

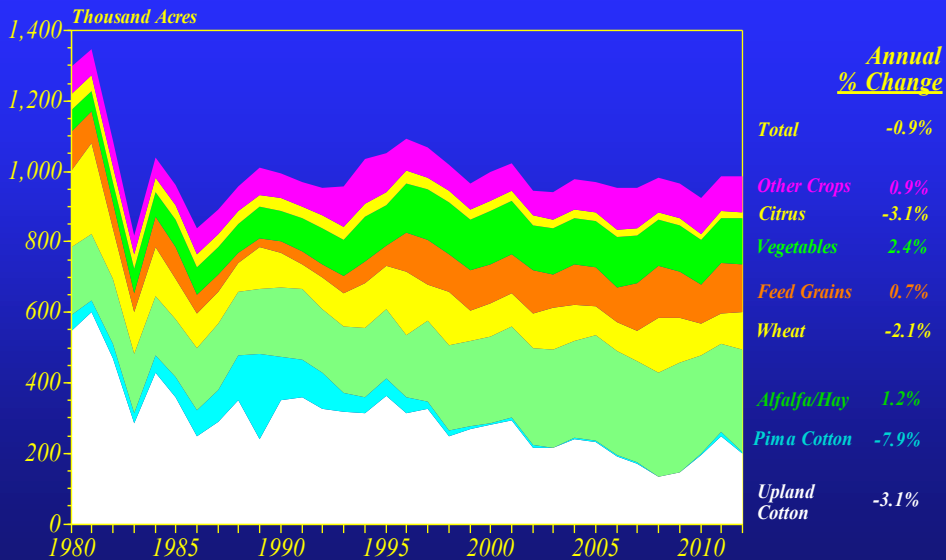
Outlook and Policy Considerations for AZ Field Crops

