Covered Commodities

- 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?

• 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.)

- 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.
Cotton Transition Assistance Program (CTAP) Deadline for the 2014 crop year was October 7th.
## Yield Updating

<table>
<thead>
<tr>
<th>Year</th>
<th>Farmer Smith On Farm 5 Yrs</th>
<th>Farmer Jones On Farm 2 Yrs</th>
<th>Farmer Brown On Farm 2 Yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Corn</td>
<td>Corn</td>
<td>Corn</td>
</tr>
<tr>
<td>2008</td>
<td>DNP</td>
<td>No Records</td>
<td>95</td>
</tr>
<tr>
<td>2009</td>
<td>88</td>
<td>No Records</td>
<td>100</td>
</tr>
<tr>
<td>2010</td>
<td>120</td>
<td>No Records</td>
<td>120</td>
</tr>
<tr>
<td>2011</td>
<td>100</td>
<td>110</td>
<td>130</td>
</tr>
<tr>
<td>2012</td>
<td>150</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Substitute Yield</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>2013 CC Yield</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>

Could Update to:

\[
\frac{(88 + 120 + 100 + 150)}{4} \times 0.9 = 103
\]

\[
\frac{(70 + 70 + 70 + 110 + 120)}{5} \times 0.9 = 79
\]

\[
\frac{(95 + 100 + 120 + 130 + 120)}{5} \times 0.9 = 102
\]

FSA letter indicates 5 years of corn planted

Obtained From Prior Tenant
## Base Reallocation Example

### With Cotton

<table>
<thead>
<tr>
<th></th>
<th>Cotton</th>
<th>Corn</th>
<th>Sorghum</th>
<th>Soybeans</th>
<th>Wheat</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base a/</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>500</td>
<td>1,000</td>
</tr>
<tr>
<td>Plantings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>200</td>
<td>600</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>2010</td>
<td>200</td>
<td>600</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>2011</td>
<td>200</td>
<td>600</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>2012</td>
<td>200</td>
<td>600</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Average</td>
<td>200</td>
<td>600</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Generic Base</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>Share</td>
<td>75%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reallocated Base</td>
<td>375</td>
<td>62.5</td>
<td>62.5</td>
<td>0</td>
<td></td>
<td>500</td>
</tr>
</tbody>
</table>

Source: House Agriculture Committee Staff
Generic Base Allocation

100 Acre Farm

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

Was Cotton - Now Generic Base – 80 acres
Generic Base - 2014

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

<table>
<thead>
<tr>
<th>Crop</th>
<th>Base Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sorghum</td>
<td>5</td>
</tr>
<tr>
<td>Wheat</td>
<td>5</td>
</tr>
<tr>
<td>Corn</td>
<td>5</td>
</tr>
<tr>
<td>Peanuts</td>
<td>5</td>
</tr>
<tr>
<td>Generic</td>
<td>80</td>
</tr>
</tbody>
</table>

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

- Sorghum - 45 acres (Original 5 acres plus 40)
- Wheat - 45 acres (Original 5 acres plus 40)
- Corn
- Peanuts

Farmer has protection on 45 acres of sorghum & wheat and 5 acres each of corn & peanuts.
100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 100 acres of sorghum

Sorghum - 85 acres
Original 5 acres plus 80

Wheat – 5 acres
Corn – 5 acres
Peanuts – 5 acres

80 generic
100% to sorghum

Farmer has protection on 85 acres of sorghum and 5 acres each of wheat, corn and peanuts
100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 100 acres of cotton

Generic Base – 80 acres idled for the year

Sorghum – 5 acres
Wheat – 5 acres
Corn – 5 acres
Peanuts – 5 acres

80 generic
No covered Commodity
Planted to
Allocate Generic acres to

Farmer has protection on 5 acres each of sorghum, wheat, corn and peanuts
If farmer plants 50 acres of sorghum and 50 acres of cotton

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

Sorghum - 55 acres
Original 5 acres plus 50

Idled Generic Base acres
30 acres

Wheat – 5 acres
Corn – 5 acres
Peanuts - 5 acres

80 generic
Allocated To Sorghum
On a acre for acre
Basis
So
50 added To Sorghum and 30 idled

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 Soybean

If farmer plants 100 acres of soybean

Soybean base – 80 acres
(FSA will assign a payment yield if PLC was elected for soybeans on the farm.)

