Agricultural and Food Policy Center
Texas A&M University

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Producer Farm Program Signup Decisions in the Six Rice Producing States

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Working Paper 15-2

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In mid June USDA-FSA released the 2014 Farm Bill commodity program sign-up data for the United States and by State. This report provides an overview of the U.S. data for each of the six rice states (Arkansas, California, Louisiana, Mississippi, Missouri and Texas). USDA provided sign-up data by farm and by base acres. In general these two measures provide the same sign-up story.

Figure 1 provides the sign-up decisions by FSA farm number for ARC county (ARC-CO), ARC individual (ARC-IC) and price loss coverage (PLC) while Figure 2 displays the results by base acres. There is very little difference in the results looking at the percent of farms versus the percent of base acres. In general, of the major program crops, corn and soybeans clearly chose ARC-CO while wheat, grain sorghum and temperate japonica rice were split between ARC-CO and PLC and long-grain and medium grain rice and peanuts clearly chose PLC. Very few farms and very little base acres were enrolled in ARC-IC nationally.

The take home message from the U.S. results is that the 2014 Farm Bill provided crop producers choices in their commodity program safety net and producers took advantage by making reasoned choices given the available price forecasts for each of their covered commodities.

The same information is provided in Figures 3-14 for each of the six rice states. Figures 3 and 4, 5 and 6, 7 and 8, 9 and 10, 11 and 12 and 13 and 14 provide the sign-up information for Arkansas, California, Louisiana, Mississippi, Missouri and Texas, respectively.

Arkansas, Louisiana and Mississippi producers' sign-up decisions mirror the U.S. sign-up decisions for the major covered commodities. California and Missouri producers selected PLC on a higher percentage of farms and crop bases than Arkansas, Louisiana and Mississippi for more crops than long grain rice, medium grain rice and peanuts. Texas producers overwhelmingly selected PLC on the majority of their farms and crop bases. These results are likely driven by the relatively low revenue guarantee associated with ARC-CO for most crops due to several years of drought.

ARC-IC was not selected on very many farms or base acres in the six rice states.

Figures 15 and 16 again provide sign-up data for the U.S. as a whole. Figure 15 provides a comparison of the number of farms with historical DCP/ACRE base acres versus ARC/PLC base acres. Notice that the number of farms with ARC/PLC base acres increased for corn and soybeans and decreased for barley, grain sorghum, and wheat.

Figure 16 looks at the amount of base acres enrolled in the DCP/ACRE programs versus ARC/PLC. Nationwide corn increased by more than 13 million acres while the increase for soybeans was much more modest – roughly 5 million acres. Barley lost a little more than 3 million acres, grain sorghum lost a little under 3 million acres and wheat lost about 10 million acres. Across all states, long grain and medium grain rice increased slightly while temperate japonica rice bases fell by a very small amount.

Figure 1. Percent of All U.S. Farms Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

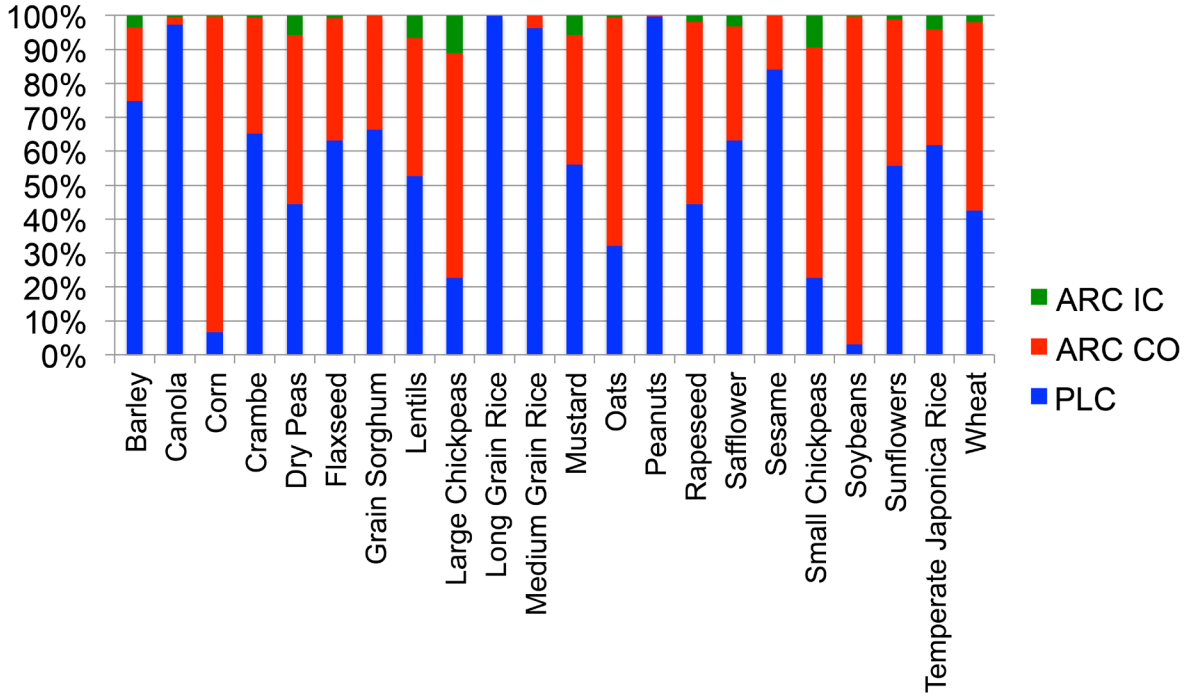


Figure 2. Percent of All U.S. Base Acres Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

