



## 2014 Farm Bill: New risk management decisions for producers

By James Sedman and John Hewlett

The 2014 Farm Bill offers a new, risk management-based approach with its safety-net programs and several important choices to be made soon.

These choices will not change over the life of the current farm bill (through 2018) and should be carefully considered to find the best fit for each operation.

Begin by ensuring production records are accurate and up-to-date. Once production data (yield histories, base acres, etc.) is available, decide whether to reallocate base acres or keep them the same as the 2013 crop year.

This will depend on how base acres relate to the current crop mix. Now may be the time to examine base acreage relative to currently planted crops if base acreage has not been adjusted in the last 20 years.

However, reallocating base acres of covered commodities will not increase total base acres on a farm.

Reallocating base acres can potentially change payments under the selected safety-net program (ARC versus PLC).

### Web Tool Available to Producers

The National Coalition for Producer Education, led by professionals from the University of Illinois, developed one of the two online tools designed to assist producers. The NCPE tool, under the ARC/PLC Program link on the Farm Service Agency's website ([fsa.usapas.com](http://fsa.usapas.com)), allows producers to input individual acreage and yield information for analysis and view example farms for several counties in each state.

Below is an acreage mix based on program crop acreage from our example farm in Big Horn County.

### Big Horn County Example

The business operation of Riff Brothers farms was a previous example in this series. The brothers, like other producers, are considering whether to update program crop acres or keep them the same.

The Riffs' current base acres are 360 for barley, 120 for corn, and 60 for oats. With crop technology changing over the last 10 years, they find themselves shifting acres from oats to sugar beets and program crops like corn.

The Riffs believe a base acre shift is desirable but would like to better understand the implications under the new farm bill.

The Riffs enter their crop acreage information into the first step in the calculator (for our purposes we assume all three crops are on the same farm).

Next, payment yields are entered, and they have the option to enter four years of acreage data for each crop into the acreage reallocation tool. Using the Riffs' past production history, the tool calculates an increase in base acres for corn and barley and a decrease in oats.

We will use this information in the next installment in this series to show how acreage reallocation will affect the trade-offs between safety-net program choices ARC versus PLC.

James Sedman is a consultant to the Department of Agricultural and Applied Economics in the University of Wyoming College of Agriculture and Natural Resources, and John Hewlett is a farm and ranch management specialist in the department. Hewlett may be reached at (307) 766-2166 or [hewlett@uwyo.edu](mailto:hewlett@uwyo.edu).