by
Russell Tronstad

University of Arizona, Dept. of
Agricultural and Resource Economics

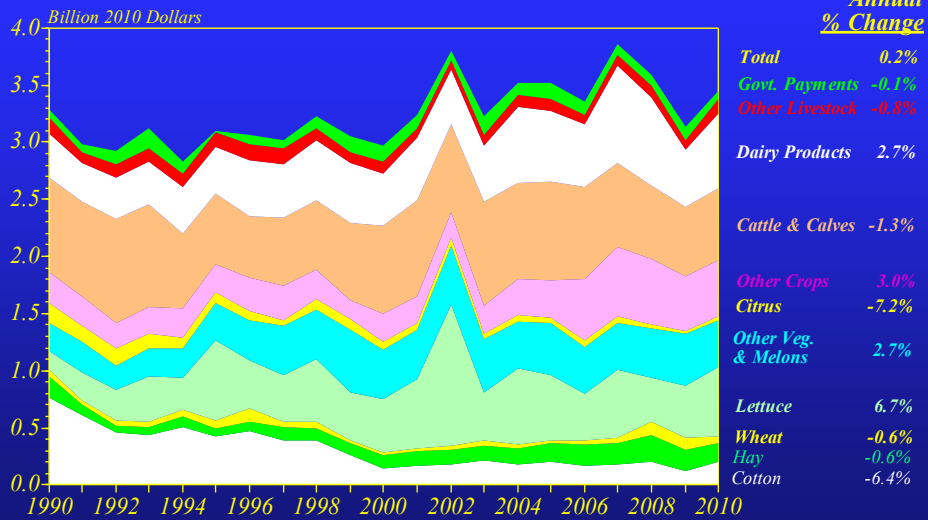


Arizona Crop Acres, 1990-2012



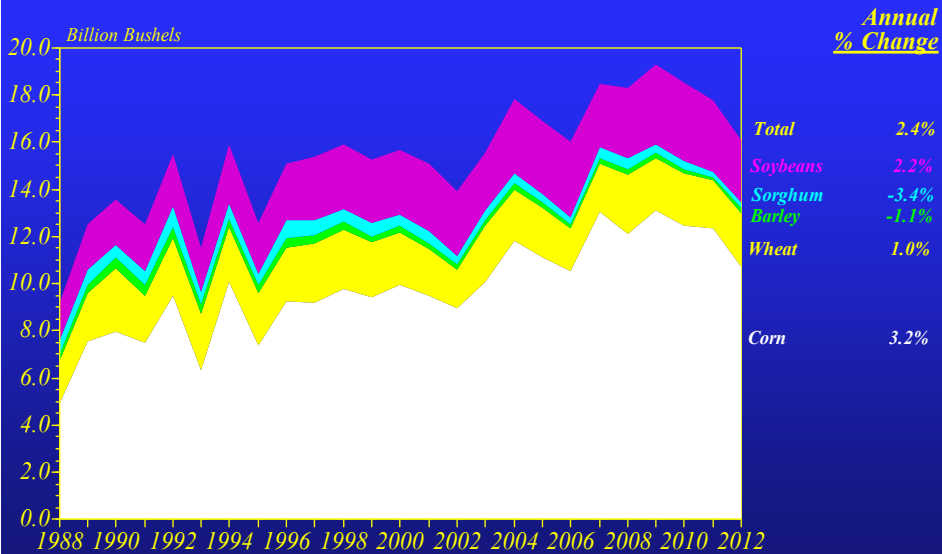
Source: Arizona Agricultural Statistics, various years

Arizona Cash Receipts, 1990-2010



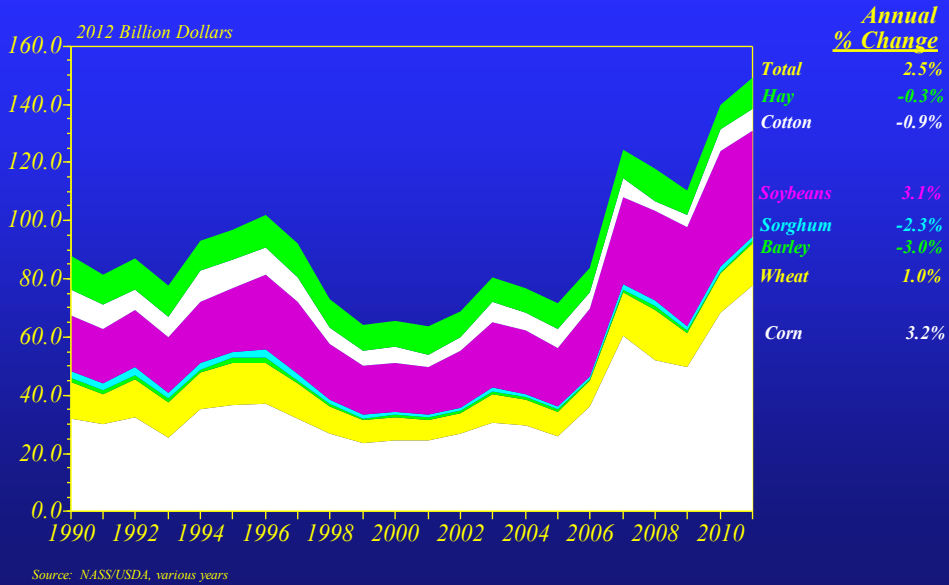
Source: Arizona Agricultural Statistics, various years
 Note: Revenues are deflated by the Consumer Price Index for all goods, 1982-84=100