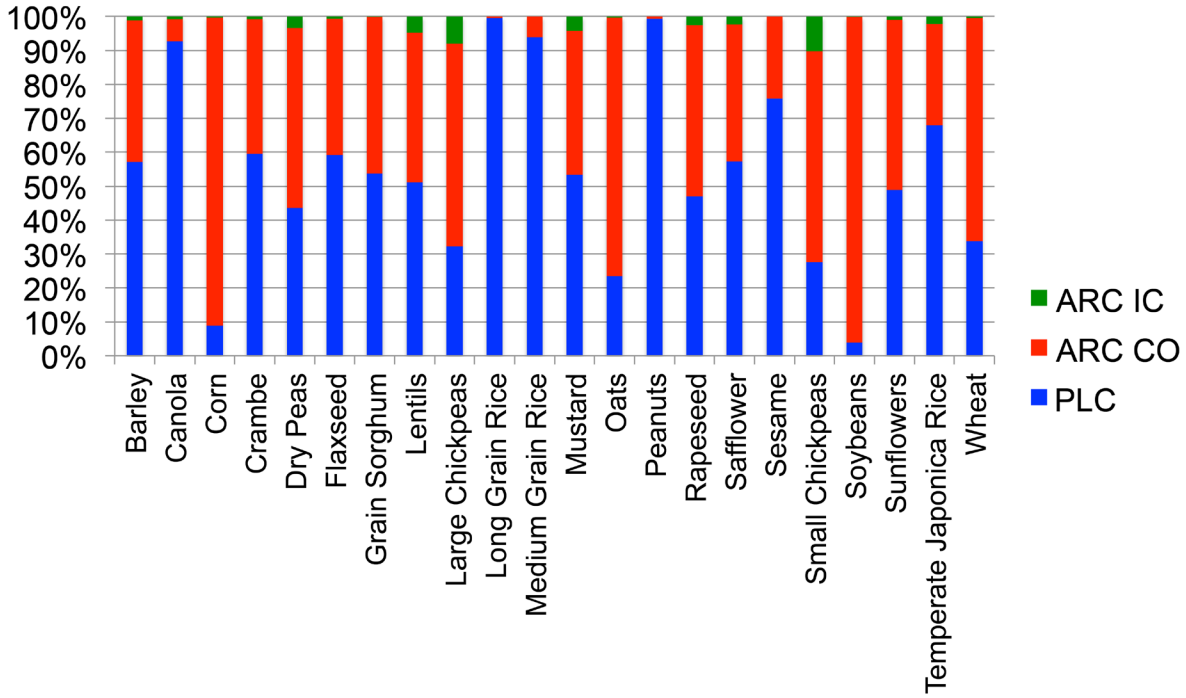


Figure 3. Percent of Arkansas Farms Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

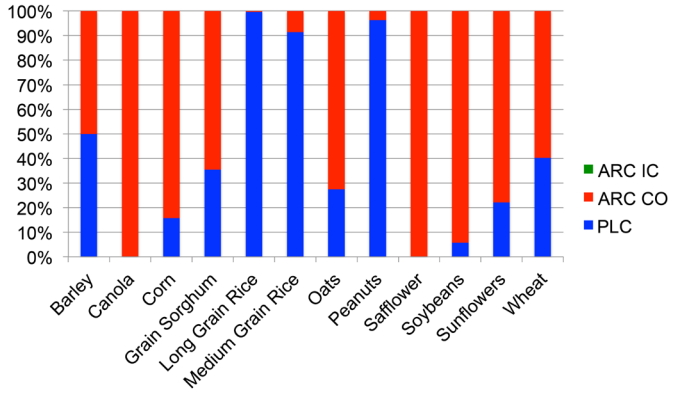


Figure 4. Percent of Arkansas Base Acres Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

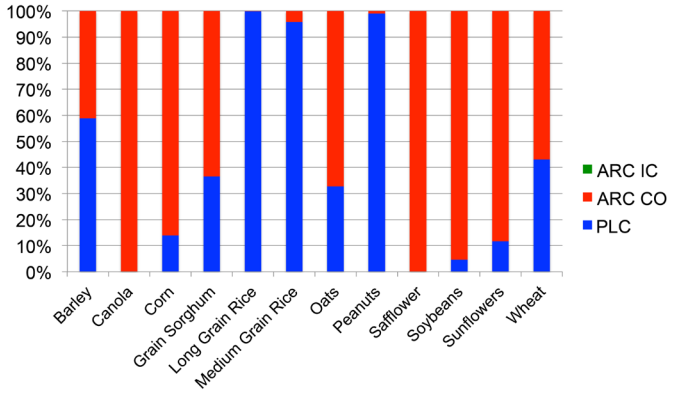


Figure 5. Percent of California Farms Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

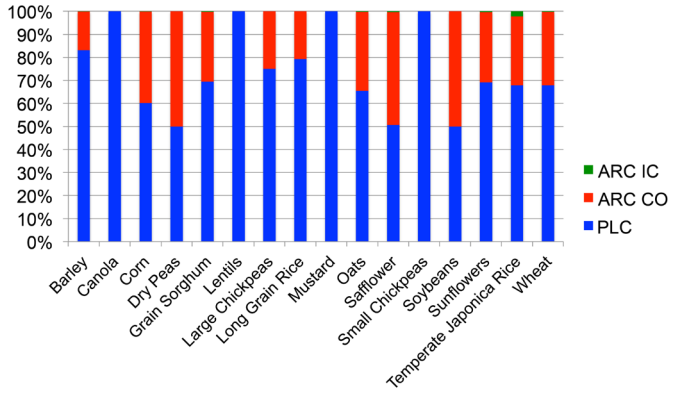


Figure 6. Percent of California Base Acres Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

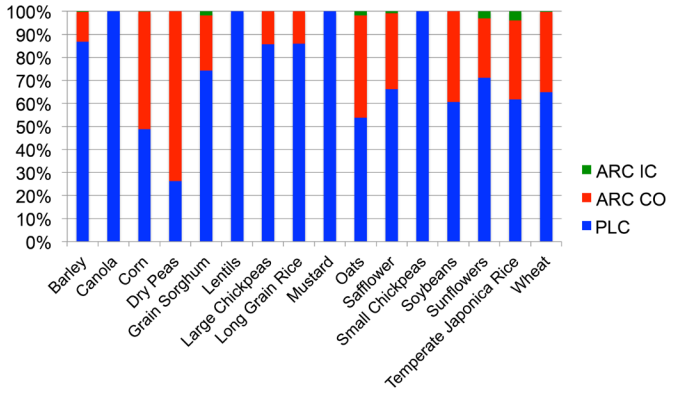


Figure 7. Percent of Louisiana Farms Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

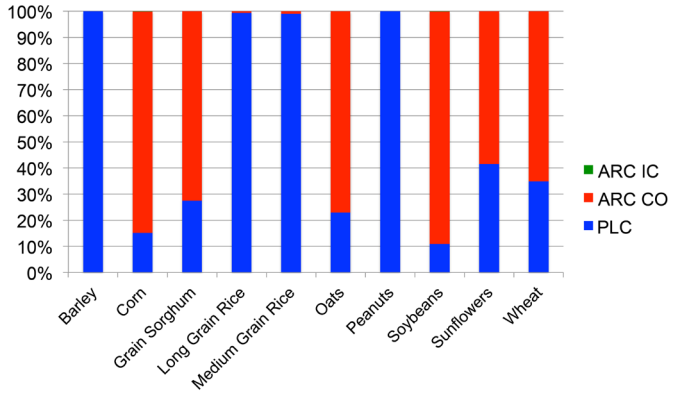


Figure 8. Percent of Louisiana Base Acres Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

