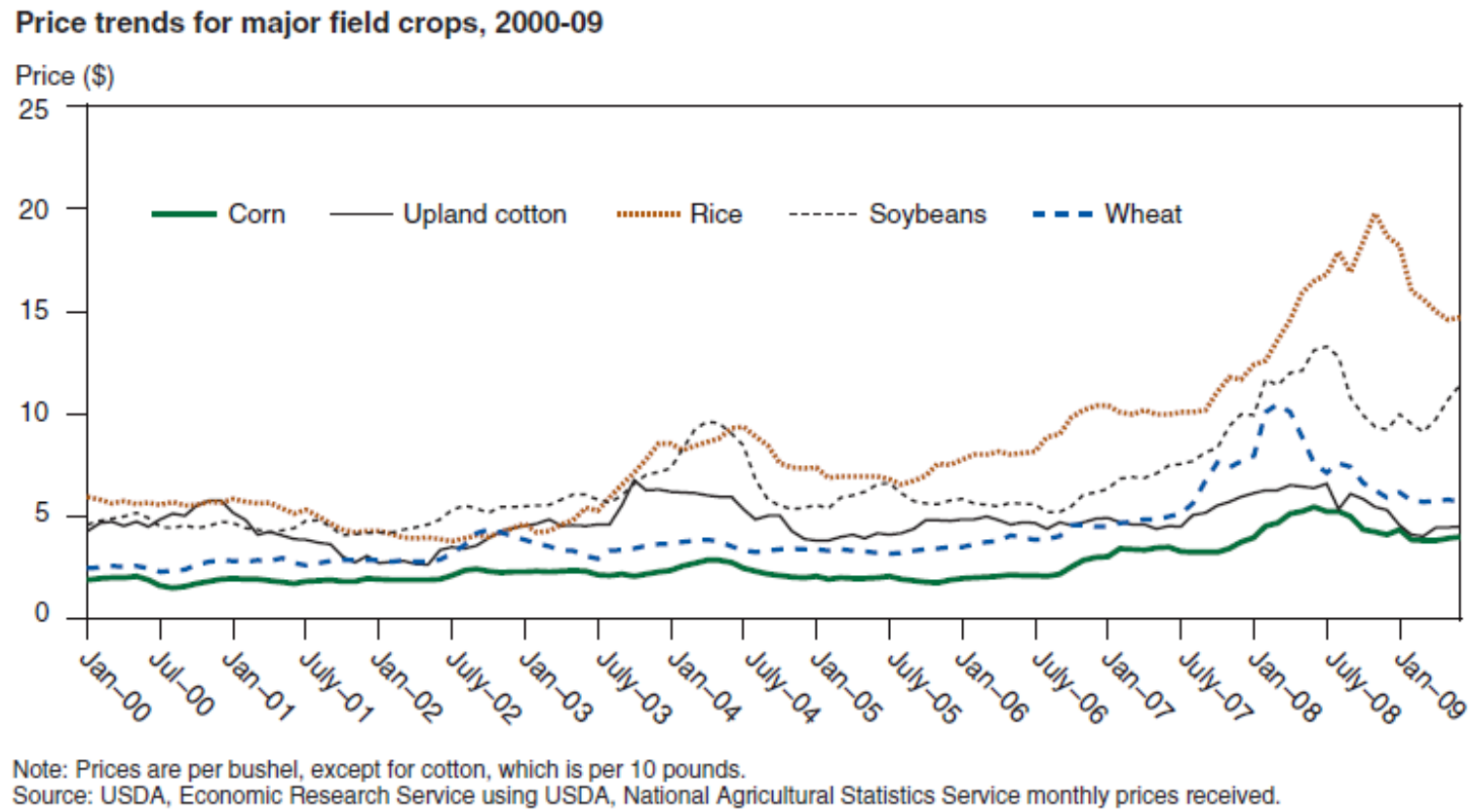
