2018 Farm Bill

Agriculture Improvement Act of 2018

Information Update for Washington

Aaron Esser, Randy Fortenbery and Shannon Neibergs
Farm Bill implications for Washington

• ARC and PLC choice review and outlook
  – 2018 Farm Bill timeframe
  – Review of Washington 2014 sign up decisions
  – Overview of 2018 Farm Bill
  – ARC and PLC program outlook
  – Yield updating

• Price and Trade Outlook

• Decision Tools

• Conservation Programs
After legislation is passed by Congress and signed into law by the President, agencies publish rules in the Federal Register that explain how the legislation will be administered and implemented by the agency.
Important points and timeline

- The Farm Bill established the **legislative intent** of agriculture support programs (December, 2018)

- But the actual implementation of the programs **requires rules and regulations** be written by the affected agencies

- August 1, 2019 was the **estimated** date for final rules and regulations publication

- The sign-up opening date for ARC PLC commodity programs started **September 1, 2019**

- Ending dates for sign-up
  - **Election deadline** for both 2019 and 2010 is **March 15, 2020**
  - **Without program election farm defaults to 2014 program**
  - 2019 Enrollment deadline is **March 15, 2020**
  - 2020 Enrollment deadline is **June 30, 2020**
Farm Bill Safety Net

Shallow Loss Program Magnitude

*Magnitude of shallow versus deep loss depends on ARC-PLC program choice and elected level of revenue insurance.*
### Washington Wheat - Crop Insurance Enrollment

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres Enrolled</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Revenue Protection</td>
<td>1,703,451</td>
<td>1,804,067</td>
<td>1,832,045</td>
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<tr>
<td>Revenue Protection Harvest</td>
<td>1,982</td>
<td>1,131</td>
<td>5,392</td>
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<td>Price Exclusion</td>
<td>1,982</td>
<td>1,131</td>
<td>5,392</td>
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<tr>
<td>Yield Protection</td>
<td>207,491</td>
<td>191,576</td>
<td>169,359</td>
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</table>

Washington Elects High Coverage Level

Washington Wheat Acres Insurance by Coverage Level

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>50%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>55%</td>
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<tr>
<td>60%</td>
<td>0%</td>
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<tr>
<td>65%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>70%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>75%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>80%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>85%</td>
<td>67%</td>
<td>65%</td>
</tr>
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</table>
Washington Winter Wheat Insurance Price

RMA Projected Winter Wheat Insurance Prices

<table>
<thead>
<tr>
<th>Crop Year</th>
<th>Price ($/bu)</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td>$5.55</td>
</tr>
<tr>
<td>2011</td>
<td>$7.12</td>
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<td>2012</td>
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<td>2014</td>
<td>$6.72</td>
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<td>2015</td>
<td>$6.20</td>
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<td>2016</td>
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<td>2017</td>
<td>$5.45</td>
</tr>
<tr>
<td>2018</td>
<td>$5.92</td>
</tr>
<tr>
<td>2019</td>
<td>$6.59</td>
</tr>
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</table>
CBO Projected 2018 Farm Bill Budget

Projected Outlays, FY2019-2028

- Nutrition, 77%
- Crop Insurance, 9%
- Commodities, 7%
- Conservation, 7%
- Other Programs, 0.49%

Source: Congressional Research Service and Congressional Budget Office
Commodity program outlays 2014 actual 2018 projected

Source: Congressional Research Service, April 3, 2019
https://crsreports.congress.gov/product/pdf/IF/IF11161
Market Facilitation Programs 2018 and 2019

• MFP payments to aid producers dealing with price impacts of trade disputes
• Authorized under Commodity Credit Corporation (not a Farm Bill program)
• 2018 authorized expenditures up to $10.6 Billion
• 2019 authorized expenditures up to $14.5 Billion
• Deadline for 2019 sign-up was December 6, 2019
• Farm payment limits increased in 2019 for MFP from $125K to $250K
• 2018 MFP targeted crops and 2019 MFP targets acre payment limits
• Trade damage estimates and MFP payment rates
• Eligible crops include: alfalfa, barley, canola, corn, peas, lentils, chickpeas, wheat, plus others
2019 MFP Acre Payment Rates by County

