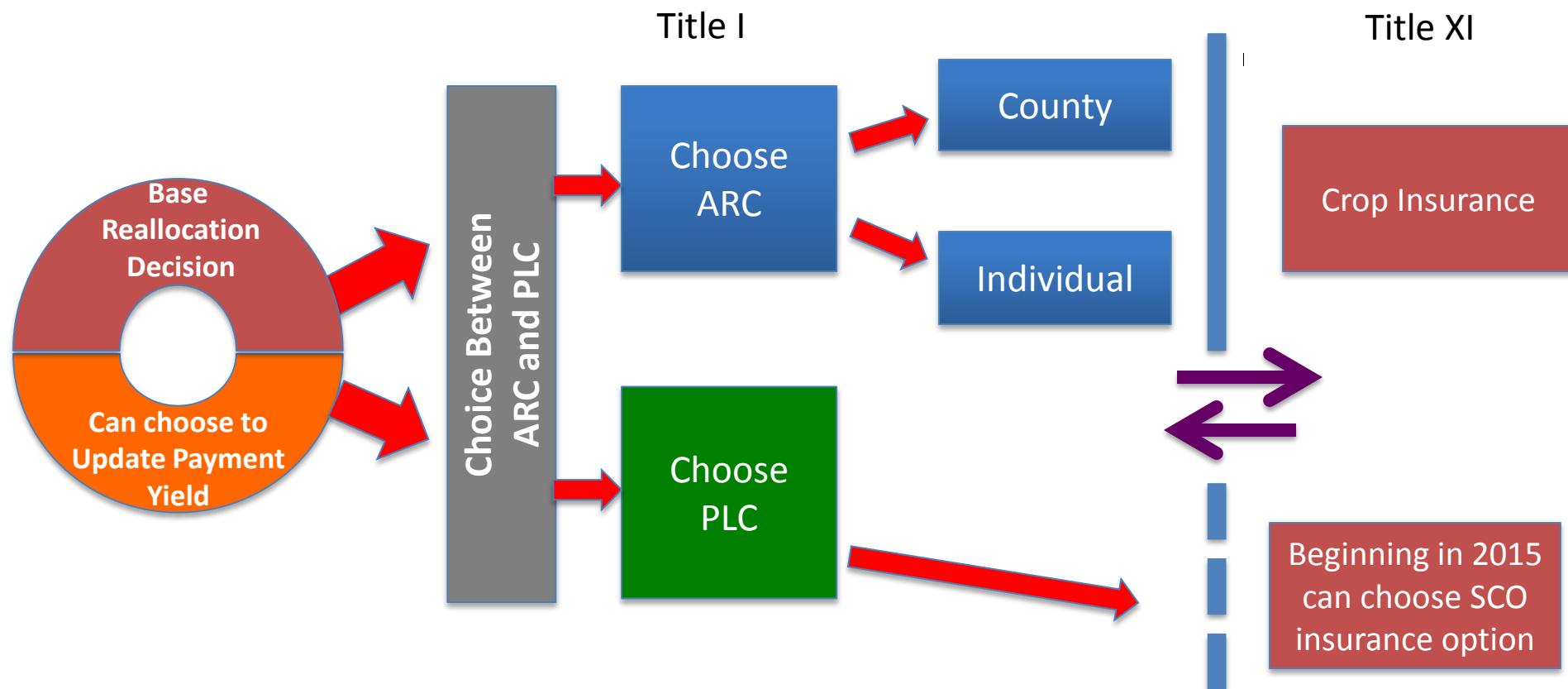


# Covered Commodities

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- Wheat, Oats, Barley, Corn, Grain Sorghum, Long Grain Rice, Medium Grain Rice, Pulse Crops, Soybeans, Other Oilseeds and Peanuts
  - Other Oilseeds
    - Sunflower seed, Rapeseed, Canola, Safflower, Flaxseed, Mustard Seed, Crambe, Sesame Seed, or any oilseed designated by the Secretary
  - Pulse Crops
    - Dry peas, Lentils, Small Chickpeas and Large Chickpeas

# Flow Chart of Title I Producer Choices for Covered Commodities (Does Not Include Upland Cotton)



- This decision is on a crop by crop basis for each farm unless the producer chooses individual ARC then it is for all the crops on that farm.
- If all parties cannot agree on the ARC/PLC choice then the farm would not be enrolled in ARC or PLC for the 2014 crop and the farm would automatically be enrolled in PLC for the 2015 crop and beyond.

# Who Makes The Decisions?

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- Base reallocation

- *As soon as practicable after the date of enactment of this Act, the Secretary shall provide notice to the **owners of a farm** regarding their opportunity to make an election*

- Yield Update

- *At the sole discretion of the **owner of a farm**, the owner of a farm shall have a 1-time opportunity to update, on a covered commodity-by-covered-commodity basis, the payment yield that would otherwise be used in calculating any price loss coverage payment for each covered commodity on the farm for which the election is made.*

- POA's on file will be honored according to FSA

# Who Makes The Decisions? (Cont.)

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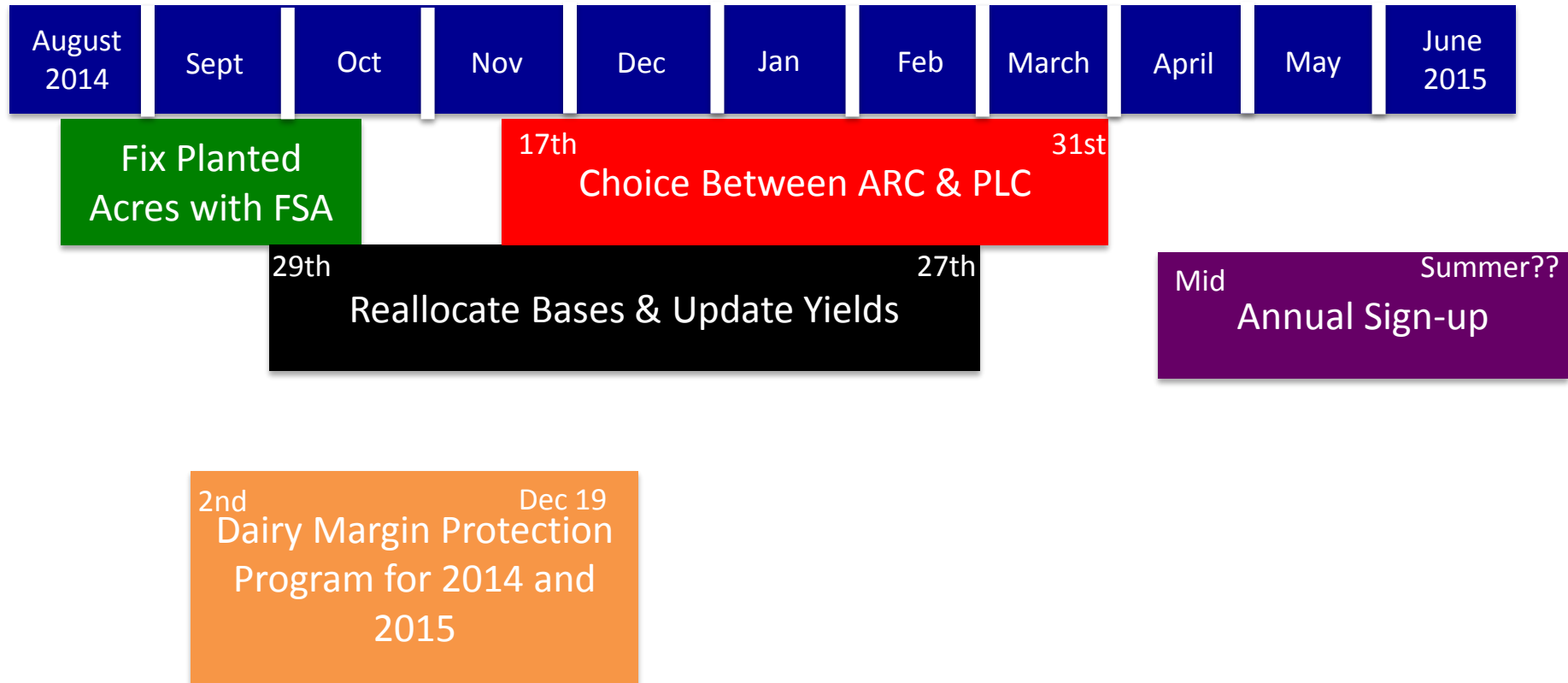
- ARC or PLC

- For the 2014 through 2018 crop years, **all of the producers on a farm** shall make a 1-time, irrevocable election to obtain—
  - (1) price loss coverage under section 1116 on a covered commodity-by-covered-commodity basis; or
  - (2) agriculture risk coverage under section 1117.

*IN GENERAL.—The term “producer” means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.*

**This decision stays with the farm for the life of the farm bill**

# Sign-up Timeline



Cotton Transition Assistance Program (CTAP) Deadline for the 2014 crop year was October 7<sup>th</sup>

# Yield Updating

**Farmer Smith  
On Farm 5 Yrs**

Year	Corn
2008	DNP
2009	88
2010	120
2011	100
2012	150
Substitute Yield	70
2013 CC Yield	90

**Farmer Jones  
On Farm 2 Yrs**

Corn
No Records
No Records
No Records
110
120
70
90

**Farmer Brown  
On Farm 2 Yrs**

Corn
95
100
120
130
120
70
90

FSA letter indicates 5 years of corn planted

Obtained From Prior Tenant

Could Update to:  $(88 + 120 + 100 + 150)/4 * .9 = 103$

$(70 + 70 + 70 + 110 + 120)/5 * .9 = 79$

$(95 + 100 + 120 + 130 + 120)/5 * .9 = 102$

# Base Reallocation Example

## With Cotton

	Cotton	Corn	Sorghum	Soybeans	Wheat	Total
Base a/	500	0	0	0	500	1,000
Plantings						
2009	200	600	100	100	0	1,000
2010	200	600	100	100	0	1,000
2011	200	600	100	100	0	1,000
2012	200	600	100	100	0	1,000
Average	200	600	100	100	0	1,000
Generic Base	500					500
Share		75%	12.5%	12.5%	0%	
Reallocated Base		375	62.5	62.5	0	500

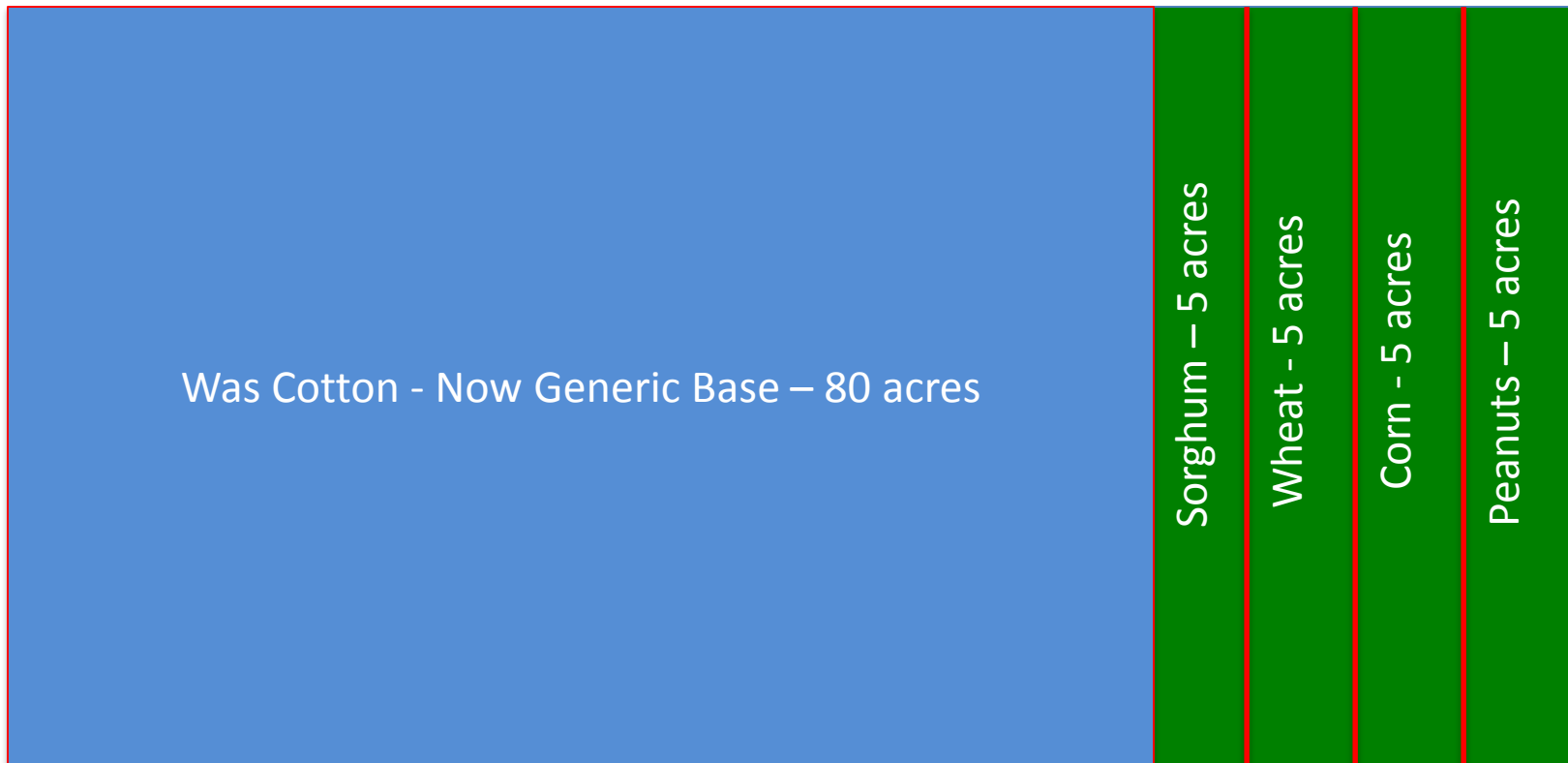
Source: House Agriculture Committee Staff