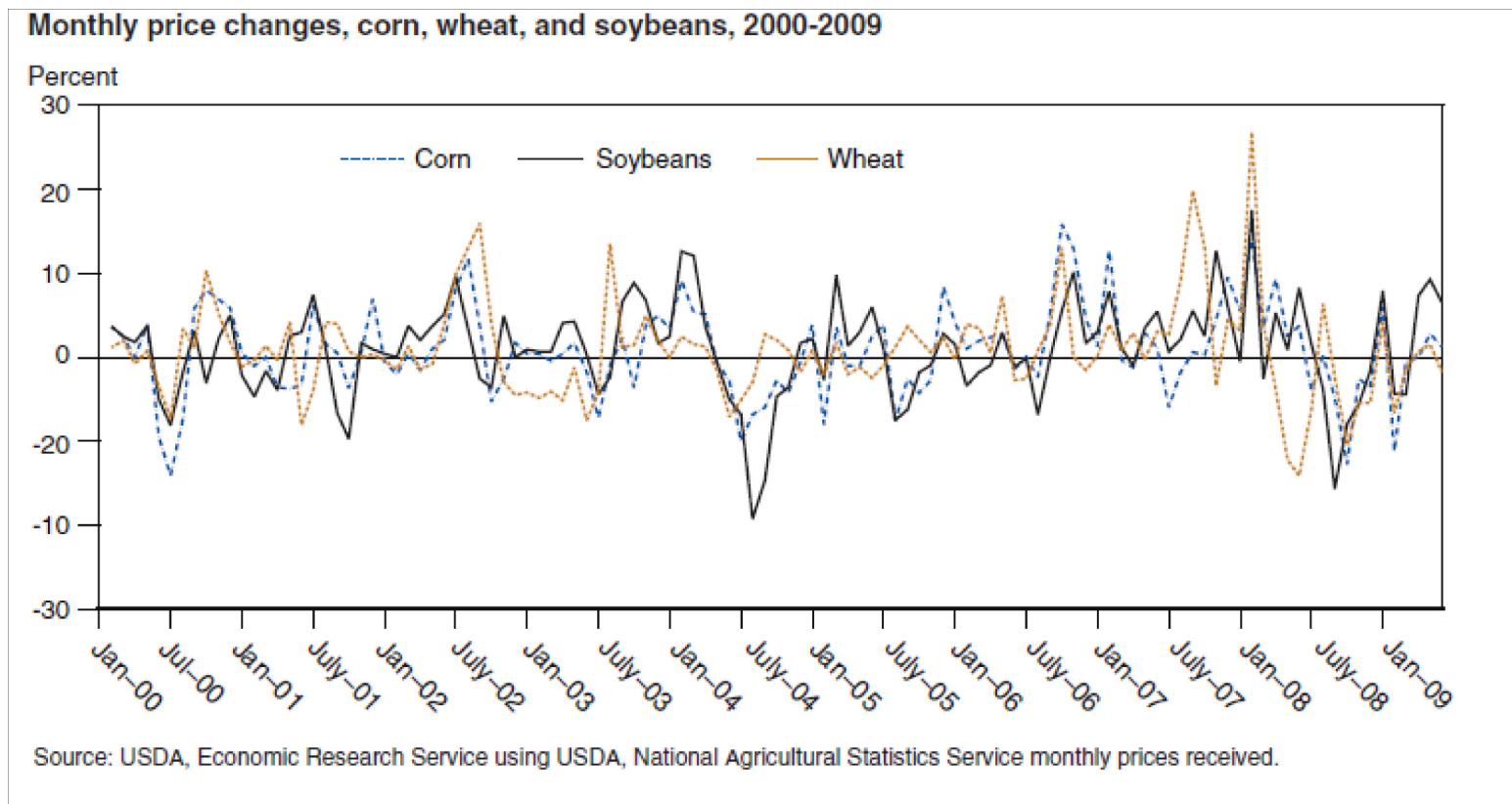