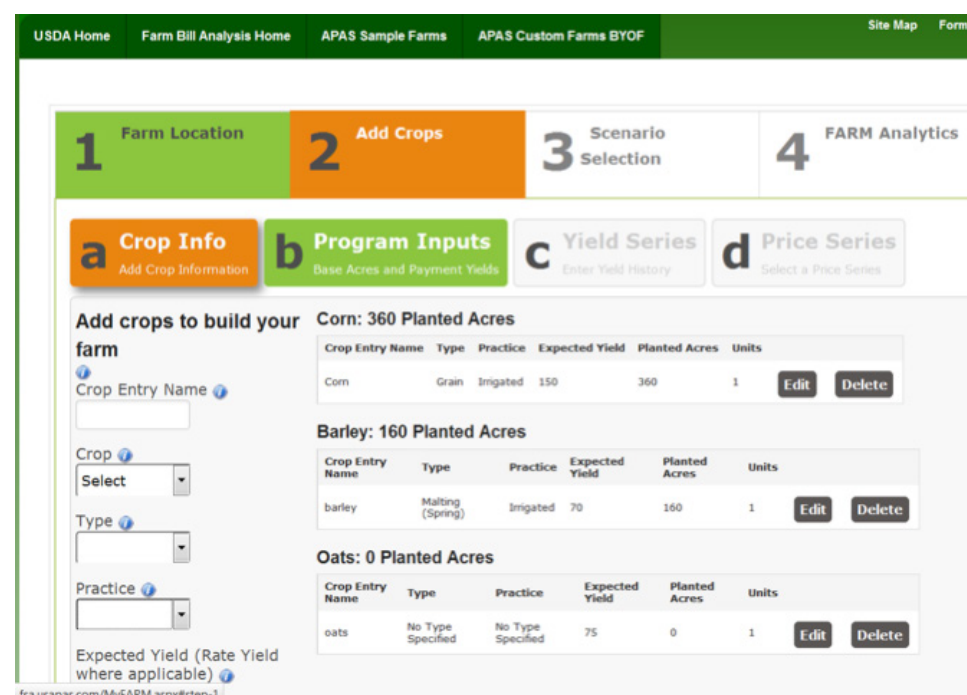


Figure One. Example Big Horn County Farm on NCPE Tool

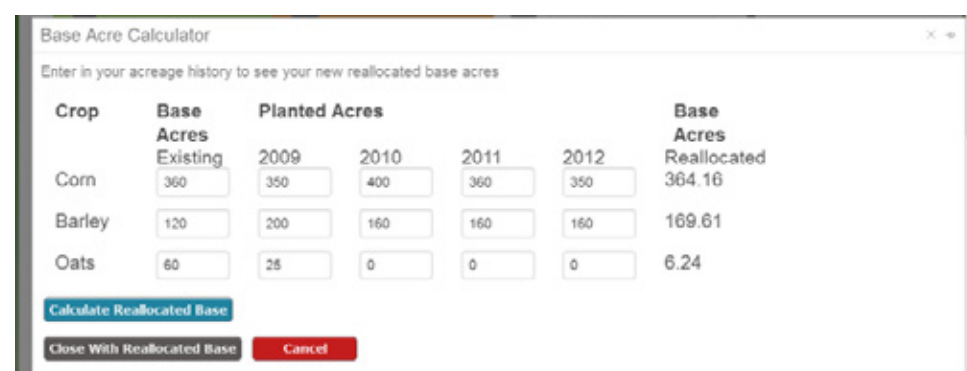


Figure Two. Potential Base Acre Reallocation

### For more information

Reminder: Producers must make base acre and yield update decisions by **February 27** and their choice of risk management program by **March 31**.

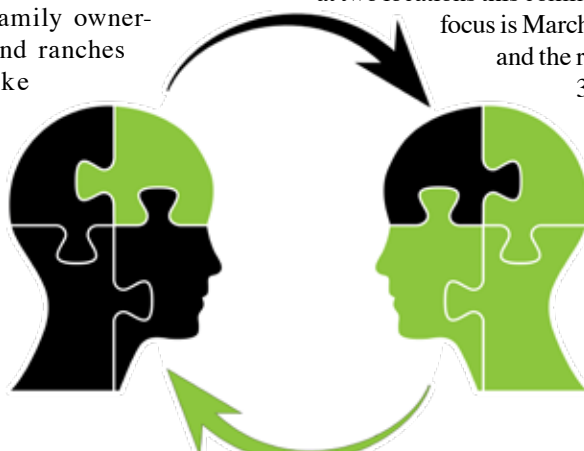
Web tools by the University of Illinois and Texas A&M University that help evaluate farm safety-net programs are under the "ARC/PLC" link on the Farm Service Agency's home page ([www.fsa.usda.gov](http://www.fsa.usda.gov)). Other tools are also available to help producers evaluate ARC/PLC decisions, how to allocate (if necessary) base acres, and other decisions under the 2014 Farm Bill programs. Visit [RightRisk.org/WY/FarmBill](http://RightRisk.org/WY/FarmBill) for more information on this and other agricultural risk management topics on the Web.

## UW Extension offers farm-, ranch-focus transfer of management skills workshops

By Bridger Feuz

Transferring skills associated with management can be difficult in many businesses.

Ranching and farming is certainly no exception. Family ownership of farms and ranches often can make transfer of management skills even more challenging. Yet, everyone involved in ranching and farming would agree this management transfer is es-



sential to operating sustainable operations.

The University of Wyoming Extension Agriculture and Horticulture Initiative Team is offering farm- and ranch-focused training at two locations this coming spring. The farm focus is March 5-6 in Torrington, and the ranch focus is April 30 and May 1 in Douglas.

Training will address transferring management skills in many different areas such as production, finances, marketing, and employee man-

agement. The trainings have the greatest impact if multiple generations from the same ranch or farm operation attend the meetings together.

The workshops were introduced at this year's Wyoming Stock Growers Convention during the Progressive Rancher Forum in a workshop entitled "Management Showdown."

The showdown allowed multiple generations to anonymously share management ideas and see how others from differing generations viewed the same questions. Participants found great value in the workshop and were excited for the more in-depth trainings in Wyoming.

The sessions focus on management skills, communication, management transition plans, case studies, heifer selection and

calving, soil and water management, marketing, and recordkeeping. For more information about the specific programs, contact UW Extension educator Caleb Carter for Torrington at [ccarter13@uwyo.edu](mailto:ccarter13@uwyo.edu) or educator Scott Cotton for Douglas at [secotton@natronacounty-wy.gov](mailto:secotton@natronacounty-wy.gov).

Join us for these workshops and learn strategies that will help make the transfer of management skills a smoother process.

Bridger Feuz is the UW Extension livestock marketing specialist and is based in Uinta County. He also serves Lincoln, Sublette, Sweetwater, and Teton counties. He can be reached (307) 783-0570 or at [bmfeuz@uwyo.edu](mailto:bmfeuz@uwyo.edu).