



Farm Service Agency
Office of Budget and Finance
Budget Division

USING THE CCC COMMODITY ESTIMATES BOOK

General

The Commodity Estimates Book contains both actual and estimated years of budgetary data by program and account for the Commodity Credit Corporation (CCC). It includes the latest policy assumptions and supporting economic (supply/demand) data. The Estimates Book is in electronic form to facilitate distribution and fast searching. Each page shows the presentation number (i.e., edition), the date of the update, as well as the computer output identification numbers. All of the data in the book is in thousands, unless otherwise indicated.

Frequency of Preparation

The CCC Estimates Book is prepared approximately twice each year. The first update is the President's Budget which occurs in December-January. The second update is completed in June and provides OMB with Mid-Session Review information (which updates the previous President's Budget submission). Other updates may be prepared throughout the year, depending on FSA, Departmental and OMB needs.

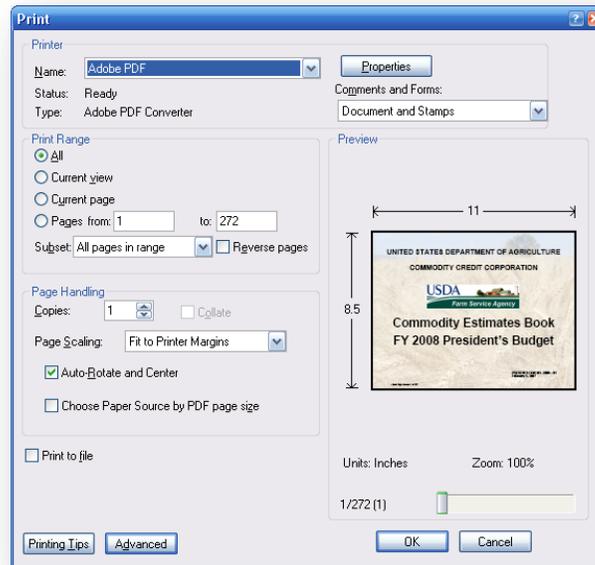
Electronic Book

Since July 2006 the Commodity Estimates Book has been distributed in electronic format. The Commodity Estimates eBook is in the Adobe Acrobat PDF format. To open and use the electronic book, you will need a PDF viewer. If you do not have a PDF viewer program, a free version may be obtained from Adobe Incorporated at the web site address <http://www.adobe.com/products/acrobat/readstep2.html>. The Commodity Estimates electronic book is a compilation of materials from a variety of systems, formats, and page sizes. The following are a few suggestions for effectively using this electronic format:

- You may search for a word or phrase contained in the Commodity Estimates Book by selecting the menu item 'Edit – Find' (key combination 'Ctrl-f'). This method will display the next occurrence of the word or phrase.
- An alternate method for searching for a word or phrase is to use the menu item 'Edit – Search' (key combination 'Ctrl-Shift-f'). This method will find and display a list of all occurrences of the word or phrase. This list may be used to navigate to the selected occurrence of the word or phrase.
- Each section of the eBook has been identified with an electronic bookmark. The PDF viewer may contain a bookmark list (in Acrobat select View – Navigation Tabs –

Bookmarks'). Clicking on an item in the bookmark list will display the page associated with the bookmark.

- When printing all or a portion of the Commodity Estimates Book, make sure to set or enable the options for Page Scaling to “Fit to Printer Margins”, and “Auto-Rotate and Center”, similar to the dialog box shown below. This will ensure that all of the eBook’s pages will fit onto the selected paper size with the proper page orientation.



The Table of Contents

The Table of Contents in the front of the book is divided into two major categories -- CCC Commodities and Summary Data. Summary Data includes economic and program assumptions, expenditures by major commodity, expenditures and receipts by category, realized losses, interest, commodity loan and inventory activity, donations, export credit, and Public Law 480.

Assumptions

Following the Table of Contents are the aforementioned economic and program assumptions used in producing a particular edition or presentation of the Estimates Book. The assumptions include announced program provisions for current crop years and assumed provisions for future crop years. Also included are assumptions for commodity loan interest rates.

Special Analysis

Following the assumptions are special analyses tables including a summary expenditure table for the major CCC commodities and programs in millions of dollars, and an analysis of “All Other” CCC expenditures.

