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Weekly Farm Economics: 2013 Illinois County Yields and GRIP Payments

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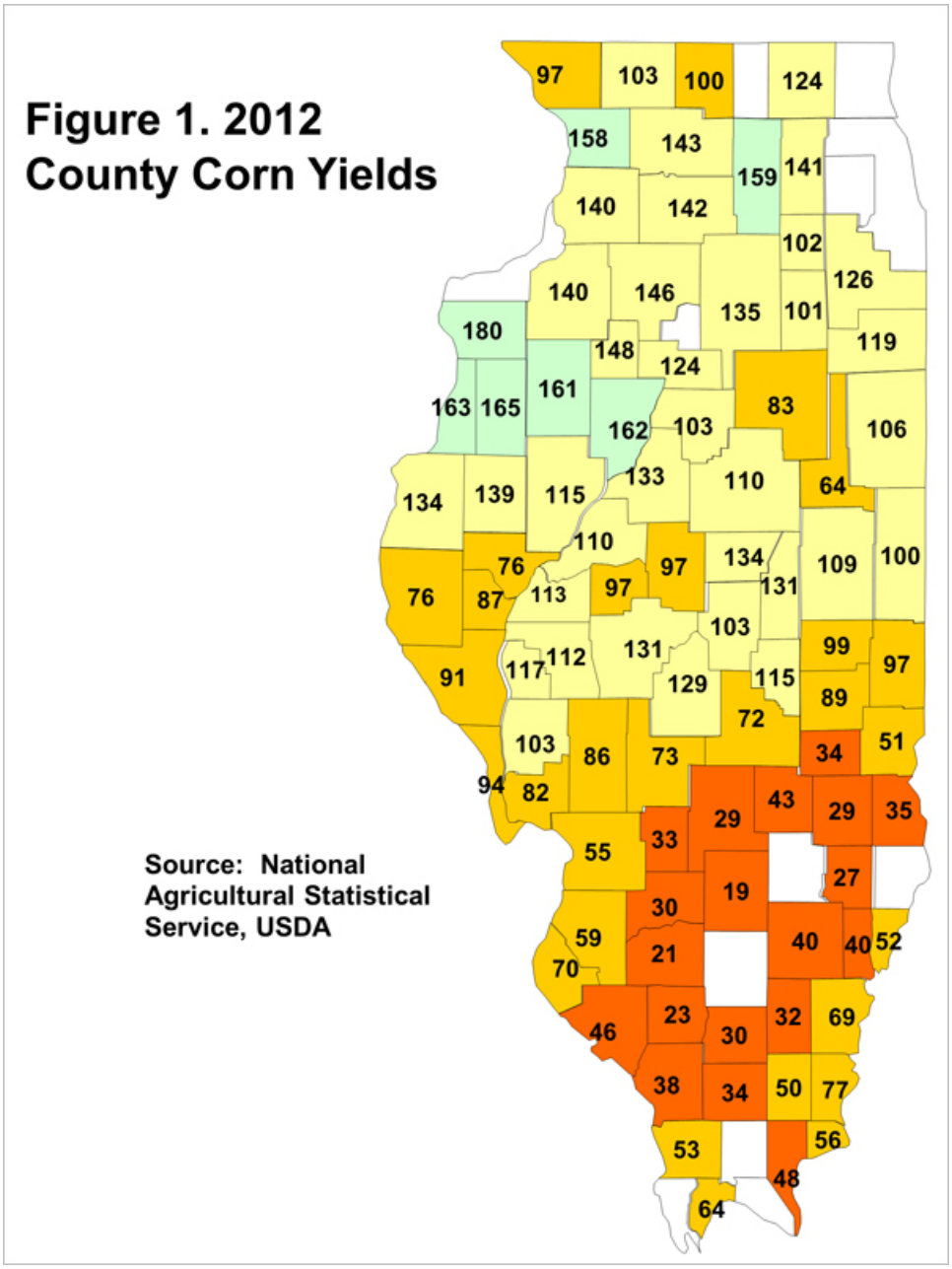
The National Agricultural Statistical Service (NASS) recently released county yields for corn and soybeans for 2012. These yields confirm that the drought significantly lowered 2012 production, with extremely low yields being prevalent in southern Illinois. Corn yields were more impacted than soybean yields. With county yield estimates, Group Risk Income Plan with the harvest price option (GRIP-HR) can be estimated. Most counties will have GRIP-HR payments for corn, with many counties having large payments. Fewer counties had GRIP-HR payments for soybeans.

