

# AFPC

## **Agricultural & Food Policy Center**

### at Texas A&M University

# Representative Farms Economic Outlook for the January 2005 FAPRI/AFPC Baseline



AFPC Briefing Paper 05-1

January 2005



# **REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2005 FAPRI/AFPC BASELINE**

AFPC Briefing Paper 05-1

James W. Richardson

Joe L. Outlaw

David P. Anderson

George M. Knapek

J. Marc Raulston

Brian Herbst

James D. Sartwelle, III

Robert B. Schwart, Jr.

Keith Schumann

Paul Feldman

Steven L. Klose

**FAPRI January 2005 Baseline Projections of Crop and Livestock Prices, 2002-2009**

|                              | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Crop Prices</b>           |        |        |        |        |        |        |        |        |
| Corn (\$/bu.)                | 2.32   | 2.42   | 1.94   | 2.13   | 2.19   | 2.22   | 2.23   | 2.26   |
| Wheat (\$/bu.)               | 3.56   | 3.40   | 3.35   | 3.21   | 3.24   | 3.31   | 3.36   | 3.42   |
| Cotton (\$/lb.)              | 0.4450 | 0.6180 | 0.4303 | 0.4353 | 0.4545 | 0.4568 | 0.4627 | 0.4810 |
| Sorghum (\$/bu.)             | 2.32   | 2.39   | 1.76   | 1.97   | 1.96   | 1.99   | 2.01   | 2.04   |
| Soybeans (\$/bu.)            | 5.53   | 7.34   | 5.10   | 4.72   | 4.99   | 5.27   | 5.41   | 5.42   |
| Barley (\$/bu.)              | 2.72   | 2.83   | 2.48   | 2.46   | 2.53   | 2.55   | 2.54   | 2.55   |
| Oats (\$/bu.)                | 1.81   | 1.48   | 1.40   | 1.47   | 1.50   | 1.53   | 1.54   | 1.57   |
| Rice (\$/cwt.)               | 4.49   | 7.49   | 7.40   | 6.96   | 6.98   | 7.26   | 7.42   | 7.58   |
| Soybean Meal (\$/ton)        | 173.18 | 244.22 | 150.99 | 149.72 | 158.92 | 166.18 | 169.59 | 170.42 |
| All Hay (\$/ton)             | 92.40  | 85.50  | 87.19  | 87.66  | 88.84  | 90.26  | 91.25  | 92.31  |
| Peanuts (\$/ton)             | 364.00 | 385.00 | 406.06 | 394.65 | 395.67 | 398.97 | 399.36 | 400.45 |
| <b>Cattle Prices</b>         |        |        |        |        |        |        |        |        |
| Feeder Cattle (\$/cwt)       | 86.34  | 95.21  | 111.79 | 107.05 | 100.44 | 98.40  | 94.82  | 90.59  |
| Fat Cattle (\$/cwt)          | 67.04  | 84.69  | 84.75  | 83.04  | 80.43  | 79.03  | 76.84  | 74.61  |
| Culled Cows (\$/cwt)         | 39.23  | 46.62  | 52.62  | 50.67  | 48.92  | 47.97  | 46.39  | 44.21  |
| <b>Milk Price</b>            |        |        |        |        |        |        |        |        |
| U.S. All Milk Price (\$/cwt) | 12.11  | 12.52  | 16.04  | 13.93  | 13.60  | 13.39  | 13.18  | 13.09  |

Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri-Columbia and Iowa State University.

**FAPRI January 2005 Baseline Assumed Rates of Change in Input Prices and Annual Changes in Land Values, 2003-2009**

|   | 2003  | 2004  | 2005 | 2006  | 2007  | 2008  | 2009 |
|---|-------|-------|------|-------|-------|-------|------|
| <b>Annual Rate of Change for Input Prices Paid</b>    |       |       |      |       |       |       |      |
| Seed Prices (%)                                       | 8.45  | 2.44  | 2.55 | 1.63  | 1.39  | 1.16  | 1.69 |
| All Fertilizer Prices (%)                             | 14.81 | 11.69 | 2.88 | -0.08 | -0.87 | -0.67 | 1.57 |
| Herbicide Prices (%)                                  | 0.00  | 0.89  | 1.31 | -1.58 | -1.07 | -0.58 | 0.80 |
| Insecticide Prices (%)                                | 4.29  | -1.78 | 1.44 | -0.46 | -0.47 | 0.22  | 1.38 |
| Fuel and Lube Prices (%)                              | 32.08 | 17.26 | 4.75 | -3.32 | -2.93 | -2.58 | 0.93 |
| Machinery Prices (%)                                  | -1.96 | 7.87  | 2.38 | 1.28  | 2.49  | 3.05  | 3.49 |
| Wages (%)   | 2.61  | 1.91  | 1.93 | 2.61  | 2.64  | 2.70  | 2.48 |
| Supplies (%)  | 1.63  | 1.80  | 1.63 | -1.78 | -0.97 | -0.33 | 1.06 |
| Repairs (%)   | 2.99  | 3.02  | 3.48 | 1.53  | 1.68  | 1.9   | 2.06 |
| Services (%)  | 2.50  | 0.61  | 1.91 | 1.18  | 2.16  | 2.81  | 3.18 |
| Taxes (%)   | 1.59  | 1.56  | 2.80 | -0.17 | 1.43  | 1.15  | 1.85 |
| PPI Items (%)   | 4.20  | 5.24  | 0.59 | 0.25  | 1.10  | 1.35  | 1.91 |
| PPI Total (%)   | 3.28  | 4.43  | 1.12 | 0.59  | 1.32  | 1.54  | 1.96 |
| <b>Annual Change in Consumer Price Index (%)</b>      | 1.47  | 1.81  | 2.24 | 1.94  | 2.10  | 2.25  | 2.24 |
| <b>Annual Rate of Change for U.S. Land Prices (%)</b> | 4.96  | 7.09  | 7.81 | 3.28  | 0.07  | 0.25  | 1.34 |

Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri-Columbia and Iowa State University.

## REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2005 FAPRI/AFPC BASELINE

The farm level economic impacts of the Farm Security and Rural Investment Act of 2002 on representative crop and livestock operations are projected in this report. The analysis was conducted over the 2002-2009 planning horizon using FLIPSIM, AFPC's whole farm simulation model. Data to simulate farming operations in the nation's major production regions came from two sources:

- Producer panel cooperation to develop economic information to describe and simulate representative crop, livestock, and dairy farms, and
- Projected prices, policy variables, and input inflation rates from the Food and Agricultural Policy Research Institute (FAPRI) January 2005 Baseline.

