

Introduction

The Farm Security and Rural Investment Act of 2002 (2002 Farm Act), which governs Federal farm programs through 2007, was signed into law on May 13, 2002. The act includes a wide range of agricultural programs, covering commodities, conservation, trade, rural development, nutrition, credit, forestry, and energy.

While this new farm law introduces some new policies to the array of agricultural commodity programs, in many ways, the 2002 Farm Act extends provisions of the 1996 Farm Act and the ad hoc emergency spending

bills of 1998-2001. For example, marketing assistance loans existed under previous U.S. farm law, direct payments replace production flexibility contract payments of the 1996 Farm Act, and counter-cyclical payments are intended to institutionalize the market loss assistance payments of the past several years.

This report discusses major programs of title I (Commodity Programs) plus selected provisions in title II (Conservation) and title III (Trade) of the new Farm Act, and provides an initial evaluation of impacts on agricultural commodity markets.