

THE NEW FARM BILL

DECISION TOOL INSTRUCTIONS




Disclaimer – This excel file is intended to help producers make the decisions required by the Agricultural Act of 2014. It is designed to deal SOLELY with California medium grain rice and offers no assistance for decisions for other covered commodities for which you might have base acres. This excel file references NASS information plus the producer’s FSA information. If this information changes, the results will change. The producer MUST provide their projections of 2014-2018 yields and prices, which by their very nature will probably not be correct. By using this Decision Tool, you are agreeing that it generates outcomes based on information that are only estimates and provides no guarantee of actual program payments.

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Step 1. Print these instructions.

Step 2. Download Excel File – Decision Tool.2016.PLC and ARC-CO and save before doing any input. Then save a second file with a different name to use for your inputs. That way if you make an input mistake or somehow corrupt the file you can start over. Please note that only PLC and ARC-CO are applicable; ARC-I will require additional information and the analysis of this program is not included in this spreadsheet.

Explanations and Cautions

- a. Please note that cells that require grower input are colored orange. Many of these cells will remain empty. 
- b. All cells which link to your input are orange numbers in white cells. Do not change the numbers in these cells! 
- c. All cells which automatically calculate based on submitted data are colored light gray.  YOU CANNOT CHANGE THESE FORMULAS!

Step 3. Open Tab – “Grower Information”

- a. Input the producer’s name, Farm # and County
- b. Input PLC Payment Yield
- c. Input Medium/short grain base acres.
- d. Enter on Line 2 the annual county yields as shown in the lower table. Unfortunately FSA has not updated 2014 and 2015 yields so you should use the county average for these years.

ENTER THE PRODUCTION IN POUNDS, NOT CWTS.

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Step 4. Go to the Tab “PLC”. You don’t enter any data. Based on your projected prices from the previous Tab, you will see if there is a payment in any year and the amount. But also see Observations, below.

Step 5. Go to the Tab “ARC-County”. This program option uses 2 Olympic Averages; one for yield and one for price.

The Benchmark Revenue for each year is then calculated by multiplying the OA Yield times the OA Price. The Benchmark Revenue is then multiplied by 86% to determine your Agriculture Risk Coverage Guarantee. Based on your projected yields and prices, your payment, if any, is calculated. The payment cannot be greater than 10% of your Benchmark Revenue. Your total payment will be the calculated amount times your payment acres (85% of Base Acres).

Step 6. Print Tabs PLC, ARC – County and Summary.

Step 7. Go back to your Tab “Yields and Prices – MG Rice”, and change your projected prices and yields to another scenario that you consider likely to occur. Then go back through both ARC Tabs and change highs and lows as necessary because of your new projections and see what happens to payments.

Caution: Look at the calculated numbers closely. If they do not seem to make sense you have made a mistake. START OVER!

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