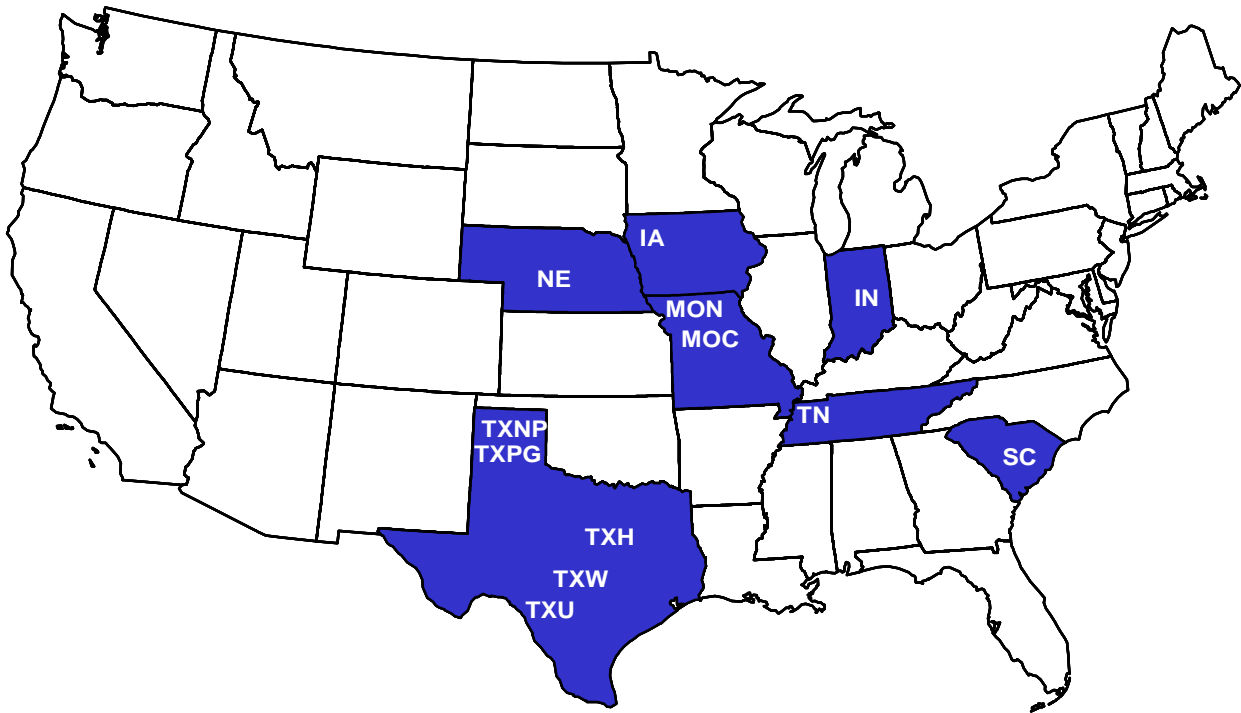
The FLIPSIM policy simulation model incorporates the historical risk faced by farmers for prices and production. This report presents the results of the January 2005 Baseline in a risk context using selected simulated probabilities and ranges for annual net cash farm income values. The probability of a farm experiencing negative ending cash reserves and the probability of a farm losing real net worth are included as indicators of the cash flow and equity risks facing farms through the year 2009.

### Definitions of Variables in the Summary Tables

- **Overall Financial Position, 2005-2009** -- As a means of summarizing the representative farms' economic efficiency, liquidity, and solvency position AFPC classifies each farm as being in either a good (green), marginal (yellow) or poor (red) position. AFPC assumes a farm is in a good financial position when it has less than a 25 percent chance each of a negative ending cash position and less than a 25 percent chance of losing real net worth. If the probabilities of these events are between 25 and 50 percent the farm is classified as marginal. A probability greater than 50 percent places the farm in a poor financial position.
- **Receipts** -- 2005-2009 average of cash receipts from all sources, including market sales, CCP and direct payments, loan deficiency payments, crop insurance indemnities, and other farm related receipts.
- **Payments** -- 2005-2009 average of annual counter cyclical payments, direct payments, and marketing loan gains/LDP for crops and the milk program payment for dairy farms.
- **NCFI** -- 2005-2009 average net cash farm income equals average total receipts minus average total cash expenses.
- **Reserve 2009** -- equals total cash on hand at the end of year 2009. Ending cash equals beginning cash reserves plus net cash farm income and interest earned on cash reserves less principal payments, federal taxes (income and self employment), state income taxes, family living withdrawals, and actual machinery replacement costs (not depreciation).
- **Net Worth 2009** -- equity equals total assets including land minus total debt from all sources and is reported at the end of 2009.
- **CRNW** -- annualized percentage change in the operator's net worth from January 1, 2005 through December 31, 2009, after adjusting for inflation.

# Representative Farm: Feed Grain

- Overall, seven feed grain farms are characterized as good, and eight are in moderate condition.
- Seven of twenty farms will be under cash flow stress, and three have a high probability of losing real wealth.



Characteristics of Panel Farms Producing Feed Grains, 2004.

|          | Cropland | Assets    | Debt/Asset | Gross Receipts | Feed Grains |
|----------|----------|-----------|------------|----------------|-------------|
|          | (acres)  | (\$1,000) | (ratio)    | (\$1,000)      | (acres)     |
| IAG1350  | 1,350    | 1,143.00  | 0.16       | 428.50         | 675         |
| IAG2750  | 2,750    | 2,122.00  | 0.22       | 737.70         | 1,375       |
| IAG4200  | 4,200    | 4,393.00  | 0.16       | 1,443.50       | 2,100       |
| NEG1960  | 1,960    | 2,224.00  | 0.10       | 1,008.30       | 1,646       |
| NEG4300  | 4,300    | 5,356.00  | 0.17       | 1,834.80       | 2,666       |
| MOCG1700 | 1,700    | 3,134.00  | 0.13       | 447.30         | 825         |
| MOCG3630 | 3,630    | 4,996.00  | 0.15       | 812.80         | 1,650       |
| MONG1850 | 1,850    | 3,692.00  | 0.14       | 634.20         | 900         |
| ING1000  | 1,000    | 1,739.00  | 0.21       | 291.30         | 500         |
| ING2200  | 2,200    | 4,693.00  | 0.18       | 685.50         | 1,100       |
| TXNP1750 | 1,750    | 571.00    | 0.38       | 580.20         | 880         |
| TXNP7000 | 7,000    | 3,117.00  | 0.21       | 1,972.30       | 4,280       |
| TXPG3760 | 3,760    | 2,324.00  | 0.15       | 1,890.10       | 1,344       |
| TXHG2000 | 2,000    | 541.00    | 0.18       | 419.90         | 1,350       |
| TXWG1400 | 1,400    | 644.00    | 0.20       | 291.00         | 1,150       |
| TXUG1200 | 1,201    | 423.00    | 0.23       | 644.50         | 650         |
| TNG900   | 900      | 818.00    | 0.09       | 321.30         | 500         |
| TNG2750  | 2,750    | 2,624.00  | 0.20       | 950.20         | 1,100       |
| SCG1500  | 1,500    | 886.00    | 0.23       | 511.80         | 846         |
| SCG3500  | 3,500    | 3,988.00  | 0.16       | 1,361.10       | 1,840       |

# Representative Farm: Feed Grain

## Economic Viability of Representative Farms over the 2005-2009 Period

| Farm Name | P(Negative Ending Cash) | P(Real Net Worth Declines) |
|-----------|-------------------------|----------------------------|
| 7/8/5     | 2005-2009               | 2005-2009                  |
| IAG1350   | 44-48                   | 1-11                       |
| IAG2750   | 13-3                    | 1-1                        |
| IAG4200   | 4-9                     | 1-1                        |
| NEG1960   | 1-1                     | 1-1                        |
| NEG4300   | 1-2                     | 1-1                        |
| MOCG1700  | 34-29                   | 1-1                        |
| MOCG3630  | 1-1                     | 1-1                        |
| MONG1850  | 67-81                   | 1-5                        |
| ING1000   | 99-99                   | 1-63                       |
| ING2200   | 99-99                   | 1-13                       |
| TXNP1750  | 83-87                   | 1-55                       |
| TXNP7000  | 96-97                   | 1-30                       |
| TXPG3760  | 41-32                   | 1-21                       |
| TXHG2000  | 86-89                   | 1-46                       |
| TXWG1400  | 50-35                   | 1-9                        |
| TXUG1200  | 40-22                   | 1-19                       |
| TNG900    | 49-48                   | 1-68                       |
| TNG2750   | 3-39                    | 1-3                        |
| SCG1500   | 95-81                   | 1-15                       |
| SCG3500   | 2-2                     | 1-1                        |

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

### Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Feed Grains and Oilseeds.

