

# CARe 2018: Cross Sectional Yield Distributions

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# Disclaimer

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\* Thought provoking only: The materials are provided for information purposes only, are in summary form, and thus do not include all information necessary for analysis.

\* This is not consulting: No representations or warranties are give as to the accuracy or completeness of the materials and no professional advice or guidance is given by the presentation. If you want to use these ideas, professional consultation should be sought.

\* This is not financial advice: No financial advice is being given nor any recommendation to invest in any financial product. Historical data is no assurance as to future results.

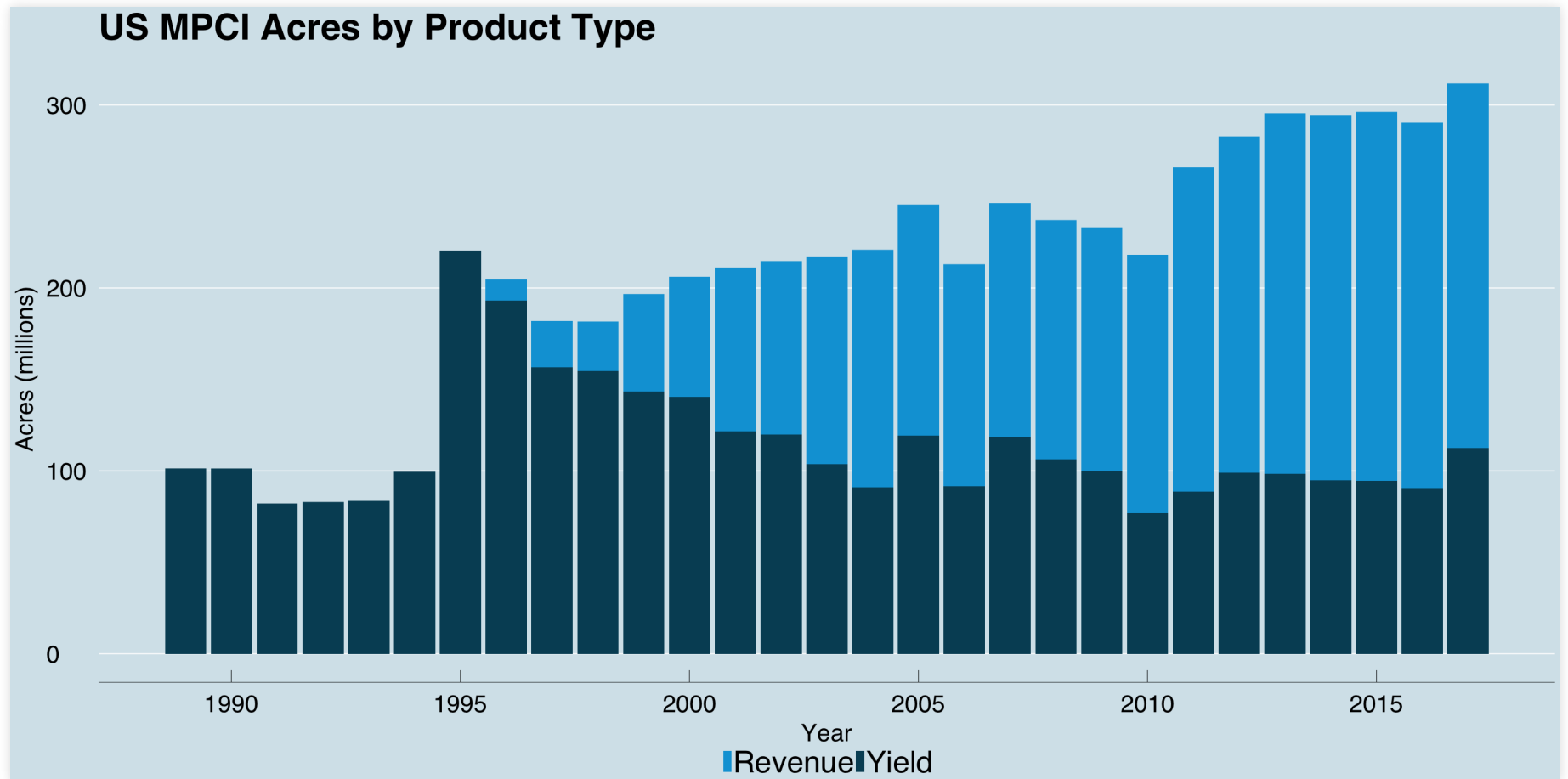
# Source

All data, code, and examples:  
[\*\*http://bit.ly/cas\\_yield\*\*](http://bit.ly/cas_yield).



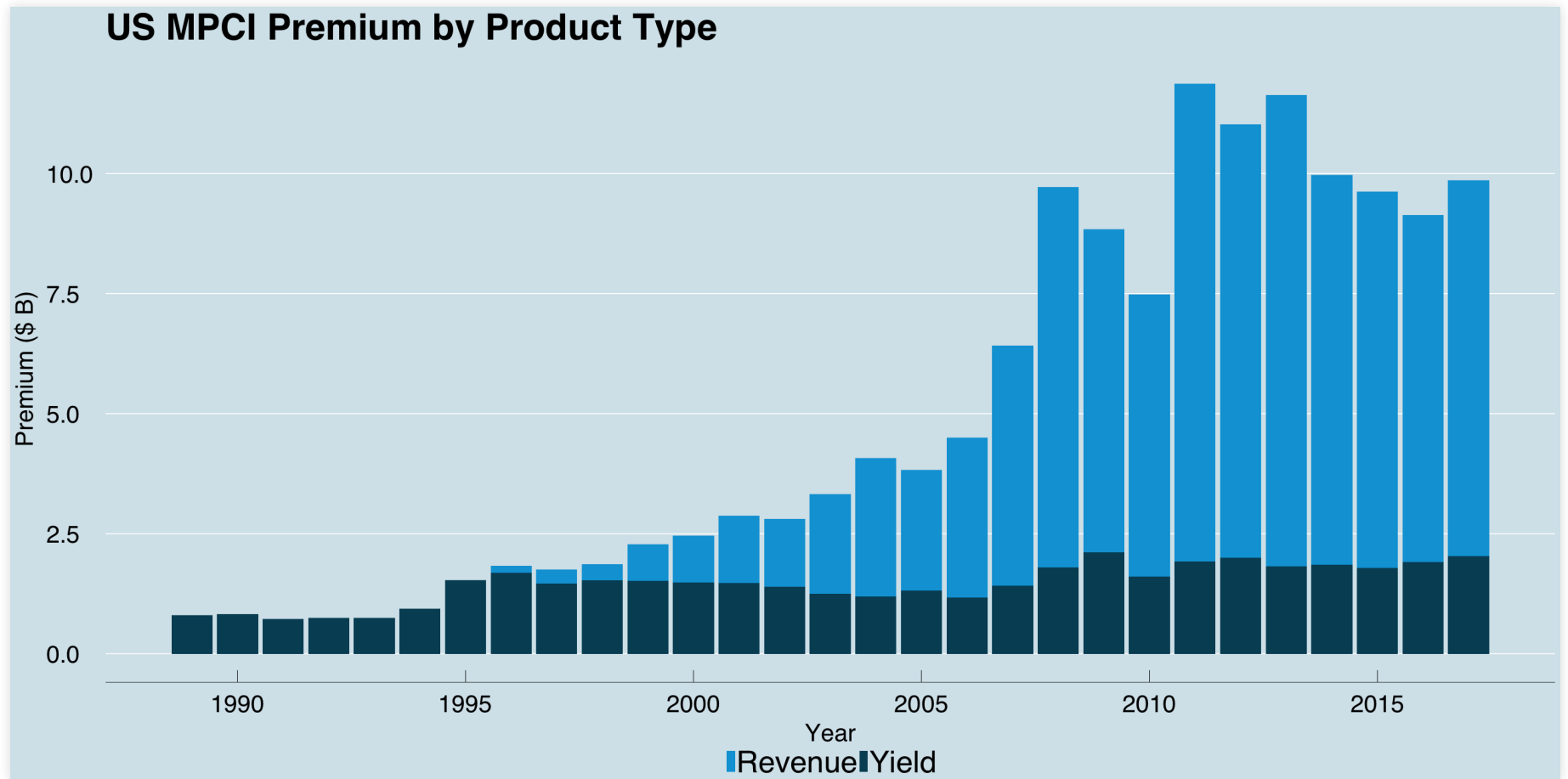
Feel free to explore and create.

