



WASHINGTON STATE  
UNIVERSITY  
EXTENSION

## WASHINGTON FARM BILL OUTREACH

### Educating Farmers on New Farm Program Options

#### BY THE NUMBERS

- About 350 dairy producers and 750 crop producers attended the Farm Bill Education workshops.
- 11 workshops on the Dairy Margin Protection Program.
- 12 workshops on the Price Loss Coverage and Agriculture Risk Coverage programs.
- Farm Bill program elections were made on 17,113 Farm Security Administration farm units with more than 3.4 million acres of production.



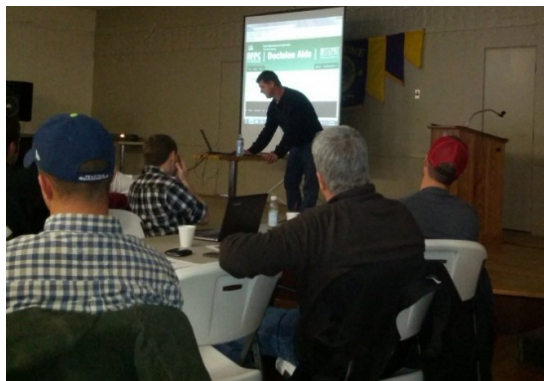
## 2015

### ISSUE

The Agricultural Act of 2014, more commonly known as the Farm Bill, is recurring 5-year legislation that sets national agricultural policies. The 2014 Farm Bill has been described as a sweeping overhaul of agricultural policy. It eliminated direct support payments and replaced them with new, insurance-based programs for many important commodities in Washington such as wheat, barley, legumes, corn, and dairy. A significant departure from past programs that enrolled producers annually, is that decisions on new crop programs are binding for the life of the 2014 Farm Bill, which is at least through 2018. For dairy producers, the 2014 Farm Bill eliminated the historic MILC (Milk Income Loss Contract) program and replaced it with the insurance-based Margin Protection Program (MPP). These new programs are critical risk-management options that require producers to make enrollment decisions on programs and program options that they have never seen.

### RESPONSE

The new Farm Bill programs and their complicated options required extensive education efforts in a short timeframe to meet program enrollment deadlines. WSU Extension, through the [Western Center for Risk Management Education](#), collaborated to provide a national [Farm Bill Conference](#) in Kansas City as a train-the-trainer workshop for Extension educators to learn about program options and national computer decision aids. WSU Extension also co-hosted a regional workshop in Salt Lake City on the Texas A&M Farm Bill Decision Aid. The Farm Bill provided funding for each state to conduct Farm Bill Education workshops. From October through November, 11 dairy producer workshops were conducted throughout Washington on the Dairy MPP. A publication was created evaluating MPP implications for Washington dairy producers, "[Overview of the Agricultural Act of 2014 Dairy Margin Protection Program and Its Implications for Washington Dairy Farmers](#)." Starting in December and lasting into March, 12 workshops on the Price Loss Coverage (PLC) and Agriculture Risk Coverage program options were conducted for crop producers. Information on program options was posted on the [WSU Small Grains](#) website, which includes links to decision aids, video presentations, and newsletters.

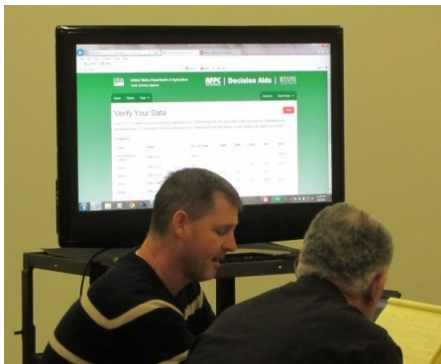


## QUOTES

"For many farms that have both owned land and rented land, the Farm Bill program option data analysis is huge – overwhelming. Attending this Farm Bill workshop has been a huge help in understanding my program options and risks. Thanks for putting on the workshop."

"I really appreciated the hands-on help after the workshop to work through the details on the specific program options for my farm operation."

"I wanted to pass on the many compliments that we have received on the Farm Bill Dairy Margin Protection Program workshops. Several producers have mentioned how much they appreciate knowing more about this program ... and the Darigold staff have all indicated how helpful the materials are for them to talk out in the field with their members." - Jay Gordon, Executive Director Washington Dairy Federation



## IMPACTS

It is commonly known that dairy producers face substantial profitability risk as milk price can be highly volatile in response to world dairy market conditions. The MPP is the first widely available program that dairy producers can use to manage the financial risk they face.

There are 480 licensed dairy operations in Washington. About 350, or 73%, of the dairy producers in the state attended the MPP workshops. For 2015, 309 Washington dairy producers enrolled in the MPP, which represented about 64% of the dairy farms and dairy production in the state. Of those choosing to enroll, 58% purchased more than minimum coverage levels. This requires producers to pay higher insurance premiums for the higher coverage levels. High enrollment rates among Washington dairy producers show that they are taking proactive steps to manage their financial risk.

The Farm Bill commodity program decisions were complex for Washington producers because of the diverse rotations that have been expanding into new crops such as chickpeas and canola, the high variability in crop yields across a county, and adoption of reduced tillage operations that affect both yields and rotations. For Washington, the commodity program decision affected 17,113 Farm Security Administration farm units and more than 3.4 million acres of production. Wheat had by far the largest production acreage with more than 2.9 million acres enrolled in Farm Bill program options.

Washington producers chose to enroll 90% of the wheat base acres into the ARC-CO program, 6% into the PLC program, and 4% into the ARC-IC program. Washington has the highest enrollment in the ARC-CO compared to the other leading wheat producing states ranked by base acres, with 60-75% of their base acres enrolled in the ARC-CO program. The predominance of choice in the ARC-CO program has future cash flow implications that are tied to county yields. If yields are low as they are proving to be in 2015, it can decrease the cash flow payments from the ARC-CO program.

On a 7-point scale (1 low to 7 high) evaluating knowledge gain in Farm Bill Education workshop attendees, the gain in knowledge jumped from 2.7 to 5.5 for dairy and 2.2 to 5.0 for crop producers. The quality of information and presentations was rated 6 for all workshops. The ability to use workshop information to make program decisions was rated 6.5 for dairy and 5.0 for crop options.