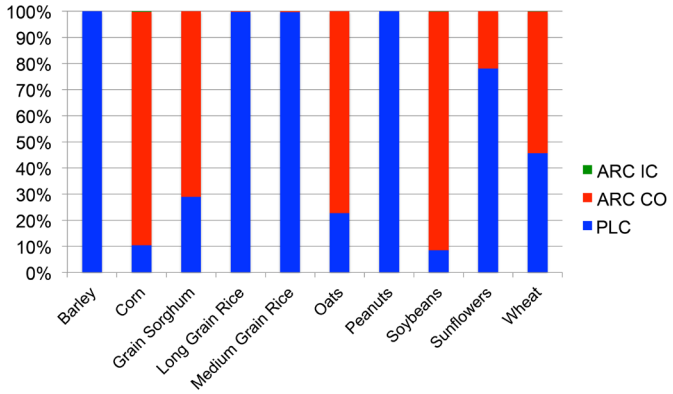


Figure 9. Percent of Mississippi Farms Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

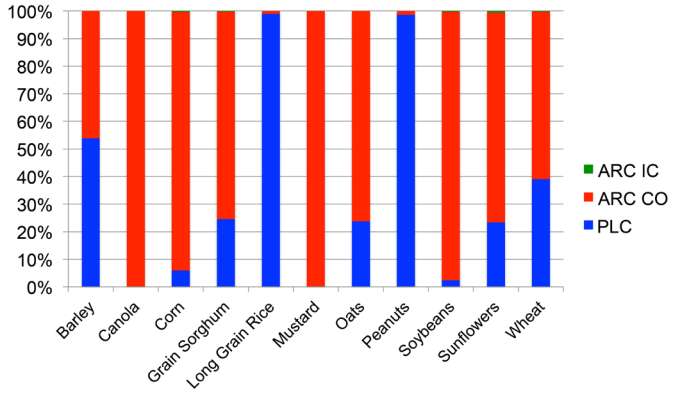


Figure 10. Percent of Mississippi Base Acres Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

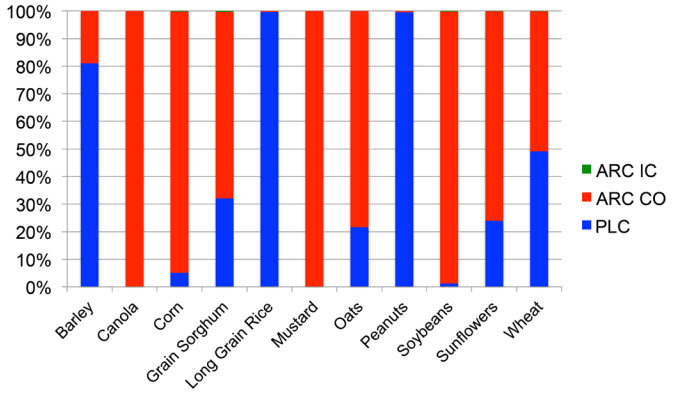


Figure 11. Percent of Missouri Farms Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

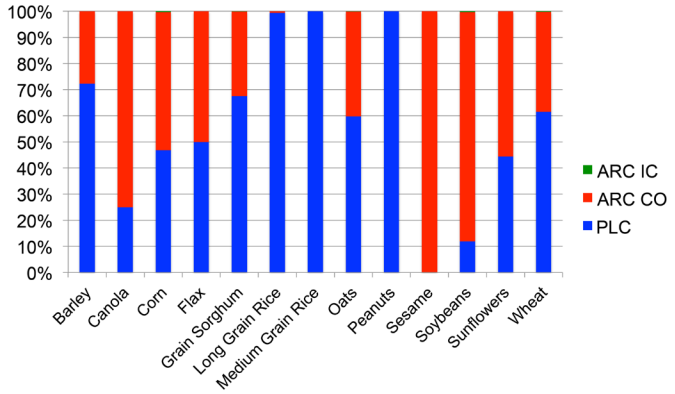


Figure 12. Percent of Missouri Base Acres Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

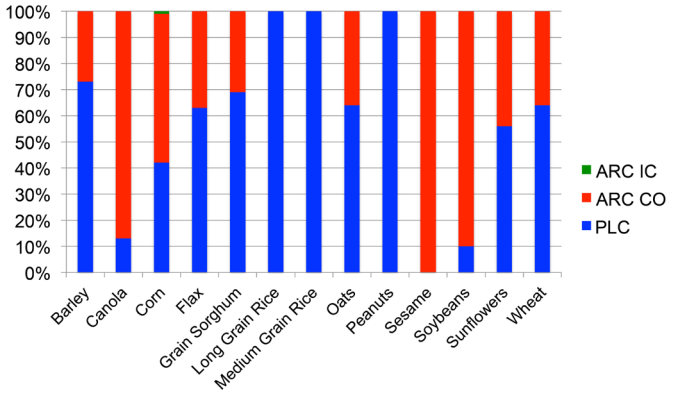


Figure 13. Percent of Texas Farms Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

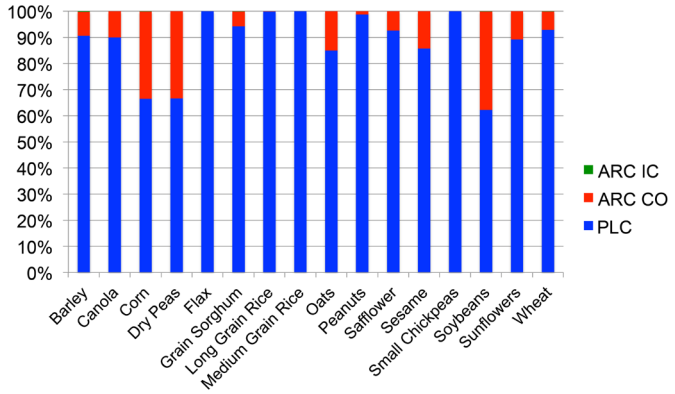


Figure 14. Percent of Texas Base Acres Choosing PLC, ARC-CO and ARC-IC By Covered Commodity

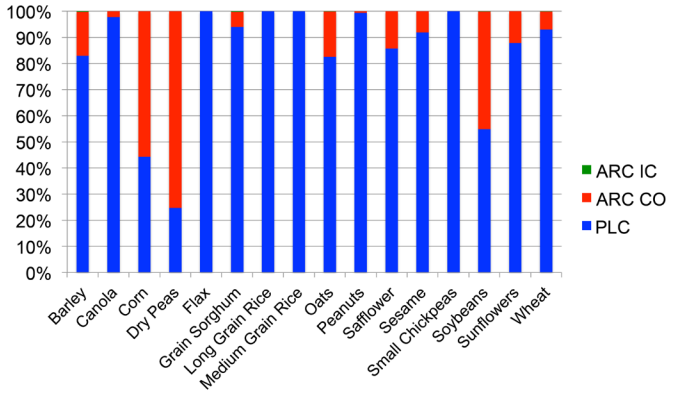


Figure 15. Comparison of Farms with DCP/ ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

