



# FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SERVICE AGENCY

January 2013

## Average Crop Revenue Election (ACRE) Program - 2013

### Overview

The American Taxpayer Relief Act of 2012, enacted on Jan. 2, 2013, amends the Food, Conservation, and Energy Act of 2008 and provides for a one-year extension of the Average Crop Revenue Election (ACRE) program. To be eligible for direct and ACRE payments for crop year 2013, producers must elect and enroll their farms in ACRE on or before June 3, 2013.

Producers who elect and enroll a farm in ACRE agree to: (1) forgo counter-cyclical payments, (2) a 20-percent reduction in their direct payments, and (3) a 30-percent reduction in the marketing assistance loan (MAL) rates for all commodities produced on the farm are eligible for ACRE payments. The loan deficiency payment (LDP) rate for commodities produced on farms enrolled in ACRE must include the 30 percent reduction from the MAL rate before determining the LDP rate.

### Eligibility Requirements

To be eligible for ACRE, owners, operators, landlords, tenants or sharecroppers must:

- Share in the risk of producing a crop on base acres on a farm enrolled in ACRE, and be entitled to share in the crop available for marketing from the base acres or would have shared had a crop been produced;
- Annually report the use of the farm's cropland acreage;
- Annually report production to FSA by July 15, 2014. Failure to do so may result in ineligibility;
- Comply with highly erodible

land conservation and wetland conservation requirements on all of their land;

- Comply with average adjusted gross income limitation provisions
- Meet requirements to be considered actively engaged in farming;
- Comply with planting flexibility requirements;
- Use the base acres for agricultural or related activities and;
- Protect all base acres from erosion, including providing sufficient cover as determined necessary by the county FSA committee, and controlling weeds.

### 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 (short/medium and long grain);
- Soybeans;
- Other oilseeds: canola, crambe, flaxseed, mustard seed, rape-seed, safflower, sesame seed and sunflower seed;
- Peanuts;
- Dry peas, lentils and small and large chickpeas (garbanzo beans).

Farms with 10 or less base acres are not eligible for ACRE, except for farms whose owners are socially disadvantaged or limited resource farmers or ranchers.

### ACRE Election and Enrollment - 2013

The sign-up period to enroll begins on February 19, 2013, and ends on June 3, 2013. Farms that are enrolled in the ACRE program cannot receive counter-cyclical payments

Farms that have enrolled in the Direct and Counter-Cyclical Program (DCP) for 2013 may elect to switch to ACRE, but must do so on or before June 3, 2013.

All producers may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that producers who enrolled in ACRE for 2012 may elect to enroll in DCP in 2013, or vice versa.

### Maximum Payment Amounts

Direct payments are limited to \$40,000 per person or entity minus the 20 percent direct payment reduction, and ACRE payments are limited to \$65,000 plus the 20 percent direct payment reduction amount. The limitation is applied by attributing both the amounts received directly by entities and persons, and indirect amounts received through entities.

### Adjusted Gross Income (AGI)

Persons or legal entities whose average non-farm AGI exceeds \$500,000 are not eligible for direct or ACRE payments.

Persons or legal entities whose average farm AGI exceeds \$750,000 are not eligible for direct payments under the ACRE Program.

Persons or legal entities whose average total AGI exceeds \$1,000,000

are not eligible for direct payments.

**Farm Yields**

Yields for ACRE payments are based on an “Olympic” average of a combination of producer yields and average yields for the county for the five most recent crop years (2008 through 2012). If a producer certifies yield data for a year and it is higher than the county average, that yield will be used to calculate the ACRE farm yield (Benchmark Farm Yield).

**Direct Payments**

Direct payments are based on the farm’s base acres and program yields for covered commodities and peanuts. Direct payments for ACRE farms are 20 percent less than the direct payments for DCP farms. 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 payments 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 2013 program year must be less than the State ACRE Guarantee.

Farm Trigger: The participating farm’s Actual Farm Revenue for the 2013 program year must be less than the Farm ACRE Guarantee.

