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ACRE Covered Agri-Pulse¹

Mr. Barnaby,

I see that you have contributed to an article in Agri-Pulse newsletter on the new ACRE option program. I was wondering if you had an article that I could use on our website that would explain this new program. I would credit you however you choose. I look forward to hearing from you. Thank you!

Crop Insurance Marketing Specialist

Art,

I appreciate you keeping me on your distribution list. Can you just give me a snapshot (your gut feel) on whether this ACRE program will likely attract much participation in say wheat/corn producers?

Farm Origination Representative

Dear Friends,

Thank you for sending your letters and comments.

¹Prepared by G. A. (Art) Barnaby, Jr., Professor, Department of Agricultural Economics, K-State Research and Extension, Kansas State University, Manhattan, KS 66506, June 4, 2008, Phone 785-532-1515, e-mail – barnaby@ksu.edu.

I agree with you, Sara Wyant has done an excellent job of explaining ACRE in a recent publication Agri-Pulse, volume 4, number 23. I tend to tell you “how the clock was built” while Sara answers the real question “of what time it?”

If not for the 20% reduction in direct payments, I think most farmers would sign up for ACRE. However, because of the 20% reduction, ACRE is not a free program. So the starting point is to consider how often would ACRE have paid in the past. I have the historical results for major states competed and posted on AgManager.info. I am working on cotton and should have the results posted soon.

The 2007 crop year would not have been a good year to signup for ACRE. However, if 2008 turns into a short crop year and drives up prices, then 2009 may be the perfect year to signup for ACRE. We will be following 2008 market and provide additional analysis on ACRE signup. KSU’s results will be posted on AgManager.info.

My only current summary on ACRE is posted at http://www.agmanager.info/crops/insurance/risk_mgt/rm_pdf08/ABacre.pdf
Troy Dumler, KSU, will also likely add additional Farm Bill/farm program material on AgManager.info. In addition Dr. Brad Lubben, University of Nebraska will be posting farm program information on their WEB site but he also often post’s it on AgManager.Info too. As a public institution, it is okay to link or post KSU analysis. Kansas State University would appreciate it if your posting gave credit for the original work.

Sara Wyant has done an extremely good job of explaining how ACRE would work (besides quoting me). Sara does not have KSU paying her costs, so she needs to sell subscriptions to stay in business. So I would suggest interested people contact her directly about subscriptions or publication deals. Her letter is electronic and covers a large number of public policy issues. Her contact information is below:

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