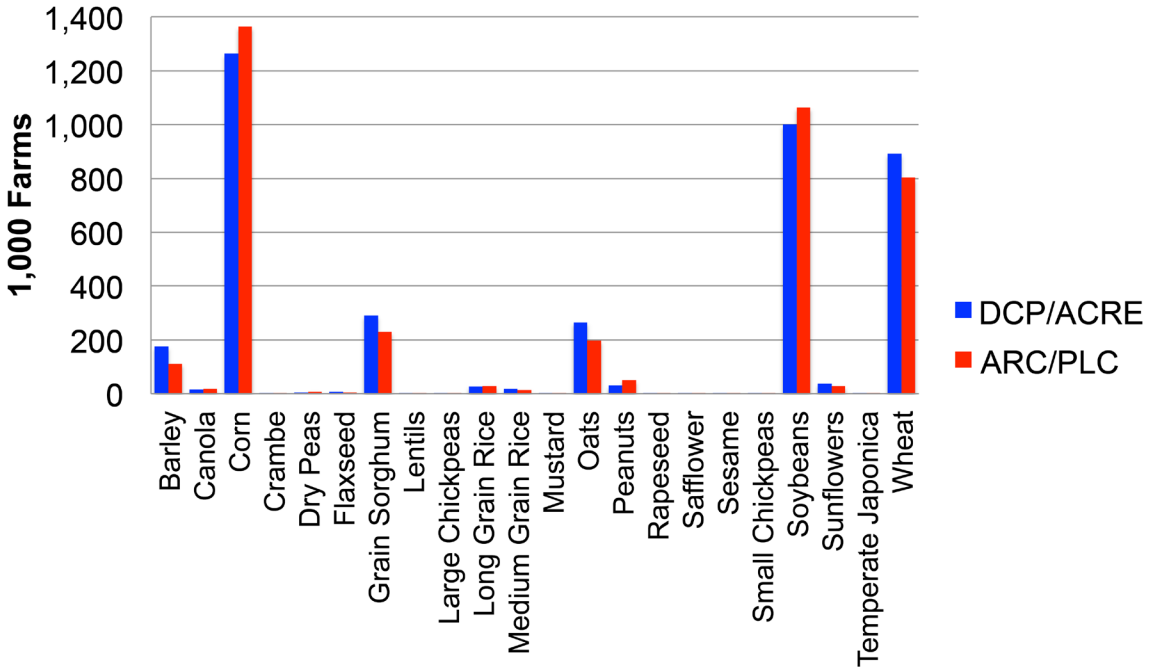
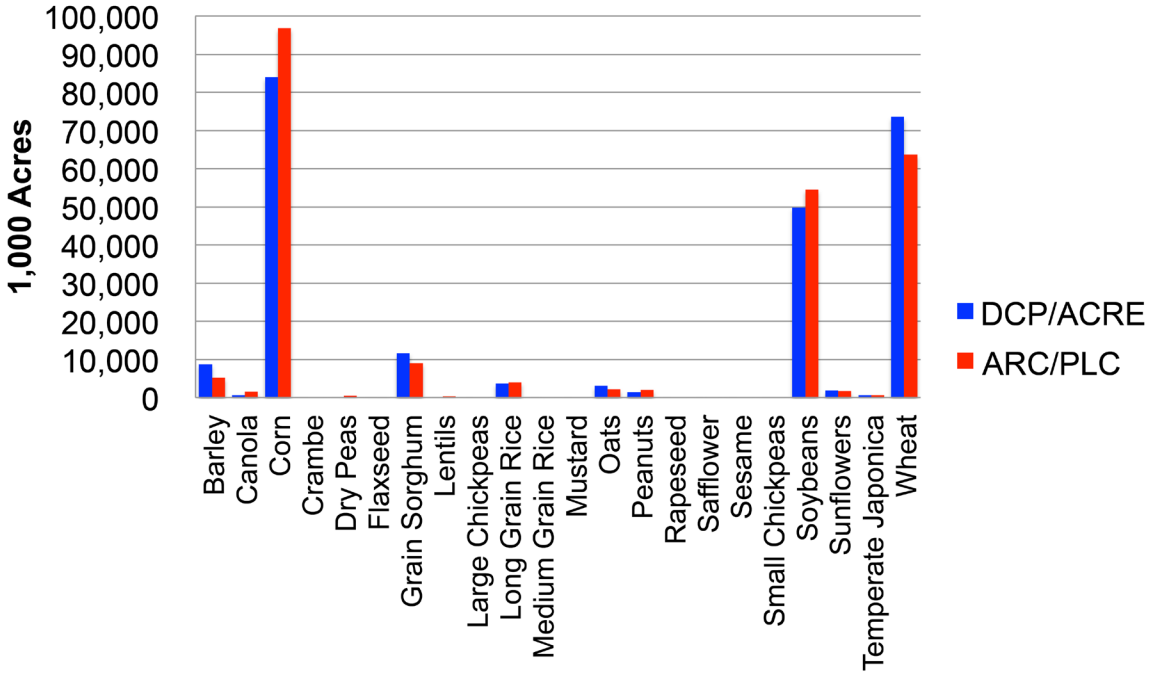


Figure 16. Comparison of Base Acres for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity



Figures 17-28 provide the information for DCP/ACRE enrolled base versus ARC/PLC bases by farm and by base acres for the six rice states. Figures 17 and 18, 19 and 20, 21 and 22, 23 and 24, 25 and 26 and 27 and 28 provide the sign-up results for Arkansas, California, Louisiana, Mississippi, Missouri and Texas, respectively.

Arkansas saw a significant increase in the number of farms with corn and long grain rice bases while grain sorghum, medium grain rice, oats and wheat saw decreases (Figures 17). Grain sorghum and wheat declines were significant. When looking at the amount of base acres, the largest gain was in long grain rice base while the largest decline was in wheat base.

California had fewer farms with ARC/PLC base acres relative to DCP/ACRE for barley, corn, grain sorghum, oats, safflower, temperate japonica rice, wheat and even generic (formerly cotton) (Figure 19). Figure 20 indicates that California did have less base acres sign-up for ARC/PLC than DCP/ACRE although the declines were small other than for wheat.

Louisiana had increases in the number of farms with ARC/PLC base acres for corn, long grain rice, soybeans and wheat while grain sorghum, medium grain rice, oats and generic (formerly cotton) farms with ARC/PLC bases declined (Figure 21). Figure 22 indicates that corn and long grain rice bases increased roughly 100,000 acres each while the crops that declined (grain sorghum, medium grain rice, oats, wheat and generic) had small acreage declines. In Louisiana it is worth noting that the number of farms with wheat base grew under ARC/PLC but the number of base acres actually declined.

