As authorized by the 2008 Farm Bill (Food, Conservation, and Energy Act of 2008), producers on eligible farms may elect to participate in the Average Crop Revenue Election (ACRE) Program.

Under the ACRE Program, producers may receive revenue-based payments as an alternative to receiving price-based counter-cyclical (CC) payments.

**ELIGIBLE FARMS**

Only farms with covered commodity or peanut base acres may participate in the ACRE Program. Farms that are already enrolled in the Direct and Counter-Cyclical Payment Program (DCP) for a crop year, may elect to switch to ACRE before the end of signup. As provided by the 2008 Farm Bill, farms with 10 or less base acres are not eligible for DCP or ACRE Program payments, except for farms, whose owners are socially disadvantaged or are limited resource farmers or ranchers.

**ELIGIBLE COMMODITIES**

The following planted or considered planted crops may be eligible for ACRE payments:

- wheat, barley, and oats
- grain sorghum and corn
- upland cotton
- Rice (medium and long grain)
- soybeans
- other oilseeds: canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed
- peanuts
- pulse crops: dry peas, lentils, and small and large chickpeas (garbanzo beans).

**ACRE ELECTION AND ENROLLMENT**

The deadline to elect and enroll in the ACRE Program for 2009 has been extended from June 1 to August 14, 2009. After election, producers must then enroll the farm in the ACRE Program to receive payments. Farms that elect the ACRE Program cannot receive CC payments.

Note: If enrolling in ACRE, all producers on a farm must agree to the ACRE Program election.

**REPORTING REQUIREMENTS**

Producers on participating ACRE Program farms must annually report acreage and production to FSA. Failure to do so may result in ineligibility.

**PAYMENT LIMITATION PROVISIONS**

**Maximum Payment Amounts**

Direct payments are limited to $40,000 per person or entity minus the 20 percent direct payment reduction, and CC or ACRE payments are limited to $65,000 plus the 20% direct payment reduction amount. The limitation is attributed to entities and individuals, including indirect amounts received through entities.

**Adjusted Gross Income (AGI)**

Persons or legal entities whose average nonfarm AGI exceeds $500,000 are not eligible for direct, CC or ACRE payments.

Also, persons or legal entities whose average farm AGI exceeds $750,000 are not eligible for direct payments under the DCP and ACRE Programs.
PAYMENTS

Producers on participating ACRE Program farms can receive direct and ACRE payments. Payments will be reduced if base acres are enrolled in a Federal program which prohibits the production or harvesting of crops, such as the Conservation Reserve Program, Grassland Reserve Program and the Wetlands Reserve Program.

Direct Payments

Direct payments are based on the farm’s base acres and program yields for covered commodity crops and peanuts. The payment rates for direct payments are 20 percent less than the DCP direct payment rates. Similar to DCP, payment amounts are reduced if fruits or vegetables are planted on base acres, or the acres are used for non-agricultural purposes.

ACRE Payments

ACRE payments are revenue-based payments and are tied to crop production and the National Average Market Price for planted, and considered planted, covered commodity crops or peanuts on the farm. ACRE payment acreage is limited to the total amount of base acres on the farm, and can only be issued for a crop if two triggers are met for the covered commodity crop or peanuts.

State Trigger: The Actual State Revenue for the program year must be less than the State ACRE Guarantee.

Farm Trigger: The participating farm’s Actual Farm Revenue for the program year must be less the Farm ACRE Guarantee.

Triggers: The State and the Farm trigger must be met to receive an ACRE payment for the planted or considered planted commodity crop or peanuts.

ACRE State Trigger:

State ACRE Guarantee must exceed the Actual State Revenue

Note: State ACRE Guarantee cannot change by more than 10% from the previous year’s guarantee.

ACRE Farm Trigger:

Farm ACRE Benchmark must exceed the Actual Farm Revenue

ACRE Payment Calculation: If both triggers are met for a planted or considered planted commodity crop, then an ACRE payment may be calculated for the eligible crop.