- Clallam: $25
- San Juan: $22
- Island: $22
- Whatcom: $19
- Skagit: $15
- Okanogan: $28
- Ferry: $27
- Stevens: $26

Map showing payment rates by county in Washington State.
2019 MFP Rates National Comparison $/acre

<table>
<thead>
<tr>
<th>State</th>
<th>MFP Payments $ Millions</th>
</tr>
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<tbody>
<tr>
<td>Iowa</td>
<td>1,188</td>
</tr>
<tr>
<td>Illinois</td>
<td>1,090</td>
</tr>
<tr>
<td>Texas</td>
<td>812</td>
</tr>
<tr>
<td>Minnesota</td>
<td>804</td>
</tr>
<tr>
<td>Nebraska</td>
<td>719</td>
</tr>
<tr>
<td>California</td>
<td>180</td>
</tr>
<tr>
<td>Washington</td>
<td>69</td>
</tr>
<tr>
<td>Idaho</td>
<td>58</td>
</tr>
</tbody>
</table>

Source: Farm Service Agency, USDA

https://farmdocdaily.illinois.edu/2019/07/the-2019-market-facilitation-program.html

Summary of 2014 vs 2018 Farm Bill Changes

- Base acres will not change from 2014 Farm Bill enrollment

- ARC-CO or PLC initial decision for 2019 and 2020 program years. Annual re-enrollment for 2021, 2022 and 2023

- Payment Caps
  - ARC CO cap is 10% of County Benchmark Revenue (no change)
  - PLC also has a cap = $5.50 reference price - $3.38 loan rate = $2.12/bu cap (no change)
  - National loan rate increased from $2.94 to $3.38

- 2018 Farm Bill introduces a reference price escalator

- ARC-county yields are based on data from the Risk Management Agency rather than data from the National Agricultural Statistics Service

- ARC-county yields are trend adjusted

- One-time opportunity to update PLC program payment yields that take effect beginning with the 2020 crop year
2014 Farm Bill Washington base acres

Washington Base Acres by Program Enrollment

<table>
<thead>
<tr>
<th>Crop Type</th>
<th>PLC</th>
<th>ARC CO</th>
<th>ARC IC</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRAIN SORGHUM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAFFLOWER</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FLAX</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>RAPESEED</td>
<td></td>
<td></td>
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<tr>
<td>SUNFLOWERS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOYBEANS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MUSTARD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMALL CHICKPEAS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OATS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CANOLA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LARGE CHICKPEAS</td>
<td></td>
<td></td>
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<tr>
<td>LENTILS</td>
<td></td>
<td></td>
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<tr>
<td>DRY PEAS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CORN</td>
<td>0.11M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BARLEY</td>
<td>0.22M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHEAT</td>
<td>2.95M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
March 15 Deadline vs Marketing Year (June-May)
PLC and ARC CO payment formulas

**PLC**

**PLC Reference Price**
- Higher of:
  - PLC Reference price in statute
  - 85% of the Olympic 5-yr avg MYAP capped at 115% of reference price

**Farm Price**
- Higher of:
  - National Market Year Price MYAP
  - MAL loan rate

**PLC Payment Rate**
- PLC Reference Price - Farm Price

**Farm PLC Payment**
= PLC Pay Rate * Farm yield * 85% base acres

Adapted from CRS 2018 Farm Bill Primer
https://crsreports.congress.gov/product/pdf/IF/IF11161
PLC and ARC CO payment formulas

**ARC CO**

1. **County Benchmark Revenue**
   - 5-year Olympic Average MYAP
     - 
   - 5-year Olympic Average County Yield

