



Average Crop Revenue Election (ACRE) Program – How It Will Operate For Louisiana Rice Farms

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The 2008 Farm Bill (Food, Conservation, and Energy Act of 2008) authorized the Average Crop Revenue Election (ACRE) Program as an optional alternative to the Counter-Cyclical Program. While the counter-cyclical program is a price-based farm income safety net program, the ACRE program is a revenue-based option where program payments depend on actual crop yields as well as market prices. The ACRE program is a more complicated type of program, in terms of farm payment eligibility and payment rate determination. The 2009 crop year will be the first opportunity that producers will have to sign up for this program. In order to give producers more time to understand how the program works and make a decision on whether to stay with the counter-cyclical or choose the ACRE program option, the USDA has extended the 2009 farm program sign up deadline from June 1 to August 14, 2009.

The ACRE program is a whole-farm program. In other words, for farms enrolled in the ACRE program, program provisions apply to all crops on the farm, not individual selected crops. However, for many of the rice farms in Louisiana, rice is the primary crop produced and, in many cases, is the only program crop for which the farm may have historical base acreage history. As a result, how the ACRE program would operate for rice, as compared with the standard Direct and Counter-Cyclical (DCP) program, is of considerable interest to Louisiana rice producers. This report, and the associated Louisiana Rice ACRE Program Decision Tool, illustrates how the ACRE program would operate for rice farms in Louisiana. The USDA-FSA fact sheet on the ACRE program is also included for informational purposes in the appendix of this report.

ACRE Program Basics

The ACRE program sign up begins with the 2009 crop year. A producer can enroll in the program in 2009 or any following year. However, once a decision is made to enroll in the ACRE program, all crops on the farm must be enrolled in the program and the farm must stay in the ACRE program through the end of the farm bill cycle, through the 2012 crop year. Enrollment will be by FSA farm number. Producers can enroll one, several or all farms in the program. Offered as an alternative to the counter-cyclical program, enrollment in the ACRE program would require the farm to forego counter-cyclical payments.

In addition, farms enrolling in the ACRE program would have to agree to a 20% reduction in direct payments and a 30% reduction in the marketing assistance loan rate. For rice, this would mean the direct payment rate would be reduced from \$2.35 per cwt. to \$1.88 per cwt. and the marketing loan rate would be reduced from \$6.50 per cwt. to \$4.55 per cwt. The payment limitation for direct program payments would also be reduced by 20%. ACRE program payments are tied to current crop plantings, with potential payments based on current year acreage, yield and price.

Payment Triggers

Program payments under the ACRE program option will be determined by two crop-specific revenue triggers. A state-level trigger compares current year rice revenue per acre to a recent historical average using state level yields and national market prices. A similar trigger is determined at the farm level using farm specific yields and national market prices. The state-level ACRE guarantee for rice will be calculated as 90% times the previous 5-year Olympic average state rice yield per planted acre times the previous 2-year national average rough rice price.

The state-level trigger is met if the current year actual rice revenue per acre (actual state-level rice yield times the higher of the market price or 70% of the loan rate) is less than the state-level ACRE guarantee. The farm-level ACRE trigger calculates a similar revenue comparison, except that farm level rice yields are used. Both state-level and farm-level triggers have to be met in order for an ACRE payment to be made to a farm under this program.

If both program triggers are met, an ACRE payment would be made to the farm as the difference between the state-level guarantee and the actual state-level revenue. This payment is adjusted for farm-level yield differences from the state average and would be paid on 83.3% of actual planted acreage as opposed to some percentage of rice base acreage as is done under the counter-cyclical program.

Payment Example for 2009

		State Yld Plt. Acre	Farm Yld Plt. Acre	National Rice Price
	Year	(cwt/acre)	(cwt/acre)	(\$/cwt)
<i>Benchmark State Yield</i> = previous 5-year "Olympic" avg. state yield per planted acre	2004	53.40	53.00	--
	2005	58.46	58.00	--
<i>Benchmark Farm Yield</i> = previous 5-year "Olympic" avg. farm yield per planted acre	2006	57.98	57.00	--
	2007	61.11	61.00	\$12.80
	2008	57.53	57.00	\$16.00
<i>ACRE Guarantee Price</i> = previous 2-year national avg. market price				

