

Farm Bill Choices: What Should Wisconsin Crop Farmers Do?

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Five-Step Process & Deadlines

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| 1. Update Base Acres | February 27, 2015 |
| 2. Update Payment Yields | February 27, 2015 |
| 3. Select Program | March 31, 2015 |
| 4. Consider Supplemental Coverage Option | March 15, 2015 |
| 5. Enroll for 2014 (and 2015) | Summer 2015 |

Choices are for 2014 – 2018 crop years, and irrevocable.

NOTE: Steps 1 & 2 signed by LANDOWNER; Steps 3-5 are signed by PRODUCER.

Step 1: Update Base Acres

- NO CHANGE can be made to total base acreage.
- **Keep** current crop-designated base acres
- *or*
- **Reallocate** crop-designated base acres using 2009-2012 actual planted acre shares.
- Tools available to calculate reallocation options at <http://fsa.usapas.com>.
- Expected payments per crop acre in Wisconsin:
Corn > Soy ≥ Wheat > Oats

Recommendation: Choose option that puts most base acres into corn.

Step 2: Update Payment Yields

- Current payment yields based on 1997-2001.
- **Keep** current yields
- *or*
- **Update** yields to 90% of 2008-2012 yields.
- May update or keep yields for each crop separately.
- Tools available to calculate updated payment yields at <http://fsa.usapas.com>.
- Low yield or if no data for planted crop will use a substitute yield for your county.
- County substitute yields: http://www.fsa.usda.gov/Internet/FSA_File/plc_subyields_web.xls

Recommendation: Choose option that gives highest yield for each crop.

Steps 3-5: Select Program(s) and Enroll

Option 1: Price Loss Coverage (PLC)

- Establishes a price floor (“reference price”).
- Essentially Counter-Cyclical Payments with higher prices.
- Payment based on national marketing year average price, your payment yield and base acres.
- If national price less than Reference Price, PLC payment is made on difference.
- Can be selected for single crop.

Option 2: PLC + Supplemental Coverage Option (SCO)

- Adds SCO insurance to cover part of your regular crop insurance deductible.
- Maximum total coverage is 86%.
- SCO premium 65% subsidized.

Option 3: Agriculture Risk Coverage-County (ARC-CO)

- Establishes a revenue floor at 86% of County Benchmark.
- Essentially a new and improved ACRE program.
- County benchmark based on 5-year Olympic average for County yield and 5-year Olympic average of marketing year average (MYA) price.
- Uses PLC reference price if higher than MYA.
- Uses 70% of county T-yield if higher than actual county.

Option 4: ARC Individual (ARC-IC)

- Coverage based on revenue for ALL program crops as a WHOLE farm Benchmark.
- Revenue protection for 65% of base acres.
- Payment up to 10% of county benchmark (same as ARC-CO).
- Based on revenue expected for FARM as a whole.

*Recommendation: Most farmers will find ARC-CO the best option, especially for corn and soybeans; many will find PLC the best option for wheat —
There are always exceptions! Are you?*

NOTE: PLC or ARC-CO payments are determined, *not* by a farmer’s actual yields and prices received, *but* by county yields (ARC-CO) or payment yields (PLC), and national prices.

For more information and decision-making tools:

FSA National web site ARC/PLC information:

- <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=arpl&topic=landing>

Base Acres and Yield Updating Tools, County Sample Farms and Build Your Own Farm:

- <http://fsa.usapas.com>

County Substitute Yields:

- http://www.fsa.usda.gov/Internet/FSA_File/plc_subyields_web.xls

University of Illinois FAST Tools—2014 Farm Bill Decision Tool: ARC-COPLC. A county ARC vs PLC what-if calculator. Farmer can enter county yields and national prices for 2014-2018 and it calculates ARC and PLC payments.

- <http://www.farmdoc.illinois.edu/fasttools/index.asp>

USDA National Marketing Year Average Prices 2002-2013:

- <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=foa-cc>