The sign-up results for Mississippi indicate more farms with corn, long grain rice, peanuts, soybean, sunflower, and wheat bases under ARC/PLC and fewer with grain sorghum, oats and generic (Figure 23). When looking at the change in actual base acres, corn acres increased the most by far while the gains for long grain rice peanuts and soybeans were very small (Figure 24). The loss in wheat and generic acres were both less than 100,000 acres.

Missouri had more farms sign-up ARC/PLC base acres for corn, long grain rice and soybeans with few farms with grain sorghum, oats and wheat bases (Figure 25). Much like the other rice states, Missouri experienced a significant gain in corn base acres (roughly 500,000 acres) with more modest gains in long grain rice and soybean base acres (Figure 26). Grain sorghum and wheat bases acres declined the most in Missouri.

Texas had increases in the number of farms with ARC/PLC base acres for corn and peanuts while barley, grain sorghum, oats, soybeans, and generic (formerly cotton) farms with ARC/PLC bases declined (Figure 27). Figure 28 indicates that only corn bases increased more than a few thousand acres which was offset by declines in grain sorghum, wheat and generic).

Figures 29 and 30 provide an indication of the benefits gained from being able to update yields for each of the covered commodities in the U.S. These charts compare the CCP yield used in the DCP program with the updated yield that will be used in the PLC program for each of the covered commodities. While the scale used in Figure 29 for the U.S. does not easily allow for relative comparisons across commodities, the focus is primarily on rice yields. For example, across the entire U.S., long grain, medium grain and temperate japonica rice yields used to calculate PLC payments are more than 1,000 pounds higher than CCP yields. Figure 30 looks at the percentage increase in PLC yields over CCP yields for those producers selecting PLC and those selecting ARC-CO. These results would indicate that for those who chose PLC, yields were around 30 percent higher for long grain and medium grain rice and 15 percent higher for temperate japonica rice.

Figure 17. Comparison of Arkansas Farms for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

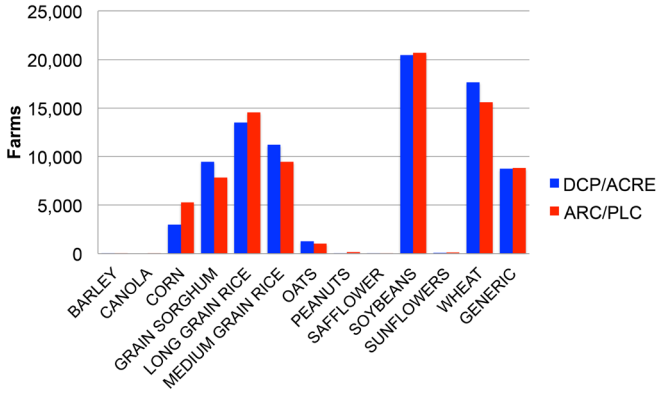


Figure 18. Comparison of Arkansas Base Acres for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

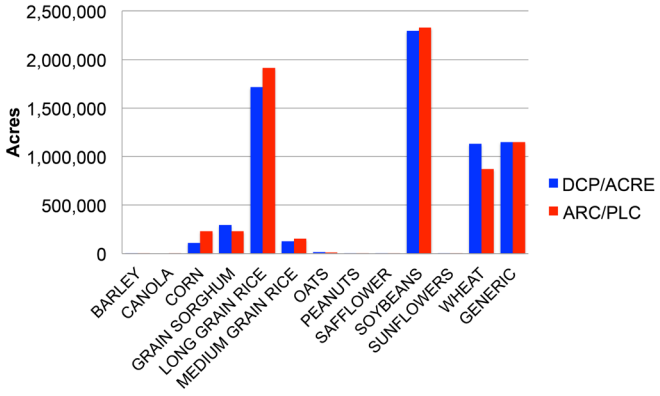


Figure 19. Comparison of California Farms for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

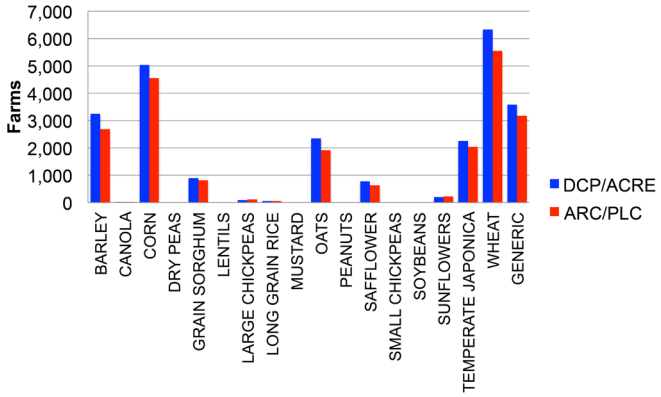


Figure 20. Comparison of California Base Acres for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

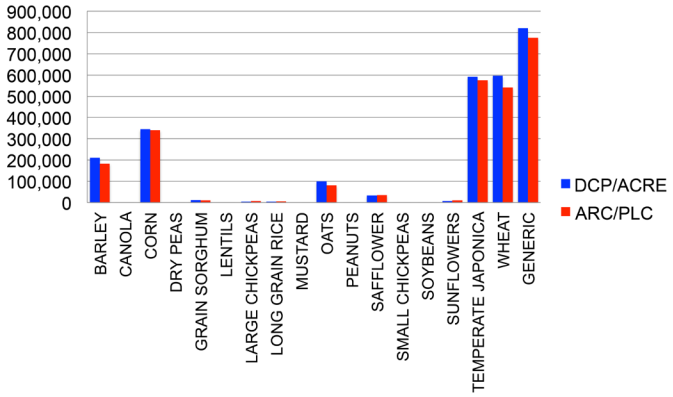


Figure 21. Comparison of Louisiana Farms for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

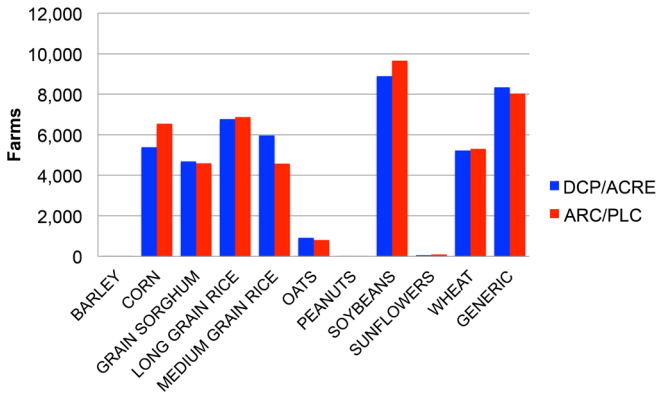


Figure 22. Comparison of Louisiana Base Acres for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

