

FARMS IMPACTED BY PAYMENT LIMITATIONS ON
LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS

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FARMS IMPACTED BY PAYMENT LIMITATIONS ON LDP'S AND MARKETING LOAN GAINS

The current farm legislation, the Federal Agriculture Improvement and Reform (FAIR) Act, places a limit of \$75,000 on the total amount of loan deficiency payments (LDP's) and marketing loan gains that each "person" can receive. This limit applies to the total across all loan-eligible commodities. The price outlook for the 1999 crops suggests that LDP's and marketing loan gains will be substantial. Given this outlook, Representative Jo Ann Emerson (MO) has requested that the Food and Agricultural Policy Research Institute (FAPRI) provide analysis regarding the type and size of operations that will most likely be impacted by the payment limitations. The Agricultural and Food Policy Center (AFPC) at Texas A&M has made a significant contribution in the analysis with their representative farm models.

Under current legislation, each "person" may receive a total of \$40,000 in Agricultural Market Transition Act (AMTA) payments. In addition, a separate payment limit of \$75,000 exists for total LDP's and marketing loan gains. For payment limitation purposes, a "person" may include entities such as individuals, partnerships, companies, or trusts (see Payment Eligibility and Limitations Fact Sheet, USDA/FSA, July 1999). There are also rules determining whether husbands and wives can be viewed as separate "persons". In addition, an individual can receive payments as a "person", but then also be involved in two other entities and receive one-half of the allowed payment limit from each of the two. These are brief examples of the exceptions and guidelines that exist, but the nature of payment limitations is such that it is possible for an operation to be structured to receive more than the basic limit of \$40,000 in AMTA and \$75,000 in LDP's. A number of the representative farms maintained by AFPC will provide examples of this.

When the FAIR Act was enacted, producers had the opportunity to structure their operation in such a way to best accommodate payment limitations. However, given the strong market prices at the time, as well as little history with marketing loans for wheat, feed grains, and oilseeds, producers were much more concerned with the \$40,000 limit on AMTA. Less attention was given to the possibility of being constrained on LDP's. While it is very difficult to accurately assess the number of producers that will be affected, it is possible to determine the general characteristics of operations that will most likely hit the constraint.

What Size and Types of Operations Are Most At Risk?

The LDP's claimed by a producer ultimately will be determined by the units of production and the average LDP rate. For purposes of this analysis, U.S. average yields are taken from USDA's World Agricultural Supply and Demand Estimates (WASDE), July 1999. Average LDP rates are estimated based on recent FAPRI price projections. Data for both are given in Table 1. These assumptions underlie the determination of the sizes and types of operations that will most likely face constraints.

Table 1. Yield and LDP Assumptions for 1999 Crop

Crop	Yield	Average LDP Rate
Corn	135.8 bu/ac	\$0.18/bu
Wheat	42.7 bu/ac	\$0.33/bu
Cotton	660 bu/ac	\$0.13/lb
Rice	59.02 cwt/ac	\$1.59/cwt
Soybeans	40.0 bu/ac	\$0.99/bu

Assume that an operation is structured to receive AMTA payments equal to the \$40,000 payment limit. This could be done through a single contract commodity or raising multiple contract crops. For this example, the simple case of growing a single contract commodity will be used. Results for corn, wheat, cotton, and rice are shown in Table 2.

Given the AMTA payment rates from Table 1, an operation would need 1,274 contract acres of corn to reach the \$40,000 limit (see Table 2). Using the average yields and LDP's from Table 1, corn production from those acres would generate \$31,143 in LDP's (and/or marketing loan gains). For wheat, 2,165 acres are needed to meet the AMTA payment limitation. Wheat production from those acres would account for \$30,509 in LDP's. Rice gives similar results except that much fewer acres of rice are needed to reach the \$40,000 limit. Only 344 acres of rice contract area are required to reach the AMTA limit. Given a projected LDP rate of \$1.59, LDP's would total \$32,281. In all three cases, LDP's were less than half of the \$75,000 limit. The notable exception to this pattern is cotton. Using the same methodology, 991 acres of contract area are necessary to reach the maximum AMTA. Assuming an LDP rate of \$0.13 per pound, LDP's are estimated at \$85,049, exceeding the \$75,000 limit. This result is not surprising given the relative AMTA and LDP rates. Cotton is the only case where the projected LDP rate is larger than the AMTA rate.

