



# ***Farm Economy Impacts and Issues***

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# 2018 and 2019 Soybean Futures Prices in \$ per bushel

••• November 2018 Futures    — November 2019 Futures

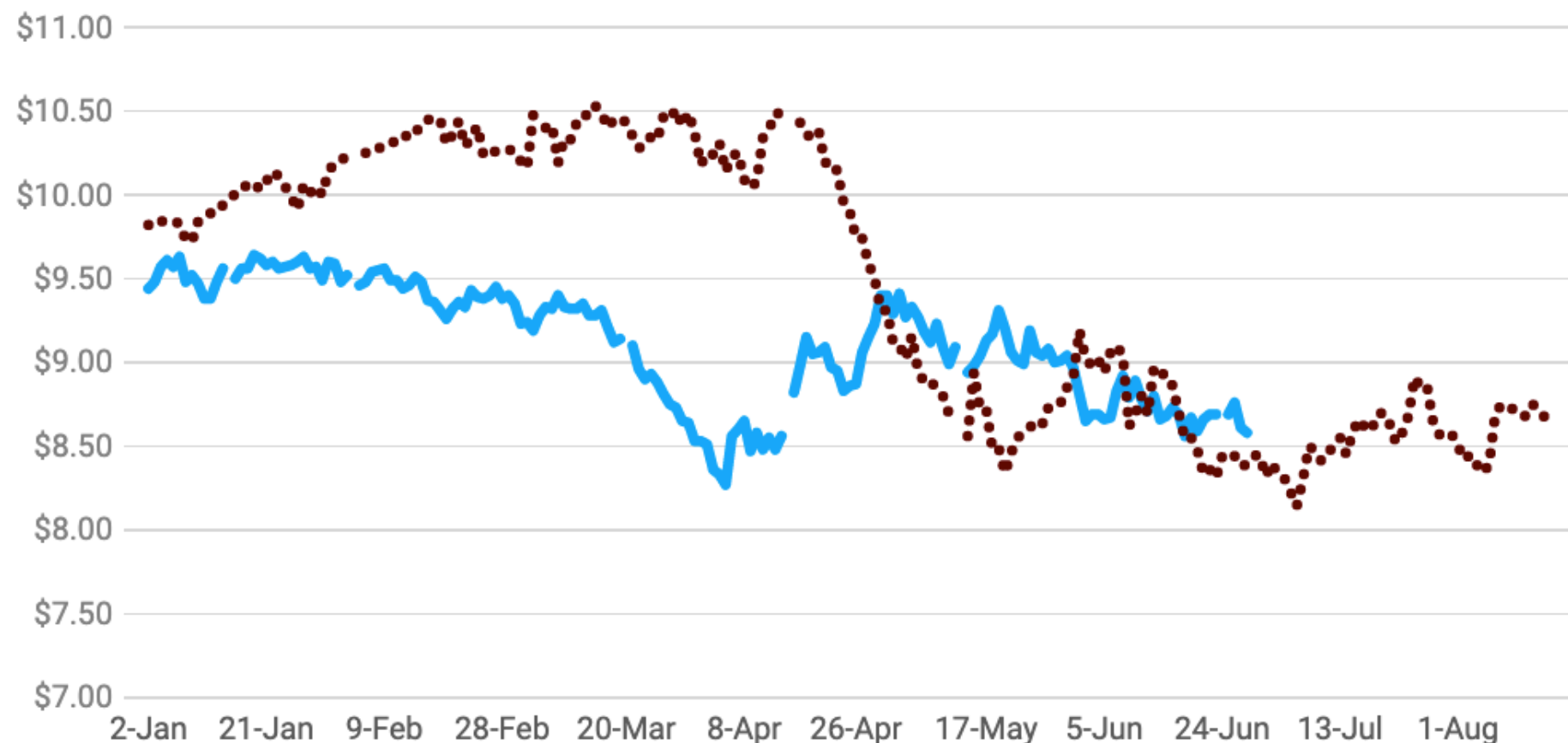


Chart: Josh Maples • Source: CME • [Get the data](#)



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# 2018 and 2019 Cotton Futures Prices in cents per pound

