2014 Farm Bill

Yield Updates
Payment Yield Updates

- The only “easy” decision in the farm bill
- One-time decision to update payment yields applies to the PLC program
  - May be beneficial for future programs
- Decision made on a crop-by-crop basis
- Criteria
  - 90% of average yield for crop years 2008 – 2012
  - Exclude years in which planted acres = 0
- If farm yield is less than 75% of county average yield, use 75% of county average yield
## Payment Yield Update Example

<table>
<thead>
<tr>
<th>Crop</th>
<th>Units</th>
<th>Existing CCP Yield</th>
<th>Actual Yields per Planted Acre</th>
<th>&quot;Plug&quot; Yields</th>
<th>90% of the 2008-2012 Average Yield</th>
<th>PLC Payment Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>bu</td>
<td></td>
<td>2008 120 2009 125 2010 180 2011 175 2012 200 125</td>
<td>80</td>
<td>145</td>
<td>145</td>
</tr>
<tr>
<td>Wheat</td>
<td>bu</td>
<td></td>
<td>2008 45 2009 64 2010 68 2011 60 2012 45 2012 50</td>
<td>41</td>
<td>52</td>
<td>52</td>
</tr>
</tbody>
</table>
Communication!

- Landowners and tenants must communicate to work through the best option for their land.
- Payment yields are tied to land—not necessarily the producer.
- ALL parties (operators) involved in a farm must make a unanimous decision with respect to yield updates and commodity programs.
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