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## **Economic Effects of Extreme Heat on Rice Yield and Milling Quality in Arkansas**

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***Poster prepared for presentation at the Agricultural & Applied Economics Association's 2012 AAEA Annual Meeting, Seattle, Washington, August 12-14, 2012***

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# Economic Effects of Extreme Heat on Rice Yield and Milling Quality in Arkansas

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## Introduction

Current climate change models project mean global temperature increases between 1.8 °C and 4 °C by 2100,<sup>1</sup> threatening roughly one billion people who depend on rice cultivation as their primary income source, and the food security of roughly 3.5 billion people.<sup>2</sup> Past analyses of extreme heat effects on rice production have focused on paddy yield,<sup>3,4</sup> and have not accounted for the detrimental impact of extreme heat on milling quality outcomes which ultimately determine edible (marketable) rice yield. Therefore, existing estimates<sup>3,4</sup> of the implications of future increases in mean growing season temperature likely understate true economic and food security implications.

## Objectives

- I. To model impact of extreme heat on
  - 1. Paddy (rough) rice yield (kg·ha<sup>-1</sup>); and,
  - 2. Milling quality elements:
    - a. Milled rice yield (MRY, %);
    - b. Head rice yield (HRY, %); and,
    - c. Chalk content (CHALK, %).
- II. To estimate changes producer and miller revenue per hectare given results from (I).
- III. To accomplish (I) and (II) in such a way that accounts for unique genotypic responses to extreme heat.

## Methods

*Paddy Yield*  
OLS fixed-effects multiple regression is used to estimate paddy yield:

(1)  $Y_{isj}^p = \mathbf{a}W_{isj} + \mathbf{b}_s + \mathbf{c}_j + \varepsilon_{isj}$ ,

where,  $Y_{isj}^p$  is the natural logarithm of yield;  $W_{isj}$  is a vector of growth window specific explanatory variables including mean daily temperature and solar radiation, extreme heat exposure variables (defined below);  $\mathbf{b}_s$  is a vector of station intercepts;  $\mathbf{c}_j$  is a vector of varietal intercepts; and  $\varepsilon_{isj}$  is the error term.

*Milling Quality*  
Generalized method of moments (GMM) is used to estimate the following milling quality system for each variety:

(2)  $Y_{is}^C = \boldsymbol{\alpha}^C X_{is} + \mathbf{b}_s + u_{is}^C$  ,  
(3)  $Y_{is}^H = \boldsymbol{\alpha}^H X_{is} + \gamma^H Y_{is}^C + \beta_{21}^H HMC_{is} + \beta_{22}^H HMC_{is}^2 + \mathbf{b}_s + u_{is}^H$ , and  
(4)  $Y_{is}^M = \boldsymbol{\alpha}^M X_{is} + \beta_{31}^M HMC_{is} + \mathbf{b}_s + u_{is}^M$ ,

where,  $X_{is}$  is a vector of extreme heat exposure variables corresponding to the grain filling stages at which extreme heat affects milling quality outcomes;  $HMC_{is}$  is harvest moisture content (%) which affects milling quality independently of temperature; and  $\mathbf{b}_s$  is a vector of station intercepts.

We define total (day and night) extreme heat exposure (TDN) during growth window  $k$  ( $W_k \forall k = 1, 2, 3$ ) as:

$TDN_{W_k} = \left[ \sum_{D \in W_k} \sum_{t \in D} T(t) - 33 \right] + \left[ \sum_{N \in W_k} \sum_{t \in N} T(t) - 22 \right]$

$D = \{t \mid T(t) > 33, \text{ sunrise} < t < \text{ sunset} \}$   
 $N = \{t \mid T(t) > 22, \text{ sunrise} > t > \text{ sunrise} \}$

This measure approximates the sum of the red and orange areas shown in Figure 1.

