

www.agmanager.info barnaby@ksu.edu 785.532.1515 (phone) 785.532.6925 (fax)

## G.A. "Art" Barnaby Jr. Copyright 2014. All rights reserved. Contact Art to be added to the email list.

**Disclaimer:** This web page is designed to aid farmers with their marketing and risk management decisions. The risk of loss in trading futures, options, forward contracts, and hedge-to-arrive can be substantial and no warranty is given or implied by the author or any other party. Each farmer must consider whether such marketing strategies are appropriate for his or her situation. This web page does not represent the views of Kansas State University.

## ARC-CO Yields Are From The Administrative County for the Farm, Not Where the Land is Located<sup>1</sup>

We wanted to alert you to some key information that you may not know.

The yields for updating payment yield and the yields used for ARC-CO will be from the county that is the ADMINISTRATIVE County for the farm, and not the county where the land is actually located. This is across county or state lines. When you are using the tool, make sure you select your administrative county instead of the county where the ground is located.

The exception to this is Supplement Coverage Option (SCO) insurance, which will be based on the county where the ground is actually located. The tool will not accommodate this, so what you will need to do is find the SCO yields for the county where the ground is located (using the tool), and then go back and change the county to the administrative one you are dealing with. Override the SCO in that county with the values for the county where the land is located.

Under some conditions, farmers may have one or more administrative counties but only one Control County. The Control County will determine if farmers are over the adjusted gross income limit and if they are actively engaged in farming.

One would logically think the ARC-CO guarantee would be based on the county where the land is located, but that is not always the case. This cuts both ways, because it will

<sup>&</sup>lt;sup>1</sup>Prepared by G. A. (Art) Barnaby, Jr., Professor, Department of Agricultural Economics, K-State Research and Extension, Kansas State University, Manhattan, KS 66506, November 5, 2014, Phone 785-532-1515, e-mail – <u>barnaby@ksu.edu</u>.

benefit some farmers. In most cases, this is not a problem because farmers have all of their land in one county and the administrative county is the same.

We also discovered that you can use the substitute yield (also called yield plug) for updating payment yield in years for which you do not have yield information but plantings were recorded by FSA. This applies mostly to those who acquired ground or a new lease and do not have all yields on the ground from 2008-2012. Robin Reid has changed this in the "Updating Payment Yield" publication and it is reposted. FSA also changed their mind on the values for yield plugs (not much different, but slightly), so those are included in this publication as well and are also in the decision tool.

The instruction guide/tool manual is also updated to reflect these changes and has been posted on AgManager.info.

Some counties are missing some county yields for some crops and their FSA T-yields. Those missing values have been sent to the state FSA offices to fill in the missing data. Those data sets are currently being sent to Washington for approval. I don't know if they will alter any of these values that were published earlier. Therefore one can expect the final county yields and T-yields for all crops, and all counties will be final soon. These numbers are used in the ARC-CO and ARC-IC programs.