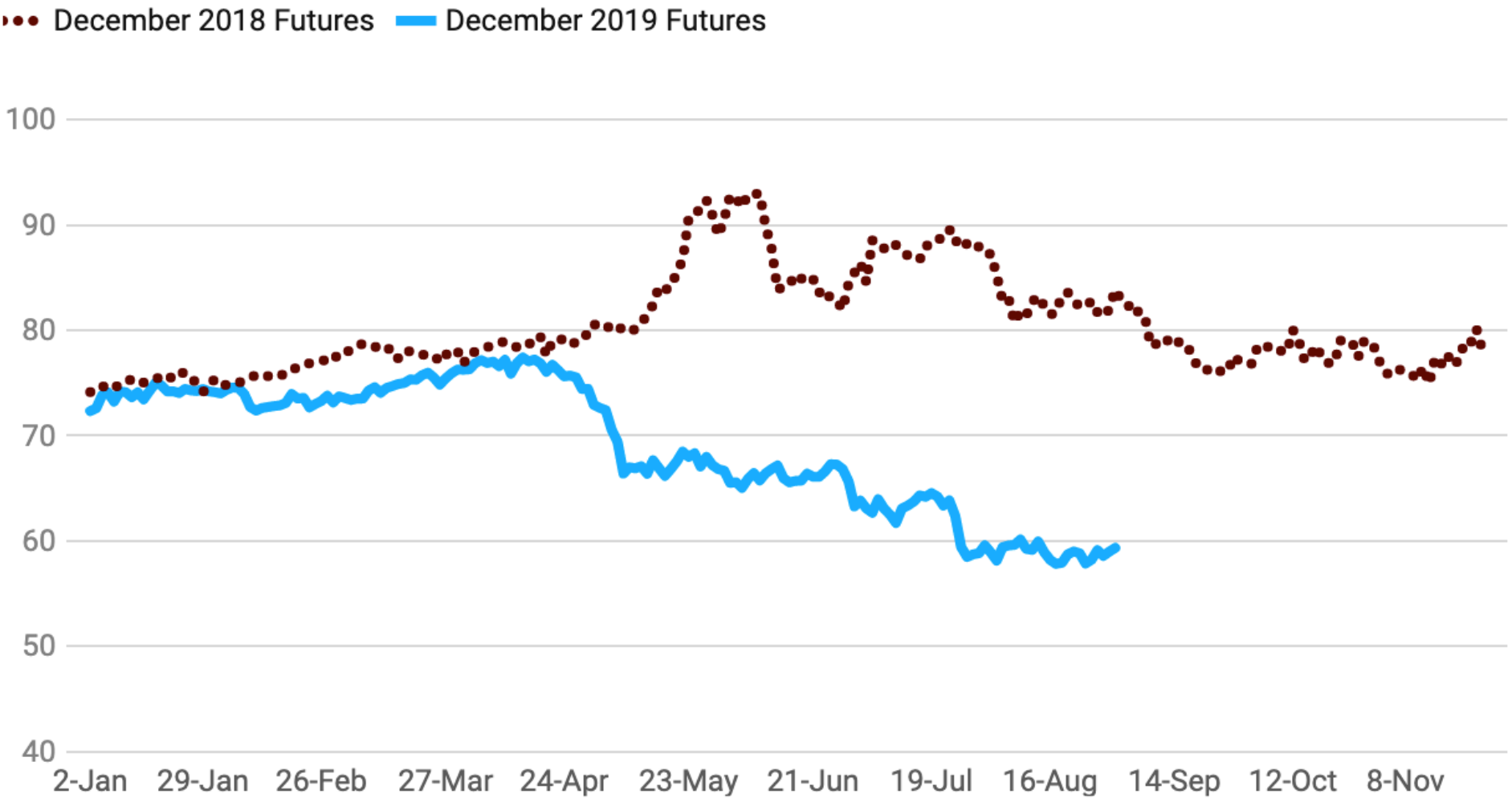


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# 2018 and 2019 Corn Futures Prices in \$ per bushel

