



Base Acre Reallocation Decision Tool

User's Guide

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A new feature of the farm bill is that farm owners have the option to retain current base acres for all covered commodities produced on their farm or reallocate those base acres to reflect their recent 2009-2012 planting history. This decision rests with the farm owner and not the producer(s) on the farm. However, the decision to retain or reallocate base acres should not be made in a vacuum- meaning that farm owner(s) and producer(s) should examine whether or not the reallocation of covered commodity base results in potentially higher or lower farm program payments. To assist both parties in evaluating this complex issue, a decision tool was developed to determine the reallocated farm base that would be reflective of recent plantings. Cells in the spreadsheet that appear in blue text can be changed based on a farm's distribution of base acres. Figure 1 presents an example of a farm consisting of 600 base acres that were in effect as of September 30, 2013. The representative farm had 500 base acres of cotton and 100 base acres of soybeans. This information is presented in blue text numerals and must be entered into the spreadsheet by the farm owner (Step 1).

Figure 1. Screen-shot view of the base acre reallocation decision tool.

Options for Updating and Reallocating Base Acres in the 2014 Farm Bill (with Generic Base Consideration)										
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Enter the planted acreage by crop type and year (2009-2012).						Enter the farm's existing base acres as of September 30, 2013.				
Program Crop	2009	2010	2011	2012	Average Plantings	Program Crop	Base Acres			
Corn	300	200	300	400	300	Corn	0			
Wheat	0	0	0	0	0	Wheat	0			
Grain Sorghum	0	0	0	0	0	Grain Sorghum	0			
Rice	0	0	0	0	0	Rice	0			
Soybeans	200	200	100	100	150	Soybeans	100			
Cotton	100	200	200	100	150	Cotton	500			
Total	600	600	600	600	600	Total	600			

The table below denotes the available covered commodity base and applicable generic base acres subject to reallocation.

Reallocated Base	100
Generic Base	500
Total	600

Enter the expected plantings for each of the 2014-2018 crop years to determine reallocated base acres.

Covered Commodity	2014	2015	2016	2017	2018
Corn	200	300	0	150	0
Wheat	0	0	0	0	0
Grain Sorghum	0	0	0	0	0
Rice	0	0	0	0	0
Soybeans	200	300	100	150	600
Covered Commodity Total	400	600	100	300	600
Cotton	200	0	500	300	0
Total Plantings	600	600	600	600	600

The table below calculates the reallocated base for covered commodities produced on the farm (to include the allocated generic base if applicable) for 2014-2018.

Covered Commodity	2014		2015		2016		2017		2018	
	Base Acres	Allocated Generic	Base Acres	Allocated Generic	Base Acres	Allocated Generic	Base Acres	Allocated Generic	Base Acres	Allocated Generic
Corn	66.67	200.00	66.67	250.00	66.67	0.00	66.67	150.00	66.67	0.00
Wheat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grain Sorghum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rice	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Soybeans	33.33	200.00	33.33	250.00	33.33	100.00	33.33	150.00	33.33	500.00
Total	100.00	400.00	100.00	500.00	100.00	100.00	100.00	300.00	100.00	500.00

Step 1

In Step 1, enter the existing base acres (including cotton) for the farm.



In this example, cotton is no longer a covered commodity and is ineligible to receive either ARC or PLC support. Therefore, the 500 acres of cotton base are reallocated as a function of the current plantings on the farm in each of the 2014 through 2018 crop years. In Figure 2, a focused view of the decision tool is presented. From 2009 to 2012, historical planting data of the farm is entered by the interested party to include covered commodities as well as cotton plantings- appearing under the Step 2 designation.

Figure 2. Focused view of the planting history of the farm from 2009 through 2012.

Enter the planted acreage by crop type and year (2009-2012).

Program Crop	2009	2010	2011	2012	Average Plantings
Corn	300	200	300	400	300
Wheat	0	0	0	0	0
Grain Sorghum	0	0	0	0	0
Rice	0	0	0	0	0
Soybeans	200	200	100	100	150
Cotton	100	200	200	100	150
Total	600	600	600	600	600

The table below denotes the available covered commodity base and applicable generic base acres subject to reallocation.

