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## Farm Bill Decision Deadlines and the Farm Bill Toolbox

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In an interview with the Red River Farm Network, Secretary of Agriculture Tom Vilsack announced the following time frame for making the three sets of decisions for each Farm Service Agency (FSA) farm:

1. September 29 to February 28<sup>th</sup>. During this period, paperwork dealing with the program yield updating and program acre reallocation decisions can be completed for each FSA farm.
2. November 17 to March 31. During this period, paperwork dealing with program choice (Agricultural Risk Coverage – County (ARC-CO), Price Loss Coverage (PLC), and Agricultural Risk Coverage – Individual Coverage (ARC-IC)) can be completed for each FSA farm.

### Farm Bill Tool Box

We have developed a seven step process for making the above three decision which is available in the Farm Bill Toolbox at "[Making the ARC-PLC Decision](#)". The seven steps are:

1. Collect information,
2. Keep or updated yields,
3. Retain or reallocate base acres,
4. Compare ARC-CO and PLC,
5. Consider ARC-IC,
6. Consider SCO, and
7. Signup

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Given that the first deadline is for the program yield update and program acre reallocation decisions, the first three steps dealing directly with those decisions are described below. Future posts will deal with the program choice decisions.

### **Collect Information (Step 1)**

Two pieces of information are needed when making FSA farm decisions.

First, landowners and producers should have received a letter from FSA dated July 28<sup>th</sup>. For each FSA farm, documents following this letter give:

1. The current allocation of base acres in crops,
2. The current program yields for all programs crops, and
3. Plantings in each program crop from 2008 through 2012.

A video describing the information is available on YouTube ([watch video](#)).

The local FSA office should be contacted if this information is incomplete or incorrect.

Second, yields from 2009 through 2012 are needed when evaluating yield updating decisions (yields from 2013 will be needed if ARC-IC is the program choice). Land owners will complete an FSA form giving these yields, signing that the yields are correct. If audited, documentation will need to be provided to verify that the yields are correct. Documentary evidence acceptable to FSA includes, but is not limited to: (1) Production approved by the county committee for some other FSA program purpose; (2) Commercial receipts; (3) Settlement sheets; (4) Warehouse ledger sheets; (5) Elevator receipts or load summaries, supported by other evidence showing disposition, such as sales documents; and (6) Evidence from harvested or appraised acreage, approved for FCIC or multi-peril crop insurance.

### **Yield Updating (Step 2)**

A one-time option exists to keep the current program yield for each crop or update the yield to 90% of average yields from 2008 to 2012. If any yield between 2008 and 2012 are below a plug yield or if evidence does not exist to support a yield for the FSA farm, the plug yield will be used in calculating the updated yield. Information in [Step 2](#) includes:

- A fact sheet describing the option ([view fact sheet](#))
- A video more fully describing the decision ([watch video](#))
- Online tools for making the decision. The Agricultural Policy Analysis (APAS) decision includes a Payment Yield Update utility for calculating updated yields (see [here](#))
- General guidance for making this decision. This is a crop by crop decision. Generally, the keep or update option resulting in the highest yield should be chosen. However, one reason not to update yield, even if that yield is the highest, is that documentation for 2008-2012 yields cannot be provided. A YouTube video provides more detailed guidance ([watch video](#))

### **Acre Reallocation Decision (Step 3)**

A one-time decision exists to retain the current allocation of base acres by program crop or update each crop's acres based on average program plantings from 2009 through 2012. This decision will not change the total bases on the farm but could change the acres allocated to each crop. Step 3 of "Making the ARC-PLC Decision" contains the following information:

- A fact sheet detailing the alternatives ([view fact sheet](#))

- A YouTube video shows examples of how acre reallocations will work in a variety of situations ([watch video](#))
- Online tools for making the decision. The Agricultural Policy Analysis (APAS) decision includes a Base Acre Reallocation utility for calculating reallocated acres (see [here](#))
- General guidance for the decision. The decision to reallocate base acreage could be based on producer expectations for program support levels over the next Farm Bill period (2014-2018). The allocation which results in more base acreage in crops expected to receive higher levels of support may be preferred. Producers could also consider the base acre allocation which is most similar to their expected planting decisions over the next Farm Bill period. This strategy may better match program support to the producer's planting intentions. A YouTube video provides guidance for this decision ([watch video](#))

### **Program Choice Decisions (Step 4 through 6)**

Steps 4 through 6 deal with the program choice between ARC-CO, PLC, and ARC-IC. More detail on these decisions will be provided as the signup period approaches.

In general, we suggest waiting till later in the period to make the program choice decisions. The levels of program payments for ARC-CO and PLC in 2014 will be more certain later in the sign up period. ARC-CO payments are influenced by county yields. NASS will release 2014 county yields in late February, thereby providing a critical piece of information in determining the level of 2014 ARC-CO payments. Of course, 2014 projected payments are not the only piece of information useful in evaluating the program choice decisions.

### **Summary**

Periods for making 2014 Farm Bill Decisions have been announced by the Secretary of Agriculture. Land owners and producers will be able to complete paperwork relative to the yield updating and acre reallocation decisions through February 28<sup>th</sup>. For yield updating, the keep or update decision resulting in the highest yield should be selected. However, yields should not be updated even if it results in the highest yield if documentation for the yield cannot be provided. For the program base acre decision, the allocation resulting in the largest number of acres in crops with the highest expected payments over 2014-2018 likely will be a good choice.

Producers will be able to complete paperwork for the program choice decision from November 17<sup>th</sup> through at least March 31<sup>st</sup>. Waiting till near the end of the sign up period seems prudent, as more information concerning 2014 payments will be available at that point.