

April Newsletter 2022

Welcome to our monthly newsletter! This month's features are:

- The Market Corner article by C-FARE Board Member **Michael Adjemian**.
- A new feature to our newsletter titled C-FARE's Monthly Facts. This month features "**Field Crops in the U.S.: Wheat and Corn**" by **Gal Hochman**, C-FARE Board Chair.
- C-FARE hosted a webinar entitled "**Carbon Sequestration and Agriculture: Incentives, Practices, and Policies**". Check out our [website](#) and [YouTube](#) for a recap.
- New Direction features articles and papers titled:
  - [Impacts of the COVID-19 pandemic on rural America](#)
  - [Access to health care and rural worker productivity](#)
  - [Investing in Rural Prosperity](#)

Keep reading to learn more,

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## Market Corner

### Commodity Prices are Up, and World Governments aren't Helping

Agricultural commodity prices up ([Hoffman, 2022](#); [American Ag Network, 2022](#); [Colussi et al., 2022](#)), due to trends that began last year. Fertilizer prices doubled between 2020 and 2021 ([Schnitkey et al., 2022](#); [Saefong, 2022](#)) in response to both supply and demand-side pressure ([Smith, 2022](#)). And southern hemisphere producers, like Argentina, Brazil, and Paraguay—who together account for over 50% of the world's total soybean supply—have faced drought-like conditions since late-2021 ([Colussi et al., 2022](#)). As a result, soybean yields from that region continue to disappoint. Its corn crop hasn't performed well, either. Finally, Russia's invasion of Ukraine in late February led to heightened uncertainty regarding global grain exports, effectively cutting off both of those countries' exports to the world. (Together, they make up a substantial source of global wheat, corn, and fertilizer exports.)

Many international government responses to the Russia-Ukraine war have only worsened the situation. Export bans put in place by more than 15 countries have further increased export supply uncertainty and risk hunger and malnutrition especially in the population of developing nations ([FAO, 2022](#)). FAO and other organizations are asking such governments to reduce restrictions and allow for the global trade of fertilizers and food ([Osendarp et al., 2022](#)). Moreover, the U.S. government recently announced an emergency waiver to allow 15% ethanol (E15) blend in fuel sales during summer months ([Kolakowski, 2022](#)). This is likely to generate even further demand-side pressure on corn, and likewise raise prices. Governments could address production constraints by eliminating export bans and/or incentivizing producers to bring fallow land into production. Failing that, higher commodity prices are likely to maintain until the markets can adjust.

**Michael Adjemian, C-FARE Board Member, University of Georgia**

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## C-FARE's Monthly Fact

### Field Crops in the U.S.: Wheat and Corn

The Russian-Ukraine war destabilized grain markets ([ERS Market Outlook: April 12, 2022](#)). In April 2022, an outlook for 2021/22 US corn markets suggested offsetting changes, with projected ending stocks unchanged and the season-average farm price for corn in [2021/22](#) of \$5.80 per bushel. The price per bushel reached [\\$7.93](#) on April 22, 2022.

Figure 1 depicts the annual price of two field crops in the US: corn and wheat, using data taken from the [Crops/Stocks Agriculture Survey](#).<sup>[4]</sup> Both the price of corn and wheat spiked when Russia invaded Ukraine. The current price level is comparable with that witnessed in the US during the 2012 drought and the spike in prices seen during 2006-07.

During the last two decades, corn acreage planted increased while wheat decreased (Figure 2).

Howbeit, the share of land harvested, compared to acreage planted, for corn hovered around 90%, while wheat hovered around 80%.

**Gal Hochman, C-FARE Board Chair, Rutgers University**

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### ICYMI

- **Save the Date!** C-FARE will be hosting a webinar entitled “Building the Capacity to Invest in Rural Prosperity“ on May 27 at 12 PM ET. [Register here](#).
- C-FARE hosted a webinar entitled “Carbon Sequestration and Agriculture: Incentives, Practices, and Policies”. Check out our [website](#) and [YouTube](#) for a recap.
- Check out our third episode of C-FARE's podcast [Get a Grip with FARE](#) featuring Terry Cosby, Chief of the National Resources Conversation Services (NRCS).

**For more information on our webinar series visit our [webpage](#) or [youtube!](#)**

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### New Directions

- **Impacts of the COVID-19 pandemic on rural America.** Rural people have been left out of the vast majority of research on the impacts of the COVID-19 pandemic. As such, our evidence-based understanding of the pandemic in the United States is incomplete, and rural recovery policies risk being informed by anecdotal or urban-centric information. Findings show there have been significant impacts on health-related and

economic dimensions of well-being, and that these impacts are shared across sex, age, ethnicity, and education. [Learn More Here](#).

- **Access to health care and rural worker productivity.** Access to health care and worker productivity is examined using US county data with a focus on rural–urban differences. Using an embedded variable approach framework, access to health care indirectly affects worker productivity through health outcomes. The data support the central hypothesis, and the access-productivity relationship is strongest in metro areas. [Read More Here](#)
- **Investing in Rural America.** Rural communities throughout the United States are vibrant places with great people, rich culture and heritage, and deep social ties. But many rural communities have been buffeted by the increasing prominence of automation and the knowledge-based economy, along with long-term challenges arising from lower educational levels, remoteness and other factors. As a result, many communities are at a crossroads, wondering which direction will lead to prosperity for all.. [Learn more here](#).