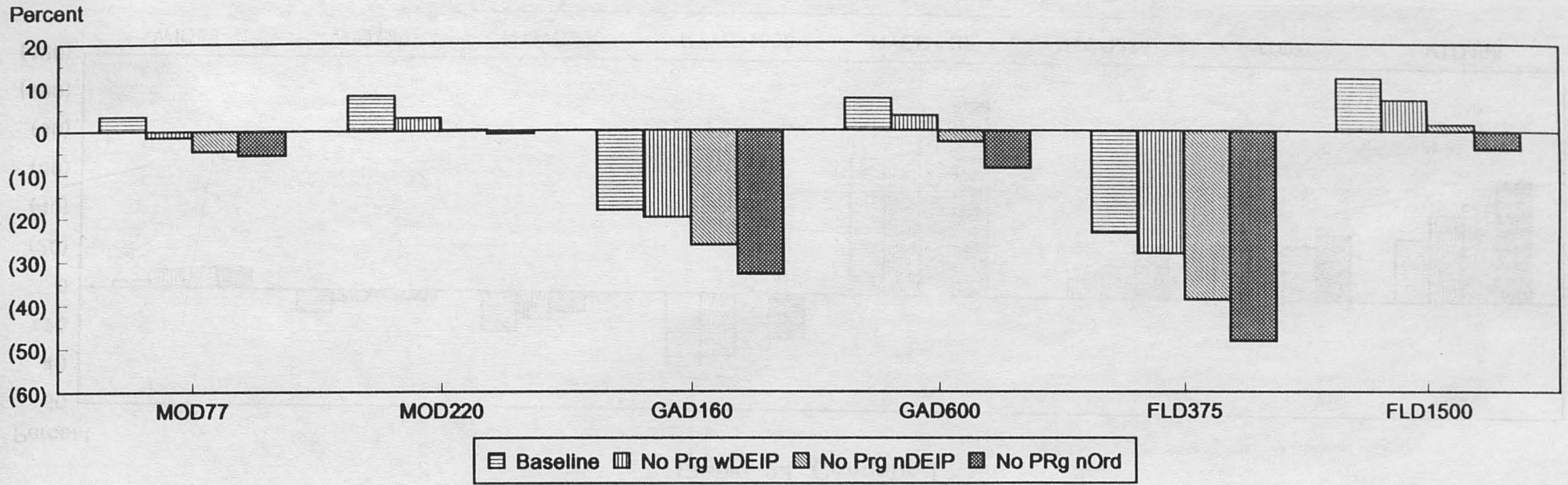


Figure 24. Real Change in Net Worth by Policy Options, 1996-2000



Equity losses due to eliminating DEIP results in an incremental loss in equity of 2-10 percentage points on most farms. Of the 22 representative farms, 14 are now losing equity. Even otherwise highly profitable farms like the New Mexico 2000 cow operation loses equity under this option.

No Program, No Orders

This option eliminates all dairy programs, and incrementally eliminates orders compared with the previous option. The option reduces the price of milk by \$1.20 - \$1.50 per cwt, \$0.20 - \$0.30 of which is due to the dropping of orders. The order impact is complex because the distance differential maintains prices at a higher level as distance from Eau Clair, Wisconsin increases. Eliminating orders increase prices relatively more (or drop them relatively less) closer to Wisconsin.

Incrementally, dropping orders alone increases equity for the Wisconsin farms by 1-2 percentage points. It decreases equity for all other farms by 1-31 percentage points. The largest incremental reduction occurs on the New Mexico 2000 cow farm.

Under this option 17 of the 22 farms are losing equity. The only farms that continue to gain equity are the California 2150 cows farm, the Central Texas 720 cow operation, the Wisconsin 190 cow farm, and the two Western New York farms (600 and 1000 cows).

Summary & Conclusions

Even under the current dairy policy (Baseline) 10 of 22 representative dairy farms lose equity. For the 22 representative farms studied in this analysis, any change from the current policy (Baseline) would result in lower incomes and decreases in farm equity. This suggests that major

structural change is likely to continue and even accelerate under policy adjustments that involve lower government expenditures.

None of these options are the most probable options for the 1995 farm bill. However, the incremental changes in the price of milk that result from the options are instructive in terms of some of the options that are being discussed which do indeed affect the existence of price supports and the level of exports. For example, the elimination of price supports can be anticipated to reduce the price of milk by \$0.40 - \$0.60 per cwt. DEIP which removes about 2 billion pounds of milk from the domestic market raises the price of milk by \$0.50 - \$0.60 per cwt. Federal milk marketing orders keep the price of milk \$0.20 - \$0.30 per cwt higher but with substantial regional differences.

The study also indicates that the most resilient areas for milk production by larger scale farms continues to be geographically dispersed in California, Central Texas, Western New York, and Wisconsin. The results provide some indication why it has been impossible for the dairy industry to reach a consensus on dairy policy. The differential regional impacts make it almost impossible to develop a dairy policy that treats all farmers across the United States equally.

