

The 2018 Farm Bill

AGRI-VIEWS

by Chuck Otte, Geary County Extension Agent

Every four or five years, Congress presents America with a new Farm Bill. While much of that farm bill has to do with nutrition programs, about 15% of it has to do with what are known as commodity programs and conservation programs that can impact how agricultural producers deal with crop production as well as soil and water conservation.

Last December the 2018 Farm Bill was passed by Congress and signed by the President. While there are still the administrative rules being developed for parts of that Farm Bill the sign-up for the 2018 Farm Bill started right after Labor Day. Sign-up will run through March 15, 2020 and I would strongly encourage producers and landowners to NOT be in a hurry to get signed up. Let's give the Farm Service Agency (FSA) time to work the bugs out of the program software.

There are not major changes from the 2014 Farm Bill. There are improvements, but not wholesale changes. You still have the PLC (Price Loss Coverage) which pays on low crop prices or the ARC (Agricultural Risk Coverage). ARC is generally ARC-CO meaning at the county level. A producer receives a payment if the county averages below normal price or yield. There is also an ARC-IC at the individual level but very few producers signed up for that at the state or county level. It really is very specialized.

Much of these programs is exactly like it was in the previous farm bill. One change was that payments are now determined by the county where the land is located, not the county where the FSA office is located. If a farmer has farms in several counties they can have one county office be their administrative office so they don't have to bounce around between multiple offices to take care of their business.

With the previous Farm Bill, once you chose between PLC and ARC-CO you were going to be stuck with that program selection for the entire five years of the Farm Bill. This caused a great deal of frustration and anxiety because it's hard to know what yields or prices are going to be this year or next, let alone three or four years in the future! An important change for the 2018 Farm Bill is that when you sign up between now and next March, you'll be signing up for the 2019 and 2020 crop year only. For 2021, 2022, and 2023, you will be able to switch between the different Farm Bill options each year when you have a slightly better feel for what prices or yields might be doing.

Starting with this Farm Bill you will be able to use crop insurance proven yields to update your farm program yields and you have the option to update your program yields at the start of the 2018 Farm Bill. You can take all of your crop insurance yields in to the FSA Office, they will calculate your new yields and if they are higher, update. If they're lower, leave them where they are!

You don't have to sign up for the 2018 Farm Bill. If you don't, your selections from the previous Farm Bill will carry forward to the new Farm Bill. However, you will receive no payments for the 2019 Farm Bill. It looks like there could be big enough payments with the 2019 crop that by not signing up you would be leaving money on the table. So not signing up, in my opinion, is not an option. Don't be in a hurry to sign up, but don't forget to sign-up! These are just some of the highlights of the new Farm Bill. If you have questions about the 2018 Farm Bill, don't hesitate to stop by the office or give me a call and we can discuss it!