••• December 2018 Futures    — December 2019 Futures

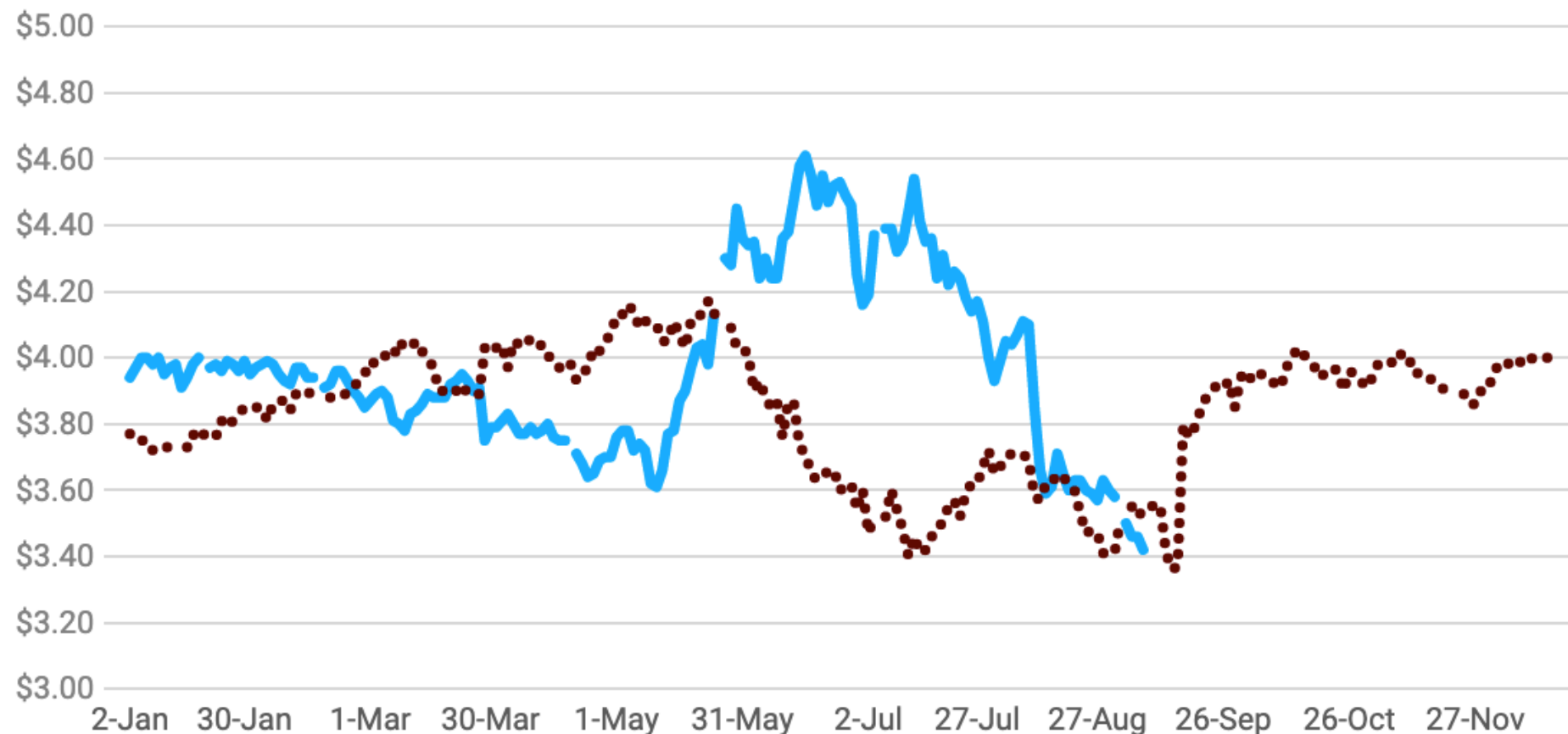


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## Market Facilitation Program Payment

Commodity	2018	2019
Alfalfa	--	\$2.81/ton
Chickpeas	--	\$1.48/cwt
Corn	\$0.01/bu	\$0.14/bu
Cotton	\$0.06/lb	\$0.26/lb
Cranberries	--	\$0.03/lb
Dairy	\$0.12/cwt	\$0.20/cwt
Dried Beans	--	\$8.22/cwt
Ginseng	--	\$2.85/lb
Grapes (fresh)	--	\$0.03/lb
Lentils	--	\$3.99/cwt
Peanuts	--	\$0.01/lb
Peas	--	\$0.85/cwt
Pork	\$8.00/head	\$11.00/head
Rice	--	\$0.63/cwt
Sorghum	\$0.86/bu	\$1.69/bu
Soybeans	\$1.65/bu	\$2.05/bu
Sweet Cherries (fresh)	--	\$0.17/lb
Tree Nuts*	--	146.00/acre
Wheat	\$0.14/bu	\$0.41/bu

