

H.R. 2, Agriculture and Nutrition Act of 2018

Title I - Peanuts

Covered Commodities:

As defined in the 2014 Farm Bill as well as adding seed cotton.

Base Acres:

As defined in the 2014 Farm Bill and recorded for the farm for the 2018 crop year. No base reallocation or updating was included in the language. However, it does have language for treatment of unplanted base for the covered commodities. If a farm had no covered commodities planted or prevented from being planted during the time period of January 1, 2009 to December 31, 2017, the bases for that farm will be classified as unassigned crop base and no ARC/PLC payments can be made. Included in the language is the prohibition on reconstitution of the farm to get around this feature.

Payment Yield:

As defined in the 2014 Farm Bill (90% of the 2008-2012 crop years average yield per planted acre). Includes language for the landowner to have a single opportunity to update payment yield on their farm if located in a county affected by drought. The county must have been rated as a D4 (exceptional drought) intensity for 20 or more consecutive weeks during the period of January 1, 2008 to December 31, 2012. If owner decides to update the payment yield on a covered commodity by covered commodity basis, the new payment yield will be 90% of the average yield per planted acre for the crop years of 2013-2017. If for a given year, the farm's yield is less than 75% of the average county yield, USDA shall assign a yield for that crop year equal to 75% of the average of the 2013-2017 county yield.

Reference price:

Same as in the 2014 Farm Bill except seed cotton which is the same as in the 2018 seed cotton provision.

Peanuts - \$535/ton	Oats - \$2.40/bu
Wheat - \$5.50/bu	Rice (long and medium) - \$14.00/cwt
Corn - \$3.70/bu	Soybeans - \$8.40/bu
Grain Sorghum - \$3.95/bu	Seed cotton - \$0.367/lb.
Barley - \$4.95/bu	

Effective reference price:

(To be used in the PLC calculation instead of the reference price): Is the lesser of:

- (A) 115% of the reference price for such covered commodity; or
- (B) Greater of:
 - a. The reference price for such covered commodity; or
 - b. 85% of the Olympic average of the most recent 5 crop years marketing year average price.

Marketing year average price:

National average market price received by producers during the 12-month marketing year. (Same as in 2014 Farm Bill.)

Marketing Loan:

Same as in the 2014 Farm Bill except seed cotton which is the same as in the 2018 seed cotton provision.

Peanuts - \$355/ton	Oats - \$1.39/bu
Wheat - \$2.94/bu	Rice (long and medium) - \$6.50/cwt
Corn - \$1.95/bu	Soybeans - \$5.00/bu
Grain Sorghum - \$1.95/bu	Upland cotton - \$0.45-0.52/lb.
Barley - \$1.95/bu	

For calculations of PLC/ARC for seed cotton, the loan rate is \$0.25/lb but is a NO non-recourse marketing assistance loan for seed cotton.

PLC Calculation:

The effective price is the higher of the marketing year average price or the national average loan rate. (Same as in 2014 Farm Bill.) If the effective price, is less than the effective reference price, the PLC payment is determined. The payment formula is the same as in the 2014 Farm Bill but with a change using the effective reference price definition instead of strictly the reference price.

$$\text{Payment formula} = 85\% * \text{Base Acres} * \text{Payment Yield} * (\text{Effective reference price} - \text{effective price}).$$

Special Rules for Peanuts:

Same as in the 2014 Farm Bill in regards to administering the marketing assistance loans through DMAs, marketing cooperatives and FSA; storage of loan peanuts; and storage, handling and associated costs – USDA pays handling and other associated costs but no storage costs but will be repaid when the loan is redeemed. If forfeited, USDA pays storage, handling and other associated costs. Repayment rate for loan peanuts is the same as in the 2014 Farm Bill.

Payment Limitations:

- ◆ AGI limit is same as in 2014 Farm Bill (i.e., \$900,000 3-year average).
- ◆ Separate peanut payment limit.
- ◆ \$125,000 payment limit.
- ◆ Includes changes for pass-through entities and family member definitions.