# Generic Base Allocation

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100 Acre Farm

Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic





# Generic Base - 2014

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 50 acres of wheat and 50 acres of sorghum



Farmer has protection on 45 acres of sorghum & wheat and 5 acres each of corn & peanuts

# Generic Base - 2015

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 100 acres of sorghum



Farmer has protection on 85 acres of sorghum and 5 acres each of wheat, corn and peanuts

# Generic Base - 2016

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 100 acres of cotton

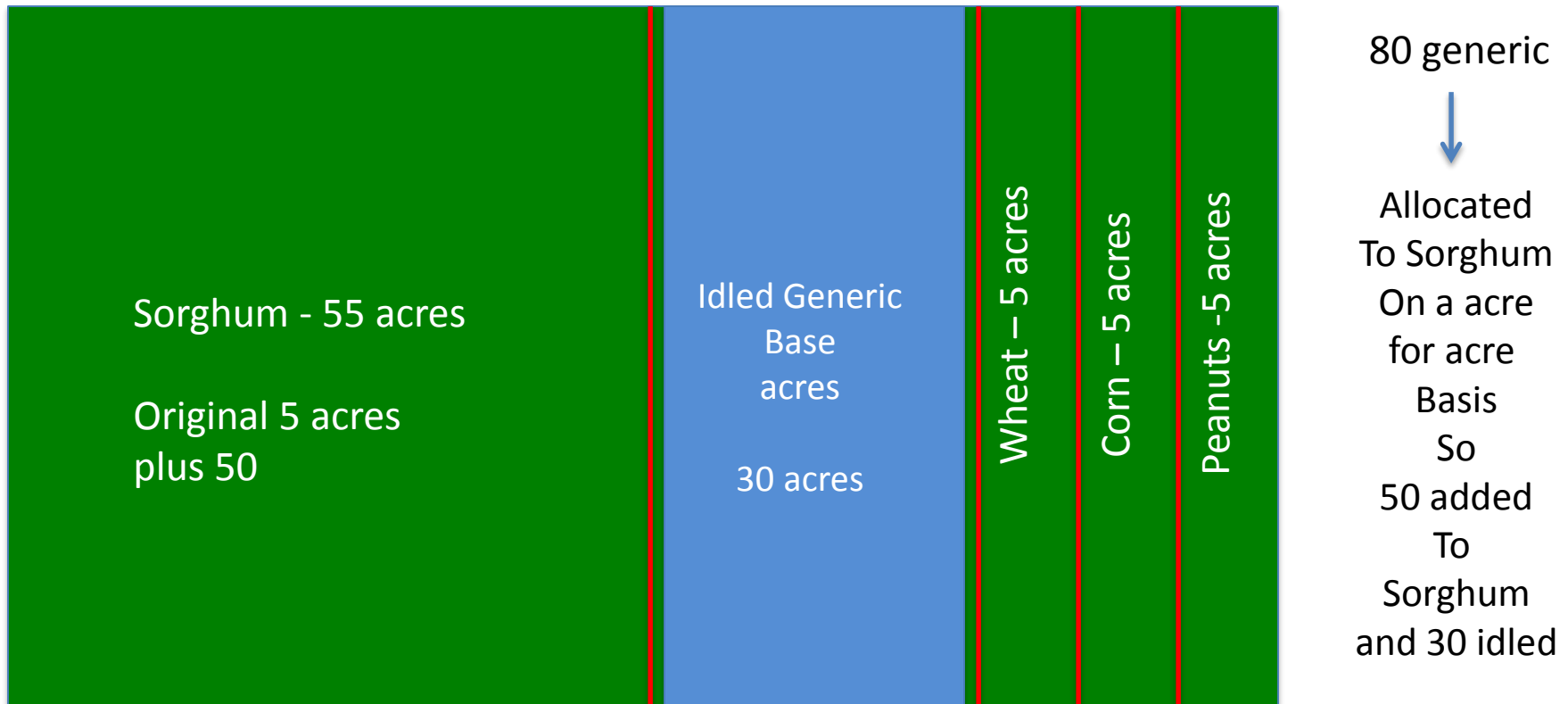


Farmer has protection on 5 acres each of sorghum, wheat, corn and peanuts

# Generic Base - 2017

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 50 acres of sorghum and 50 acres of cotton

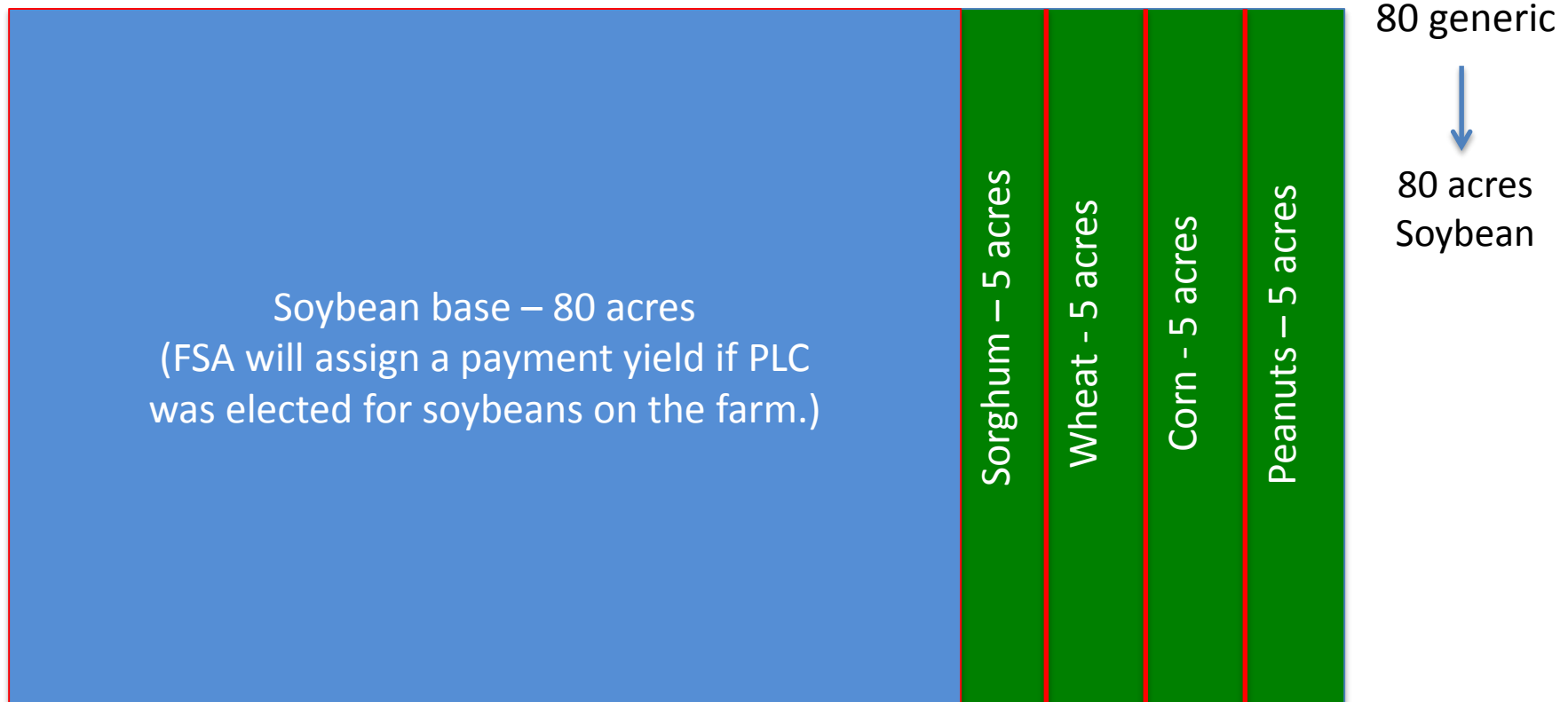


Farmer has protection on 55 acres of sorghum and 5 acres each of wheat, corn and peanuts

# Generic Base - 2018

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

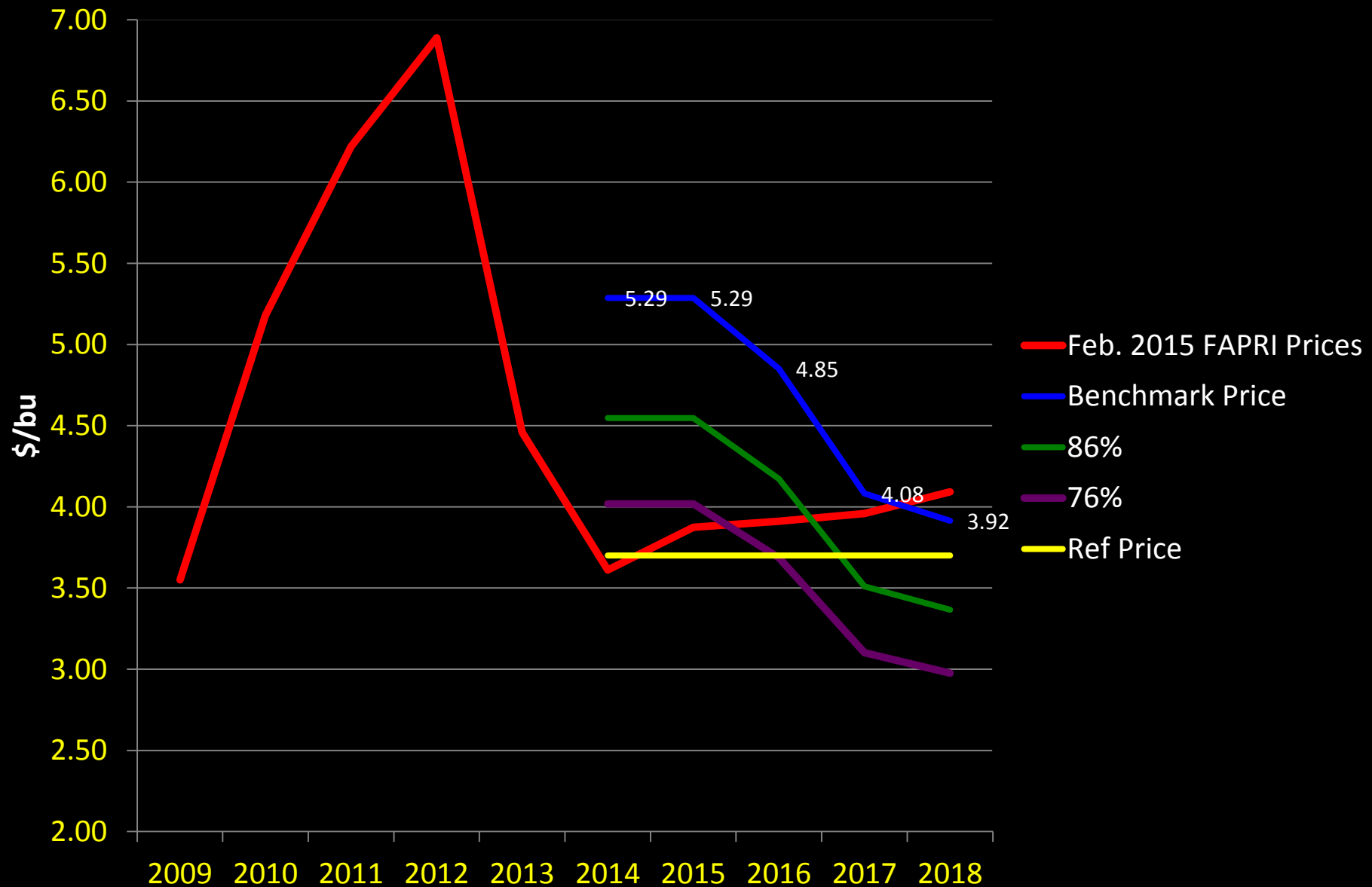
If farmer plants 100 acres of soybean



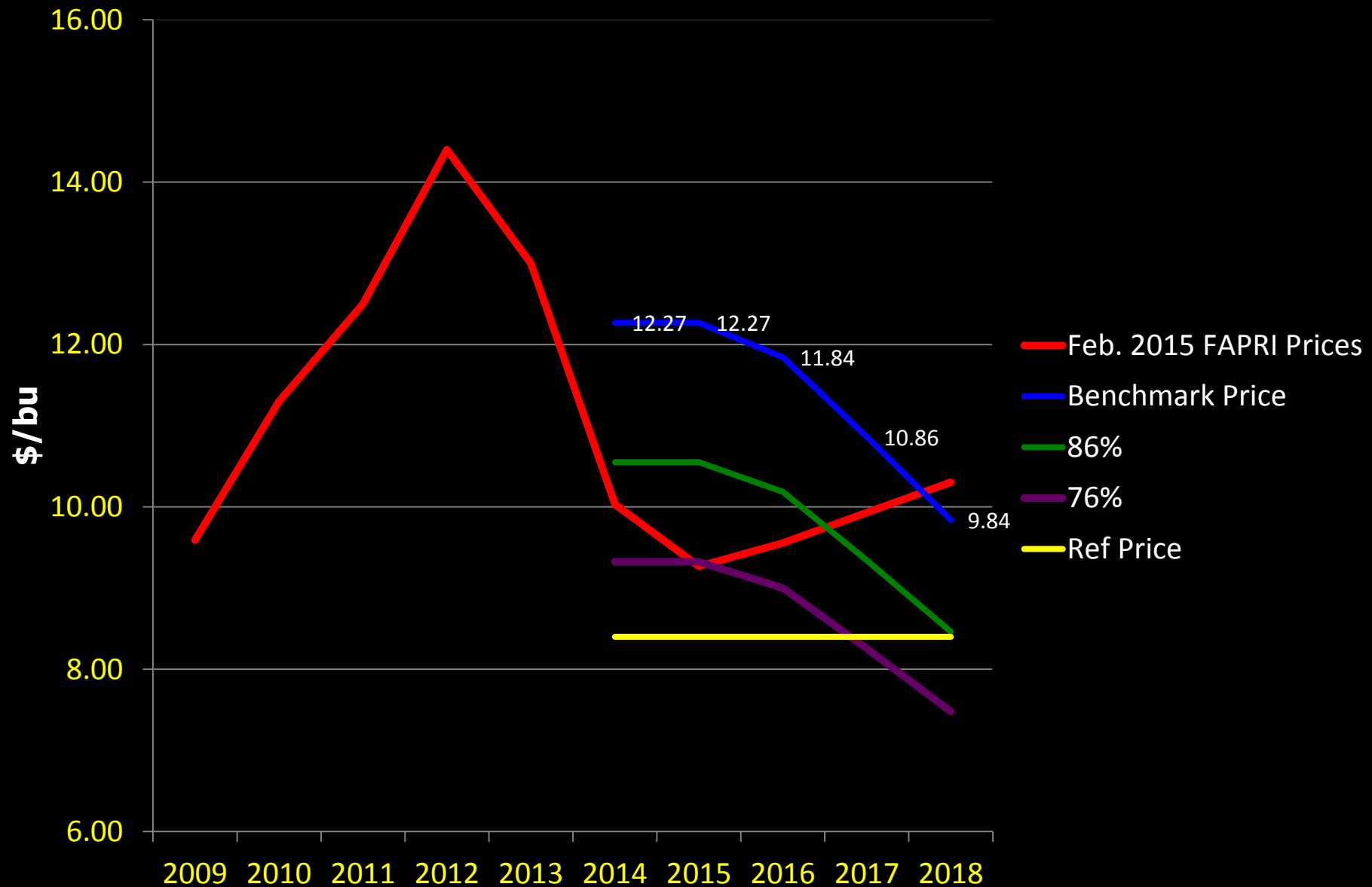
Farmer has protection on 80 acres of soybean, 5 acres each of sorghum, wheat, corn and peanuts