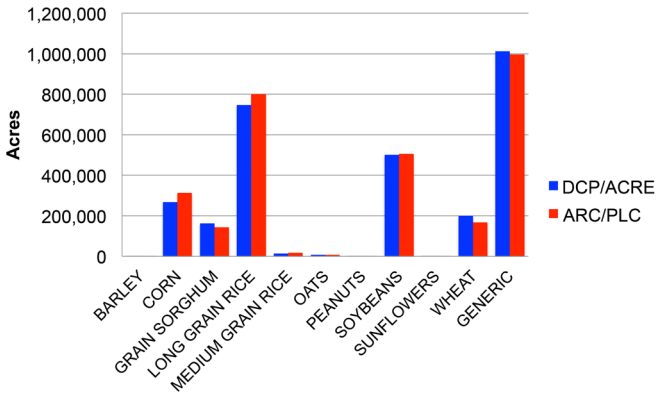


Figure 23. Comparison of Mississippi Farms for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

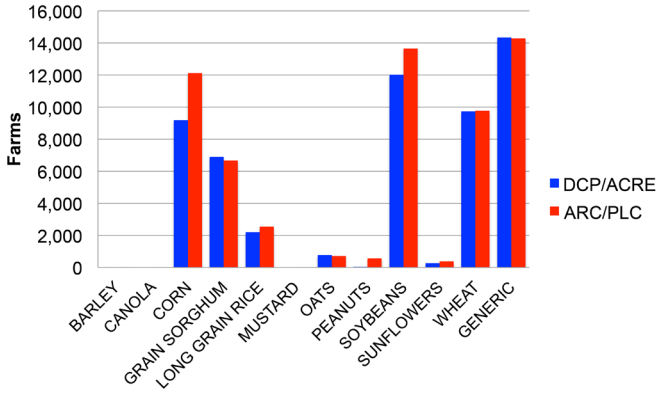


Figure 24. Comparison of Mississippi Base Acres for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

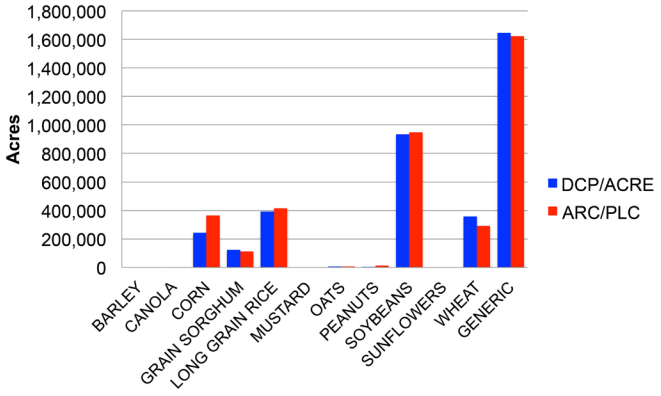


Figure 25. Comparison of Missouri Farms for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

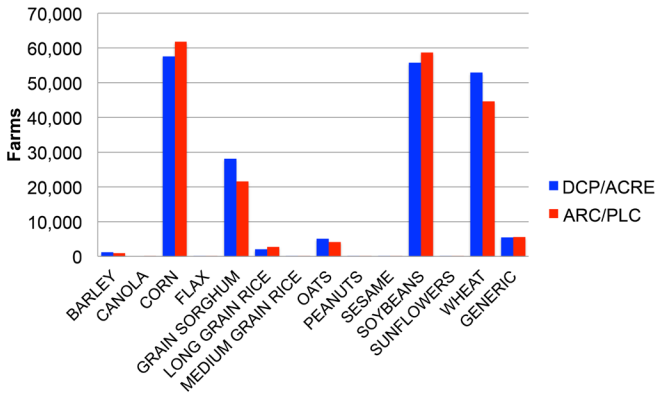


Figure 26. Comparison of Missouri Base Acres for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

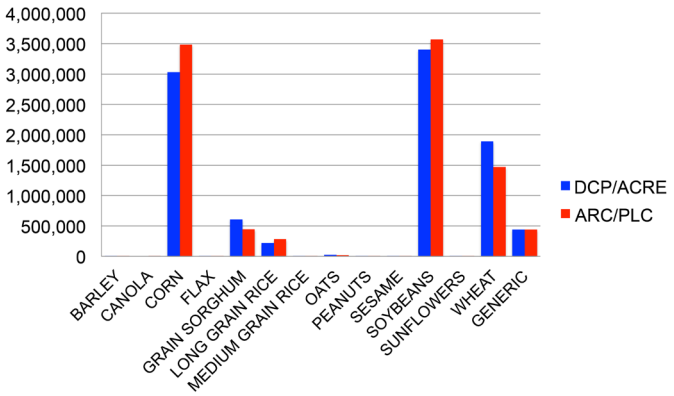


Figure 27. Comparison of Texas Farms for DCP/ ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

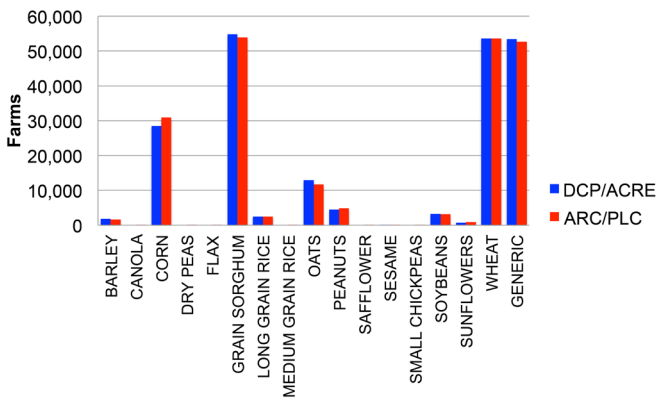


Figure 28. Comparison of Texas Base Acres for DCP/ACRE Enrolled Base to ARC/PLC Program Elections by Covered Commodity

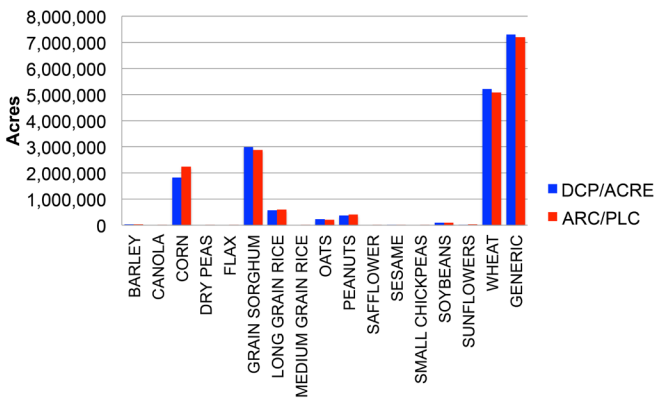


Figure 29. Comparison of CCP Yield and Updated Yield for Farms Electing PLC by Covered Commodity