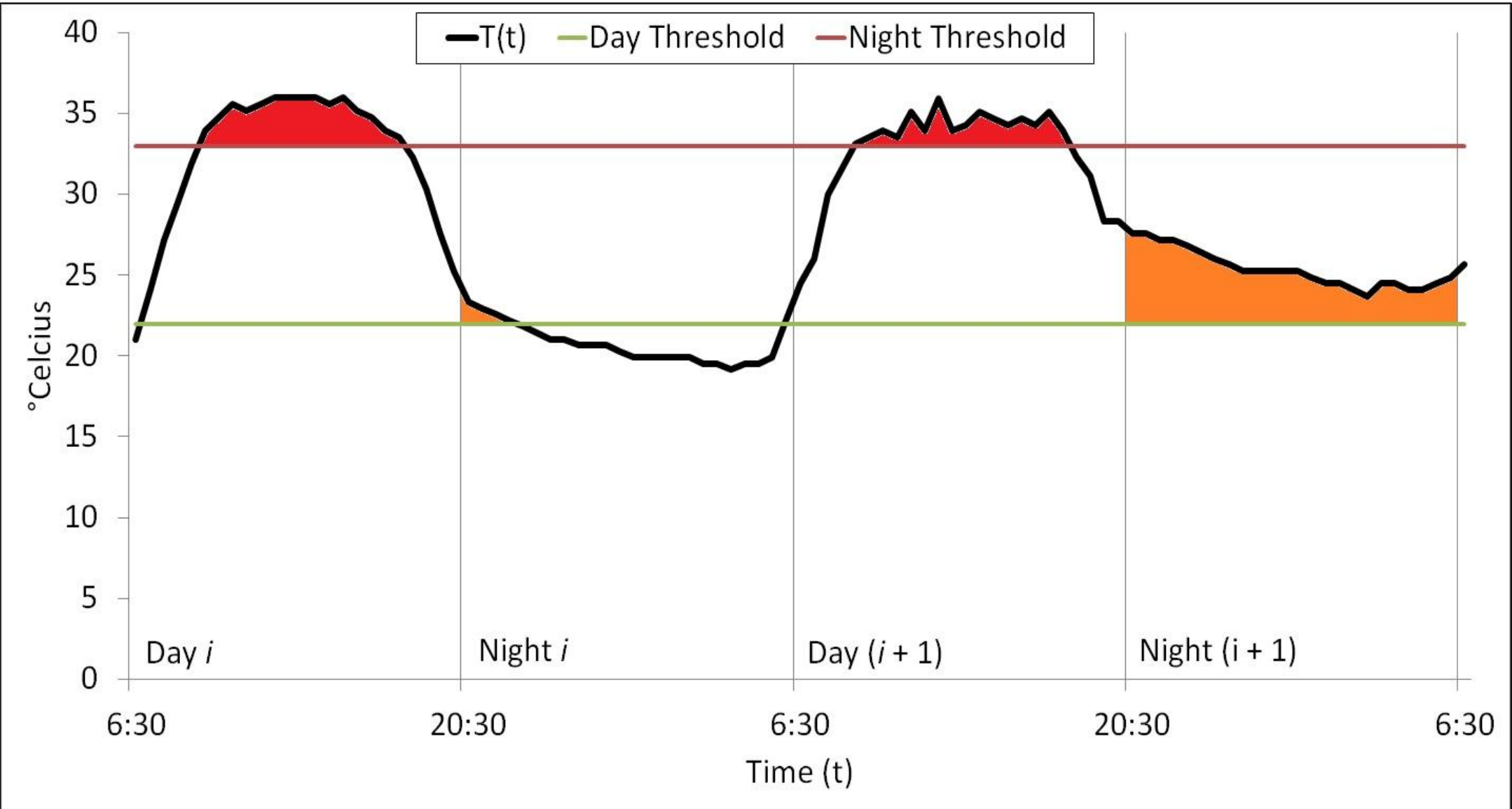


Figure 1: Extreme heat accumulation variable description.