APPENDIX A: DAIRY FARM PANELS

Washington

Facilitator

Mr. David C. Grusenmeyer - Professor and Extension Dairy Specialist,
Washington State University

Panel Participants

Mrs. Star Hovander	Mr. & Mrs. Ron Bronsema	Mr. Keith Boon
Mr. Dave Buys	Mr. Rod DeJong	Mr. Duane Vander Griend
Mr. Dick Bengen	Mr. Jim Heeringa	Mr. Ed Pomeroy
Mr. & Mrs. Pete DeJager	Mr. Greg McKay	Mr. & Mrs. Dale DeVries

California

Facilitator

Mr. Jimmie Prince - Former President, Dairyman's Cooperative Creamery, Tulare, CA

Panel Participants

Mr. Dave Ribeiro	Mr. Joe Pires	Mr. Bill Van Beek
Mr. Bob Wilbur	Mr. John Zonneveld	

New Mexico

Facilitators

Mr. Jim Russell - Zone Manager, Associated Milk Producers, Inc., El Paso, TX
Mr. Butch Latture - Western Division Manager, Associated Milk Producers, Inc., El Paso, TX

Panel Participants

Mr. Brad Bouma	Mr. Joe Segura	Mr. Joe Gonzalez
Mr. Von Hilburn	Mr. Steve Bos	

Texas - Central

Facilitators

Mr. Joe Pope - Erath County Agricultural Extension Agent
Dr. Ashley Lovell - Professor, Tarleton State University
Mr. Jay Hicks - Zone Manager, Associated Milk Producers, Inc., Stephenville, TX

Panel Participants

Mr. Lane Jones	Mr. Robert Ervin	Mr. Leonard Moncrief
Mr. Bob Strona	Mr. Jack Parks	Mr. Jake Van Vliet
Mr. Owen Sieperda		

Texas - Eastern

Facilitators

Dr. Robert Schwart - Professor and Extension Economist, Texas A&M University
Mr. Raymond Haygood - Zone Manager, Associated Milk Producers, Inc., Sulphur Springs, TX

Panel Participants

Mr. E.G. Durgin	Mr. Tim Spiva	Mr. Al Minter
Mr. Hershel Kelsoe	Mr. Tommy Potts	Mr. Douwe Plantinga

Missouri

Facilitator

Mr. Ron Young - Christian County Extension Dairy Specialist, Ozark, MO

Panel Participants

Mr. John Mallonee	Mr. Allen Sulgrove	Mr. & Mrs. Doug Owen
Mr. Dan Clemens	Mr. Chris Young	Mr. & Mrs. Phil Barnhart
Mr. John Atkinson	Mr. Wayne Whitehead	Mr. & Mrs. Freddie Martin
Mr. & Mrs. Ray Schooley		

Georgia

Facilitators

Mr. Bill Thomas - Professor and Extension Economist, University of Georgia

Mr. David B. Lowe - Putnam County Agricultural Extension Director

Panel Participants

Mr. Carlton McMichael	Mr. Ray Ward	Mr. Mike Rainey
Mr. Earnest Turk	Mr. Ronny Parham	Mr. Lamar Anthony
Mr. Raymond Hunter	Mr. Bill Boyce	Mr. Tom Thompson
Mr. Bernard Sims		

Florida

Facilitators

Mr Chris Vann - Lafayette County Agricultural Extension Agent

Mr. Art Darling - Dairy Farms, Inc.

Panel Participants

Mr. Robert Enrico	Mr. Brad Hester	Mr. Louis Shiver
Mr. Kevin Jackson	Mr. Bill Shaw	Mr. Boyd Rucks
Mr. Edward Thomas	Mr. Everett Kerby	Mr. Glynn Rutledge
Mr. Ray Melear		

Wisconsin

Facilitators

Mr. Jeff Key - Winnebago County Agricultural Extension Agent

Dr. Gary Frank - Extension Farm Management Specialist, University of Wisconsin

Panel Participants

Mr. John Lenz	Mr. Joe Bonlender	Mr. Larry Engel
Mr. Pete Van Wychen	Mr. Ronald Miller	Mr. Doug Hodorff
Mr. Pete Knigge	Mr. Fred Kasten	Mr. Edwin Davis
Mr. Jerome Schmidt	Mr. Dean Hughes	Mr. Terry Madigan
Mr. Jeff Key		

New York - Western

Facilitator

Dr. Wayne Knoblauch - Professor, Cornell University

Panel Participants

Mr. Gary Van Slyke	Mr. Dick Popp	Mr. Willard DeGolyer
Mr. Bill Fitch	Mr. George Mueller	Mr. Mark Smith
Mr. Dale Van Erden		

New York - Central

Facilitator

Dr. Wayne Knoblauch - Professor, Cornell University

Panel Participants

Mr. Gary Mutchler

Mr. Ron Space, Jr.