Figure 2.3.m Price Trends for major field crops 2000-09



Source: Macdonald and Krob (2011)

Figure 2.3.n Monthly percentage price changes for corn, wheat and soybeans



Source: Macdonald and Korb (2011)

Figure 2.3.p Characteristics of US Farms and Use of Marketing Contracts

Table 1. Characteristics of U.S. Farms with Sales Greater than \$100,000, 1999–2005

	Farms with Marketing Contracts		Farms with no Marketing Contracts	
	Mean	SD	Mean	SD
(A). Farm Characteristics				
Acres operated	1432	2441	1498	6433
Gross farm income	573,793	1,172,116	429,064	1,535,563
Total farm expenses	428,838	917,990	318,736	1,198,076
Net farm income	144,955	422,828	110,328	542,541
Number of commodities produced	3.40	1.58	3.53	1.73
Primary crop revenue share	0.657	0.223	0.565	0.370
Debt-asset ratio	0.2168	0.2559	0.1881	0.2327
(B) Household characteristics				
Age	50	12	51	12
Education				
Less than High School	0.045	0.207	0.083	0.275
High School	0.351	0.477	0.434	0.496
Some College	0.315	0.465	0.270	0.444
College Graduate	0.247	0.431	0.176	0.381
Graduate School	0.042	0.201	0.037	0.188
Experience	25.0	13.6	25.6	13.4
Off-farm household income share	0.318	0.902	0.375	0.971
Observations	15,189		38,058	
Weighted observations		557,219		1,674,187

Notes: Data from pooling the 1999–2005 Agricultural Resource Management Surveys. Sample includes all farms with cropland or self-classified as crop farms. All amounts in 2005 dollars.

Table 2. Crop-Level Crop Marketing Contract Use (Farms with Revenue >\$100,000)

	<i>N</i> 1	Farms with Marketing Contracts 2	Production under a Marketing Contract 3
Barley	87,520	0.1786	0.8606
Canola	19,485	0.1004	0.7601
Corn	1,084,946	0.2322	0.3952
Cotton	120,988	0.4696	0.8836
Oats	128,005	0.0084	0.8896
Peanuts	35,819	0.4884	0.9264
Potatoes	16,998	0.3587	0.7641
Rice	45,802	0.3481	0.8551
Sorghum	120,563	0.0819	0.6912
Soybean	1,034,691	0.1774	0.5105
Sugar beets	25,795	0.8750	0.9713
Wheat	609,611	0.0946	0.5864

Notes: Data are pooled ARMS data from 1999–2005. Column (1) gives the number of farms growing each crop. Column (2) reports the proportion of farms with a marketing contract for each crop. Column (3) reports the proportion of crop output placed under the contract for farms with marketing contracts.

Source: Cole and Kirwan (2009, p.1245)