Covered Commodity	Subcategory	Units	Marketing Year	2014 - 2018 Reference Price	2014 - 2018 Loan Rate
<b>Wheat</b> <b>Barley</b> <b>Oats</b>		Bushels	June 1 - May 31	\$ 5.50	\$ 2.94
		Bushels	June 1 - May 31	\$ 4.95	\$ 1.95
		Bushels	June 1 - May 31	\$ 2.40	\$ 1.39
<b>Corn</b> <b>Grain Sorghum</b>		Bushels	Sept 1 - Aug 31	\$ 3.70	\$ 1.95
		Bushels	Sept 1 - Aug 31	\$ 3.95	\$ 1.95
<b>Rice</b>	Medium Grain	Hundredweight	Aug 1 - July 31	\$ 14.00	\$ 6.50
	Long Grain	Hundredweight	Aug 1 - July 31	\$ 14.00	\$ 6.50
	Japonica	Hundredweight	Aug 1 - July 31	\$ 16.10	\$ 6.50
<b>Other Oilseeds</b>	Canola	Hundredweight	July 1 - June 30	\$ 20.15	\$ 10.09
	Flaxseed	Hundredweight	July 1 - June 30	\$ 20.15	\$ 10.09
	Rapeseed	Hundredweight	July 1 - June 30	\$ 20.15	\$ 10.09
	Sunflower	Hundredweight	Sept 1 - Aug 31	\$ 20.15	\$ 10.09
	Mustard seed	Hundredweight	Sept 1 - Aug 31	\$ 20.15	\$ 10.09
	Safflower	Hundredweight	Sept 1 - Aug 31	\$ 20.15	\$ 10.09
	Crambe	Hundredweight	Sept 1 - Aug 31	\$ 20.15	\$ 10.09
	Sesame	Hundredweight	Sept 1 - Aug 31	\$ 20.15	\$ 10.09
<b>Soybeans</b>		Bushels	Sept 1 - Aug 31	\$ 8.40	\$ 5.00
<b>Peanuts</b>		Ton	Aug 1 - July 31	\$ 535.00	\$ 355.00
<b>Pulse Crops</b>	Dry Peas	Hundredweight	July 1 - June 30	\$ 11.00	\$ 5.40
	Lentils	Hundredweight	July 1 - June 30	\$ 19.97	\$ 11.28
	Small Chickpeas	Hundredweight	Sept 1 - Aug 31	\$ 19.04	\$ 7.43
	Large Chickpeas	Hundredweight	Sept 1 - Aug 31	\$ 21.54	\$ 11.28