## Results & Discussion

*Paddy Yield*  
Estimated effects of extreme heat on paddy yield are negative and statistically significant at the vegetative and early reproductive stages.

Figure 2 | Extreme temperature effects on paddy rice yield.

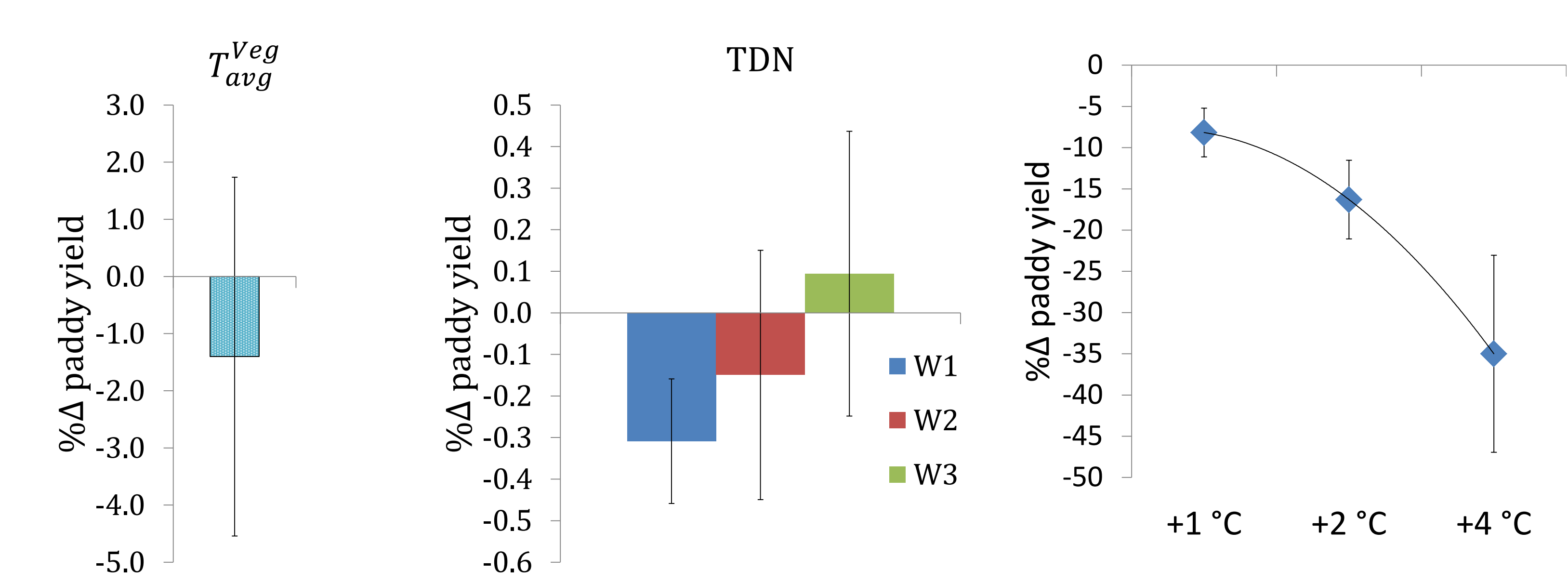


Figure 2 illustrates the nonlinear effect of extreme heat on paddy yield. These results are consistent with past analyses of paddy yield<sup>3,4</sup> and provide a baseline for determination of milling quality effects on mass milled rice per unit area depicted below. Extreme heat has a clear, negative effect on the quantity of edible, milled rice and distribution of quality given increased temperatures. The approach followed in this study provides a template for future analyses of the economic impacts of climate change on rice production.