Mr. Bill Head

Mr. Mike Learn

Mr. David Shurtleff

Mr. Leonard Kimmich

Mr. & Mrs. Tom Brown

Vermont

Facilitators

Dr. Stu Gibson - Extension Dairy Specialist, University of Vermont

Mr. Dennis Kauppila - Caledonia County Agricultural Extension Agent

Ms. Pat Duffy - Farm Management Association of Vermont and New Hampshire

Panel Participants

Mr. Steve Hurd

Mr. David Conant

Mr. Ray Bisson

Mr. Steven Jones

Mr. Dave Tooley

Mr. Kim Harvey

Mr. Richard Hall

Mr. Stanley Scribner

Mr. Paul Miller

Mr. John Osha

Mr. Albert Neddo

Mr. Tim Bisson

Mr. Paul Gingue

Appendix B: Detailed Results of the Alternative Policy Analyses

Table 7. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline WAD175	NoPrg wDEIP WAD175	NoPrg nDEIP WAD175	NoPrg nORD WAD175	Baseline WAD850	NoPrg wDEIP WAD850	NoPrg nDEIP WAD850	NoPrg nORD WAD850
Average Change in Real Net Worth 1995-2000 (%)	10.47	5.46	0.96	-2.21	4.23	-3.81	-13.26	-21.23
Average Annual Cash Receipts (\$1000)								
1996	561.54	532.55	516.86	495.15	2740.20	2594.48	2515.62	2406.47
1997	572.81	555.96	539.72	529.36	2792.10	2707.37	2625.76	2573.64
1998	588.58	574.25	564.78	560.66	2875.19	2803.13	2755.51	2734.75
1999	614.11	603.75	595.01	594.14	3002.18	2950.05	2906.11	2901.71
2000	640.24	631.93	624.57	624.76	3131.90	3090.11	3053.12	3054.07
1996-2000 Average	595.45	579.69	568.19	560.81	2908.31	2829.03	2771.22	2734.13
Average Annual Net Cash Income (\$1000)								
1996	102.48	75.16	59.47	37.76	202.94	66.03	-12.84	-121.99
1997	105.02	92.41	74.85	62.24	196.18	134.71	44.44	-19.51
1998	111.39	103.25	91.41	84.37	233.64	186.85	121.94	85.78
1999	125.35	121.64	112.05	108.45	303.64	280.07	213.82	193.09
2000	143.77	142.13	131.94	131.98	384.81	378.36	313.57	292.65
1996-2000 Average	117.60	106.92	93.94	84.96	264.24	209.20	136.19	86.00
Average Annual Real Net Worth (\$1000)								
1996	613.83	602.08	595.60	581.31	2268.98	2173.58	2105.29	2010.78
1997	619.49	601.29	586.71	570.67	2223.54	2085.42	1957.68	1801.75
1998	631.29	605.92	586.08	568.24	2242.78	2077.07	1915.83	1740.72
1999	647.16	618.81	594.94	575.70	2296.74	2119.04	1925.44	1751.91
2000	673.78	643.26	615.78	596.50	2388.61	2204.34	1987.76	1805.15
1996-2000 Average	637.11	614.27	595.82	578.48	2284.13	2131.89	1978.40	1822.06
Income Adjustment for 1996-2000 dollars (\$1000)	-28.18	-14.16	-2.70	5.86	-40.00	30.62	92.40	143.02
Net Income Adjustment for 1996-2000 as % Receipts (%)	-4.89	-2.50	-0.48	1.05	-1.42	1.10	3.37	5.26

Table 8. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline CAD2150	NoPrg wDEIP CAD2150	NoPrg nDEIP CAD2150	NoPrg nORD CAD2150	Baseline NMD2000	NoPrg wDEIP NMD2000	NoPrg nDEIP NMD2000	NoPrg nORD NMD2000
Average Change in Real Net Worth 1995-2000 (%)	42.55	37.76	33.17	30.11	14.51	8.15	-0.41	-31.34
Average Annual Cash Receipts (\$1000)								
1996	6303.03	5959.78	5774.61	5518.35	5391.67	5108.06	4944.31	4415.91
1997	6427.36	6228.28	6035.87	5913.00	5496.38	5332.88	5167.83	4758.16
1998	6608.91	6440.51	6328.32	6279.40	5640.88	5500.90	5406.56	5066.85
1999	6908.58	6787.68	6684.13	6673.77	5886.92	5786.02	5699.34	5397.87
2000	7221.48	7123.28	7036.14	7038.37	6140.91	6060.79	5986.10	5700.07
1996-2000 Average	6693.88	6507.91	6371.81	6284.58	5711.35	5557.73	5440.83	5067.77
Average Annual Net Cash Income (\$1000)								
1996	1645.24	1319.50	1134.33	878.07	526.41	259.59	95.83	-432.57
1997	1681.54	1535.64	1343.23	1220.36	530.74	405.39	223.38	-240.54
1998	1770.70	1672.06	1559.86	1510.95	617.15	514.98	388.34	-48.61
1999	1968.19	1937.28	1833.73	1823.38	777.19	717.38	587.65	147.42
2000	2228.31	2235.71	2148.57	2150.81	960.81	927.84	804.14	346.70
1996-2000 Average	1858.80	1740.04	1603.95	1516.71	682.46	565.03	419.87	-45.52
Average Annual Real Net Worth (\$1000)								
1996	6993.91	6844.57	6765.38	6655.76	4793.22	4651.90	4520.56	4063.05
1997	7382.35	7165.88	6997.16	6822.92	4756.58	4556.80	4310.07	3468.07
1998	7911.80	7631.92	7409.64	7211.24	4852.59	4595.96	4290.78	3203.34
1999	8575.31	8275.36	8009.44	7806.16	5104.53	4823.07	4462.85	3154.00
2000	9362.11	9047.12	8745.98	8544.73	5460.01	5156.67	4748.70	3273.92
1996-2000 Average	8045.10	7792.97	7585.52	7408.16	4993.38	4756.88	4466.59	3432.48
Income Adjustment for 1996-2000 ollars (\$1000)	-1252.81	-1107.69	-931.87	-794.84	-254.28	-121.65	6.24	421.12
Net Income Adjustment for 1996-2000 as % Receipts (%)	-19.34	-17.37	-14.79	-12.71	-4.59	-2.23	0.12	8.12