**Payment Acreage Limitation**

The maximum ACRE payment acreage is equal to 85 percent of the total planted and considered planted

acreage, not to exceed the total amount of base acres on the farm. If the planted and considered planted acreage exceeds 118 percent of the base acreage and there is more than one eligible crop, producers must designate payment acreage for each crop by Sept. 30, 2013.

**Planting Flexibility Provisions**

Producers who participate in ACRE may plant cropland in excess of the total base acreage on the farm to any commodity. However, producers are subject to certain restrictions on the planting of wild rice, fruits and vegetables (other than mung beans and pulse crops). Information on wild rice, fruits and vegetable restrictions is contained in the FSA fact sheet “ACRE and DCP: Wild Rice, Fruit, and Vegetable Provisions.” A 2013 fact sheet is available on FSA’s website at [www.fsa.usda.gov](http://www.fsa.usda.gov); click on “find FSA fact sheets”, or follow this link: [http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf\\_20130123\\_insup\\_en\\_acredcp.html](http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20130123_insup_en_acredcp.html)

**Triggers**

Table a: DCP and ACRE Payment Comparisons (html, 18 KB)

Table b: ACRE Payment Calculations (html, 10 KB)

ACRE Payment Calculation Table (JPG, 73 KB)

Table 1: ACRE and DCP Rates (html, 74 KB)

Table 2: ACRE 2013 State Guarantee (html, 37 KB)

Table 3: ACRE Triggers Payment Calculation for 2013 (html, 69 KB)

Table 4: Projected Payment Comparison (html, 26 KB)

Table 5: 2013 Program Timeline (html, 22KB)

Table a: 2013 DCP and ACRE Payment Comparisons

Payments		DCP	ACRE
<b>Direct</b>	Payment Rate	100 percent of the DCP direct payment rate.	80 percent of the DCP Direct Payment Rate.
	Payment Formula	Uses farm’s base acreage.	Uses farm’s base acreage.
	Advances	Not available	Not available
<b>Counter-Cyclical (CC)</b>	Payment Formula	Uses farm’s base acreage.	
	Trigger	Low National Market Prices.	
	Advances	Not available	
<b>Average Crop Revenue Election (ACRE)</b>	Payment Formula		Uses planted and considered planted (P&CP) acreages of commodity crops and peanuts.
	Triggers		Revenue must be below the historical state average and the farm average.
	Advances		Not available.
<b>Loan Rates</b>		100 percent of the Market Assistance Loan rates.	70 percent of the Market Assistance Loan rates.

Table b: 2013 ACRE Payment Calculations

**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

<b>State ACRE Guarantee</b> <small>(cannot change by more than 10 percent from the previous year's guarantee)</small>
<b>90 percent</b> multiplied by  <b>Benchmark State Yield</b> (5 year "Olympic" average)  multiplied by  <b>ACRE Guarantee Price</b> (Previous 2-yr National Average Market Price)

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<b>Actual State Revenue</b>
<b>Actual State Yield</b>  Multiplied by the ACRE Price:  (higher of the National Average Market Price Or 70 percent of the National Loan Rate)

**ACRE Farm Trigger:**

Farm ACRE Guarantee must exceed the Actual Farm Revenue

<b>Farm ACRE Guarantee</b>
<b>Benchmark Farm Yield</b> (5 year "Olympic" average)  Multiplied by  <b>ACRE Guarantee Price</b> plus <b>Crop Insurance Premium per acre paid by producer</b>

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<b>Actual Farm Revenue</b>
<b>Actual Farm Yield</b>  <b>multiplied by the ACRE Price:</b>  (higher of the National Average Market Price Or 70 percent of the National Loan Rate)

