



**National Barley
Growers Association**



**American Malting
Barley Association**

2007 Farm Bill Priorities

February 2007

Equity in program crop support levels

In the past 20 years, U.S. barley acreage has declined by 70% and production by 65%. 2006 harvested acres of 2.95 million were the lowest since USDA began collecting statistics in 1890. We believe U.S. barley has lost significant competitiveness in its traditional Northern Tier growing region due, in large part, to distortions in federal farm program supports, as shown below.

NBGA supports emergency spending for a 2005-2006 disaster assistance program.

Commodity	2000-04 Olympic Average Price	2004-07 Loan	Loan Rate % of Oly Avg.	Proposed 2008 Loan	2004-07 Target Price	Target Price % of Oly Avg.	Proposed 2008 Target Price	Direct Payment	Direct Payment % of Oly Avg.
Barley (bu.)	\$2.47	\$1.85	75%	\$2.35	\$2.24	91%	\$3.21	\$0.24	10%
Wheat (bu.)	\$3.19	\$2.75	86%	\$3.03	\$3.92	123%	\$4.15	\$0.52	16%
Corn (bu.)	\$2.12	\$1.95	92%	\$2.01	\$2.63	124%	\$2.75	\$0.28	13%
Soybeans (bu.)	\$5.27	\$5.00	95%	\$5.01	\$5.80	110%	\$6.85	\$0.44	8%
Cotton (lb.)	\$0.468	\$0.520	111%	\$0.520	\$0.724	155%	\$0.724	\$0.0667	14%
Rice (cwt.)	\$5.81	\$6.50	112%	\$6.50	\$10.50	181%	\$10.50	\$2.35	40%
Grain Sorghum (bu.)	\$2.05	\$1.95	95%	\$1.95	\$2.57	125%	\$2.66	\$0.35	17%

Farm Program Spending – NBGA supports increasing farm bill spending.

FY 2007 Farm Bill Proposal - NBGA supports a 2007 Farm Bill to set loan rates at 95% of the 2000-04 Olympic average price equal to \$2.35/bu; set target prices at 130% of 2000-04 Olympic average price equal to \$3.21/bu; and a Direct Payment no less than \$.42 for barley, which is equal to 17% of the 2000-04 Olympic average price, thus providing equity between program crops.

We are emphasizing a higher loan rate to improve barley's competitiveness with other crops.

Payment limitations – NBGA opposes any reduction in FSA payment limits.

NBGA supports continuation of the three entity rule.

**Economic Impacts
of U.S. Barley, Malting,
Brewing and Feed Industries**

- \$ 0.7 Barley raw material
- 162.2 Brewing industry business activity
- 2.4 Value-added use as feed
- 3.7 Federal excise tax revenue
- 12.4 Federal income tax

\$181.4 BILLION