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SECRETARIAL DISCRETION AND THE FOOD SECURITY ACT OF 1985

Robert E. Young, II*

Introduction

Since the signing of the Food Security Act of 1985 (FSA85) in December 1985, there has been continuing interest in the operation of farm programs. This has been due in part to two considerations. First, from a public point of view, the cost of operating the programs have been very high. Congressional Budget Office estimates that outlays in Fiscal Year 1987 will total $24.3 billion for commodity programs, with expectations of outlays as high or higher in FY88. Second, from many producer's points of view, the program does not appear to have stopped the perception of economic recession, nor has it generated marked increases in exports of wheat, soybeans or feedgrains.

The operation of the program in the 1986 crop year led to increasing stocks, above what were originally considered to be intolerably high levels. Export markets, while strengthening in some commodities, continued to be weak for wheat, soybeans and feedgrains. Thus decision makers are/were in a position to move the policy with respect to agriculture in two directions, toward tighter control of productions or toward more demand stimulus.

FSA85 provides the Secretary of Agriculture with considerable discretion. In terms of modifying production decisions, the Secretary may institute non-paid setaside programs in order for producers to become eligible for certain program protection. Beyond that, the Secretary may pay producers to idle even more land. The form of payment may be in kind or cash, a choice of some importance. Further, the Secretary may decide to change the loan rate and thus the market price of corn by $0.68/bu. without resorting to the use of generic certificates. Thus, through the use of land setaside and diversion programs, the Secretary may alter the production and consequent price levels of various crops, and as a result depress or stimulate demand.

During the time the program has been in place, one crop has been harvested and a second is either in the ground or will be shortly. In these two years, there have been two Secretaries of Agriculture whom have used their discretion in somewhat different ways. Both have utilized certificates to lower the price of feedgrains and potentially all grains, yet only the later has made use of strong production control programs.

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This study will separate the program operation into three approaches or policy actions: demand stimulation, production control, or maintenance of the '86 program. The three options to be analyzed include:

* Baseline - Continuation of the '86 program with weak production control and maximum use of the Findley Amendment for a reduction in loan rates.

* Marketing Loan - Use of the marketing loan option as laid out in the FSA85, but without use of land diversion programs.

* Paid Diversion - Strong paid diversion programs, but with a return of loan rates 20 percent above that indicated in the '86 program continuation.

Traditionally, these program options have been viewed with respect to their impact on the crops sector. However, action of that magnitude is likely to modify the performance of the livestock sector as well. This study will attempt to analyze the effects of alternative approaches to FSA85 on the crops and livestock sectors as well as its impact on farm income and government cost. This analysis will be conducted utilizing a large scale econometric model of the U.S. agricultural sector. It is not the intention of this paper to describe the modeling system. This has been done by several other authors including Young (1986), Young et. al. (1986), Brandt et. al. (1985, 1985a) as well as by other papers given at this conference. However, it is important to conduct the analysis of these various program options utilizing several performance measures. For crop producers, the net receipts to crop production is obviously important. For taxpayers, the cost of operating the program is a concern. For the livestock industry, the net returns over both the short and the longer runs are of interest. For these reasons, this analysis will indicate the general results and implications for the crops and livestock sectors as well as inputs sector, consumer expenditures on meats, government costs, and net farm income.

Before beginning a discussion of the analysis, one caveat should be noted: the analysis was conducted in the summer of 1986. At that time, the author did not correctly project the magnitude of the use of certificates. Thus the price projections developed for the baseline scenario in particular are too high. The use of the certificates at their current level is, in effect, a defacto marketing loan, even more effective than the marketing loan scenario presented here. Failure to correctly incorporate the generic certificates currently in use flaws the analysis with respect to events as they have been and are unfolding; however, it does not preclude the general conclusions from being valid.

Program and Macroeconomic Assumptions

Key to the conduct of any analysis of policy are the underlying assumptions of the basic policy tools and the condition of the general economy underlying agriculture. The analysis assumes that the general economy will continue to grow in a somewhat sluggish fashion, that the dollar will continue to decline in value relative to several other major currencies and that the remainder of the world will also undergo moderate growth. The specific growth patterns, and macroeconomic variables are described in Table I. These data

were provided by Wharton Econometric Forecasting Associates (now Wharton Econometrics) and are exogenous to the agricultural sector model.

