

**ACRE (AVERAGE CROP REVENUE ELECTION) PROVISIONS  
IN FOOD, CONSERVATION, & ENERGY ACT OF 2008**

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**AVERAGE CROP REVENUE ELECTION (ACRE)** is a farm program option for all covered commodities and peanuts for the 2009-12 crops, 2010-12 crops, 2011-12 crops, or 2012 crop. Once made, the election is irrevocable through 2012. The election applies to all covered commodities and peanuts grown on the farm. ACRE must be selected (current suite of farm programs is the default selection).

**ACRE CONSISTS OF**

- ▶ Direct payments equal to 80% of direct payments under the traditional direct payment program as established in the Conference Farm Bill
- ▶ Marketing loan payments with loan rates set at 70% of marketing loan rates established in the Conference Farm Bill
- ▶ ACRE revenue protection payments

**ACRE REVENUE PROTECTION PAYMENT TO A FARM EQUALS**

- a. [83.3% of the farm's acres planted to a crop] [becomes 85% for the 2012 crop]
- b. times lesser of [ACRE state revenue guarantee minus state actual revenue]  
or [25% of ACRE state revenue guarantee]
- c. times {[farm's Olympic average yield (removes high and low yield) for the most recent 5 years]  
divided by [state's ACRE benchmark yield]}
  - ▲ **ACRE state revenue guarantee** for a crop per crop year equals  
[90% times (ACRE benchmark state yield per planted acre) times (ACRE price guarantee)]
    - Benchmark yield is Olympic average of state's yields for 5 most recent crop years
    - Price guarantee is simple average of U.S. market year price for 2 most recent crop years
    - For 2010-12, revenue guarantee cannot change more than 10% from previous guarantee
    - Separate state revenue guarantees created for irrigated and non-irrigated land if a state's planted acres are at least 25% irrigated and at least 25% non-irrigated
  - ▲ **ACRE actual state revenue** for a crop per crop year equals  
state yield per planted acre times national average market price {which equals higher of [U.S. average cash price for crop year] or [70% of crop's marketing assistance loan rate]}

**ACRE PLANTED ACRE LIMITATION:**

- ▶ Planted acres that receive an ACRE payment cannot exceed a farm's total base acres
  - ▲ If a farm's total planted acres exceed the farm's total base acres, the farmer chooses which planted acres to enroll in ACRE

**ACRE ELIGIBILITY CONDITIONS:**

- ▶ To receive an ACRE payment, a farm's actual revenue for the crop must be less than the farm's ACRE benchmark revenue for that crop year.
  - ▲ Farm's actual revenue for a crop equals  
farm's actual yield times U.S market year price for crop for crop year (see above)
  - ▲ Farm's ACRE benchmark revenue equals  
[(Olympic average of farm's yields for 5 most recent years) times (ACRE guarantee price)]  
plus (per acre crop insurance premium paid by the farmer for the crop for the year)

**ACRE PAYMENT LIMITATIONS FOR A PERSON OR LEGAL ENTITY:**

- ▶ For direct payments: \$40,000 minus amount equal to 20% reduction in direct payments
- ▶ For ACRE revenue payments: \$65,000 plus amount equal to 20% reduction in direct payments