WACO – Dr. Joe Outlaw, Texas A&M AgriLife Extension Service economist, predicts cuts will be forthcoming to federal farm programs in the future. But until then, farmers will operate under the 2008 Farm Bill this year receiving a direct payment on eligible crops.

The 2008 Farm Bill was extended by Congress in January, said Outlaw, co-director of the Agricultural and Food Policy Center at Texas A&M University in College Station. He told producers at the recent Blackland Income Growth Conference the current farm programs could be altered or possibly go away and be replaced by insurance programs.

Though no specific farm bill discussion is alive among Congressional lawmakers, Outlaw said possible drafts exist in both the House and Senate.

The 2008 Farm Bill was extended by Congress in January. (Texas A&M AgriLife Extension Service photo by Blair Fannin)

Farmers have an opportunity to sign up for the direct and countercyclical payment, known as DCP, or the Average Crop Revenue Election, or ACRE, program beginning Feb. 19, Outlaw said. The sign-up for ACRE ends June 3, and DCP sign-up ends Aug. 2.

Future farm programs and the safety nets will likely “shift to more insurance tools,” Outlaw said. To be considered for direct payments, farmers must sign up by the deadline.

“After that, there’s less likely subsequent impact” on what farmers could receive with regards to price support payments, Outlaw said. The farm bill extension passed in January prevented milk prices from skyrocketing. There were several programs part of the 2008 Farm Bill that did not receive extensions, including bioenergy and beginning farmer and rancher programs. Outlaw said farmers will need to study both the ACRE program and DCP to see how they compare.

“We have had a lot of questions,” he said. “We have a lot of questions about how it will work this time.”

He said farmers should look at the lower level of payment with ACRE and evaluate the advantages. For cotton, with a support price of about 71 cents a pound, farmers need to consider the 20 percent loss of the direct payment with ACRE and ask if the ACRE benefits can make that up.

“We can help farmers determine the best option,” Outlaw said.

To assist farmers, the Agricultural and Food Policy Center has tools available at http://afpc.tamu.edu/ . Staff is also available to answer questions and help farmers evaluate alternatives, Outlaw said.

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