Farmer has protection on 80 acres of soybean, 5 acres each of sorghum, wheat, corn and peanuts.
<table>
<thead>
<tr>
<th>Covered Commodity</th>
<th>Subcategory</th>
<th>Units</th>
<th>Marketing Year</th>
<th>2014 - 2018 Reference Price</th>
<th>2014 - 2018 Loan Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>Bushels</td>
<td>June 1 - May 31</td>
<td>$ 5.50</td>
<td>$ 2.94</td>
<td></td>
</tr>
<tr>
<td>Barley</td>
<td>Bushels</td>
<td>June 1 - May 31</td>
<td>$ 4.95</td>
<td>$ 1.95</td>
<td></td>
</tr>
<tr>
<td>Oats</td>
<td>Bushels</td>
<td>June 1 - May 31</td>
<td>$ 2.40</td>
<td>$ 1.39</td>
<td></td>
</tr>
<tr>
<td>Corn</td>
<td>Bushels</td>
<td>Sept 1 - Aug 31</td>
<td>$ 3.70</td>
<td>$ 1.95</td>
<td></td>
</tr>
<tr>
<td>Grain Sorghum</td>
<td>Bushels</td>
<td>Sept 1 - Aug 31</td>
<td>$ 3.95</td>
<td>$ 1.95</td>
<td></td>
</tr>
<tr>
<td>Rice</td>
<td>Medium Grain</td>
<td>Aug 1 - July 31</td>
<td>$ 14.00</td>
<td>$ 6.50</td>
<td></td>
</tr>
<tr>
<td>Long Grain</td>
<td>Hundredweight</td>
<td>Aug 1 - July 31</td>
<td>$ 14.00</td>
<td>$ 6.50</td>
<td></td>
</tr>
<tr>
<td>Japonica</td>
<td>Hundredweight</td>
<td>Aug 1 - July 31</td>
<td>$ 16.10</td>
<td>$ 6.50</td>
<td></td>
</tr>
<tr>
<td>Other Oilseeds</td>
<td>Canola</td>
<td>July 1 - June 30</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Flaxseed</td>
<td>Hundredweight</td>
<td>July 1 - June 30</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Rapeseed</td>
<td>Hundredweight</td>
<td>July 1 - June 30</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Sunflower</td>
<td>Hundredweight</td>
<td>Sept 1 - Aug 31</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Mustard seed</td>
<td>Hundredweight</td>
<td>Sept 1 - Aug 31</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Safflower</td>
<td>Hundredweight</td>
<td>Sept 1 - Aug 31</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Crambe</td>
<td>Hundredweight</td>
<td>Sept 1 - Aug 31</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Sesame</td>
<td>Hundredweight</td>
<td>Sept 1 - Aug 31</td>
<td>$ 20.15</td>
<td>$ 10.09</td>
<td></td>
</tr>
<tr>
<td>Soybeans</td>
<td>Bushels</td>
<td>Sept 1 - Aug 31</td>
<td>$ 8.40</td>
<td>$ 5.00</td>
<td></td>
</tr>
<tr>
<td>Peanuts</td>
<td>Ton</td>
<td>Aug 1 - July 31</td>
<td>$ 535.00</td>
<td>$ 355.00</td>
<td></td>
</tr>
<tr>
<td>Pulse Crops</td>
<td>Dry Peas</td>
<td>July 1 - June 30</td>
<td>$ 11.00</td>
<td>$ 5.40</td>
<td></td>
</tr>
<tr>
<td>Lentils</td>
<td>Hundredweight</td>
<td>July 1 - June 30</td>
<td>$ 19.97</td>
<td>$ 11.28</td>
<td></td>
</tr>
<tr>
<td>Small Chickpeas</td>
<td>Hundredweight</td>
<td>Sept 1 - Aug 31</td>
<td>$ 19.04</td>
<td>$ 7.43</td>
<td></td>
</tr>
<tr>
<td>Large Chickpeas</td>
<td>Hundredweight</td>
<td>Sept 1 - Aug 31</td>
<td>$ 21.54</td>
<td>$ 11.28</td>
<td></td>
</tr>
</tbody>
</table>
Producer Price Outlook a Factor in ARC/PLC Decision (Corn Ex.)

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price
Producer Price Outlook a Factor in ARC/PLC Decision (Soybeans Ex.)

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/bu

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

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price
Producer Price Outlook a Factor in ARC/PLC Decision (Grain Sorghum Ex.)

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price
Producer Price Outlook a Factor in ARC/PLC Decision (Med. Grain Rice Ex.)

Feb. 2015 FAPRI Prices
- Benchmark Price
- 86%
- 76%
- Ref Price

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

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price
Producer Price Outlook a Factor in ARC/PLC Decision (Oats Ex.)

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/bu

2 2.2 2.4 2.6 2.8 3 3.2 3.4 3.6 3.8 4

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

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/ton

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

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/cwt

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

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

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

Feb. 2015 FAPRI Prices
- Benchmark Price
- 86%
- 76%
- Ref Price

$/cwt


23.69 23.69 23.54 22.18 20.97 20.7
Producer Price Outlook a Factor in ARC/PLC Decision (Lentils Ex.)

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/cwt


28
26
24
22
20
18
16
14

23.80
22.76
21.23
20.61
20.78
Producer Price Outlook a Factor in ARC/PLC Decision (Safflower Ex.)

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/cwt

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

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/cwt

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

![Graph showing price trends from 2009 to 2018 for Feb. 2015 FAPRI Prices, Benchmark Price, and Ref Price.]

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

- Feb. 2015 FAPRI Prices
- Benchmark Price
- 86%
- 76%
- Ref Price
Producer Price Outlook a Factor in ARC/PLC Decision (Lg. Chickpeas Ex.)

![Graph showing historical prices and benchmarks for large chickpeas, with emphasis on the Feb. 2015 FAPRI Prices.](image-url)
Producer Price Outlook a Factor in ARC/PLC Decision (Sm. Chickpeas Ex.)

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

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

Feb. 2015 FAPRI Prices
Benchmark Price
86%
76%
Ref Price

$/cwt


32.53 37.00 40.60 43.43 44.01

15 20 25 30 35 40 45 50
Producer Price Outlook a Factor in ARC/PLC Decision (Japonica Rice Ex.)
## PLC and ARC

<table>
<thead>
<tr>
<th></th>
<th>PLC</th>
<th>ARC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Trigger</td>
<td>Reference Price</td>
<td>Revenue Benchmark</td>
</tr>
<tr>
<td>Paid on Base Acres</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Paid on Payment Yield</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Payment Trigger Fixed</td>
<td>Yes, Fixed throughout Farm Bill</td>
<td>Adjusts each year with Price and yield</td>
</tr>
<tr>
<td>Max Payment</td>
<td>From Reference to Loan rate</td>
<td>10% of Benchmark</td>
</tr>
</tbody>
</table>