

# Implications of the 2008 Farm Bill: An Entira Multi-Client Study

June 2008



“This is not just a farm bill. It’s a food bill, and Americans who eat want a stake in it.”  
- Senator Tom Harkin, chairman of the Senate Agriculture Committee (D-IA)

The 2008 farm bill will have far-reaching effects across agriculture and beyond. Impact of ag policy on alternative energy, world trade agreements, obesity, and a string of food safety concerns fueled debate over a bill that received unprecedented public attention. These issues and more created strange bedfellows as consumer groups not typically associated with the farm bill threw their support behind various initiatives. These alliances spanned the political spectrum and helped bring about substantial changes in the bill.

Historically most subsidies have gone to growers of five commodities: soybeans, corn, rice, wheat and cotton. This marks the first farm bill with a title specifically for horticulture and organic agriculture. It includes new and expanded programs for fruits and vegetables as school snacks, farmers’ markets, organic certification and specialty crop block grants and more. What impact will these and other new programs such as the Biomass Crop Assistance Program have on crop mix? How will traditional row crop producers react? How will the bill alter production decisions for both row crop and specialty growers? How will it affect what growers need from their suppliers? What new opportunities does it create?

The cap for payment limits was lowered, making many farmers ineligible for direct payments. How will payment limits change behavior, and what will companies need to do to unravel these changes and maintain efficiency in their marketing programs?

The commodity title is affected by an energy title that support increased biofuel production, but how will farmers react? How will our infrastructure need to change in light of the emerging market?

The new Average Crop Revenue Election program (ACRE) is seen as a harbinger of broader reform, moving from fixed price programs to a revenue-based program that is linked to market prices. Are growers willing to exchange a reduction in direct payments and loan rates for payments on a commodity when actual state-wide revenue for the commodity is less than the revenue guarantee? How will this and permanent disaster funding affect financing and crop insurance decisions and willingness to invest in other inputs?

These issues and more will be addressed in a new study from Entira.

### **How will changes to the farm bill affect your firm?**

The farm bill can affect crop acres, purchase intentions and product needs for a variety of inputs ranging from seed, chemicals and equipment to insurance, credit and risk management tool. What impact will changes in the 2008 farm bill have on crop and livestock production, energy and conservation? On your firm?

In early September 2008, Entira will launch a multi-client study that can answer this question for a fraction of the cost of typical market research. Many companies join together to sponsor the research, so you pay only a small portion of the total cost.

*But, unlike most syndicated research, you can still get answers to your specific questions.* How? Those companies who enroll before the study kick-off help design the study. Ultimately, the research topics and audience are dictated by the subscribers. The end result is the answers you need plus a broader understanding of the market for a minimal investment. This leaves your resources free to focus on implementing strategies that capitalize on the findings of the study. So what do you need to know about how the new farm bill will affect you and your customers? Call us at 815-992-8460 to discuss.

While content will be modified by subscribers, Entira expects the study to explore the following:

- Overview of changes from the last farm bill
  - Including commodities and risk management, conservation, research, credit, energy, nutrition, livestock and rural development
- Analysis of the implications of these changes
  - Who are the winners/who are the losers
  - How will decision-making change
  - What will this mean for suppliers
  - What changes will this require
- What gaps or opportunities does this create in the market

While study methodology will also be refined by participants, we expect it to include:

- At least 45 qualitative interviews with influencers and producers, which would include some of the nation's largest producers of commodities of interest to subscribers. These may include traditional row crop farmers in a diverse geography, milk producers, fruit and vegetable producers, or others of strategic importance to study subscribers.
  - These will be augmented by interviews with leading industry experts and downstream channel partners who drive large purchases of ag commodities.
- A quantitative survey of producers in key categories determined by subscribers
- Qualitative perspective and implications for biofuel producers based on Entira's ongoing work in this sector

### **What is a multi-client study?**

It is an opportunity for companies to get the answers they need to move their business forward at a fraction of the typical cost. A group of food and agribusiness firms jointly participate in funding a multi-client study. Those who purchase the study by August 8 will have an opportunity to tailor its focus to more specifically meet their needs. This multi-client format works well because gathering the information is non-strategic, so companies can save in this phase to focus resources on strategic areas such as how they use the information from the study.

### **What is the cost?**

The fee for the study is \$19,600, which will be billed in two installments. Sixty percent (\$11,760) will be billed upon study initiation in early September and the remaining 40% will be billed upon delivery of the final report in January 2009.

### **What are the deliverables?**

At the kick-off conference, study subscribers will agree on the focus and scope of the study. Following the conference, participants will receive a project outline and draft of the discussion guide(s) that will be used for producer/influencer interviews for their review and comment.

- At the completion of the study in January 2009, the participants will receive a final written report.
- In January, participants will attend a one-day conference for a final presentation of the findings.
- Entira will also make on-site presentations of the findings at subscribers' offices for the cost of travel, which is billed at cost.

**What is the timing for the study?\***

August 8	Enrollment deadline
Early September	Group dinner and kick-off meeting
January	Final presentation (Date and location to be determined by subscribers)
January	Final report distribution

*\*Note: Study timing may vary based on the legislative timetable*

**What is the kick-off conference?**

In addition to a good networking opportunity, the kick-off conference is a chance to voice your specific needs and work with other subscribers to shape the study content. It is also a chance to hear directly from political insiders about the results of the farm bill debate. Keynote speakers to be announced. The conference will be held in Washington, DC in early September. Participants are invited to attend a group dinner the night before the kick-off conference.

**What if I have questions?**

Call Joy Parr Drach at 815-992-8460 or Mike Karst at 901-753-0470 to discuss details of the study.

**How do I participant?**

Complete the attached enrollment form and fax to 901-753-3391 by August 8 and plan to attend the early September kick-off conference in Washington, DC.



## ENROLLMENT FORM

- Yes, I want to participate in **“Implications of the 2008 Farm Bill: An Entira Multi-Client Study.”** The cost of the study is US\$19,600.

**Return Form to Entira  
Via Fax to (901) 753-3391**

- Please have someone contact me to provide more information.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Please feel free to contact Entira with questions:

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