ACRE State Trigger:

$$\begin{aligned} \text{State ACRE Guarantee} &= 90\% \times \text{Benchmark State Yield} \times \text{ACRE Guarantee Price} \\ &= 90\% \times 57.99 \text{ cwt/acre} \times \$14.40/\text{cwt} \\ &= \$751.55 \text{ per acre} \end{aligned}$$

$$\begin{aligned} \text{Actual State Revenue} &= 2009 \text{ actual state yield} \times \text{max (national avg. market price or 70\% of loan rate)} \\ &= 58.00 \text{ cwt/acre} \times \$12.00/\text{cwt} \\ &= \$696.00 \text{ per acre} \end{aligned}$$

ACRE State Trigger State Trigger Met? If State ACRE Guarantee > Actual State Revenue
"Yes"

ACRE Farm Trigger:

$$\begin{aligned} \text{Farm ACRE Guarantee} &= \text{Benchmark Farm Yield} \times \text{ACRE Guarantee Price} \\ &= 57.33 \text{ cwt/acre} \times \$14.40/\text{cwt} \\ &= \$825.60 \text{ per acre} \end{aligned}$$

$$\begin{aligned} \text{Actual Farm Revenue} &= 2009 \text{ actual farm yield} \times \text{max (national avg. market price or 70\% of loan rate)} \\ &= 58.00 \text{ cwt/acre} \times \$12.00/\text{cwt} \\ &= \$696.00 \text{ per acre} \end{aligned}$$

ACRE Farm Trigger Farm Trigger Met? If Farm ACRE Guarantee > Actual Farm Revenue
"Yes"

ACRE Payment for 2009:

$$\begin{aligned} \text{ACRE Payment per Planted Acre} &= 83.3\% \times \frac{\text{Benchmark Farm Yield}}{\text{Benchmark State Yield}} \times \text{min (State ACRE Guarantee - Actual State Revenue, } \\ &\quad \text{or State ACRE Guarantee} \times 25\% \text{)} \\ &= 83.3\% \times (57.33/57.99) \times \$55.55 \\ &= \$45.75 \text{ per planted acre} \end{aligned}$$

Considerations for Rice Producers

There are several important aspects that rice producers should consider in making the decision of whether to enroll in the ACRE program or stay with the counter-cyclical program. First, although market prices have declined from their prior levels over the past couple years, they are still well above the level which would trigger a counter-cyclical payment. Rough rice prices would have to drop below \$8.15 per cwt. to trigger a counter-cyclical payment. However, the direction of rough rice market prices through the 2009/10 marketing year will have a significant impact on the potential of any program payments from the ACRE program for the 2009 crop and beyond.

A second important consideration for rice producers is the 20% required reduction in direct payments and 30% reduction in the loan rate. For program crops with relatively high production costs, such as rice, this is a serious disadvantage of the ACRE program. There is no guarantee that in any given year ACRE payments would more than offset the reduction in direct payments. In fact, there is no guarantee that ACRE payments would be triggered in a year given certain price and production conditions. Furthermore, although world rice prices are relatively high currently, should they decline over the next 3-4 years, ACRE program participation could reduce or eliminate any potential loan deficiency payments.

Finally, and most importantly, the ACRE program increases the income risk which rice producers would face. The program payment is more complicated than the counter-cyclical program. Changes in yield as well as market price can trigger or not trigger a payment. Both state-level and farm-level triggers must be met before an ACRE payment could be made. If the farm-level trigger is not met, a farm would not receive an ACRE payment even if the state-level trigger is met.

Louisiana Rice ACRE Program Decision Tool

A spreadsheet-based rice farm decision tool has been developed which can be used by Louisiana rice producers to evaluate rice farm program payment options for their operation. As previously mentioned, the ACRE program is a whole-farm program. However, determining whether or not this program will work for rice, as a single commodity, in Louisiana is critical for rice producers in evaluating to participate in the ACRE program or stay with the DCP program. A printout of the "Louisiana Rice ACRE Program Decision Tool" is included on the following page of this report, followed by a copy of the USDA Farm Service Agency ACRE program fact sheet. This report and the Louisiana Rice ACRE Program Decision Tool are available on the LSU AgCenter webpage at www.lsuagcenter.com, in the "Rice" section under "Publications". A copy of the Louisiana Rice ACRE Program Decision Tool can also be obtained by contacting the author at msalassi@agcenter.lsu.edu.



