

Lecture VIII: Agricultural Improvement Act of 2018

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1 Sec. 1101. Producer Election

2 Sec. 9017

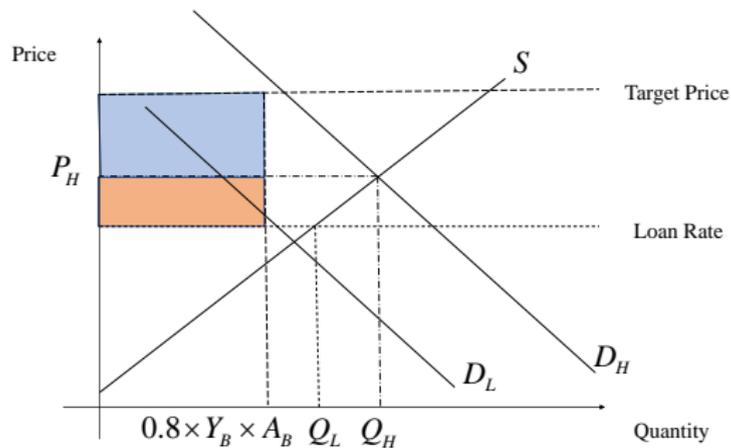
Sect. 1101. Producer Election

- Section 1115 of the Agricultural Act of 2014 (7 U.S.C. 9015) is amended –
 - (1) in section (a), in the matter preceding paragraph (1), by striking “Except as provided in subsection (g), for the 2014 through 2018 crop years” and inserting “For the 2014 through 2018 crop years (except as provided in (g)) and for 2019 through 2023 crop years”;

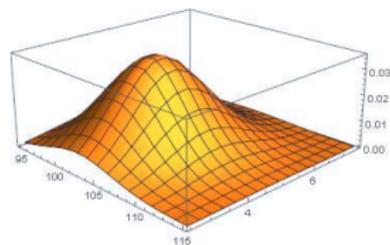
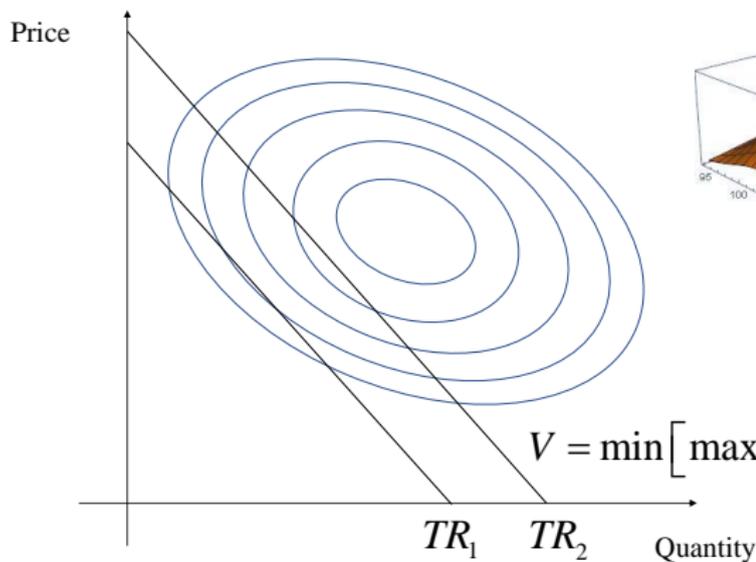
7 U.S.C. Section 9015

- (a) **Election Required** Except as provided in subsection (g), for the 2014 through 2018 crop years, all the producers on a farm shall make a 1-time, irrevocable election to obtain –
- (1) **price loss coverage** under **section 9016** of this title on a covered commodity-by-covered-commodity basis; or
 - (2) **agricultural risk coverage** under **section 9017** of this title.

Old Agricultural Programs – through 2008



Agricultural Risk Coverage



$$TR(p, q) = p \times q$$

$$V = \min \left[\max (TR_2 - p \times q, 0), TR_1 \right]$$

7 U.S.C. Section 9015, Continued

- (b) **Coverage options** In the election under subsection (a), the producers on a farm that elect under paragraph (2) of such subsection to obtain agriculture risk coverage under section 9017 of this title shall unanimously select whether to receive agriculture risk coverage payments based on —
- (1) county coverage applicable on a covered commodity-by-covered-commodity basis; or
 - (2) individual coverage applicable to all of the covered commodities on the farm.

7 U.S.C. Section 9015, Continued

- (c) **Effect of failure to make unanimous election** If all the producers on a farm fail to make a unanimous election under subsection (a) for the 2014 crop year—
- (1) the Secretary shall not make any payments with respect to the farm for the 2014 crop year under section 9016 or 9017 of this title; and
 - (2) the producers on the farm shall be deemed to have elected price loss coverage under section 9016 of this title for all covered commodities on the farm for the 2015 through 2018 crop years.
- (d) **Effect of selection of county coverage** If all the producers on a farm select county coverage for a covered commodity under subsection (b)(1), the Secretary may not make price loss coverage payments under section 9016 of this title to the producers on the farm with respect to that covered commodity.

Sec. 1103 Agriculture Risk Coverage

- Section 117 of the Agricultural Act of 2014 (7 U.S.C. 9017) is amended –
 - (1) in subsection (a), in the matter preceding paragraph (1) –
 - (A) by inserting “(beginning with the 2019 crop year, based on the physical location of the farm)” after “payments”; and
 - (B) by inserting “or the 2019 through 2023 crop years, as applicable” after “2014 through 2018 crop years”;

Sec. 9017. Agriculture Risk Coverage

- (a) **Agriculture risk coverage payments** If all of the producers on a farm make the election under section 9015(a) of this title to obtain agriculture risk coverage, the Secretary shall make agriculture risk coverage payments to producers on the farm if the Secretary determines that, for any of the 2014 through 2018 crop years-
- (1) the actual crop revenue determined under subsection (b) for the crop year; is less than
 - (2) the agriculture risk coverage guarantee determined under subsection (c) for the crop year.

Sec. 9017. Agriculture Risk Coverage, continued

- (b) Actual crop revenue
 - (1) **County coverage** In the case of county coverage, the amount of the actual crop revenue for a county for a crop year of a covered commodity shall be equal to the product obtained by multiplying-
 - (A) the actual average county yield per planted acre for the covered commodity, as determined by the Secretary; and
 - (B) the higher of-
 - (2) Individual coverage