Table 9. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline TXCD300	NoPrg wDEIP TXCD300	NoPrg nDEIP TXCD300	NoPrg nORD TXCD300	Baseline TXCD720	NoPrg wDEIP TXCD720	NoPrg nDEIP TXCD720	NoPrg nORD TXCD720
Average Change in Real Net Worth 1995-2000 (%)	-100.00	-100.00	-100.00	-100.00	36.98	31.52	26.36	9.02
Average Annual Cash Receipts (\$1000)								
1996	740.75	708.42	689.78	629.62	2134.53	2041.66	1988.18	1815.59
1997	756.06	737.44	718.61	671.87	2178.01	2124.66	2070.61	1936.46
1998	772.48	756.63	745.90	707.25	2229.26	2183.79	2152.93	2041.80
1999	803.78	792.40	782.54	748.26	2320.62	2288.05	2259.69	2161.08
2000	836.41	827.32	818.83	786.31	2416.32	2390.19	2365.77	2272.21
1996-2000 Average	781.89	764.44	751.13	708.66	2255.75	2205.67	2167.44	2045.43
Average Annual Net Cash Income (\$1000)								
1996	-45.95	-76.54	-95.18	-155.34	384.15	296.79	243.30	70.71
1997	-57.17	-74.17	-95.78	-151.45	431.08	394.62	334.54	179.03
1998	-70.72	-87.19	-103.88	-159.68	482.56	453.85	410.61	271.43
1999	-81.56	-92.30	-110.53	-133.32	525.63	517.65	489.29	359.83
2000	-89.86	-72.11	-85.08	-106.65	572.50	574.42	550.00	451.07
1996-2000 Average	-69.05	-80.46	-98.09	-141.29	479.18	447.47	405.55	266.41
Average Annual Real Net Worth (\$1000)								
1996	409.43	381.09	364.95	312.86	2247.46	2190.66	2165.05	2068.16
1997	299.35	249.73	216.07	119.20	2327.70	2238.01	2177.49	1994.65
1998	209.20	141.93	95.90	0.00	2507.53	2392.28	2309.75	2052.92
1999	118.45	0.00	0.00	0.00	2719.12	2602.83	2504.47	2181.87
2000	0.00	0.00	0.00	0.00	2955.84	2838.00	2726.57	2352.37
1996-2000 Average	182.60	73.50	19.61	0.00	2551.53	2452.36	2376.66	2129.99
Income Adjustment for 1996-2000 ollars (\$1000)	106.58	126.87	140.77	184.68	-279.10	-231.52	-192.41	-56.01
Net Income Adjustment for 1996-2000 as % Receipts (%)	14.15	17.06	19.12	25.92	-12.81	-10.77	-9.04	-2.72