Louisiana State University Agricultural Center
Louisiana Cooperative Extension Service / Louisiana Agricultural Experiment Station

www.lsuagcenter.com



Louisiana Rice ACRE Program Decision Tool
 Developed by Dr. Michael E. Salassi, Department of Agricultural Economics, LSU AgCenter
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 Louisiana State University Agricultural Center www.lsuagcenter.com



U.S. National Rouge Rice Market Prices

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Historical U.S. Rice Prices (dollars/cwt)	\$8.08	\$7.33	\$7.65	\$9.96	\$12.80	\$16.00
Projected U.S. Rice Prices (dollars/cwt)	\$12.00	\$12.00	\$12.00	\$12.00		

Projected World Rough Rice Prices

	2009/10	2010/11	2011/12	2012/13
Projected World Rough Rice Prices (dollars/cwt)	\$12.00	\$12.00	\$12.00	\$12.00

Louisiana State Level Rice Yields

	2003	2004	2005	2006	2007	2008
Historical Louisiana State Rice Yields (cwt/planted acre)	58.02	53.40	58.46	57.98	61.11	57.53
Projected Louisiana State Rice Yields (cwt/planted acre)	58.00	58.00	58.00	58.00		

Farm Level Rice Yields

	2003	2004	2005	2006	2007	2008
Historical Farm Level Rice Yields (cwt/planted acre)	58.00	53.00	58.00	57.00	61.00	57.00
Projected Farm Level Rice Yields (cwt/planted acre)	58.00	58.00	58.00	58.00		

Producer Paid Crop Insurance Premium (dollars/acre)

	2009	2010	2011	2012
	\$0.00	\$0.00	\$0.00	\$0.00

ACRE Program Parameters

	2009	2010	2011	2012
5-year Olympic Average State Rice Yield (cwt/planted acre)	57.99	58.15	57.99	58.00
5-year Olympic Average Farm Rice Yield (cwt/planted acre)	57.33	57.67	57.67	58.00
2-year National Average Rice Price (dollars/cwt)	\$14.40	\$14.00	\$12.00	\$12.00

ACRE State Trigger

	2009	2010	2011	2012
State ACRE Revenue Guarantee (dollars/acre)	\$751.55	\$732.65	\$659.38	\$626.40
Actual State Revenue (dollars/acre)	\$696.00	\$696.00	\$696.00	\$696.00
ACRE State Trigger Met?	YES	YES	NO	NO

ACRE Farm Trigger

	2009	2010	2011	2012
Farm ACRE Benchmark Revenue (dollars/acre)	\$825.60	\$807.33	\$692.00	\$696.00
Actual Farm Revenue (dollars/acre)	\$696.00	\$696.00	\$696.00	\$696.00
ACRE Farm Trigger Met?	YES	YES	NO	NO

Are Both State and Farm ACRE Triggers Met?

	YES	YES	NO	NO
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Preliminary ACRE Payment Rate per Acre

	\$55.55	\$36.65	\$0.00	\$0.00
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Rice Farm Program Comparison

Rice Base Acres	1,000.0 acres	Direct Payment Yield	41.1 cwt/acre
Rice Planted Acres	850.0 acres	CC Payment Yield	43.6 cwt/acre
ACRE Payment Acres	708.1 acres		
Number of persons sharing in program payments	2		
Producer's share of crop proceeds	70%		

(1) Standard Program Option

	2009	2010	2011	2012	Sum Over 4-Year Period
Market Income	\$414,120	\$414,120	\$414,120	\$414,120	\$1,656,480
Direct Program Payment	\$56,346	\$56,346	\$56,346	\$57,496	\$226,534
Counter Cyclical Program Payment	\$0	\$0	\$0	\$0	\$0
LDP Payment	\$0	\$0	\$0	\$0	\$0
Total Producer Rice Farm Gross Income	\$470,466	\$470,466	\$470,466	\$471,616	\$1,883,014

(2) ACRE Program Option

	2009	2010	2011	2012	Sum Over 4-Year Period
Market Income	\$414,120	\$414,120	\$414,120	\$414,120	\$1,656,480
Direct Program Payment	\$45,077	\$45,077	\$45,077	\$45,997	\$181,228
ACRE Program Payment	\$38,887	\$25,734	\$0	\$0	\$64,621
LDP Payment	\$0	\$0	\$0	\$0	\$0
Total Producer Rice Farm Gross Income	\$498,084	\$484,931	\$459,197	\$460,117	\$1,902,329

Gross Income Difference With ACRE Program

	\$27,618	\$14,465	-\$11,269	-\$11,499	\$19,315
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2009 Average Crop Revenue Election (ACRE) Program



United States
Department of Agriculture
Farm Service Agency
www.fsa.usda.gov

Fact Sheet

March 18, 2009

As authorized by the 2008 Farm Bill (Food, Conservation, and Energy Act of 2008), producers on eligible farms may elect to participate in the Average Crop Revenue Election (ACRE) Program.