The three policy options are defined in such a way that they accomplish the goals stated in the introduction. The Baseline (BL) option continues the '86 crop program design, without the 2.5 percent PIK diversion program, over the life of the bill. Target prices decline in the '88-'90 crop years and the loan rates fall from their Findley level by 5 percent in each of the out years. Setaside levels are also placed at the maximum allowed by the legislation.

The Marketing Loan (ML) program is designed to stimulate demand for crop products by lowering the price of those products. Due to the language of the bill, the minimum repayment rate for feedgrains and wheat under the ML option is only 10 percent below the loan rate utilized for the BL option. Since the program retains the non-recourse nature of the BL option, it is likely that the repayment rate will become the new price floor. Thus, the ML option may not produce results markedly different than the BL approach.

The Paid Diversion (PD) option is designed to reduce stocks through a completely different approach. Rather than stimulating demand, the PD program is designed to support prices by limiting production. Inherent in its design is an acknowledgement that production potential in the U.S. can easily exceed demand at what are subjectively determined to be reasonable prices. Further, the approach suggests that if such a determination is to be made, steps must be taken to limit deficiency payments as a control on government outlays. These payments are reduced in two ways, first, through lowering the payment rate, and second, by raising prices so that some producers decide that nonparticipation is the more profitable of two alternatives. For these reasons, the PD option returns the loan rate to levels 20 percent above the baseline, or eliminates the use of the Findley provision. Further, the program buys land out of production on an annual basis in order to preclude stock buildup.

Finally, each program is analyzed with the underlying assumption that the conservation reserve will in fact remove 45 million acres. Rather than front-load the program, as the recent $2.00/bu bonus to corn producers is doing, the analysis assumed a smoother reduction in planting. Further, the analysis assumed that soybean land would also enter the program and apportions the land reduction between corn and soybeans accordingly. These policy levers are detailed in Table II for corn and soybeans. See Young for details of the other commodities.

Comparison of Alternative Program Designs

Rather than devote considerable text to the individual program options, only a comparison of aggregate performance measures will be given. An example of the individual supply and utilization tables for corn and livestock under the three scenarios are given in the appendix. Table III provides a summary of these aggregate measures.

The three policy options described and the analysis presented in the appendix give different results when viewed from the various interested groups. The crops sector is the direct beneficiary of government programs. The livestock sector then buffers the ultimate recipient of government action,

the consumer. Conversely, the consumer is also the taxpayer who funds these programs.

This implies that one measurement criteria is not sufficient when examining the impacts of these alternative policies. Crops and livestock will be reviewed separately, followed by a measure of the revenues received by the input industry. Subsequently, the aggregate measure usually used to reflect all agriculture, net farm income will be compared across the various scenarios. Consumer expenditures on the meat bundle will be used as a proxy for consumer benefits. This is followed by the government costs associated with each scenario.

Crops Net Receipts

Crops net receipts are defined in this case by the sum of cash receipts for crops plus direct government payments, less expenditures for seed and fertilizer. While the cost components used here do not reflect the total cost associated with producing the crop, they provide a gross measure of variable input expenditures.

As indicated in Table III, the range of the average level of crop net receipts is not large. Only a $2 billion difference exists between the average BL and the ML options. However, the largest degree of variance is associated with the ML. Direct payments contribute significantly to the ML option. Under the ML option, government payments account for 24 percent of the net receipts. Under the PD scenario, direct payments are only 19.5 percent of receipts. The difference is even more pronounced when compared across the final three years of the program. From 1988-1990 direct payments are $14.5 billion less for the PD than the ML. This is caused by the differing approaches used in the various options. In the PD option, market prices are used to generate crop income. Under the ML, government payments are used to supplement low market prices.

A closer examination of Appendix Table A1 suggests that relative to the other two scenarios, the marketing loan option does stimulate export demand and reduce stocks more quickly for corn. The same is true for wheat and soybeans, so much so in the latter commodity that by the 89/90 crop year some acreage is pulled from corn to soybeans. This, combined with the reduced stocks and higher exports, drives up the corn price. By the following crop year, however, corn production increases, export demand drops, and corn price is lower. This table shows the substantially larger variation in the endogenous variable series of the marketing loan scenario relation to the baseline or paid diversion. For more details, the reader is referred to Young (1986).

Livestock Net Receipts

Livestock net receipts are defined here as gross cash receipts for livestock, less expenditures for feed and purchased livestock. Here again, the difference in the four year averages is not great. The highest average and lowest variance is associated with the BL option while the lowest average level is generated under the PD.