|          | Receipts  | Payments  | NCFI      | Reserve 2009 | Net Worth 2009 | CRNW   |
|----------|-----------|-----------|-----------|--------------|----------------|--------|
|          | (\$1,000) | (\$1,000) | (\$1,000) | (\$1,000)    | (\$1,000)      | (%)    |
| IAG1350  | 446.24    | 69.32     | 81.16     | 6.30         | 1,102.32       | 2.07   |
| IAG2750  | 767.77    | 118.99    | 236.61    | 248.48       | 2,153.59       | 4.30   |
| IAG4200  | 1,494.61  | 236.93    | 347.22    | 382.13       | 4,602.86       | 3.74   |
| NEG1960  | 1,018.80  | 137.74    | 302.36    | 820.05       | 2,652.40       | 4.50   |
| NEG4300  | 1,877.27  | 238.74    | 354.82    | 327.44       | 5,413.90       | 2.81   |
| MOCG1700 | 474.27    | 70.09     | 187.80    | 57.39        | 3,368.86       | 2.98   |
| MOCG3630 | 870.05    | 127.35    | 379.59    | 399.14       | 5,493.35       | 3.82   |
| MONG1850 | 653.27    | 74.42     | 157.47    | (172.96)     | 3,766.12       | 2.03   |
| ING1000  | 303.20    | 44.93     | 16.37     | (422.03)     | 1,420.09       | (0.41) |
| ING2200  | 710.24    | 108.76    | 52.70     | (681.53)     | 4,303.57       | 1.00   |
| TXNP1750 | 633.32    | 79.16     | 42.00     | (318.69)     | 257.16         | (6.22) |
| TXNP7000 | 2,056.13  | 283.55    | 193.13    | (698.24)     | 2,608.01       | 1.40   |
| TXPG3760 | 2,253.01  | 425.82    | 264.67    | 169.18       | 2,438.92       | 3.13   |
| TXHG2000 | 429.15    | 89.20     | 54.88     | (95.70)      | 441.69         | (0.04) |
| TXWG1400 | 300.86    | 65.12     | 70.75     | 21.64        | 614.97         | 2.75   |
| TXUG1200 | 658.35    | 138.31    | 82.42     | 76.69        | 398.50         | 5.56   |
| TNG900   | 250.75    | 30.41     | 34.51     | 0.26         | 705.46         | (0.98) |
| TNG2750  | 801.68    | 96.00     | 241.70    | 34.85        | 2,490.24       | 2.55   |
| SCG1500  | 534.65    | 122.15    | 71.92     | (71.03)      | 785.16         | 2.03   |
| SCG3500  | 1,399.95  | 289.90    | 332.29    | 511.71       | 4,458.77       | 4.17   |

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

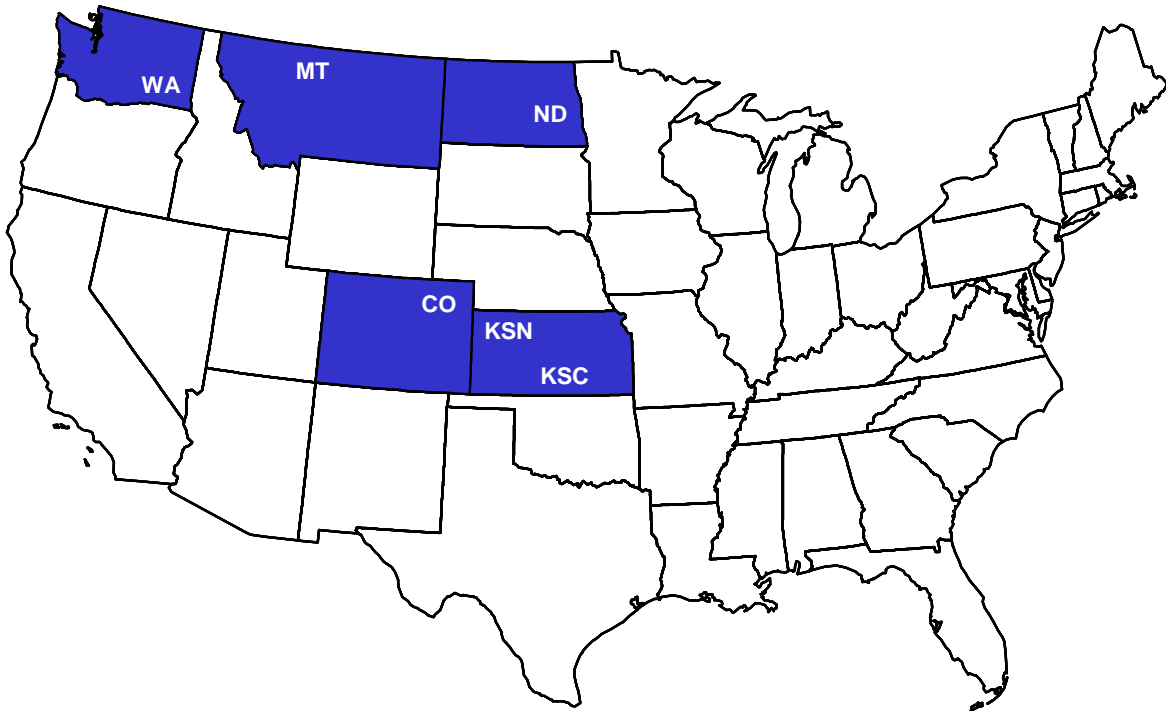
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

# Representative Farm: Wheat

- Five wheat farms are projected to be in good overall financial condition with three in moderate condition and three in poor condition.
- Five of the eleven wheat farms will feel severe liquidity pressure over the period.
- Three wheat farms have greater than a 25 percent chance of losing real equity.



Characteristics of Panel Farms Producing Wheat, 2004.

|          | Cropland | Assets    | Debt/Asset | Gross Receipts | Wheat   |
|----------|----------|-----------|------------|----------------|---------|
|          | (acres)  | (\$1,000) | (ratio)    | (\$1,000)      | (acres) |
| WAW1725  | 1,725    | 1,316.00  | 0.15       | 441.60         | 1,035   |
| WAW4675  | 4,675    | 4,328.00  | 0.14       | 1,028.90       | 3,043   |
| MTW4500  | 4,500    | 1,877.00  | 0.13       | 467.70         | 2,475   |
| NDW2180  | 2,180    | 516.00    | 0.15       | 341.20         | 700     |
| NDW6250  | 6,250    | 2,840.00  | 0.16       | 1,202.40       | 2,700   |
| KSCW1385 | 1,385    | 767.00    | 0.20       | 185.00         | 928     |
| KSCW4000 | 4,000    | 1,598.00  | 0.14       | 541.20         | 2,845   |
| KSNW2800 | 2,800    | 1,392.00  | 0.28       | 332.40         | 935     |
| KSNW4300 | 4,300    | 1,902.00  | 0.12       | 629.70         | 2,000   |
| COW3000  | 3,000    | 1,132.00  | 0.21       | 262.30         | 970     |
| COW5640  | 5,640    | 1,901.00  | 0.23       | 500.30         | 1,900   |



# Representative Farm: Wheat

## Economic Viability of Representative Farms over the 2005-2009 Period

| Farm Name | P(Negative Ending Cash) | P(Real Net Worth Declines) |
|-----------|-------------------------|----------------------------|
| 5/3/3     | 2005-2009               | 2005-2009                  |
| WAW1725   | 50-62                   | 1-13                       |
| WAW4675   | 3-12                    | 1-1                        |
| MTW4500   | 34-17                   | 1-9                        |
| NDW2180   | 63-78                   | 1-59                       |
| NDW6250   | 1-7                     | 1-8                        |
| KSCW1385  | 70-82                   | 1-29                       |
| KSCW4000  | 1-1                     | 1-1                        |
| KSNW2800  | 99-99                   | 1-73                       |
| KSNW4300  | 20-29                   | 1-16                       |
| COW3000   | 53-1                    | 1-1                        |
| COW5640   | 90-86                   | 1-1                        |