<p><b>ACRE Payment Calculation:</b> If both triggers are met for a planted or considered planted commodity crop, then an ACRE payment may be calculated for the eligible crop.</p>					
<p>ACRE Payment = P&amp;CP acres multiplied by 85 percent multiplied by</p>		<p style="color: green;"><b>Benchmark Farm Yield</b>  <span style="color: red;"><b>Benchmark State Yield</b></span>                  (Farm Productivity Index Factor)</p>			
Multiplied by  <b>lesser of:</b>	<table border="1" style="background-color: #ff4500; color: white; width: 100px; height: 20px;"> <tr> <td style="text-align: center;"><b>State ACRE Guarantee</b></td> </tr> </table>	<b>State ACRE Guarantee</b>	Minus	<table border="1" style="background-color: #0000ff; color: white; width: 100px; height: 20px;"> <tr> <td style="text-align: center;"><b>Actual State Revenue</b></td> </tr> </table>	<b>Actual State Revenue</b>
<b>State ACRE Guarantee</b>					
<b>Actual State Revenue</b>					
	<table border="1" style="background-color: #ff4500; color: white; width: 100px; height: 20px;"> <tr> <td style="text-align: center;"><b>State ACRE Guarantee</b></td> </tr> </table>	<b>State ACRE Guarantee</b>	Multiplied by	<b>25 percent</b>	
<b>State ACRE Guarantee</b>					

**FACT SHEET**

**ACRE - 2013**

January 2013

**Projected Payment Calculations:** Use the following tables to calculate projected ACRE program and DCP payments.

Table 1: ACRE and DCP Rates	1. 2011 National Avg. Market Price (NAMP)	2010 - 2013 ACRE		DCP 2010 – 2013		
		2. Direct Rate	3. National Loan Rate	4. Direct Rate	5. National Loan Rate	6. CC Threshold: Payment will be issued if the NAMP is less than...
Wheat (bu)	7.24	0.416	2.06	0.52	2.94	3.65
Barley (bu)	4.91	0.192	1.37	0.24	1.95	2.39
Oats (bu)	3.49	0.0192	0.97	0.024	1.39	1.766
Corn (bu)	6.22	0.224	1.37	0.28	1.95	2.35
Grain Sorghum (bu)	5.99	0.28	1.37	0.35	1.95	2.28
Upland Cotton (lb)	0.883	0.05336	0.3640	0.0667	0.52	.6458
Med/Short Grain Rice (cwt)	16.50 (P)	1.88	4.55	2.35	6.50	8.15
Long Grain Rice (cwt)	13.40 (P)	1.88	4.55	2.35	6.50	8.15
Soybeans (bu)	12.50	0.352	3.50	0.44	5.00	5.56
Canola (cwt)	24.00	0.64	7.06	0.80	10.09	11.88
Crambe (cwt)	37.80	0.64	7.06	0.80	10.09	11.88
Mustard Seed (cwt)	33.60	0.64	7.06	0.80	10.09	11.88
Rapeseed (cwt)	27.00	0.64	7.06	0.80	10.09	11.88
Safflower (cwt)	24.40	0.64	7.06	0.80	10.09	11.88
Sesame Seed (cwt)	35.00	0.64	7.06	0.80	10.09	11.88
Sunflower Seed (cwt)	29.10	0.64	7.06	0.80	10.09	11.88
Flaxseed (bu)	13.90	0.3584	3.9536	0.4480	5.6504	6.6528
Peanuts (ton)	636.00	28.80	248.50	36.00	355.00	459.00
Dry Peas (cwt)	15.30		3.78		5.40	8.32
Lentils (cwt)	25.00		7.90		11.28	12.81
Sm. Chickpeas (cwt)	21.50		5.20		7.43	10.36
Lg. Chickpeas (cwt)	42.10		7.90		11.28	12.81

(P) = Preliminary

Table 2: Hypothetical 2013 State ACRE Guarantee	Ex. Wheat	For Each Planted or Prevented Planted Crop:			
1. <b>Estimated</b> 2013 Benchmark State Yield (Your estimate of the Olympic average of state yields from 2008—2012) *	88 bu/acre				
2. <b>Estimated</b> 2013 ACRE Guarantee Price (Average of 2011 NAMP in Table 1, Item 1 and your projected 2012 NAMP.)	\$ 6.14 per bu				
3. 2013 Calculated <b>Estimated</b> State ACRE Program Guarantee (90 percent x Item 1 x Item 2)	\$486.29				
4. 2012 State ACRE Program Guarantee*	\$439.29				
5. Is Item 3 greater than Item 4? (Yes, No)	If Yes, Go to Item 6 If No, Go to Item 8  Yes				
6. Maximum <b>Estimated</b> State ACRE Program Guarantee (Item 4 times 110 percent)	\$483.22				
7. <b>Hypothetical</b> 2013 State ACRE Program Guarantee (lower of Item 3 and Item 6). <b>Do not continue.</b>	\$483.22				
8. Minimum <b>Estimated</b> State ACRE Program Guarantee (Item 4 times 90 percent)					
9. <b>Hypothetical</b> 2013 State ACRE Program Guarantee (higher of Item 3 and Item 8)					