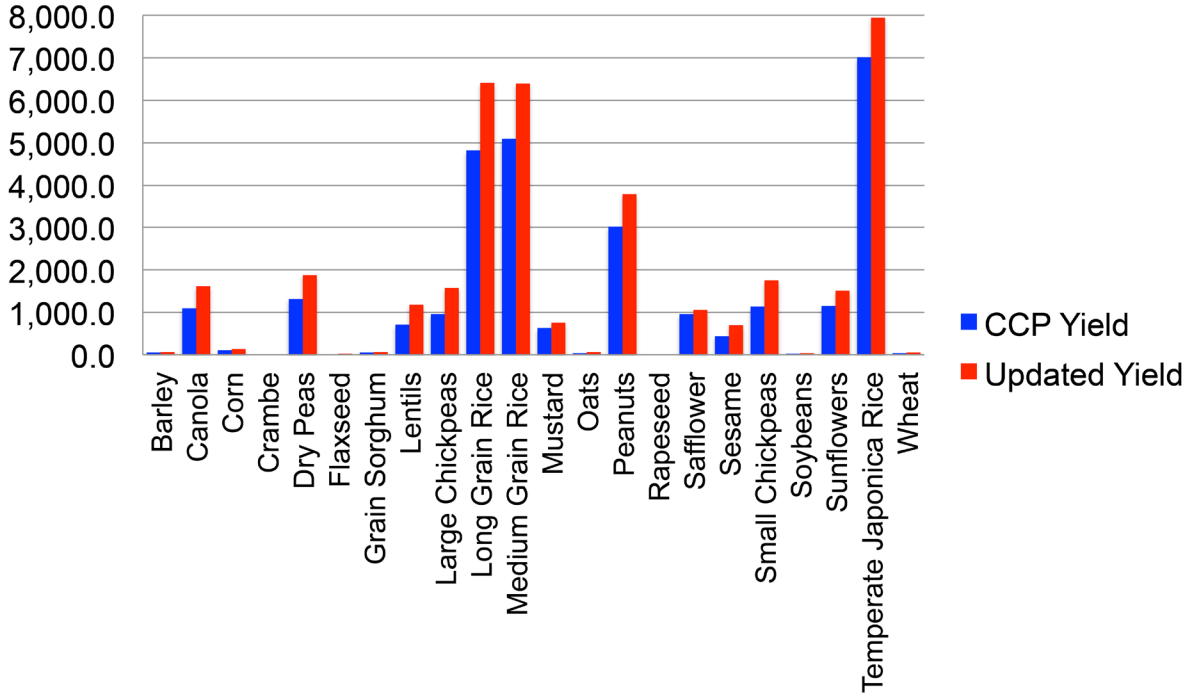
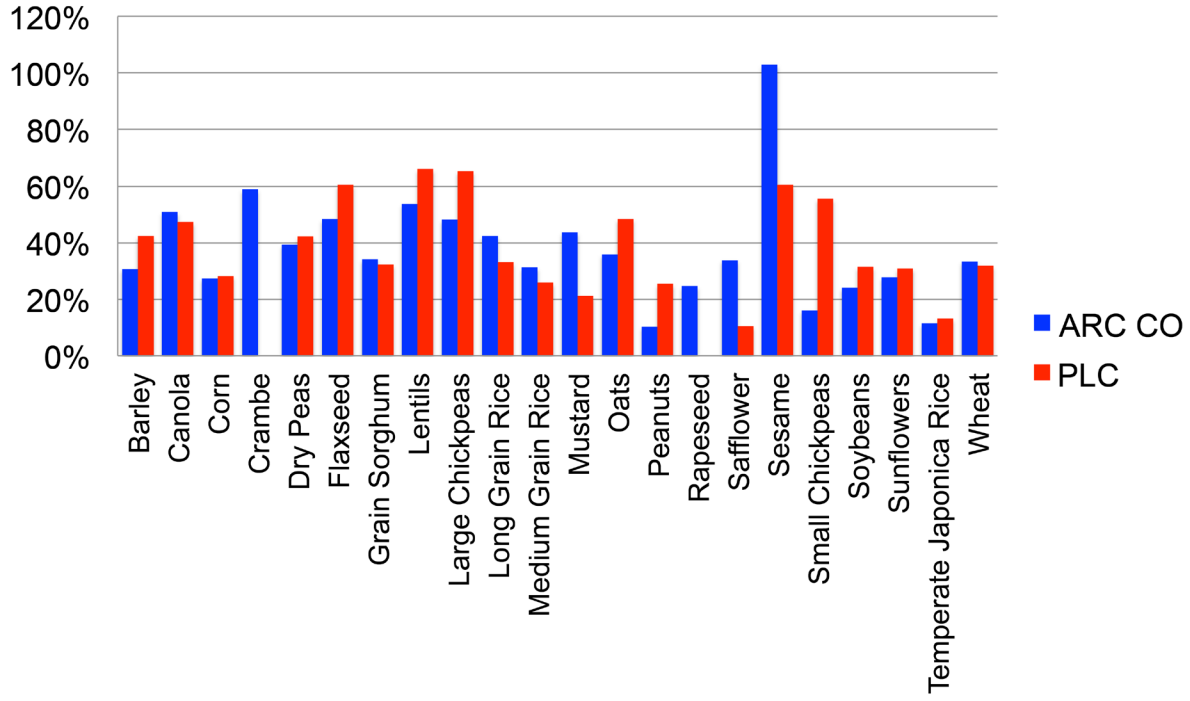


Figure 30. Percent Increase from CCP Yield to Updated Yield for Farms Electing ARC-CO and PLC by Covered Commodity



Figures 31-36 compare the ARC/PLC enrolled base acres to the 2014 planted acres reported by USDA-NASS for each of the six rice states. Recall that the base reallocation used the planted acres from 2009 to 2012 for each of the covered crops to determine the reallocated base acres. These graphs only show differences in reallocated base acres and planted acres for the first year of the 2014 Farm Bill.

Relative to ARC/PLC base acres, planted acres of grain sorghum, long grain rice, wheat and cotton were lower in Arkansas (Figure 31) while corn, medium grain rice and soybeans were higher. The results for corn and soybeans are especially significant in light of the large increase in corn and soybean bases discussed previously resulting from base reallocation.

Relative to ARC/PLC base acres, in 2014 California planted more corn, safflower, sunflowers and oats and fewer barley, temperate japonica rice, wheat and cotton acres (Figure 32). Obviously, rice acres are impacted by the drought.

