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Forecast For Wheat Loan Rates For 2012

NDSU
Extension Service

How USDA Calculates County Loan Rates For Wheat

- ✘ Obtain National Loan Rate (NLR)
- ✘ Calculate 2-year average PCP for each class in each county
- ✘ Calculate olympic average production by county (all-wheat)
- ✘ Allocate all-wheat production among the five classes
- ✘ Sum olympic average production for all counties and all classes
- ✘ Calculate production weights for each county and class
- ✘ “Weigh” each county’s class-based 2-year average PCP
- ✘ Calculate National Average PCP (NAPCP)
- ✘ Calculate the difference between NLR and NAPCP
- ✘ Add the difference of (NLR-NAPCP) to 2-year PCP by class

Olympic Average Production By Class By Year	Percent by class by year					
	2010	2011	2012	2010	2011	2012
Hard Red Winter	913862	934797	964303	43.2%	43.9%	44.1%
Soft Red Winter	374165	381918	381918	17.7%	18.0%	17.5%
White	269021	248508	248508	12.7%	11.7%	11.4%
Hard Red Spring	476265	476265	503380	22.5%	22.4%	23.0%
Durum	<u>81981</u>	<u>85719</u>	<u>87744</u>	3.9%	4.0%	4.0%
Total	2115294	2127206	2185853			

2-Year Average Posted County Price Used for Crop Year:

	2010	2011	2012
Hard Red Winter	\$7.02	\$5.24	\$5.52
Soft Red Winter	\$6.09	\$4.35	\$5.21
White	\$7.51	\$5.19	\$5.44
Hard Red Spring	\$7.99	\$5.28	\$5.16
Durum	\$10.51	\$6.16	\$5.44
Nat'l Ave Loan	\$2.94	\$2.94	\$2.94

Actual County Loan Rates

	2009	2010	2011
Sumner, Kansas	\$2.67	\$2.80	\$3.11
Hardin, Ohio	\$1.96	\$1.87	\$2.26
Whitman, Wash.	\$3.17	\$3.33	\$3.06
Cavalier, ND	\$3.30	\$3.78	\$3.16
Williams, ND	\$4.54	\$6.04	\$3.89

Estimates Based on (2-Yr PCP+(NLR - NAPCP))

	2010	2011	2012
Sumner, Kansas	\$2.69	\$3.06	\$3.09
Hardin, Ohio	\$1.76	\$2.17	\$2.78
Whitman, Wash.	\$3.18	\$3.01	\$3.01
Cavalier, ND	\$3.66	\$3.10	\$2.73
Williams, ND	\$6.18	\$3.98	\$3.01

Estimates Based on Adjusting 2011 Rates

		2011	2012	Change
Sumner, Kansas	HRWW	\$3.11	\$3.14	\$0.03
Hardin, Ohio	SRW	\$2.26	\$2.87	\$0.61
Whitman, Wash.	White	\$3.06	\$3.06	\$(0.00)
Cavalier, ND	HRSW	\$3.16	\$2.79	\$(0.37)
Williams, ND	Durum	\$3.89	\$2.92	\$(0.97)