*Milling Quality*

Figure 3 | Nonlinear response of mean milled rice outcomes given 1, 2, and 4 °C increases in mean growing season temperature, by genotype

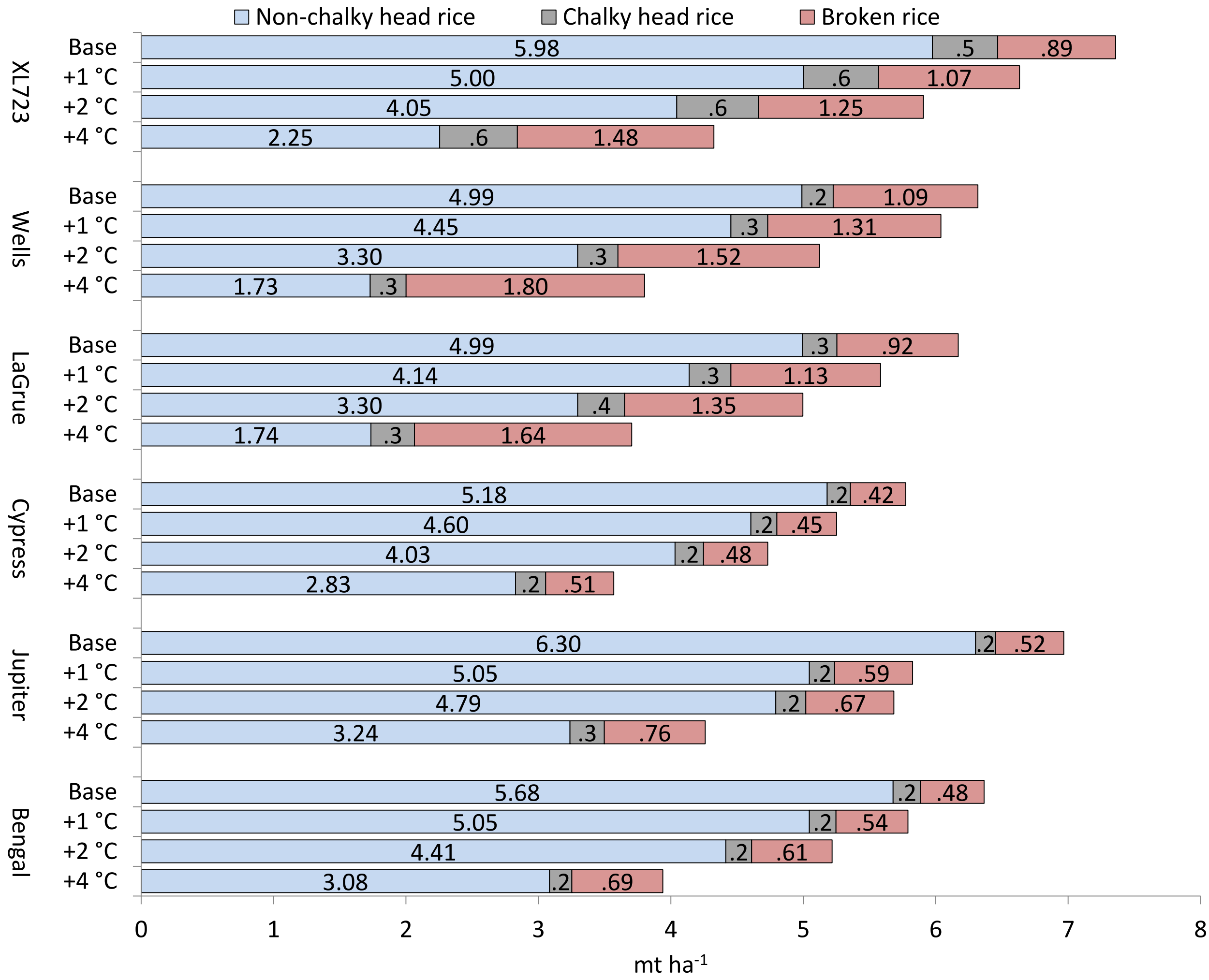
