

Bluestem Breezes
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Farm Bill Decision Tool

With the passage of The Agricultural Act of 2014, more commonly referred to as the Farm Bill, land owners and tenants have several decisions to make regarding their farms. I am hopeful you are all watching the calendar and staying on top of deadlines to update your records.

Here is a recap of those signup deadlines:

February 27, 2015 – Update crops yields and reallocate base acres, if you so choose. Remember, Congress doesn't give us the opportunity to modify these numbers in every Farm Bill. Consider if updated yields and reallocated base acres are beneficial for your operation. Will it align crop payments with actual risk (crop planted)? Will it maximize your payments?

March 31, 2015 – Elect which program your farm(s) will enroll in to for this Farm Bill: ARC or PLC. ARC-County (Agricultural Risk Coverage – County Level) serves as revenue protection for shallow revenue losses. ARC-Individual works best for single enterprise farms that do little crop rotation. PLC (Price Loss Coverage) will pay when the price falls below a reference price. More simply stated, it is catastrophic price decline protection.

If you don't enroll in any program, you will automatically be enrolled in PLC and you will not receive a 2014 payment. Folks, that leaves money sitting on the table.

Confused about which program to jump on board with? You are not alone. Fortunately, there are tools out there to aid in your decision-making. Kansas State and Oklahoma State Universities developed a Decision Tool spreadsheet to walk you through analyzing both ARC and PLC. By inputting your own crop acres and yields, the program calculates a new crop base acre allocation and program yield. Results for your farm(s) will show what scenario works to your advantage - reallocate base acres or continue with current base acres. As well, it will demonstrate program yields with both base acre scenarios.

A definite benefit to using the tool is the ability to override price forecasts. We can alter those numbers to analyze how program payments will change. As prices adjust, the best program for your farm may also adjust.

I know this information can be overwhelming. If you're interested in using your farm's crop history to look at potential scenarios, please contact me soon (remember those deadlines). This service is free to you. I'll work with you to analyze your choices. Then, it's up to you to enroll in the program of your choice at our local Farm Service Agency office.

For additional information, contact the Extension Office (215 Kansas, Courthouse, Alma; kamayer@ksu.edu; 765-3821). For Bluestem Breezes archives, check out wabaunsee.ksu.edu.