# Producer Price Outlook a Factor in ARC/PLC Decision (Corn Ex.)

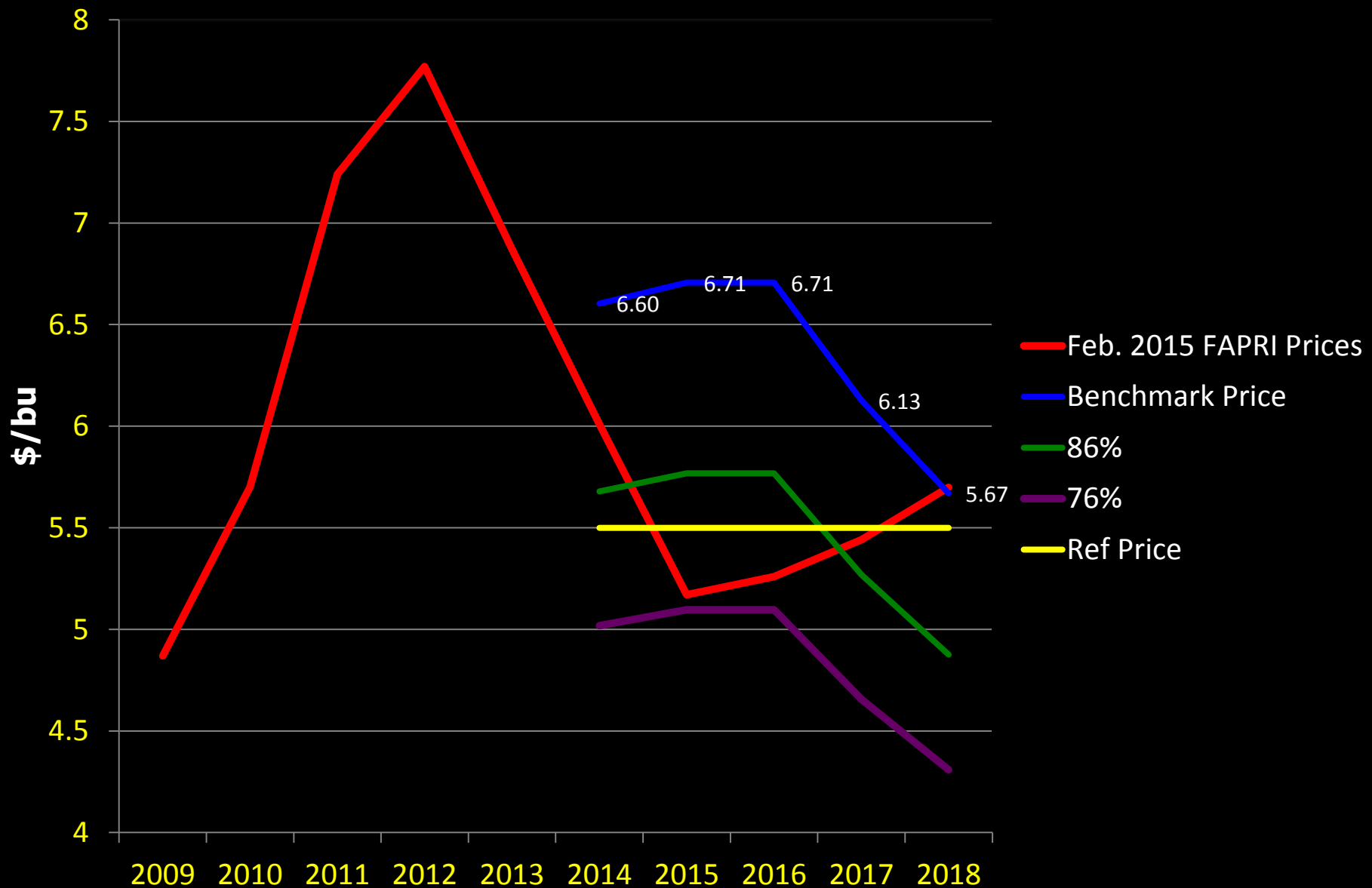


# Producer Price Outlook a Factor in ARC/PLC Decision (Soybeans Ex.)

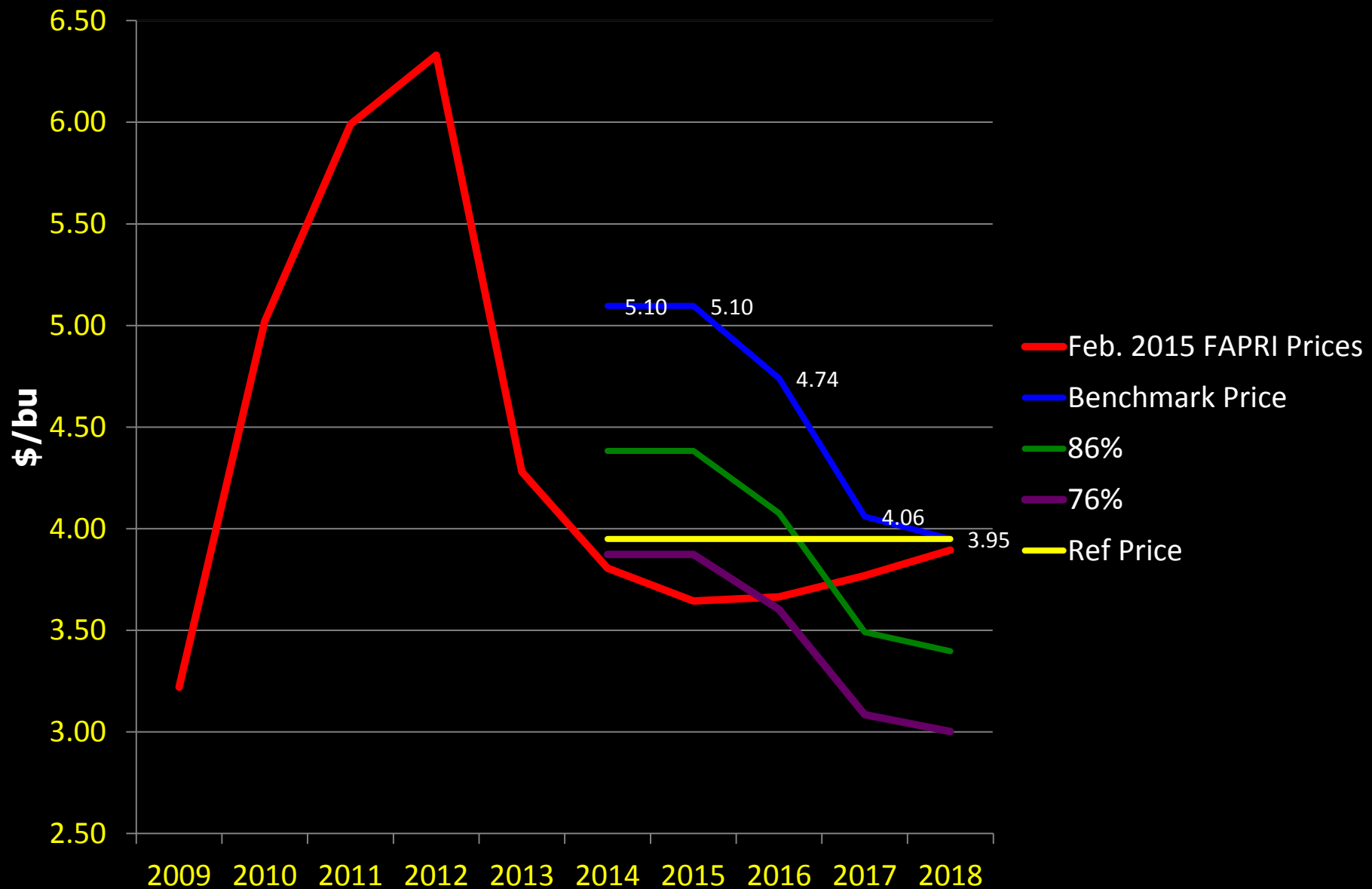




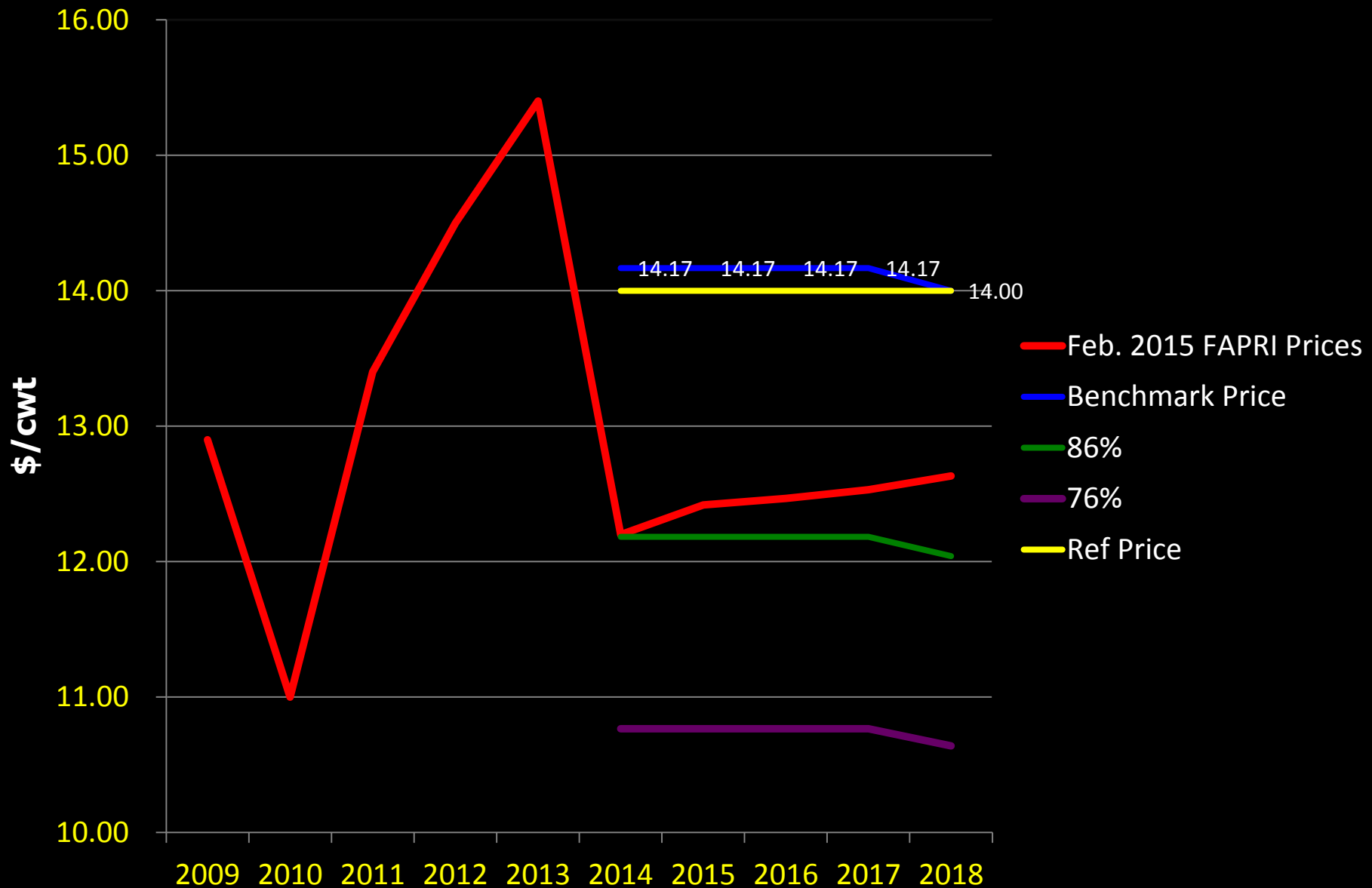
# Producer Price Outlook a Factor in ARC/PLC Decision (Wheat Ex.)



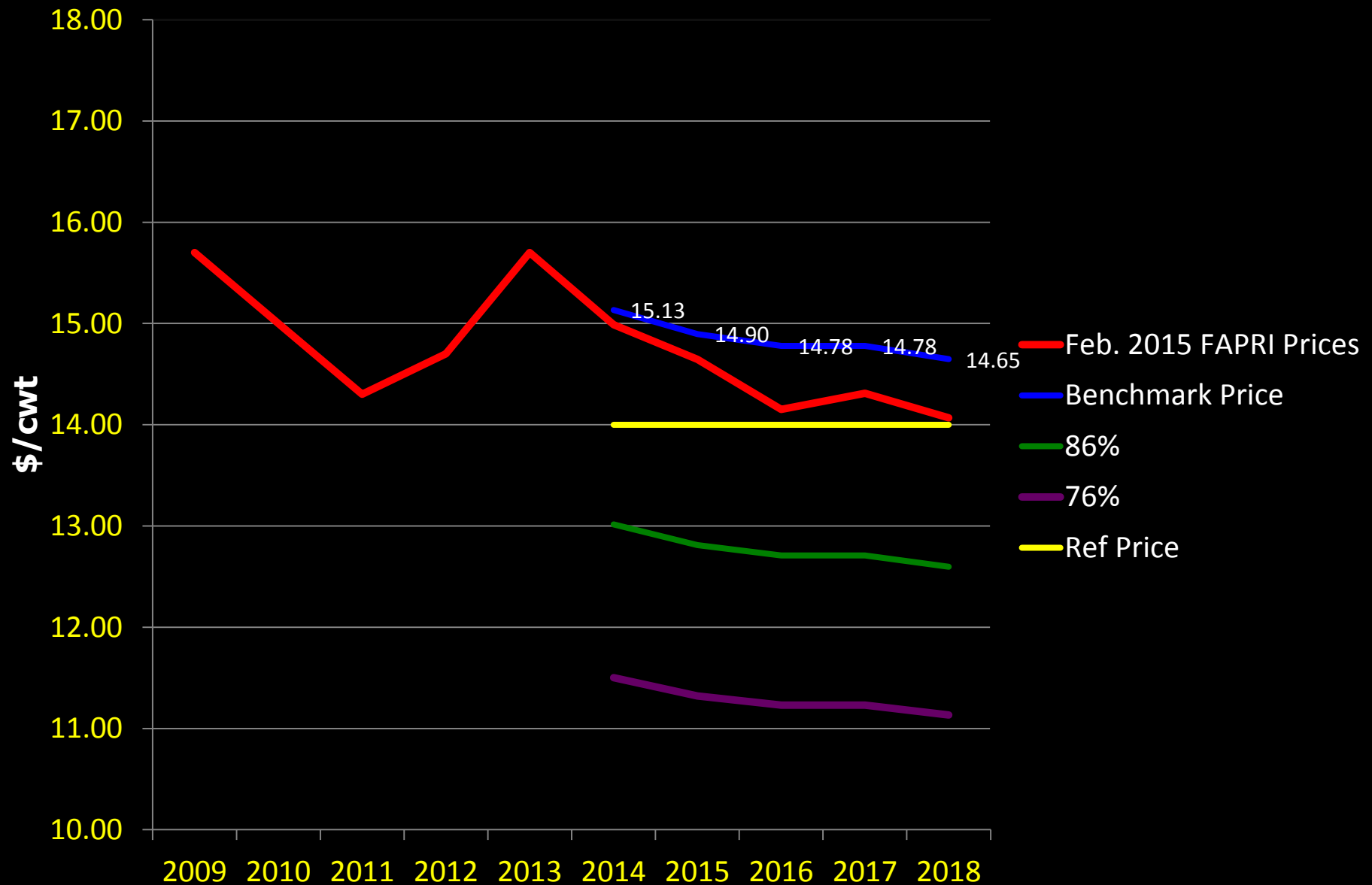
# Producer Price Outlook a Factor in ARC/PLC Decision (Grain Sorghum Ex.)



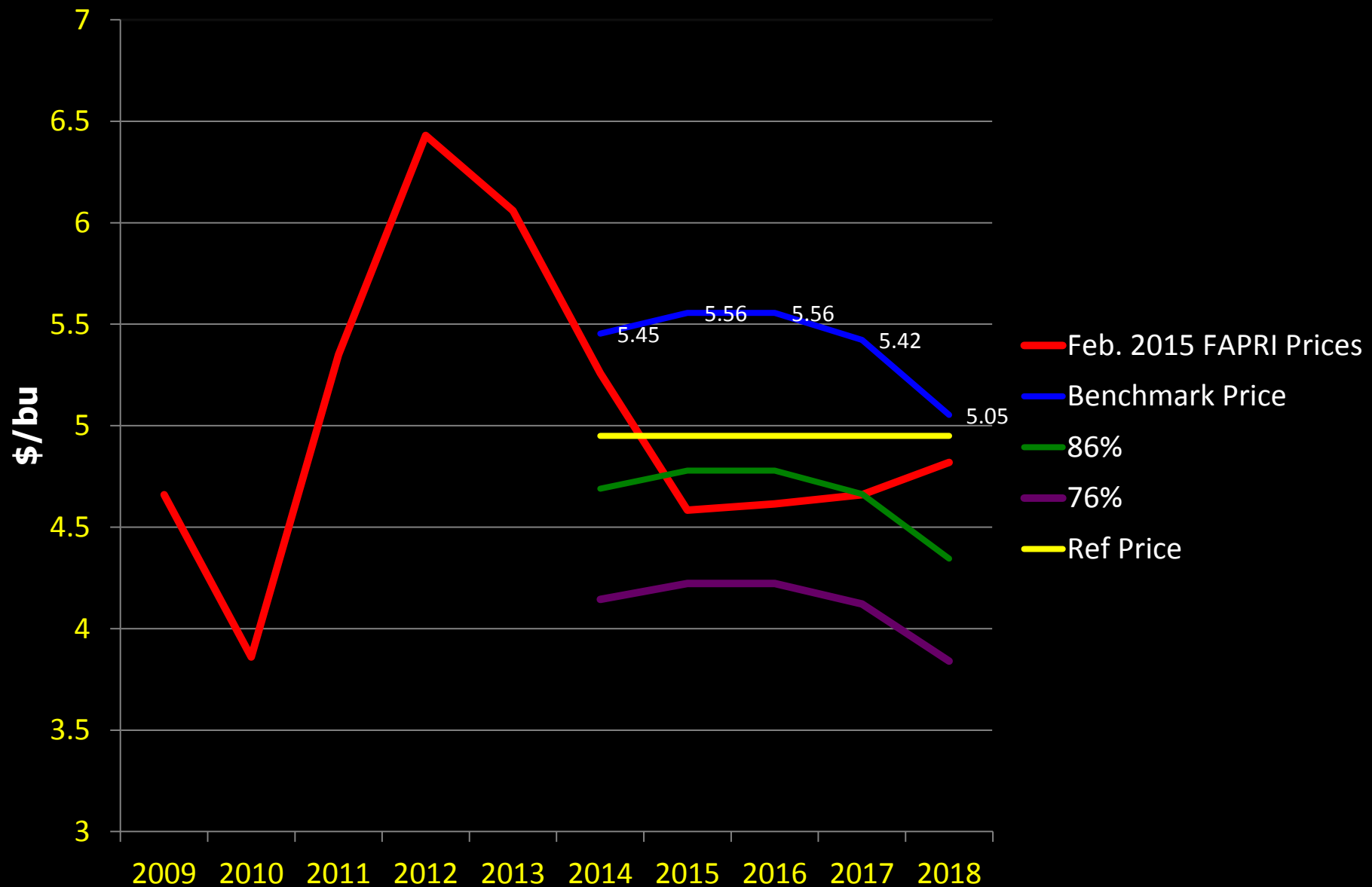
# Producer Price Outlook a Factor in ARC/PLC Decision (Long Grain Rice Ex.)



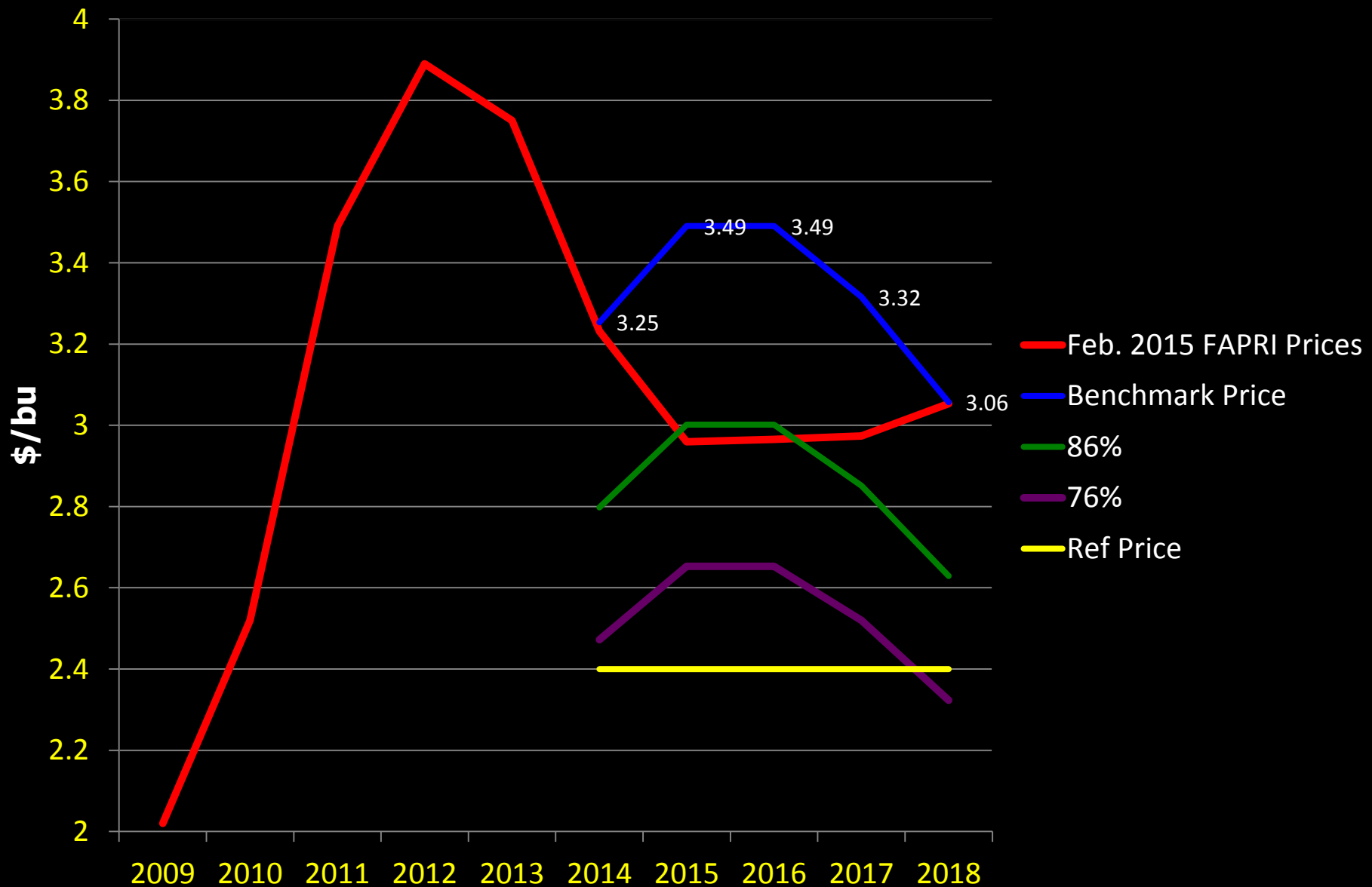
# Producer Price Outlook a Factor in ARC/PLC Decision (Med. Grain Rice Ex.)



