A few months ago, the USDA Farm Service Agency (FSA) mailed letters to farmland owners and their producers with a summary of covered commodities. This was actually the start of a 3-step process for the new commodity crop program.

Now, farmland owners by FSA farm number have a one-time opportunity to: (1) maintain the farm’s 2013 base acres of covered commodities through 2018; or (2) reallocate base acres among those covered commodities planted on the farm during the 2009 to 2012 crop years.

In addition, the farmland owner can choose to update their old Counter Cyclical (CC) yields. These base and planted acre numbers along with the Counter-Cyclical (CC) yield were all listed on the Summary Acreage History Report that accompanied the letter from FSA.

Landowner involvement
When updating the farm’s yield, a choice needs to be made by the landowner on the farm. Should they retain the farm’s CC yield or update to a new Price Loss Coverage (PLC) yield? This new yield would reflect actual production for a commodity crop grown on the farm during the years 2008 to 2012.

That simple average yield for those years is then multiplied times 90% to create the new PLC yield. This yield replaces the farm’s old CC yield. A plug yield of 75% of the county yield can be used for any year the commodity crop was produced, if there was a low or missing farm yield.

This base acres and/or yield update can take place now through Feb. 27, 2015. The current producer on the farm can then elect by FSA farm number between a revenue-loss program that covers a combination of price and yield losses -- Agricultural Risk Coverage (ARC) or a price-loss only program known as PLC.

If ARC is elected, the producer will have to choose one of two ARC programs: (1) a county ARC (ARC-CO) on a commodity-by-commodity basis; or (2) an individual farm ARC (ARC-IC) that combines all the program commodities on the farm together.

ARC/PLC program implementation timeline
Thus, there are important decisions coming up this fall and winter for both landowners as well as current producers on the farm.

Here’s a summary of the three-step process:
1) UPDATE: The first step is whether you want to update base acres and yields. The landowner makes that final decision and signs the appropriate FSA form. The landowner has between Sept. 29, 2014, to
Feb. 27, 2015, to update base acres and/or yields by FSA farm number.

The second and third steps involve the current producer(s) on the farm. The second step is the determination of whether or not to elect ARC or PLC. ARC is a revenue-based program. PLC is a price-loss program.

2) ELECTION: Current producer can make a 5-year election by FSA farm number for ARC-CO, ARC-IC, or the PLC program. This decision has to be made Nov. 17, 2014, to March 31, 2015.

3) ENROLLMENT: The third step is enrollment. Producers enroll the farm for the program elected. They can do this from mid-April through summer 2015. They will then enroll for 2014 and 2015 crop years concurrently.

Attend an upcoming farm bill meeting
Iowa State University Extension and Outreach is partnering with USDA to provide free informational meetings across Iowa to explain these new farm program options. These meetings start in early November. They will include a discussion of the new risk management programs ARC and PLC, as well as demonstrations of the online tools that have been created for producers to aid them in choosing which program is best for their farm.

ISU Extension farm management specialists will be on hand, prepared to discuss decisions farmers and landowners need to make in coming months regarding ARC and PLC options. Local FSA staff members who administer the programs will be available to help explain the programs and answer questions.

More than 50 of these meetings have already been scheduled statewide. Additional meetings and additional farm bill related information will be posted on the ISU Ag Decision Maker farm bill web page. Consider contacting your local county Extension office if you are interested in attending one of these meetings. Also, visit Farm Service Agency ARC PLC Programs for more information.