Summary Outputs

- Output 9 CCC Net Budgetary Expenditures and Other Financial Data. The Output is divided into three sections, the first showing net expenditures by major commodity and program. The second section shows other financial data including Appropriations, Budget Authority, Borrowing Authority Available, and Total Realized Losses. The third section shows net expenditures by major commodity for Public Law 480 (Foreign Assistance Program) and Public Law 480 Appropriation/Budget Authority.
- Output 7 CCC Financing Status. Shows the End of Year CCC Borrowing Authority Statutory Limitation and Status of CCC Borrowing Authority including Appropriations, Net Expenditures, and Availability.
- Output 2 Expenditures - CCC and Public 480. Summarizes all programs and commodities by type of gross outlay and receipt, such as loans made, purchases, direct payments, loan repayments, and sales proceeds. The first and second pages also show non-cash transactions such as marketing loan repayments. The third page of Output 2 shows PL 480 expenditures and receipts. Output 2 is divided into three sections-- CCC Price Support and Related Expenditures (Gross); CCC Price Support and Related Receipts (Gross); and Foreign Assistance Programs (PL 480).
- Output 3 CCC Realized Losses. Identifies the net realized losses of CCC by type of loss (or gain). The report is divided into three sections -- CCC Inventory Losses, Cash Payment Losses, and Other Program Losses/Gains.
- Output 8 Interest. Output 8 is divided into three sections. The first section shows the impact on CCC net realized losses -- the expense of interest charged CCC on its Treasury borrowings to finance program payments, capital stock, and other activities. Interest expenses are offset by interest received on commodity loan repayments, rescheduled export credit sales, wool, and other programs. The second section shows the interest impact on CCC net expenditures -- actual CCC interest payments to Treasury (excluding accruals) offset by interest receipts (excluding accruals). The third section shows selected interest rate data.
- Output 12 CCC-Funded Conservation Programs. Output 12 is divided into two sections. The first section shows program level\budget authority for each of the seven conservation programs which are now funded by CCC. The second section shows net expenditures for financial program assistance, technical assistance, miscellaneous expenditures and total net expenditures for each of the seven conservation programs.
- Output 50 Cash Payments Summarizes producer direct payments by commodity and type of payment including direct, counter-cyclical, production flexibility contract, marketing loss assistance, loan deficiency, upland cotton user marketing payments, and other payments. The output includes tables for

direct, counter-cyclical, production flexibility, oilseed, and loan deficiency payments by commodity and crop year.

- Output 4 Summary of CCC Loan and Inventory Activity. Summarizes the total dollar loan and inventory activity of CCC. The second page shows total CCC investment at the end of the year.
- Output 16 Marketing Loan Write-offs. The output includes tables for marketing loan gains/write-offs by commodity and crop year.
- Output 18 CCC Certificate Exchange Gains. The output includes tables for certificate exchange costs, sales proceeds, and gains by commodity and crop year.
- Output 51 CCC Inventory Activity Quantities Available End-of-Year. Shows by commodity the end-of-year quantities in CCC inventory.

Commodity Data

Data for each commodity is usually shown on a set of three outputs:

Output 95 shows the acreage, supply and utilization, price data and income factors for the commodity on a crop or marketing year basis. Average market price projections are not USDA targets. CCC price support activity generally relates to the prior crop year; i.e., fiscal year 2008 loans generally relate to the 2007 crops, fiscal year 2009 to the 2008 crops, etc.

Output 5 shows the loan and inventory activity in the units customary for each particular commodity. For example, corn--bushels, cotton--bales, and rice--hundredweight. This output shows all data on a fiscal year basis. The last section of this output shows the CCC loan and inventory investment dollar values at the end of each fiscal year.

Output 6 show the gross outlays and receipts, net expenditures, and realized losses for each of the commodities on a fiscal year basis. [Please see attachment for a definition of these terms.] The key data line on Output 6 is "Net Expenditures, Support and Related." This output includes non-cash transactions at the bottom of the page.

Some of the commodities are grouped and have a summary set of outputs. These are Total Feed Grains, Total Wheat, Total Dairy, Total Tobacco, and Total Oilseeds.

Other Programs

In addition to the data on CCC commodities, there are other program outputs that can be located in the Table of Contents, such as Domestic/Export Donations, CCC Export Credit Sales, Pre-1992 Export Guarantee Programs, and the P.L. 480 programs.

COMMODITY CREDIT CORPORATION

Explanation of "Net Realized Losses" or "Costs" and "Net Outlays or Expenditures"

Gross outlays or expenditures represent initial cash outlay by the CCC under its various programs. These outlays take many forms such as loans made, commodities purchased, storage, handling, transportation, processing and packaging, direct, counter-cyclical, production flexibility contract, loan deficiency, disaster, or conservation program payments, inventory transfers in for commodities process, loan collateral settlements for premiums and discounts, operating expenses, interest payments to Treasury, and miscellaneous program expenses such as claims, classing and grading to commodities, research, etc. These outlays are offset by receipts from operations such as loan repayments, sale of commodities, NAP fees, receipts from the Tobacco Trust Fund, inventory transfers out for commodities processed, loans transferred to accounts receivable status due to ineligibility or other reasons, interest payments received on loans, and miscellaneous program receipts such as collections of claims.

The net of outlays and receipts represents net outlays or net expenditures--more simply "cash flow." This is the principal measure of overall Government fiscal and financial needs for a given fiscal year. If outlays exceed receipts, the Government is in a "deficit" position. If receipts exceed outlays, a "surplus" exists.

However, as can be seen from the list of the foregoing items, many represent asset acquisitions such as loans and inventories. These may be held under CCC control in periods of heavy production and light demand. They may be liquidated in periods of heavy demand and low production. Under commercial accounting practice, which CCC adheres to primarily, acquisitions of such assets are not considered "losses" or "costs" (expense). Losses are not realized until the inventory, whether acquired by purchase or loan forfeiture, is ultimately disposed of by CCC either by sale on the domestic open market or under various export programs, or given away--donated--to approved domestic outlets in a priority established by law or export outlets. At such time, the CCC computes the cost of commodities sold and donated. This amount, plus any loans which are deemed uncollectible, marketing loan write-offs of principal, the cash already spent for storage, handling, transportation, direct producer payments (earned and accrued), and miscellaneous program expense; less the amounts received from sales of the commodities and other program income; becomes the "net realized loss" or "cost". This is the amount that the CCC, by law, is authorized to receive by appropriations to reimburse it for net realized losses incurred in a particular fiscal year.