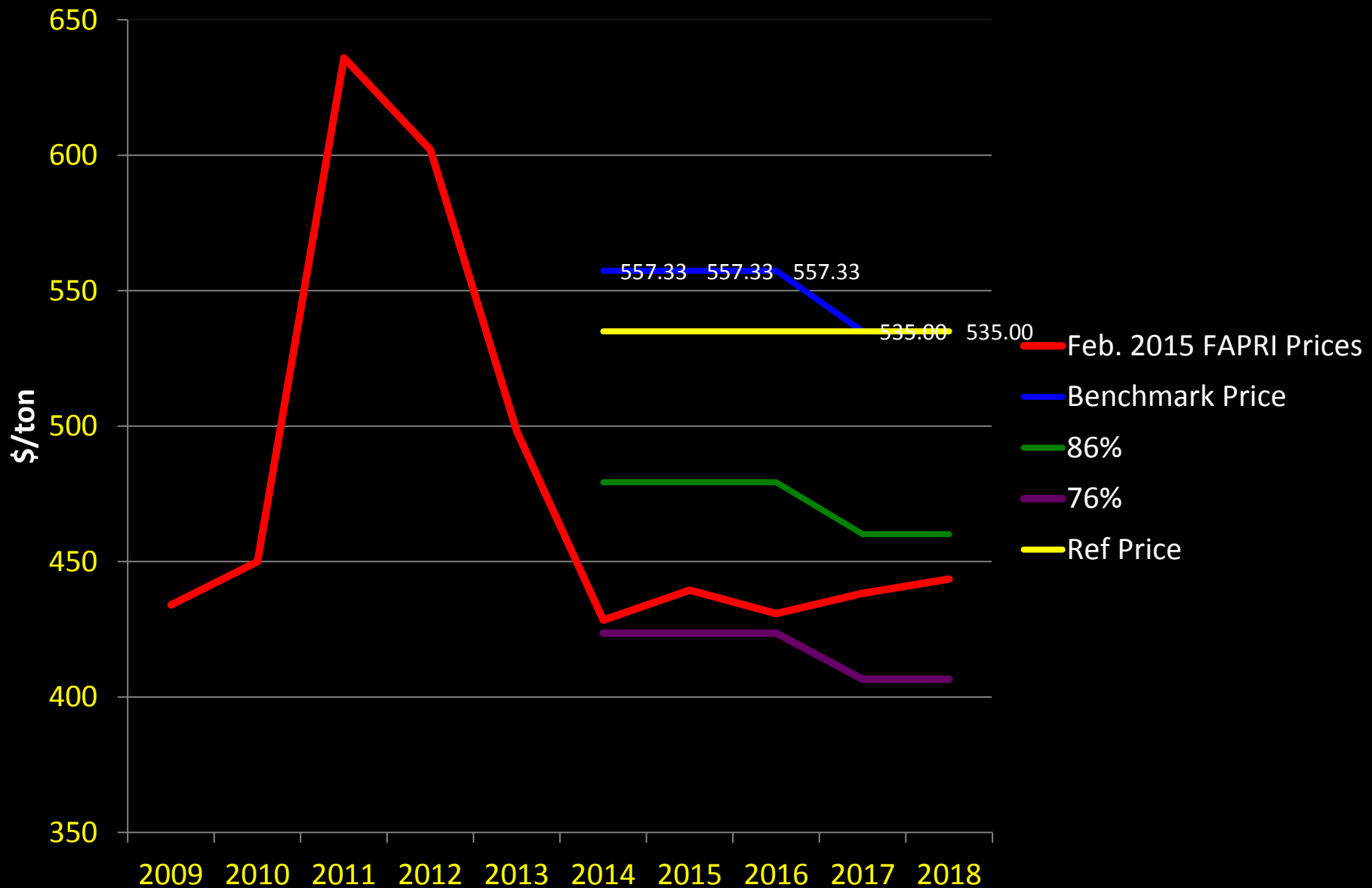
# Producer Price Outlook a Factor in ARC/PLC Decision (Barley Ex.)



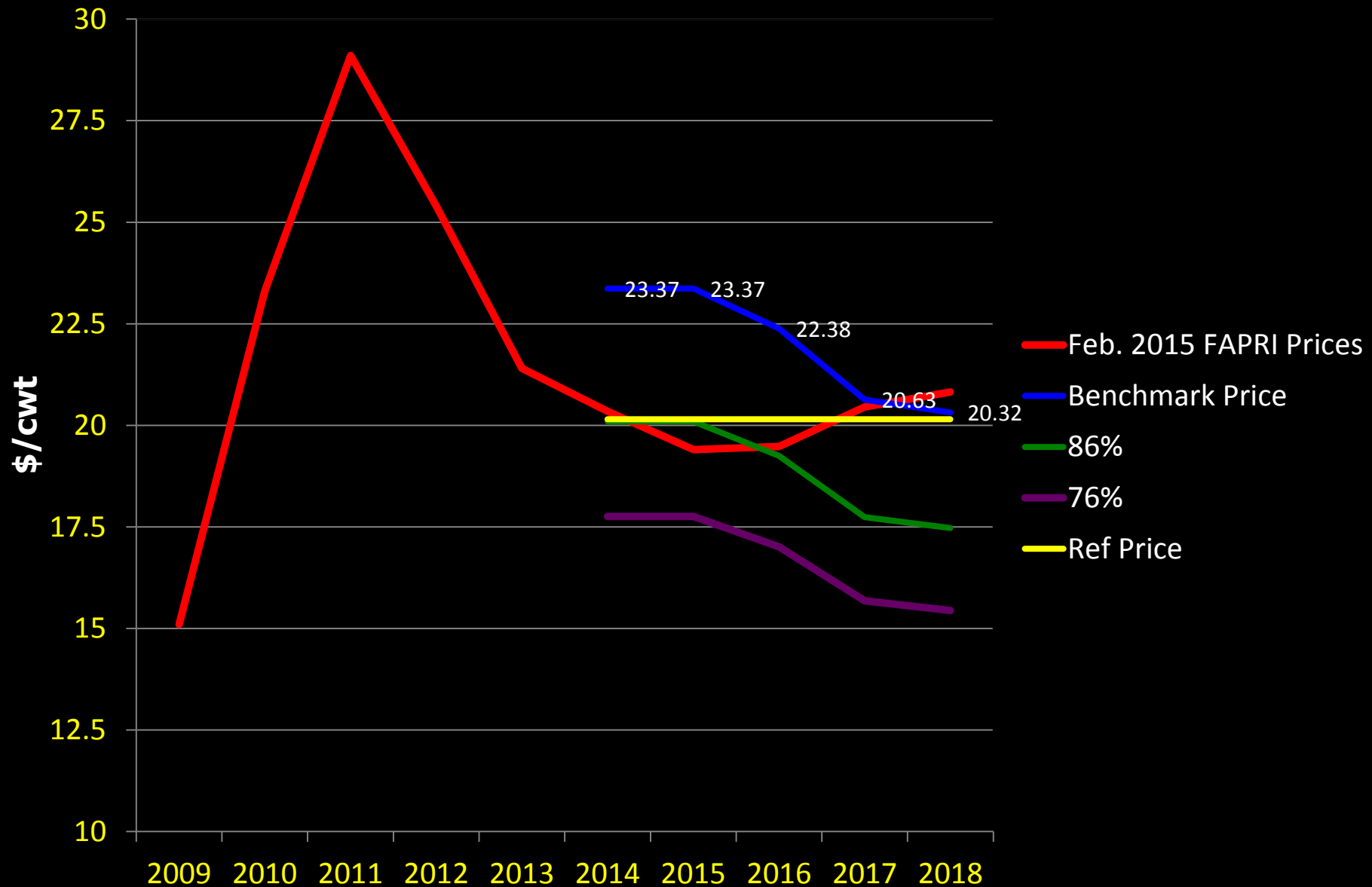
# Producer Price Outlook a Factor in ARC/PLC Decision (Oats Ex.)