ACRE Payment = P&CP Acres multiplied by 83.3%* multiplied by

Benchmark Farm Yield
(Benchmark State Yield
(5 year “Olympic” average)
multiplied by ACRE Guarantee Price
(Previous 2-yr National Average Market Price))

plus

Crop Insurance Premium per acre paid by producer

multiplied by the lesser of

State ACRE Guarantee

minus

Actual State Revenue

multiplied by 25%

* 85% in 2012
### Table 1: 2009 ACRE and DCP Rates

<table>
<thead>
<tr>
<th>Crop</th>
<th>ACRE Direct Rate</th>
<th>ACRE National Loan Rate</th>
<th>DCP Direct Rate</th>
<th>DCP National Loan Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat (bu)</td>
<td>0.416</td>
<td>1.93</td>
<td>0.52</td>
<td>2.75</td>
</tr>
<tr>
<td>Barley (bu)</td>
<td>0.192</td>
<td>1.30</td>
<td>0.24</td>
<td>1.85</td>
</tr>
<tr>
<td>Oats (bu)</td>
<td>0.0192</td>
<td>0.93</td>
<td>0.024</td>
<td>1.33</td>
</tr>
<tr>
<td>Corn (bu)</td>
<td>0.224</td>
<td>1.37</td>
<td>0.28</td>
<td>1.95</td>
</tr>
<tr>
<td>Grain Sorghum (bu)</td>
<td>0.28</td>
<td>1.37</td>
<td>0.35</td>
<td>1.95</td>
</tr>
<tr>
<td>Upland Cotton (lb)</td>
<td>0.05336</td>
<td>0.3640</td>
<td>0.0667</td>
<td>0.52</td>
</tr>
<tr>
<td>Rice (cwt)</td>
<td>1.88</td>
<td>4.55</td>
<td>2.35</td>
<td>6.50</td>
</tr>
<tr>
<td>Soybeans (bu)</td>
<td>0.352</td>
<td>3.50</td>
<td>0.44</td>
<td>5.00</td>
</tr>
<tr>
<td>Other Oilseeds (cwt)</td>
<td>0.64</td>
<td>6.51</td>
<td>0.80</td>
<td>9.30</td>
</tr>
<tr>
<td>Peanuts (ton)</td>
<td>28.80</td>
<td>248.50</td>
<td>36</td>
<td>355</td>
</tr>
<tr>
<td>Dry Peas (cwt)</td>
<td>3.78</td>
<td></td>
<td>5.40</td>
<td></td>
</tr>
<tr>
<td>Lentils (cwt)</td>
<td>7.90</td>
<td></td>
<td>11.28</td>
<td></td>
</tr>
<tr>
<td>Sm. Chickpeas (cwt)</td>
<td>5.20</td>
<td></td>
<td>7.43</td>
<td></td>
</tr>
<tr>
<td>Lg. Chickpeas (cwt)</td>
<td>7.90</td>
<td></td>
<td>11.28</td>
<td></td>
</tr>
</tbody>
</table>

### Table 2: Hypothetical State ACRE Guarantee

1. Benchmark State Yield (Olympic Average from 5 most recent crop years)  
   Example: 160
2. ACRE Guarantee Price (Average National Average Market Price from 2 most recent crop years)  
   Example: 4.15
3. Calculated State ACRE Guarantee for the crop year (90% x Item 1 x Item 2)  
   Example: $597.60

Note: For subsequent years, the State ACRE Guarantee cannot change by more than 10% from the previous year’s Guarantee.