# US MPCl Program Acres



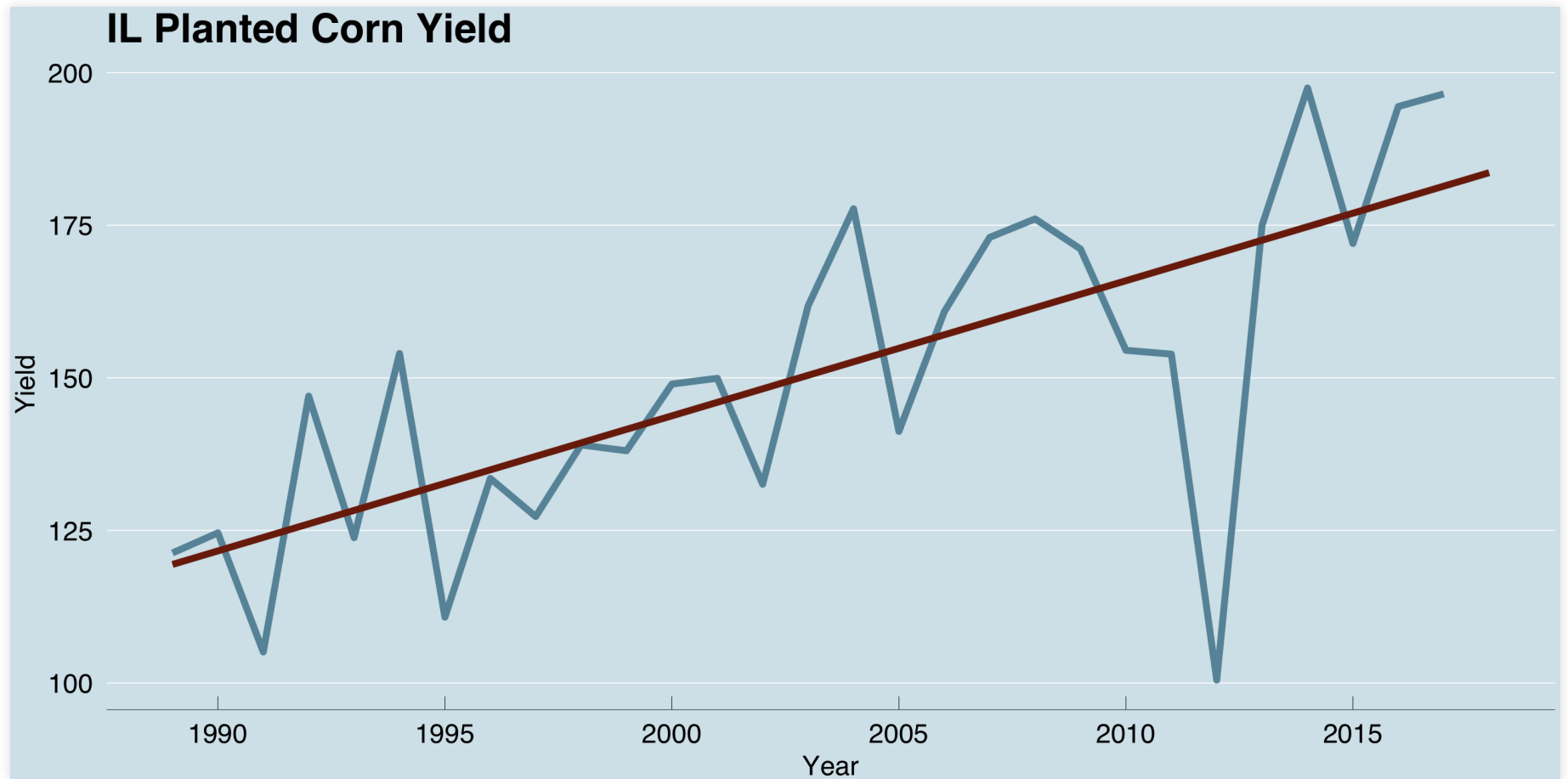
Source RMA Summary of Business

# US MPCPI Program Premium

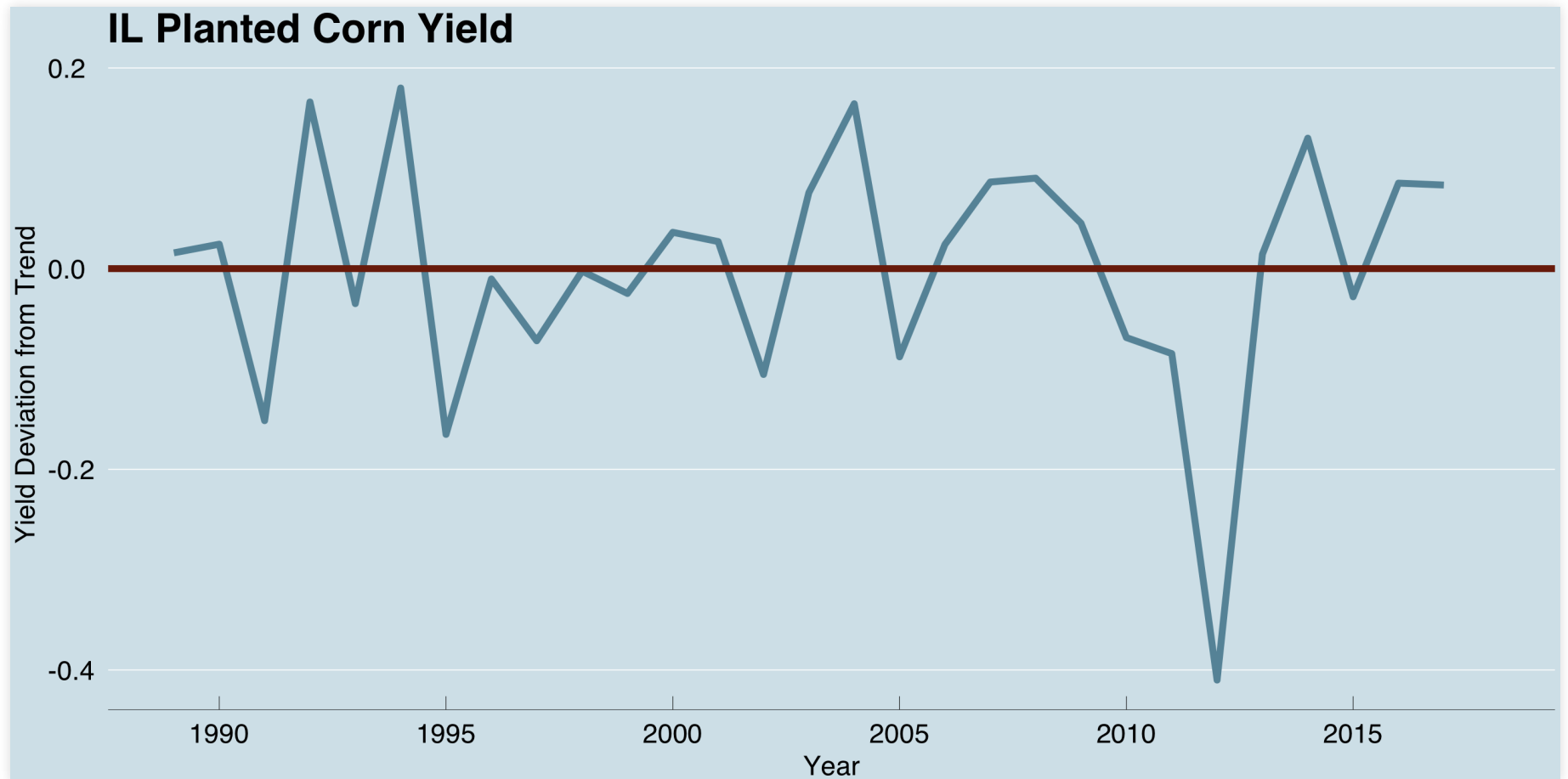


