

USDA's Farm Service Agency Issues ACRE Revenue Payments

Farm Service Agency (FSA) State Director Dan Steinkruger announced that both non-irrigated corn and non-irrigated soybeans have been determined eligible in Nebraska for revenue payments, called "ACRE-ACRE" payments, under the provisions of the 2012 Average Crop Revenue Election (ACRE). Additional Nebraska crops qualifying for ACRE revenue payments include both irrigated and non-irrigated barley and dry peas. "The impact to our corn and soybean yields resulting from the extreme drought conditions during the 2012 growing season caused revenue declines that are now compensated by the ACRE program" Steinkruger added. ACRE revenue payments will assist in mitigating the portion of a revenue loss not covered by crop insurance indemnities.

The ACRE program, as a part of the 2008 Farm Bill, provides a revenue safety net which protects declines in either yield or price. Nebraska qualified to have irrigated and non-irrigated acreages of corn and soybeans considered as separate crops. ACRE crops may be eligible for payment when the actual state revenue is less than the crop's state ACRE guarantee. In order to earn payments, each farm participating in ACRE must also hit the "farm trigger", which means the actual 2012 farm revenue is less than the farm's benchmark revenue. Benchmark revenue is calculated using a 5-year average yield, and a 2-year average national market price. Actual revenue cannot be determined until the end of a crop's marketing year, which was August 31, 2013 for 2012 crop corn and soybeans.

Under the provisions of the 2008 Farm Bill, farmers and landowners had an opportunity each year to elect participation in either the ACRE program or the Direct and Counter-cyclical Program (DCP). The ACRE election could be made in any year, but was then irrevocable through the end of the Farm Bill. In exchange for the revenue protection offered by ACRE, participants gave up 20% of their direct payments. ACRE payments are calculated using 85% of the planted acres, not to exceed a farm's base acres.

Nebraska had approximately 17,000 farms participating in ACRE in 2012. Individual questions on payments and calculations should be directed to the local FSA Office where the ACRE contract is administered. For more information on DCP, ACRE and other FSA programs, visit your local FSA Service Center or www.fsa.usda.gov.