A substantial swing is observed under the ML. After reaching a high level of $45.9 billion in 1987, the net receipts fall precipitously to $31.9

billion in 1990. This decline is brought on by lower hog and cattle prices at the same time feed costs increase. The size of the livestock industry is greatest by the end of the period under the ML which may be a desired trait. However, the livestock industry must also undergo considerable variation in terms of net returns to reach that size.

The PD option produces lower returns than the other two options, however the variance is markedly lower in the final three years than the ML. For 1988-1990 the coefficient of variation (CV) for the PD is 4.8 percent compared with a 16.6 percent CV for the ML. While the PD option generates lower income levels to the livestock sector, it provides a very stable income base once the transition period is completed.

Input Industry Expenditures

Input industry revenues, defined as the sum of expenditures on seed, fertilizer, repair and operation of capital items and hired labor, provide an indication of the gross revenue in those industries. These expenditures are seen to differ only slightly across the various options. The PD program gives the lowest level of expenditures due to the level of plantings through the life of the bill. It does provide the lowest degree of variability, however, another indication of the stability of the PD option. The highest single year level of expenditures occurs under the BL in 1989. High levels of plantings supported by high target prices and bean loan rates generates the largest amount of acres planted for the '89 crop.

Under the ML option, the decline in market prices induces high levels of participation while shifting soybean producers into the corn program. Commodity prices are held down through government stock depletion, not through high levels of production.

Thus in the short run at least, the input industry is not as well off under the ML option as it is under a continuation of the '86 program. Further, the decline in revenues for the input industry is not as great under the PD option as may have been expected, with the decline in revenue offset by increased stability.

Net Farm Income

Net farm income represents a single variable by which the general health of agriculture is measured. It does, however, have a number of shortcomings in this regard. As an example, consider the income stream for the ML option between 1989 and 1990. There, net farm income declines from $40.9 billion in 1989 to $16.3 billion in 1990. While a good portion of this decline is a real loss in net income, much of it is associated directly with a change in the value of inventories. In 1989, the value of inventories increases by $3.8 billion. In 1990, inventories decline in value by $11.2 billion. Similar situations have occurred in the past. In 1983, inventories declined in value by $10.6 billion only to increase by $7.8 billion in 1984. Concurrently, net farm income moved from $15 billion in 1983 to $34.5 billion in 1984.

With these caveats in mind, net farm income averages the highest under the ML option. Again, a good portion of this income is generated by government payments. Direct payments average 53 percent of net income under the ML,

while averaging only 48 percent and 44 percent for the BL and PD options respectively. The ML option also generates considerable variance in farm income. The swing from the near $41 billion figure in 1989 to $16.3 billion for 1990 is indicative. The 1990 figure is also the lowest single income projection.

The PD program also generates considerable variation in income levels in the initial year of its application. There, as is the case in the ML for 1990, farm income rises sharply to $41 billion. Here again, due mainly to increases in inventory values. By raising the price of crops through the higher loan rate, inventories increase in value by $2.5 billion. Inventories fell by $1.3 billion and $3.5 billion under the BL and the ML options in the same year respectively. Once past the initial adjustment period, the paid diversion option provides lower but more stable income than the ML. The CV for the final three years under the paid diversion is only 13.2 percent compared to 42.9 percent for the ML. The lower income under the paid diversion is produced by two main effects. First, the higher crop prices generate higher feed costs to livestock. Second, government payments are substantially less than the market loan. Thus the ML generates the highest and most variable income level with the PD option giving the lowest but most stable income stream.

Consumer Meat Expenditures

Expenditures by consumers for beef, pork and broilers provides an indication of the general food bill under the differing options. When averaged over the 1988-1991 period, the expenditures are observed to be almost identical, near $325/capita/year. The range from most to least expensive is only $2.66.

The paths associated with each option however indicate substantial differences. Under the ML scenario, producers hold animals back early in the analysis period. This causes higher prices and expenditure levels in 1987 and 1988, followed by substantially lower prices and expenditures in the final two years. Due to the size and structure of the livestock industry at the end of the analysis period for the ML option, it is likely that consumers would continue to spend less on and purchase greater quantities of meat.

For the PD option however, beef and pork producers disinvest. This provides for lower expenditures in the first two years of the projection, due to increased supplies. Subsequently, lower beef and pork supplies lead to an increase in meat prices and expenditures in the last two years. Costs are markedly higher in the final year.