# Producer Price Outlook a Factor in ARC/PLC Decision (Peanuts Ex.)

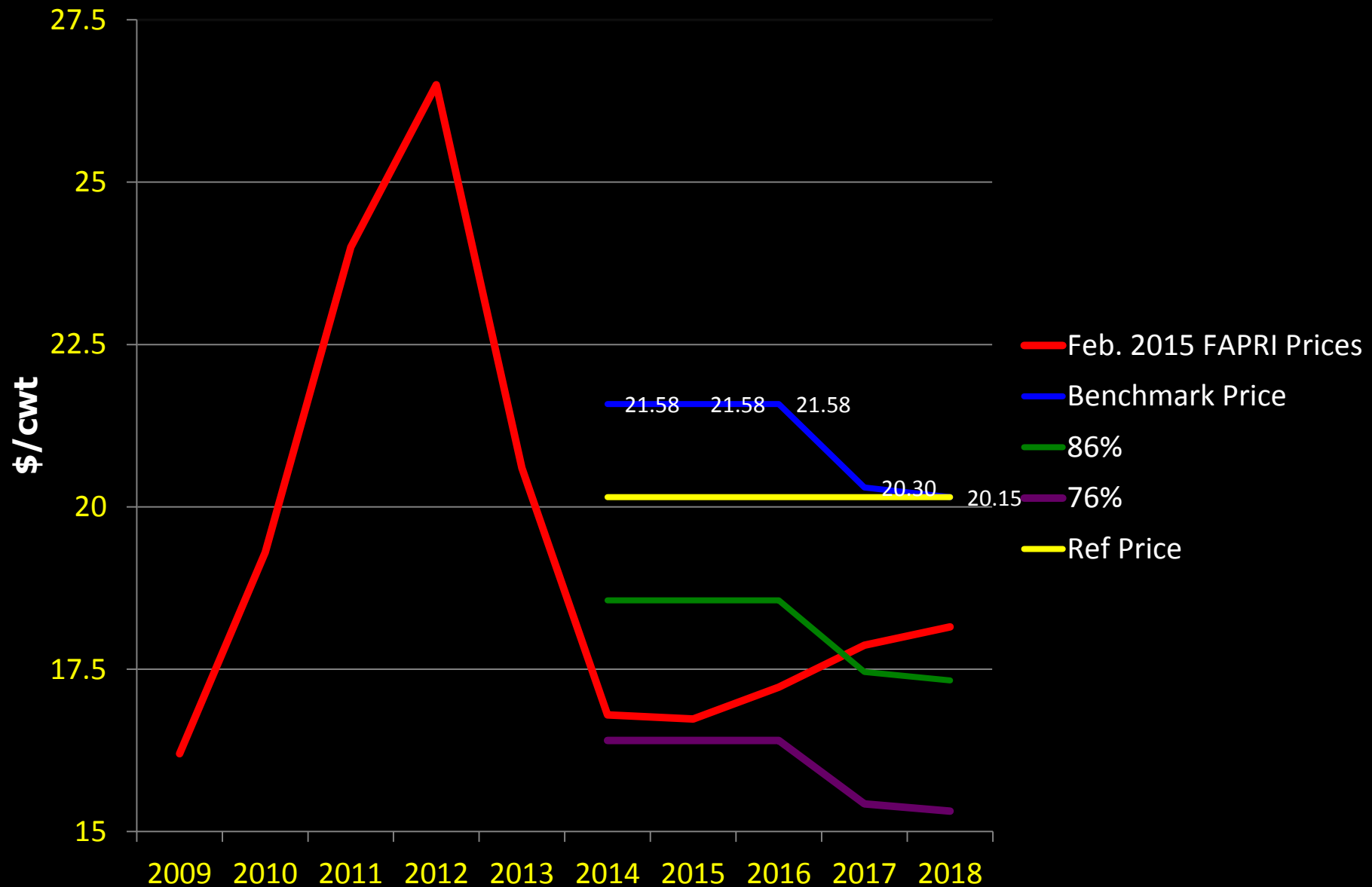


# Producer Price Outlook a Factor in ARC/PLC Decision (Sunflower seed Ex.)

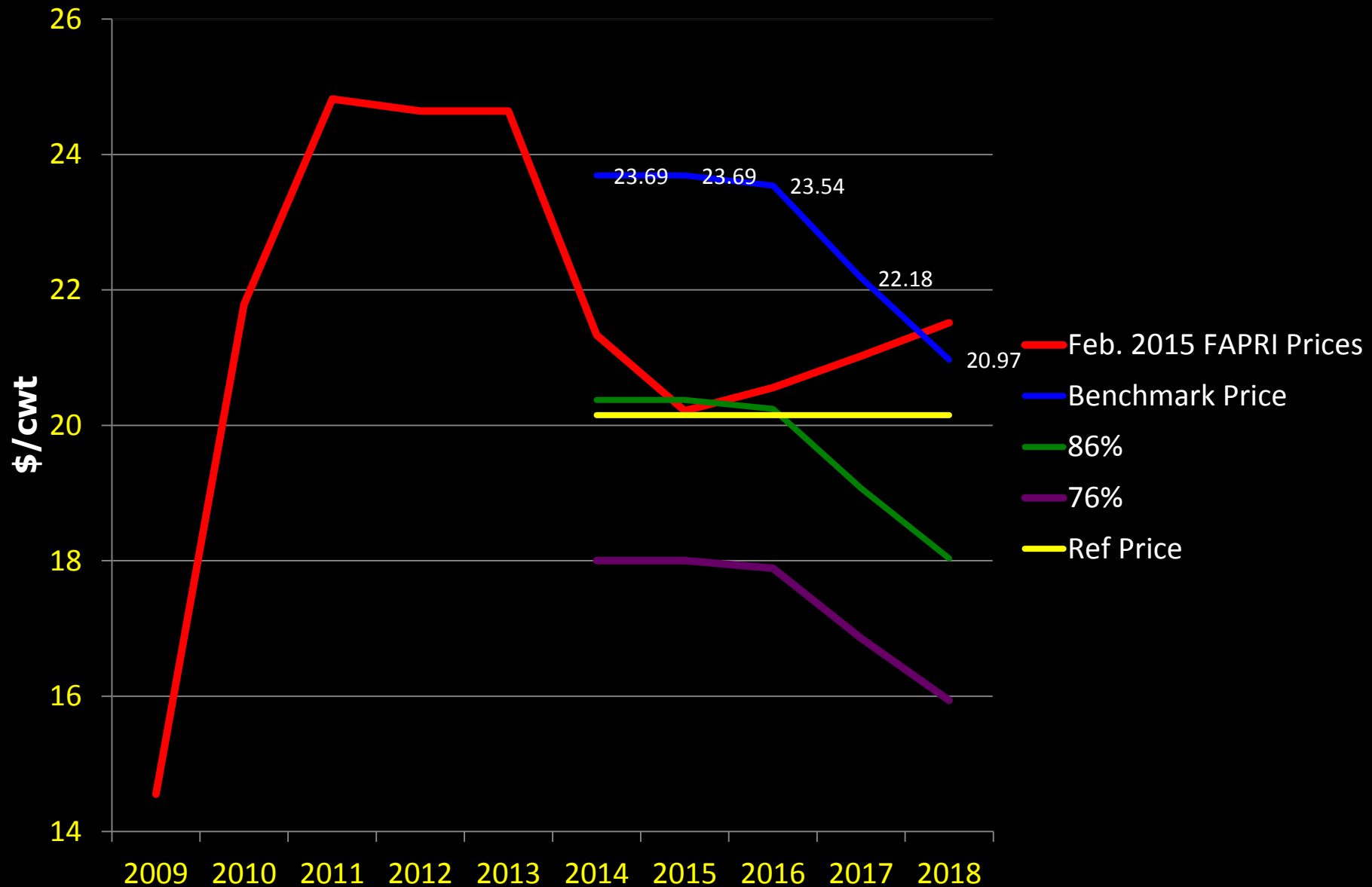




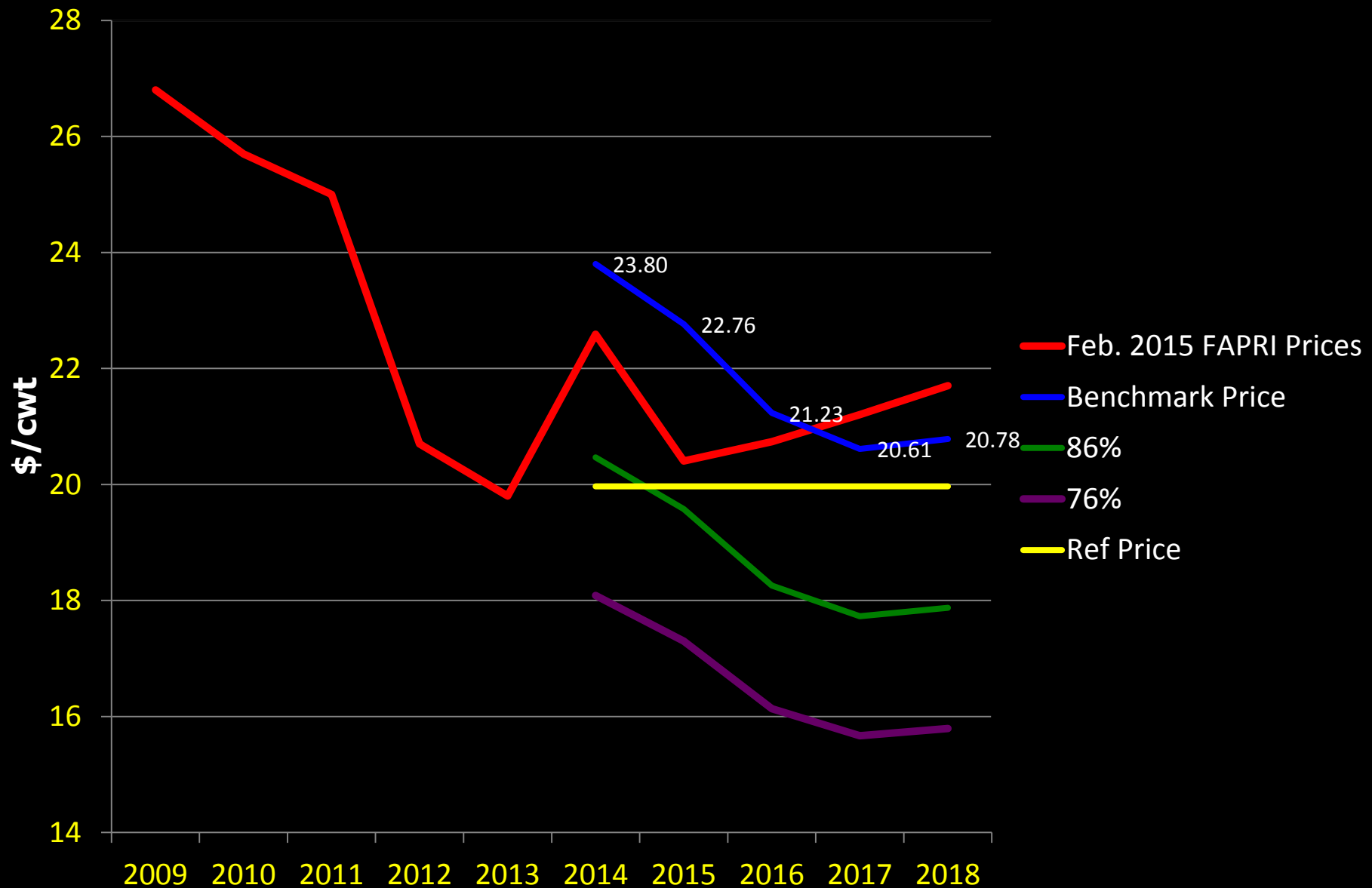
# Producer Price Outlook a Factor in ARC/PLC Decision (Canola Ex.)



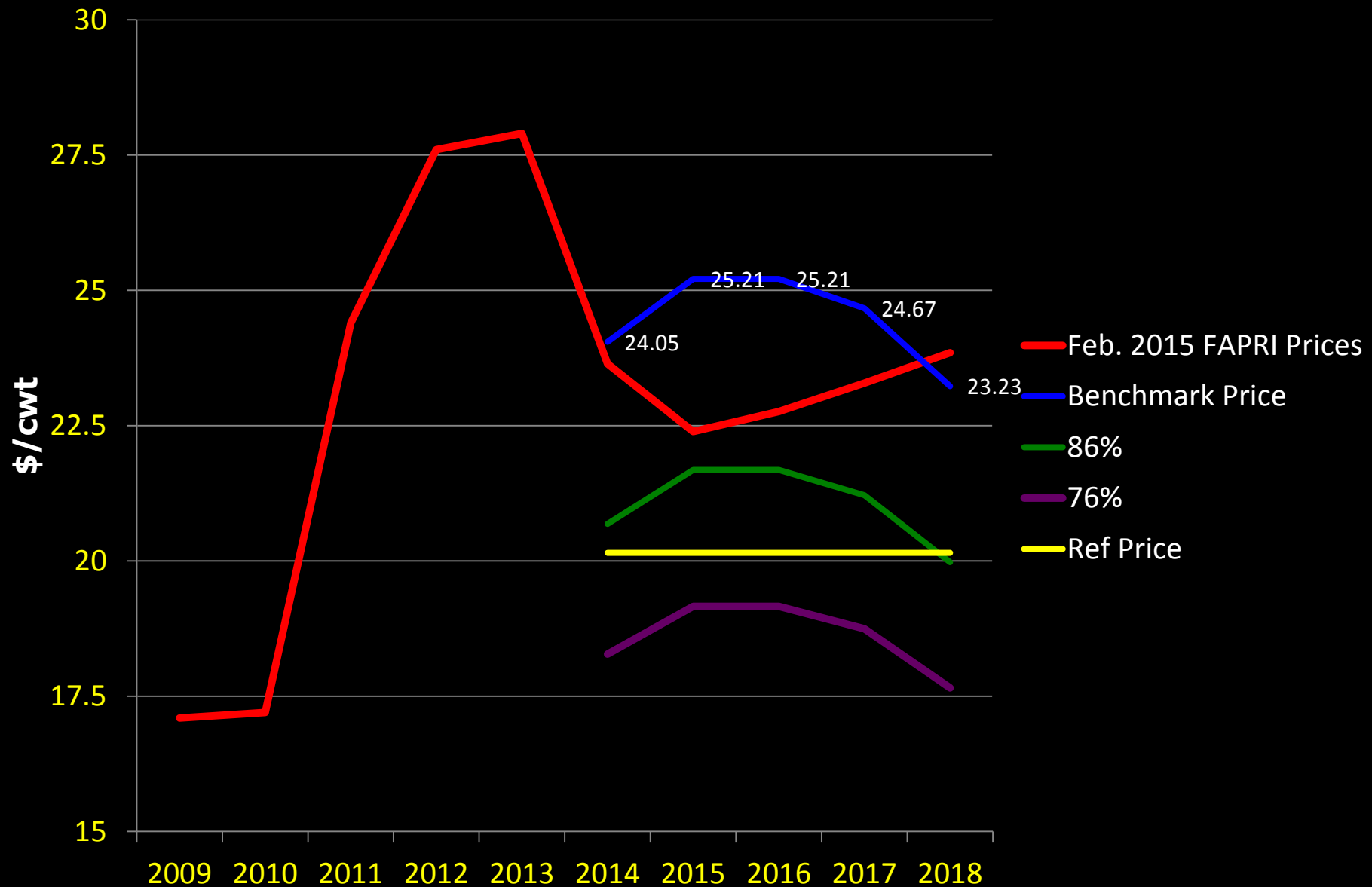
# Producer Price Outlook a Factor in ARC/PLC Decision (Flaxseed Ex.)



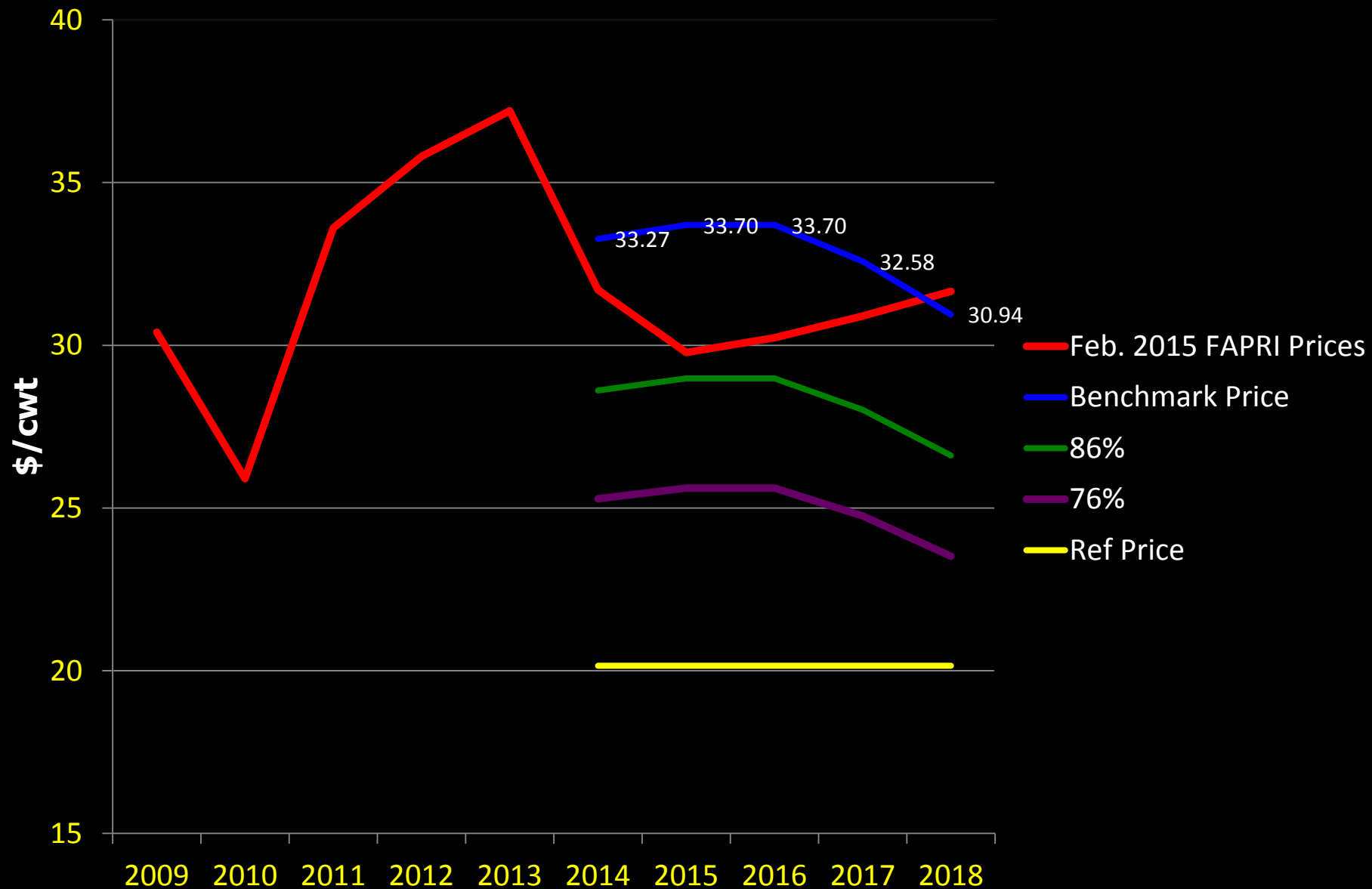
# Producer Price Outlook a Factor in ARC/PLC Decision (Lentils Ex.)