\*Pistachios, Almonds, Walnuts, Pecans,  
Hazelnuts, Macadamia Nuts



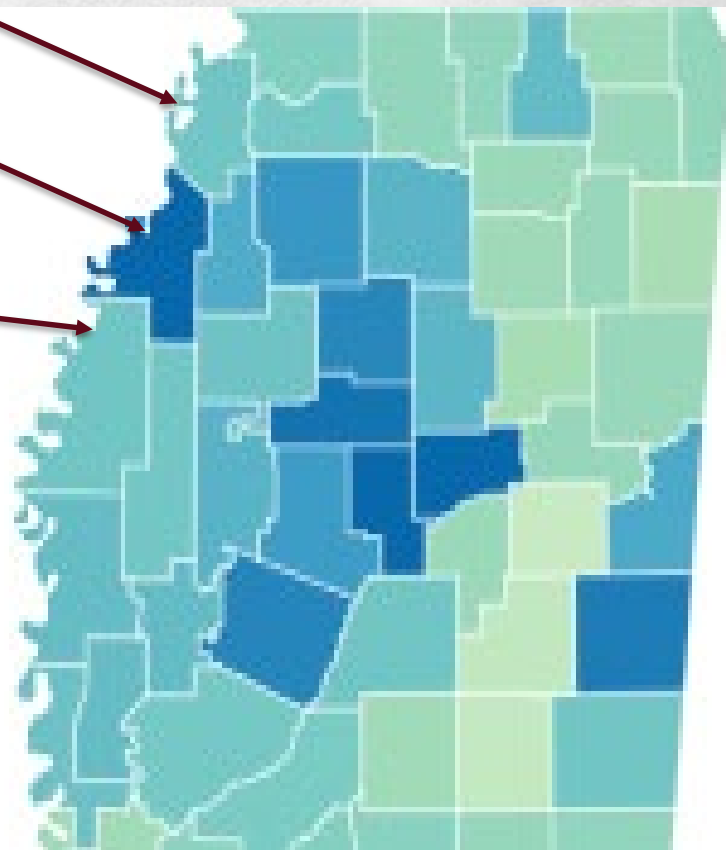
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# 2019 Mississippi MFP County Payment Rates

Tunica \$103

Coahoma \$150

Bolivar \$103



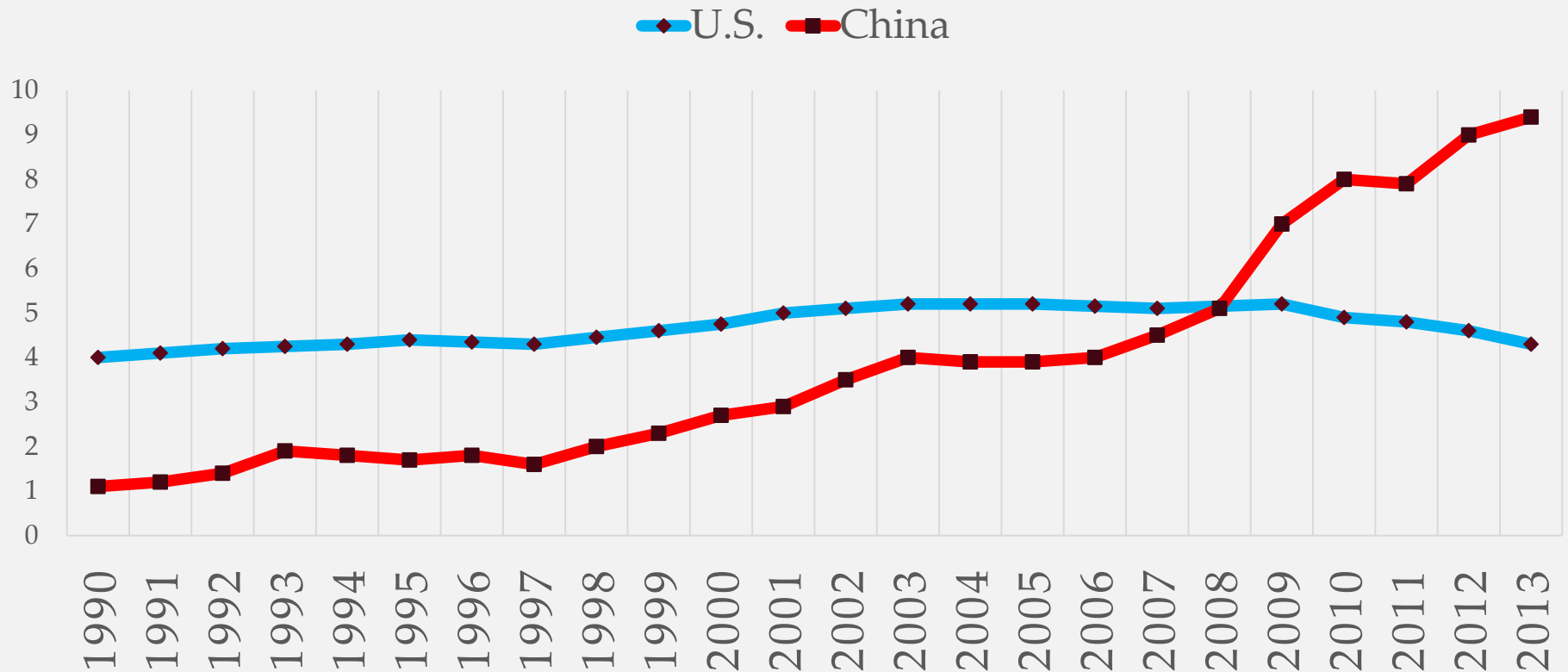
Cohoma County				
Crop	Yield	Payment Rate	Per acre	Weight
corn	186	\$0.14	\$26.04	7%
cotton	1275	\$0.26	\$331.50	21%
soybeans	51	\$2.05	\$104.55	70%
rice	72	\$0.63	\$45.36	1%
Wheat	51	\$0.41	\$20.91	0%