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

### Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Wheat.

|          | Receipts  | Payments  | NCFI      | Reserve 2009 | Net Worth 2009 | CRNW   |
|----------|-----------|-----------|-----------|--------------|----------------|--------|
|          | (\$1,000) | (\$1,000) | (\$1,000) | (\$1,000)    | (\$1,000)      | (%)    |
| WAW1725  | 456.37    | 47.72     | 84.18     | (29.54)      | 1,280.70       | 1.64   |
| WAW4675  | 1,073.39  | 134.97    | 238.63    | 204.68       | 4,467.98       | 2.41   |
| MTW4500  | 360.23    | 66.59     | 136.39    | 119.78       | 1,934.79       | 2.25   |
| NDW2180  | 372.45    | 47.68     | 45.16     | (86.02)      | 413.43         | (1.26) |
| NDW6250  | 1,291.28  | 146.00    | 305.53    | 395.60       | 2,882.13       | 2.82   |
| KSCW1385 | 196.14    | 32.09     | 54.72     | (54.33)      | 668.01         | 0.84   |
| KSCW4000 | 565.40    | 79.92     | 210.70    | 285.60       | 1,644.90       | 2.98   |
| KSNW2800 | 347.57    | 45.98     | 27.34     | (388.28)     | 942.13         | (1.69) |
| KSNW4300 | 666.12    | 83.47     | 120.58    | 74.55        | 1,892.07       | 1.67   |
| COW3000  | 269.21    | 30.24     | 136.59    | 145.05       | 1,243.46       | 5.35   |
| COW5640  | 519.71    | 55.19     | 143.22    | (105.47)     | 1,826.32       | 3.05   |

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

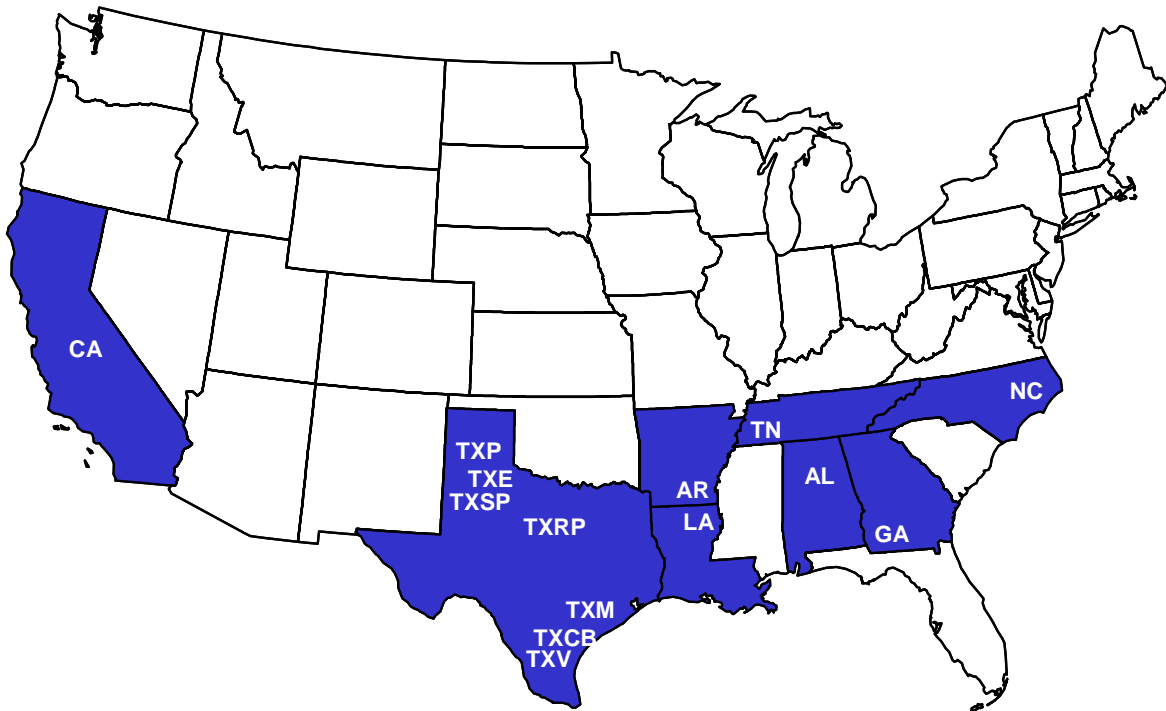
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

# Representative Farm: Cotton

- Three of eighteen cotton farms are characterized as being in good overall condition, with six farms characterized in moderate and nine in poor condition.
- Half of the farms are projected to experience severe cash flow problems over the period.
- Six of the eighteen cotton farms have more than a 50 percent chance of losing real equity.



Characteristics of Panel Farms Producing Cotton, 2004.

|          | Cropland | Assets    | Debt/Asset | Gross Receipts | Cotton  |
|----------|----------|-----------|------------|----------------|---------|
|          | (acres)  | (\$1,000) | (ratio)    | (\$1,000)      | (acres) |
| CAC2400  | 2,000    | 5,134.00  | 0.14       | 2,188.70       | 1,000   |
| CAC9000  | 9,000    | 17,703.00 | 0.15       | 11,313.20      | 4,500   |
| TXSP2239 | 2,239    | 819.00    | 0.19       | 682.90         | 1,616   |
| TXSP3745 | 3,745    | 1,623.00  | 0.13       | 904.90         | 2,625   |
| TXPC2500 | 2,500    | 1,614.00  | 0.19       | 910.70         | 1,184   |
| TXEC5000 | 5,000    | 1,137.00  | 0.28       | 1,265.80       | 4,300   |
| TXRP2500 | 2,500    | 419.00    | 0.16       | 258.10         | 1,122   |
| TXMC3500 | 3,500    | 932.00    | 0.19       | 1,313.50       | 1,750   |
| TXCB1850 | 1,850    | 1,048.00  | 0.26       | 560.10         | 925     |
| TXCB5500 | 5,500    | 1,090.00  | 0.34       | 1,345.20       | 2,750   |
| TXVC4500 | 4,500    | 2,208.00  | 0.27       | 1,352.10       | 2,388   |
| LAC2640  | 2,640    | 896.00    | 0.07       | 1,127.50       | 924     |
| ARC6000  | 6,000    | 6,452.00  | 0.17       | 3,886.50       | 2,000   |
| TNC1900  | 1,900    | 2,149.00  | 0.12       | 1,007.40       | 990     |
| TNC4050  | 4,050    | 3,962.00  | 0.15       | 1,775.90       | 2,670   |
| ALC3000  | 3,000    | 1,805.00  | 0.26       | 1,179.50       | 2,100   |
| GAC1700  | 1,700    | 2,438.00  | 0.19       | 1,327.50       | 1,020   |
| NCC1100  | 1,100    | 1,484.00  | 0.18       | 563.50         | 700     |