In 2014, Louisiana planted more corn, medium grain rice and soybeans than their ARC/PLC bases and less grain sorghum, long grain rice, wheat and cotton (Figure 33). Farmers planted 400,000 fewer long grain rice acres and almost 1,000,000 more soybean acres than they were allowed to reallocate to in the Farm Bill.

Mississippi farmers planted more than 1,000,000 more soybean acres in 2014 than they were allowed to reallocate to ARC/PLC bases (Figure 34). Most of the decline appeared to come from cotton acres. Long grain rice acres were slightly lower than base acres.

Relative to ARC/PLC base acres, in 2014 Missouri farmers planted about the same number of corn acres, higher soybean acres, and lower grain sorghum, long grain rice, wheat and cotton acres (Figure 35). Soybean acres were roughly 2,000,000 acres higher than ARC/PLC base acres.

Texas was in the midst of a long-term drought in 2014. Planted acres of corn were about the same while grain sorghum, long grain rice, peanuts and cotton were lower (Figure 36). Only oats and wheat were noticeably higher. Long grain rice was lower due to persistent under planting of bases in Texas and reduced water availability from the Lower Colorado River Authority.

Figure 31. Comparison of Arkansas Base Acres for ARC/PLC Enrolled Base to USDA-NASS 2014 Planted Acres by Covered Commodity

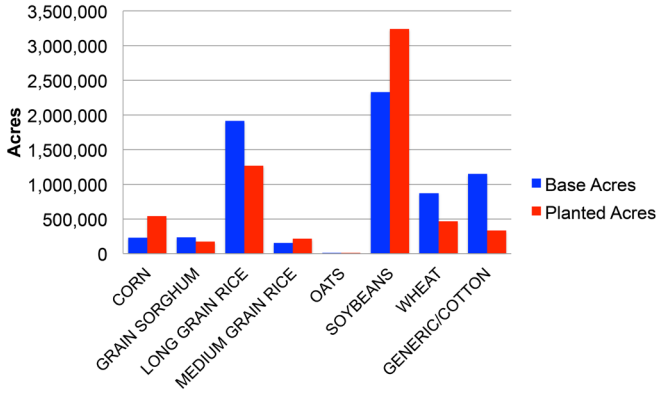


Figure 32. Comparison of California Base Acres for ARC/PLC Enrolled Base to USDA-NASS 2014 Planted Acres by Covered Commodity

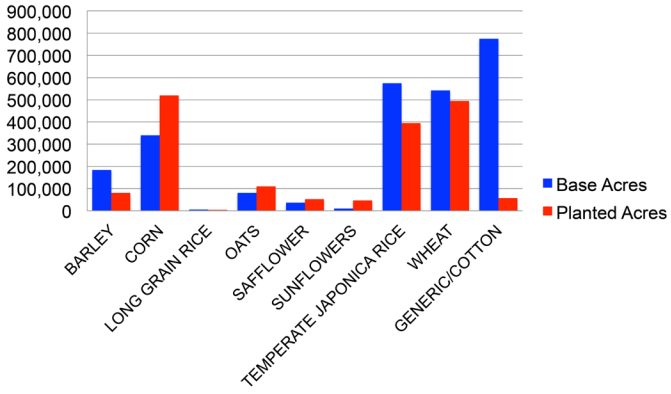


Figure 33. Comparison of Louisiana Base Acres for ARC/PLC Enrolled Base to USDA-NASS 2014 Planted Acres by Covered Commodity

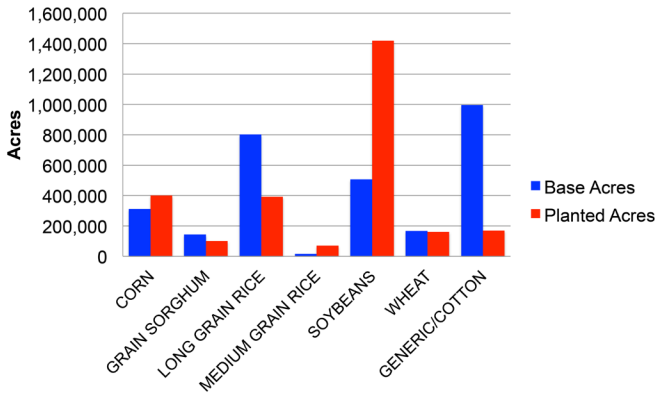


Figure 34. Comparison of Mississippi Base Acres for ARC/PLC Enrolled Base to USDA-NASS 2014 Planted Acres by Covered Commodity

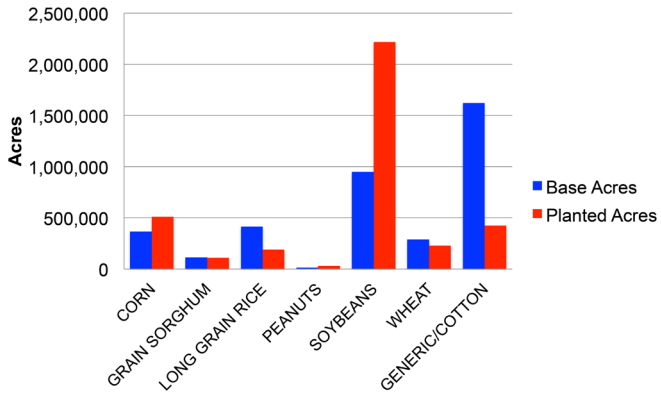


Figure 35. Comparison of Missouri Base Acres for ARC/PLC Enrolled Base to USDA-NASS 2014 Planted Acres by Covered Commodity

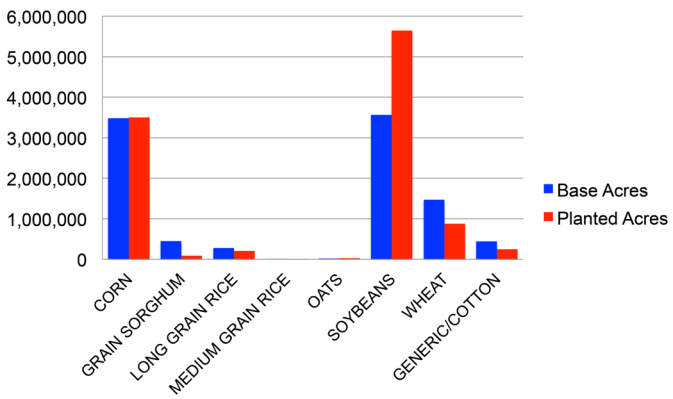


Figure 36. Comparison of Texas Base Acres for ARC/PLC Enrolled Base to USDA-NASS 2014 Planted Acres by Covered Commodity