1605 S. State Street, Suite 103 * Champaign, IL 61820-7264 *ph: 217-244-2637 * fax 217-333-2312

Estimates of State-Level Losses on Corn Acres Resulting from COVID-19 on 2019 and 2020 Production

Report prepared for National Corn Growers Association Prepared by Gary Schnitkey and Jonathan Coppess, IFAR June 24, 2020

We provide estimates of losses from COVID-19 on corn acres by state on 2019 and 2020 production. Table 1 summarizes losses by state.

Table 1. Decline in Corn Revenue on 2019 and 2020 Production Due to COVID-19.

| | 2019 | 2020 | Two-Year |
|----------------|--------------|--------------|--------------|
| State | Production | Production | Total |
| | | | |
| | Dollars | Dollars | Dollars |
| Colorado | -13,647,400 | -38,094,189 | -51,741,589 |
| Illinois | -137,659,200 | -342,127,408 | -479,786,608 |
| Indiana | -48,845,880 | -159,817,533 | -208,663,413 |
| Iowa | -303,255,900 | -511,441,245 | -814,697,145 |
| Kansas | -68,013,960 | -205,841,285 | -273,855,245 |
| Kentucky | -25,076,300 | -36,611,550 | -61,687,850 |
| Michigan | -30,561,020 | -60,047,102 | -90,608,122 |
| Minnesota | -213,643,000 | -302,181,615 | -515,824,615 |
| Missouri | -47,301,800 | -102,517,766 | -149,819,566 |
| Nebraska | -269,500,320 | -406,023,312 | -675,523,632 |
| North Carolina | -9,082,380 | -24,697,536 | -33,779,916 |
| North Dakota | -63,553,480 | -99,750,535 | -163,304,015 |
| Ohio | -53,080,780 | -102,922,903 | -156,003,683 |
| Pennsylvania | -22,448,680 | -65,139,892 | -87,588,572 |
| South Dakota | -79,621,380 | -194,411,536 | -274,032,916 |
| Tennessee | -20,558,720 | -38,165,359 | -58,724,079 |
| Texas | -40,372,700 | -69,734,219 | -110,106,919 |
| Wisconsin | -71,839,020 | -115,610,567 | -187,449,587 |
| | | | |

¹ See Table 2 for detailed estimates

² See Table 3 for detailed estimates

³ Sum of 2019 and 2020 impacts. COVID-19 control measures are expected to continue to impact revenues in future crop in 2021 and beyond.

Several notes:

- 1. The above loss estimates include a Coronavirus Food Assistance Payment (CFAP) payment on 2019 production. PLC payments also are included and offset losses from price declines in 2019 and 2020.
- 2. PLC payments are decoupled and do not occur on planted acres. PLC payments will provide lower support for losses caused by COVID-19 on soybean acres. In some senses, the PLC payments shown in this report over-state support offered by the commodity title programs.
- 3. We do not include losses for 2021 and succeeding years. Losses will continue into 2021 and beyond.
- 4. Detail on the above loss estimates are provided in Tables 2 and 3.

Note that Table 2 is an update from a May 30, 2020 report prepared for NCGA entitled "Estimates of State-Level Losses on Corn Acres Resulting from COVID-19 on 2019 Production". The table is updated to include CFAP payments;

Table 2. Change in Revenue and PLC Payments By State for Corn Resulting from COVID-19 on 2019 Production.

| | Price | | | Increase | | Revenue | | |
|----------------|------------------------|--------------------|---------------------|----------------------|----------------------|---------------------|------------------------|---------------------|
| | Change | 2019 | Revenue | in PLC | CFAP | and PLC | Acres | Revenue |
| State | 2019 Crop ¹ | Yield ² | Change ³ | Payment ⁴ | Payment ⁵ | Change ⁶ | Harvested ⁷ | Change ⁸ |
| | \$/bu. | Bu/acre | \$/acre | \$/acre | | \$/acre | accre | Dollars |
| Colorado | -0.29 | 123 | -35.67 | 8.69 | 16.48 | -10.50 | 1,300,000 | -13,647,400 |
| Illinois | -0.28 | 181 | -50.68 | 12.93 | 24.25 | -13.50 | 10,200,000 | -137,659,200 |
| Indiana | -0.27 | 169 | -45.63 | 12.85 | 22.65 | -10.13 | 4,820,000 | -48,845,880 |
| Iowa | -0.31 | 198 | -61.38 | 11.61 | 26.53 | -23.24 | 13,050,000 | -303,255,900 |
| Kansas | -0.26 | 133 | -34.58 | 5.46 | 17.82 | -11.30 | 6,020,000 | -68,013,960 |
| Kentucky | -0.30 | 169 | -50.70 | 10.76 | 22.65 | -17.29 | 1,450,000 | -25,076,300 |
| Michigan | -0.37 | 147 | -54.39 | 15.71 | 19.70 | -18.98 | 1,610,000 | -30,561,020 |
| Minnesota | -0.37 | 173 | -64.01 | 11.36 | 23.18 | -29.47 | 7,250,000 | -213,643,000 |
| Missouri | -0.30 | 155 | -46.50 | 9.91 | 20.77 | -15.82 | 2,990,000 | -47,301,800 |
| Nebraska | -0.34 | 182 | -61.88 | 10.02 | 24.39 | -27.47 | 9,810,000 | -269,500,320 |
| North Carolina | -0.29 | 111 | -32.19 | 7.55 | 14.87 | -9.77 | 930,000 | -9,082,380 |
| North Dakota | -0.32 | 141 | -45.12 | 6.55 | 18.89 | -19.68 | 3,230,000 | -63,553,480 |
| Ohio | -0.35 | 164 | -57.40 | 14.77 | 21.98 | -20.65 | 2,570,000 | -53,080,780 |
| Pennsylvania | -0.32 | 153 | -48.96 | 7.28 | 20.50 | -21.18 | 1,060,000 | -22,448,680 |
| South Dakota | -0.36 | 144 | -51.84 | 11.97 | 19.30 | -20.57 | 3,870,000 | -79,621,380 |
| Tennessee | -0.31 | 177 | -54.87 | 8.56 | 23.72 | -22.59 | 910,000 | -20,558,720 |
| Texas | -0.34 | 133 | -45.22 | 8.62 | 17.82 | -18.78 | 2,150,000 | -40,372,700 |
| Wisconsin | -0.38 | 166 | -63.08 | 13.93 | 22.24 | -26.91 | 2,670,000 | -71,839,020 |