What is likely to complicate the picture in 1999, however, is the inclusion of soybeans in the LDP limit. Many producers have structured their operations so that the \$40,000 AMTA payment limit only marginally affects their payments. However, the AMTA limit applies only to feed grains, wheat, rice, and cotton. These farms will likely a significant number of acres devoted to soybeans. In Table 2, the allowed level of soybean acreage is calculated that would exhaust the \$75,000 LDP limitation. In the cases of corn, wheat, and rice farms receiving the maximum AMTA payments, approximately 1,100 acres of soybeans could be included before reaching the limit. For the cotton operation, there is no room to claim any soybean LDP's.

It is important to remember that for each operation, actual yields and LDP rates can change the allowed acreage levels quite substantially. However, there are some conclusions that can be made based on these assumptions. Table 2 suggests that a 50/50 corn-soybean farm would need approximately 2,400 acres before the limit becomes an issue. A wheat farm with some soybeans, or perhaps minor oilseeds, could be approximately 3,000 acres in size before being constrained. The most vulnerable farms are those with cotton. The situation is even worse if the operation has both cotton and soybeans because of the potential LDP exposure of both

crops. If we assume an operation that is 50/50 cotton and soybeans, only 1,200 acres of total plantings are sufficient to generate \$75,000 in LDP's.

Table 2. Potential LDP's for Farms at \$40,000 AMTA Limit

Assumes U.S. Average Yields	Corn	Wheat	Cotton	Rice
1999 AMTA Payment	\$0.36	\$0.63	\$0.08	\$2.84
Program Yield	102.6	34.5	604	48.17
Contract Acres Needed to Reach \$40,000 AMTA	1,274	2,165	991	344
Projected LDP Rate	\$0.18	\$0.33	\$0.13	\$1.59
Expected Yield	135.8	42.7	660	59.02
Production on Contract Acre	173,018	92,451	654,223	20,302
Projected LDP's from Contract Crop	\$31,143	\$30,509	\$85,049	\$32,281
Room Under Limit	\$43,857	\$44,491	\$0	\$42,719
Allowed Soybean Acres @ 40 Bu Yield, \$0.99 LDP	1,107	1,124	0	1,079

LDP Limitations for the Representative Farms

AFPC at Texas A&M maintains 74 representative crop and livestock farms that have been developed with the cooperation of producer panels. The producers provide detailed input describing a farm that would be representative of their operation. The representative farms are then used to analyze the impacts of policy changes or the economic viability under alternative scenarios. For the purposes of this analysis, the 41 operations that derive a majority of their cash receipts from crops are used. These operations are not to be viewed as a statistical sample. They are panels of carefully selected producers from a local area, chosen to be representative of families who make their living from farming. The results should not be generalized to imply that a certain percentage of crop farms will hit the limit. Instead, the results do provide insights into the type of operations that are most vulnerable.

Total LDP's are calculated for each farm based on the assumed rates presented in Table 1. Results are presented in Table 3. The farm name is given in the first column with the letters designating location of the farm and the numbers representing acreage. A brief description of each farm is included in the appendix.

The second column gives the AMTA payments associated with each operation for the 1999 crop. The number of "persons" implied from the AMTA payments and associated LDP limits are presented in the third and fourth columns. Assuming average yields, total projected LDP's are calculated for each farm. Of the 41 operations presented, five reach their limit on LDP's. The five farms are: a 3,500-acre grain farm in South Carolina, a cotton farm in the Texas Southern High Plains, a 6,000-acre cotton farm in California, and 2 cotton farms in Tennessee. The South Carolina farm also raises cotton, but over half of the acreage is devoted to double-cropping wheat and soybeans. The results from the representative farms reinforce the earlier conclusion that cotton/soybean operations are the most likely to be impacted by the payment limit.

The LDP rates presented in Table 1 are projected rates based on current price estimates. As with any projection, there is a certain degree of uncertainty associated with them. Actual payments could be higher or lower than the projected amounts. Given this uncertainty, the representative farm models have been used to determine the probability that the farms will exceed either \$75,000 or \$150,000 in LDP's/marketing loan gains. The probabilities in Table 4 are the result of analyzing 100 possible outcomes for LDP rates where the outcomes are determined based on historical price variation. As in earlier results, the cotton farms show the greatest probabilities of exceeding \$75,000, with rice following closely behind. The feed-grain farms exhibit somewhat smaller chances of hitting the limit, while the wheat farms show a relatively small chance of bumping up against the limit.