Table 10. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline TXED200	NoPrg wDEIP TXED200	NoPrg nDEIP TXED200	NoPrg nORD TXED200	Baseline TXED812	NoPrg wDEIP TXED812	NoPrg nDEIP TXED812	NoPrg nORD TXED812
Average Change in Real Net Worth 1995-2000 (%)	-100.00	-100.00	-100.00	-100.00	-1.00	-9.87	-15.86	-41.05
Average Annual Cash Receipts (\$1000)								
1996	508.16	486.15	473.50	432.66	2168.39	2069.26	2012.08	1827.59
1997	517.51	504.92	492.13	460.39	2214.45	2157.30	2099.51	1956.09
1998	533.67	522.88	515.51	488.98	2286.29	2237.03	2203.73	2083.84
1999	555.49	547.79	541.03	517.49	2380.52	2345.09	2314.50	2208.11
2000	578.62	572.40	566.57	544.24	2478.17	2449.94	2423.59	2322.66
1996-2000 Average	538.69	526.83	517.75	488.75	2305.57	2251.72	2210.68	2079.66
Average Annual Net Cash Income (\$1000)								
1996	-100.18	-121.23	-133.89	-174.72	126.46	32.41	-24.77	-209.27
1997	-112.74	-124.38	-110.73	-142.47	135.32	87.22	24.34	-135.50
1998	-92.05	-101.38	-87.83	-114.36	168.99	126.41	87.08	-68.58
1999	-71.26	-75.83	-67.82	-91.36	196.34	168.17	140.93	-27.98
2000	-51.57	-53.06	-50.81	-73.14	254.97	235.65	192.27	34.32
1996-2000 Average	-85.56	-95.18	-90.22	-119.21	176.42	129.97	83.97	-81.40
Average Annual Real Net Worth (\$1000)								
1996	269.54	245.07	5.51	0.00	2177.45	2106.98	2057.47	1897.73
1997	0.00	0.00	0.00	0.00	2091.90	1950.98	1855.69	1561.33
1998	0.00	0.00	0.00	0.00	2114.53	1926.65	1819.64	1411.83
1999	0.00	0.00	0.00	0.00	2143.73	1950.55	1851.75	1330.18
2000	0.00	0.00	0.00	0.00	2220.92	2021.82	1887.58	1322.35
1996-2000 Average	0.00	0.00	0.00	0.00	2149.71	1991.40	1894.42	1504.68
Income Adjustment for 1996-2000 dollars (\$1000)	101.78	122.46	132.02	161.18	7.87	77.81	122.53	260.92
Net Income Adjustment for 1996-2000 as % Receipts (%)	19.56	23.84	25.95	32.72	0.35	3.55	5.64	12.43

Table 11. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline WID55	NoPrg wDEIP WID55	NoPrg nDEIP WID55	NoPrg nORD WID55	Baseline WID190	NoPrg wDEIP WID190	NoPrg nDEIP WID190	NoPrg nORD WID190
Average Change in Real Net Worth 1995-2000 (%)	-3.67	-9.44	-11.05	-10.81	11.67	6.04	3.39	5.04
Average Annual Cash Receipts (\$1000)								
1996	170.24	161.31	157.12	154.24	591.61	564.08	548.66	538.10
1997	172.67	166.03	162.14	162.00	599.86	582.11	567.78	567.28
1998	176.31	170.49	168.43	169.96	613.25	597.59	590.03	595.65
1999	183.17	178.28	176.44	178.80	638.98	626.75	619.99	628.65
2000	190.67	186.49	184.84	187.52	665.73	655.93	649.85	659.70
1996-2000 Average	178.61	172.52	169.79	170.50	621.89	605.29	595.26	597.87
Average Annual Net Cash Income (\$1000)								
1996	51.85	43.02	38.83	35.96	129.03	101.81	86.39	75.82
1997	53.09	46.29	41.99	41.56	132.54	113.74	99.41	98.91
1998	54.50	48.40	45.76	47.08	137.90	120.60	110.89	116.14
1999	59.13	54.12	51.67	53.94	151.92	137.65	128.33	137.84
2000	61.59	56.92	54.67	57.42	168.49	156.89	147.78	159.40
1996-2000 Average	56.03	49.75	46.58	47.19	143.98	126.14	114.56	117.62
Average Annual Real Net Worth (\$1000)								
1996	343.32	340.19	338.48	337.14	893.26	881.72	874.83	873.36
1997	338.31	330.12	327.05	325.50	902.07	878.94	865.13	870.25
1998	333.18	319.03	314.86	313.84	920.29	884.61	866.76	875.12
1999	337.72	320.15	315.32	315.01	947.87	904.39	884.07	894.41
2000	336.91	316.73	311.07	311.92	984.14	934.56	911.25	925.77
1996-2000 Average	337.89	325.24	321.36	320.68	929.53	896.84	880.41	887.78
Income Adjustment for 1996-2000 ollars (\$1000)	9.95	19.38	22.32	21.95	-48.69	-24.12	-21.27	-17.13
Net Income Adjustment for 1996-2000 as % Receipts (%)	5.69	11.29	13.12	12.87	-7.99	-4.02	-3.58	-2.87