The beef industry is considerably smaller in 1991 under the PD option than is the case for the ML. With higher feed costs to the livestock industry, it is likely that supplies will stay low in order to maintain prices at a level necessary to generate normal economic profit. This will keep meat prices higher at the consumer level in years beyond the analysis.

The consumer then, is better off after an initial adjustment period under the ML than the PD program, with the BL program taking the middle ground.

Government Costs

Government costs for corn, other feed grains, soybeans, wheat, rice, and cotton are high under all scenarios. The $21.1 billion in FY86 is due in large part to substantial stock forfeitures induced by moving to lower loan rates. With limited stock forfeitures in later years, most of the cost is associated with direct payments for income support.

The ML option produces the highest level of government outlays. Direct payments (which may be higher or lower than government outlays for these commodities depending on changes in government-held stock levels) in 1988 and 1989 were in excess of $20 billion indicating the level of government commitment needed for such a program. This is also the main reason farm income averaged higher under the ML option than the other choices. It should be pointed out however that when prices recover under the ML, costs decline quickly. In FY90, the 89/90 crop year, market prices recovered with a tightening in supplies. Government outlays then fall by 60 percent in FY90 due in part to the $8.3 billion fall in direct payments.

The PD option lowers outlays immediately through the reduction in the deficiency payment rate. By raising the loan rate, the per bushel payment rate is lowered by 20 percent from the BL option and 30 percent from the ML. While the higher loan rate generates more stock forfeitures, the decline in deficiency payments more than makes up the difference. Using corn as an example, the model utilized in the analysis suggests that raising the price to $2.28/bu would require forfeiture of 325-400 million bushels relative to the BL option, with the same level of production. This requires $750-$925 million in outlays. With 80 percent participation in government programs, however, the change of $0.46/bu in deficiency payment rate lowers outlays by $2.4 billion. If production is lowered via paid diversion programs, the loan forfeitures would be reduced even further. Thus, raising the loan rate by $0.46/bu saves $1.4-$1.7 billion for corn alone.

Summary

The three programs analyzed are viewed differently by the various players in the agricultural policy arena. Crops producers are best off under the marketing loan scenario, but suffer the largest variance in returns and have the largest portion of their income coming from the government, not an enviable position in an era of budget cuts. The livestock sector in total is also best off under the marketing loan, but faces a substantial variance in returns. Further, all signals to the livestock sector to expand inventory are being driven by input cost changes. If retail demand were to slacken even more, or if feed costs change substantially, as they are projected to do in 1989/90, then the livestock sector could experience a substantial loss.

At the other end of the chain, the input industry appears to be best off under a continuation of the '86 program of weak production controls and high support prices. However, input suppliers are not much worse off under the most stable, paid diversion option.

Production agriculture as a whole appears to benefit from the market loan option. Net farm income is highest under the market loan, but suffers from the largest variance of all options. The market loan has nearly the highest

single year income level as well as the lowest. The consumer, after an initial adjustment period, spends least while consuming the most meat under the market loan option. Further, it is likely that in years beyond the analysis period that meat expenditures would remain low under the market loan. Government cost is highest under the market loan, consistent with its largest contribution to crop and farm income. Outlays are the lowest, and after the initial adjustment period most stable, under the paid diversion.

Conclusion

Selection or recommendation of one of the three options studied is difficult. Each of the two alternatives have advantages. The base option however does not appear as a viable policy choice as stocks continue to grow throughout the analysis. This suggests that action must be taken to either stimulate demand or limit supplies.

It is interesting to note that Secretary of Agriculture Lyng has opted to utilize both strategies concurrently. Through the use of PIC (Payment in Commodities, vice in Kind) certificates, the Secretary has created a marketing loan program for feedgrains. At the same time the $2.00/bu diversion program for corn should be effective at limiting production. Through the use of certificates to pay for the diversion program however, supplies should remain more than adequate.

The question becomes then, should the Secretary change course? In light of budgetary concerns there are a few actions which may help to curtail costs, while continuing to accomplish the same objectives. Raising, or freezing loan rates would be an initial aid to lowering cost. Given the level of returns to a program participant versus a nonparticipant, marginal increases in setasides with accompanying decreases in diversion payments could cut costs sharply, while maintaining high levels of participation. To take actions which drastically alter target prices, however, at this time would have substantial impact on an experiment to expand demand with an uncertain outcome. If the experiment were to fail, the impact of reduced target prices on the crop sector and net farm income would be severe.