Table 3. Projected 1999 LDP Payments for Representative Farms

Assumed LDP Rates as Estimated by FAPRI

	Cotton 0.13	Wheat 0.33	Sorghum 0.31	Corn 0.18	Barley 0.24	Rice 1.59	Soybeans 0.99
Farm	'99 AMTA Payment	Number of Persons	LDP Limit	Projected LDP's	LDP Limit Constraint?	Foregone LDP's	
TXNP1600	\$29,633	1	\$75,000	\$25,223	NO	\$0	
TXNP5500	\$99,249	3	\$225,000	\$92,187	NO	\$0	
IAG950	\$16,547	1	\$75,000	\$31,468	NO	\$0	
IAG2400	\$39,745	1	\$75,000	\$55,167	NO	\$0	
SCG1500	\$33,010	1	\$75,000	\$56,038	NO	\$0	
SCG3500	\$75,866	2	\$150,000	\$158,080	YES	\$8,080	
NEG800	\$27,598	1	\$75,000	\$21,954	NO	\$0	
NEG1575	\$59,434	2	\$150,000	\$46,412	NO	\$0	
MOCG1700	\$15,400	1	\$75,000	\$35,481	NO	\$0	
MOCG3300	\$34,066	1	\$75,000	\$74,334	NO	\$0	
MONG1450	\$9,482	1	\$75,000	\$25,353	NO	\$0	
TNG900	\$8,664	1	\$75,000	\$32,895	NO	\$0	
TNG2400	\$40,017	2	\$150,000	\$84,420	NO	\$0	
WAW1500	\$26,399	1	\$75,000	\$28,530	NO	\$0	
WAW4250	\$62,468	2	\$150,000	\$61,277	NO	\$0	
NDW4850	\$52,495	2	\$150,000	\$40,860	NO	\$0	
NDW1760	\$16,266	1	\$75,000	\$9,867	NO	\$0	
COW5420	\$35,736	1	\$75,000	\$26,334	NO	\$0	
COW2700	\$21,815	1	\$75,000	\$18,556	NO	\$0	
KSNW2325	\$19,209	1	\$75,000	\$15,958	NO	\$0	
KSNW4300	\$48,023	2	\$150,000	\$36,029	NO	\$0	
KSSW1385	\$19,380	1	\$75,000	\$10,260	NO	\$0	
KSSW3180	\$41,278	2	\$150,000	\$27,466	NO	\$0	
TXSP3697	\$70,507	2	\$150,000	\$154,705	YES	\$4,705	
TXSP1682	\$22,621	1	\$75,000	\$63,373	NO	\$0	
TXBL1400	\$21,679	1	\$75,000	\$31,945	NO	\$0	
TXCB1700	\$39,552	1	\$75,000	\$63,088	NO	\$0	
TXRP2500	\$36,881	1	\$75,000	\$37,685	NO	\$0	
CAC6000	\$198,189	5	\$375,000	\$381,672	YES	\$6,672	
CAC2000	\$100,269	3	\$225,000	\$166,012	NO	\$0	
TNC1675	\$32,258	1	\$75,000	\$103,202	YES	\$28,202	
TNC3800	\$85,882	3	\$225,000	\$246,252	YES	\$21,252	
CAR424	\$67,547	2	\$150,000	\$52,152	NO	\$0	
CAR1365	\$197,093	5	\$375,000	\$163,925	NO	\$0	
TXR2118	\$85,667	3	\$225,000	\$59,960	NO	\$0	
TXR3750	\$228,458	6	\$450,000	\$174,677	NO	\$0	
MOR1900	\$88,688	3	\$225,000	\$96,735	NO	\$0	
MOR4000	\$179,032	5	\$375,000	\$245,175	NO	\$0	
ARR2645	\$65,898	2	\$150,000	\$96,710	NO	\$0	
ARR3400	\$126,604	4	\$300,000	\$142,433	NO	\$0	
LAR1100	\$50,481	2	\$150,000	\$58,967	NO	\$0	