2. **County Revenue Guarantee**
   - 86% Of Benchmark Revenue

3. **Actual County Revenue**
   - Higher of National MYAP or MAL
     - 
   - Actual County Yield

**ARC CO Payment Rate**
- County Revenue Guarantee - Actual Revenue
  - * Capped at 10% of County Benchmark Revenue

**Farm ARC CO Payment**
= ARC CO Pay Rate
  - 
  - 85% base acres

Adapted from CRS 2018 Farm Bill Primer
https://crsreports.congress.gov/product/pdf/IF/IF11161
PLC and ARC CO payment formulas

**PLC**

- **PLC Reference Price**
  - Higher of:
    - PLC Reference price in statute
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  - PLC Reference Price - Farm Price

- **Farm Price**
  - Higher of:
    - National Market Year Price MYAP
    - MAL loan rate

- **Farm PLC Payment**
  - = PLC Pay Rate * Farm yield * 85% base acres

**ARC CO**

- **County Benchmark Revenue**
  - 5-year Olympic Average MYAP
  - * 5-year Olympic Average County Yield

- **County Revenue Guarantee**
  - 86% Of Benchmark Revenue

- **Actual County Revenue**
  - Higher of National MYAP or MAL
  - * Actual County Yield

- **Farm ARC CO Payment**
  - = ARC CO Pay Rate * 85% base acres

Adapted from CRS 2018 Farm Bill Primer
https://crsreports.congress.gov/product/pdf/IF/IF11161
Change in ARC CO yield data

- 2014 Farm Bill ARC CO County yields
  - NASS
  - FSA supplied missing data

- 2018 Farm Bill ARC CO County yields
  - RMA crop insurance county yield data
  - Data used for yields will be made publicly available
Comparing RMA – NASS Yields

2014-17 Wheat Average (RMA-NASS) (bushels)

Source: Aaron Smith, Crop Safety Net Programs, Farm Bill Conference, 2019
Comparing RMA – NASS Yields

Source: Aaron Smith, Crop Safety Net Programs, Farm Bill Conference, 2019
Lincoln County Wheat ARC CO and PLC Payments

<table>
<thead>
<tr>
<th>County</th>
<th>Year</th>
<th>Yield</th>
<th>MYA Price</th>
<th>Benchmark Yield</th>
<th>Benchmark Price</th>
<th>ARC Guarantee</th>
<th>ARC Payment</th>
<th>PLC Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln</td>
<td>2014</td>
<td>41</td>
<td>5.99</td>
<td>62</td>
<td>$6.60</td>
<td>$352</td>
<td>$32.42</td>
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<tr>
<td></td>
<td>2015</td>
<td>43</td>
<td>4.89</td>
<td>62</td>
<td>$6.70</td>
<td>$357</td>
<td>$32.91</td>
<td>23.20</td>
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<tr>
<td></td>
<td>2016</td>
<td>71</td>
<td>3.89</td>
<td>56</td>
<td>$6.70</td>
<td>$323</td>
<td>$29.72</td>
<td>61.22</td>
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<td></td>
<td>2017</td>
<td>63</td>
<td>4.72</td>
<td>57</td>
<td>$6.12</td>
<td>$300</td>
<td>$2.09</td>
<td>29.66</td>
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<tr>
<td></td>
<td>2018</td>
<td>45.2</td>
<td>5.15</td>
<td>58</td>
<td>$5.66</td>
<td>$282</td>
<td>$ -</td>
<td>12.93</td>
</tr>
</tbody>
</table>