\*Resource Information available at [www.fsa.usda.gov/FSA/webapp?area=home&subject=dccp&topic=landing](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=dccp&topic=landing)

**FACT SHEET**

ACRE - 2013

January 2013

Table 3: Hypothetical 2013 ACRE Triggers and Payment Calculation			Ex. Wheat	Enter each crop that is planted or prevented planted:			
State Trigger	ACRE Program Guarantee	1. Estimated Benchmark State Yield (Item 1 from Table 2)	88				
		2. Estimated ACRE Guarantee Price (Item 2 from Table 2)	\$6.14				
		3. Hypothetical State ACRE Program Guarantee (Item 7 or 9 of Table 2)	\$483.22				
	Actual State Revenue	4. Estimated 2013 Actual State Yield	84				
		5. Estimated 2013 National Average Market Price	\$5.50				
		6. ACRE National Loan Rate (Table 1, Item 3)	\$2.06				
		7. ACRE Price (Higher of Item 5 or Item 6)	\$5.50				
		8. Hypothetical Actual State Revenue (Item 4 times Item 7)	\$462.00				
	9. Item 3 greater than Item 8?	<i>If Yes, State trigger has been met.</i>	Yes				
	<i>If No, the trigger is not met.</i>						
Farm Trigger	Farm ACRE Guarantee	10. Benchmark Farm Yield (Your estimate if not determined)	91				
		11. Crop Insurance Premium (per acre paid by producer for the crop)	\$10				
		12. Hypothetical Farm ACRE Guarantee (Item 10 x Item 2) plus Item 11)	\$568.74				
	Actual Farm Revenue	13. Estimated 2013 Actual Farm Yield	83				
		14. Hypothetical Actual Farm Revenue (Item 13 times Item 7)	\$456.50				
15. Item 12 greater than Item 14?	<i>If Yes, Farm trigger has been met.</i>	Yes					
	<i>If No, the trigger is not met.</i>						
ACRE Payment	16. Item 9 and Item 15 are both "Yes"?	If both are "Yes", then the crop is eligible for ACRE payments. Continue to Item 17.	Yes				
		If not, the crop is not eligible for ACRE payments. Do not continue.					
		17. Share of the crop's planted or prevented planted acreage on the farm	100 Pct				
		18. Maximum Acres (Total base acreage on the farm)	125				
		19. Planted and Prev. Planted Acreage of the crop	140				
		20. Payment Acreage (Item 19 times 85 percent). Total Payment Acreage for the farm cannot exceed Item 18	119.0				
		21. Farm Productivity Index Factor (Item 10 divided by Item 1)	1.0341				
	Payment Rate	22. APG minus ASR (Item 3 minus Item 8)	\$21.22				
		23. 25% of APG (Item 3 times 25 percent)	\$120.81				
24. Payment Rate (Lesser of Item 22 or Item 23)		\$21.22					
	25. Projected Estimated ACRE Payment (Item 17 times Item 20 times Item 21 times Item 24)	\$2,611					