Under the ACRE Program, producers may receive revenue-based payments as an alternative to receiving price-based counter-cyclical (CC) payments.

ELIGIBLE FARMS

Only farms with covered commodity or peanut base acres may participate in the ACRE Program. Farms that are already enrolled in the Direct and Counter-Cyclical Payment Program (DCP) for a crop year, may elect to switch to ACRE before the end of signup. As provided by the 2008 Farm Bill, farms with 10 or less base acres are not eligible for DCP or ACRE Program payments, except for farms, whose owners are socially disadvantaged or are limited resource farmers or ranchers.

ELIGIBLE COMMODITIES

The following planted or considered planted crops may be eligible for ACRE payments:

- wheat, barley, and oats
- grain sorghum and corn
- upland cotton
- Rice (medium and long grain)
- soybeans
- other oilseeds: canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed
- peanuts
- pulse crops: dry peas, lentils,

Payments		DCP	ACRE
Direct	Payment Rate	100% of the DCP direct payment rate.	80% of the DCP Direct Payment Rate.
	Payment Formula	Uses farm's base acreage.	Uses farm's base acreage.
	Advances	Available through 2011.	Available through 2011.
Counter-Cyclical (CC)	Payment Formula	Uses farm's base acreage.	
	Trigger	Low National Market Prices	
	Advances	40% advance of projected payment through 2010.	
Average Crop Revenue Election (ACRE)	Payment Formula		Uses planted and considered planted (P&CP) acreages of commodity crops and peanuts.
	Triggers		Revenue must be below the historical state average and the farm average.
	Advances		Not available.
Loan Rates		100% of the Market Assistance Loan rates.	70% of the Market Assistance Loan rates.

and small and large chickpeas (garbanzo beans).

ACRE ELECTION AND ENROLLMENT

The deadline to elect and enroll in the ACRE Program for 2009 has been extended from June 1 to August 14, 2009. After election, producers must then enroll the farm in the ACRE Program to receive payments. Farms that elect the ACRE Program cannot receive CC payments.

Note: If enrolling in ACRE, all producers on a farm must agree to the ACRE Program election.

REPORTING REQUIREMENTS

Producers on participating ACRE Program farms must annually report acreage and production to FSA. Failure to do so may result in ineligibility.

PAYMENT LIMITATION PROVISIONS

Maximum Payment Amounts

Direct payments are limited to \$40,000 per person or entity minus the 20 percent direct payment reduction, and CC or ACRE payments are limited to \$65,000 plus the 20% direct payment reduction amount. The limitation is attributed to entities and individuals, including indirect amounts received through entities.

Adjusted Gross Income (AGI)

Persons or legal entities whose average **nonfarm** AGI exceeds \$500,000 are not eligible for direct, CC or ACRE payments.

Also, persons or legal entities whose average **farm** AGI exceeds \$750,000 are not eligible for direct payments under the DCP and ACRE Programs.

PAYMENTS

Producers on participating ACRE Program farms can receive direct and ACRE payments. Payments will be reduced if base acres are enrolled in a Federal program which prohibits the production or harvesting of crops, such as the Conservation Reserve Program, Grassland Reserve Program and the Wetlands Reserve Program.

Direct Payments

Direct payments are based on the farm's base acres and program yields for cov-

ered commodity crops and peanuts. The payment rates for direct payments are 20 percent less than the DCP direct payment rates. Similar to DCP, payment amounts are reduced if fruits or vegetables are planted on base acres, or the acres are used for non-agricultural purposes.

ACRE Payments

ACRE payments are revenue-based payments and are tied to crop production and the National Average Market Price for planted, and considered planted, covered commodity crops or

peanuts on the farm. ACRE payment acreage is limited to the total amount of base acres on the farm, and can only be issued for a crop if two triggers are met for the covered commodity crop or peanuts.

