

WEEKLY NEWS COLUMN
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FARM BILL DECISIONS

The time is now for agricultural producers to begin making their 2021 elections for the most recent, 2018 Farm Bill with the Farm Service Agency. The election period, which began October 1, 2020 and concludes March 15, 2021 covers all crops harvested in 2021. Producers secured their 2019 and 2020 elections in 2020, and, beginning in 2021, will make elections annually for the remainder of the 2018 Farm Bill.

What decisions need to be made? Producers are required to determine which program to enroll in for each commodity in which they have base acres. They must choose between Price Loss Comparison (PLC) or Agricultural Risk Coverage (ARC). Agricultural Risk Coverage has County Level (ARC-CO) and an Individual Level (ARC-IC) components to it. Electing to enroll in PLC or ARC-CO allows a producer to enroll each crop individually. Choosing ARC-IC, lumps all crops into one program.

Both programs are unique in their design and benefit producers differently. ARC-CO is a low revenue program, where PLC is a low price program. With ARC-CO, payments are triggered when the revenue is 86% below the county benchmark. That benchmark is set based on the last five years of national Marketing Year Average prices and county yields. Payments are determined on a county by county basis and are subject to a 10% payment cap. PLC payments trigger when the national Marketing Year Average price falls below the reference price for that particular crop. Payments are determined by the national price and paid on the farm's base acres and program yields established by the Farm Service Agency. PLC is subject to a much higher cap and the advantage to choosing this program is that it will pay more significantly when a low price situation occurs.

How do producers make their decision? Most farms make their decision based on wheat and grain sorghum because most of the base acres in the program are established in wheat. K-State's Department of Agriculture Economics offers tables and tools on its website, agmanager.info to help producers view which programs received payments in our county as well as the number of farms enrolled in each program. Additionally, producers will find the ARC vs. PLC Tradeoff spreadsheet allows them to plug in their program yields and view at what level a payment would be made in each program. Producers can do this on their own, or visit the Cowley County Extension Office to go through the process. All information is at agmanager.info, under "Policy", then "2018 Farm Bill".

For more information, visit <https://www.agmanager.info/ag-policy#2018-farm-bill> or contact the Cowley County Extension Office 221-5450, 441-4565.

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