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# Another Battle with China?

## PUBLIC SECTOR FUNDING FOR AG RESEARCH



Source: USDA ERS



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# FARM PROGRAMS 2019



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# Title I

- **Agriculture Risk Coverage**
  - Shallow loss county triggered revenue coverage
  - Popular with corn and soybeans in 2014
- **Price Loss Coverage**
  - Price triggered
  - Popular with rice, cotton, and peanuts

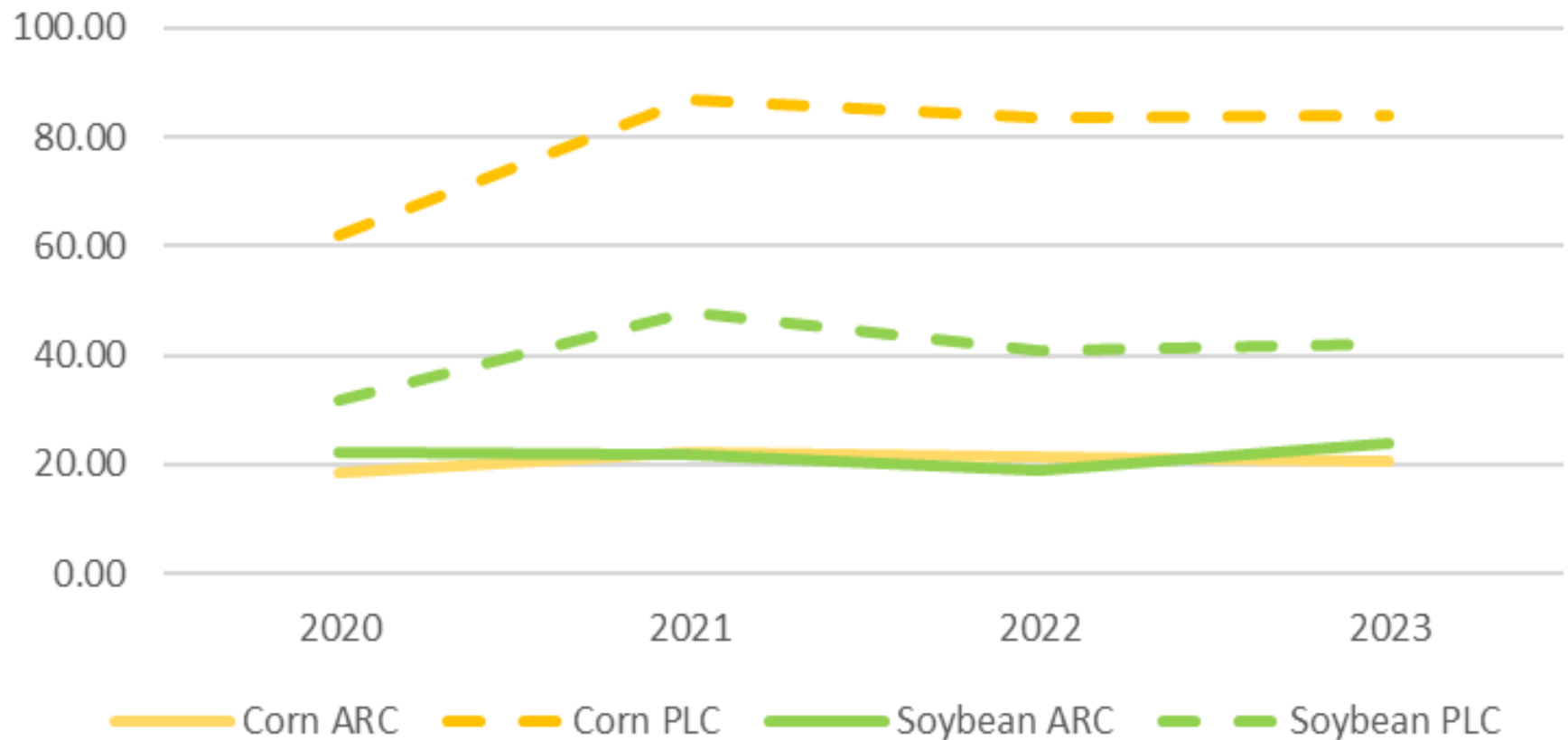


# CBO Participation Choice Assumptions Before the Bill

Crop	2016A ARC	2016 PLC	2019 ARC	2019P PLC
Corn	93%	7%	15%	85%
Soybean	97%	3%	43%	57%
Wheat	57%	43%	14%	84%
Rice	100%	0%	100%	0%
Peanuts	100%	0%	100%	0%



## Mississippi Bolivar Simulated ARC & PLC Payments





# CROP INSURANCE AND WEATHER RISK



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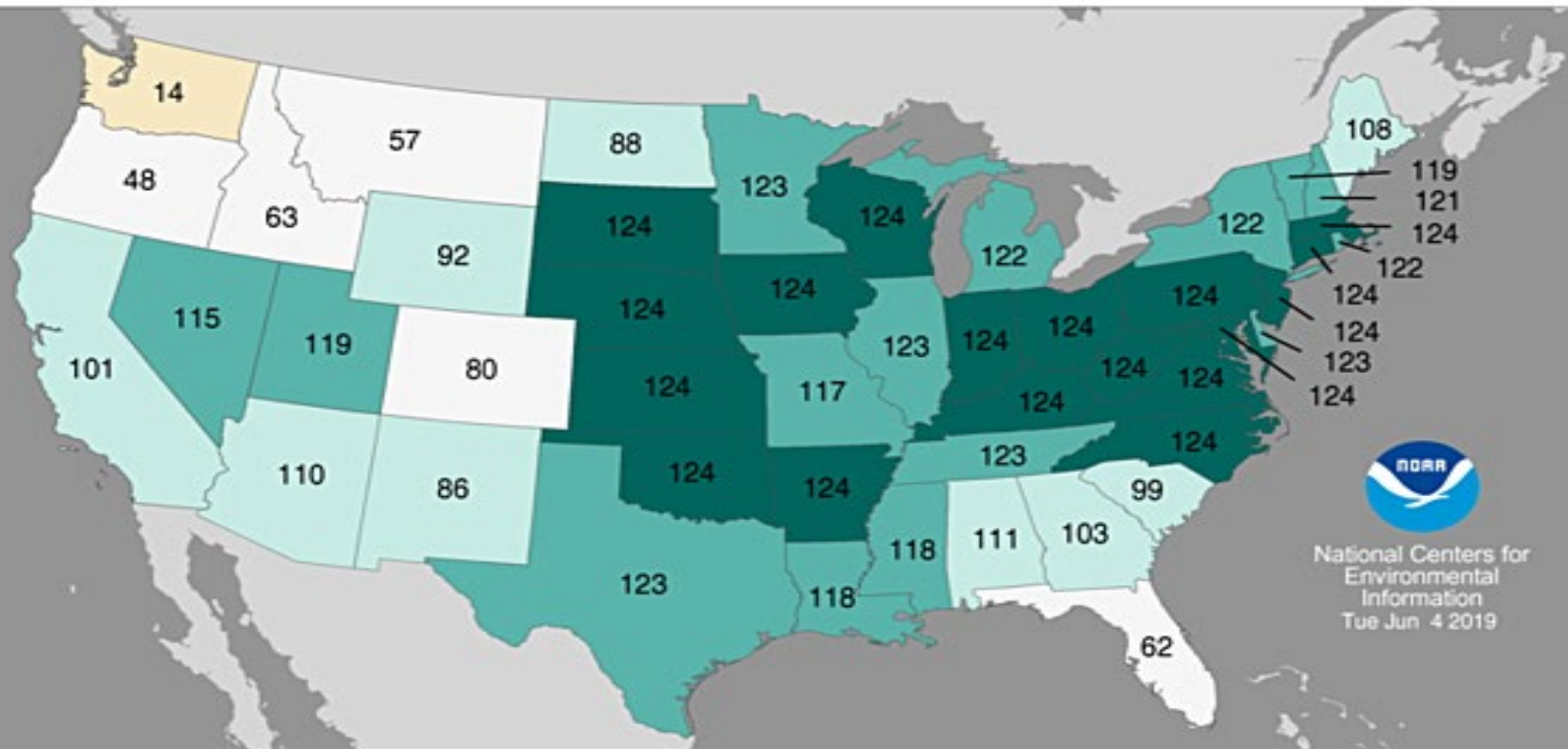