Illinois Corn Yields

Illinois corn yields were extremely low, with some of the lowest corn yields in southern Illinois (see Figure 1 as well as Appendix Table 1 for yields). The county with the lowest corn yield was Marion County, having a yield of 19 bushels per acre. There were five counties with corn yields in the 20 bushel range, all of which are located in southern Illinois: Washington (21 bushel per acre, Perry (23 bushels), Richland (27 bushels), Jasper (29 bushels), and Fayette (29) counties. Obviously, the 2012 drought had a devastating impact on yields in southern Illinois.



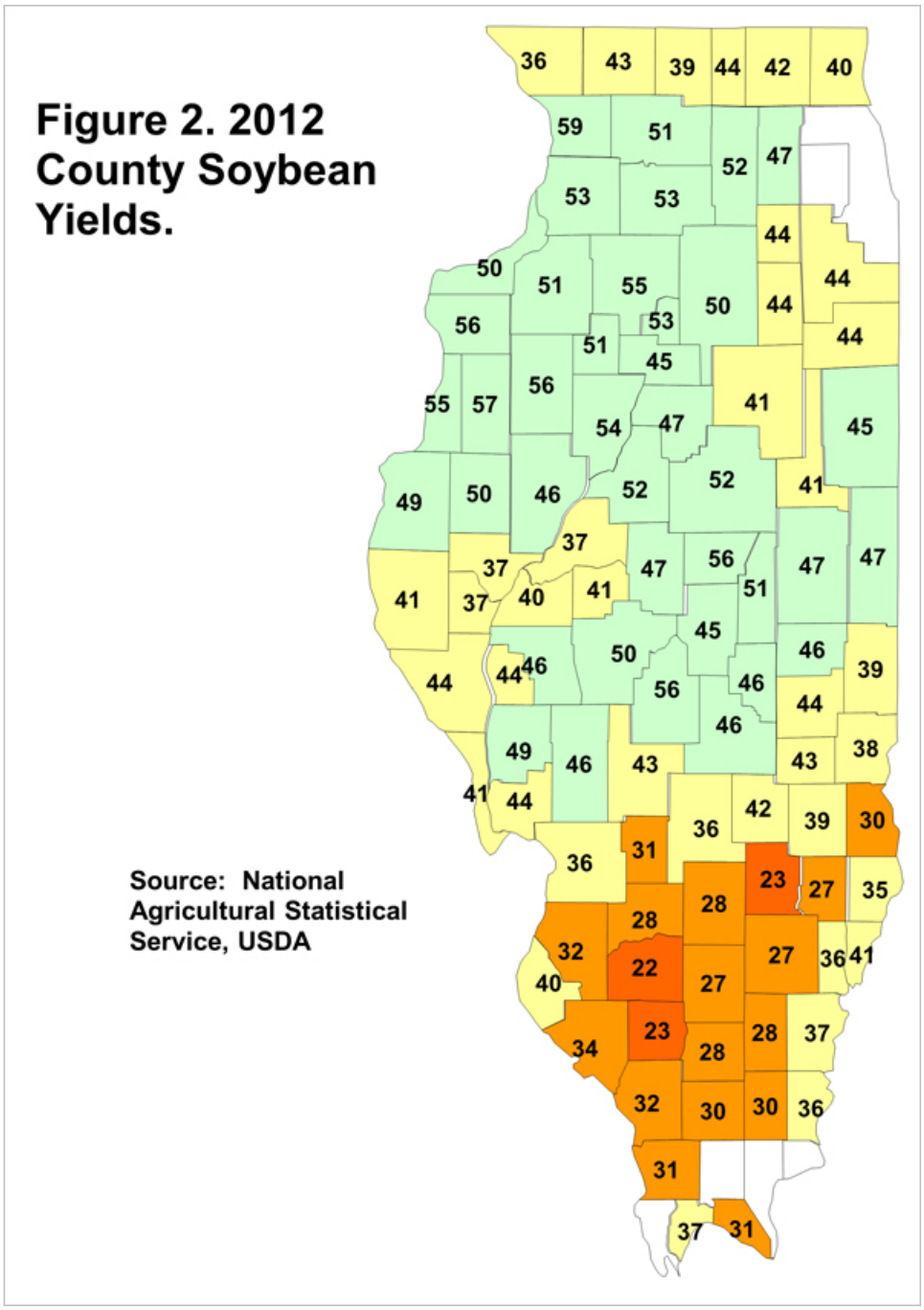
Central Illinois also had low yields, with three areas particularly hard hit. In western Illinois, near the Mississippi River, there were several counties with below 90 bushel yields: Adams (76 bushels), Schuyler (76 bushels), and Brown (87 bushels) Counties. Logan and Menard Counties in mid-central Illinois had yields of 97 bushels per acre. In east-central Illinois, Ford County had a 64 bushel yield and Livingston County had an 83 bushel yield.

