



IDAHO BARLEY NEWSBRIEF

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Idaho barley check-off dollars at work...

IBC implements crop crisis action plan.

After it became clear we were going to experience heavy quality losses in the southern and eastern Idaho malting barley crop in mid August, the IBC immediately began implementing a Barley Crop Crisis Action Plan:

1. **Communicating with malting companies** on their testing procedures and efforts to use as much of the barley as possible.
2. **Communicating with growers on strategies to minimize losses** and find alternative feed markets.
On August 19 we published a **"Guide to Handling Sprout Damaged Barley."**

3. **Aggressive feed barley marketing campaign** in local and Western U.S. feed markets.

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Introducing 2014 Farm Bill Safety Net Decision Tools

The Idaho Barley Commission, USDA Farm Service Agency and UI Extension are teaming up to provide grower educational workshops on the safety net options available under the 2014 Farm Bill. These workshops will begin in November in several locations around Idaho. USDA announced details of the new programs on September 25 and several on-line decision tools are now available for producers to begin researching the best options for their own operations. Here is a link to on-line decision tools.

<http://farmbilltoolbox.farmdoc.illinois.edu/>

- ◆ **Deadline** - Payment yields and base acres, deadline is February 27, 2015
- ◆ **Deadline** - ARC/PLC program election decisions begin Nov. 17, 2014 and the deadline is March 31, 2015.

KEY POINTS

The 2014 Farm Bill allows land owners and producers to make three sets of decisions for **each FSA farm entity**:

- ◆ Retain or update yields
- ◆ Retain or reallocate base acres
- ◆ Choose safety net for each crop

Step 1: Collect Information

Producers are advised to collect information for each of their FSA farm entities.

Information Needs - FSA has sent a letter to all farm operators and landlords containing the following:

- ◆ Current base acreage
 - ◆ Program yields (called 2014 CC Yields)
- More on page 3



2015 Malting Barley Contracting Underway...

- ◆ **MillerCoors** is currently contracting.
- ◆ **Anheuser Busch** will begin contracting on **Monday, Oct. 20**.
- ◆ **InteGrow** expects to begin contracting **within next 2 weeks**.
- ◆ **Great Western** expects to begin contracting **within next 2-4 weeks**.

Barley Agronomist Corner

Christopher W. Rogers, Ph.D.

While a few localized areas may have dodged the bullet, erratic weather this year was quite devastating, not just for barley, but for many of the crops grown in southern Idaho. Weather during September was generally warm, and aside from some rain showers, overall conditions were relatively good for planting of winter barley. In early September, we saw some frost around the Aberdeen area followed by warmer temperatures throughout the rest of the month. Winter barley planting has been largely completed in southeast Idaho and emergence was relatively quick in many areas due to the warm temperatures and adequate soil moisture levels. Yields for winter barley exceed those for spring barley, but winter kill and snow mold are two potentially devastating factors to consider when growing winter barley on your farm. Production guides for fertilization and production of the winter malt barley variety Charles are available from the University of Idaho Extension. **On this note, we are initiating research investigating fertilizer management strategies for winter malt barley at Aberdeen and working on updated educational materials.** Cereal schools early next year will provide a valuable opportunity for you to hear about current recommendations and ongoing research, as well as provide feedback from your experiences. As always, we look forward to hearing from you as the feedback and contributions from all growers, county extension personnel, consultants, and barley industry stakeholders are crucial for creating a productive research and extension program to address the current needs of Idaho barley growers.



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IBC Implements 2014 Barley Crop Crisis Action Plan, continued from Page 1

3. **Wrote to 11 affected counties requesting county disaster declarations.** This is a necessary step to secure USDA disaster declarations, which make emergency low interest loans available and possibly other federal assistance in the future.
4. **Working with producers, insurance companies and the USDA Risk Management Agency to address a wide range of crop insurance issues.** The IBC held a conference call with top RMA management in Spokane regional office and Kansas City policy office to better understand how quality loss calculations would be made and clear up confusion and misinformation. We are working on changes to future policy provisions to close gaps in quality coverage.
5. **Participating in Idaho Grain Crop Crisis Response Group** to identify grain crop losses and work toward closing insurance coverage gaps (for the future) and possible disaster assistance. This group has been convened by Idaho House Speaker Scott Bedke, at the request of local Magic Valley constituents. The group met on September 25 and again on October 16. IBC administrator has been one of the lead facilitators in collecting and presenting information that will be used by this group to develop feasible strategies for mitigating significant economic losses that have been sustained in southern and eastern Idaho this year.

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- ◆ Acres planted to program crops from 2008 through 2013.

This information will be used in the yield updating, base acreage reallocation, and commodity program choice decisions.

Step 2: Keep or Update Yields - There are two choices for each program crop:

- ◆ Keep current program yields
- ◆ Update program yields

This decision will impact payments from the Price Loss Coverage (PLC) program. It will not impact payments from Agricultural Risk Coverage (ARC) but you can update payment yields even if you elect ARC. In fact, if higher, the guidance will be to update yields.

Information Needs - A farm's current program yields are provided in a letter sent by FSA in August (popup box with letter highlighted). If you choose not to update your program yield, this will be the program yield for that crop.