Source RMA Summary of Business

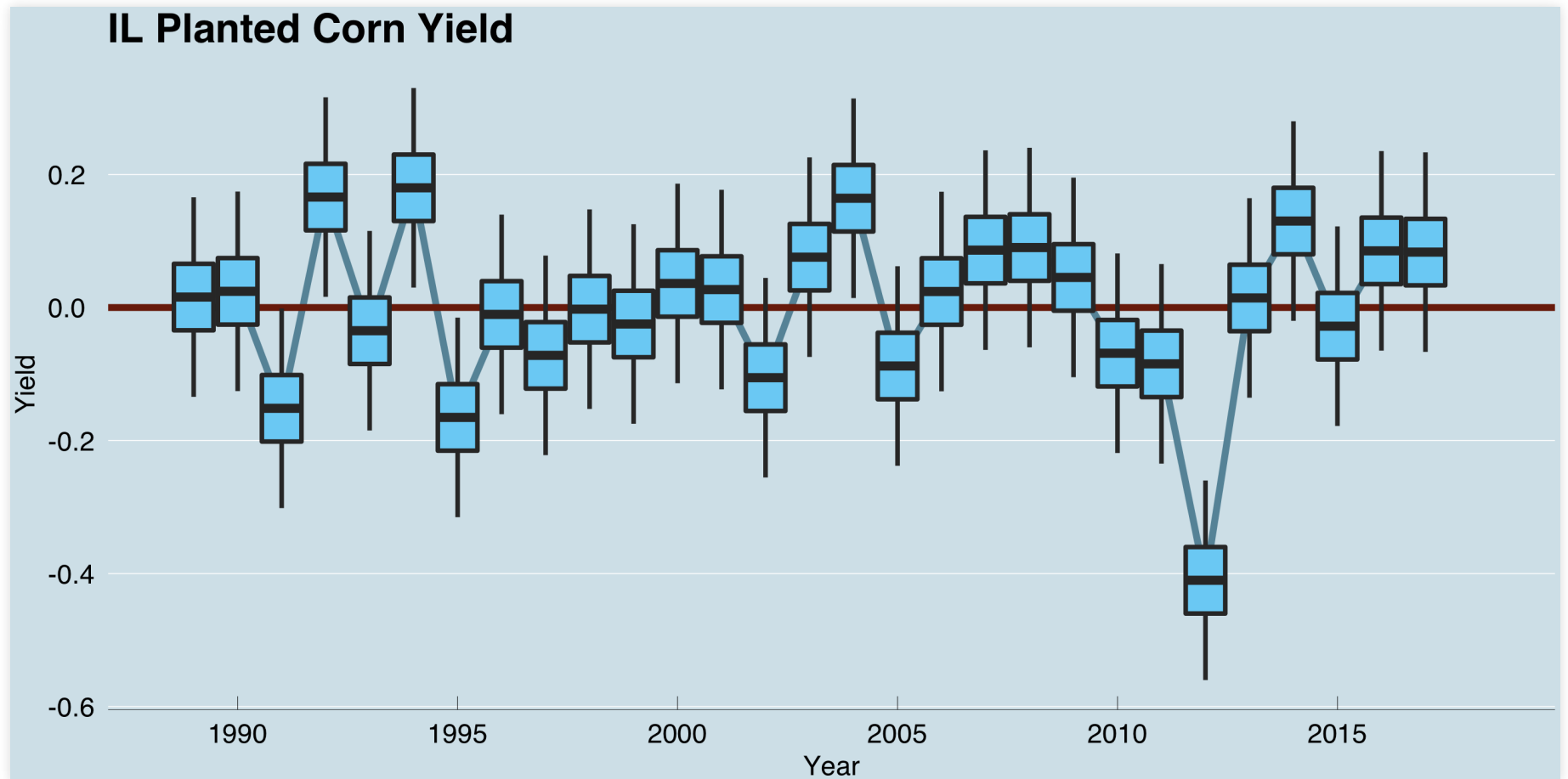
# Yields Over Time



# Yields Over Time Cont



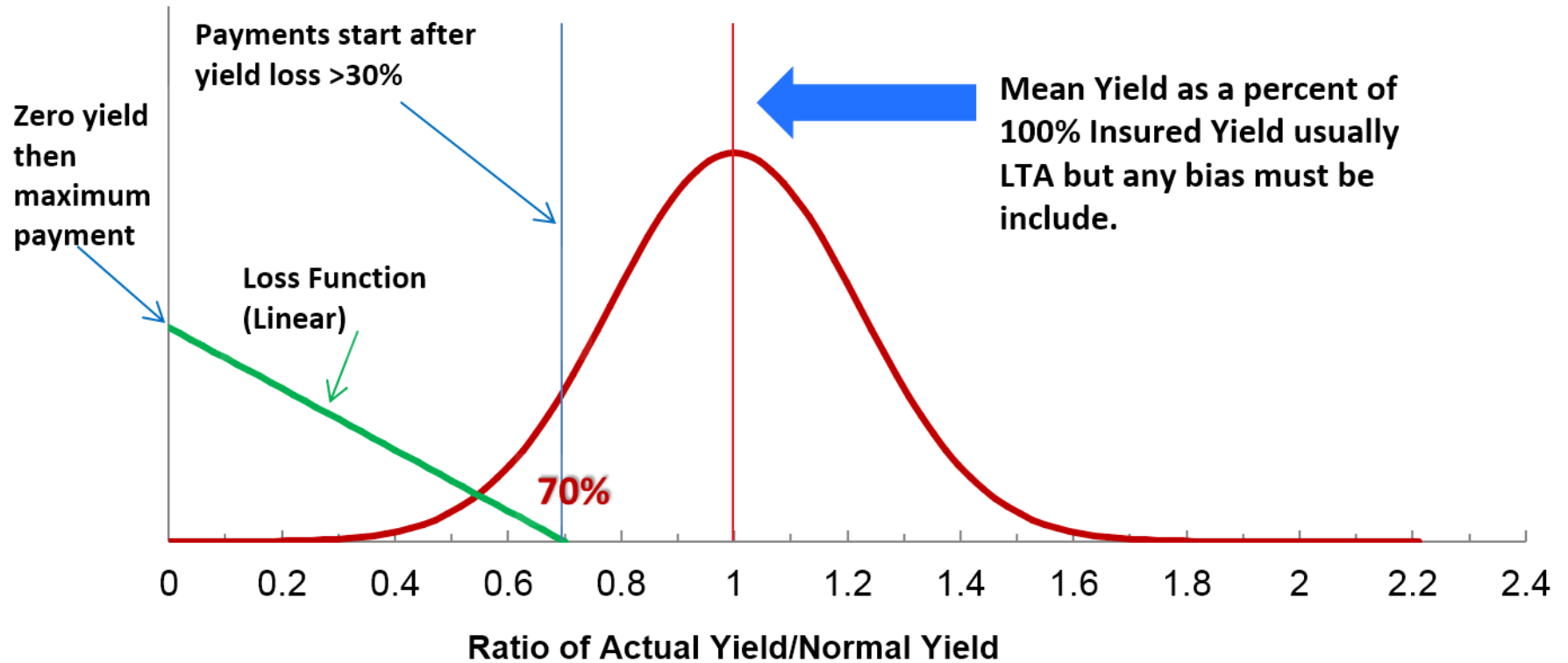