US Grain Production, 1988-2012

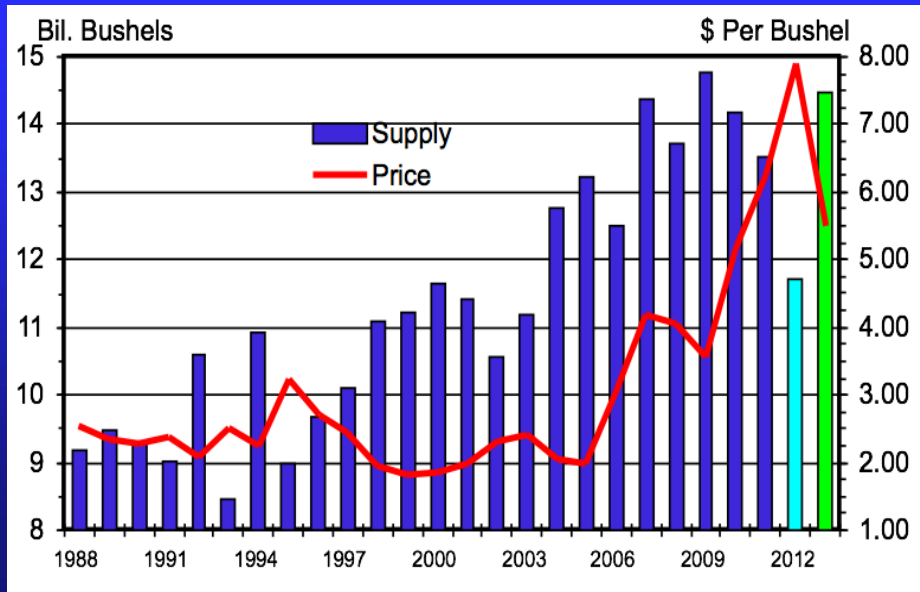


Source: NASS/USDA, various years

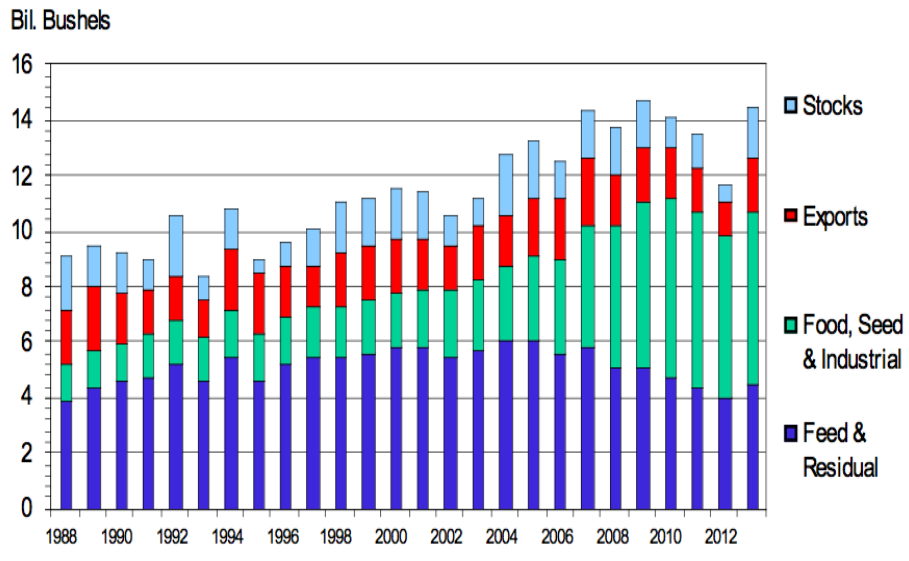
Selected US Crop Values, 90-11



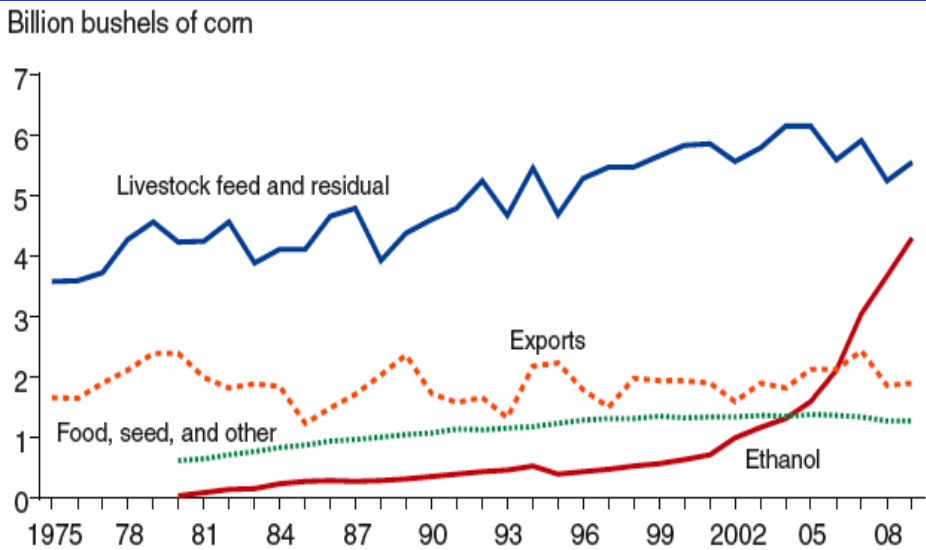
US Corn Supply & Price, 88-13



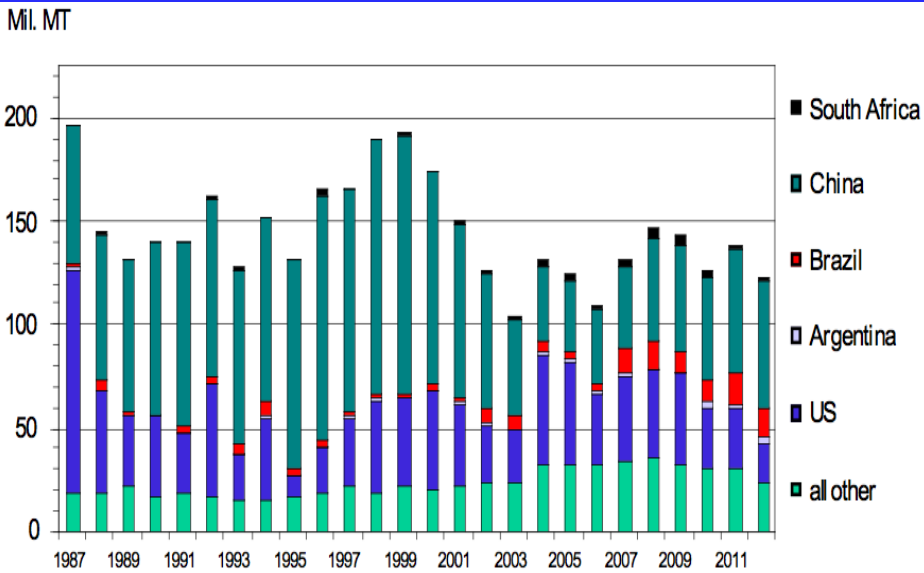
US Corn Utilization, 1988-2013



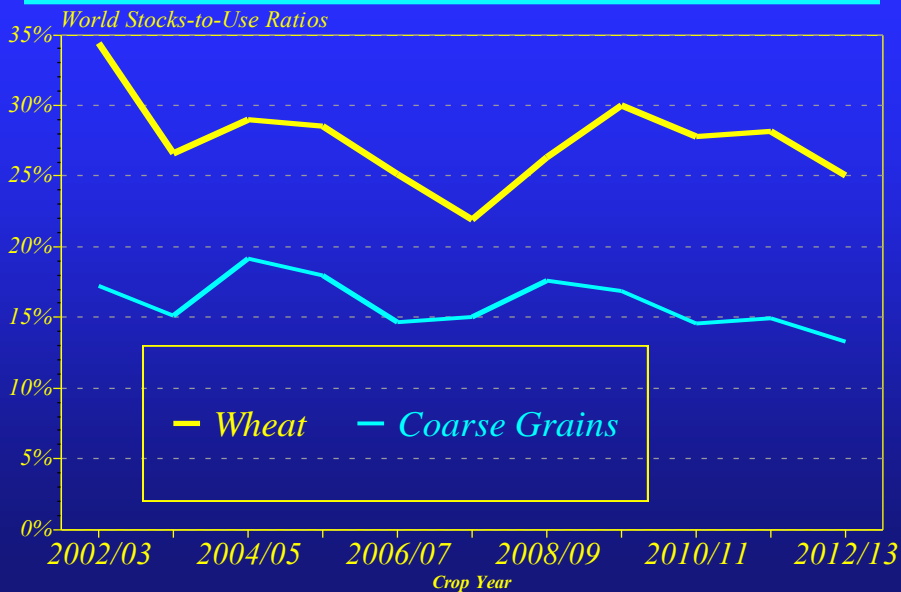
Utilization of US Corn Production



