2014 Farm Bill Decision: Deploying Generic Base Acres

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Generic Base

• All cotton base was converted to Generic Base in the 2014 Farm Bill
• Generic Base used in place of eliminating the historical benefits of cotton base
  – Lessons learned from eliminating allotments and terminating peanut quota
What is Generic Base Good For?

• Generic base can be “deployed” to covered crops planted on the farm in 2014-2018
  – Deployed means you can add generic base to existing base

• Two simple rules used to determine how “deployed” base acres are calculated each year
  – Total Deployable Generic Base Acres (TDG) = \( \text{MIN}(\text{Generic Base OR Total Acres Planted Covered Crops}) \)
  – Deployed Acres Allocated to A Covered Crop = \( \text{TDG} \times (\text{Planted Acres for The Covered Crop} / \text{Total Acres Planted to Covered Crops}) \)
## Examples of Deploying Generic Base Acres

<table>
<thead>
<tr>
<th>Example</th>
<th>Total Generic Base Acres</th>
<th>Total Acres Planted to GS and Wheat</th>
<th>Deployed Generic Base Acres</th>
<th>Deployed Generic Acres to GS</th>
<th>Deployed Generic Acres to Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example 1</td>
<td>50</td>
<td>50 GS &amp; 50 Wht =100 total</td>
<td>50</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Example 2</td>
<td>50</td>
<td>100 wheat so =100 total</td>
<td>50</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>Example 3</td>
<td>50</td>
<td>No planted acres to covered crops</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Example 4</td>
<td>50</td>
<td>50 wheat so =50 total</td>
<td>50</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>Example 5</td>
<td>50</td>
<td>25 wheat so =25 total</td>
<td>25</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Example 6</td>
<td>50</td>
<td>1 acre wheat so =1 total</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
Bottom Line for Generic Base

- As long as the farm plants more acres of covered crops than the generic base all generic base acres can be deployed to the covered crops.
- You **cannot** indicate which covered crop receives the generic base acres, other than which crops you plant.
- Generic base is allocated in proportion to the acres planted for the covered crops.
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21 - Brief Discussion of ARC/PLC Evaluator for Generic Base

1080i (267 MB)
720p (151 MB)
480p (69 MB)
audio only (7 MB)
YouTube
AFPC Decision Includes Generic Base Deployment

- In the Base Reallocation, ARC and PLC calculation module we include the benefits from generic base deployment when calculating the ARC and PLC payments.
- The Farm Bill Decision Aid is at https://decisionaid.afpc.tamu.edu
Questions

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Time is Running Out: ARC or PLC

Yield & Base + PLC or ARC

Phases of the moon: 5:0 13:0 20:0 27:0