# Yields Over Time Cont

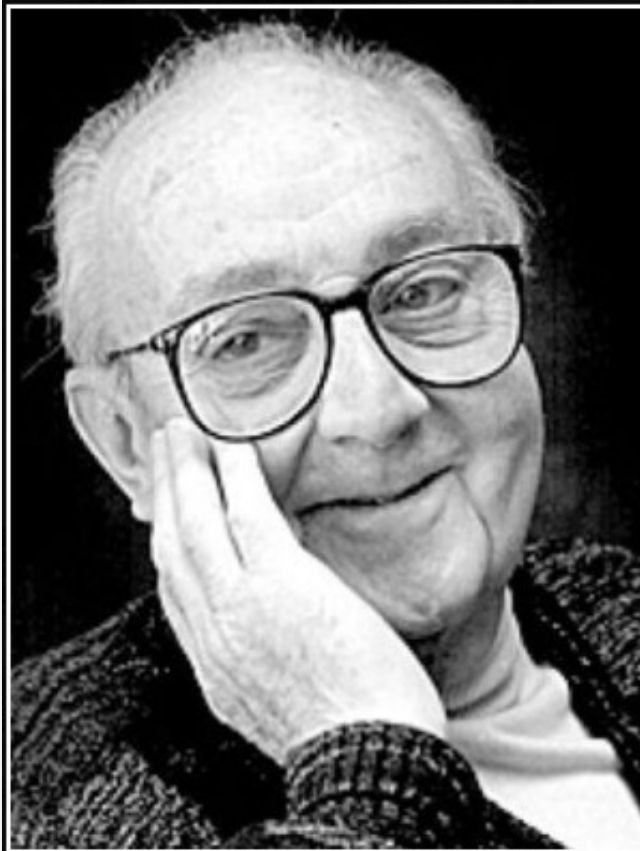




# What do we know?

Yield Level vs Payments for 70% Indemnity Level





All models are wrong, but some are  
useful.