# Representative Farm: Cotton

## Economic Viability of Representative Farms over the 2005-2009 Period

| Farm Name | P(Negative Ending Cash) | P(Real Net Worth Declines) |
|-----------|-------------------------|----------------------------|
| 3/6/9     | 2005-2009               | 2005-2009                  |
| CAC2400   | 22-39                   | 1-15                       |
| CAC9000   | 23-40                   | 1-27                       |
| TXSP2239  | 61-95                   | 1-55                       |
| TXSP3745  | 37-56                   | 1-35                       |
| TXPC2500  | 45-88                   | 1-65                       |
| TXEC5000  | 94-97                   | 1-83                       |
| TXRP2500  | 59-42                   | 1-21                       |
| TXMC3500  | 61-53                   | 1-30                       |
| TXCB1850  | 40-39                   | 1-22                       |
| TXCB5500  | 95-99                   | 1-93                       |
| TXVC4500  | 84-86                   | 1-34                       |
| LAC2640   | 24-71                   | 1-68                       |
| ARC6000   | 1-5                     | 1-6                        |
| TNC1900   | 1-1                     | 1-1                        |
| TNC4050   | 22-35                   | 1-30                       |
| ALC3000   | 1-23                    | 1-25                       |
| GAC1700   | 1-1                     | 1-1                        |
| NCC1100   | 74-94                   | 1-67                       |

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

### Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Cotton.

|          | Receipts  | Payments  | NCFI      | Reserve 2009 | Net Worth 2009 | CRNW    |
|----------|-----------|-----------|-----------|--------------|----------------|---------|
|          | (\$1,000) | (\$1,000) | (\$1,000) | (\$1,000)    | (\$1,000)      | (%)     |
| CAC2400  | 2,187.08  | 336.17    | 132.85    | 82.43        | 5,020.87       | 1.72    |
| CAC9000  | 11,319.50 | 1,469.48  | 827.61    | 265.09       | 17,311.28      | 1.63    |
| TXSP2239 | 707.65    | 193.32    | 48.55     | (168.46)     | 636.51         | (0.61)  |
| TXSP3745 | 942.71    | 266.54    | 91.44     | (52.60)      | 1,522.80       | 0.88    |
| TXPC2500 | 924.52    | 279.69    | 61.78     | (227.22)     | 1,238.29       | (1.15)  |
| TXEC5000 | 1,290.53  | 438.20    | 9.72      | (698.74)     | 405.66         | (9.28)  |
| TXRP2500 | 274.02    | 89.54     | 67.53     | 25.58        | 436.50         | 3.65    |
| TXMC3500 | 1,367.48  | 364.75    | 123.82    | (52.40)      | 843.28         | 3.79    |
| TXCB1850 | 586.50    | 154.53    | 81.11     | 18.32        | 927.40         | 3.18    |
| TXCB5500 | 1,397.72  | 452.26    | (23.15)   | (950.61)     | 96.86          | (17.86) |
| TXVC4500 | 1,430.92  | 402.01    | 113.42    | (441.58)     | 1,802.68       | 1.55    |
| LAC2640  | 1,157.40  | 349.00    | 64.59     | (185.52)     | 644.90         | (3.81)  |
| ARC6000  | 3,067.27  | 805.04    | 524.03    | 769.27       | 6,217.34       | 2.34    |
| TNC1900  | 836.48    | 213.55    | 351.38    | 1,068.93     | 2,726.45       | 6.33    |
| TNC4050  | 1,826.31  | 446.10    | 284.10    | 173.56       | 3,782.27       | 1.61    |
| ALC3000  | 1,177.85  | 376.08    | 179.69    | 235.16       | 1,502.60       | 2.92    |
| GAC1700  | 1,330.50  | 357.66    | 176.89    | 162.05       | 2,295.09       | 2.28    |
| NCC1100  | 561.57    | 149.64    | 52.22     | (251.11)     | 1,200.96       | (1.07)  |

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

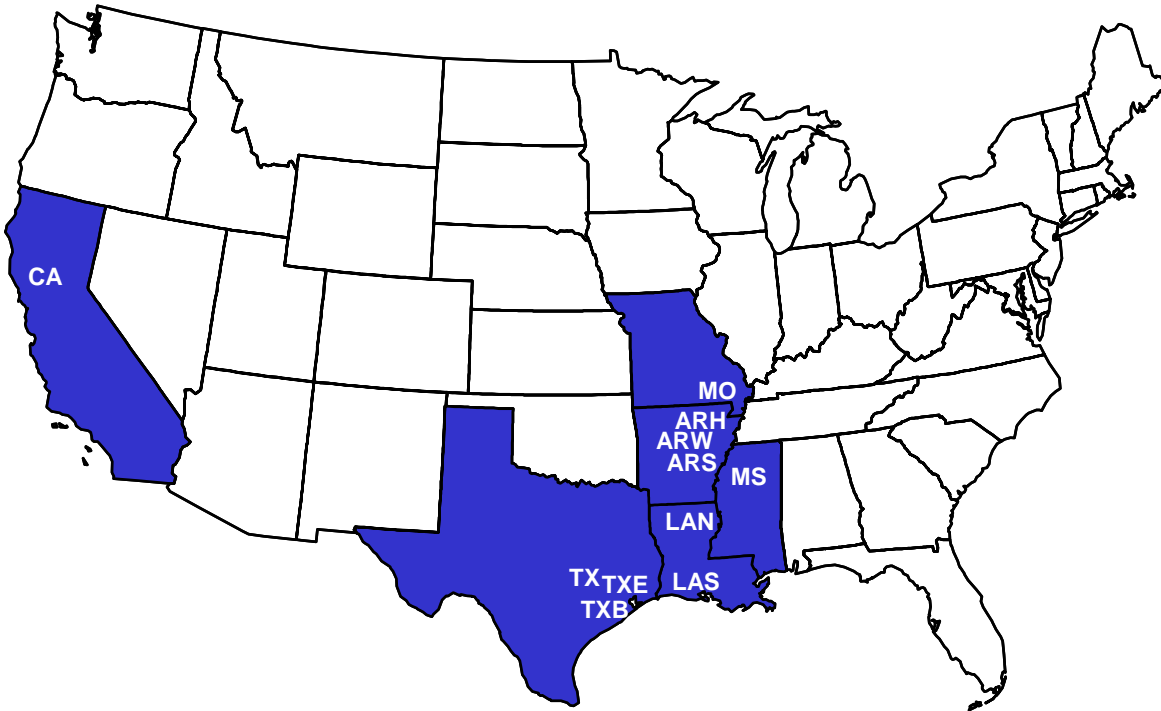
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

# Representative Farm: Rice

- One of the sixteen rice farms is projected to be in good overall financial condition with three in moderate and twelve in poor condition.
- Thirteen of the rice farms are expected to face severe cash flow problems and twelve of sixteen have high probabilities of real equity losses.



Characteristics of Panel Farms Producing Rice, 2004.

|          | Cropland | Assets    | Debt/Asset | Gross Receipts | Rice    |
|----------|----------|-----------|------------|----------------|---------|
|          | (acres)  | (\$1,000) | (ratio)    | (\$1,000)      | (acres) |
| CAR550   | 550      | 1,421.00  | 0.20       | 448.70         | 500     |
| CAR2365  | 2,365    | 4,055.00  | 0.19       | 1,952.60       | 2,240   |
| CABR1100 | 1,100    | 1,863.00  | 0.22       | 839.20         | 1,000   |
| CACR715  | 715      | 1,640.00  | 0.12       | 587.90         | 650     |
| TXR1553  | 1,553    | 522.00    | 0.32       | 401.50         | 855     |
| TXR3774  | 3,774    | 957.00    | 0.14       | 1,041.90       | 2,940   |
| TXBR1800 | 1,800    | 712.00    | 0.28       | 583.80         | 1,200   |
| TXER3200 | 3,200    | 1,070.00  | 0.46       | 1,032.20       | 2,304   |
| LASR1200 | 1,200    | 359.00    | 0.31       | 333.50         | 660     |
| LANR2500 | 2,500    | 2,658.00  | 0.26       | 1,075.00       | 1,000   |
| MOER4500 | 4,500    | 6,408.00  | 0.14       | 1,612.10       | 1,500   |
| MOWR4000 | 4,000    | 6,860.00  | 0.16       | 1,538.40       | 2,000   |
| ARSR3640 | 3,640    | 2,999.00  | 0.14       | 1,096.00       | 1,620   |
| ARWR1200 | 1,200    | 1,909.00  | 0.23       | 477.00         | 600     |
| ARHR3000 | 3,000    | 4,130.00  | 0.13       | 1,294.70       | 1,750   |
| MSR4735  | 4,736    | 1,728.00  | 0.32       | 1,732.40       | 1,335   |