¹ Equals the price change from March onward resulting from COVID-19 concerns. Calcualted using information from NASS, AMS, and ERS.

² Taken from NASS.

³ Equals price change times yield per acre.

⁴ Estimate of PLC payment change based on a \$3.60 MYA price, average yield in state from 2013 to 2017 times .81, times average base acres in corn divided by 2019 harvested acres times .75 enrolled in PLC.

⁵ Equals 2019 yield x .335 payment rate times 40%. We assume 40% of corn production was eligible inventory on Janauary 15.

⁶ Sum of revenue and PLC change.

⁷ Acres harvested reported by NASS

⁸ Revenue and PLC change times acres harvested.

Table 3. Change in Revenue and PLC Payments By State for Corn Resulting from COVID-19 on 2020 Production.

| | | COVID | | | | |
|----------------|--------------------|----------------------|----------------------|---------------------|------------------------|---------------------|
| | 2020 | Induced | | Per Acre | | |
| | Expected | Revenue | PLC | Revenue | Acres | Revenue |
| State | Yiled ¹ | Decline ² | Payment ³ | Change ⁴ | Harvested ⁵ | Change ⁶ |
| | \$/bu. | \$/acre | \$/acre | \$/acre | acres | Dollars |
| Colorado | 3/bu. 138 | -\$69.00 | 43.47 | -25.53 | 1,492,134 | -38,094,189 |
| Illinois | 196 | -\$98.00 | 64.52 | -33.48 | 10,218,859 | -342,127,408 |
| Indiana | 179 | -\$89.50 | 59.03 | -30.47 | 5,245,078 | -159,817,533 |
| lowa | 199 | -\$99.50 | 59.39 | -40.11 | 12,750,966 | -511,441,245 |
| Kansas | 130 | -\$65.00 | 28.87 | -36.13 | 5,697,240 | -205,841,285 |
| Kentucky | 169 | -\$84.50 | 57.51 | -26.99 | 1,356,486 | -36,611,550 |
| Michigan | 165 | -\$82.50 | 55.94 | -26.56 | 2,260,810 | -60,047,102 |
| Minnesota | 188 | -\$94.00 | 54.22 | -39.78 | 7,596,320 | -302,181,615 |
| Missouri | 154 | -\$77.00 | 45.51 | -31.49 | 3,255,566 | -102,517,766 |
| Nebraska | 189 | -\$94.50 | 51.74 | -42.76 | 9,495,400 | -406,023,312 |
| North Carolina | 126 | -\$63.00 | 36.99 | -26.01 | 949,540 | -24,697,536 |
| North Dakota | 142 | -\$71.00 | 36.53 | -34.47 | 2,893,836 | -99,750,535 |
| Ohio | 175 | -\$87.50 | 56.74 | -30.76 | 3,345,998 | -102,922,903 |
| Pennsylvania | 155 | -\$77.50 | 28.83 | -48.67 | 1,338,399 | -65,139,892 |
| South Dakota | 157 | -\$78.50 | 42.67 | -35.83 | 5,425,943 | -194,411,536 |
| Tennessee | 164 | -\$82.00 | 41.42 | -40.58 | 940,497 | -38,165,359 |
| Texas | 133 | -\$66.50 | 37.94 | -28.56 | 2,441,674 | -69,734,219 |
| Wisconsin | 171 | -\$85.50 | 52.72 | -32.78 | 3,526,863 | -115,610,567 |

¹ Equals the trend yield for each state based on the past 25-years of yields.

² Equals the 2020 expected yield times a \$.50 price decline. The \$.50 price decline is based on MYA prices averaging \$3.70 pre-COVID to \$3.20 post-COVID. See farmdoc Daily, April 29, 2020 for more discussion.

³ Estimate of PLC payment change based on a \$3.60 MYA price, average yield in state from 2013 to 2017 times .81, times average base acres in corn divided by 2019 harvested acres time .75 enrolled in PLC.

⁴ The sum of COVID induced revenue declines and PLC payments.

⁵ Based on acres planted in *2020 Prospective Planting* report multiplied by 90.4%, the percent of harvested acres of planted acres in US projections in June WASDE report.

⁶ Per acre revenue change times acres harvested.