State Trigger: The Actual State Revenue for the program year must be less than the State ACRE Guarantee.

Farm Trigger: The participating farm's Actual Farm Revenue for the program year must be less than the Farm ACRE Guarantee.

Triggers: The State and the Farm trigger must be met to receive an ACRE payment for the planted or considered planted commodity crop or peanuts.

ACRE State Trigger:

State ACRE Guarantee must exceed the Actual State Revenue

Note: State ACRE Guarantee cannot change by more than 10% from the previous year's guarantee.

State ACRE Guarantee

90 percent multiplied by
Benchmark State Yield
(5 year "Olympic" average)
multiplied by
ACRE Guarantee Price
(Previous 2-yr National Average Market Price)

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Actual State Revenue

Actual State Yield
multiplied by the ACRE Price:
(the higher of the National Average Market Price or 70% of the National Loan Rate)

ACRE Farm Trigger:

Farm ACRE Benchmark must exceed the Actual Farm Revenue

Farm ACRE Guarantee

Benchmark Farm Yield
(5 year "Olympic" average)
multiplied by
ACRE Guarantee Price
plus
Crop Insurance Premium per acre paid by producer

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Actual Farm Revenue

Actual Farm Yield
multiplied by ACRE price:
(National Average Market Price or 70% of the National Loan Rate)

ACRE Payment Calculation: If both triggers are met for a planted or considered planted commodity crop, then an ACRE payment may be calculated for the eligible crop.

ACRE Payment = P&CP Acres multiplied by 83.3%* multiplied by

Benchmark Farm Yield
Benchmark State Yield
(Farm Productivity Index Factor)



* 85% in 2012

Table 1: 2009 ACRE and DCP Rates	ACRE		DCP		
	Direct Rate	National Loan Rate	Direct Rate	National Loan Rate	CC Threshold: Payment will be issued if the National Average Market Price is less than...
Wheat (bu)	0.416	1.93	0.52	2.75	3.40
Barley (bu)	0.192	1.30	0.24	1.85	2.00
Oats (bu)	0.0192	0.93	0.024	1.33	1.416
Corn (bu)	0.224	1.37	0.28	1.95	2.35
Grain Sorghum (bu)	0.28	1.37	0.35	1.95	2.22
Upland Cotton (lb)	0.05336	0.3640	0.0667	0.52	0.6458
Rice (cwt)	1.88	4.55	2.35	6.50	8.15
Soybeans (bu)	0.352	3.50	0.44	5.00	5.36
Other Oilseeds (cwt)	0.64	6.51	0.80	9.30	9.30
Peanuts (ton)	28.80	248.50	36	355	459
Dry Peas (cwt)		3.78		5.40	8.32
Lentils (cwt)		7.90		11.28	12.81
Sm. Chickpeas (cwt)		5.20		7.43	10.36
Lg. Chickpeas (cwt)		7.90		11.28	12.81

Note:
Counter-cyclical rate cannot exceed the CC threshold minus the DCP loan rate.

Table 2: Hypothetical State ACRE Guarantee		Corn Example	Your Example
1.	Benchmark State Yield (Olympic Average from 5 most recent crop years)	160	
2.	ACRE Guarantee Price (Average National Average Market Price from 2 most recent crop years)	4.15	
3.	Calculated State ACRE Guarantee for the crop year (90% x Item 1 x Item 2)	597.60	

Note: For subsequent years, the State ACRE Guarantee cannot change by more than 10% from the previous year's Guarantee.