# Representative Farm: Rice

## Economic Viability of Representative Farms over the 2005-2009 Period

| Farm Name     | P(Negative Ending Cash) | P(Real Net Worth Declines) |
|---------------|-------------------------|----------------------------|
| <b>1/3/12</b> | <b>2005-2009</b>        | <b>2005-2009</b>           |
| CAR550        | 99-99                   | 1-87                       |
| CAR2365       | 99-99                   | 1-99                       |
| CABR1100      | 99-99                   | 1-99                       |
| CACR715       | 71-99                   | 1-99                       |
| TXR1553       | 99-99                   | 1-99                       |
| TXR3774       | 7-28                    | 1-34                       |
| TXBR1800      | 99-99                   | 1-99                       |
| TXER3200      | 99-99                   | 1-99                       |
| LASR1200      | 99-99                   | 1-99                       |
| LANR2500      | 99-99                   | 1-93                       |
| MOER4500      | 2-6                     | 1-1                        |
| MOWR4000      | 37-79                   | 1-24                       |
| ARSR3640      | 7-29                    | 1-26                       |
| ARWR1200      | 99-99                   | 1-99                       |
| ARHR3000      | 7-99                    | 1-79                       |
| MSR4735       | 99-99                   | 1-99                       |

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

### Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Rice.

|          | Receipts  | Payments  | NCFI      | Reserve 2009 | Net Worth 2009 | CRNW    |
|----------|-----------|-----------|-----------|--------------|----------------|---------|
|          | (\$1,000) | (\$1,000) | (\$1,000) | (\$1,000)    | (\$1,000)      | (%)     |
| CAR550   | 456.58    | 125.93    | 16.40     | (312.98)     | 1,075.08       | (1.43)  |
| CAR2365  | 1,995.13  | 595.55    | (300.78)  | (2,446.05)   | 1,632.89       | (9.57)  |
| CABR1100 | 857.14    | 261.34    | (65.68)   | (924.88)     | 847.78         | (7.99)  |
| CACR715  | 601.59    | 178.65    | (24.55)   | (339.55)     | 1,241.13       | (2.98)  |
| TXR1553  | 417.38    | 121.64    | (20.51)   | (477.27)     | 7.44           | (20.32) |
| TXR3774  | 1,084.54  | 298.65    | 125.74    | 72.25        | 832.42         | 0.74    |
| TXBR1800 | 616.96    | 175.32    | (37.27)   | (644.56)     | 14.16          | (20.69) |
| TXER3200 | 1,075.41  | 317.58    | (174.54)  | (1,535.95)   | (563.80)       | (74.46) |
| LASR1200 | 352.44    | 98.22     | (24.05)   | (448.10)     | (100.06)       | (18.04) |
| LANR2500 | 1,116.53  | 291.48    | 19.78     | (954.44)     | 1,779.28       | (2.65)  |
| MOER4500 | 1,671.24  | 378.76    | 438.89    | 528.35       | 6,801.72       | 3.23    |
| MOWR4000 | 1,616.16  | 432.70    | 227.83    | (525.47)     | 6,432.68       | 1.14    |
| ARSR3640 | 1,042.87  | 268.58    | 257.46    | 79.66        | 2,812.83       | 0.89    |
| ARWR1200 | 505.80    | 136.30    | (47.12)   | (1,056.03)   | 848.08         | (8.29)  |
| ARHR3000 | 1,375.35  | 379.92    | 92.58     | (634.42)     | 3,566.26       | (1.13)  |
| MSR4735  | 1,798.18  | 433.13    | (139.28)  | (1,954.97)   | (388.25)       | (34.04) |

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

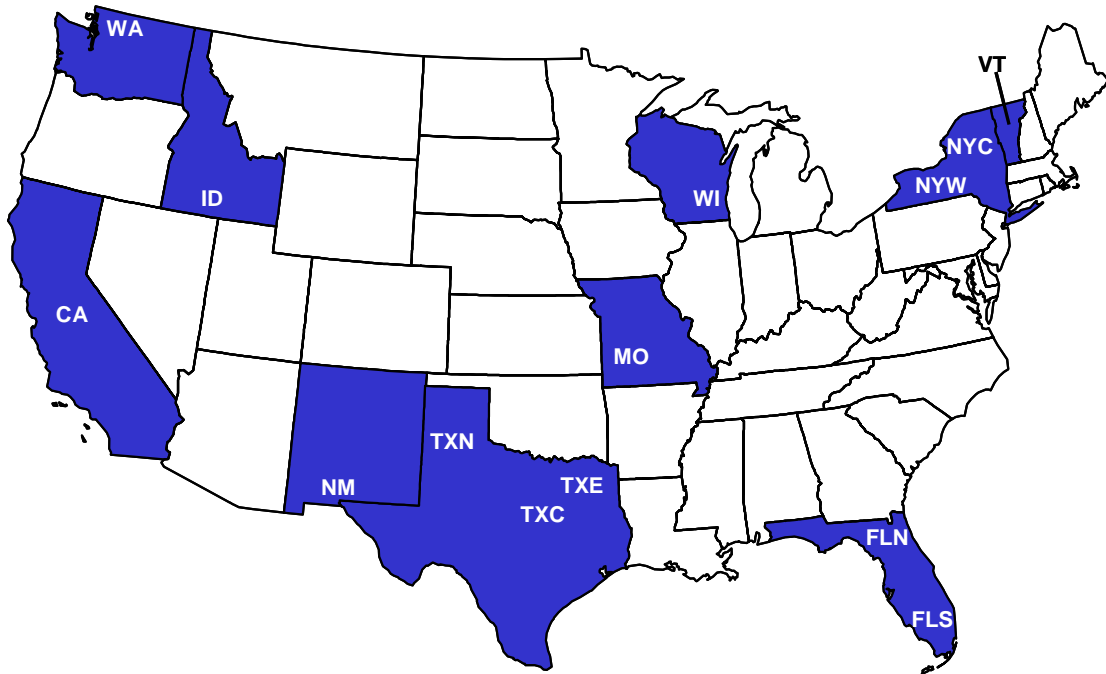
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

# Representative Farm: Dairy

- Four of twenty-three dairy operations are in moderate overall financial condition, with thirteen classified in good and six in poor condition.
- Just under one-third of the dairies are projected to experience liquidity pressure with nine experiencing greater than a 25 percent probability in losing real equity.