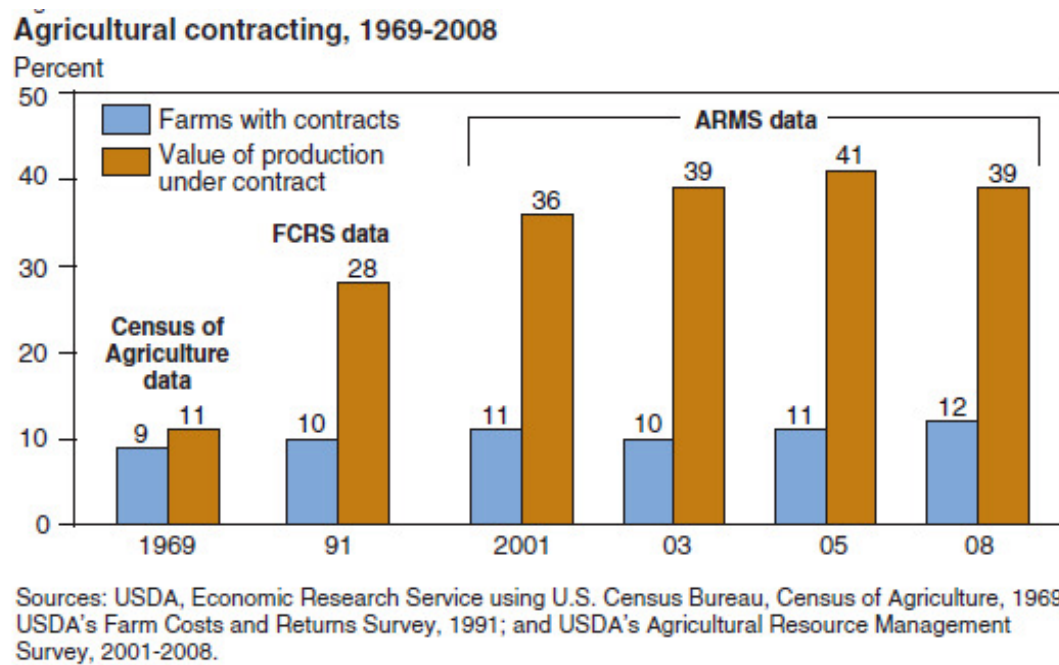
Figure 2.3.q Farmer Usage of Risk Management Products

Percentage of crop producers that used one of the following price risk management instruments in 1999/2000							
		Insurance		Age		Gross annual farm sales	
Cash forward contract	82.2%	Catastrophic coverage	42.1%	Younger than 25 years	0.7%	Over \$ 1,000,000	16.5%
Basis contracts	42.2%	Crop revenue coverage	49.6%	25–29 years	4.4%	\$ 999,999–\$ 500,000	25.9%
Futures contracts	40.4%	Only hail insurance	21.4%	30–34 years	12.8%	\$ 499,999–\$ 400,000	13.7%
Put options	37.0%	Group risk plan (GRP)	8.9%	35–39 years	21.2%	\$ 399,999–\$ 300,000	15.4%
Hedge-to-arrive contracts	20.6%	Income protection (IP)	5.8%	40–44 years	20.0%	\$ 299,999–\$ 200,000	17.3%
Minimum price contracts	13.2%	Revenue assurance (RA)	5.3%	45–49 years	18.0%	\$ 199,999–\$ 100,000	9.9%
				50–59 years	18.8%	\$ 99,999–\$ 50,000	1.1%
				60–64 years	2.7%	Less than \$ 50,000	0.1%
				65 years and older	1.4%		
Crop acreage (planted annually)	Corn	Sorghum	Soybean	Wheat	Cotton	Rice	Hay
Over 2,000 acres	4.5%	1.1%	2.9%	9.1%	2.2%	.4%	5.2%
1,999–1,500 acres	16.3%	1.5%	10.9%	14.7%	3.7%	1.3%	3.1%
1,499–1,000 acres	42.3%	3.0%	34.2%	16.3%	4.7%	1.8%	5.4%
999–500 acres	7.9%	5.1%	14.4%	8.0%	1.5%	1.1%	7.1%
499–300 acres	6.9%	8.3%	9.9%	13.3%	.6%	.8%	14.9%
Under 300 acres	2.9%	6.6%	4.6%	12.4%	.4%	.1%	21.3%
No acres	19.3%	74.5%	23.1%	26.2%	87.0%	94.6%	42.9%

Note. The sample consists of 1,105 U.S. crop producers in the Midwest, Southeast, and Great Plains. The crop producers' age, gross annual farm sales, and crop acreage were obtained from accounting data. Data on price risk management instruments and insurance products were measured during the survey and reflects usage during 1999 and 2000.

Source: Pennings et al. (2008, p.35)

Figure 2.3.r US Agricultural Contracting



Source: Macdonald and Korb (2011, p.8)