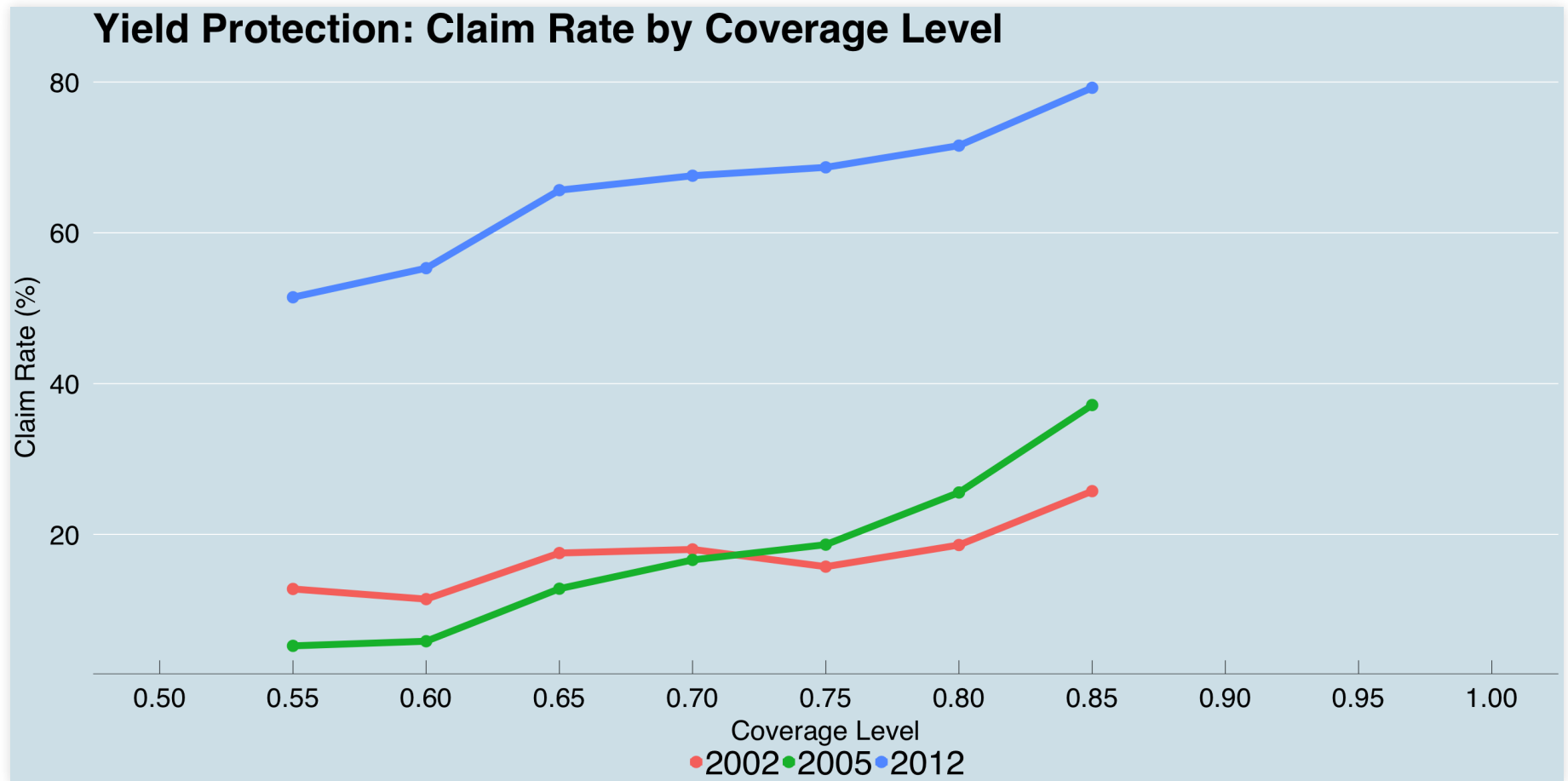
— *George E. P. Box* —

AZ QUOTES

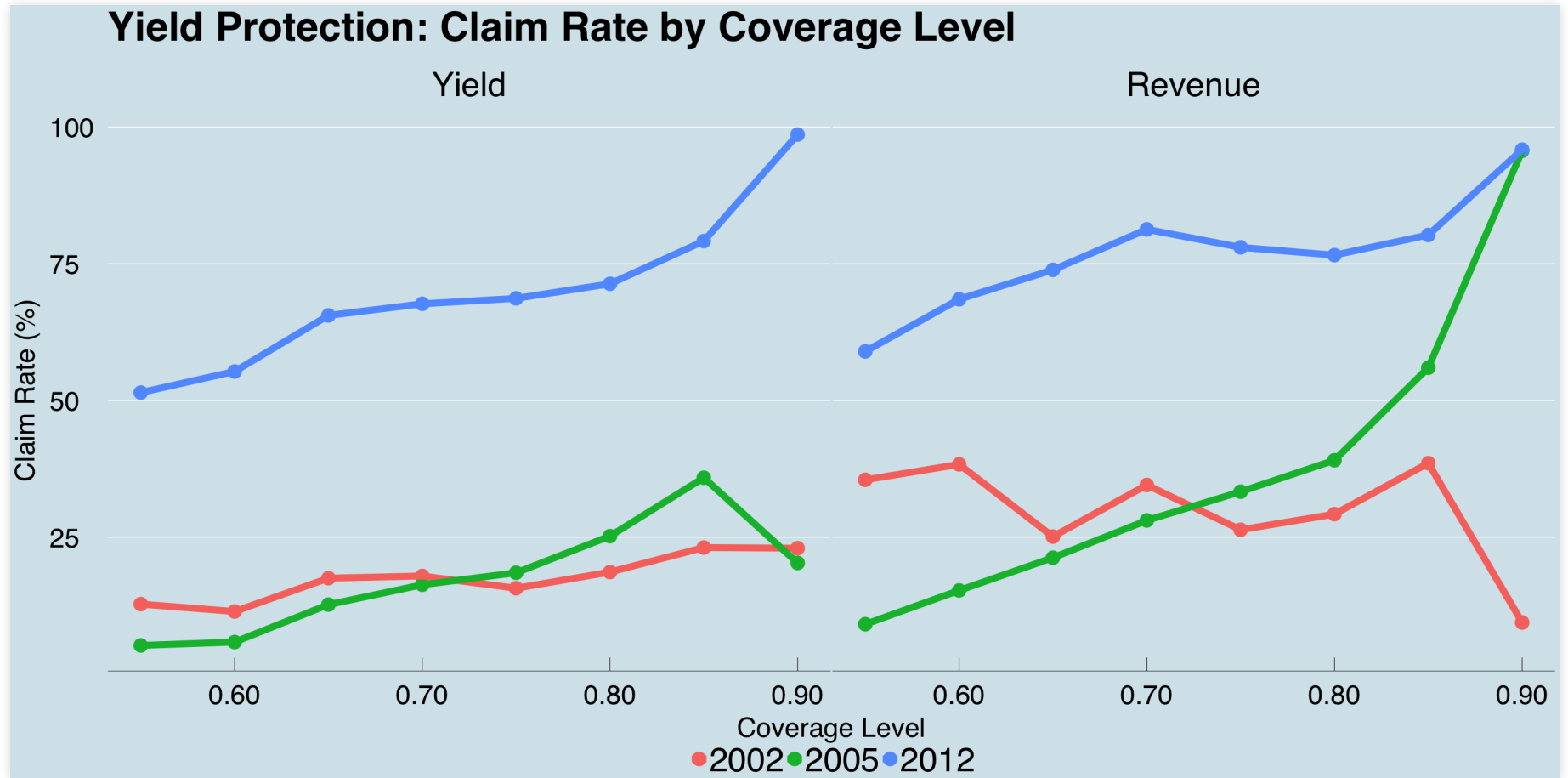
# Where Does it Break Down

Story time...