The highest corn yields generally were in western Illinois, centered around Mercer County. Mercer County had a 180 bushel per acre yield.

Illinois Soybean Yields

While not exceptional, Illinois soybean yields were not as poor as Illinois corn yields (see Figure 2). There were many counties in northern and central Illinois that averaged over 50 bushels per acre. Most counties in southern Illinois had yields above 25 bushels per acre. Carroll County in northwest Illinois had the highest soybean yield of 59 bushels per acre. Washington County in southern Illinois had the lowest

county yield of 22 bushels per acre.

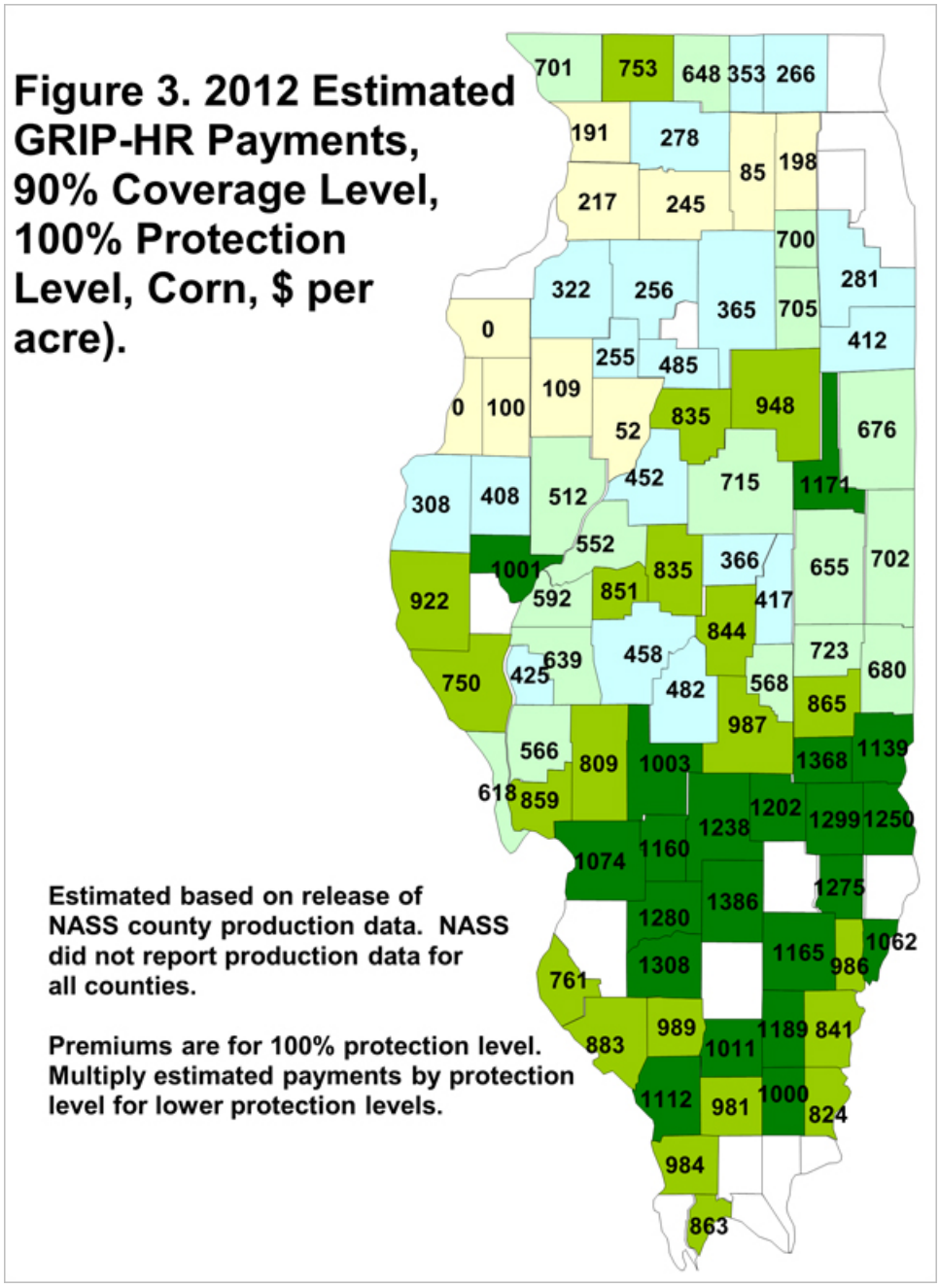


There were six counties that had average soybean yields that higher than average county corn yields, an unusual occurrence. All these counties were located in southern Illinois and included Cumberland (43 bushel soybean yield versus 34 bushel corn yield), Fayette (35 bushel soybean yield versus 39 bushel corn yield), Jasper (39 bushel soybean yield versus 29 bushel corn yield), Marion (28 bushel soybean yield versus 19 bushel corn yield), Richland (27 bushel soybean yield versus 26.5 bushel corn yield), and Washington Counties (22 bushel soybean yield versus 21 bushel corn yield).

GRIP-HR Payments for Corn

Group Risk Income Plan with the Harvest Revenue IGRIP-HR) is the most used county level insurance product, with most individuals taking the policy at the 90% coverage level. With the release of county yield data, reasonable estimates of GRIP-HR estimates can be made. Figure 3 shows GRIP-HR

estimates at the 90% coverage level and the 100% protection level. The 100% protection level is the highest protection level. Farmers can choose a lower protection level. If farmers choose a 60% protection level, the lowest protection level, the payments would be 60% of those shown in Figure 3.