Table 4. Probability of Rep. Farms Exceeding \$75,000 or \$150,000 LDP

Farm	Simulated 1999 LDP Payments			Probability that LDP > \$75,000	Probability that LDP > \$150,000
	Minimum	Mean	Maximum		
Feed Grains					
TXNP1600	\$0	\$25,885	\$97,154	5%	0%
TXNP5500	\$0	\$96,617	\$388,955	44%	22%
IAG950	\$0	\$32,177	\$99,872	6%	0%
IAG2400	\$0	\$55,303	\$205,522	28%	3%
SCG1500	\$0	\$57,683	\$170,607	30%	4%
SCG3500	\$6,242	\$158,785	\$389,370	79%	47%
NEG800	\$0	\$22,377	\$117,452	6%	0%
NEG1575	\$0	\$49,309	\$253,274	24%	9%
MOCG1700	\$0	\$35,331	\$99,553	8%	0%
MOCG3300	\$0	\$72,191	\$236,865	39%	9%
MONG1450	\$0	\$26,000	\$101,468	3%	0%
TNG900	\$0	\$33,889	\$100,049	9%	0%
TNG2400	\$0	\$84,171	\$253,045	48%	17%
Wheat					
WAW1500	\$0	\$29,473	\$91,442	6%	0%
WAW4250	\$0	\$63,467	\$230,930	31%	10%
NDW4850	\$0	\$42,392	\$154,585	18%	1%
NDW1760	\$0	\$10,454	\$39,421	0%	0%
COW5420	\$0	\$27,134	\$115,574	7%	0%
COW2700	\$0	\$19,868	\$77,517	1%	0%
KSNW2325	\$0	\$16,073	\$71,650	0%	0%
KSNW4300	\$0	\$36,851	\$138,148	15%	0%
KSSW1385	\$0	\$10,624	\$39,212	0%	0%
KSSW3180	\$0	\$29,111	\$104,028	5%	0%
Cotton					
TXSP3697	\$28,366	\$154,813	\$335,331	87%	48%
TXSP1682	\$17,366	\$63,814	\$128,104	36%	0%
TXBL1400	\$5,305	\$31,696	\$92,735	4%	0%
TXCB1700	\$10,626	\$63,211	\$143,339	35%	0%
TXRP2500	\$925	\$38,839	\$107,179	15%	0%
CAC6000	\$80,282	\$383,798	\$692,726	100%	97%
CAC2000	\$47,102	\$166,332	\$295,043	90%	60%
TNC1675	\$22,095	\$103,369	\$182,601	69%	16%
TNC3800	\$72,896	\$246,242	\$490,429	99%	81%
Rice					
CAR424	\$0	\$52,087	\$138,751	21%	0%
CAR1365	\$0	\$164,691	\$439,129	81%	51%
TXR2118	\$0	\$60,625	\$182,517	31%	4%
TXR3750	\$0	\$175,682	\$531,755	82%	63%
MOR1900	\$0	\$98,100	\$293,311	64%	16%
MOR4000	\$8,113	\$249,402	\$731,552	87%	70%
ARR2645	\$0	\$97,378	\$255,667	63%	14%
ARR3400	\$0	\$143,226	\$356,762	81%	48%
LAR1100	\$0	\$59,224	\$188,867	28%	3%

Summary

It should be pointed out that payment limitations are not new. They have existed in various forms for several decades. As stated earlier, many operations have found ways to structure their operations to minimize the impacts of those limits. Historically, payment limitations have applied to direct payments for feed grains, wheat, rice, and cotton. The big difference for 1999 is that substantial direct payments are likely to be made for soybeans. As a result, operations with substantial soybean acreage may be unprepared to handle the existing limit of \$75,000 on LDP's and marketing loan gains.

The combination of soybeans and cotton gives the greatest potential for an operation to hit the payment limitation. A cotton and soybean farm with a 50/50 mix would need 1,200 acres to meet the \$75,000 limit. If the soybean acres are double-cropped with wheat, then the size of the farm falls to 1,075 acres. For a corn/soybean operation, approximately 2,400 acres are necessary to generate \$75,000 in LDP's.