# Wettest Year on Record

## Statewide Precipitation Ranks

June 2018–May 2019

Period: 1895–2019

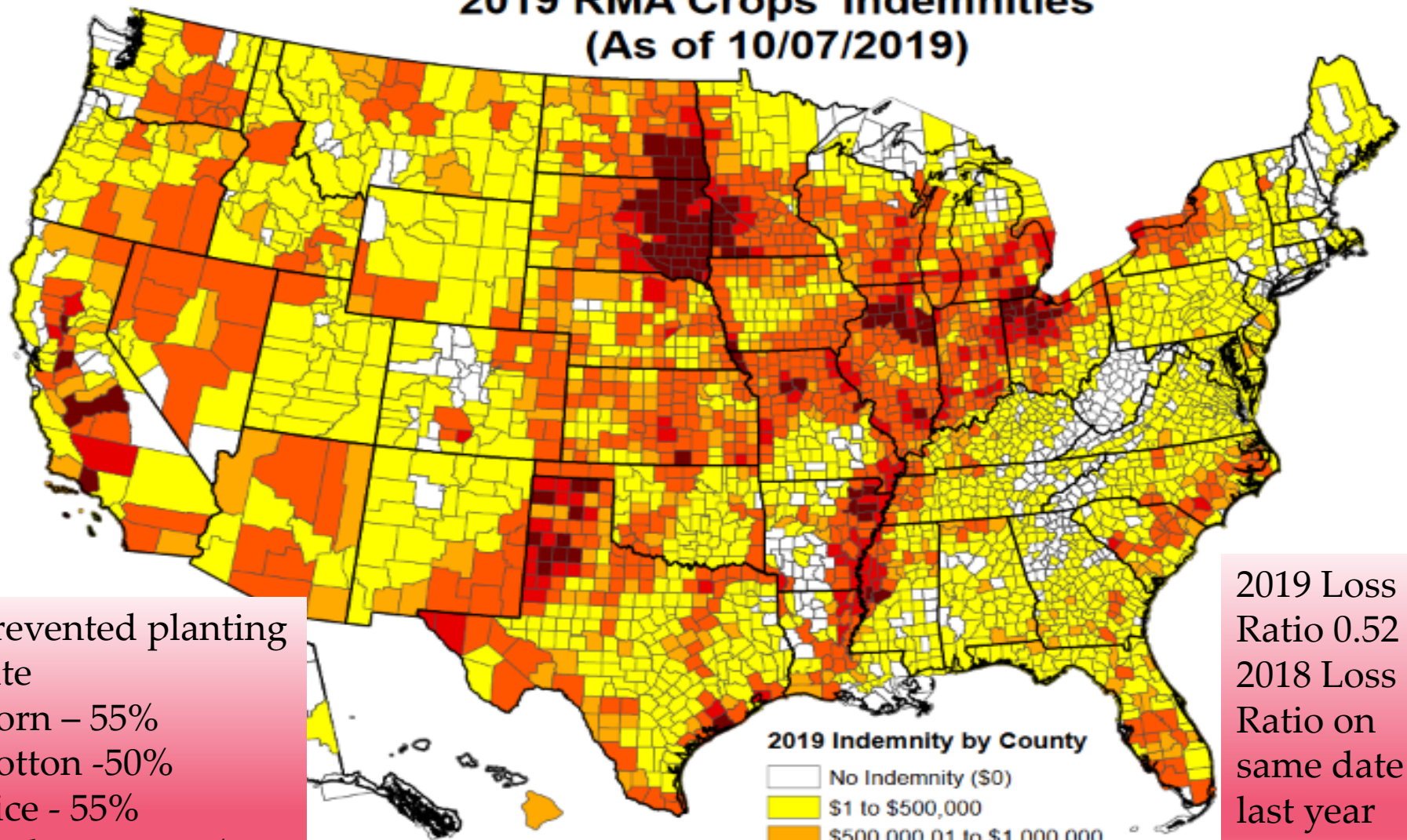


National Centers for  
Environmental  
Information  
Tue Jun 4 2019



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# 2019 RMA Crops' Indemnities (As of 10/07/2019)