World Corn Ending Stocks, 88-12



World Stocks-to-Use Ratios



Cotton Supply & Utilization

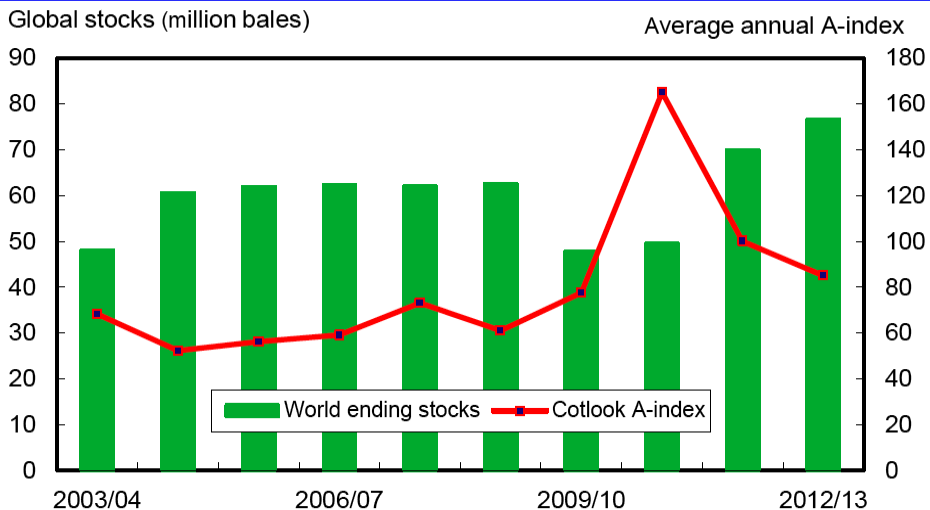
2012-13 WORLD COTTON SUPPLY & OFFTAKE

Million 480-Pound Bales

	Beginning		Imports	Supply	Mill Use	Exports	Ending	Stocks-to- Use Ratio
	Stocks	Production						
World	69.9	114.0	36.6	183.9	107.6	36.6	76.5	71.1%
U.S.	3.4	17.1	0.0	20.5	3.4	11.8	5.3	34.9%
China	30.6	31.0	12.0	73.6	38.0	0.1	35.5	93.3%
Pakistan	3.1	9.7	2.4	15.2	11.3	0.5	3.4	28.8%
India	7.7	24.5	1.0	33.2	21.5	3.5	8.2	32.7%
Central Asia	3.0	6.7	0.0	9.8	2.3	4.4	3.0	45.4%
Australia	3.3	4.3	0.0	7.6	0.0	4.2	3.5	81.8%
Brazil	8.0	6.1	0.1	14.1	4.3	4.0	6.0	73.2%
Indonesia	0.5	0.0	2.2	2.7	2.1	0.0	0.5	23.1%
Mexico	0.8	1.0	1.3	3.0	1.8	0.4	0.9	39.9%
Turkey	1.7	2.8	3.0	7.5	5.6	0.2	1.8	30.2%

Source: USDA-WAOB September WASDE Report.

