

2008 Farm Bill
Major Program Changes
For 2009

Randy Frisbee
County Executive Director
Osage/Maries County Farm
Service Agency
573-897-2138
randy.frisbee@mo.usda.gov

Farm Programs / Provisions

On farms with base acres established under the previous Farm Bill, producers may elect to enroll in;

■ DCP

Direct and Counter-Cyclical Payment

Sign-up period in progress now, closes June 1

OR

■ ACRE

Average Crop Revenue Election

Sign-up start date to be announced

DCP

Receive guaranteed direct payment

And

the possibility of a counter-cyclical payment.

Same as 2002 through 2008

Direct Payment Rates For DCP

Base acres X 83.3% X Established Yield X Payment Rate

No planting restrictions

Crop	2008 through 2012 Direct Payment Rate
Barley	\$0.24 per bushel
Corn	\$0.28 per bushel
Grain Sorghum	\$0.35 per bushel
Oats	\$0.024 per bushel
Soybeans	\$0.44 per bushel
Wheat	\$0.52 per bushel

Counter-Cyclical Rate is based on the following formula:

Target Price

- 12 Month Average Market Price

- Direct Payment Rate

= CC Rate

****CC payments are based on price only!!!****

Target Prices for Covered Commodities

Crop	2008	2009	2010 - 2012
Barley	\$2.24 per bu	\$2.24 per bu	\$2.63 per bu
Corn	\$2.63 per bu	\$2.63 per bu	\$2.63 per bu
Grain Sorghum	\$2.57 per bu	\$2.57 per bu	\$2.63 per bu
Oats	\$1.44 per bu	\$1.44 per bu	\$1.79 per bu
Soybeans	\$5.80 per bu	\$5.80 per bu	\$6.00 per bu
Wheat	\$3.92 per bu	\$3.92 per bu	\$4.17 per bu

ACRE

Average Crop Revenue Election

Part 1 is a direct payment based on 83.3% of the total planted acres on the farm, not to exceed the total base acres. Payment rate is 80% of the DCP rate.

Part 2 protects against crop revenue shortfall resulting from price and/or production declines at the state and farm level.

Average Crop Revenue Election (ACRE) Program Beginning in 2009

TWO TRIGGERS MUST BE MET BEFORE PAYMENTS CAN BE ISSUED

1. STATE TRIGGER

	State ACRE Guarantee	must exceed	Actual State Revenue
+/-10% from preceding year	90% times Benchmark State Yield (5-year olympic average planted yield) times ACRE Program Guarantee Price (2-year national average market price)		100% times Actual State Planted Yield times higher of: National Average Market Price or 70% of National Loan Rate

AND

2. FARM TRIGGER

	Farm ACRE Benchmark Revenue	must exceed	Actual Farm Revenue
+/-10% from preceding year	100% times Farm's Expected Yield (5-year olympic average planted yield) times ACRE Program Guarantee Price (2-year national average market price) plus Per Acre Producer-Paid Crop Insurance Premium		100% times Actual Farm Yield times higher of: National Average Market Price or 70% of National Loan Rate

CALCULATION OF A FARM'S PAYMENT

FARM PAYMENT = 83.3% of a farm's planted/considered planted acres for 2009-11; 85% in 2012 ^{1/} times (farm's expected yield divided by State benchmark yield) times

Lesser of:		State ACRE Guarantee	minus	Actual State Revenue
		State ACRE Guarantee	times	25%

- In exchange for participating in ACRE, a producer's direct payment is reduced by 20% and loan rate is reduced by 30 percent.
- Separate payments are established for irrigated and nonirrig. yields in States that have more than 25% irrigated and more than 25% nonirrig.
- If all producers on farm to do not elect to participate in ACRE, then farm can not participate.
- ACRE payments are issued October 1 after the crop is harvested (no advance payments).

1/ The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base acres for the farm.
 If the total number of planted acres exceeds the total base acres on the farm the producers may elect which planted acres to enroll in ACRE

Missouri results for 2009 crop year
Assuming 2007 and 2008 prices are used
for the Benchmark

	Corn	Wheat	Soybeans
Average ACRE Payment per acre	\$11.95	\$7.13	\$12.31

CAUTION!!!!!!!!!!
These are projections ONLY!!!!!!!!

ACRE

- A producer may participate in ACRE on one farm and participate in DCP on another farm.
- All producers on the farm must agree to participate
- *One time, Irrevocable election!!!!!!!!!!!!!!!!!!!!*

Data Collection Requirements:

- Annual submission of production records
- Five years of production data

LFP

Livestock Forage Program

- Covers grazing losses for producers who reside in a county showing a substantiated drought impact measured by the U.S. Drought Monitor.