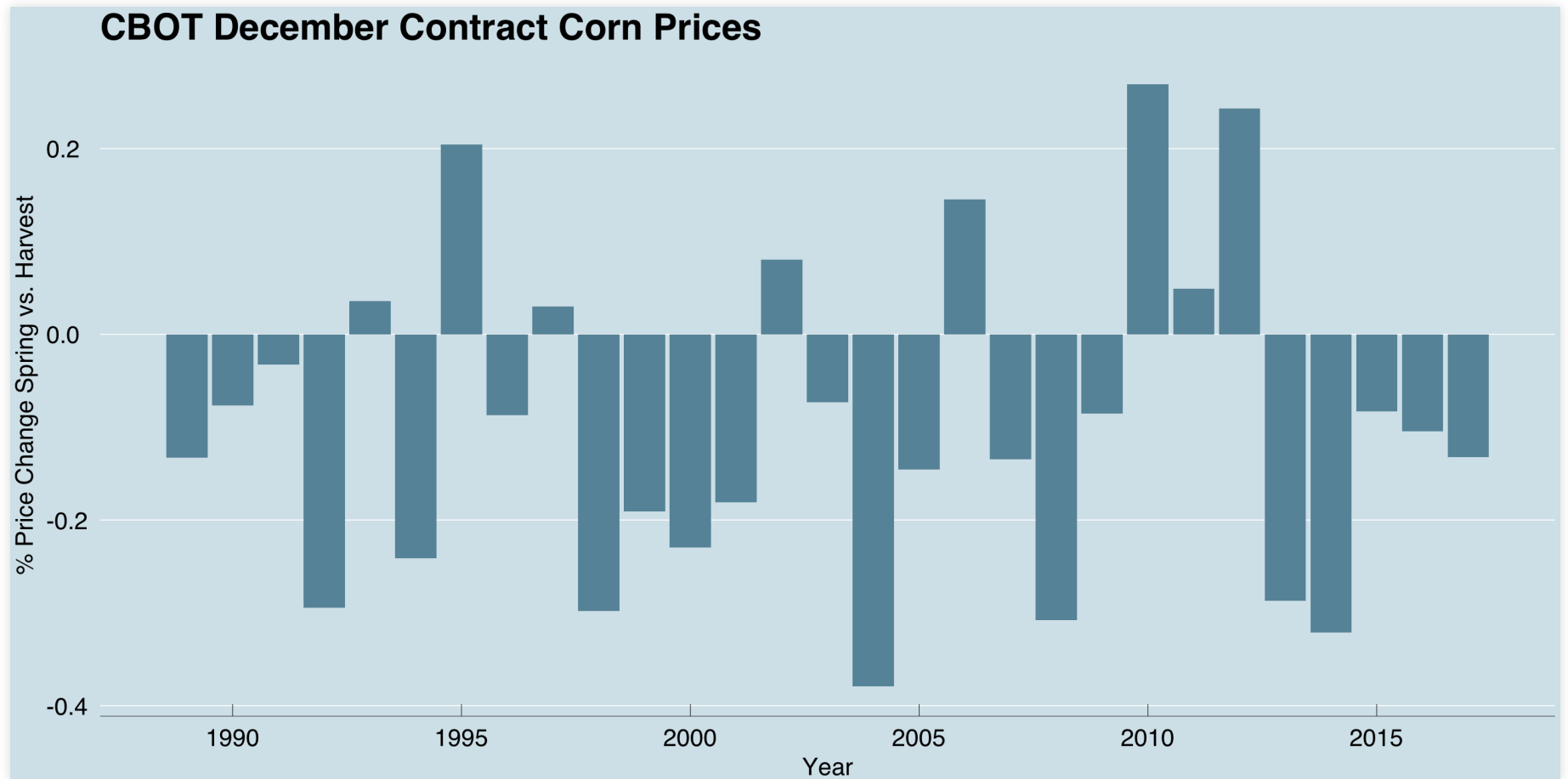
# Claims Rates by Cov Level



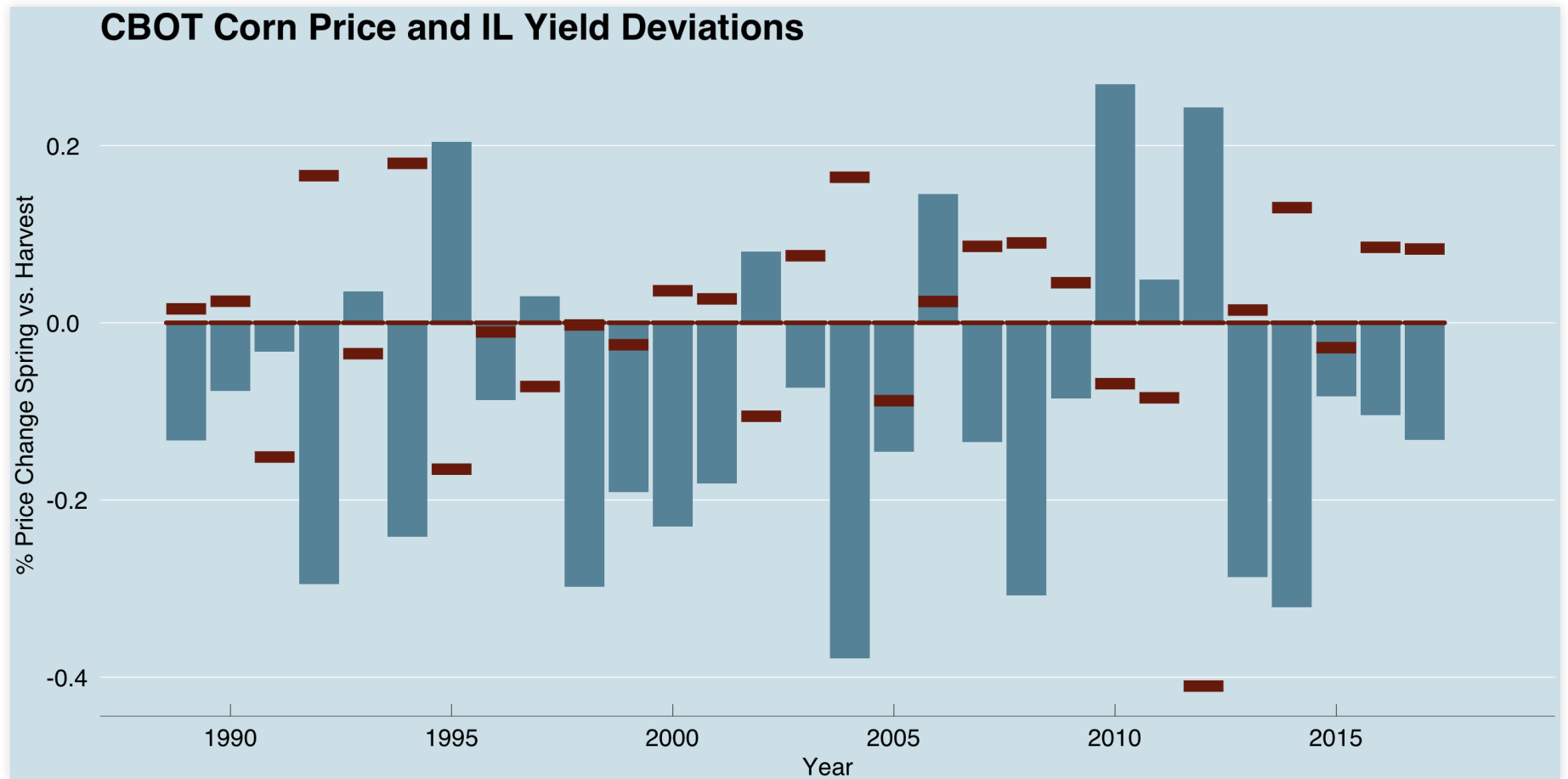
# Yield & Rev by Coverage



# Historical Price Changes

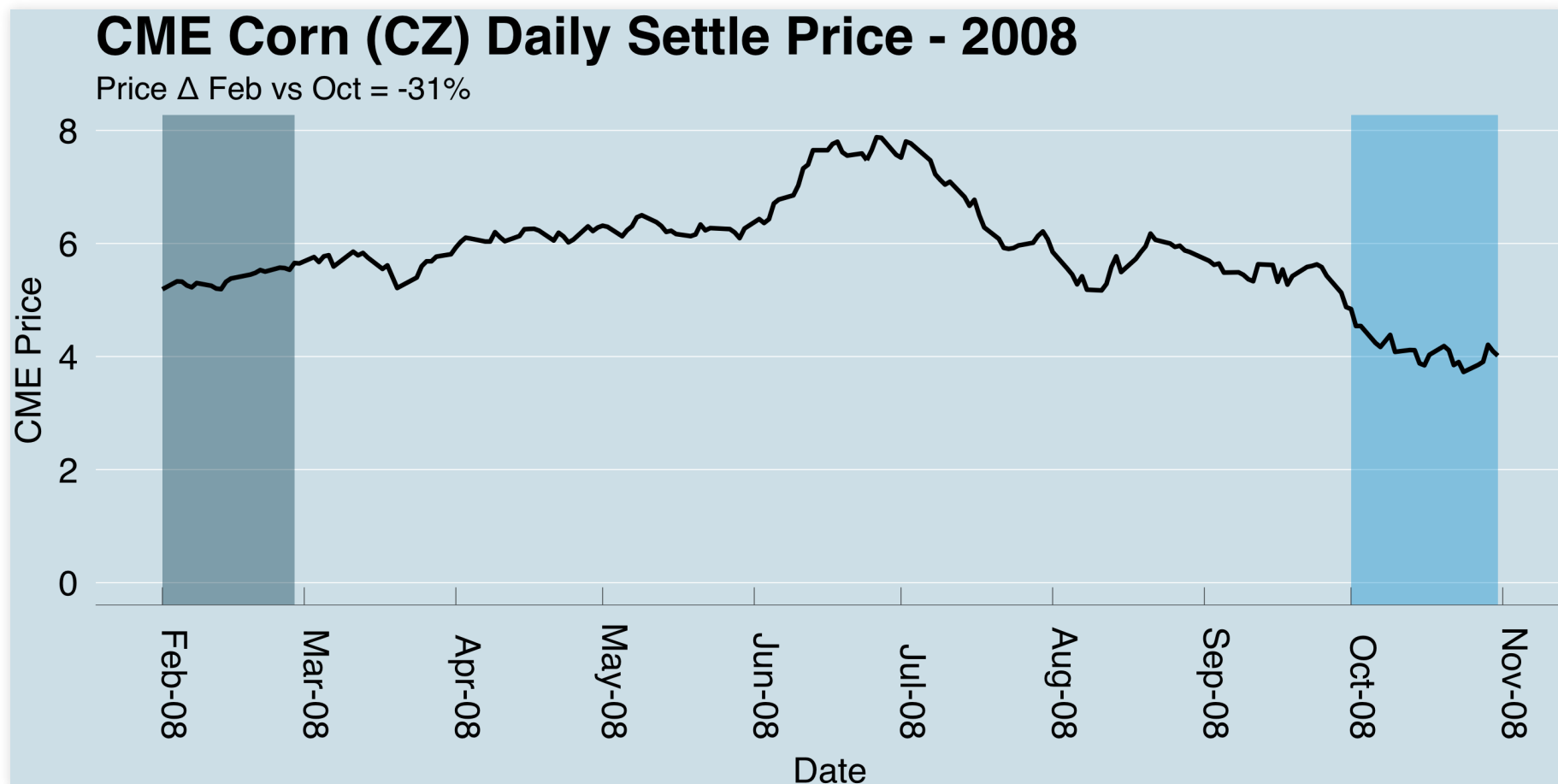


# Price Changes with IL Yield



IL Yield is Red

# 2008 Price Movement



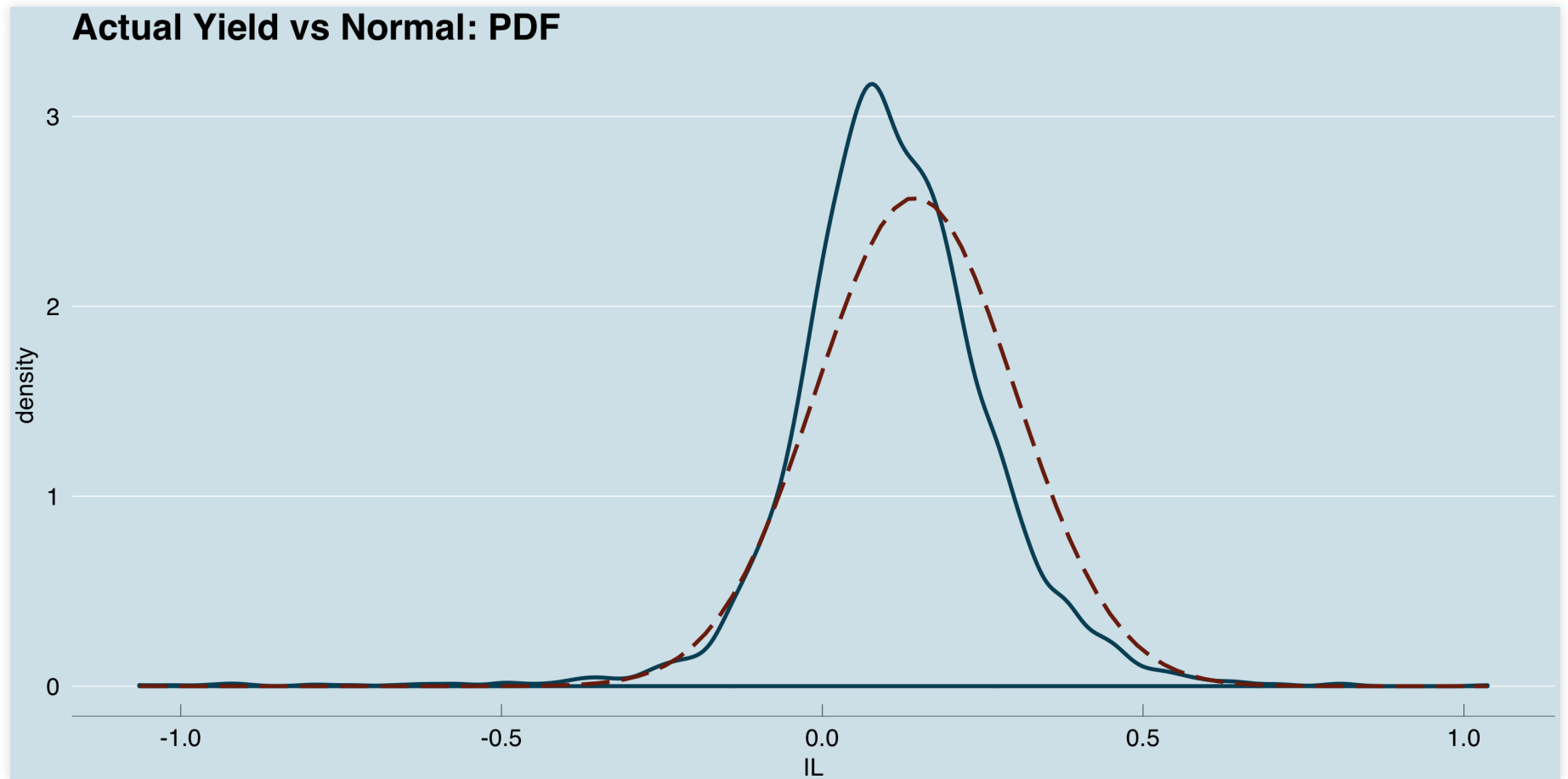