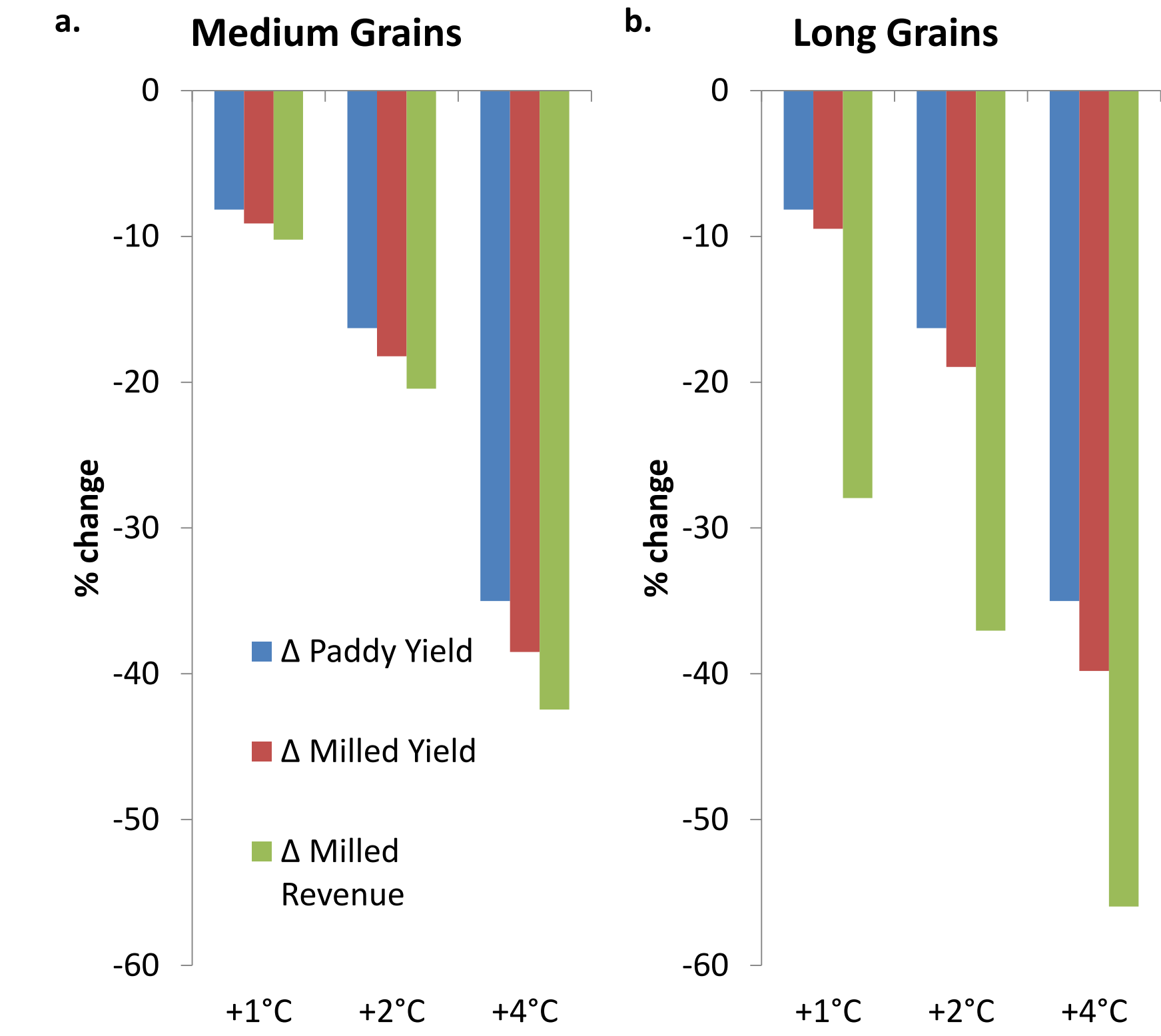


Figure 4 | Mean percentage changes in paddy yield, milled yield and milling revenue by grain length



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