LFP

The amount of grazing loss due to drought will be determined using the intensity levels as follows:

- D2: 8 consecutive weeks in any area of the county during the normal grazing period = 1 monthly payment
- D3: any area of county at any time during the normal grazing period = 2 monthly payments

(monthly payment rate for adult beef cow = \$29.96)

Per acre value depends on carrying capacity

Return to [U.S. Drought Monitor](#) Return to [Region](#)

The data cutoff for Drought Monitor maps is Tuesday at 7 a.m. Eastern Standard Time. The maps, which are based on analysis of the data, are released each Thursday at 8:30 a.m. Eastern Time.

U.S. Drought Monitor

Missouri

January 27, 2009
Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	100.0	0.0	0.0	0.0	0.0	0.0
Last Week (01/20/2009 map)	100.0	0.0	0.0	0.0	0.0	0.0
3 Months Ago (11/04/2008 map)	100.0	0.0	0.0	0.0	0.0	0.0
Start of Calendar Year (01/06/2009 map)	100.0	0.0	0.0	0.0	0.0	0.0
Start of Water Year (10/07/2008 map)	99.9	0.1	0.0	0.0	0.0	0.0
One Year Ago (01/29/2008 map)	91.4	8.7	0.0	0.0	0.0	0.0



Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements



<http://drought.unl.edu/dm>
Released Thursday, January 29, 2009
Author: Eric Luebehusen, U.S. Department of Agriculture

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U.S. Drought Monitor

Texas

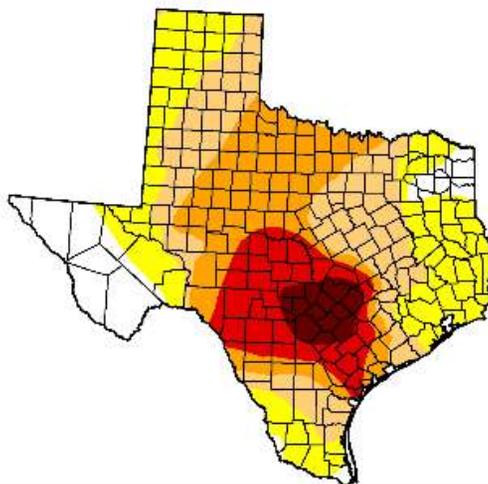
January 27, 2009
Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	11.6	88.4	62.1	37.5	16.5	4.2
Last Week (01/20/2009 map)	26.9	73.1	45.8	22.2	16.0	4.2
3 Months Ago (11/04/2008 map)	52.9	47.1	23.6	15.2	6.8	0.0
Start of Calendar Year (01/06/2009 map)	41.7	58.3	24.5	15.0	9.1	4.2
Start of Water Year (10/07/2008 map)	67.2	32.8	20.5	11.0	3.6	0.0
One Year Ago (01/29/2008 map)	23.9	76.1	24.9	0.0	0.0	0.0

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LFP

To be eligible grazing land must be covered by crop insurance or a NAP policy.

NAP policies must be purchased by March 15

SURE

Supplemental Revenue Program

**Covers crop losses due to natural
disasters**

**All Crops including Hay
Must be covered by crop insurance or
a NAP policy**

SURE

- Covers crop losses due to natural disasters
- Takes the place of ad-hoc disaster programs
- Producers must have purchased or be enrolled in:
 - A minimum of CAT (FCIC) for insurable crops
 - FCIC Buy up = higher SURE Guarantee
 - NAP for uninsurable crops **INCLUDING HAY CROPS**

SURE

compares

**TOTAL FARM REVENUE to
DISASTER GUARANTEE**

Total Farm Revenue =
Actual value of all production
+ FCIC and/or NAP payments
+Other disaster payments
+15% of DCP or ACRE direct payments
+Marketing Loan gains
+DCP Counter-Cyclical or ACRE Part 2
payments.

DISASTER GUARANTEE=

Crop Insurance Yield Guarantee

X Insurance Price Election

X Acres Planted

X 115%

+

Higher of NAP or CC yield

X 100% of NAP price

X Acres planted

X 120%

**SURE Payment =
DISASTER GUARANTEE
minus
TOTAL FARM REVENUE
X 60%**

The national average market price used for SURE calculations is not known until 12 months after harvest.

The program will be enacted only in counties for which a natural disaster declaration has been issued.

Eligibility and AGI

**New Eligibility Forms Required
Takes an average of 1 hour to
complete.**

**New Adjusted Gross Income
statement required. Current
legislation requires submission
of proof of your prior 3 years of
adjusted gross income.**

Summary

These are time consuming processes so we highly recommend you call the office to schedule a time to come by.

573-897-2138

NAP policies are required for participation in most of these programs. Final date to purchase NAP is March 15.

SPECIAL ANNOUNCEMENT

Program Technician

Patricia Steinman

**will retire on March 13,
2009.**

**Producers from Osage and
Maries Counties are invited
to stop by on that date for a
celebration reception.**

