



Keep Good Harvest Yield Records Advised

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The USDA's new Acreage Crop Revenue Election (ACRE) program is a part of the 2008 Farm Bill passed by Congress in May and June. Farmers will be able to choose to receive traditional farm program payments under the Direct and Countercyclical Program (DCP) or add ACRE. However, producers don't have to decide which program to use now. The Farm Service Agency (FSA) has yet to release the regulations for the ACRE program. Yet, actions taken during harvest can make it easier to utilize 2008 data on farms that eventually will be enrolled in ACRE.

Based on information contained in the Farm Bill, it is expected that FSA will likely require farmers to provide "verifiable and quantifiable yield data." This information will be for five years of yield history for program crops, likely listed by FSA farm number to enroll in ACRE. Preserving yield data by farm number this fall during harvest will help provide documentation a producer will likely need to make a better decision regarding this program.

Decision Covers Multiple Years

ACRE will cover the 2009 through 2012 crop years. Once a farmer chooses to add ACRE to the DCP, that choice will apply to all subsequent years on that particular farm enrolled, but end after the 2012 crop year.

Eligibility and level of payments under ACRE will have both state level and farm level revenue triggers. The yields that will be used annually will be the most recent 5-year Olympic average yields per planted acre. For these 5 years, throw out the high and the low, and then average the yields for the remaining three years.

Rounding up yield data for 2004 through 2007 in advance of sign-up for ACRE in 2009 will likely require some good record keeping. Preserving 2008 yield data as you harvest can make the process much easier. To prepare for ACRE producers should consider the need to determine the net production in bushels—corn and soybeans—by FSA farm number—beginning this fall.

Cash Rent vs. Crop Share Farms

In cash rent situations, the tenant may sign up for ACRE and potentially receive the annual ACRE payment, if one is made, because the tenant is likely "at risk" as defined by the FSA. The landlord could be involved in ACRE sign-up, depending on whether appropriate signatures on the FSA's Power of Attorney form are completed. In a crop share situation, both tenant and landlord signatures will be required to sign-up for ACRE.

Farms do not have to be enrolled in ACRE—it's an election. For those that do enroll, it's an irrevocable decision that cannot be changed through 2012. Some farms may not enroll in 2009, waiting to enroll in 2010, 2011 or perhaps 2012. The USDA is not expected to have final regulations for ACRE finalized and available until sometime in early 2009. Understanding the likelihood for proving net production of bushels for all program crops by FSA farm number this harvest season is a good practice should one decide to enroll in the ACRE program in the future.

Conclusion

Producers are encouraged to be proactive during the 2008 harvest in advance of regulations yet to be

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released by the USDA Farm Service Agency. Some strategies to consider include:

- Denote farm name and field description on all scale tickets.
- If a producer has scales on wagons or at their grain bin site, keep track of which bushels came from which farm.
- If a producer has grain from different farms stored in the same bin, stop and do some self-measurement. Keep track of how many loads from which farm in that particular bin.
- If a producer has a yield monitor on their combine, denote the farm name and field description while harvesting. If they had a yield monitor, grain cart scales or records since 2004— they might be ahead of the game in allocating bushels to specific FSA farm numbers.
- Be patient with County FSA Offices as staff will likely not be able to comment on the ACRE program until the regulations are written and training takes place.

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