

U Of A Division Of Agriculture Pegs 2009 Crop Loss At \$397 Million

FAYETTEVILLE, ARK.

Economists with the University of Arkansas Division of Agriculture on Tuesday pegged the 2009 crop losses at \$397 million, resulting in an estimated loss of nearly 3,700 full- and part-time jobs at a cost of \$102 million in wages and salaries.

Wayne Miller, U of A Division of Agriculture professor of agricultural economics, said the losses are estimated to have reduced value-added by \$202.7 million. Value-added encompasses soy, corn and rice processing, cotton ginning and reduced household spending by Arkansans whose incomes are tied to agriculture.

Record rainfall throughout the summer and fall turned fields into lakes, bogged down the harvest and encouraged insects and disease. Rainstorms caused some crops to lodge, seed heads to germinate and discolored and damaged cotton bolls.

"Cotton and sorghum are estimated to have experienced the largest negative impact per acre, but total loss is greatest for soybeans, at \$204 million, and cotton and cottonseed, at \$120 million," said Eric Wailes, professor of agricultural economics and agribusiness for the U of A Division of Agriculture.

The crop loss estimate report was created by Wailes, Miller, 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 was based on yield and price data from the U.S. Department of Agriculture, National Agricultural Statistics Service, as well as quality loss estimates from local elevators and fieldwork estimates from extension specialists with the U of A Division of Agriculture.

Here is a crop-by-crop look at the damage:

- Corn – Poor harvest conditions added up to a nearly \$14 million hit to corn producers from yield and quality loss plus additional fieldwork. The September yield estimate from the NASS of 153 bushels per acre was reduced to 148 bushels per acre in the January 2010 report. The decrease in yield reduced revenue by \$7.2 million.

- Cotton – Arkansas cotton producers have been hit the hardest as a percentage of gross receipts compared to the other crops. The economic losses from acreage, yield and quality, plus additional fieldwork costs on cotton and cottonseed combined is estimated to be a \$120

million reduction in gross receipts. The September NASS yield estimate was 1,056 pounds per acre, but the January estimate was reduced to 797 pounds per acre. It was estimated that 15,000 acres were completely destroyed by poor weather conditions. Together, yield loss and destroyed acres reduced revenue from lint and seed by \$100 million.

- Soybeans – It is estimated that Arkansas soybeans producers lost nearly \$204.2 million from decreased acreage, yield, quality, and additional fieldwork. The September NASS yield estimate of 38 bushels per acre was reduced a half-bushel per acre in January. It is estimated that 100,000 acres were destroyed from the poor harvest conditions. Combining losses from destroyed acres and yield loss, revenue was reduced by \$52.9 million. The largest portion of losses in soybeans was from deterioration in quality.

- Sorghum – Arkansas sorghum producers saw a loss of approximately 41.2 percent of their gross receipts from reduced acreage, yield, quality and additional fieldwork from poor conditions. The estimated loss in gross receipts from reduced yield, quality, and additional fieldwork costs is \$4.5 million.

- Rice – Rice producers in Arkansas saw moderate losses from poor harvest conditions, varying from none to substantial, depending on location. Gross receipts are estimated to be reduced by nearly \$46.3 million from acreage, yield and quality losses, plus additional fieldwork costs. The September NASS yield estimate of 152.2 bushels per acre was reduced to 151.1 bushels per acre in the January report. It is estimated that 10,000 acres were destroyed by poor weather at harvest. Combining losses from destroyed acres and yield loss, revenue was reduced by \$18 million.

- Grass Hay – Hay producers lost an estimated \$7.8 million from poor conditions throughout the growing season. Estimates come from the Oct. 9 crop production and crop prices reports released by NASS. It is estimated that there were 1.4 million acres of grass hay with a normal yield of 2.2 tons per acre. The weather reduced yields by approximately 4 percent according to unpublished estimates from the Arkansas Farm Service Agency. Losses on hay pastures are concentrated in the south and southwest part of Arkansas.

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



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