The Agricultural Act of 2014 allows farmland owners and operators to make a one-time election of a commodity program among the Price Loss Coverage (PLC), the Agricultural Risk Coverage at the County Level (ARC-CO), and the Agricultural Risk Coverage at the Individual Level (ARC-IC) programs for 2014 through 2018. It also allows the operator to enroll annually in the chosen program. However, prior to making those decisions, farmland owners will have a one-time option to reallocate base (or program) acres for PLC and ARC-CO, and another one-time option to update the program payment yields for PLC.

The choice to update base acres and yields is one that owners and operators should consider closely. These opportunities to update are few and far between. And it may be a few more farm bills before another update occurs. The opportunity to update allows a realignment between the farm’s current production pattern and the payment formulas for commodity programs. For some farms, the base acreage and yields were determined with data from the 1980s. A lot has changed since then. The acreage update will move base acreage to more closely match current plantings. The yield update could provide larger payments, based on larger yields.

This decision tool (www.extension.iastate.edu/agdm/crops/xls/a1-35baseacresandyields.xlsx) is designed to help Iowa farmland owners with the base acre reallocation and payment yield update decisions. Most of the information required to use this tool (2009-2012 planted and considered planted acres, current base acres, and current CCP payment yields) has already been mailed by the USDA Farm Service Agency (FSA) to farmland owners and operators. The other required information (actual farm yields 2008-2012 on a planted acre basis) will have to be recovered from farm and other agricultural records. The owner or operator can compile the yield per crop per year, but not submit the yields to the FSA county office until yield software becomes available in the fall of 2014.

Letters to owners and operators will be missing planted and considered planted (P&PC) history of covered commodities where a tract division, tract combination, new tract, or farm transfer occurred between 2009 through 2014. County FSA offices were provided instructions for researching and documenting missing P&PC acreage history that will be loaded into the Farm Bill Acreage History Software once it is available.

**Base Acreage Reallocation**

After identifying your farm in the top part of the worksheet by FSA farm number, please input the P&PC acres to each crop in that farm for 2009 through 2012, as well as the current base acres on the farm.

The worksheet calculates the new reallocated base acres as the 2014 total base acres in that farm multiplied by the reallocation percentage stemming from the planting history. Therefore, the total number of base acres will be exactly the same before and after the reallocation and only the number of acres assigned to each crop might vary.

Finally, you can choose whether to update base acres or retain the current base allocation and see how that impacts the payment acres for ARC-CO and PLC (equal to 85 percent of the base acres per crop) over 2014 through 2018.

**PLC Payment Yield Update**

After identifying your farm in the top part of the worksheet by FSA farm number, enter the actual farm yields for 2008 through 2012, as well as the
CCP payment yields. If a crop was not planted in a particular year, then enter NP (not planted) in the corresponding cell; if a crop was planted or considered planted but no yield information is available, then enter ND (no data).

The worksheet calculates the updated payment yields as the historical average of the highest of 90 percent of the farm yield or 75 percent of the 2008-2012 average county yields. If the updated payment yields are higher than the CCP payment yields, then it makes sense to update the farm’s yield information.

The first worksheet within the decision tool shows information for an example farm. The decision tool has multiple worksheets to allow a user to enter data for up to five farms.