Five-Year Average: $24.63 $25.00

1 Market year average price which is a national price for a marketing year.
2 Equals Olympic average of five-previous yields. Olympic averages eliminate high and low observations.
3 Equals Olympic average of five-previous prices, price can not be less than reference price.
4 Equals benchmark yield x benchmark price x .86.
5 Equals .85 x minimum of (ARC guarantee - county yield x MYA price) or (10% of benchmark yield x benchmark price), when county revenue is less than ARC guarantee, zero otherwise. Reduced by sequester (6.8%).
6 Equals (reference price - higher of MYA price or national loan rate) x PLC payment yield x .85. Reduced by sequester (6.8%).
Lincoln County Wheat ARC-Co Yield

![Graph showing the yield of Lincoln County Wheat ARC-Co from 2014 to 2018. The yield values are as follows:

- 2014: 62
- 2015: 62
- 2016: 56
- 2017: 57
- 2018: 58]
Lincoln County Wheat Olympic Avg. Price for ARC Co and PLC

Lincoln County Wheat ARC-CO & PLC O.A. Price

- 2014: $6.60
- 2015: $6.70
- 2016: $6.70
- 2018: $5.66

WASHINGTON STATE UNIVERSITY
EXTENSION
Lincoln County ARC CO vs PLC (County Yield) Pmt

Lincoln County Wheat ARC-CO vs PLC Pmt

- 2014: ARC CO: $32.42, PLC: $-
- 2015: ARC CO: $32.91, PLC: $23.29
- 2016: ARC CO: $61.22, PLC: $29.72
- 2017: ARC CO: $29.66, PLC: $2.09
- 2018: ARC CO: $-, PLC: $12.93

ARC CO vs PLC payment comparison for Lincoln County Wheat from 2014 to 2018.
2014-2018 Wheat ARC CO vs PLC Total Payments

Lincoln Wheat ARC-CO vs PLC Total Pmt

Total Payments 2014 to 2018

ARC CO  PLC

$97.14  $127.01
### Walla Walla County Wheat ARC CO and PLC Payments

<table>
<thead>
<tr>
<th>County</th>
<th>Year</th>
<th>Yield</th>
<th>MYA Price</th>
<th>Benchmark Yield</th>
<th>Benchmark Price</th>
<th>ARC Guarantee</th>
<th>ARC Payment</th>
<th>PLC Payment</th>
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<tbody>
<tr>
<td>Walla Walla</td>
<td>2014</td>
<td>65</td>
<td>5.99</td>
<td>79</td>
<td>$6.60</td>
<td>448</td>
<td>$41.31</td>
<td>-</td>
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<tr>
<td></td>
<td>2015</td>
<td>68</td>
<td>4.89</td>
<td>77</td>
<td>$6.70</td>
<td>444</td>
<td>$40.87</td>
<td>30.44</td>
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<td>2016</td>
<td>90</td>
<td>3.89</td>
<td>73</td>
<td>$6.70</td>
<td>421</td>
<td>$38.75</td>
<td>80.35</td>
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<td></td>
<td>2017</td>
<td>86</td>
<td>4.72</td>
<td>73</td>
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<td>384</td>
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<td>38.93</td>
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<tr>
<td></td>
<td>2018 *</td>
<td>90.1</td>
<td>5.15</td>
<td>75</td>
<td>$5.66</td>
<td>365</td>
<td>-</td>
<td>17.47</td>
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</tbody>
</table>

Five-Year Aver: $24.18 $33.00

1. Market year average price which is a national price for a marketing year.
2. Equals Olympic average of five-previous yields. Olympic averages eliminate high and low observations.
3. Equals Olympic average of five-previous prices, price can not be less than reference price.
4. Equals benchmark yield x benchmark price x .86.
5. Equals .85 x minimum of (ARC guarantee - county yield x MYA price) or (10% of benchmark yield x benchmark price), when county revenue is less than ARC guarantee, zero otherwise. Reduced by sequester (6.8%).
6. Equals (reference price - higher of MYA price or national loan rate) x PLC payment yield x .85. Reduced by sequester (6.8%)
Walla Walla County Wheat ARC-Co Yield
Walla Walla County Wheat Olympic Avg. Price for ARC Co and PLC