Table I

Domestic and Foreign Economic Projections
Utilized in Evaluation of Secretarial Options

Variable	1986	1987	1988	1989	1990	1991
United States						
Real GNP (percent change)	3.8	3.0	2.6	2.7	2.2	5.7
GNP Deflator (percent change)	2.4	4.0	4.4	5.2	5.4	3.8
Civilian Unemployment Rate (percent)	6.8	6.3	6.5	6.4	8.0	6.6
3-Month T. Bill Rate (percent)	6.1	6.7	7.6	8.2	9.3	6.7
Moody's AAA Corporate Bond Rate (percent)	9.5	9.4	9.6	10.1	10.6	9.7
Federal Budget Surplus (Bil. $)	-163.4	-134.2	-118.2	-112.1	-111.5	-75.0
Foreign/Domestic						
Light Arabian Crude Oil ($ per barrel)	16.0	16.0	18.0	21.0	23.0	23.0
Foreign Currency/ Dollar (percent change)*	-6.4	-4.6	-2.3	-1.5	-0.4	-0.4
Real GNP (percent change)						
Africa	0.9	2.4	3.1	3.4	3.0	3.2
Latin America	1.2	3.3	3.7	2.6	3.5	3.6
Pacific Basin	3.4	5.3	5.3	4.8	5.5	5.2
Western Europe	2.9	2.5	2.3	2.2	2.6	2.6
Centrally Planned	3.8	3.2	3.3	3.3	3.4	3.4

Source: Wharton Econometric Forecasting Associates, Long-Term Forecast and World Economic Outlook, March 1986

*Based on the average exchange rates for the calendar year.

Table II

Policy Variables For Corn And Soybeans Under Three Scenarios[a]

Crop Years		86/87	87/88	88/89	89/90	90/91
Corn						
Setaside (percent)	BL	17.5	20.0	20.0	20.0	20.0
	ML	12.5	20.0	20.0	20.0	20.0
	PD	17.5	20.0	20.0	20.0	20.0
Diversion (percent)	BL	2.5	-	-	-	-
	ML	2.5	-	-	-	-
	PD	2.5	10.0	10.0	10.0	10.0
Loan Rate ($/bu.)	BL	1.92	1.82	1.73	1.65	1.56
	ML[b]	1.92	1.60	1.52	1.44	1.37
	PD	1.92	2.28	2.17	2.06	1.95
Target Price ($/bu.)	BL	3.03	3.03	2.97	2.88	2.74
	ML	3.03	3.03	2.97	2.88	2.74
	PD	3.03	3.03	2.97	2.88	2.74
Soybeans						
Loan Rate ($/bu.)	BL	4.77	4.77	4.53	4.50	4.50
	ML[b]	4.77	4.77	----------No Minimum----------		
	PD	4.77	5.02	5.02	5.02	5.02

a--These scenarios include a continuation of the Food Security Act of 1985 with the Findley Amendment (BL), a marketing loan (ML), and a paid diversion (PD).

b--Under this option, the loan rate is assumed to be the minimum repayment rate (70 percent of the base (pre-Findley) loan rate).

Table III

Alternative Program Option Performance Criteria

	1986	1987	1988	1989	1990	--1987-1990-- Avg	CV[a]
	---------- Billion Dollars ----------						Percent
Crops Net Receipts[b]							
Base	64.3	65.9	67.9	70.2	70.1	68.5	3.0
Market Loan	64.3	65.0	70.8	75.1	71.1	70.5	5.9
Paid Diversion	64.6	68.3	68.0	70.1	73.7	70.0	3.7
Livestock Net Receipts[c]							
Base	45.0	45.5	42.3	40.4	37.5	41.4	8.1
Market Loan	45.0	45.9	44.7	39.1	31.9	40.4	15.8
Paid Diversion	45.0	45.9	36.8	35.7	39.2	39.4	11.6
Input Industry Related Expenditures[d]							
Base	35.1	34.4	33.6	35.5	33.3	34.2	2.9
Market Loan	35.1	34.2	33.4	33.0	35.0	33.9	2.6
Paid Diversion	35.1	33.4	32.7	32.7	32.3	32.8	1.3
Net Farm Income							
Base	27.1	34.5	34.1	32.2	26.1	31.7	12.2
Market Loan	27.1	32.3	39.5	40.9	16.3	32.3	35.0
Paid Diversion	27.7	41.0	26.3	24.4	31.4	30.8	24.1

