

# Harvest Progresses: Nov. 13 Estimate Puts Crop Losses At \$309 Million

FAYETTEVILLE, ARK.

The estimated crop loss for the rain-damaged 2009 harvest so far has risen to \$309 million, not including lost wages of about \$83 million due to decline in nearly 3,000 full- and part-time agriculture-related jobs, the University of Arkansas Division of Agriculture said.

The estimate, which provides a week-by-week snapshot of crop conditions, is compiled by U of A Division of Agriculture economists, and is based on data from USDA, National Agricultural Statistical Service, current marketing prices, quality loss estimates from local elevators, and yield loss and additional fieldwork from University of Arkansas extension specialists.

In addition to the decline in full- and part-time jobs, the report also shows a decline of nearly \$162 million in economic value-added, which encompasses soy, corn and rice processing, cotton ginning and reduced household spending by Arkansans whose incomes are tied to agriculture.

"The loss from crop damage is estimated for three activities," Eric Wailes, professor of agricultural economics and agribusiness, said on Sunday. "First, crop damage results in less farm revenue which is estimated to reduce farm household spending for consumer goods and services.

"Second, since crop output is reduced, there are fewer grains and oilseeds to process," he said. "This reduces milling and processing activity, which in turn has negative impacts on the transportation, wholesale and many other industries that supply goods and services to the processing industries."

Some of the \$309 million in direct losses because of poor quality, yield loss and fieldwork, "have been offset by rises in commodity prices as markets have responded to the NASS Crop Progress and Condition reports that have indicated declining crop conditions," Wailes said. "Cotton and sorghum are estimated to have experienced the largest negative impact per acre but total loss is greatest for soybeans and cotton."

• **Cotton** – Arkansas cotton producers have been hit the hardest as a percentage of gross receipts compared to the other crops, the report said. The economic impact of reduced yield, quality loss and additional fieldwork on cotton

is estimated to be a \$115.5 million drop in gross receipts. Included in this total are estimated cotton seed losses. Cotton producers continued to capitalize on the dry weather, with 71 percent of the crop harvested for the week ending Nov. 15, up from 46 percent the previous week, according to NASS.

• **Rice** – Rice producers in Arkansas have seen moderate losses from poor harvest conditions, varying from none to substantial depending on location, the report said. Gross receipts are estimated to be reduced by \$50 million from yield and quality loss and additional fieldwork costs. A figure for the percentage harvested was not immediately available on Monday.

• **Sorghum** – Arkansas sorghum producers have lost approximately 47 percent of their gross receipts from reduced yield, quality and additional fieldwork from poor harvest conditions, the report said. The estimated loss in gross receipts from reduced yield, quality, and additional fieldwork costs will be \$4.5 million. Sorghum is 100 percent harvested, NASS said.

• **Soybeans** – Soybean producers are estimated to have lost \$127.1 million from decreased yield, quality, and the costs of additional fieldwork, the report said. While prices were holding steady at more than \$9 a bushel, many growers who saw good volume yields in their fields were receiving far less than that due to quality discounts. Soybeans were 82 percent harvested, up from 66 percent the previous week, NASS said.

• **Corn** – Poor harvest conditions are estimated to have a negative impact of \$4.3 million on corn producers from yield and quality loss and additional fieldwork. A corn harvest figure for the week ending Nov. 15 was not immediately available.

• **Grass Hay** – Hay producers have lost an estimated \$7.8 million from poor conditions throughout the growing season.

The report was created by Wailes, Wayne Miller, professor of agricultural economics, Scott Stiles, instructor of agricultural economics; Brad Watkins, associate professor of agricultural economics; and Jeffrey Hignight, a program associate at the Rice Research and Extension Center in Stuttgart.

The report is available at <http://division.uaex.edu/>. Δ

**AgriGold**

*The Corn Specialist™*

Link Directly To: **AGRIGOLD**



Link Directly To: **RICETEC**