Characteristics of Panel Farms Producing Milk, 2004.

|          | Cropland | Assets    | Debt/Asset | Gross Receipts | Cows     |
|----------|----------|-----------|------------|----------------|----------|
|          | (acres)  | (\$1,000) | (ratio)    | (\$1,000)      | (number) |
| CAD1710  | 700      | 12,220.00 | 0.15       | 6,123.90       | 1,710    |
| NMD2125  | 370      | 10,124.00 | 0.10       | 7,576.70       | 2,125    |
| WAD250   | 200      | 2,398.00  | 0.19       | 961.60         | 250      |
| WAD850   | 605      | 6,208.00  | 0.29       | 3,368.80       | 850      |
| IDD1000  | 360      | 5,770.00  | 0.09       | 3,989.30       | 1,000    |
| IDD3000  | 1,500    | 19,624.00 | 0.11       | 11,707.90      | 3,000    |
| TXND2400 | 260      | 10,955.00 | 0.08       | 8,463.60       | 2,400    |
| TXCD500  | 250      | 2,185.00  | 0.27       | 1,635.30       | 500      |
| TXCD1300 | 460      | 5,993.00  | 0.13       | 5,274.40       | 1,300    |
| TXED550  | 300      | 1,934.00  | 0.08       | 1,576.60       | 550      |
| TXED1000 | 875      | 5,022.00  | 0.08       | 3,529.20       | 1,000    |
| WID145   | 600      | 2,476.00  | 0.16       | 656.90         | 145      |
| WID775   | 1,200    | 5,569.00  | 0.13       | 3,492.50       | 775      |
| NYWD800  | 1,440    | 5,095.00  | 0.17       | 3,385.50       | 800      |
| NYWD1200 | 2,160    | 8,236.00  | 0.19       | 5,047.90       | 1,200    |
| NYCD110  | 296      | 953.00    | 0.13       | 525.10         | 110      |
| NYCD500  | 1,100    | 3,656.00  | 0.14       | 2,227.00       | 500      |
| VTD134   | 220      | 1,094.00  | 0.12       | 611.40         | 134      |
| VTD350   | 800      | 3,350.00  | 0.16       | 1,455.10       | 350      |
| MOD85    | 230      | 1,024.00  | 0.12       | 294.20         | 85       |
| MOD400   | 450      | 2,843.00  | 0.12       | 1,427.10       | 400      |
| FLND550  | 600      | 3,519.00  | 0.12       | 2,016.50       | 550      |
| FLSD1500 | 400      | 7,080.00  | 0.22       | 5,333.50       | 1,500    |

# Representative Farm: Dairy

## Economic Viability of Representative Farms over the 2005-2009 Period

| Farm Name | P(Negative Ending Cash) | P(Real Net Worth Declines) |
|-----------|-------------------------|----------------------------|
|           | 2005-2009               | 2005-2009                  |
| 13/4/6    |                         |                            |
| CAD1710   | 1-1                     | 1-1                        |
| NMD2125   | 1-1                     | 1-1                        |
| WAD250    | 73-67                   | 1-6                        |
| WAD850    | 96-90                   | 1-60                       |
| IDD1000   | 1-13                    | 1-28                       |
| IDD3000   | 1-1                     | 1-3                        |
| TXND2400  | 1-1                     | 1-9                        |
| TXCD500   | 99-99                   | 1-97                       |
| TXCD1300  | 1-9                     | 1-36                       |
| TXED550   | 1-3                     | 1-37                       |
| TXED1000  | 1-1                     | 1-3                        |
| WID145    | 1-1                     | 1-1                        |
| WID775    | 1-1                     | 1-1                        |
| NYWD800   | 45-74                   | 1-56                       |
| NYWD1200  | 18-57                   | 1-48                       |
| NYCD110   | 1-1                     | 1-1                        |
| NYCD500   | 1-1                     | 1-2                        |
| VTD134    | 1-1                     | 1-2                        |
| VTD350    | 56-74                   | 1-54                       |
| MOD85     | 1-1                     | 1-1                        |
| MOD400    | 1-1                     | 1-1                        |
| FLND550   | 1-1                     | 1-1                        |
| FLSD1500  | 99-99                   | 1-91                       |

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

### Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk.

|          | Receipts  | Payments  | NCFI      | Reserve 2009 | Net Worth 2009 | CRNW   |
|----------|-----------|-----------|-----------|--------------|----------------|--------|
|          | (\$1,000) | (\$1,000) | (\$1,000) | (\$1,000)    | (\$1,000)      | (%)    |
| CAD1710  | 5,441.08  | 35.41     | 1,045.97  | 3,041.31     | 13,338.77      | 3.68   |
| NMD2125  | 6,670.84  | 2.31      | 1,406.42  | 4,444.71     | 12,361.07      | 4.99   |
| WAD250   | 844.50    | 5.49      | 163.37    | (69.01)      | 2,313.94       | 2.30   |
| WAD850   | 2,937.80  | 23.36     | 141.54    | (1,029.81)   | 4,274.66       | (1.11) |
| IDD1000  | 3,420.85  | 2.31      | 340.95    | 773.77       | 5,895.86       | 1.36   |
| IDD3000  | 9,985.36  | 45.33     | 1,902.73  | 5,274.04     | 22,053.24      | 3.54   |
| TXND2400 | 7,413.67  | 2.31      | 1,082.71  | 4,754.83     | 12,374.39      | 3.16   |
| TXCD500  | 1,449.05  | 2.31      | (82.74)   | (1,044.00)   | 817.88         | (9.45) |
| TXCD1300 | 4,691.99  | 2.31      | 413.57    | 991.00       | 5,635.83       | 0.87   |
| TXED550  | 1,387.84  | 2.31      | 187.58    | 507.10       | 1,935.10       | 1.00   |
| TXED1000 | 3,115.37  | 2.31      | 602.06    | 2,449.44     | 6,048.43       | 4.18   |
| WID145   | 573.92    | 9.07      | 173.32    | 281.90       | 2,508.85       | 2.38   |
| WID775   | 3,069.70  | 22.94     | 1,008.38  | 3,395.99     | 7,302.92       | 6.82   |
| NYWD800  | 2,980.16  | 34.25     | 163.42    | (417.26)     | 4,258.02       | (0.45) |
| NYWD1200 | 4,453.25  | 46.26     | 286.21    | (176.51)     | 6,926.38       | 0.00   |
| NYCD110  | 467.57    | 7.94      | 175.44    | 455.54       | 1,168.34       | 5.52   |
| NYCD500  | 1,976.27  | 20.02     | 329.42    | 564.11       | 3,828.44       | 2.88   |
| VTD134   | 547.45    | 5.91      | 128.85    | 246.18       | 1,169.31       | 2.62   |
| VTD350   | 1,287.70  | 18.82     | 101.81    | (144.64)     | 2,867.54       | (0.20) |
| MOD85    | 259.15    | 1.57      | 76.70     | 91.76        | 1,082.73       | 2.36   |
| MOD400   | 1,249.76  | 2.31      | 294.97    | 669.37       | 3,160.70       | 3.43   |
| FLND550  | 1,823.29  | 2.31      | 665.16    | 1,846.48     | 4,844.72       | 7.22   |
| FLSD1500 | 4,843.81  | 2.31      | (208.74)  | (2,470.81)   | 4,084.25       | (5.17) |

