

Farm Bill Information Update Washington Factsheet

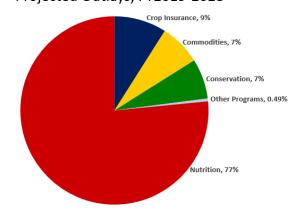


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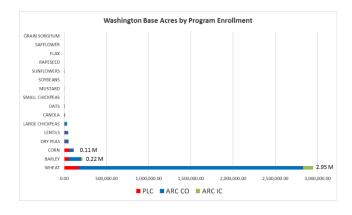
Timeline

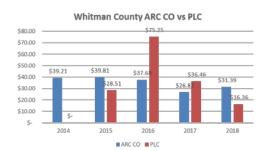
- The Agriculture Improvement Act of 2018 passed Congress and became law in December 2018
- Its passage was followed by the longest government shut down in history delaying the rule making process
- August 1, 2019 is the estimated date for final rules and regulations publication in the Federal Register
- The announced sign-up opening date for commodity programs is September 1, 2019
- No ending date for sign-up has yet been announced

Projected Outlays, FY2019-2028



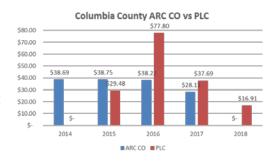
2014 Base Acres and Commodity Programs





2014 to 2018 Combined ARC CO \$174.91 PLC \$156.58

- By far wheat has the most base acres in Washington with 2.95 million acres
- 90% of wheat base is in ARC CO, 6% in PLC and 4% in ARC IC
- ARC CO payments were large in 2014 -2015. PLC largest in 2016
- Each county is unique. For Whitman ARC CO paid more. In Columbia PLC paid more
- 2018 Farm Bill reduces selection risk
- Initial sign-up for 2019 and 2020, and then annually for 2021 to 2023



2014 to 2018 Combined ARC CO \$143.76 PLC \$161.89

PLC

PLC Reference PLC Price Payment Rate Higher of: **PLC** Reference Price **PLC Reference Farm Price** price in Farm Price statute Higher of: Farm PLC Or National **Payment** Market 85% of the Year Price PLC Pay Rate MYAP Olympic 5-yr avg MYAP Farm yield capped at Or 115% of 85% base reference MAL loan acres price rate

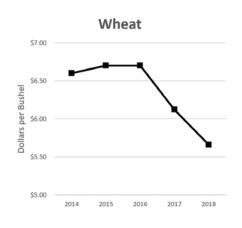
ARC CO County **Payment Rate** Benchmark 14% Revenue County Revenue 5-year Guarantee Olympic County Average Revenue Actual MYAP Guarantee Revenue Actual 86% County Capped at 5-year Of Revenue 10% of County Benchmark Olympic Benchmark Average Revenue Higher of Revenue County National Yield MYAP or Farm ARC CO MAL **Payment** Actual ARC CO Pay County Rate Yield 85% base acres

ARC CO

Adapted from CRS 2018 Farm Bill Primer https://crsreports.congress.gov/product/pdf/IF/IF11161

- PLC and ARC CO payment formulas remain the same from 2014 Farm Bill
- But, yield data used in ARC CO changes from using NASS data to RMA yield data
- A map study shows most of Washington RMA wheat yields to be slightly less than NASS yields
- National Farm Bill decision aids will be updated and use RMA yields for sign-up analysis
- 2018 Farm Bill introduced a reference price escalator for PLC
- Preliminary estimates indicate that large chickpeas, rapeseed, lentils, and small chickpeas will have higher reference prices due to the escalator in 2019

Declining Trend in ARC CO Revenue



5-yr Olympic Average Wheat Price

- 5 year Olympic average prices have a declining trend
- Declining prices reduce ARC CO county benchmark revenue
- ARC CO formula further reduces revenue guarantee 14%
- Analyst predict that more producers will sign-up for PLC
- PLC uses FSA farm yield.
- Farms with FSA yields > county average yield benefit with PLC
- Yield update is available with 2019 sign-up
- Farms need to use the national Farm Bill Decision aids when available to evaluate their farm's unique attributes for yield update and program choice at sign-up