Walla Walla County Wheat ARC-CO/PLC Price

$6.80
$6.60
$6.40
$6.20
$6.00
$5.80
$5.60
$5.40
$5.20
$5.00

2014
2015
2016
2017
2018

$6.60
$6.70
$6.70
$6.12
$5.66
2014-2018 Wheat ARC CO vs PLC Total Payments

Walla Walla Wheat ARC-CO vs PLC Total Pmt

Total Payments 2014 to 2018

ARC CO

PLC

$120.92

$167.19
## Whitman County Wheat ARC CO and PLC Payments

<table>
<thead>
<tr>
<th>County</th>
<th>Year</th>
<th>Yield</th>
<th>MYA Price</th>
<th>Benchmark Yield</th>
<th>Benchmark Price</th>
<th>ARC Guarantee</th>
<th>ARC Payment</th>
<th>PLC Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whitman</td>
<td>2014</td>
<td>60</td>
<td>5.99</td>
<td>75</td>
<td>$6.60</td>
<td>426</td>
<td>$39.21</td>
<td>$-</td>
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<tr>
<td></td>
<td>2015</td>
<td>59</td>
<td>4.89</td>
<td>75</td>
<td>$6.70</td>
<td>432</td>
<td>$39.81</td>
<td>$28.51</td>
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<td>2016</td>
<td>82</td>
<td>3.89</td>
<td>71</td>
<td>$6.70</td>
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<td>2017</td>
<td>72</td>
<td>4.72</td>
<td>71</td>
<td>$6.12</td>
<td>374</td>
<td>$26.82</td>
<td>$36.46</td>
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<tr>
<td></td>
<td>2018*</td>
<td>82</td>
<td>5.15</td>
<td>70</td>
<td>$5.66</td>
<td>341</td>
<td>$-</td>
<td>$15.89</td>
</tr>
</tbody>
</table>

|      |      |       |           |                |                | $143.52     | $156.11    | $28.70      | $31.22      |

|      |      |       |           |                |                |             |            |             |

### Notes:

1. Market year average price which is a national price for a marketing year.
2. Equals Olympic average of five-previous yields. Olympic averages eliminate high and low observations.
3. Equals Olympic average of five-previous prices, price can not be less than reference price.
4. Equals benchmark yield x benchmark price x .86.
5. Equals .85 x minimum of (ARC guarantee - county yield x MYA price) or (10% of benchmark yield x benchmark price), when county revenue is less than ARC guarantee, zero otherwise. Reduced by sequester (6.8%).
6. Equals (reference price - higher of MYA price or national loan rate) x PLC payment yield x .85. Reduced by sequester (6.8%)
Whitman County Wheat ARC-Co Yield

Whitman County Wheat ARC-CO Benchmark Yield

2014: 75
2015: 75
2016: 71
2017: 71
2018: 70
Whitman County Wheat Olympic Avg. Price for ARC Co and PLC

**Whitman (all) County Wheat ARC-CO/PLC Price**

- 2014: $6.60
- 2015: $6.70
- 2016: $6.70
- 2018: $5.66
Whitman County Wheat ARC-CO Revenue

Whitman County Wheat ARC-CO Benchmark Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
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<tbody>
<tr>
<td>2014</td>
<td>$426</td>
</tr>
<tr>
<td>2015</td>
<td>$432</td>
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<tr>
<td>2016</td>
<td>$409</td>
</tr>
<tr>
<td>2017</td>
<td>$374</td>
</tr>
<tr>
<td>2018</td>
<td>$341</td>
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</table>
Whitman County ARC CO vs PLC (County Yield) Pmt

[Graph showing the comparison of ARC CO and PLC payments from 2014 to 2018. The graph indicates peaks and troughs in payments, with ARC CO generally higher than PLC, reaching a peak in 2016.]
2014-2018 Wheat ARC CO vs PLC Total Payments