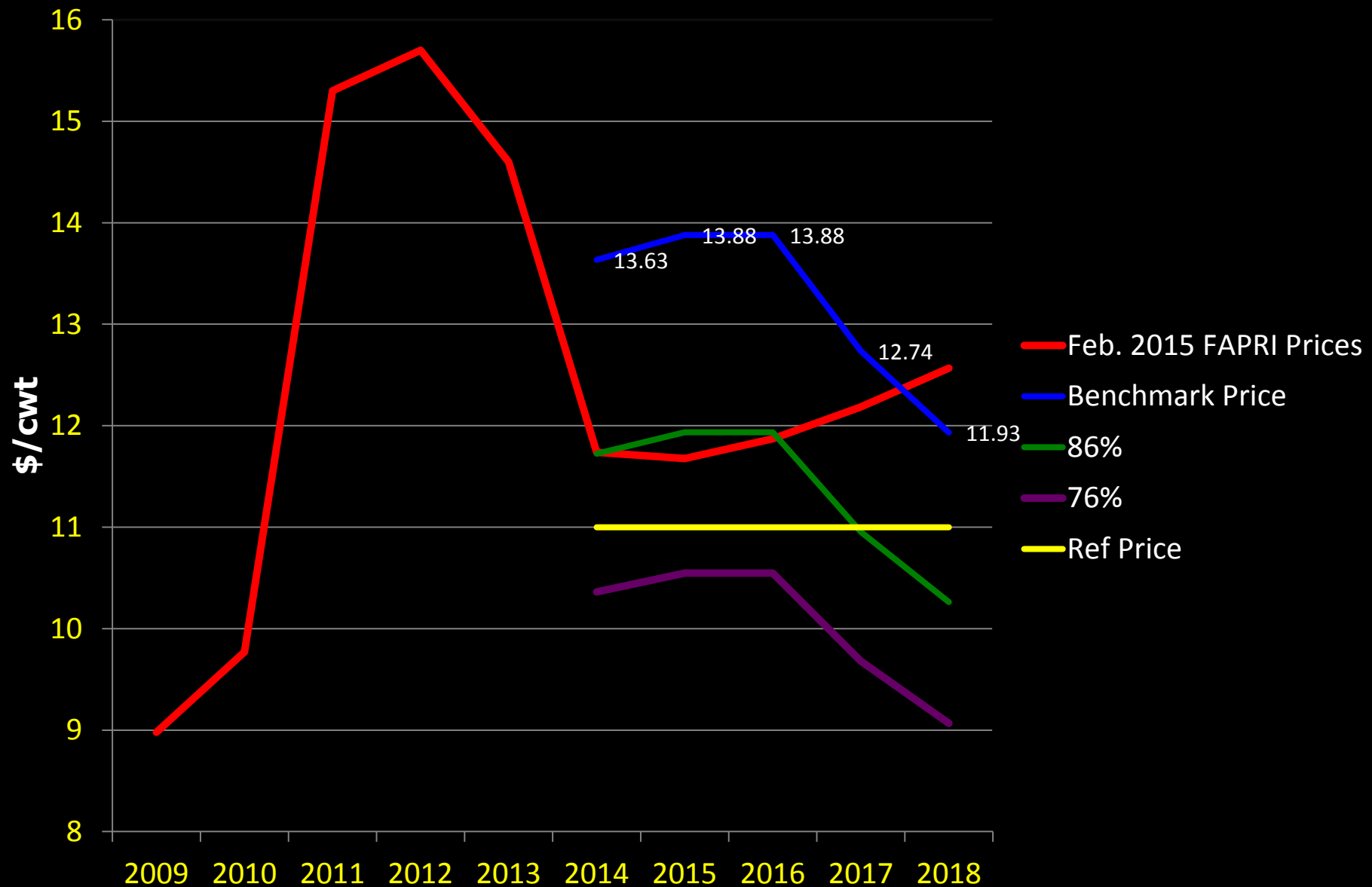
# Producer Price Outlook a Factor in ARC/PLC Decision (Safflower Ex.)



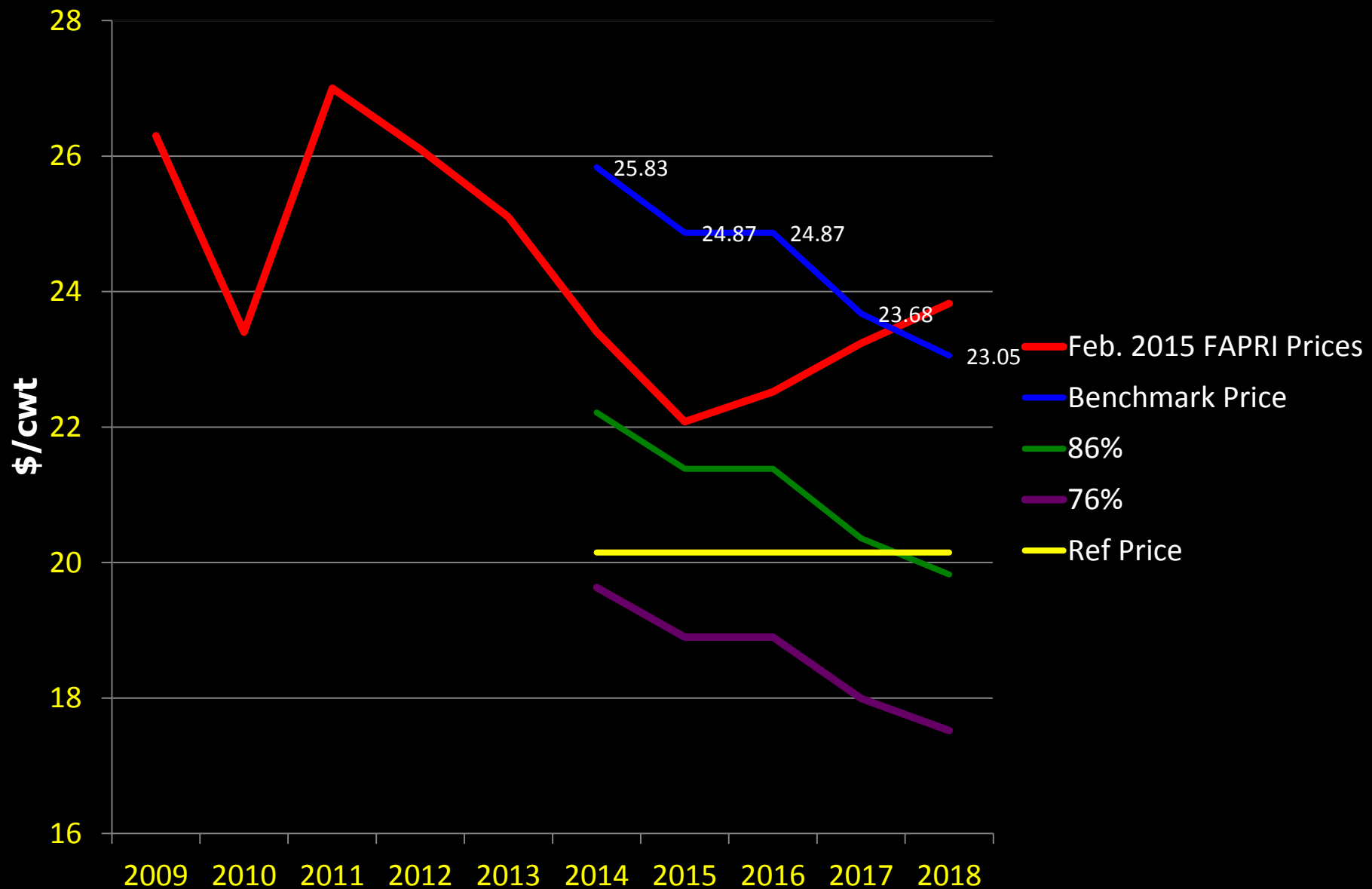
# Producer Price Outlook a Factor in ARC/PLC Decision (Mustard seed Ex.)



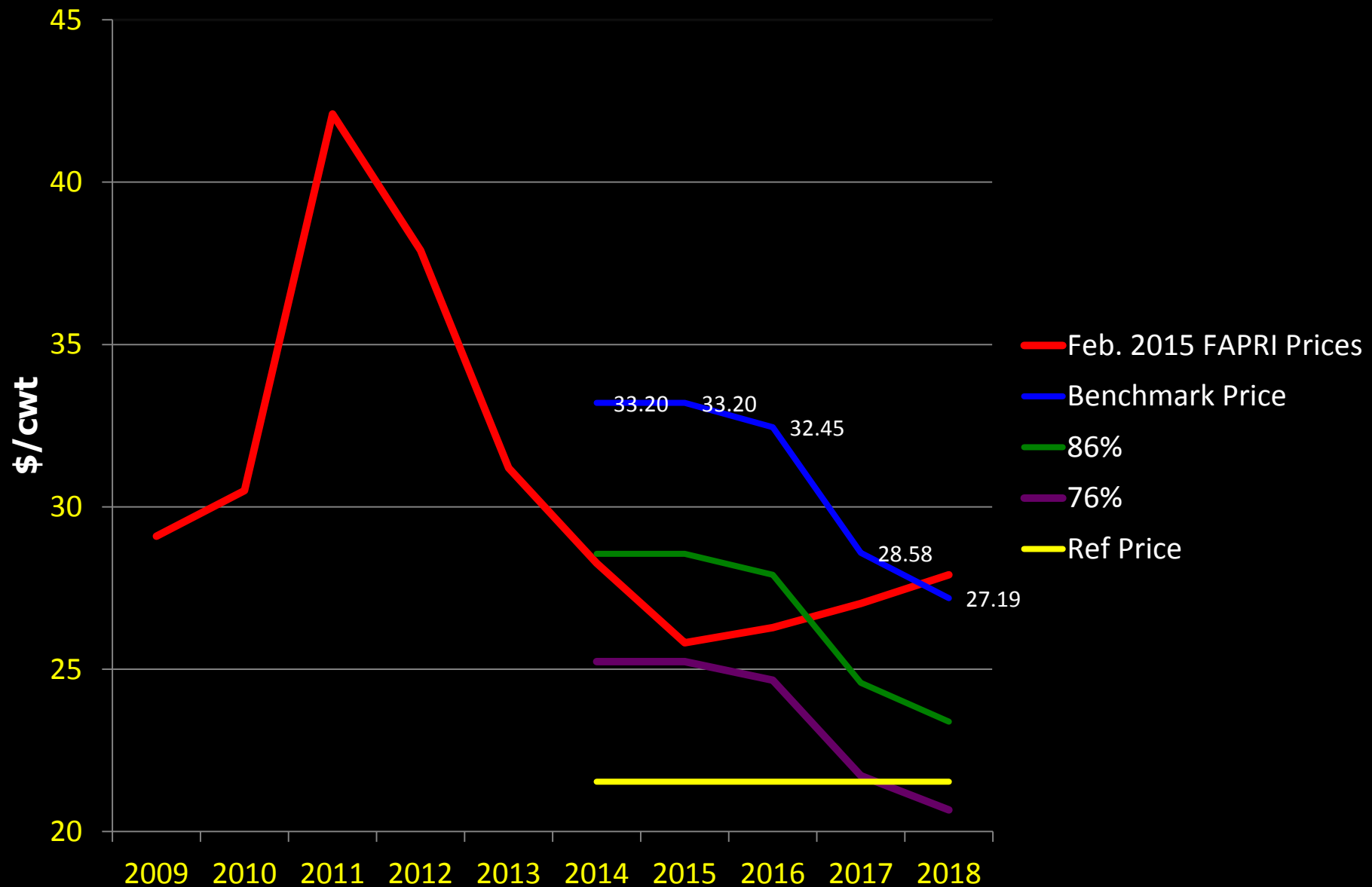
# Producer Price Outlook a Factor in ARC/PLC Decision (Dry Peas Ex.)



