

Final MYA Wheat Price for 2015/16 used to Settle FSA Payments¹

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http://www.agmanager.info/crops/insurance/risk_mgt/rm_pdf14/AB_Est-MYA.pdf

MYA Prices for 2015/16. The National Agricultural Statistical Service (NASS) has released the May monthly prices for the U.S. commodities. The USDA final approved 2015/16 Marketing Year Average (MYA) price for wheat was \$4.89. The last estimate by KSU was 2 cents higher at \$4.91 (Table 1). The approved \$4.89 MYA price will be used to determine Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments that will be announced by FSA this fall and paid shortly after October 1, 2016.

The first KSU estimated MYA wheat price for next year (2016/17) is \$4.66. NASS has released no official prices for 2016/17, so this estimate will have a large error (Table 1). One can have more confidence in the MYA wheat price estimates after September.

The KSU updated estimate for 2015/16 MYA corn price is at \$3.65, up 2 cents from last month (Table 2). The soybean estimate was \$8.88, up 9 cents from last month (Table 3). The grain sorghum 2015/16 MYA price is at \$3.29, up 3 cents from last month (Table 4).

The PLC reference price for sorghum is \$3.95, wheat is \$5.50, corn is \$3.70, and soybeans is \$8.40. Based on these price estimates for 2015/16, only soybeans will not have a PLC payment and the ARC-CO payments will depend on the FSA county yield to be announced next fall. The 2015/16 PLC payment on wheat is final at 61 cents. The current estimated PLC payments are 5 cents for corn, and 66 cents for sorghum. The ARC payments will depend on the county yield combined with these "low" prices.

The first estimated MYA price estimate for 2016/17 wheat is at \$4.66, but will have large error in the estimate. However, based on this first estimate, the PLC wheat payment for the fall of 2017 would be 84 cents. Based on the reported wheat yields in many Kansas counties, it is likely there will be no wheat ARC payments in the fall of 2017. ARC payments are reduced or eliminated if yields or price are higher.

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Table 1. MYA 2015/16 Final Price Estimate for Wheat Used to Calculate 2015/16 ARC and PLC Payments; First Estimated MYA 2016/17 Wheat Price (07/01/16)

	Est 16/17	Est Wt.*	Final 15/16	Final Wt.*		
Est. MYA Price(s)						
June	4.39	13.6	5.42	13.3	Last Month 15/16 Est MYA price	\$4.91
July	4.50	18.0	5.23	19.0	2015 ARC Reference Price	
August	4.50	13.2	4.84	11.1	MYA Price 15/16	\$4.89
September ...	4.68	9.1	4.72	8.3	MYA Price 14/15	\$5.99
October	4.68	5.9	4.86	5.8	MYA Price 12/13	\$7.77
November	4.68	4.8	4.86	4.3	MYA Price 11/12	\$7.24
December	4.85	7.6	4.75	8.0	MYA Price 13/14	\$6.87
January 15 ...	4.85	7.4	4.82	7.4	5 Yr. Olympic Average	
February	4.85	5.1	4.61	4.7	Reference Price for 2015 ARC	\$6.70
March	4.95	6.4	4.40	7.0	ARC 14% Deductible	\$5.76
April	4.95	4.6	4.46	6.7	Est. 5 Yr. Olympic Average	
May	5.02	4.3	4.45	4.4	Reference Price for 2016 ARC	\$6.04 to \$6.04
Final 15/16 MYA price			\$4.89		PLC Ref. Price & Difference	\$5.50 \$0.26
Est. 16/17 MYA price	\$4.66					

*The 15/16 monthly prices and marketing weights are the NASS published final values used to calculate payments for PLC and ARC. The 16/17 monthly prices and weights in red are KSU estimates. **The first KSU estimated 16/17 price for next year have large errors because NASS has published no values for next year!** The KSU estimate for wheat in September will generate KSU estimates with greatly reduced errors.

Table 2. MYA 2015/16 Price Estimate for Corn Used to Calculate 2015/16 ARC and PLC Payments (07/01/16)

	Est 15/16	Est Wt.*		
Est. MYA Price(s)				
September	3.68	7.58	Last Month 15/16 Est MYA price	\$3.63
October	3.67	13.74	2015 ARC Reference Price	
November	3.60	11.18	MYA Price 14/15	\$3.70
December	3.65	8.76	MYA Price 13/14	\$4.46
January 16	3.66	14.38	MYA Price 12/13	\$6.89
February	3.57	7.42	MYA Price 11/12	\$6.22
March	3.57	8.28	MYA Price 10/11	\$5.18
April	3.58	5.72	5 Yr. Olympic Average	
Forecast May	3.68	4.92	Reference Price for 2015 ARC	\$5.29
Forecast June	3.71	6.42	ARC 14% Deductible	\$4.55
Forecast July	3.75	6.30	Est. 5 Yr. Olympic Average	
Forecast August	3.75	5.30	Reference Price for 2016 ARC	\$4.79 to \$4.79
Est. 15/16 MYA price	3.65		PLC Ref. Price & Difference	\$3.70 \$0.85

*The 15/16 monthly prices in black are NASS published prices, 15/16 monthly prices in red are KSU estimates and all of the 15/16 weights are KSU estimates. Estimated 15/16 price estimates for next year have only small errors because NASS has published the large weighted prices!

Table 3. MYA 2015/16 Price Estimate for Soybeans Used to Calculate 2015/16 ARC and PLC Payments (07/01/16)

Est. MYA Price(s)	Est. 15/16	Est. Wt.*		
September	9.05	7.50	Last Month 15/16 Est MYA price	\$8.79
October	8.81	26.16	2015 ARC Reference Price	
November	8.68	10.58	MYA Price 14/15	10.10
December	8.76	9.74	MYA Price 13/14	13.00
January 15	8.71	15.56	MYA Price 12/13	14.40
February	8.51	8.00	MYA Price 11/12	12.50
March	8.56	5.70	MYA Price 10/11	11.30
April	9.04	4.04	5 Yr. Olympic Average	
Forecast May	9.76	3.28	Reference Price for 2015 ARC	12.27
Forecast June	9.73	3.56	ARC 14% Deductible	10.55
Forecast July	9.71	3.34	Est. 5 Yr. Olympic Average	
Forecast August	9.59	2.54	Reference Price for 2016 ARC	11.87 to 11.87
Est. 15/16 MYA price	8.88		PLC Ref. Price & Difference	8.40 \$2.15

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Table 4. MYA 2015/16 Price Estimate for Sorghum Used to Calculate 2015/16 ARC and PLC Payments (07/01/16)

Est. MYA Price(s)	Est. 15/16	Est. Wt.*		
September	4.12	5.70	Last Month 15/16 Est MYA price	\$3.26
October	3.51	13.42	2015 ARC Reference Price	
November	3.26	16.90	MYA Price 14/15	\$4.03
December	3.23	14.44	MYA Price 13/14	\$4.28
January 16	3.14	12.26	MYA Price 12/13	\$6.33
February	3.07	5.62	MYA Price 11/12	\$5.99
March	3.18	4.78	MYA Price 10/11	\$5.02
April	3.00	3.00	5 Yr. Olympic Average	
Forecast May	3.11	2.02	Reference Price for 2015 ARC	\$5.10
Forecast June	3.22	4.44	ARC 14% Deductible	\$4.38
Forecast July	3.25	9.30	Est. 5 Yr. Olympic Average	
Forecast August	3.25	8.12	Reference Price for 2016 ARC	\$4.77 to \$4.77
Est. 15/16 MYA price	3.29		PLC Ref. Price & Difference	\$3.95 \$0.43

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