Table 12. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline NYWD600	NoPrg wDEIP NYWD600	NoPrg nDEIP NYWD600	NoPrg nORD NYWD600	Baseline NYWD1000	NoPrg wDEIP NYWD1000	NoPrg nDEIP NYWD1000	NoPrg nORD NYWD1000
Average Change in Real Net Worth 1995-2000 (%)	21.05	14.21	10.16	2.67	37.81	31.80	28.46	23.30
Average Annual Cash Receipts (\$1000)								
1996	1821.67	1740.77	1693.32	1601.14	3000.94	2866.13	2787.05	2633.40
1997	1858.15	1812.66	1765.55	1704.85	3059.14	2983.29	2904.78	2803.62
1998	1908.66	1869.93	1843.52	1799.68	3142.37	3077.77	3033.75	2960.68
1999	1989.62	1962.66	1938.76	1902.07	3279.13	3234.14	3194.30	3133.16
2000	2072.59	2051.93	2031.24	1995.33	3420.40	3385.94	3351.45	3291.60
1996-2000 Average	1930.14	1887.59	1854.48	1800.61	3180.39	3109.46	3054.26	2964.49
Average Annual Net Cash Income (\$1000)								
1996	318.09	239.45	192.00	99.81	891.26	760.06	680.98	527.33
1997	332.30	288.71	237.99	168.67	907.13	840.58	762.07	660.90
1998	362.81	316.87	288.75	233.75	958.77	893.24	849.22	776.15
1999	407.17	372.08	343.17	294.63	1031.11	984.90	945.06	883.92
2000	437.49	414.70	387.12	337.62	1102.79	1068.96	1034.46	974.61
1996-2000 Average	371.57	326.36	289.80	226.90	978.21	909.55	854.36	764.58
Average Annual Real Net Worth (\$1000)								
1996	1768.29	1741.03	1724.13	1674.44	4010.08	3946.04	3910.08	3850.75
1997	1803.72	1748.91	1712.69	1633.74	4242.42	4128.48	4055.03	3945.32
1998	1872.85	1788.25	1739.73	1641.03	4494.75	4323.77	4229.13	4085.40
1999	1975.37	1871.47	1811.22	1697.13	4841.34	4638.98	4527.17	4356.81
2000	2099.49	1980.92	1910.58	1780.71	5198.72	4971.73	4845.84	4651.17
1996-2000 Average	1903.95	1826.11	1779.67	1685.41	4557.46	4401.80	4313.45	4177.89
Income Adjustment for 1996-2000 ollars (\$1000)	-182.04	-117.87	-81.08	-14.61	-651.39	-538.86	-485.59	-374.23
Net Income Adjustment for 1996-2000 as % Receipts (%)	-9.74	-6.39	-4.44	-0.81	-21.17	-17.74	-16.15	-12.66

Table 13. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline NYCD110	NoPrg wDEIP NYCD110	NoPrg nDEIP NYCD110	NoPrg nORD NYCD110	Baseline NYCD225	NoPrg wDEIP NYCD225	NoPrg nDEIP NYCD225	NoPrg nORD NYCD225
Average Change in Real Net Worth 1995-2000 (%)	-70.13	-81.31	-90.02	-100.00	-0.06	-10.00	-16.59	-27.72
Average Annual Cash Receipts (\$1000)								
1996	305.41	290.52	281.80	264.86	655.94	625.60	607.81	573.24
1997	311.35	302.85	294.20	283.04	669.35	652.29	634.62	611.86
1998	320.23	312.84	308.00	299.97	688.03	673.50	663.60	647.16
1999	335.05	329.86	325.48	318.75	718.96	708.85	699.89	686.13
2000	350.86	347.00	343.20	336.62	751.21	743.46	735.69	722.23
1996-2000 Average	324.58	316.61	310.54	300.65	696.70	680.74	668.32	648.12
Average Annual Net Cash Income (\$1000)								
1996	-1.22	-15.83	-24.55	-41.49	76.61	46.61	28.82	-5.75
1997	-4.30	-12.89	-22.28	-34.85	70.15	52.45	33.29	7.63
1998	-8.50	-13.71	-20.10	-31.02	74.45	57.31	44.18	29.23
1999	-12.98	-16.69	-23.70	-34.75	94.19	80.06	66.72	53.30
2000	-11.32	-17.56	-24.68	-36.70	107.61	95.75	82.90	62.39
1996-2000 Average	-7.66	-15.34	-23.06	-35.76	84.60	66.44	51.18	29.36
Average Annual Real Net Worth (\$1000)								
1996	284.78	271.34	263.79	249.12	658.65	639.54	623.25	593.32
1997	235.43	212.85	197.71	173.02	638.39	603.08	570.91	520.53
1998	187.53	161.79	141.99	109.31	628.05	577.97	539.73	487.50
1999	136.66	108.22	83.64	43.44	646.05	586.86	546.65	486.61
2000	99.72	62.40	33.30	0.00	666.41	600.12	556.18	482.00
1996-2000 Average	188.82	163.32	144.09	88.34	647.51	601.51	567.34	513.99
Income Adjustment for 1996-2000 ollars (\$1000)	66.93	80.29	84.76	94.40	0.20	25.33	36.48	58.27
Net Income Adjustment for 1996-2000 as % Receipts (%)	21.26	25.86	27.60	31.30	0.03	3.81	5.55	9.02