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

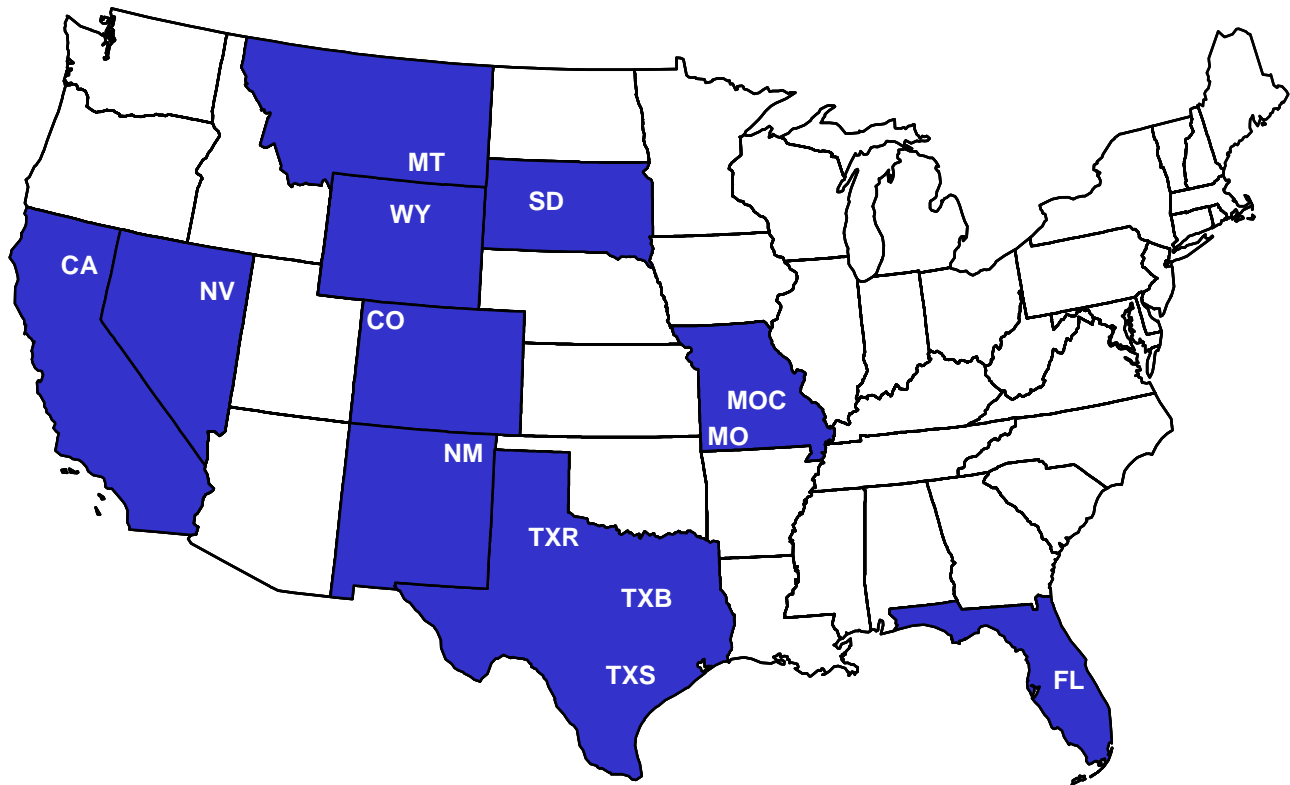
4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)

# Representative Farm: Cow/Calf

- Seven of thirteen cow-calf operations are projected to be in good overall financial condition. Five are expected to be in moderate condition and one is in poor condition.
- Four of the operations will face significant liquidity pressures over the period.
- Two operations are projected to have more than a 50 percent chance of losing real equity over the period.



Characteristics of Panel Farms Producing Beef Cattle, 2004.

|         | Cropland | Assets    | Debt/Asset | Gross Receipts | Cows     |
|---------|----------|-----------|------------|----------------|----------|
|         | (acres)  | (\$1,000) | (ratio)    | (\$1,000)      | (number) |
| CAB500  | -        | 9,731.00  | 0.01       | 301.40         | 500      |
| NVB700  | 1,300    | 2,537.00  | 0.01       | 358.20         | 700      |
| MTB500  | -        | 2,884.00  | 0.02       | 313.50         | 500      |
| WYB500  | 330      | 2,603.00  | 0.02       | 285.20         | 500      |
| COB250  | 450      | 10,904.00 | 0.01       | 186.60         | 250      |
| NMB240  | -        | 2,710.00  | 0.02       | 127.10         | 240      |
| SDB450  | 1,150    | 2,935.00  | 0.02       | 274.10         | 450      |
| MOB150  | 240      | 998.00    | 0.14       | 159.80         | 150      |
| MOCB350 | 40       | 2,547.00  | 0.01       | 223.10         | 350      |
| TXRB500 | -        | 3,927.00  | 0.01       | 333.60         | 500      |
| TXBB150 | 200      | 995.00    | 0.03       | 1,478.00       | 150      |
| TXSB250 | -        | 2,237.00  | 0.01       | 182.00         | 250      |
| FLB1155 | 5,400    | 11,032.00 | 0.01       | 610.30         | 1,155    |



# Representative Farm: Cow/Calf

## Economic Viability of Representative Farms over the 2005-2009 Period

| Farm Name | P(Negative Ending Cash) | P(Real Net Worth Declines) |
|-----------|-------------------------|----------------------------|
| 7/5/1     | 2005-2009               | 2005-2009                  |
| CAB500    | 40-99                   | 1-1                        |
| NVB700    | 1-1                     | 1-38                       |
| MTB500    | 1-1                     | 1-1                        |
| WYB500    | 89-99                   | 1-68                       |
| COB250    | 1-1                     | 1-1                        |
| NMB240    | 99-99                   | 1-20                       |
| SDB450    | 1-1                     | 1-17                       |
| MOB150    | 51-84                   | 1-3                        |
| MOCB350   | 1-1                     | 1-10                       |
| TXRB500   | 1-1                     | 1-3                        |
| TXBB150   | 1-3                     | 1-65                       |
| TXSB250   | 1-1                     | 1-1                        |
| FLB1155   | 1-2                     | 1-1                        |

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

25-50

> 50

2 P(Negative Ending Cash) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2005 and 2009.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2002 to 2005 and from 2002 to 2009.

### Implications of the January 2005 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Beef Cattle.

|         | Receipts  | Payments  | NCFI      | Reserve 2009 | Net Worth 2009 | CRNW   |
|---------|-----------|-----------|-----------|--------------|----------------|--------|
|         | (\$1,000) | (\$1,000) | (\$1,000) | (\$1,000)    | (\$1,000)      | (%)    |
| CAB500  | 274.06    | -         | 12.04     | (89.31)      | 10,766.90      | 1.02   |
| NVB700  | 317.64    | -         | 64.14     | 197.65       | 2,679.96       | 0.46   |
| MTB500  | 279.53    | -         | 119.62    | 508.17       | 3,326.49       | 2.00   |
| WYB500  | 254.44    | -         | 8.06      | (187.67)     | 2,591.51       | (0.45) |
| COB250  | 172.75    | -         | 50.13     | 167.79       | 10,624.78      | 1.33   |
| NMB240  | 113.37    | -         | 13.16     | (96.26)      | 2,888.57       | 0.44   |
| SDB450  | 254.00    | 0.71      | 56.84     | 112.70       | 3,153.98       | 0.71   |
| MOB150  | 155.12    | 9.53      | 52.82     | (31.65)      | 989.43         | 1.80   |
| MOCB350 | 199.34    | -         | 41.28     | 114.44       | 2,783.57       | 0.79   |
| TXRB500 | 312.61    | -         | 116.21    | 309.18       | 4,425.66       | 1.36   |
| TXBB150 | 1,302.27  | 3.54      | 54.75     | 103.03       | 947.38         | (0.87) |
| TXSB250 | 164.21    | -         | 59.58     | 173.11       | 2,507.43       | 1.21   |
| FLB1155 | 545.93    | -         | 76.10     | 172.15       | 12,416.79      | 1.15   |

1 Receipts are average annual total cash receipts including government payments, 2005-2009 (\$1,000)

2 Payments are average annual total government payments, 2005-2009 (\$1,000)

3 NCFI are average annual net cash farm income, 2005-2009 (\$1,000)

4 Reserve 2009 are average ending cash reserves, 2009 (\$1,000)

5 Net Worth 2009 are average nominal ending net worth, 2009 (\$1,000)

6 CRNW are average percentage in real net worth over 2005-2009 period, (%)





### **AFPC Briefing Series**

**The briefing series is designed to facilitate presentation by AFPC related to requests for specific policy impact analyses. The materials included in this package are intended only as visual support for an oral presentation. The user is cautioned against drawing extraneous conclusions from the material. In most cases AFPC welcomes comments and discussions of these results and their implications. Address such comments to:**

**Agricultural and Food Policy Center  
Department of Agricultural Economics  
2124 TAMUS  
Texas A&M University  
College Station, TX 77843-2124**

**or call 979-845-5913.**