For an operation that reaches their maximum level of LDP's and/or marketing loan gains, there are other alternatives that avoid constraints. The producer can choose to place their crop under the 9-month loan program. If prices recover to levels above the loan, the producer would repay at the loan rate and there would be no associated marketing loan gain. If prices remain below the loan rate, then the producer would simply forfeit the grain as settlement of the loan. In this case, there would be no LDP or marketing loan gain for the producer. However, this strategy would have the result of transferring ownership of the commodity to the government. In terms of market price impacts, heavier loan placements would tend to support harvest-time prices. If the commodity enters the market at the end of the loan period, prices would come under additional pressure.

APPENDIX

1999 CHARACTERISTICS OF PANEL FARMS PRODUCING FEED GRAINS

- IAG950** A 950-acre Northwestern Iowa (Webster County) moderate size grain farm that plants 475 acres of corn, and 475 acres of soybeans. The farm receives 54 percent of its receipts from corn.
- IAG2400** A 2,400-acre Northwestern Iowa (Webster County) large grain farm that plants 1,200 acres of corn, and 1,200 acres of soybeans. The farm generates 58 percent of its receipts from corn.
- NEG800** A 800-acre South Central Nebraska (Phelps County) moderate size 100 percent irrigated grain farm that plants 770 acres of corn, and 30 acres of alfalfa. The farm also has 100 breeding cows. The farm generates 87 percent of its receipts from corn.
- NEG1575** A 1,575-acre South Central Nebraska (Phelps County) large 100 percent irrigated grain farm that plants 1,575 acres of corn. The farm generates about 97 percent of its receipts from corn.
- MOCG1700** A 1,700-acre Central Missouri (Carroll County) moderate size grain farm with 250 acres of wheat, 808 acres of corn, and 808 acres of soybeans. This farm is located in the Missouri river bottom and supplies feed to the livestock producers in the region at a premium to other areas of Missouri. Corn generates 53 percent of the farm's receipts.
- MOCG3300** A 3,300-acre Central Missouri (Carroll County) large grain farm with 300 acres of wheat, 1,319 acres of corn, and 1,881 acres of soybeans. This farm is located in the Missouri river bottom and supplies feed to the livestock producers in the region at a premium to other areas of Missouri. The farm generates about 48 percent of its total revenue from corn.
- MONG1450** A 1,450-acre Northern Missouri (Nodaway County) diversified grain farm with 600 acres of corn, 600 acres of soybeans, and 200 acres of hay. The farm also has 150 breeding cows and 80 breeding sows. The farm generates about 70 percent of its total revenue from corn and soybeans and 13 percent from cattle.

PANEL FARMS PRODUCING FEED GRAINS (CONTINUED)

- TXNP1600** A 1,600-acre Northern High Plains of Texas (Moore County) moderate size, 100 percent irrigated, grain farm with 642 acres of wheat, 280 acres of sorghum, 470 acres of corn, and 208 acres fallow. The farm generates 72 percent of its total receipts from feed grains.
- TXNP5500** A 5,500-acre Northern High Plains of Texas (Moore County) large, 85 percent irrigated, grain farm with 1,675 acres of irrigated wheat, 800 acres of dryland wheat in the corners of all pivot irrigated fields, 275 acres of irrigated sorghum, 2,200 acres of irrigated corn, and 550 acres fallow. The farm generates about 75 percent of its receipts from feed grains.
- TNG900** A 900-acre Western Tennessee (Henry County) grain and soybean farm with 400 acres of corn, 500 acres of soybeans, 200 acres of wheat, and 250 acres of hay. The farm generates about 77 percent of its receipts from corn and soybeans.
- TNG2400** A 2,400-acre Western Tennessee (Henry County) grain and soybean farm with 1,200 acres of corn, 1,200 acres of soybeans, and 600 acres of wheat. The farm generates about 87 percent of its receipts from corn and soybeans.
- SCG1500** A 1,500-acre South Carolina (Clarendon County) moderate size grain farm with 750 acres of double cropped wheat and soybeans, 600 acres of corn, and 150 acres of full season soybeans. The farm generates about 64 percent of its total receipts from corn and soybeans. This farm enjoys high returns on double cropped acreage but timing will not allow more than 750 acres.
- SCG3500** A 3,500-acre South Carolina (Clarendon County) large grain farm with 2,020 acres of double crop wheat and soybeans, 350 acres of cotton, and 1,130 acres of corn. This farm enjoys high returns on double cropped acreage but timing is a limiting factor. The farm generates 57 percent of its receipts from corn and soybeans.

