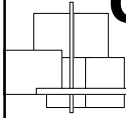


# The U.S. Responses to the Challenges in Agribusiness

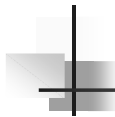


Futtermittelhandelstag 2008  
Burg Warberg, Germany  
May 6, 2008

Bobby Richey, Jr.  
Counselor for Agricultural Affairs  
U.S. Embassy, Berlin



## U.S. Prerspectives



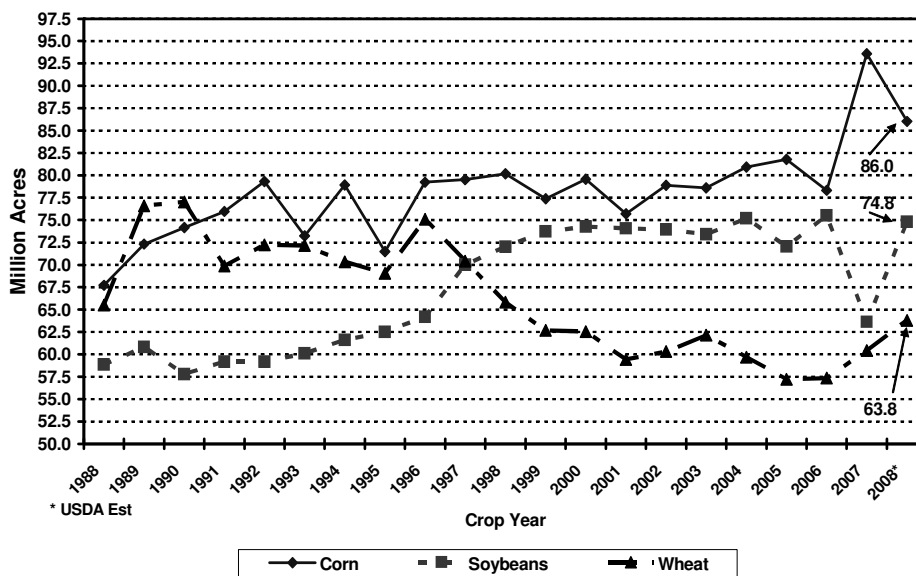
- U.S. Agricultural Landscape
- The Trade Agenda
- U.S. Farm Bill
- Food vs. Fuel
- Agricultural Biotechnology
- Summary Observations

## What Factors Are Driving Global Agricultural Commodity Prices?

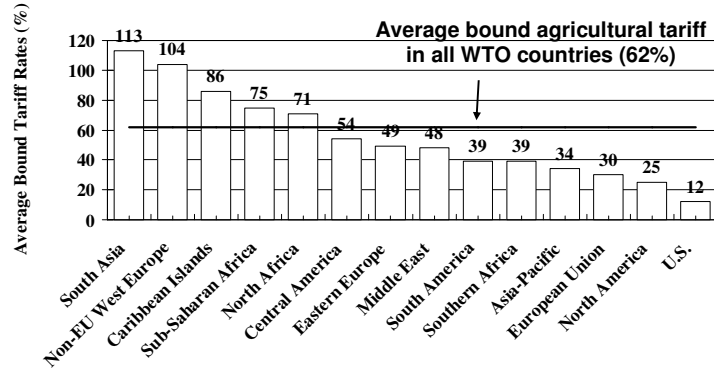
- Unrelenting growth in global demand
  - Strongest growth in global economy in three decades
  - Value of the U.S. dollar continues to fall
  - Renewable energy markets boost demand
  - Reduced foreign competition
  - Policy moves to prevent exports

3

U.S. Planted Acreage: Corn, Soybean, Wheat



## The Trade Agenda: WTO



5

## Doha Round Negotiations

- Negotiation holds tremendous potential for improved worldwide agricultural trade
- What U.S. needs for success:
  - Substantial new trade flows
  - Market access in both developing and developed countries
  - Substantial TRQ expansion in exchange for lower tariff cuts on sensitive products
  - Clarity on special product disciplines
- Falconer Text – February 2008

6

## **Administration's U.S. Farm Bill Proposals**

---

- Underlying Objectives
  - More equitable, predictable, and better able to withstand challenge
- Supports Emerging Priorities
  - Renewable energy, conservation, research, rural development and trade
- Fiscally Responsible
  - Save \$10 billion over 2002 Farm Bill spending

7

## **U.S. Farm Bill**

---

- Farm policy reforms are necessary for Administration support
- Administration wants a Farm Bill that the President can sign
- Current extension through May 16

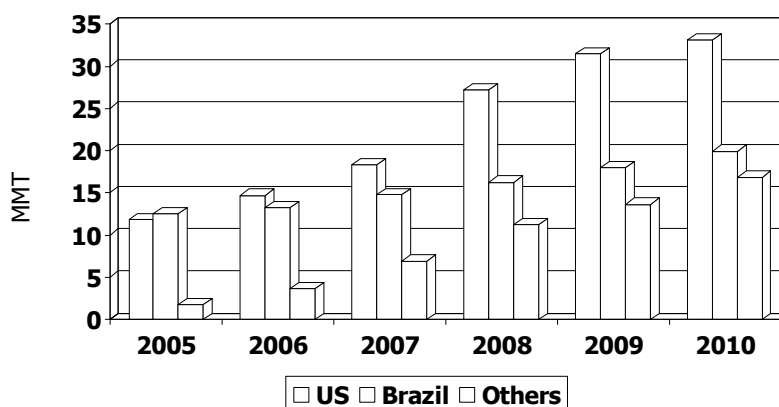
8

## Biofuels: Policy Goals

- Energy Security
- Rural Development
- Climate Change Mitigation

9

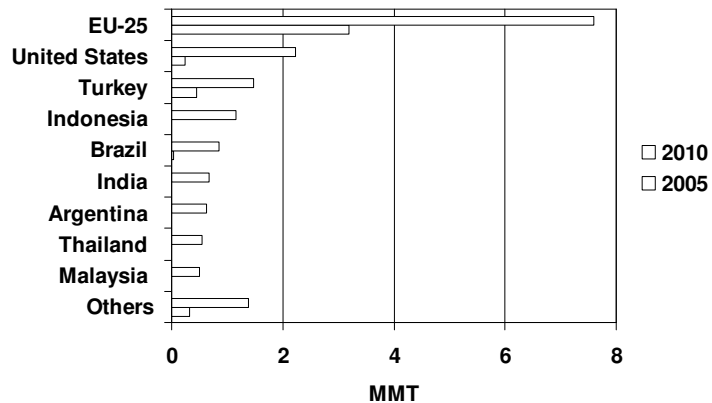
## Global Ethanol Trends



Unofficial FAS Estimates

10

## Global Biodiesel Trends



Unofficial FAS Estimates

11

## Biotechnology

- Growing adoption by farmers worldwide
- Demonstrated safety and effectiveness
- Many traits ready for regulatory consideration in the U.S.
- Growing impact on the EU
- Less market influence by the EU
- Increased concern by EU industry

12



## **Conclusion**

---

- U.S. Agricultural Landscape
- The Trade Agenda
- U.S. Farm Bill
- Food vs. Fuel
- Agricultural Biotechnology
- Summary Observations

13



## **The U.S. Responses to the Challenges in Agribusiness**

---

**Futtermittelhandelstag 2008  
Burg Warberg, Germany  
May 6, 2008**

**Bobby Richey, Jr.  
Counselor for Agricultural Affairs  
U.S. Embassy, Berlin**