### Table 3: Hypothetical ACRE Triggers and Payment Calculation

<table>
<thead>
<tr>
<th>State Trigger</th>
<th>ACRE Program Guarantee</th>
<th>Actual State Revenue</th>
<th>Farm ACRE Guarantee</th>
<th>Actual Farm Revenue</th>
<th>ACRE Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Benchmark State Yield (Item 1 from Table 2)</td>
<td>155</td>
<td>11. Benchmark Farm Yield (Olympic average from 5 most recent crop yrs.)</td>
<td>185</td>
<td>17. Maximum Acres (Total base acreage on the farm)</td>
</tr>
<tr>
<td></td>
<td>2. ACRE Guarantee Price (Item 2 from Table 2)</td>
<td>$4.15</td>
<td>12. Crop Insurance Premium per acre paid by producer for the crop</td>
<td>$15</td>
<td>18. Planted and Considered Planted Acreage for the crop</td>
</tr>
<tr>
<td></td>
<td>3. State ACRE Guarantee (Item 3 of Table 2)</td>
<td>$597.60</td>
<td>13. ACRE Guarantee (Item 11 x Item 2) plus Item 12</td>
<td>$720.50</td>
<td>19. Payment Acreage (Item 18 times 83.3% (85% for 2012), not to exceed Item 17)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>14. Actual Farm Yield (Production divided by planted acreage)</td>
<td>185</td>
<td>20. Farm Productivity Index Factor (Item 11 divided by Item 1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>15. Actual Farm Revenue (Item 14 times Item 8)</td>
<td>$699.30</td>
<td>21. ACRE Program Guarantee minus Actual State Revenue (Item 3 minus Item 9)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22. 25% of ACRE Program Guarantee (Item 3 times 25%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23. Projected ACRE Payment for the crop</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Share times Item 19 times Item 20 times lesser of Items 21 and 22)</td>
</tr>
</tbody>
</table>

Note: Counter-cyclical rate cannot exceed the CC threshold minus the DCP loan rate.
2009 Average Crop Revenue Election (ACRE)  

**Fact Sheet**

### Table 4: Payment Comparison

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Corn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DCP</strong></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>Base acres x 83.3% (85% in 2012) x 120 Bu program yield x DCP Direct Rate (Table 1)</td>
</tr>
<tr>
<td>CC</td>
<td>Base acres x 85% x program yield x CC rate (see CC Threshold, Table 1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,499</td>
</tr>
<tr>
<td><strong>ACRE</strong></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>Base acres x 83.3% (85% in 2012) x 120 Bu program yield x ACRE Direct Rate (Table 1)</td>
</tr>
<tr>
<td>ACRE</td>
<td>See Table 3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,352</td>
</tr>
</tbody>
</table>

### Frequently Asked Questions

**Q1:** If a farm is already enrolled in DCP and advance direct payments were issued, can the farm still participate in ACRE Program?

Yes, as long as the producers on the farm elect and enroll in the ACRE Program during the sign-up period.

**Q2:** If a farm misses the 2009 election period, can the producers elect to participate in a later year?

Yes. The producers may elect the ACRE Program in a subsequent year.

**Q3:** If one producer (owner, tenant, etc) on the farm does not sign the election form, can the farm still participate in the ACRE Program?

No. Without exception, all producers must agree in writing to the ACRE Program election.

**Q4:** If all producers sign the ACRE Program Election Form, is the farm considered enrolled in the ACRE Program?

No. Producers on the farm must also sign a contract to enroll in ACRE Program by the sign-up deadline.

**Q5:** Does a producer have to enroll all farms in ACRE?

No. Election and enrollment for the ACRE Program is on a farm by farm basis.

**Q6:** Can a farm enroll some base acres and not others?

No, the enrollment is for the farm and all of the base acres.

**Q7:** Can base acres be established to participate in the ACRE Program?

No. There is no authority to establish base acres to participate in the ACRE Program.

**Q8:** Is crop insurance or NAP required to receive ACRE payments?

No, there are no risk management purchase requirements for the DCP or the ACRE Programs. However, higher levels of insurance due to higher premiums will enhance the ability to meet the “Farm Trigger”.

**Q9:** If both state and farm "triggers" are met, will the ACRE payment calculation provide benefits for prevented planted acres of covered commodity crops or peanuts?

No, the ACRE payments are based on planted and considered planted acres of eligible commodity crops, without regard to whether the farm has base acres for that crop. However, the maximum acreage eligible for ACRE payments cannot exceed the total base acres on the farm.

**Q10:** Can ACRE payments be calculated for eligible commodity crops that do not have base acres on the farm?

Yes. ACRE payments are based on planted and considered planted acres of eligible commodity crops, without regard to whether the farm has base acres for that crop.

**Q11:** If the National Average Market Price for a covered commodity crop or peanuts is higher than average, will this result in no ACRE payments?

Not necessarily. Since the ACRE “triggers” are based on revenue (yield and prices) reductions, a significant yield loss for the State could result in ACRE payments.

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