Whitman Wheat ARC-CO vs PLC Total Pmt

$143.52

$156.11

Total Payments 2014 to 2018

ARC CO

PLC
PLC reference price escalator

- Reference prices set by Farm Bill statute

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>$5.50</td>
</tr>
<tr>
<td>Barley</td>
<td>$4.95</td>
</tr>
<tr>
<td>Dry Peas</td>
<td>$0.11</td>
</tr>
<tr>
<td>Lentils</td>
<td>$0.1997</td>
</tr>
<tr>
<td>Large Chickpeas</td>
<td>$0.2154</td>
</tr>
<tr>
<td>Small Chickpeas</td>
<td>$0.1904</td>
</tr>
<tr>
<td>Canola</td>
<td>$0.2015</td>
</tr>
<tr>
<td>Corn</td>
<td>$3.70</td>
</tr>
</tbody>
</table>

- 2018 Farm Bill reference price escalator allows the reference price to increase up to 115% of the statutory reference price
  - Calculated as 85% of 5-yr Olympic average MYAP

- Higher reference prices are beneficial in program payment calculations particularly PLC

- Preliminary estimates indicate that large chickpeas, rapeseed, lentils, and small chickpeas will have higher reference prices due to the escalator in 2019
March 15 Sign-up Deadline vs Marketing Year (Sep-Aug)

Large Chickpeas MYA Prices
Sep 1 - Aug 31

5 yr Oly Avg Price = $0.3040 * 85% = $0.2584
Analysts comments and predictions

- Continued declining trend in MYAP and in-turn declining Olympic average formula prices
- ARC CO county benchmark revenue follows the declining trend and also faces the “14% revenue penalty”
- Historically counties were hit by the ARC CO 10% payment limitation cap: 61% in 2015 and 77% in 2016 for wheat
- The enacted 2018 farm bill continues a $125,000 per-person cap on combined PLC and ARC payments but excludes MAL program benefits from the limit.
- PLC payment based on farm yield so farms with above county average yield benefit greater under the PLC option
- Prediction is farmers will move from ARC CO to PLC
- BUT
- Sign-up analysis is needed to account for your farm’s unique attributes
- The national tools for 2014 Farm Bill are being redesigned for 2018
ARC and PLC sign-up decisions

- First Election for 2019 and 2020
- Annual Election for 2021, 2022, 2023
- Knowledge of 2019 yield and year-to-date market conditions will play a role in initial election
Yield update

• Option to update farm program yields

• Two step yield update formula
  1. $0.9 \times 2013-2017$ FSA Farm commodity yield times
  2. National yield adjustment factor
     \( \frac{2008-2012 \text{ U.S. yield}}{2013-2017 \text{ U.S. yield}} \)

\[
payment \ yield = 0.9 \times \text{avg. farm yield}_{2013-2017} \times \left( 0.9 \leq \frac{\text{avg. nat. yield}_{2008-2012}}{\text{avg. nat. yield}_{2013-2017}} \leq 1 \right)
\]

Wheat = 0.9545
### National Yield Adjustment Factors


<table>
<thead>
<tr>
<th>Covered Commodity</th>
<th>National Yield Factor</th>
<th>Covered Commodity</th>
<th>National Yield Factor</th>
<th>Covered Commodity</th>
<th>National Yield Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barley</td>
<td>0.9437</td>
<td>Lentils</td>
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<tr>
<td>Canola</td>
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<td>Chickpeas, Large</td>
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<td>Oats</td>
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<td>Chickpeas, Small</td>
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<td>Peanuts</td>
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<td>Corn</td>
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<td>Peas, Dry</td>
<td>0.9988</td>
<td>Soybeans</td>
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<tr>
<td>Crambe</td>
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<td>Rapeseed</td>
<td>1.0000</td>
<td>Sunflower Seed</td>
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<tr>
<td>Flaxseed</td>
<td>1.0000</td>
<td>Rice, Long</td>
<td>0.9330</td>
<td>Wheat</td>
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<tr>
<td>Grain Sorghum</td>
<td>0.9077</td>
<td>Rice, Medium</td>
<td>0.9887</td>
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<td></td>
</tr>
</tbody>
</table>
Yield Update – TAMU (0.9 * 85 * 0.9545 = 73.02)
Yield Update Form CCC-687

This form is available electronically.

