

## 2018 Farm Bill Education

### The Situation

Farm Bill programs have been essential to managing risk on farming operations since they were created. They address both yield and price risk, two primary sources of farm risk. The current programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), give producers very different options, which they are locked into for a set time-frame. ARC offers a revenue guarantee based on a national price and county yield or individual yield. PLC offers price protection only, but can be paired with a Supplemental Coverage Option (SCO) on the producer's crop insurance to increase coverage levels. These options can be terribly confusing to a producer who simply wants to manage risk in order to survive in these volatile times.

Each farm is unique in its crop enterprise mix, historical yields, and risk preferences, which makes selecting farm programs an individual decision. KSU Ag. Econ. specialists will perform economic analysis on farm programs at a county-level, but ultimately analysis needs to be completed at the farm-level to assist a producer in making educated decisions. The OSU-KSU Farm Bill Decision Tool was designed to do just that, but the team recognizes that not all producers are technologically able to perform the analysis themselves. That is why extension agents from across the state will be trained to offer this service locally. They will also be heavily-relied upon to conduct local meetings introducing the farm programs and economic analysis, since it is impossible for specialists to cover every event.

### Short-Term (Knowledge)

Producers will learn about the changes made to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs in the 2018 Farm Bill. They will also be presented with economics of the current marketing conditions that will assist them in making a 2-year election between ARC and PLC.

#### Indicators

- ~ Producers will rank the information received as "Valuable" or "Very Valuable"
- ~ Producers will indicate an improved awareness of the new commodity and crop insurance programs in the 2018 Farm Bill.

### Medium-Term (Behavior)

Producers will use the "Tradeoff" spreadsheet and OSU-KSU decision tool presented at the Farm Bill meetings to make an educated decision on which commodity program might provide the best risk management for the operation. If needed, producers will make a one-on-one appointment with their extension agent to assist them in running the decision tool.

### Indicators

- ~ Producers will indicate that they have an improved understanding of selecting the best program for their operation.
- ~ Producers will list how their management decisions will change based on the 2018 Farm Bill education received.
- ~ Agents will report the number of one-on-one consultations they performed.

### **Long-Term (Change in Condition)**

Producers will become more financially stable because of their participation in 2018 Farm Bill commodity programs. This will also help the financial stability of their communities and other rural businesses.

### Indicators

- ~ Producers will enroll in programs to effectively manage risk in their operation.

### **Public Value**

Not specified

### **Outputs**

Extension specialists in the K-State Department of Agricultural Economics will provide training for county/district extension agents to assist Kansas producers in utilizing the OSU-KSU Farm Bill Decision tool to make educated risk management decisions for their operations. Introductory Farm Bill meetings will be held in all 105 Kansas counties by county/district extension agents, in conjunction with 10 in-depth regional meetings by K-State specialists. Individual consultations will then be offered by county/district extension agents before producers have to make their program elections by March 15th, 2020.