



Vilsack Resists APH Update

Ag Secretary Says Other Farm Bill Provisions Take Priority

Wed Aug 6, 2014 05:14 PM CDT

By Chris Clayton
DTN Ag Policy Editor
and
Jerry Hagstrom
DTN Political Correspondent



Dale Artho, a farmer outside of Wildorado, Texas, has seen his dryland wheat yields devastated over the last couple of years. A provision in the farm bill would help with that, but Secretary of Agriculture Tom Vilsack said it would not go into effect until 2016. (DTN photo by Chris Clayton)

BARSTOW, Calif. (DTN) -- Dale Artho lost all of his dryland wheat crop this year outside of Wildorado, Texas, as drought continued to devastate winter wheat yields in Texas and Oklahoma.

"I've had two years in a row on dryland where I've had zeros," Artho said in an interview with DTN last week. "I've had two years of the last four where I had yields harvesting anything from seven to 12 bushels. Our yields are worse than they were during the Dust Bowl."

The drought appears to have loosened its grip in recent months for farmers on the Southern Plains, but this year still produced the most disappointing winter wheat crop in Oklahoma since 1957. Harvest was cut in half with yield declining statewide from 31 bushels an acre last year to 17 bpa this year. Production fell to 51 million bushels.

Such poor yields whittle down a farmer's Actual Production History for crop insurance and increase the financial risk for the operation.

A provision in the farm bill is supposed to allow a farmer to exclude a recorded or estimated yield for a crop year when the entire county is 50% below the 10-year average county yield. Effectively, that year can be voided from a producer's yield history. A primer by the crop insurance industry adds, "This also applies to

contiguous counties and allows for the separation of irrigated and non-irrigated acres."

Agriculture Secretary Tom Vilsack told reporters on a conference call Tuesday that USDA would not be able to implement that provision this year. House Agriculture Committee Chairman Frank Lucas, R-Okla., has been calling on USDA to enact the provision. Lucas has suggested that USDA could at least allow farmers in some drought-plagued counties to update their histories.

But Vilsack said the work on the APH has to be done by the same USDA officials in the Farm Service Agency and the general counsel's office who are focused on broader farm bill implementation issues. Vilsack said it was more important to roll out the Stacked Income Protection Program (STAX) for cotton and the Supplemental Coverage Option (SCO) insurance programs, as well as the two new commodity programs -- Price Loss Coverage and Agricultural Risk Coverage.

"We had a choice to make in terms of allocating assets," he said. "We are trying to get work done that was mandated by Congress."

In addition, updating APH is "complex" because it involves computations for each farmer based on each commodity and county statistics, he said.

"It is very IT intense and labor and staff intense," Vilsack said.

The secretary said that he doesn't know how feasible it is for an individual crop or counties to be designated to update APH. "What if you have a multitude of producers in one county, only a few in another county?" Vilsack asked rhetorically. "Those are decisions that have to be made if you want to single out commodities.

"I appreciate the concern of the chairman. Obviously he is concerned about his producers," Vilsack said, but he added that if USDA focused on APH and did not get the work done on the programs, Lucas "would be equally concerned about all producers."

Artho noted his banker looks at his crop insurance when lending operating funds for the year. Insurance is a key component to his stability, and that centers on the production history used by insurers.

"I readily admit, in terms of farming and risk, that I do farm in a higher-risk area than some other people do, but all farms have risk with weather because it's out of our control," Artho said.

Artho questioned why USDA would choose not to implement the provision and delay the intent of Congress. "The only thing I can think of is they are looking at the drought monitor and what potential payouts might be," he said.

Artho added, "That's a lot of coverage loss on the risk side."

Still, Vilsack said on the eve of the six-month anniversary of the 2014 farm bill that he is proud of USDA's record on implementation, but noted that farmers will not be able to update their actual production history records until the 2016 crop year.

Vilsack said he was particularly pleased that USDA has been able to process more than 165,000 applications for disaster assistance. USDA has already paid out more than \$1.8 billion, he said, adding he expects the total disaster payments to exceed \$2 billion.

He also noted that USDA has made progress in implementing new crop insurance measures, including the whole farm policy and the supplemental coverage option and the new STAX program for cotton.

The new dairy margin insurance program will be in place by the time producers need it, Vilsack said. House Agriculture Committee ranking member Collin Peterson, D-Minn., has said he worries that USDA is not doing enough to inform dairy producers about that program, but Vilsack said dairy producers will have plenty of time to enroll before it goes into effect.

Vilsack also cited the administration's release of the regional conservation partnership program, which has received 586 initial proposals, the establishment of the research foundation in the bill, and the launch of specialty crop block grant and organic research programs. He also directed the public to the USDA farm bill implementation website for more details. (<http://1.usa.gov/...>)

An earlier version of this article incorrectly described the details of the APH provision. This article has been updated with the correct information.

Chris Clayton can be reached at chris.clayton@dtn.com

(AG)

© Copyright 2014 DTN/The Progressive Farmer. All rights reserved.