



2014 Farm Bill Training

ARC/PLC Program Yield Updates



DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System



FSA
Farm Service Agency

Understanding the  **2014 FARM BILL**

ARC/PLC Program

ARC/PLC Program Process has three PARTS:

- 1. Update:** Owner(s) choice to ***“reallocate”*** base acres and/or ***“update”*** CC Yields
✓ September 29, 2014 through February 27, 2015



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Understanding the  **2014 FARM BILL**

ARC/PLC Program

ARC/PLC Program Process has three PARTS:

2. **Election**: Once Base Acres and Yields are set, then the ***Election*** of PLC or ARC takes place on the farm

✓ November 17, 2014 through March 31, 2015



ARC/PLC Program

ARC/PLC Program Process has three PARTS:

3. **Enrollment**: Once Election has been completed then ***Enrollment*** takes place on the farm

✓ Mid-April 2015 through Summer 2015



Yield Options

YIELD UPDATE OPTIONS

1. Retain Current Counter-Cyclical Yields

OR

2. Update Yields @ 90% of Planted Acreage – (Yield history)

Yield Options

YIELD UPDATE OPTIONS

- Yield Update is available **PER** Crop for producers and farms regardless of program election – PLC/ARC-CO/ARC-IC

Yield Options

YIELD UPDATE OPTIONS

- Yield Update is available if farm had acres planted of covered commodities, **2008 – 2012**, using simple average, *excluding* zero planted years



Substitute Yield

- A substitute yield is authorized to be used in the yield update calculation in the following situations:
 - ✓ The crop was planted on the farm in the crop year
 - ✓ The yield is low as the result of a disaster condition



Substitute Yield

- A substitute yield is authorized to be used in the yield update calculation in the following situations:
 - ✓ The yield data is unavailable because crop was taken for another use
 - ✓ The yield is missing or unattainable because it was farmed by a different producer

Substitute Yield

- ❑ In cases where part of the yield is missing, a partial substitute (or plug) yield may be considered on those acres

Substitute Yield

- ✓ Substitute Yield is calculated at the county level
- ✓ Calculation is 75% of the 2008-2012 average yield in the county
- ✓ And is the same yield for each of the 2008-2012 crop years, when used



FSA Website – ARC/PLC

Go to: fsa.usda.gov

Under “Popular Topics”, click on:

**“Agricultural Risk Coverage /
Price Loss Coverage”**



Substitute Yield

USDA FSA United States Department of Agriculture Farm Service Agency

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You are here: [FSA Home](#) / ARC PLC Program

ARC/PLC Programs

Base Reallocation, Yield Updates, Price Loss Coverage (PLC) & Agricultural Risk Coverage (ARC)

The ARC/PLC website provides helpful links to descriptive materials and data for producers to better understand program eligibility, how program payments are calculated, and choices to be made under the 2014 Farm Bill provisions.

I Want To...

- [View Program Schematic for CTP/ARC/PLC Programs](#)
- [View Substitute Yields for Updating PLC Payment Yields \(XLS, 687 KB\)](#)
- [View Projected 2014 Crop Reference Prices, National Average Loan Rates, PLC Payment Rates, and PLC](#)

Understanding the **2014 FARM BILL**

Payment Yield Update Example 1

5 Year average of Planted acreage

Farm #1		Current Corn CC Yield: 96/bu.						
Crop	2008	2009	2010	2011	2012	Total	Avg. Yield	PLC Yield (90%)
Corn	151	165	155	180	-75	749	150	135/bu.
Avg. CO Yield (75%)	-98	-98	-98	-98	98			

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Understanding the **2014 FARM BILL**

Yield Example

Payment Yield Update Option Example #2

3 Year Average of Planted acres

$$(128+134+122=384/3=128)$$

Farm #2		Corn						CC Yield: 105/bu	
Crop	2008	2009	2010	2011	2012	Total	Average Yield	PLC Yield (90%)	
Corn	Zero Plant	Zero Plant	128	134	119	384	128	115/bu	
Average CO Yield (75%)	122	122	122	122	122				



Yield Examples

Payment Yield Update Option Example #3

1 Year Average of Planted acres

$$(60/1=60)$$

Farm #3		Wheat					CC Yield: 32/bu	
Crop	2008	2009	2010	2011	2012	Total	Average Yield	PLC Yield (90%)
	Zero Plant	Zero Plant	60	Zero Plant	Zero Plant	60	60	54/bu
Average CO Yield (75%)	45	45	45	45	45			



Yield Update - Decision

- **The owner(s) decision on the farm:**
 - Is to retain or update the applicable crop's yield.
 - Can be updated regardless of program elected – Price Loss Coverage, ARC-CO or ARC-IC

Yield Update - Decision

- **The owner(s) decision on the farm:**
 - Will allow the yield to reside on FSA farm records for the duration of the farm bill and be available for future farm bills, if applicable

Yield Update - Decision

- If not completed by the deadline, or if there is a disagreement of the yield update by one or more owners of the farm, and is not resolved by the deadline:
 - The farm's yield, or PLC Yield, will be the farm's 2013 CC yield

Yield Certification

- Yield and production records are NOT required to be provided with the yield certification form
- FSA will not copy or store yield or production records

Yield Certification

- The type of production evidence used to certify yield will be required to be identified
 - Types of production include: **1**-RMA data; **2**-production sold/commercial; **3**-on-farm storage; **4**-livestock feed records; **5**-FSA loan record; **6**-FSA NAP record; **7**-other