Prevented planting  
rate  
Corn – 55%  
Cotton -50%  
Rice - 55%  
Soybeans – 60%

2019 Loss  
Ratio 0.52  
2018 Loss  
Ratio on  
same date  
last year  
0.28

**2019 Indemnity by County**

- No Indemnity (\$0)
- \$1 to \$500,000
- \$500,000.01 to \$1,000,000
- \$1,000,000.01 to \$5,000,000
- \$5,000,000.01 to \$10,000,000
- over \$10,000,000.01

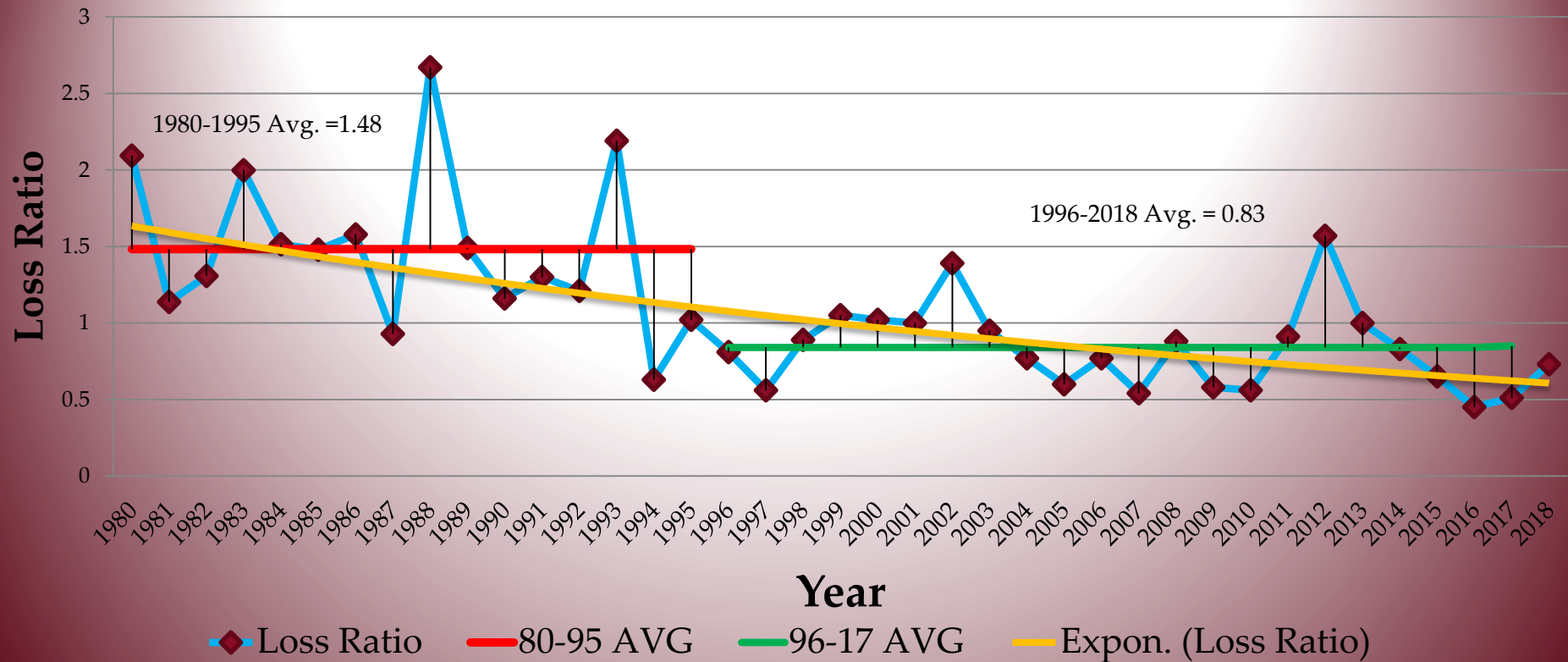
**RMA** USDA Risk Management Agency



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# Why good loss experience? Good weather, risk pool, production systems, or better crop insurance program

RMA Aggregate Loss Ratio 1980-2018





# Final Thoughts

- Standing programs versus ad hoc
  - Price
    - MFP vs PLC
  - Yield
    - Crop Insurance vs disaster programs
- Duplication of programs

