



Payment Yield Update Fact Sheet

Michael A. Deliberto and Michael E. Salassi
*Louisiana State University Agricultural Center
 Department of Agricultural Economics & Agribusiness*

- Farm owners can elect to update program payment yields on a covered commodity-by-covered commodity basis for the 2014 through 2018 crop years.
 - If no decision is made, the default option is to retain 2013 countercyclical yields.
- This is an independent decision from the base acre reallocation option.
- Payment yields can be updated regardless of Title I program choice.
- Payment yields are used only for purposes of PLC payment calculations (if triggered).
- The yield update formula for a covered commodity is equal to the following equation.

$$(90\% * \text{Farm's 2008 through 2012 average yield per planted acre})$$
- Any year in which the covered commodity was not planted is excluded from this simple average.
- If the yield for a farm for any of the 2008 to 2012 crop years was less than 75% of the county level yield, producers can substitute that yield in the calculation with a yield equal to 75% of the county average yield.
 - Substitute county level yields area available for selected crops, by state from USDA FSA.
- The following example calculates a program payment yield update for a corn farm located in Tensas parish. Assume that the farm has a current countercyclical yield of 70 bushels.

Year	Farm's Yield per Planted acre
2008	135 bushels
2009	129 bushels
2010	124 bushels
2011	118 bushels
2012	174 bushels
Updated Payment Yield	122.40 bushels

- The updated program yield is calculated by applying the following equation.

$$90\% * \left[\frac{(135+129+124+118+174)}{5} \right] = 122.40$$
- In this example, the farm yield per planted acre was greater than 75% of the 2008-12 average county yield reported by USDA FSA of 103 bushels for all crop years.
- From this example, the program yield update for corn would result in the program payment yield increasing from 70 to 122.40 bushels.



Michael A. Deliberto can be contacted in the Department of Agricultural Economics and Agribusiness at (225) 578-7267 or by emailing mdeliberto@agcenter.lsu.edu.