

Update of Base Acres/Yields: Comparative Value of Base Acres

Background

Since the mid-1980s various farm bills have allowed for the updating of base acres and base yields. The 2014 Farm Bill allows for such an option. In many cases farmers throughout Iowa will find it advantageous to update base acres and/or base yields.

Primary determinants for updating of base acres and/or yields are related to:

- How a farm's yields have behaved with respect to the county
 - The more "plug" yields a farm has, the less likely it is be beneficial to update base yields
- Crop rotation during the years 2009-2012
- Current base acreage mix prior to the potential for update

The chart below illustrates, **at the county average**, the comparative value of base acreage for corn and soybeans under the Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) programs. In some cases, the dominance of a crop/program combination is very apparent while other counties the dominance is less pronounced (At any point on the vertical "Y" axis, read across the chart, the line furthest to the right is dominant at that point).

As you consider the base acre/yield update decision it would be prudent to consider how your farm typically behaves with respect to the county averages depicted below.

