

Alabama



Peanut Producers Association

Peanut Production Meetings 2018

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Executive Director

PLC Payment for 2017 crop?

- ▶ Will be significantly lower than what you received in October
 - ▶ Currently half way through the marketing year.
- If** average price remains where it is now:
- ▶ \$75/base ton
 - ▶ Likely to increase to \$80 - \$100

Seed Cotton Provisions for 2018

- ▶ NO GENERIC BASE IN 2018
- ▶ PLC program for seed cotton beginning with 2018 crop
- ▶ Seed cotton defined as unginning cotton (seed + lint)
- ▶ Land owners must allocate ALL generic base within 90 days of the passage of the bill.
- ▶ Owner will have the opportunity to update their payment yield for cotton (2008-2012)
- ▶ Reference price is \$0.367 per lb/floor is \$0.25 per lb
- ▶ Payment yield = $2.4 \times$ lint yield

Seed Cotton Provisions for 2018

Grower will have 2 options for generic base

- ▶ Option 1: Retain the most seed cotton base
- ▶ Option 2: Reallocate generic base to other commodities, including seed cotton

Example of Determination of Seed Cotton Base Acreage:

Total base on farm: 800 acres

Total generic base: 500 acres

2009-12 average planted acres:

Cotton: 300 acres

Corn: 200 acres

Peanuts: 200 acres

Soybeans: 100 acres

Option 1: Retain the most seed cotton base

- ▶ Choose the greater of 2009-12 average seed cotton plantings or 80% of generic base.
- ▶ Will result in unassigned base

Total base on farm: 800 acres

Total generic base: 500 acres

2009-12 average planted acres:

Cotton: 300 acres

Corn: 200 acres

Peanuts: 200 acres

Soybeans: 100 acres

Option 1: Retain the most seed cotton base

- ▶ Choose the greater of 2009-12 average seed cotton plantings or 80% of generic base.
- ▶ Will result in unassigned base

$80\% * 500 \text{ generic base acres} = 400$

-OR-

2009-12 average planted cotton acres = 300

Total base on farm: 800 acres

Total generic base: 500 acres

2009-12 average planted acres:

Cotton: 300 acres

Corn: 200 acres

Peanuts: 200 acres

Soybeans: 100 acres

Option 2: Reallocate generic base to other commodities

- ▶ Reallocate to seed cotton and other covered commodities according to the 09-12 average plantings (%)
- ▶ Retain 100% of base

Total base on farm: 800 acres

Total generic base: 500 acres

2009-12 average planted acres:

Cotton: 300 acres

Corn: 200 acres

Peanuts: 200 acres

Soybeans: 100 acres

Option 2: Reallocate generic base to other commodities

- ▶ Reallocate to seed cotton and other covered commodities according to the 09-12 average plantings (%)
- ▶ Retain 100% of base

$$\text{Seed Cotton: } 500 * (300/800) = 187.5$$

$$\text{Corn: } 500 * (200/800) = 125.0$$

$$\text{Peanuts: } 500 * (200/800) = 125.0$$

$$\text{Soybeans: } 500 * (100/800) = 62.5$$

Total base on farm: 800 acres

Total generic base: 500 acres

2009-12 average planted acres:

Cotton: 300 acres

Corn: 200 acres

Peanuts: 200 acres

Soybeans: 100 acres

2018 Southern Peanut Growers Conference

Sandestin Golf and Beach Resort
Miramar Beach, FL
July 19-21

NEW FARM BILL