Yields for 2008 through 2012 will be used to update program yields. Cropping records will need to be used to determine updated program yields for these farms.

Online Tool calculates updated program yields. The updated yield will be 90% of the average yield from 2008 through 2012. If farm yields are below a "plug" yield, the plug yield will be used in the calculation.

Guidance - Choose the option that results in the highest yield. Points on this decision:

This is a crop by crop decision. Decisions can differ by crops on a FSA farm. Update yields even if PLC will not be chosen. These program yields could be important in payments for future farm bill programs. One reason to not update is because acceptable yield documentation does not exist

Step 3: Retain or Reallocate Base Acres - The decision is to:

- ◆ Keep the current allocation of base acres on each farm, or
- ◆ Reallocate base acres according to plantings from 2009 through 2012.

Information Needs - Current base acres were provided in the letter received from FSA (popup box with letter highlighted). These base acres will be the base acres for the farm unless the decision is made to reallocate.

Acres planted to program crops in 2009 through 2012 will be used to calculate reallocated base acres (popup box with letter highlighted). Planted acreage is reported in the letter sent from FSA.

Online Tool - This decision will not change the amount of total base acres for any farm. It only impacts base acres in each program crop. Reallocated acres will be based on the ratio of planted acres to each crop from 2009 to 2012. The following tool will calculate reallocated base acres for a FSA farm given planted acreage information.

Guidance - Generally, producers should choose the allocation (current or reallocation) that results in the largest share of base acres in program crops associated with larger expected program payments. Expected program payments by crop are provided in the online APAS decision tool.

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Step 4: Compare ARC-CO and PLC - Program payments will be received from one of three options:

- ◆ Price Loss Coverage (PLC),
- ◆ Agricultural Risk Coverage – County Option (ARC-CO), or
- ◆ Agricultural Risk coverage – individual coverage (ARC-IC).

In this step, we focus on the first two -- PLC and ARC-CO – because these are crop-by-crop decisions.

Information Needs - ARC-CO is a county revenue program. Payments will be based only on county revenues. Farm-level yields does not enter into payment calculation. The only information needed will be the county in which the FSA farm is located.

PLC payments are triggered if the program crop's season average price during the marketing year falls below that crop's fixed reference price. The season average price is calculated at the national level, and is the same for all farm operations. Program yields, which could have been updated in step 2, will impact the size of payments for an individual farm.

Step 5: Consider ARC-IC

Rather than enroll each program crop on a farm in PLC or ARC-CO, farmers can also enroll the entire farm in ARC-Individual Converge (ARC-IC). **ARC-IC is a whole farm approach.** It will calculate a guarantee for the whole farm based on a farm's yield history using all program crops on the farm.

Information Needs - To enroll in ARC-IC, the farm will have to provide the following information:

Historic yields for each program crop on the farm for the five previous years. Initially, for 2014, these will include yields for the years from 2009 to 2013.

In the future, farm-level yields will have to be provided for each crop for payment calculations. For example, 2014 payments will be based on farm yields in 2014. Each farm will have to provide this yield information to FSA.

Online Tool - Expected payments from ARC-IC are given for sample farms.

Guidance - Generally, ARC-IC will have lower payments than ARC-CO for the following reasons
ARC-IC pays on 65% of base acres while ARC-CO and PLC pays on 85% of base acre

Basing payments on multiple crops usually lowers payments

ARC-IC will aggregate all FSA farms enrolled in ARCP-IC. This will tend to lower payments.

Farmers will have to provide yields each year of the length of the Farm Bill. This will not occur under the ARC-CO or PLC.

An FSA farm with one crop that is highly variable may be good alternative to enroll in ARC-IC

Step 6: Consider SCO / Supplemental Coverage Option

The Supplemental Coverage Option (SCO) is a new crop insurance product available in the 2014 Farm Bill. It provides coverage from 86% down to the coverage level of the producer's COMBO product (Revenue Protection, RP with harvest price exclusion, or Yield Protection).

SCO is only available if PLC is the program choice. Here are the things you should consider if you wish to use SCO for any of your program crops.

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Information Needs - SCO will be available for barley and spring wheat in 2015. Other requirements include:

- ◆ The crop on the farm is enrolled in PLC
- ◆ The producer purchases crop insurance under a plan of the COMBO product
- ◆ The producer is in a county with a SCO product

Online Tool - The sample farms APAS tool will allow you to determine the average payments expected from SCO in those counties with an SCO policy in 2015.

Guidance - CSCO will not add a much risk management benefits if there is an 85% coverage level available on the COMBO product. In these cases, the advantages of PLC versus ARC should be the major consideration in decision-making.

SCO will provide benefits if the highest coverage level on the underlying crop is 75%. In these cases, SCO may prove beneficial.

Step 7: Signup - ARC/PLC program election decisions begin Nov. 17, 2014 and the sign-up deadline is March 31, 2015.



Producers are invited to join the Idaho Grain Producers Association, Oregon Wheat Growers League and Washington Association of Wheat Growers for our annual Tri-State Grain Growers Convention! This year the convention will be held at the Skamania Lodge in Stevenson, Wash., on Nov. 12-15, 2014. Link to registration...<http://www.wawg.org/convention>.