Yield Certification

- Yields must represent the total harvested and appraised production (IR/NI) divided by the planted acreage of crop on the farm for each year
- Certified yields will be required to be supported by production evidence if requested by FSA

Production Records

- Production records will be required if:
 - PLC Yields have been updated and the farm ***is selected for review by FSA.***
 - if the farm is elected into ARC-IC, ***for benchmark and current year production***

Yield Calculator

- FSA has provided a Yield Calculator
- The yield calculator has been posted to the ARCPLC website at:

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

Yield Calculator

Step 1:									
Enter Farm Number		Enter State			Enter County				
1111		Arkansas			Lonoke				

Covered Commodity	Substitute Yield	CC Yield	Step 5 & 6: Year					Step 7:		
			2008	2009	2010	2011	2012	A. Simple Ave Yield	B. 90% of Simple Avg Yield	C. PLC Yield (higher of CC Yield or 90% of Simple Ave)
Rice, Long	Enter "X" if planted -->		X	X	X	X	X			
	5248	6200	7250	7547	6285	7800	7850	7346.4	6612	6612
	Higher of Actual or Substitute Yield		7250	7547	6285	7800	7850			
Wheat	Enter "X" if planted -->		X		X					
	37	52	88		65			51.0	46	52
	Higher of Actual or Substitute Yield		37		65					
Corn	Enter "X" if planted -->			X		X	X			
	129	135		185		175	187	182.3	164	164
	Higher of Actual or Substitute Yield			185		175	187			
Soybeans	Enter "X" if planted -->		X	X	X	X	X			
	28	40	45	50	48	52	55	50.0	45	45
	Higher of Actual or Substitute Yield		45	50	48	52	55			
	Enter "X" if planted -->									
	Higher of Actual or Substitute Yield									
	Enter "X" if planted -->									

Step 2: County Substitute Yield Table (75% of 2008-12 average county yield)	
Covered Commodity	Substitute Yield
Barley	
Canola	
Chickpeas, Large	
Chickpeas, Small	
Corn	129
Cranberry	
Flaxseed	
Grain Sorghum	
Lentils	
Mustard Seed	
Onions	
Peanuts	
Peas, Dry	
Rapeseed	
Rice, Long	5248
Rice, Medium	
Safflower	
Sesame Seed	
Soybeans	28
Sunflower	
Wheat	37



Yield Calculator

Step 1:									
Enter Farm Number		Enter State			Enter County				
1111		Arkansas			Lonoke				

Covered Commodity	Substitute Yield	CC Yield	Step 5 & 6: Year					Step 7:		
			2008	2009	2010	2011	2012	A. Simple Ave Yield	B. 90% of Simple Avg Yield	C. PLC Yield (higher of CC Yield or 90% of Simple Ave)
Rice, Long	Enter "X" if planted -->		X	X	X	X	X			
	5248	6200	7250	7547	6285	7800	7850	7346.4	6612	6612
	Higher of Actual or Substitute Yield		7250	7547	6285	7800	7850			
Wheat	Enter "X" if planted -->		X		X					
	37	52	88		65			51.0	46	52
	Higher of Actual or Substitute Yield		37		65					
Corn	Enter "X" if planted -->			X		X	X			
	129	135		185		175	187	182.3	164	164
	Higher of Actual or Substitute Yield			185		175	187			
Soybeans	Enter "X" if planted -->		X	X	X	X	X			
	28	40	45	50	48	52	55	50.0	45	45
	Higher of Actual or Substitute Yield		45	50	48	52	55			
	Enter "X" if planted -->									
	Higher of Actual or Substitute Yield									
	Enter "X" if planted -->									

Yield Examples – Example

Overview:

- In this example, the Soybean CC Yield is 28 bu/ac.
- The producer planted Soybeans in 5 of the years 2008 – 2012. Yields averaged:
 - 2008 – 40 bu/ac
 - 2009 - 43 bu/ac
 - 2010 – 36 bu/ac.
 - 2011 - 37 bu/ac
 - 2012 – 42 bu/ac.
 - Substitute Yield is 31 bu/ac.

Yield Examples – Example

Example – Work Copy

Farm 1	Covered commodity – Soybeans					Counter-Cyclical Yield – 28 bu./acre		
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	40	43	36	37	42			
Substitute Yield @ 75%	31	31	31	31	31			
1/ Total - total of 2008 – 2012 covered commodity year yields. 2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.								
Yield Update Decision – Keep CC yield OR Update Yield ?								

Yield Examples – Example Example – Answer Key

Farm 1	Covered commodity – Soybeans					Counter-Cyclical Yield – 28 bu./acre		
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	40	43	36	37	42	198	40	36 bu./acre
Substitute Yield @ 75%	31	31	31	31	31			

1/ Total - total of 2008 – 2012 covered commodity year yields.
 2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.
 - 5 Year average of Planted acreage (40+43+36+37+42) = 198 = 40

Yield Update Decision – Update the soybean PLC yield to 36 bu/acre



- Visit FSA Website:
www.fsa.usda.gov
- ARC/PLC Program Information will be posted on the ARCPLC web page
- ARC/PLC Producer Web-tools are available on the ARCPLC web page



Webinars & Recordings

www.uaex.edu/farmbill

