ACRE Payment Eligibility

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Don’t overlook the provisions of the new Farm Bill like the Average Crop Revenue Election (ACRE) program and how it could be part of your farms risk management strategies. One of the aspects of the new ACRE program is the need to collect historical farm-level yield information. As of this time, we still have some questions on what it will take to prove your farm’s historical farm yields.

Expectations are that methods similar to the past will be used. Ninety-five percent of the county average yield can be used.

The size of ACRE payments is largely determined by a state revenue index based on national price and state yield levels; a farm-level revenue is also established to determine whether a producer is eligible for an ACRE payment. Average Crop Revenue Election uses a revenue index based on national prices and state yields and the individual farm yields must also fall below the farm’s benchmark revenue.

A farm’s benchmark revenue is based on the moving 2-year average of national prices and a moving 5-year Olympic average of farm yields. With this program, the producers will also include what they paid for crop insurance premiums in the calculation of their farm-level revenue benchmark. (This makes triggering at the farm level easier; and is an encouragement to buy crop insurance.)

The deadline for ACRE program elections for the 2009 crop year was extended from June 1st to August 14th to allow more time for farms to consider this important decision. You will not be able to wait until the last minute to begin enrollment. A farm operator needs to start the process now and then can make the final decision for 2009 enrollment by August 14th.

By August we will have good information about expected state revenue and individual farms yields which will allow an informed decision for the 2009 year. There are many factors to consider, such as, how closely your individual farm yields follow those at the state level when making your ACRE program decision.

It is important to understand that ACRE is not a substitute for crop insurance but a supplement to your farm’s risk management plan.

Your local Farm Service Agency has information. Also contact your local MSU Extension Educator for additional information and planning tools related to this program. Additional information, including handouts and video information clips (webinars) can be found at: www.msu.edu/user/betz/

SURE: The new name for disaster aid for farms

Supplemental Revenue Assistance Payments (SURE) is the disaster relief program that is now written into the new Farm Bill to help farm producers recover from major negative farm revenue events. Be certain that you understand your farm’s eligibility requirements for this program.

One major change from prior disaster programs is that farms are now required to have some level of farm revenue insurance on all crops that represent over 5% of expected revenue. The crop insurance could be as simple as CAT or NAP coverage or your farm may have purchased one of the many revenue programs available. One point that many farms overlooked in 2009 is that crops, like hay, fruit crops and wheat, have crop insurance deadlines for enrollment in September each year, so to be eligible for 2010, you need to have crop insurance in place this fall.
Supplemental Revenue Assistance Payments are designed to be made to eligible producers on farms in disaster counties (or contiguous) that incurred as little as 10% crop production or crop-quality losses or both during the crop year. These payments are intended to replace the old system that required congressional action to allocate funds to cover disaster program payments. Now we have a formula in place to provide disaster assistance for your farm, but you need to take action to guarantee your farm is eligible. It is important that you understand SURE and the implications for your farms.

Your local Farm Service Agency has information and you can contact your local MSU Extension Educator for additional information and planning tools related to this program. Additional information, including handouts and video information clips (webinars) can be found at: www.msu.edu/user/betz/