1999 CHARACTERISTICS OF PANEL FARMS PRODUCING WHEAT

- WAW1500** A 1,500-acre Southeastern Washington (Whitman County) moderate size grain farm, updated December 1998, that plants 900 acres of wheat, 300 acres of barley, and 300 acres of peas. Disease problems require a rotation that includes a minimum amount of barley and peas to maintain wheat yields. The farm generates 69 percent of its receipts from wheat.
- WAW4250** A 4,250-acre Southeastern Washington (Whitman County) large size grain farm, updated December 1998, that is harvesting 2,763 acres of wheat, 200 acres of barley, and 1,287 acres of peas. Disease problems require a rotation that includes a minimum amount of barley and peas in order to maintain wheat yields. Winter and spring wheat account for 77 percent of receipts.
- NDW1760** A 1,760-acre South Central North Dakota (Barnes County) moderate size grain farm, updated February 1999, that has 704 acres of wheat, 176 acres of barley, 176 acres of corn, 352 acres of soybeans, and 352 acres of sunflowers. The farm receives about 41 percent of receipts from wheat.
- NDW4850** A 4,850-acre South Central North Dakota (Barnes County) large grain farm, updated February 1999, that plants 2,585 acres of wheat, 470 acres of barley, 705 acres of soybeans, 940 acres of sunflowers, and 150 acres of CRP. Wheat accounts for about 50 percent of the farms total gross receipts.
- KSSW1385** A 1,385-acre South Central Kansas (Sumner County) moderate size grain farm, updated February 1999, that plants 928 acres of wheat, 138 acres of soybeans, and 319 acres of grain sorghum. The farm generates about 62 percent of its receipts from wheat.
- KSSW3180** A 3,180-acre South Central Kansas (Sumner County) large grain farm, updated in February 1999, harvesting 2,258 acres of wheat, 652 acres of grain sorghum, 56 acres of corn, 87 acres of soybeans, and 127 acres of hay. The farm also has 67 breeding cows. The farm generates 66 percent of its receipts from wheat.
- KSNW2325** A 2,325-acre North Western Kansas (Thomas County) moderate size grain farm, updated January 1999, that plants 775 acres of wheat, 155 acres of grain sorghum, 620 acres of corn, and has 775 acres of fallow. The farm generates 37 percent of its receipts from wheat.
- KSNW4300** A 4,300-acre North Western Kansas (Thomas County) large grain farm, updated January 1999, harvesting 1,948 acres of wheat, 465 acres of sorghum, 549 acres of corn, 262 acres of sunflowers, 75 acres of hay, and 1,001 acres of fallow. The farm also has 100 breeding cows. The farm generates about 49 percent of its receipts from wheat.
- COW2700** A 2,700-acre Northeast Colorado (Washington County) moderate size grain farm, updated January 1999, that plants 1,127 acres of wheat, 608 acres of millet, and 446 acres of corn, and will leave 519 acres fallow. The farm generates 51 percent of its receipts from wheat.
- COW5420** A 5,420-acre Northeast Colorado (Washington County) large size grain farm, updated in January 1999, that plants 1,900 acres of wheat, 500 acres of corn, 1,300 acres of millet, 640 acres of CRP, and 1,100 acres in fallow. Wheat produces 59 percent of the farms gross revenue.