Table 14. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline VTD70	NoPrg wDEIP VTD70	NoPrg nDEIP VTD70	NoPrg nORD VTD70	Baseline VTD186	NoPrg wDEIP VTD186	NoPrg nDEIP VTD186	NoPrg nORD VTD186
Average Change in Real Net Worth 1995-2000 (%)	-19.02	-25.25	-28.57	-34.17	-32.50	-44.80	-51.24	-62.43
Average Annual Cash Receipts (\$1000)								
1996	227.79	217.96	212.21	201.03	539.46	515.28	501.08	473.50
1997	231.42	225.93	220.24	212.90	548.72	535.14	521.09	502.99
1998	239.19	234.21	231.02	225.72	563.50	551.93	544.06	530.99
1999	249.15	245.68	242.79	238.35	587.29	579.22	572.09	561.15
2000	263.94	261.05	258.54	254.20	612.65	606.49	600.32	589.61
1996-2000 Average	242.30	236.97	232.96	226.44	570.33	557.61	547.73	531.65
Average Annual Net Cash Income (\$1000)								
1996	33.65	24.17	18.42	7.24	8.97	-14.55	-28.74	-56.32
1997	34.22	29.11	22.90	14.57	8.78	-4.60	-19.84	-40.26
1998	39.01	33.49	29.10	22.04	9.32	-2.59	-12.24	-29.39
1999	43.98	39.47	35.15	28.17	14.84	3.52	-4.75	-21.33
2000	53.62	48.16	44.04	37.03	20.83	10.58	-0.83	-20.29
1996-2000 Average	40.89	34.88	29.92	21.81	12.55	-1.53	-13.28	-33.52
Average Annual Real Net Worth (\$1000)								
1996	385.17	375.64	369.53	359.85	611.23	589.45	577.16	553.28
1997	365.84	348.91	339.23	321.48	559.14	518.42	493.80	453.65
1998	349.48	325.01	313.88	295.19	514.34	455.89	426.50	373.83
1999	337.81	312.38	299.91	279.65	485.08	411.13	377.47	315.88
2000	331.98	306.43	292.83	269.86	459.63	375.87	332.02	255.83
1996-2000 Average	354.06	333.67	323.08	305.21	525.88	470.15	441.39	390.49
Income Adjustment for 1996-2000 dollars (\$1000)	30.00	42.28	46.80	53.11	60.30	86.12	96.52	112.36
Net Income Adjustment for 1996-2000 as % Receipts (%)	12.86	18.35	20.51	23.66	10.91	15.78	17.87	21.15

Table 15. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline MOD77	NoPrg wDEIP MOD77	NoPrg nDEIP MOD77	NoPrg nORD MOD77	Baseline MOD220	NoPrg wDEIP MOD220	NoPrg nDEIP MOD220	NoPrg nORD MOD220
Average Change in Real Net Worth 1995-2000 (%)	3.37	-1.52	-4.60	-5.65	8.13	3.09	0.23	-0.73
Average Annual Cash Receipts (\$1000)								
1996	235.81	226.67	220.63	215.21	692.36	665.51	647.69	631.68
1997	241.50	236.55	230.84	229.21	708.91	694.24	677.37	672.58
1998	247.61	243.35	240.30	240.99	724.26	711.56	702.61	704.64
1999	258.20	255.37	252.64	254.52	754.14	745.62	737.61	743.13
2000	269.42	267.35	264.89	267.21	785.14	779.01	771.79	778.60
1996-2000 Average	250.51	245.86	241.86	241.43	732.96	719.19	707.41	706.13
Average Annual Net Cash Income (\$1000)								
1996	64.68	55.84	49.81	44.38	134.61	108.72	90.91	74.90
1997	66.46	63.03	56.65	54.39	145.35	132.65	114.06	107.37
1998	67.79	64.64	60.51	60.49	152.00	140.35	128.67	128.62
1999	76.28	75.22	71.23	72.46	164.11	158.81	147.58	151.27
2000	83.46	82.44	79.72	81.52	182.02	178.00	170.78	176.18
1996-2000 Average	71.74	68.24	63.58	62.65	155.62	143.71	130.40	127.67
Average Annual Real Net Worth (\$1000)								
1996	308.77	304.81	301.56	298.19	912.21	901.41	895.72	885.90
1997	309.79	301.89	295.74	291.26	916.43	893.39	879.27	866.63
1998	306.04	293.96	286.52	282.06	930.88	894.69	875.48	862.69
1999	311.35	297.40	288.77	284.79	952.39	910.33	887.14	876.10
2000	321.29	306.09	296.52	293.26	984.14	938.26	912.23	903.51
1996-2000 Average	311.45	300.83	293.82	289.91	939.21	907.62	889.97	878.97
Income Adjustment for 1996-2000 ollars (\$1000)	-5.10	2.25	6.66	7.85	-34.25	-10.00	-0.86	2.86
Net Income Adjustment for 1996-2000 as % Receipts (%)	-2.12	0.95	2.83	3.34	-4.88	-1.44	-0.13	0.42