CCC-687
(07-23-19)
U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

1. Program Years: 2020 through 2023

2A. County FSA Office Name and Address (Including Zip Code)

2B. County FSA Office Telephone No. (Including Area Code)

2C. County FSA Office FAX No. (Including Area Code)

3. State Code

4. County Code

5. Farm No.

6. Covered Commodity

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a – as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9015) as amended by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1412. The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSR-3, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program.


The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

THE FARM PLC YIELD UPDATE DECISION
is made by an owner of the farm identified in Item 5 above. If FSA receives conflicting yield update from another owner, owners will be required to resolve their dispute providing CCC with written evidence of the dispute resolution by the end of the yield update period.

FARM YIELD UPDATE

7. I agree to update the PLC yield for the covered commodity, identified in Item 6 above, based on 90 percent of the farm's 2013 through 2017 average yield per planted acre, excluding any year(s) when no acreage was planted times a national factor determined by dividing the 2008-12 national yield by the 2013-2017 national yield. The covered commodity’s national yield factor is ______.

<table>
<thead>
<tr>
<th></th>
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<td>2A</td>
<td>2B</td>
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<td>7B</td>
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</tr>
</tbody>
</table>

8. Owner's Name and Address (Including Zip Code)

9. Owner's Signature (If By)

9A. Signature of Owner (If By) 9B. Title/Relationship of the Individual Signing in the Representative Capacity

9C. Date (MM-DD-YYYY)

10. Signature of CCC Representative

10A. Signature of CCC Representative 10B. Date (MM-DD-YYYY)
Conservation Reserve Program

• Challenging to discuss CRP because of the unique attributes of each CRP contract

• Large number of programs and availability or restrictions for cost share for CRP/CSP programs

• Administered per:
  – Unique county objectives and acreage caps
  – Unique attributes of the farm within the county
  – Unique Environmental Benefit Index attributes within the farm
Opportunity and complexity of conservation programs

- Agricultural Conservation Easement Program (ACEP)
- Agricultural Management Assistance (AMA)
- Conservation Operations (CO); Conservation Technical Assistance (CTA)
- Conservation Reserve Program (CRP)
- CRP—Conservation Reserve Enhancement Program (CREP)
- CRP—Farmable Wetland Program
- CRP—Grasslands
- Conservation Stewardship Program (CSP)
- Emergency Conservation Program (ECP)
- Emergency Forest Restoration Program (EFRP)
- Emergency Watershed Protection (EWP)
- Environmental Quality Incentives Program (EQIP)
- EQIP—Conservation Innovation Grants (CIG)
- Grassroots Source Water Protection Program
- Healthy Forests Reserve Program (HFRP)
- Regional Conservation Partnership Program (RCPP)
- Voluntary Public Access and Habitat Incentive Program
- Water Bank Program
- Watershed and Flood Prevention Operations
- Watershed Rehabilitation Program

Agricultural Conservation: A Guide to Programs

Megan Stubbs
Specialist in Agricultural Conservation and Natural Resources Policy

April 17, 2018

https://fas.org/sgp/crs/misc/R40763.pdf
CRP Contract Expirations

- 2017, 2018, and 2019 expiring CRP contracts rolled over to reenroll in 2020
- 415,427 acres of general and continuous CRP contract expiration
- Compete on the environmental benefits index previous enrollments
- Lower CRP rental rates to reflect market rental rates and encourage conversion to farming
- Higher quality land premiums reduced to average land quality