	1987	1988	1989	1990	1991	--1987-1991-- Avg	CV
	---------- Dollars/Capita/Year ----------						Percent
Consumer Meat Expenditure							
Base	$335.58	$329.31	$328.08	$322.30	$319.51	$324.80	1.4
Market Loan	$335.08	$336.38	$342.75	$311.69	$305.25	$324.02	5.7
Paid Diversion	$340.58	$316.47	$308.69	$332.49	$349.09	$326.68	5.4

	FY86	FY87	FY88	FY89	FY90	--1987-1991-- Avg	CV
	---------- Billion Dollars ----------						Percent
Government Cost[e]							
Base	21.1	17.8	17.7	16.1	13.0	16.1	13.9
Market Loan	21.1	18.1	19.4	19.3	11.5	17.1	22.0
Paid Diversion	21.1	18.4	14.1	11.4	13.3	14.3	20.6

a--Coefficient of variation.

b--Sum of cash receipts for crops plus direct government payments less expenditures for seed and fertilizer.

c--Cash receipts less expenditures for feed and purchased livestock.

d--Sum of expenditures on feed, fertilizer, repair and operation of capital items, and hired labor.

e--Includes corn and other feed grains, soybeans, wheat, rice, and cotton.

Appendix Table A1

Corn Sector Performance Under Three Scenarios[a]

		86/87	87/88	88/89	89/90	90/91
Participation Rate (percent)	BL	76	80	82	82	82
	ML	76	85	87	87	65
	PD	76	75	74	72	82
Production (mil. bu.)	BL	8316	7632	7635	7506	7375
	ML	8316	7579	7554	7429	7614
	PD	8316	7370	7405	7281	7058
Domestic Use (mil. bu.)	BL	5715	5791	5822	5640	5533
	ML	5711	5965	6160	5887	5777
	PD	5715	5515	5459	5689	5565
Exports (mil. bu.)	BL	1670	1650	1698	1788	1799
	ML	1668	1654	1709	1824	1769
	PD	1670	1643	1687	1778	1825
Ending Stock (mil. bu.)	BL	4945	5147	5264	5343	5387
	ML	4951	4911	4598	4314	4383
	PD	4945	5159	5419	5234	4903
Farm Price ($/bu.)	BL	1.75	1.71	1.74	1.93	1.91
	ML	1.75	1.53	1.49	2.21	1.68
	PD	1.75	2.13	2.04	2.05	2.38

a--These Scenarios include a continuation of the Food Security Act of 1985 with the Findley Amendment (BL), a marketing loan (ML), and a paid diversion (PD).

Appendix Table A2

Meat Sector Performance Under Three Scenarios[a]

		1987	1988	1989	1990	1991
Beef						
Production (mil. lbs.)	BL	21,453	21,500	21,930	22,698	23,492
	ML	21,469	21,358	21,259	22,724	25,455
	PD	21,326	21,686	23,113	22,560	22,132
Omaha Farm Price ($/cwt.)	BL	66.44	64.50	62.70	58.55	54.20
	ML	66.26	67.38	66.95	55.19	48.70
	PD	68.90	59.65	50.47	61.77	67.70
Pork						
Production (mil. lbs.)	BL	13,640	14,731	15,467	16.240	16,565
	ML	13,615	14,620	15,699	17,021	16,448
	PD	13,621	15,093	14,824	15,268	16,494
Barrow & Gilt Farm Price ($/cwt.)	BL	51.50	43.50	37.60	33.50	32.00
	ML	51.65	45.28	37.88	30.65	28.10
	PD	52.41	36.95	41.72	42.95	37.21
Broilers						
Production (mil. lbs.)	BL	15,305	16,070	16,874	17,549	18,251
	ML	15,309	16,165	17,031	17,376	17,685
	PD	15,355	15,884	16,671	17,773	18,696
12 City Wholesale Price ($/lb.)	BL	.524	.468	.426	.404	.385
	ML	.524	.475	.440	.389	.355
	PD	.531	.454	.410	.423	.423
Meat Bundle Per Capita Consumption (lbs.)	BL	187.8	193.5	199.1	205.4	210.0
	ML	187.7	193.1	198.5	207.4	213.1
	PD	187.5	194.7	199.2	202.0	207.5

a--These scenarios include a continuation of the Food Security Act of 1985 with the Findley Amendment (BL), a marketing loan (ML), and a paid diversion (PD).

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