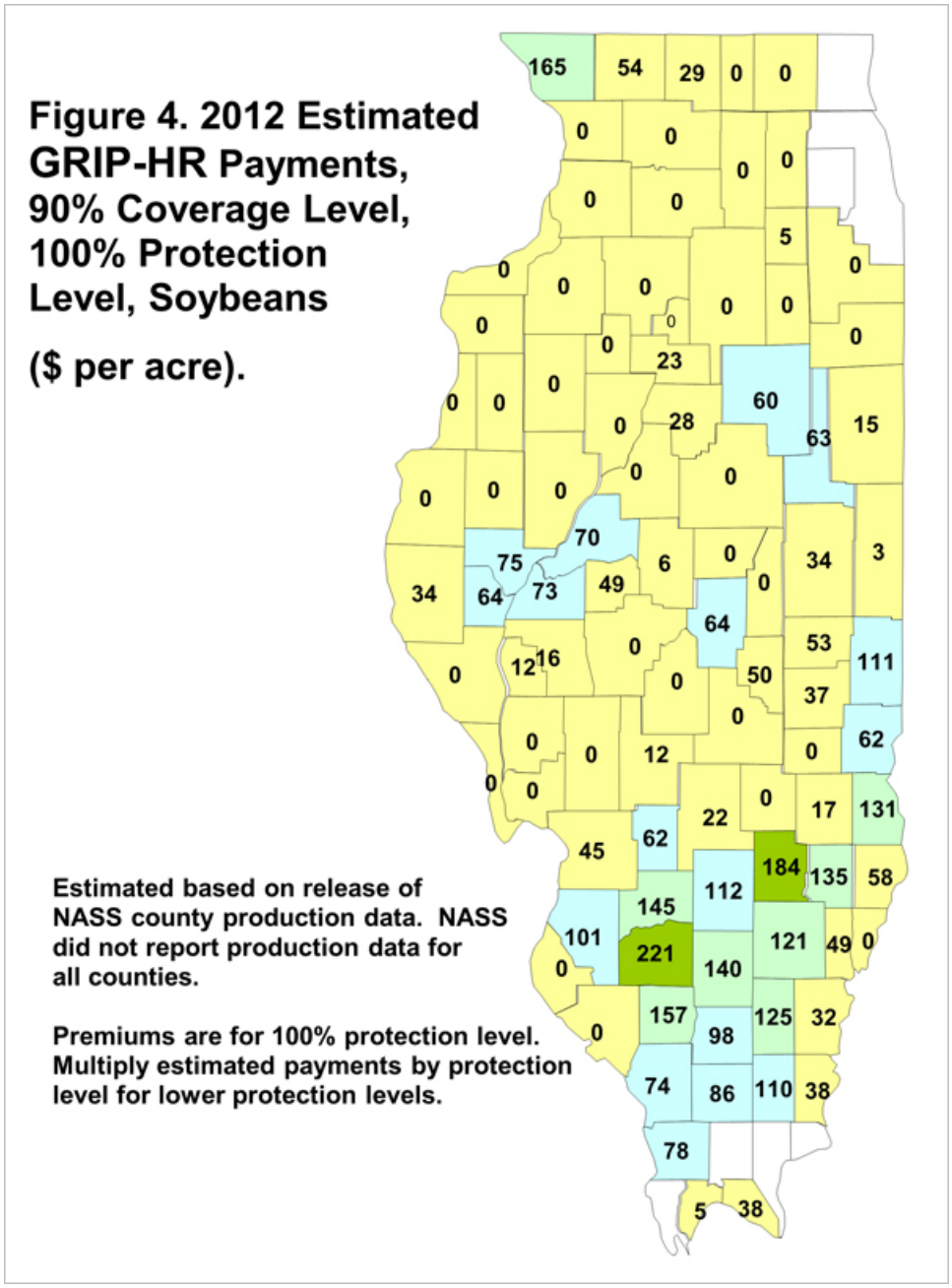


Many counties in southern Illinois, and several counties in central Illinois, have estimated payments over $1000 per acre. This would be an expected outcome in a drought year for a product with the harvest price increase. Lower yield trigger payments that are then paid at the higher harvest price.

Note that there are several counties that have blanks in Figure 3. There were a number of counties that have GRIP policies for which NASS did not report county production data: Boone, Clay, Lawrence, Jefferson, Rock Island, Massac Counties. It remains to be seen how RMA will determine GRIP-HR payments in these counties.

GRIP-HR Payments for soybeans

Fewer counties had GRIP-HR payments (see Figure 4). For those counties having payments, GRIP-HR payments were lower than for corn. These lower payments reflect the fact that soybean yields were less impacted by the drought compared to corn yields.