<b>Table 4: Projected Payment Comparison</b>			<b>Example:</b>		
<b>Note:</b> Direct and CC Payments are reduced if fruits, vegetables or wild rice are planted on base acreage.			<b>Wheat</b>		
<b>Basic Information</b>	1. Base Acreage for the crop		<b>125</b>		
	2. Direct and Counter-Cyclical Payment Share		<b>100 pct</b>		
	3. Direct Payment Yield		<b>86</b>		
	4. Direct Payment Rate (Table 1, Item 4)		<b>0.52</b>		
	5. Counter-cyclical (CC) Payment Yield		<b>88</b>		
	6. Counter-cyclical Payment Rate (Zero, if negative)  _____ minus (higher of _____ or _____) Table 1, Item 6 (CC Threshold)      Table 1, Item 5 (DCP Loan Rate)      Table 3, Item 5		(3.39 minus 4.60 = neg.)  <b>(Zero)</b>		
<b>DCP Payments</b>	<b>Direct</b>	7. Calculation: Item 1 x Item 2 x Item 3 x Item 4 x 0.85	<b>\$ 4,752</b>		
	<b>Counter-Cyclical</b>	8. If Item 6 is zero, enter zero.  If Item 6 is greater than zero, calculate the CC payment as follows:  Item 1 x Item 2 x Item 5 x Item 6 x 0.85	<b>0</b>		
<b>9. Total DCP Payments</b>			<b>\$ 4,752</b>		
<b>ACRE Program Payments</b>	<b>Direct</b>	10. Calculation: Item 7 times 80%	<b>\$ 3,802</b>		
	<b>ACRE</b>	11. See Table 3, Item 25	<b>\$2,611</b>		
	<b>12. Total ACRE Program Payments</b>			<b>\$ 6,413</b>	

<b>Table 5:</b>		<b>2013 Signup: On or Before June 3, 2013</b>	
<b>2013 Timetable</b>		<b>ACRE Program</b> ACRE Payments issued if eligible.	<b>DCP Program</b> Counter-Cyclical Payments (CC) issued if authorized
<b>Year</b>	<b>Month or Date</b>		
2012-2013	Varies by county and crop	File 2013 Acreage Report	File 2013 Acreage Report
2013	June 3	Final date to elect and enroll in 2013 ACRE Program.	
	July 15	File 2012 Production Reports and Establish Benchmark Farm Yields.	
	August 1	Final date to request reconstitution of the farm.	Final date to request reconstitution of the farm.
	August 2		Final date to enroll in 2013 DCP Program.
	September 30	Final date to designate payment acreage, if necessary.	
	October	Begin issuing Final Direct Payments	Begin issuing Final Direct Payments
2014	July 15	File 2013 Production Reports and Establish Benchmark Farm Yields.	
2014	October	ACRE payments for all crops (including soybeans) except rice, other oilseeds, and chickpeas.	CC payments for all crops (including soybeans) except rice, other oilseeds, and chickpeas.
	December	ACRE payments for other oilseeds and chickpeas.	CC payments for other oilseeds and chickpeas.
2015	February	ACRE payments for rice.	CC payments for rice.

**Information or Estimations Needed to Project 2013 ACRE Payments**

A. Projected National Average Market Price: 1) 2011 \_\_\_\_\_; 2) 2012 \_\_\_\_\_; 3) 2013 \_\_\_\_\_

B. Benchmark Farm Yield: 1) Benchmark Farm Yield \_\_\_\_\_ **OR** Farm's Est. Avg 2008 - 2012 \_\_\_\_\_

C. Benchmark State Yield: 1) Benchmark State Yield \_\_\_\_\_ **OR** State's Est. Avg 2008 - 2012 \_\_\_\_\_

D. Estimated Actual 2013 Yields: 1) State \_\_\_\_\_; 2) Farm \_\_\_\_\_

**Frequently Asked Questions**

Q1: In previous years, an owner was required to agree to the ACRE election. Is this still required for 2013?

No. Since the decision to participate in ACRE is for 2013 only, the owner does not need to agree. All other signature requirements must be met by June 3, 2013.

Q2: 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.

Q3: Can a farm enroll some base acres and not others?

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

Q4: 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.

Q5: 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

increases the Farm Acre Guarantee and, thus the probability of meeting the "Farm Trigger." tee and, thus the probability of meeting the "Farm Trigger."

Q6: 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?

Yes. Prevented planted acres are "considered planted."

Q7: 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. However, the maximum acreage eligible for ACRE payments cannot exceed the total base acres on the farm.

Q8: 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.

Q9: If a producer designates payment for a crop, but the crop does not "trigger" payments, are the designated payment acres transferred to another crop?

No. In the event a crop does not trigger the designated payment acres become "unpaid."

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