Reallocated Base	100
Generic Base	500
Total	600

Reallocated base total (to include generic when applicable) is calculated based off of data entered in Step 2.

Enter the expected plantings for each of the 2014-2018 crop years to determine reallocated base acres.

Covered Commodity	2014	2015	2016	2017	2018
Corn	200	300	0	150	0
Wheat	0	0	0	0	0
Grain Sorghum	0	0	0	0	0
Rice	0	0	0	0	0
Soybeans	200	300	100	150	600
Covered Commodity Total	400	600	100	300	600
Cotton	200	0	500	300	0
Total Plantings	600	600	600	600	600

Recall that information entered in Step 1, indicated that there are 100 acres of covered commodity base acres that are subject to reallocation, while the entire 500 cotton base remains generic or ‘flexible’ on a year-to-year basis. The acres available for reallocation that are based on historical plantings are automatically calculated. This information, paired with planting intentions for the next five years (contained in Step 3), will determine the degree in which the 500 acres of generic base acres will be attributed. In Step 3, the inputted planting data for 2014 indicates that the producer(s) intend to plant a combined 400 acres of covered commodities (200 acres of corn and 200 acres of soybeans) and 200 of a non-covered commodity; cotton. Since the 200 acres planted to corn and soybeans, respectively, do not exceed the 500 acre generic acre total, the cotton base is distributed in an equal proportion of 200 acres for each crop. An alternative view would be to suggest that since the entire generic base is not planted (500 acres – 400 acres), 100 generic acre are unattributed for the 2014 crop year.

In Figure 3, the reallocated base acres (generic included) are presented for each crop year. Notice that the permanent base (100 acres of previous soybean base) is reallocated to reflect the predominant corn plantings of the farm from 2009 through 2012. The amount of generic base attributed to each covered commodity is a function of the total plantings of the farm in each year. Specific to the 2014 crop year, the

farm's share of base acres is 266.67 acres of corn and 233.33 acres of soybeans. This includes the reallocated covered commodity base that existed under the 'program crop' label of the previous farm bill combined with the generic attribution of cotton base acres, which are expressed as a function of the farm's 2014 plantings.

Figure 3. Focused view of the reallocated base totals for the 2014 through 2018 crop years.

	2014		2015		2016	
Covered Commodity	Base Acres	Allocated Generic	Base Acres	Allocated Generic	Base Acres	Allocated Generic
Corn	66.67	200.00	66.67	250.00	66.67	0.00
Wheat	0.00	0.00	0.00	0.00	0.00	0.00
Grain Sorghum	0.00	0.00	0.00	0.00	0.00	0.00
Rice	0.00	0.00	0.00	0.00	0.00	0.00
Soybeans	33.33	200.00	33.33	250.00	33.33	100.00
Total	100.00	400.00	100.00	500.00	100.00	100.00

	2017		2018	
Covered Commodity	Base Acres	Allocated Generic	Base Acres	Allocated Generic
Corn	66.67	150.00	66.67	0.00
Wheat	0.00	0.00	0.00	0.00
Grain Sorghum	0.00	0.00	0.00	0.00
Rice	0.00	0.00	0.00	0.00
Soybeans	33.33	150.00	33.33	500.00
Total	100.00	300.00	100.00	500.00

In summary, this decision tool calculated the reallocation of base acres and the attribution of generic acre, if applicable to the farm. No economic comparison is made subject to the potential ARC and PLC farm program payments that may result in the 2014 through 2018 crop years. Therefore, it is key for all interested parties to examine what the composition of the farm's reallocated base acres (to include generic base) may resemble. Through the use of farm program decision tools, the amount of base acres can entered as to determine what the impact of expected prices and anticipated county-level yields might have on the amount of farm program payments relative to increasing the share of base acres of one covered commodity at the expense of another.

Note: this farm bill decision tool is intended for educational purposes.



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