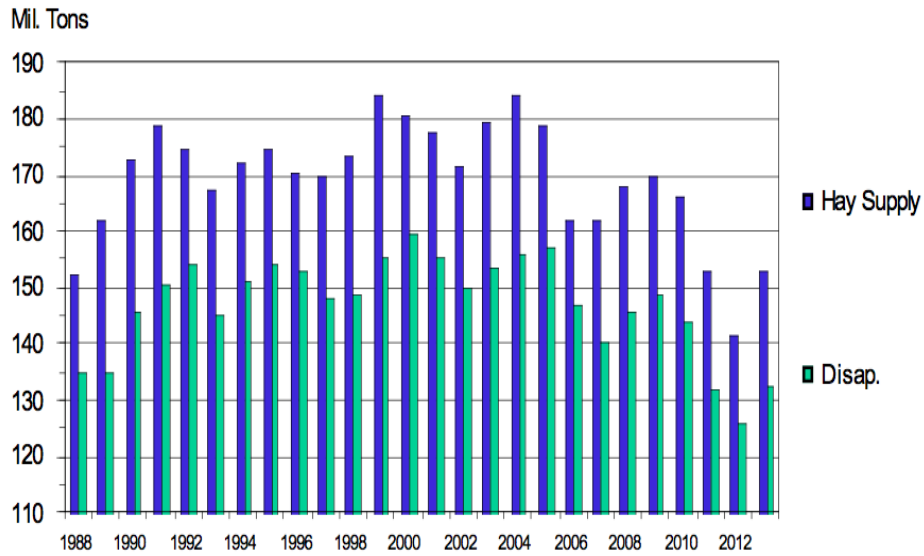
Global Cotton Stocks & Price



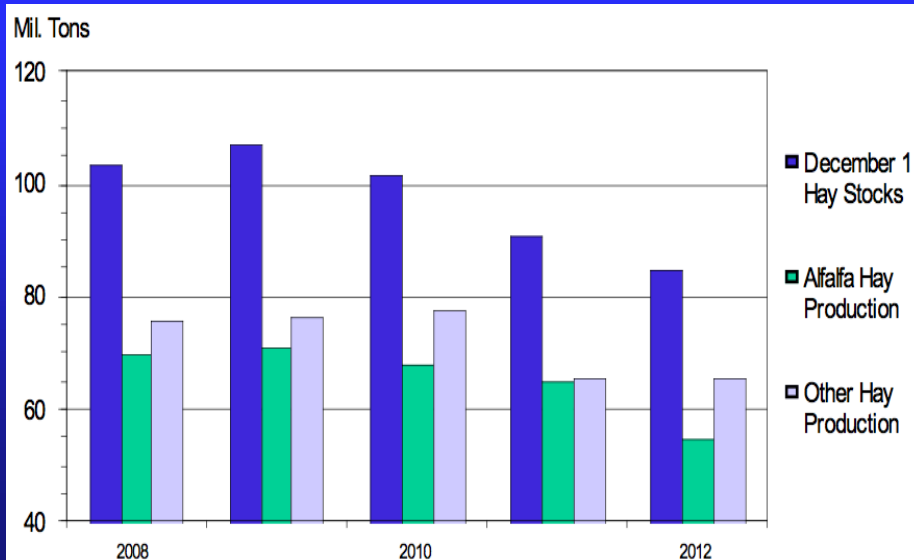
Sources: Cotlook and USDA.

Note: A-index for 2012/13 is projected.