1999 CHARACTERISTICS OF PANEL FARMS PRODUCING COTTON

- CAC2000** A 2,000-acre Central San Joaquin Valley California (Kings County) moderate size cotton farm that plants 600 acres of cotton, 600 acres of wheat, 400 acres of corn, and 600 acres of hay. The farm generates 42 percent of its gross income from cotton.
- CAC6000** A 6,000-acre Central San Joaquin Valley California (Kings County) large cotton farm harvesting 3,000 acres of cotton, 1,500 acres of vegetables, 720 acres of wheat, 240 acres of corn, and 300 acres of hay. Vegetables on this farm vary from year to year depending on the price of the particular vegetable, however, the returns to this 1,500 acres remain relatively stable over time. Cotton generates about 69 percent of this farm's receipts.
- TXSP1682** A 1,682-acre Texas Southern High Plains (Dawson County) moderate size cotton farm, updated December 1998. The farm plants 1,185 acres of cotton (886 dryland and 319 irrigated), 196 acres of peanuts, and has 183 acres in CRP. This farm is just now starting to adopt the irrigation practices of its larger counterpart. The farm generates 62 percent of its receipts from cotton.
- TXSP3697** A 3,697-acre Texas Southern High Plains (Dawson County) large cotton farm, updated December 1998. The farm plants 2,665 acres of cotton (2,095 dryland and 570 irrigated), 285 acres of peanuts, and has 214 acres in CRP. Cotton generates 74 percent of this farms receipts.
- TXRP2500** A 2,500-acre Texas Rolling Plains (Jones County) cotton farm that plants 1,240 acres of cotton, and 825 acres of wheat. The farm also has 25 breeding cows and uses the wheat acreage to graze the cattle in the winter. About 74 percent of this farms receipts are derived from cotton. This farm represents the consolidation of two previous representative farms.
- TXBL1400** A 1,400-acre Texas Blacklands (Williamson County) moderate size cotton and grain farm, updated February 1999, the farm has 350 acres of cotton, 400 acres of sorghum, 550 acres of corn, and 100 acres of wheat. This farm also has 50 breeding cows which are pastured on rented land that cannot be cropped. Cotton generates 38 percent of the farms receipts.
- TXCB1700** A 1,700-acre Texas Coastal Bend (San Patricio County) cotton farm, updated January 1999. The farm has 765 acres of cotton, and 935 acres of grain sorghum. Severe disease problems force this farm to plant at a minimum 50 percent of the land to grain sorghum. About 67 percent of the receipts are cotton receipts.
- TNC1675** A 1,675-acre Southwest Tennessee (Fayette County) cotton farm, developed in 1998, with 838 acres of cotton, 670 acres of soybeans, and 168 acres of corn. The farm generates about 68 percent of its cash receipts from cotton.
- TNC3800** A 3,800-acre Southwest Tennessee (Haywood County) cotton farm, developed in 1998, with 2,508 acres of cotton, 760 acres of soybeans, 300 acres of wheat, and 532 acres of corn. The farm generates about 77 percent of its cash receipts from cotton.

1999 CHARACTERISTICS OF PANEL FARMS PRODUCING RICE

- CAR424** A 424-acre Sacramento Valley California (Sutter and Yuba Counties) moderate size rice farm that plants 400 acres of rice. The farm generates 94 percent of its gross income from rice.
- CAR1365** A 1,365-acre Sacramento Valley California (Sutter and Yuba Counties) large rice farm that plants 1,265 acres of rice. The farm generates about 98 percent of its gross income from rice.
- TXR2118** A 2,118-acre West of Houston, Texas (Wharton County) moderate size rice farm that harvests 600 acres of first crop rice, and 510 acres of ratoon rice. The farm receives 98 percent of its gross receipts from rice.
- TXR3750** A 3,750-acre West of Houston, Texas (Wharton County) large rice farm that harvests 1,500 acres of first-crop rice, 1,275 acres of ratoon rice, and 200 acres of hay. The farm also has 200 breeding cows. About 95 percent of the farm's gross receipts are from rice.
- MOR1900** A 1,900-acre Southeastern Missouri (Butler County) moderate size rice farm with 616 acres of rice, 650 acres of soybeans, and 633 acres of corn. Rice accounts for 52 percent of this farms receipts.
- MOR4000** A 4,000-acre Southeastern Missouri (Butler County) large rice farm with 1,710 acres of rice, 800 acre soybeans, 1,250 acres of corn, and 240 acres of cotton. About 59 percent of this farm's receipts are generated from rice.
- ARR2645** A 2,645-acre Arkansas (Arkansas County) moderate size rice farm with 175 acres of medium grain rice, 512 acres of long grain rice, 958 acres of soybeans, 230 acres of corn, and 450 acres of wheat. About 54 percent of the farms receipts come from rice.
- ARR3400** A 3,400-acre Arkansas (Arkansas County) moderate size rice farm with 325 acres of medium grain rice, 975 acres of long grain rice, 1,700 acres of soybeans, and 500 acres of wheat. About 65 percent of the farms receipts come from rice.
- LAR1100** A 1,100-acre Louisiana (Jefferson Davis, Acadia, and Vermilion Parishes) moderate size rice farm harvesting 189 acres of medium grain rice, 351 acres of long grain rice, 362 acres of soybeans, and 198 acres of fallow. About 85 percent of this farm's receipts are generated by rice