

Implications of the 2007 Farm Bill: An Entira Multi-Client Study

July 2007, Rev. 12-07



*"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 2007 farm bill could have far-reaching effects across agriculture and beyond. This farm bill has already received more public attention and debate than ag interests expected. Impact of ag policy on world trade agreements, increases in obesity, exuberance for alternative energy sources and a string of food safety concerns have fueled the debate. These issues and more are creating strange bedfellows as consumer groups not typically associated with the farm bill throw their support behind various initiatives. Experts say these alliances that span the political spectrum could bring about significant changes in the bill.

Historically most subsidies have gone to growers of five commodities: soybeans, corn, rice, wheat and cotton. If that changes in 2007, what impact will it have on crop mix? How will traditional row crop producers react? If fruit and vegetable producers are included, how will the bill alter their production decisions? Many have discussed measures to spur regional and local market development. How will this affect what growers need from their suppliers? What new opportunities does it create? How will payment limits change behavior, and what will companies need to do to unravel changes and maintain efficiency in their marketing programs?

The commodity title will undoubtedly be affected by an energy title. It will likely support improved biofuel production, but how will farmers and infrastructure react?

The US dairy industry will be affected by farm bill legislation that replaces the Milk Price Support Program (MPSP), currently set to expire in September 2007. Some proposals affect the Milk Income Loss Contract (MILC) too. How will these policies interact, and what dairy farmer behaviors will they change?

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 to insurance. What impact will changes in the 2007 farm bill have on crop and livestock production, energy and conservation?

In early 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 its kick-off 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 and the remaining 40% will be billed upon delivery of the final report.

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, the participants will receive a final written report.
- 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?*

February 11	Enrollment deadline
1st Quarter '08	Kick-off meeting and group dinner with kick-off meeting attendees
3rd Quarter '08	Final report presentation/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 speaker(s) to be announced. The conference will be held in Washington, DC. Participants are invited to attend a group dinner preceding the meeting.

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 February 11 and plan to attend the January kick-off conference in Washington, DC.



ENROLLMENT FORM

- Yes, I want to participate in **“Implications of the 2007 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:

Joy Parr Drach
Senior Partner
Entira
Phone: 815-992-8460
Fax: 901-753-3391
Email: joy@entira.net