# Producer Price Outlook a Factor in ARC/PLC Decision (Rapeseed Ex.)

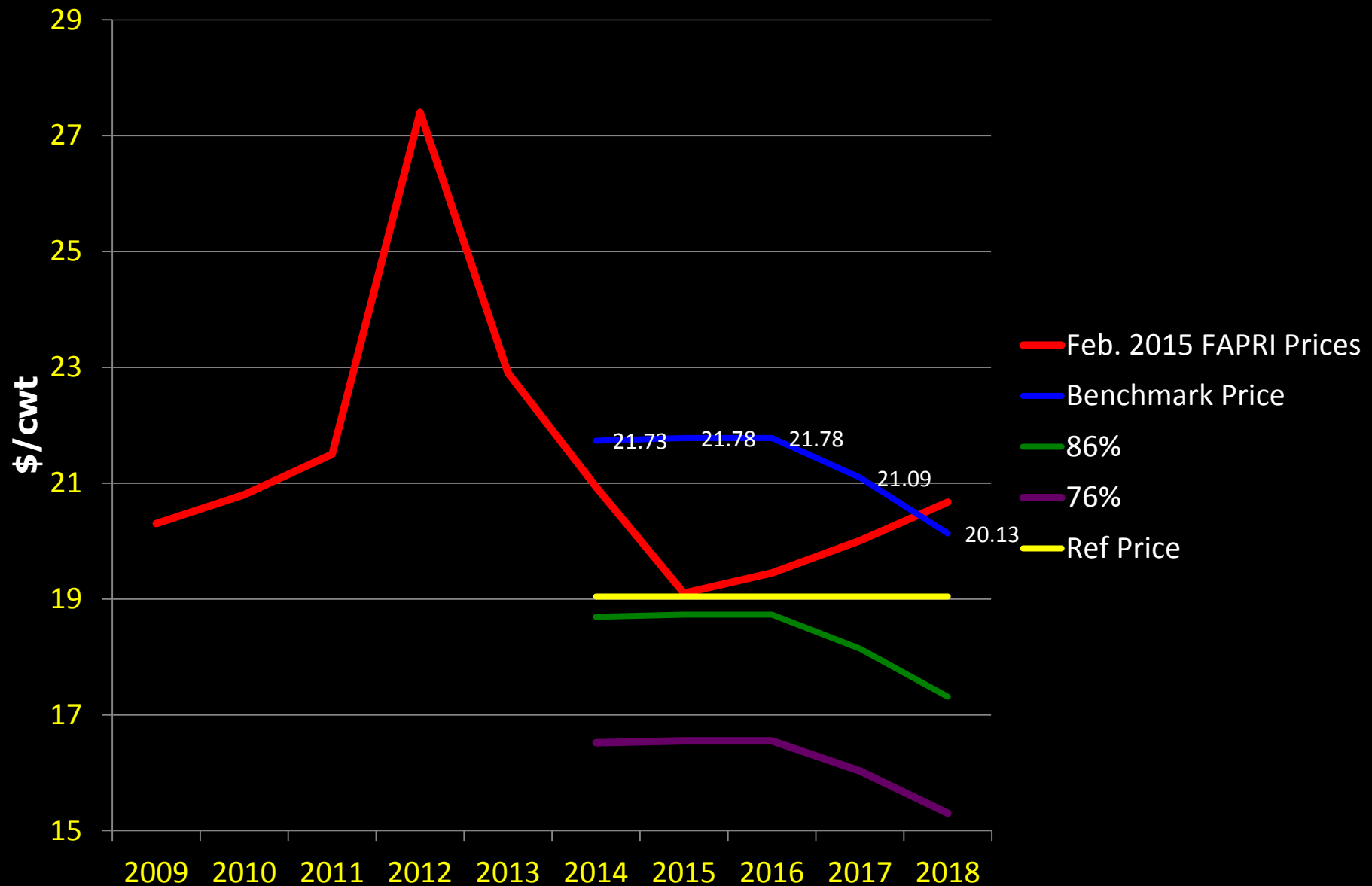


# Producer Price Outlook a Factor in ARC/PLC Decision (Lg. Chickpeas Ex.)

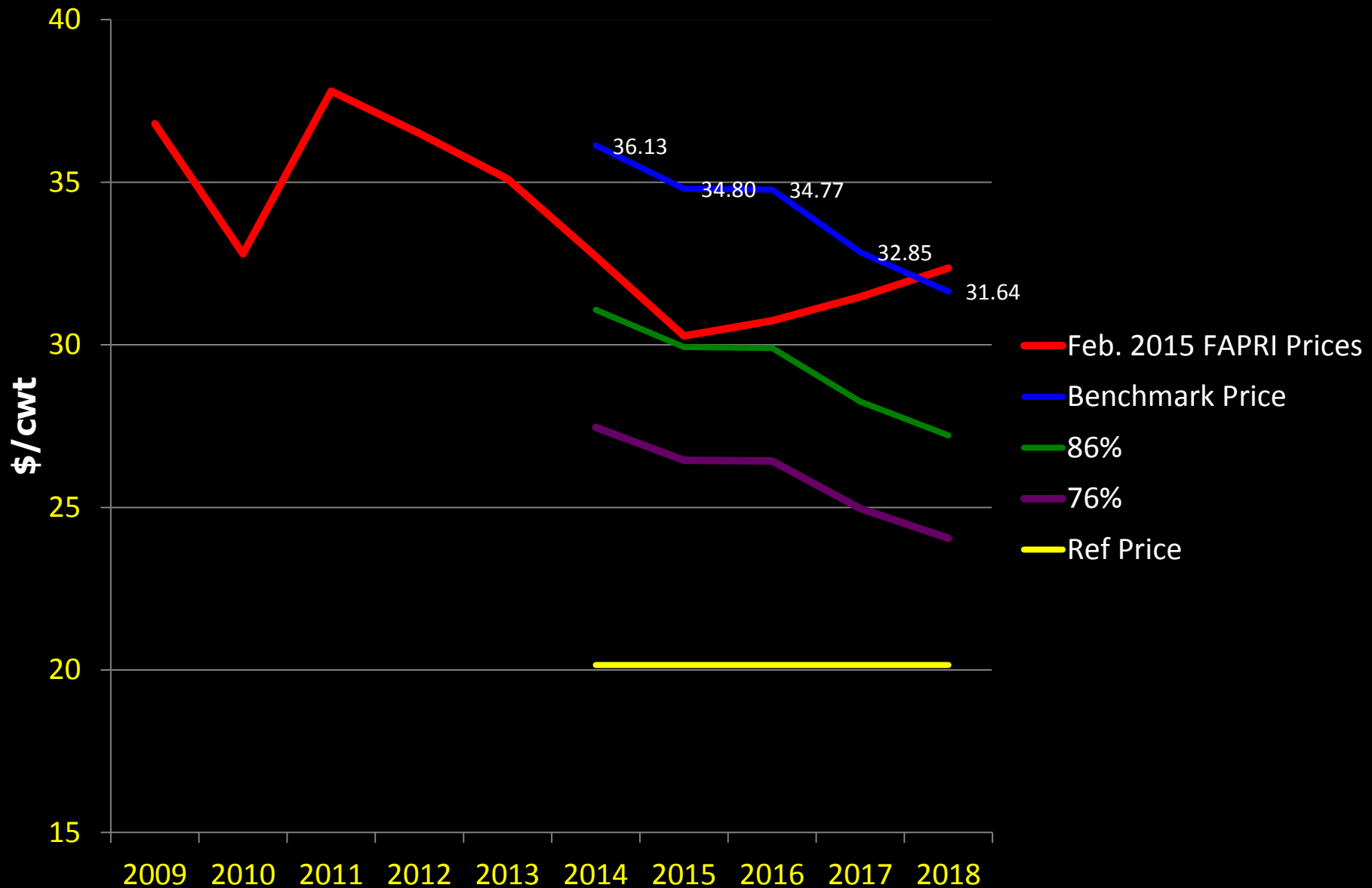




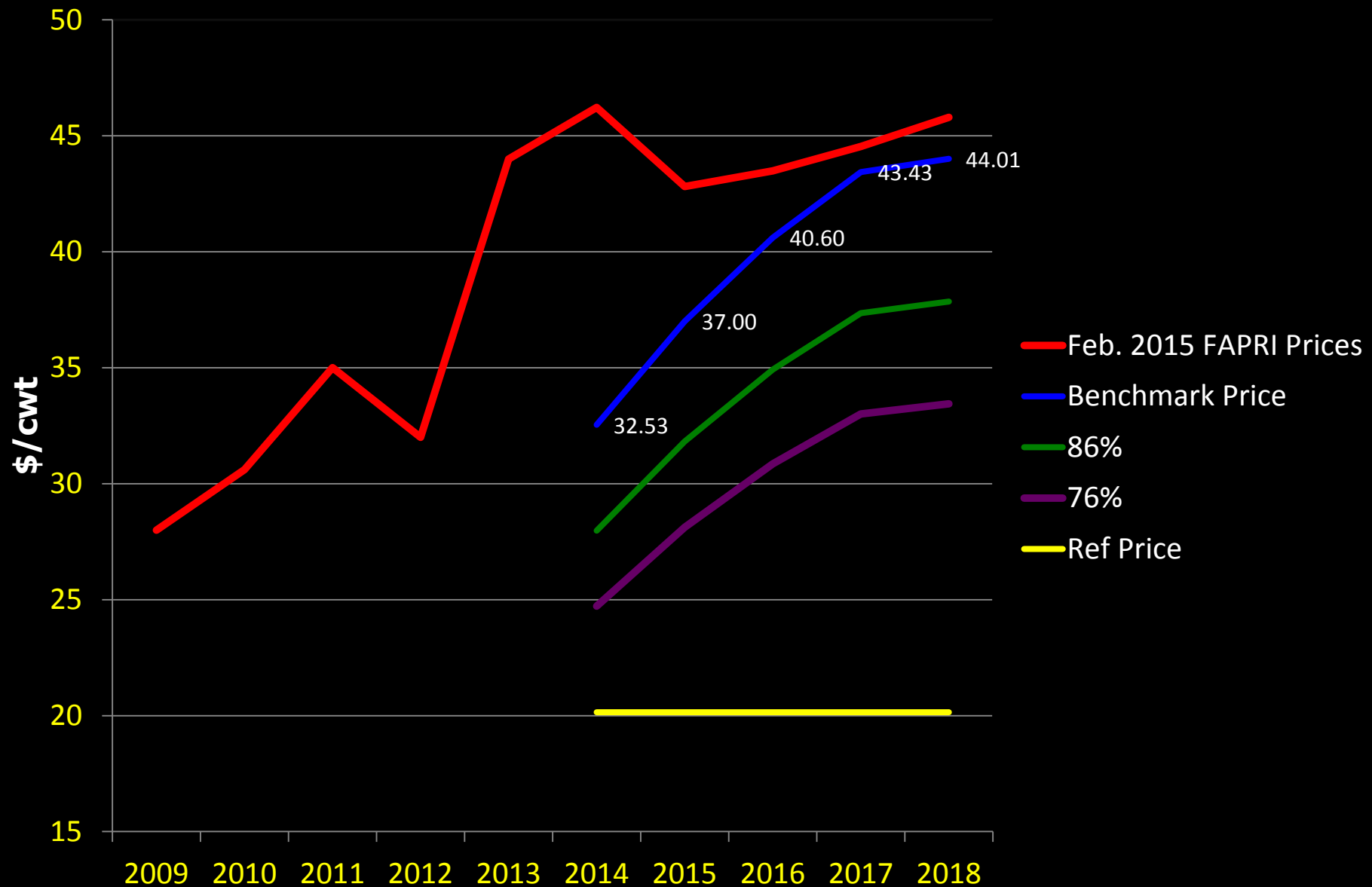
# Producer Price Outlook a Factor in ARC/PLC Decision (Sm. Chickpeas Ex.)



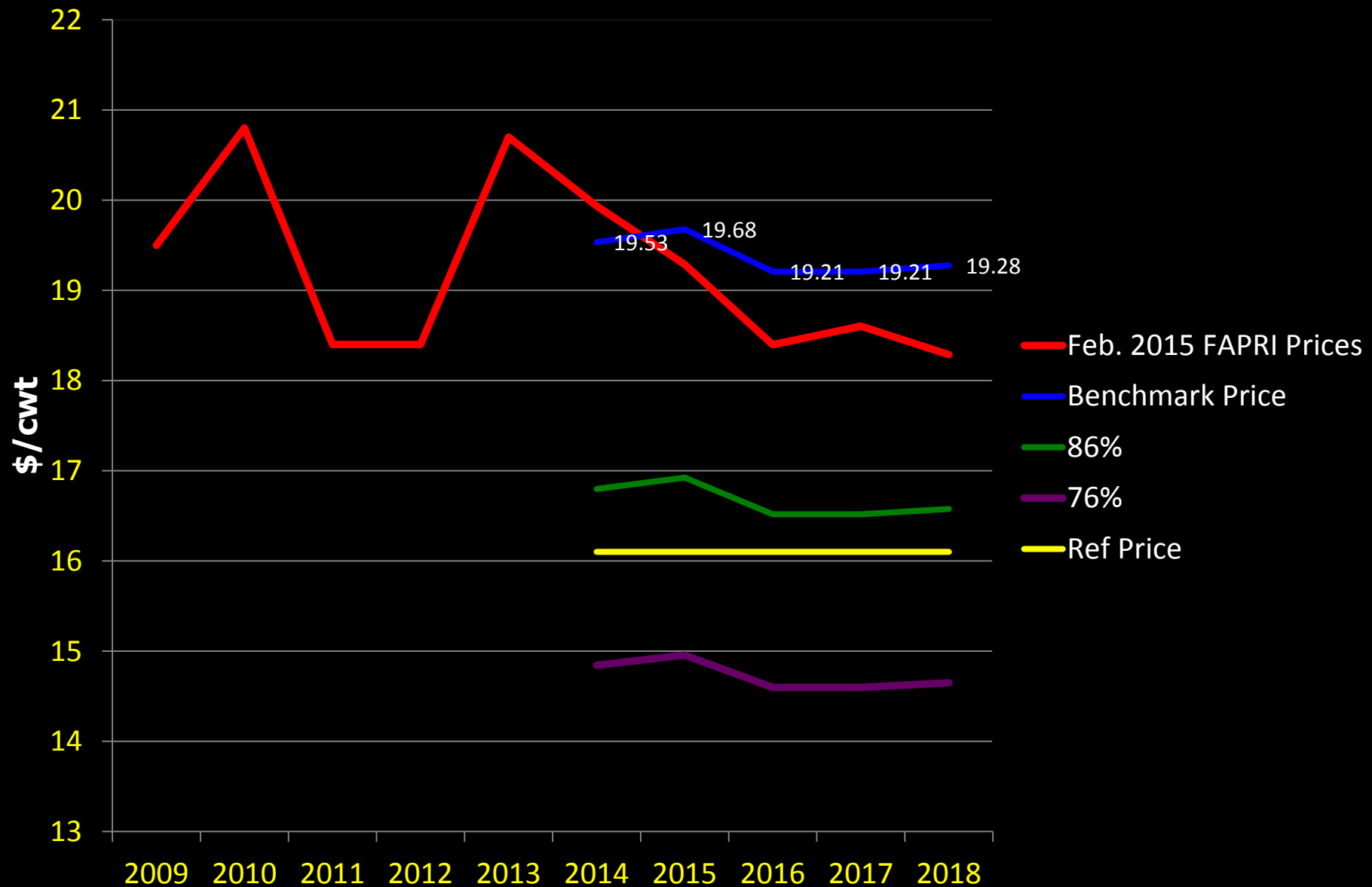
# Producer Price Outlook a Factor in ARC/PLC Decision (Crambe Ex.)



# Producer Price Outlook a Factor in ARC/PLC Decision (Sesame seed Ex.)



# Producer Price Outlook a Factor in ARC/PLC Decision (Japonica Rice Ex.)



# PLC and ARC

	PLC	ARC
Payment Trigger	Reference Price	Revenue Benchmark
Paid on Base Acres	Yes	Yes
Paid on Payment Yield	Yes	No
Payment Trigger Fixed	Yes, Fixed throughout Farm Bill	Adjusts each year with Price and yield
Max Payment	From Reference to Loan rate	10% of Benchmark