Table 16. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline GAD160	NoPrg wDEIP GAD160	NoPrg nDEIP GAD160	NoPrg nORD GAD160	Baseline GAD600	NoPrg wDEIP GAD600	NoPrg nDEIP GAD600	NoPrg nORD GAD600
Average Change in Real Net Worth 1995-2000 (%)	-18.38	-19.92	-26.35	-33.12	7.32	3.43	-2.67	-8.62
Average Annual Cash Receipts (\$1000)								
1996	466.78	451.23	439.04	422.40	1888.17	1825.74	1776.72	1709.83
1997	480.41	472.51	461.72	452.63	1942.26	1910.42	1867.02	1830.49
1998	490.14	483.04	477.73	473.98	1983.70	1954.98	1933.58	1918.47
1999	510.17	505.70	501.08	500.33	2061.99	2043.84	2025.20	2022.19
2000	531.03	528.25	523.86	524.76	2142.74	2131.47	2113.77	2117.43
1996-2000 Average	495.71	488.15	480.68	474.82	2003.77	1973.29	1943.26	1919.68
Average Annual Net Cash Income (\$1000)								
1996	38.90	25.99	13.79	-2.85	172.84	117.09	68.07	1.18
1997	37.21	38.47	26.62	16.09	180.65	171.11	122.49	80.34
1998	34.80	37.40	30.10	23.91	184.43	176.63	146.95	122.82
1999	42.44	48.17	41.25	37.37	216.73	218.80	190.39	177.06
2000	47.55	55.61	48.61	46.41	236.53	245.95	216.77	209.66
1996-2000 Average	40.18	41.13	32.08	24.19	198.23	185.91	148.93	118.21
Average Annual Real Net Worth (\$1000)								
1996	363.23	356.36	346.89	331.87	1430.66	1401.67	1372.22	1318.81
1997	342.48	333.08	317.25	292.37	1418.10	1374.14	1320.97	1247.95
1998	320.91	311.03	292.23	266.30	1430.65	1377.85	1311.35	1229.25
1999	314.02	306.18	284.15	257.75	1487.07	1432.30	1355.13	1269.52
2000	312.69	306.79	282.13	256.19	1542.76	1486.81	1399.24	1313.69
1996-2000 Average	330.67	322.69	304.53	280.90	1461.85	1414.55	1351.78	1275.85
Income Adjustment for 1996-2000 ollars (\$1000)	26.11	30.00	37.63	44.85	-41.21	-18.62	13.86	44.22
Net Income Adjustment for 1996-2000 as % Receipts (%)	5.53	6.41	8.11	9.74	-2.16	-0.98	0.74	2.37

Table 17. Implications of Eliminating the Dairy Programs Starting in 1996.

	Baseline FLD375	NoPrg wDEIP FLD375	NoPrg nDEIP FLD375	NoPrg nORD FLD375	Baseline FLD1500	NoPrg wDEIP FLD1500	NoPrg nDEIP FLD1500	NoPrg nORD FLD1500
Average Change in Real Net Worth 1995-2000 (%)	-23.43	-28.09	-38.77	-48.22	12.14	7.16	1.46	-4.13
Average Annual Cash Receipts (\$1000)								
1996	1096.28	1063.61	1038.01	1003.08	4567.60	4429.18	4322.93	4177.95
1997	1120.69	1104.25	1081.76	1062.83	4664.68	4592.62	4499.30	4420.72
1998	1142.28	1127.52	1116.46	1108.65	4757.53	4690.70	4644.78	4612.35
1999	1187.22	1177.96	1168.33	1166.78	4944.59	4899.34	4859.34	4852.87
2000	1234.11	1228.32	1219.18	1221.07	5138.94	5107.73	5069.76	5077.60
1996-2000 Average	1156.12	1140.33	1124.75	1112.48	4814.67	4743.91	4679.22	4628.30
Average Annual Net Cash Income (\$1000)								
1996	27.64	-0.03	-25.63	-60.57	392.05	276.22	169.97	24.98
1997	21.86	22.73	-1.90	-23.77	387.69	387.37	283.33	189.26
1998	21.19	21.07	5.74	-6.90	415.30	411.29	346.44	293.25
1999	30.28	34.36	19.15	10.18	497.88	507.76	400.46	369.12
2000	31.38	38.60	22.47	15.06	497.63	518.48	454.07	434.72
1996-2000 Average	26.47	23.34	3.97	-13.20	438.11	420.22	330.85	262.27
Average Annual Real Net Worth (\$1000)								
1996	656.11	630.67	608.51	578.26	3300.55	3241.35	3192.72	3084.95
1997	593.88	561.48	519.35	470.20	3250.93	3143.70	3041.42	2891.98
1998	556.67	519.85	466.73	409.01	3321.57	3182.76	3067.20	2899.79
1999	545.87	509.97	446.80	384.06	3510.15	3359.06	3158.59	2981.41
2000	535.98	503.33	428.59	362.44	3659.78	3497.27	3311.18	3128.57
1996-2000 Average	577.70	545.06	493.99	440.79	3408.60	3284.83	3154.22	2997.34
Income Adjustment for 1996-2000 ollars (\$1000)	48.41	62.28	79.06	96.65	-202.31	-128.69	-51.00	13.75
Net Income Adjustment for 1996-2000 as % Receipts (%)	4.37	5.66	7.25	8.92	-4.37	-2.81	-1.12	0.30

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