

The Food, Conservation and Energy Act of 2008

“The Farm Bill”

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Commodity Title

- Continues programs authorized in 2002 Bill
- Preserves non-recourse marketing loan program
- Continues price-based counter-cyclical program
- Adds new revenue-based counter-cyclical program
- Adds permanent disaster program

Direct payment rates remain the same

- Exception: Participants electing to participate in the ACRE program receive 20 percent less

Direct Payment Rates

Commodity	\$/Unit	2008-2012
Wheat	Bu.	\$0.52
Corn	Bu.	\$0.28
Sorghum	Bu.	\$0.35
Barley	Bu.	\$0.24
Oats	Bu.	\$0.024
Soybeans	Bu.	\$0.44
Minor Oilseeds	Cwt.	\$0.80

Adjustments to marketing loan rates

- Most remain the same for 2008 and 2009
 - Exceptions: dry peas, lentils
- Rates increase for 2010-2012 for:
 - wheat, barley, oats and minor oilseeds

Nonrecourse Marketing Loan Rate

Commodity	\$ per unit	2007	2008	2009	2010-2012
Wheat	Bu.	\$2.75	\$2.75	\$2.75	\$2.94
Corn	Bu.	\$1.95	\$1.95	\$1.95	\$1.95
Sorghum	Bu.	\$1.95	\$1.95	\$1.95	\$1.95
Barley	Bu.	\$1.85	\$1.85	\$1.85	\$1.95
Oats	Bu.	\$1.33	\$1.33	\$1.33	\$1.39
Soybeans	Bu.	\$5.00	\$5.00	\$5.00	\$5.00
Other Oilseeds	Cwt.	\$9.30	\$9.30	\$9.30	\$10.09
Dry Peas	Cwt.	\$6.22	\$6.22	\$5.40	\$5.40
Lentils	Cwt.	\$11.72	\$11.72	\$11.28	\$11.28
Small Chickpeas	Cwt.	\$7.43	\$7.43	\$7.43	\$7.43
Large Chickpeas	Cwt.	n/a	n/a	\$11.28	\$11.28

Target Prices for Counter-cyclical Payments

Commodity	\$ per unit	2007	2008	2009	2010-2012
Wheat	Bu.	\$3.92	\$3.92	\$3.92	\$4.17
Corn	Bu.	\$2.63	\$2.63	\$2.63	\$2.63
Sorghum	Bu.	\$2.57	\$2.57	\$2.57	\$2.63
Barley	Bu.	\$2.24	\$2.24	\$2.24	\$2.63
Oats	Bu.	\$1.44	\$1.44	\$1.44	\$1.79
Soybeans	Bu.	\$5.80	\$5.80	\$5.80	\$6.00
Other Oilseeds	Cwt.	\$10.10	\$10.10	\$10.10	\$12.68
Dry Peas	Cwt.	n/a	n/a	\$8.32	\$8.32
Lentils	Cwt.	n/a	n/a	\$12.81	\$12.81
Small Chickpeas	Cwt.	n/a	n/a	\$10.36	\$10.36
Large Chickpeas	Cwt.	n/a	n/a	\$12.81	\$12.81

Average Crop Revenue Election (ACRE)

- ACRE is optional; producers must elect to participate
- Available beginning with 2009 crop

ACRE consists of:

- 20 percent reduction in direct payments
- 30 percent reduction in marketing loan rates
- ACRE revenue protection payments

ACRE payment to a farm equals

state revenue guarantee minus state actual revenue

X

83.3% (85%-2012) of acres planted

X

farm's average yield ÷ by state yield

ACRE state revenue guarantee equals:

state yield (5-year Olympic average)

X

price guarantee (most recent 2 year average U.S. price)

X

90 percent

Guarantee can not change more than 10 percent per year.

ACRE Eligibility

- Farm's actual revenue must be less than the farm's benchmark revenue
 - Actual revenue is farm yield times U.S. price
 - Benchmark revenue is 5-year Olympic average yield times ACRE guarantee price plus per acre crop insurance premium

ACRE Payment Limitations

- Direct payments
\$40,000 minus an amount equal to 20 percent reduction in direct payments
- ACRE revenue payments
\$65,000 plus an amount equal to 20 percent reduction in direct payments

Permanent Disaster Assistance (SURE)

- Available for 2008 crop
- SURE is a whole farm guarantee
- Requires all crops be insured by crop insurance or NAP
- 1-year delay in payments due to price calculation

Conservation Title

- Authorizes 32 million acres for CRP in 2010-2012
- Expanded wetlands reserve program
- Increase funding for EQIP
- Extends conservation security program
- Increase funding for farm protection program
- Expands grasslands reserve program
- Creates open fields program

Web Address

<http://www.ag.ndsu.nodak.edu/aginfo/farmmgmt/farmmgmt.htm>