Summary

Corn yields were low over much of Illinois, with the lowest yields occurring in southern Illinois. As a result of low yields, GRIP-HR will make payments in most Illinois counties. Soybeans yields were not as low as corn yields. Fewer counties will have GRIP-HR payments.

Appendices

Table 1. 2012 County Corn and Soybean Yields, Illinois.

County	Corn	Soybeans	County	Corn	Soybeans	County	Corn	Soybeans	
Adams	76.0	40.7	Henry	140.0	50.9	Ogle	142.9	50.8	
Bond	33.3	31.0	Iroquois	105.7	44.7	Peoria	161.9	54.1	
Boone	3/	43.9	Jackson	37.7	32.2	Perry	23.3	22.8	
Brown	87.0	37.4	Jasper	28.9	39.3	Piatt	130.8	51.4	
Bureau	145.7	55.0	Jefferson	2/	26.9	Pike	90.5	44.4	
Calhoun	93.8	41.4	Jersey	81.6	44.4	Pope	47.6	4/	
Carroll	157.9	59.0	Jo Daviess	97.4	35.5	Pulaski	64.4	37.0	
Cass	113.2	39.5	Kane	140.7	46.5	Putnam	1/	52.9	
Champaign	108.9	47.1	Kankakee	119.2	43.8	Randolph	45.5	34.3	
Christian	129.2	55.8	Kendall	102.4	43.5	Richland	26.5	27.0	
Clark	51.1	38.3	Knox	160.8	55.9	Rock Island	157.3	50.3	
Clay	1/	22.6	Lake	3/	40.0	St. Clair	58.6	31.5	
Clinton	30.2	27.5	LaSalle	134.8	49.6	Saline	50.0	29.9	
Coles	89.3	44.3	Lawrence	37.1	34.6	Sangamon	131.3	49.5	
Crawford	34.7	30.2	Lee	142.3	52.5	Schuyler	75.9	37.0	
Cumberland	34.3	43.3	Livingston	83.3	41.2	Scott	117.3	43.5	*
DeKalb	159.3	51.5	Logan	96.5	47.3	Shelby	72.4	46.1	
De Witt	134.4	55.6	McDonough	139.0	50.0	Stark	148.4	51.0	
Douglas	99.4	45.5	McHenry	124.4	42.2	Stephenson	102.8	43.2	
Edgar	96.7	38.9	McLean	109.5	52.3	Tazewell	133.4	51.5	
Edwards	40.0	36.0	Macon	102.8	44.8	Union	53.3	30.5	
Effingham	42.9	42.0	Macoupin	85.7	46.0	Vermilion	100.1	46.6	
Fayette	29.3	35.6	Madison	54.8	36.4	Wabash	52.1	41.0	*
Ford	63.9	41.3	Marion	19.0	27.7	Warren	164.9	57.2	
Franklin	30.1	27.9	Marshall	123.9	45.0	Washington	21.1	22.0	
Fulton	114.5	45.8	Mason	110.2	36.8	Wayne	39.7	27.1	
Gallatin	76.7	35.7	Massac	2/	31.3	White	69.2	36.7	
Greene	103.4	48.8	Menard	97.4	41.1	Whiteside	139.8	52.8	
Grundy	101.1	43.9	Mercer	180.1	56.1	Will	126.0	43.8	
Hamilton	31.5	28.0	Monroe	69.6	39.5	Williamson	33.7	29.5	
Hancock	134.3	48.7	Montgomery	73.2	42.5	Winnebago	99.6	39.4	
Hardin	55.7	4/	Morgan	112.4	46.4	Woodford	102.5	46.5	*
Henderson	162.6	55.4	Moultrie	115.1	45.5				

Source: National Agricultural Statistical Service, USDA.

1/ Rock Island and Putnam Counties are combined (157.3 bushels per acre)

2/ Jefferson and Massac Counties are combined (48.6 bushels per acre).

3/ Boone, Lake, Cook, and DuPage Counties are combined (121.4 bushels per acre).

4/ Pope and Harden Counties are combined.