# Oct 12, 2008 Yield Estimate

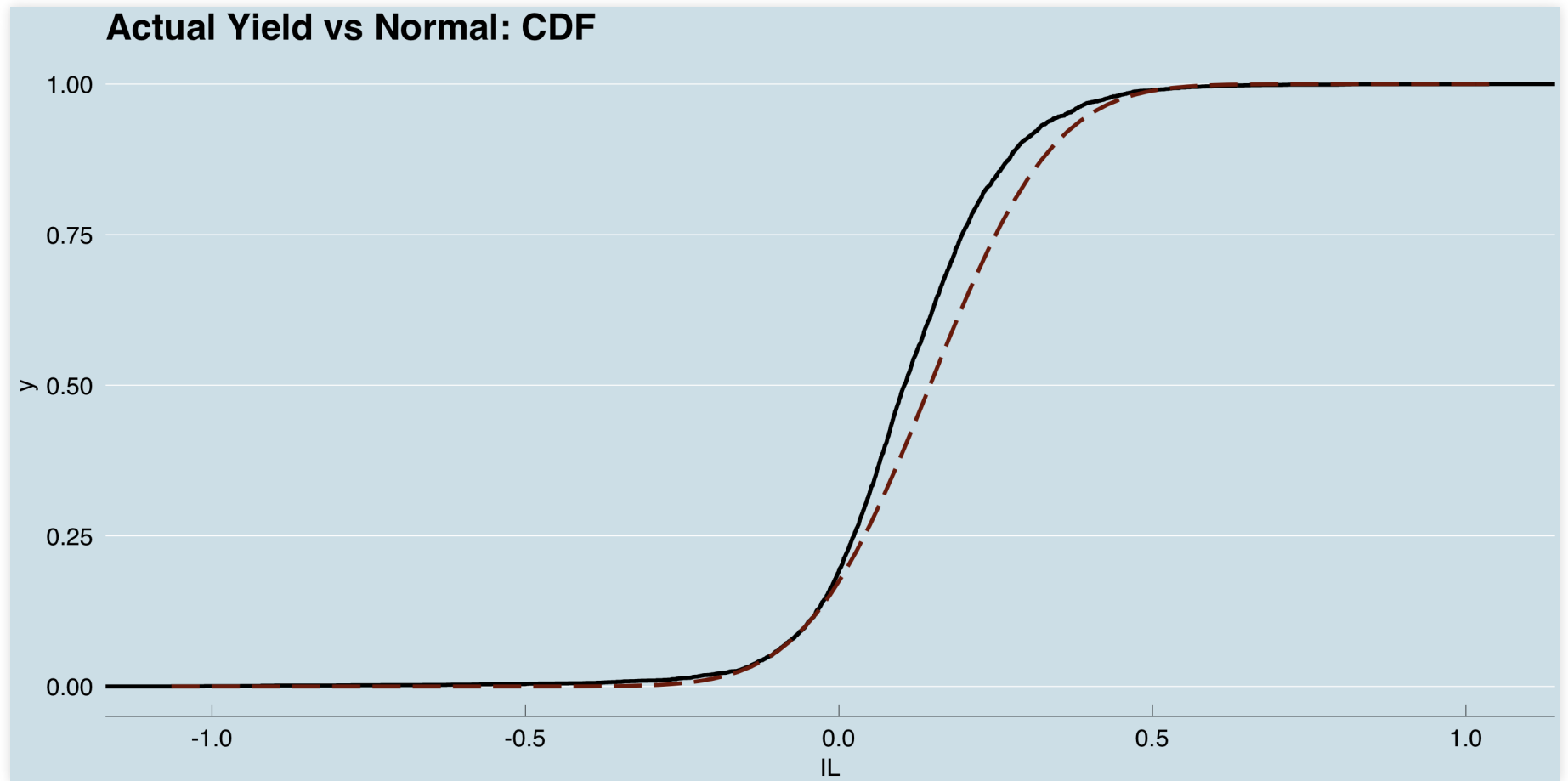
State	VP	P	F	G	EX
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
AL	2	18	34	40	6
AZ	3	23	32	28	14
AR	0	2	26	59	13
CA	80	15	5	0	0
CO	8	20	47	21	4
CT	4	3	44	44	5
DE	7	29	52	11	1
FL	2	10	35	50	3
GA	11	21	48	19	1
ID	2	25	41	32	0
IL	1	5	33	52	9
IN	12	27	39	19	3
IA	3	12	32	42	11

Source: <http://usda.mannlib.cornell.edu/usda/nass/CropProg/2000s/2008/CropProg-10-14-2008.pdf>

# Does it matter? PDF



# Does it matter? CDF



# How'd we do?

Well... it depends on what matters

- Ground Up
- Quota Share
- XoL

# Source

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