

Final Ruling on Historical Irrigated Percentage (HIP) for the ARC-County Program

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Just this past week, FSA has announced the final ruling on how base acres will be split if a producer enrolls in ARC-County in a county with an irrigated/non-irrigated designation. Up until this point, K-State was under the impression that they would look at 2009-2012 plantings (the same time period as base reallocation). It turns out that 2008 will also be included to determine a producer's Historical Irrigated Percentage.

In order for a county to have an irrigated/non-irrigated designation for ARC-County, at least 25% of the acres in the county had to have been irrigated from 2008-2012, and at least 25% non-irrigated from 2008-2012. This is determined by crop; for example, corn may have a designation and wheat may not. To see your county's designations, view this file on the FSA website: http://www.fsa.usda.gov/Internet/FSA_File/irr_nirr_counties.xls . These designations are set for the life of the Farm Bill.

If a producer enrolls in ARC-County in a county with a designation, their base acres will be split into the ARC-County irrigated guarantee and the ARC-County dryland guarantee by their Historical Irrigated Percentage (HIP). The HIP is calculated by summing up all irrigated planted acres of the commodity from 2008-2012, and dividing by total acres of the commodity planted. For example, if a producer planted 500 acres of irrigated corn from 2008-2012 and had 1000 acres of total corn plantings, their HIP would be 50%. This would then be applied to their base acres in that commodity. If the farmer had 100 corn base acres in this example, 50 would go to the ARC-County irrigated guarantee and 50 would go to the ARC-County dryland guarantee. If no plantings of that commodity occurred from 2008-2012, all base acres will go to the non-irrigated ARC-County guarantee (HIP=0%).

These proportions are set for the life of the Farm Bill and the crop is essentially treated like two different crops. There may be loss and payments on one ARC-County guarantee and not the other. For example, non-irrigated corn could have a loss where irrigated corn does not, in a given county. You do NOT have the option to enroll irrigated/non-irrigated corn in different farm programs (irrigated corn-ARC-County, non-irrigated PLC).

For clarification or questions on this new ruling, contact the K-State Farm Bill team. The OSU-KSU Decision Tool does not account for this change in procedure, but efforts are being made to accommodate this change in a future update.

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