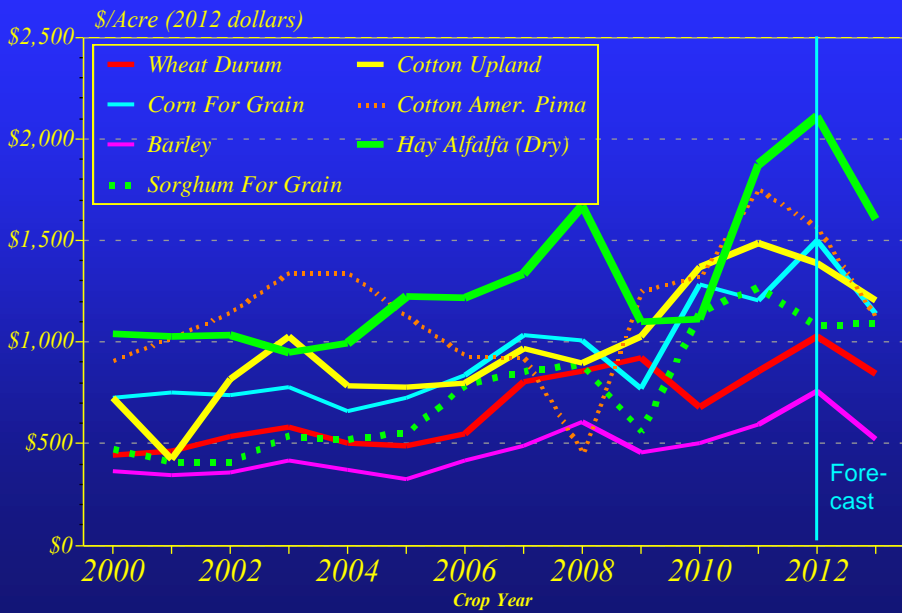
US All Hay Supply & Use, 88-13



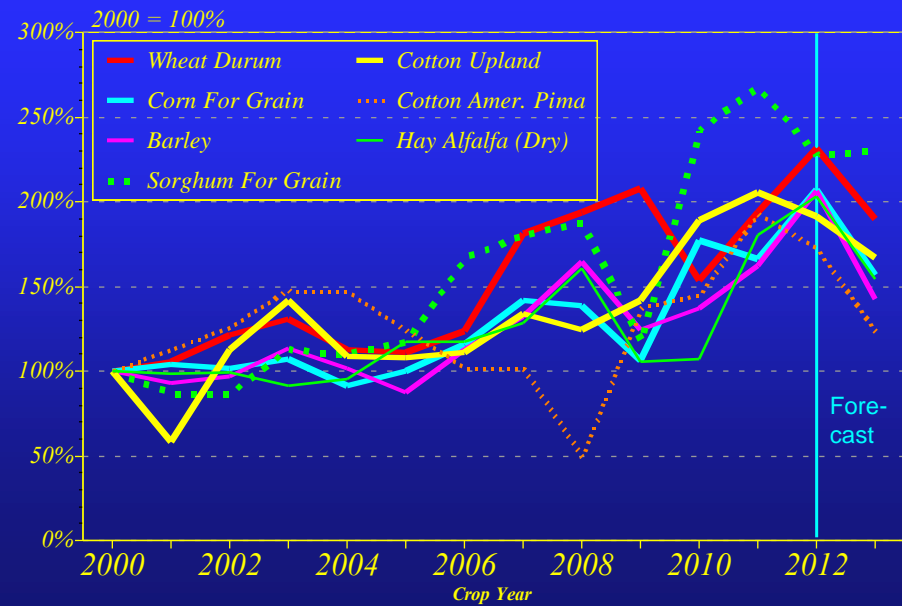
US Hay Stocks & Production



Per Acre AZ Crop Revenues, 00-13



Index of AZ Crop Revenues, 00-13



Policy Considerations

- *Ethanol Tax Credit / Blend Wall*
- *FARRM (Federal Ag. Reform and Risk Mgmt. Act of 2012)*
- *Repeal Direct & Counter Cyclical Payments*
- *Farm Risk Mgmt. Election*
- *SNAP (Supplemental Nutrition Assistance Program)*

FARRM \$ Changes

	By Fiscal Year, in Millions of Dollars											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
CHANGES IN OUTLAYS FROM DIRECT SPENDING												
Title I – Commodity Programs												
Repeal Direct Payments	0	-4,958	-4,958	-4,958	-4,958	-4,958	-4,958	-4,958	-4,958	-4,958	-19,832	-44,622
Repeal Countercyclical Payments	0	0	-101	-127	-121	-123	-130	-137	-134	-135	-349	-1,008
Repeal Average Crop Revenue Elections Payments	0	0	-863	-637	-470	-479	-452	-547	-632	-533	-1,970	-4,615
Farm Risk Management Election	0	0	3,253	3,086	3,217	3,180	2,893	2,998	2,949	2,968	9,556	24,544
Dairy Program	-60	-56	-46	-29	3	28	7	32	61	22	-188	-38
Supplemental Agriculture Disaster Assistance	226	211	192	192	199	197	196	198	203	208	1,020	2,022
Other Commodity Provisions	65	38	3	3	2	2	5	5	4	4	111	131
Subtotal, Title I	231	-4,765	-2,520	2,470	-2,128	-2,153	-2,439	-2,409	-2,507	-2,424	-11,651	-23,584

Risk Mgmt. Election -- 2 options

- *One time election: crop & farm*
- *Price Loss Coverage (multi-yr price declines)*
 - + *complement crop insurance*
 - + *modern ylds. & cost of prod. index*
- *Revenue Loss Coverage*
 - + *county wide losses*
 - + *yield plugs & cost of prod. for price*