

Average Crop Revenue Election (ACRE), continued from page 4

are the current marketing year price multiplied by the state average yield and the actual farm level yield, respectively. If both triggers are reached, the payment to the farm will be the difference between the state guarantee and the state actual revenue.

Producers who sign up for ACRE will forfeit 20 percent of their current direct payments through 2012. They also will give up any potential price counter-cyclical payments, and the loan rate used to calculate their loan deficiency payments or marketing loans will be lowered by 30 percent. The loss of potential CCPs and LDPs may not be too critical, because if market prices fall enough to trigger those payments it is likely that the ACRE payment will be at least as large.

Although the ACRE program may resemble crop revenue insurance, there are some important differences. The ACRE guarantees are based on longer term average prices and yields, so they will not fluctuate as much from year to year as crop insurance guarantees. In fact, ACRE regulations state that the guarantees can-

not increase nor decrease more than 10 percent each year. This helps accomplish the fundamental goal of ACRE, which is to stabilize gross revenues over the next 4 years.

On the other hand, one of the two ACRE guarantees and the size of the payment are based on state level yields, not farm yields like most crop insurance policies. ACRE does not protect a farmer who has a poor production year when the state as a whole does not. In addition, ACRE revenue uses the marketing year cash price to calculate actual revenue while crop revenue insurance uses futures prices at harvest time. So, while ACRE payments can be a useful risk management tool for sharply falling prices or widespread yield losses, they do not replace farm level crop insurance protection.

More information is available in Information File A1-45, Average Crop Revenue Election (ACRE). A Decision Tool is also available on Ag Decision Maker to help estimate ACRE payments.



Agricultural outlook & management seminar series

by Ann M. Johanns, extension program specialist, 641-732-5574, aholste@iastate.edu

Iowa State University Extension is offering Agricultural Outlook and Management seminars throughout November 2008 to address outlook and management issues.

These seminars are designed to provide agribusiness leaders with a concise evaluation of current market conditions, expected trends in crop and livestock income potential, and management implications. Participants also will receive an overview of the agricultural industry and learn how changes may affect Iowa producers.

Meeting registration begins at 8:30 a.m. for each location with the program beginning at 9:00 a.m. Most locations will conclude at approximately 3:00 p.m., though some sites may go longer.

The registration fee is \$35.00 for most locations (Amana is \$45.00). Registration includes lunch, refreshments, and materials at all locations. Pre-registration is required one week prior to the seminar.

Locations

| | |
|-------------|--|
| November 12 | Fort Dodge Best Western Starlight Village |
| November 13 | Waterloo Hawkeye Community College - Tama Hall |
| November 14 | West Des Moines DMACC West Campus |
| November 17 | Amana Holiday Inn - I-80, Exit 225 |
| November 19 | Cherokee Western Iowa Tech Community College |
| November 21 | Atlantic Cass County Community Building |

continued on page 6

Agricultural outlook and management seminar series, continued from page 5

Program Highlights include:

- **Agricultural Industry Overview**
 - Bruce Babcock, Fort Dodge
 - Dermot Hayes, Waterloo, West Des Moines, & Cherokee
 - John Miranowski, Amana
- **Corn & Soybean Market Outlook Information & Management Considerations**
 - Chad Hart, extension grain marketing specialist
- **Swine & Beef Outlook Information & Management Considerations**
 - John Lawrence, extension livestock marketing specialist
- **Managing Crop Margins for 2009**
 - Area farm management field staff specialist
- **Legal Issues**
 - Steve Moline, Atlantic, Amana, Fort Dodge, & Cherokee

Attend a seminar to learn:

- Current market outlook information and management considerations for grain and livestock.
- An assessment of the effect of higher energy prices on profitability and discuss management considerations.

The seminars are open to anyone who wishes to attend. More information on meeting locations and registration is available at: www.extension.iastate.edu/agdm/info/meetings.html. For questions on registration, call (319) 433-1286.

Updates, continued from page 1

Energy Measurements and Conversions – C6-86 (2 pages)

Please add these files to your handbook and remove the out-of-date material.

Internet Updates

The following updates have been added to www.extension.iastate.edu/agdm.

Average Crop Revenue Election (ACRE) – A1-45 (3 pages)

Location, Location, Location—Value-added Processing/Manufacturing – C5-113 (2 pages)

Liquid Fuel Measurements and Conversions – C6-87 (4 pages)

Biomass Measurements and Conversions – C6-88 (1 page)

Natural Gas and Coal Measurements and Conversions – C6-89 (2 pages)

Current Profitability

The following profitability tools have been updated on www.extension.iastate.edu/agdm to reflect current price data.

Corn Profitability – A1-85

Soybean Profitability – A1-86

Ethanol Profitability – D1-10

... and justice for all

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write

USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964. Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Jack M. Payne, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

Permission to copy

Permission is given to reprint ISU Extension materials contained in this publication via copy machine or other copy technology, so long as the source (Ag Decision Maker Iowa State University Extension) is clearly identifiable and the appropriate author is properly credited.