<table>
<thead>
<tr>
<th>Washington CRP Acres Expiring Contracts Top Counties</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Total</th>
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<tbody>
<tr>
<td>WALLA WALLA</td>
<td>582</td>
<td>62,844</td>
<td>14,741</td>
<td>26,417</td>
<td>104,584</td>
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<tr>
<td>DOUGLAS</td>
<td>43</td>
<td>16,589</td>
<td>-</td>
<td>20,105</td>
<td>36,736</td>
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<tr>
<td>ADAMS</td>
<td>237</td>
<td>11,704</td>
<td>2,975</td>
<td>20,657</td>
<td>35,573</td>
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<tr>
<td>FRANKLIN</td>
<td>686</td>
<td>14,489</td>
<td>8,018</td>
<td>12,180</td>
<td>35,374</td>
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<tr>
<td>BENTON</td>
<td>-</td>
<td>15,513</td>
<td>6,543</td>
<td>12,969</td>
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<td>YAKIMA</td>
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<td>11,882</td>
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<td>33,611</td>
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<td>WHITMAN</td>
<td>3,463</td>
<td>5,572</td>
<td>2,469</td>
<td>18,418</td>
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<td>LINCOLN</td>
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<td>Klickitat</td>
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<td>204</td>
<td>19,149</td>
<td>21,846</td>
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<td>Grant</td>
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<td>8,528</td>
<td>696</td>
<td>7,466</td>
<td>16,705</td>
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<td>Garfield</td>
<td>677</td>
<td>6,320</td>
<td>1,398</td>
<td>3,118</td>
<td>11,513</td>
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<tr>
<td>Columbia</td>
<td>799</td>
<td>3,241</td>
<td>3,765</td>
<td>2,924</td>
<td>10,729</td>
</tr>
</tbody>
</table>

2018 CRP rental rates

Conservation Reserve Program - CRP

- Increases CRP acreage cap from 24 to 27 M acres.
  - Goals:
    - 8.6 Million acres for continuous signup and 2 M for grasslands
- Sets upper limits on the county average soil rental rates used to set field specific maximum annual payment rates
- Sets tighter restrictions on maximum payment rates for re-enrollments
- Expanded opportunities for CRP land management

CRP Grassland Rental Rate

<table>
<thead>
<tr>
<th>County</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skagit</td>
<td>$34</td>
</tr>
<tr>
<td>Whatcom</td>
<td>$39</td>
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<tr>
<td>Columbia</td>
<td>$4</td>
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<tr>
<td>Whitman</td>
<td>$4</td>
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<tr>
<td>Walla Walla</td>
<td>$4</td>
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<tr>
<td>Garfield</td>
<td>$4</td>
</tr>
<tr>
<td>Franklin</td>
<td>$5</td>
</tr>
<tr>
<td>Asotin</td>
<td>$4</td>
</tr>
</tbody>
</table>
Farm Bill Conservation programs

- 2% increase in mandatory funding for conservation programs.
- Working land program funding at same share of total funding.
- Increases CRP acreage cap from 24 to 27 M acres.
- Increased funding for EQIP, ACEP, and RCPP.
- Reduces CSP funding, and replaces acreage cap with a funding cap.

Share of conservation spending by major programs and predecessors in the 2018 and previous farm acts

Percent

Regional Conservation Partnership Program*
Agricultural Conservation Easements Program*
Conservation Reserve Program*
Working land programs (EQIP and CSP)**

Summary conclusions

- Expected low farm profitability increases the importance for risk management

- ARC PLC sign-up flexibility
  - 2019-2020 then annually thereafter
  - Reduces risk of choosing wrong program
  - PLC enrollment expected to increase
  - March 15, 2020 Ending sign-up date

- Updated decision tools are available

- Potential opportunities with conservation programs
Discussion and Questions

Shannon Neibergs
sneibergs@wsu.edu
509 335 6360