Table 3: Hypothetical ACRE Triggers and Payment Calculation			Corn Example	Your Example
State Trigger	ACRE Program Guarantee	1. Benchmark State Yield (Item 1 from Table 2)	160	
		2. ACRE Guarantee Price (Item 2 from Table 2)	\$4.15	
		3. State ACRE Guarantee (Item 3 of Table 2)	\$597.60	
	Actual State Revenue	4. Actual State Yield	155	
		5. National Average Market Price	\$3.78	
		6. National Loan Rate (see Table 1)	\$1.95	
		7. 70% of the National Loan Rate (70% times Item 6)	\$1.37	
		8. ACRE Price (Higher of Item 5 or Item 7)	\$3.78	
		9. Actual State Revenue (Item 4 times Item 8)	\$585.90	
10. Is Item 3 greater than Item 9? If yes, State trigger has been met and continue to Item 11. If no, the crop is not eligible for ACRE payments.			Yes	
Farm Trigger	Farm ACRE Guarantee	11. Benchmark Farm Yield (Olympic average from 5 most recent crop yrs.)	170	
		12. Crop Insurance Premium per acre paid by producer for the crop	\$15	
		13. Farm ACRE Guarantee ((Item 11 x Item 2) plus Item 12)	\$720.50	
	Actual Farm Revenue	14. Actual Farm Yield (Production divided by planted acreage)	185	
		15. Actual Farm Revenue (Item 14 times Item 8)	\$699.30	
16. Is Item 13 greater than Item 15? If yes, Farm trigger has been met and continue to Item 17 to calculate the payment. If no, the crop is not eligible for payments.			Yes	
ACRE Payment	17. Maximum Acres (Total base acreage on the farm)	125		
	18. Planted and Considered Planted Acreage for the crop	150		
	19. Payment Acreage (Item 18 times 83.3% (85% for 2012), not to exceed Item 17)	125		
	20. Farm Productivity Index Factor (Item 11 divided by Item 1)	1.0625		
	21. ACRE Program Guarantee minus Actual State Revenue (Item 3 minus Item 9)	\$11.70		
	22. 25% of ACRE Program Guarantee (Item 3 times 25%)	\$149.40		
23. Projected ACRE Payment for the crop (Share times Item 19 times Item 20 times lesser of Items 21 and 22)			\$1,554	

Table 4: Payment Comparison		Calculation	Corn	
DCP	Direct	Base acres x 83.3% (85% in 2012) x 120 Bu program yield x DCP Direct Rate (Table 1)	\$ 3,499	
	CC	Base acres x 85% x program yield x CC rate (see CC Threshold, Table 1)	0 (\$3.78 price)	
	Total		\$ 3,499	
ACRE	Direct	Base acres x 83.3% (85% in 2012) x 120 Bu program yield x ACRE Direct Rate (Table 1)	\$ 2,799	
	ACRE	See Table 3	\$ 1,554	
	Total		\$ 4,352	

Frequently Asked Questions

Q1: If a farm is already enrolled in DCP and advance direct payments were issued, can the farm still participate in ACRE Program?

Yes, as long as the producers on the farm elect and enroll in the ACRE Program during the sign-up period.

Q2: If a farm misses the 2009 election period, can the producers elect to participate in a later year?

Yes. The producers may elect the ACRE Program in a subsequent year.

Q3: If one producer (owner, tenant, etc) on the farm does not sign the election form, can the farm still participate in the ACRE Program?

No. Without exception, all producers must agree in writing to the ACRE Program election.

Q4: If all producers sign the ACRE Program Election Form, is the farm considered enrolled in the ACRE Program?

No. Producers on the farm must also sign a contract to enroll in ACRE Program by the sign-up deadline.

Q5: Does a producer have to enroll all farms in ACRE?

No. Election and enrollment for the ACRE Program is on a farm by farm basis.

Q6: Can a farm enroll some base acres and not others?

No, the enrollment is for the farm and all of the base acres.

Q7: Can base acres be established to participate in the ACRE Program?

No. There is no authority to establish base acres to participate in the ACRE Program.

Q8: Is crop insurance or NAP required to receive ACRE payments?

No, there are no risk management purchase requirements for the DCP or the ACRE Programs. However, higher levels of insurance due to higher premiums will enhance the ability to meet the "Farm Trigger".

Q9: If both state and farm "triggers" are met, will the ACRE payment calculation provide benefits for prevented planted acres of covered commodity crops or peanuts?

Yes. Prevented planted acres are "considered planted."

Q10: Can ACRE payments be calculated for eligible commodity crops that do not have base acres on the farm?

Yes. ACRE payments are based on planted and considered planted acres of eligible commodity crops, without regard to whether the farm has base acres for that crop. How-

ever, the maximum acreage eligible for ACRE payments cannot exceed the total base acres on the farm.

Q11: If the National Average Market Price for a covered commodity crop or peanuts is higher than average, will this result in no ACRE payments?

Not necessarily. Since the ACRE "triggers" are based on revenue (yield and prices) reductions, a significant yield loss for the State could result in ACRE payments.

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