

Ag Econ

U.S. Department of Agriculture <b>Accomplishments Report AD-421</b> U.S. Dept. of Agriculture, State Agricultural Experiment Stations and Other Institutions			Date (Month, Day, Year)  01/28/2013
1. Accession  0224283	Agency Identification No.  2. NIFA 3. L.A.B	5. Work Unit/Project No.  LAB94076	6. Status  Final Report
7. Title  Price Discovery and Risk Management for Louisiana Farm Products			
12. Investigator Name(s) (Last Name and Initials)  Zapata, H. O.			
20. Termination Date 12/31/2012		40. Period Covered (mo/da/year): 04/01/2011 TO 12/31/2012	
Outputs:  This project, and collaboration through other projects, produced three presentations at professional meetings, several scientific articles, a poster, a book chapter and assisted in the completion of a M.S. thesis. Related collaborative research with the Louisiana Agricultural Statistics Service resulted in the publication of a departmental information series on agricultural statistics for Louisiana.			
Outcomes/Impacts:  The research generated conclusive empirical evidence indicating that prices for commodity markets, including corn, wheat, and soybeans, are reaching historical peaks and that given the pricing performance of these markets in the U.S. over the past fourteen decades (140 years), such high prices may become a historical record soon. These results have far reaching implications for U.S. and Louisiana commodity producers. The cyclical pattern means that producers should use the remaining years of high prices to pay as much farm debt as optimum within their financial plans. Increases in agricultural productivity worldwide will lead to declining commodity prices. Preliminary findings on other US commodities point to a consistent outcome. Prices of most commodities should decline in the near future based on the history of cycles. Initial empirical evidence on the diffusion of econometric was published; the findings can have a significant impact on the evaluation of scientific research contributions.			
Publications:  Zapata, H. O., J. Detre, and T. Hanabuchi. 2012. Historical Performance of Commodity and Stock Markets. Invited paper presented at the Annual Meeting of the Southern Agricultural Economics Association, Birmingham, AL. available at <a href="http://ageconsearch.umn.edu">http://ageconsearch.umn.edu</a> .  Zapata, H. O., J. Detre, and T. Hanabuchi. 2012. Historical Performance of Commodity and Stock Markets. Journal of Agricultural & Applied Economics, 44(3): 339-357.  Zapata, H. O. 2012. Returns to the Agricultural Sector: Where Have We Been and Where Are We Going. Discussant, Annual Meetings of the Agricultural and Applied Economics Association, Seattle, WA.  Zapata, H. O. and G. D. Schnitkey. 2012. Agricultural Commodities and Agribusiness Stocks as Financial Assets. Organizer, Invited Paper Session, Annual Meetings of the Southern Agricultural Economics Association (SAEA), Birmingham, Alabama.  Clark, B. M., J. D. Detre, J. D. Antoni, and H. Zapata. 2012. The Role of an AG Index in a Modern Portfolio. Agricultural Finance Review, 72(3): 362-380.  Zapata, H. O. and C. Caminita . 2012. The Diffusion of Hausmans Econometric Ideas. Poster presented at the Advances in Econometrics Conference, Baton Rouge, LA.  Zapata, H. O. and C. Caminita. 2012. The Diffusion of Hausmans Econometric Ideas. Advances in Econometrics, Volume 29, Emerald Books.  Zapata, H. O., N. Crisp, and G. Cramer. 2012. 2011 Louisiana Agricultural Statistics. AEA Information Series No. 287.  Maradiaga, D., H. Zapata, A. Pujula. 2012. Exchange Rate Volatility in BRICS countries. Selected paper presented at the Annual Meeting of the Southern Agricultural Economics Association, Birmingham, AL. Available at			

http://ageconsearch.umn.edu.

Zapata, H. O., M. Dicks, D. Maradiaga, H. Niu. 2012. Crop Residue Biomass Production in Louisiana. Louisiana Agriculture Magazine, Winter Issue, pp. 28-29.

Participants:

Hector Zapata (PI), Josh Detre, Kurt Guidry, Huizhen Niu, David Maradiaga, Aude L. Pujula, Diego Gavilanez, LSU AgCenter; Michael Dicks, Department of Agricultural Economics, Oklahoma State University; Cristina Caminita, LSU Library Science; Gary Schnitkey, University of Illinois Urbana-Champaign.

Target Audiences:

Target audiences for this project include Louisiana agricultural producers, farm machinery and equipment dealers, other input suppliers, and investors in commodity markets. Findings and methods used are valuable to applied researchers in policy analysis and rural development, price risk farm management, extension economists who provide farm management information, Louisiana banking industry, and applied researchers using financial econometric methods in Louisiana and worldwide.

Project Modifications:

Nothing significant to report during this reporting period.

Approved (Signature)	Title	Date
		