

Farm Policy Update

Dr. Bart Fischer

**Co-Director & Research Assistant Professor
Agricultural & Food Policy Center (AFPC)**

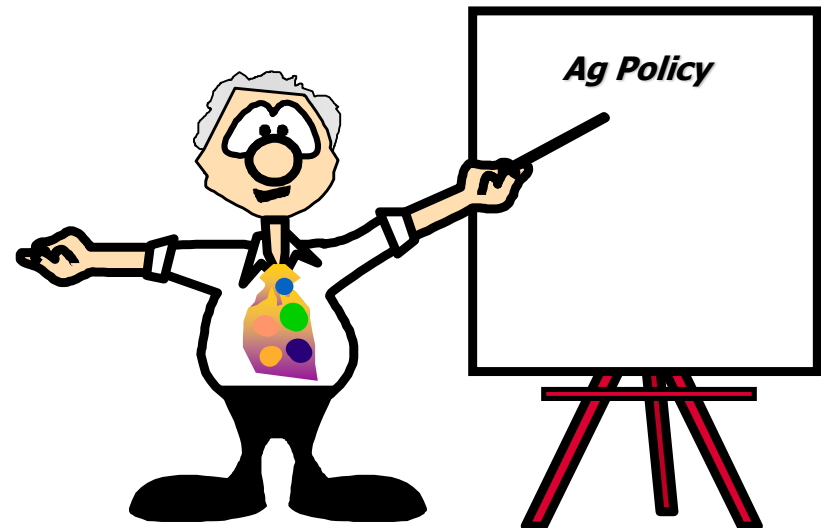
2021 Amarillo Master Marketer Seminar Series

February 24, 2021

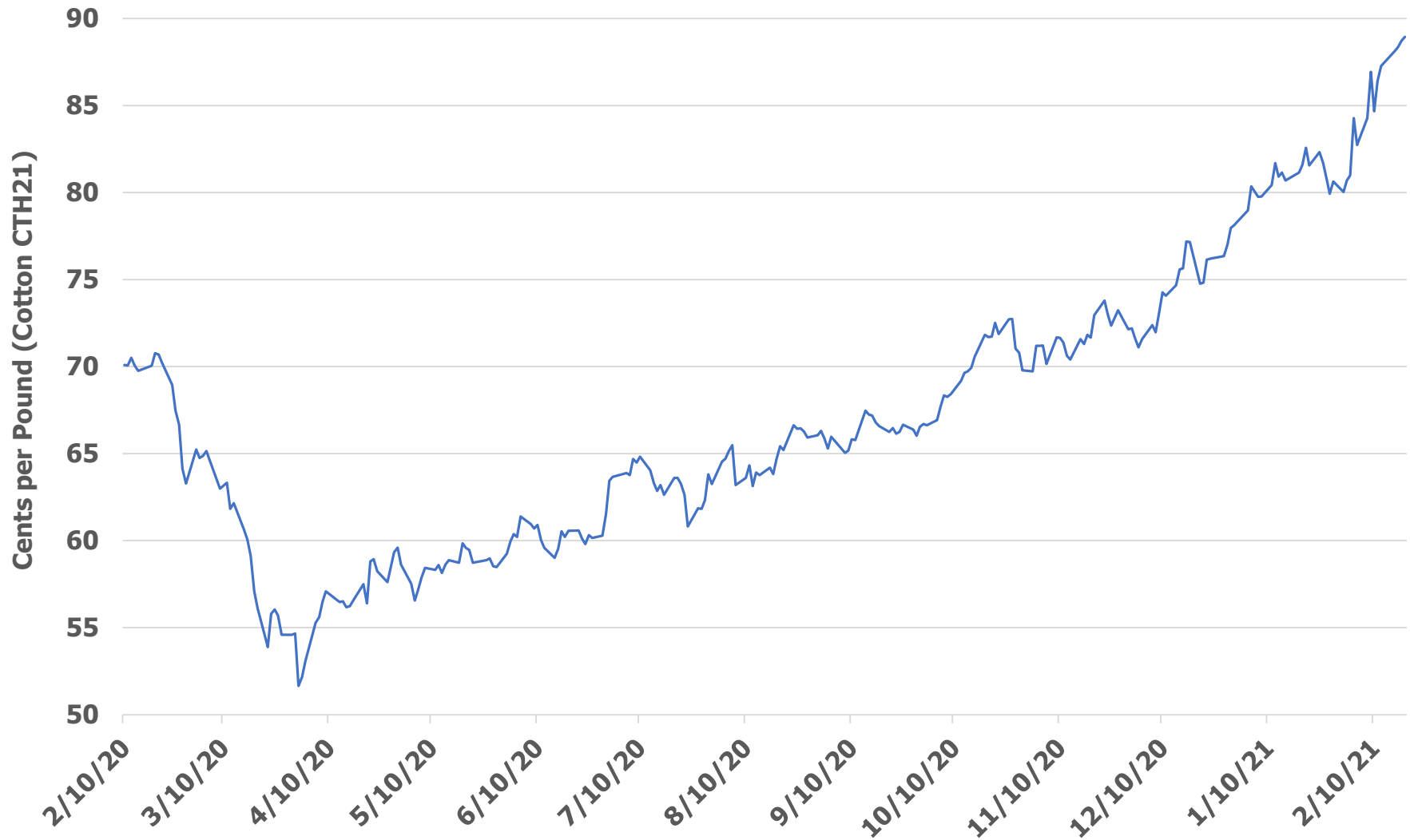
Virtual/Zoom

Presentation Outline

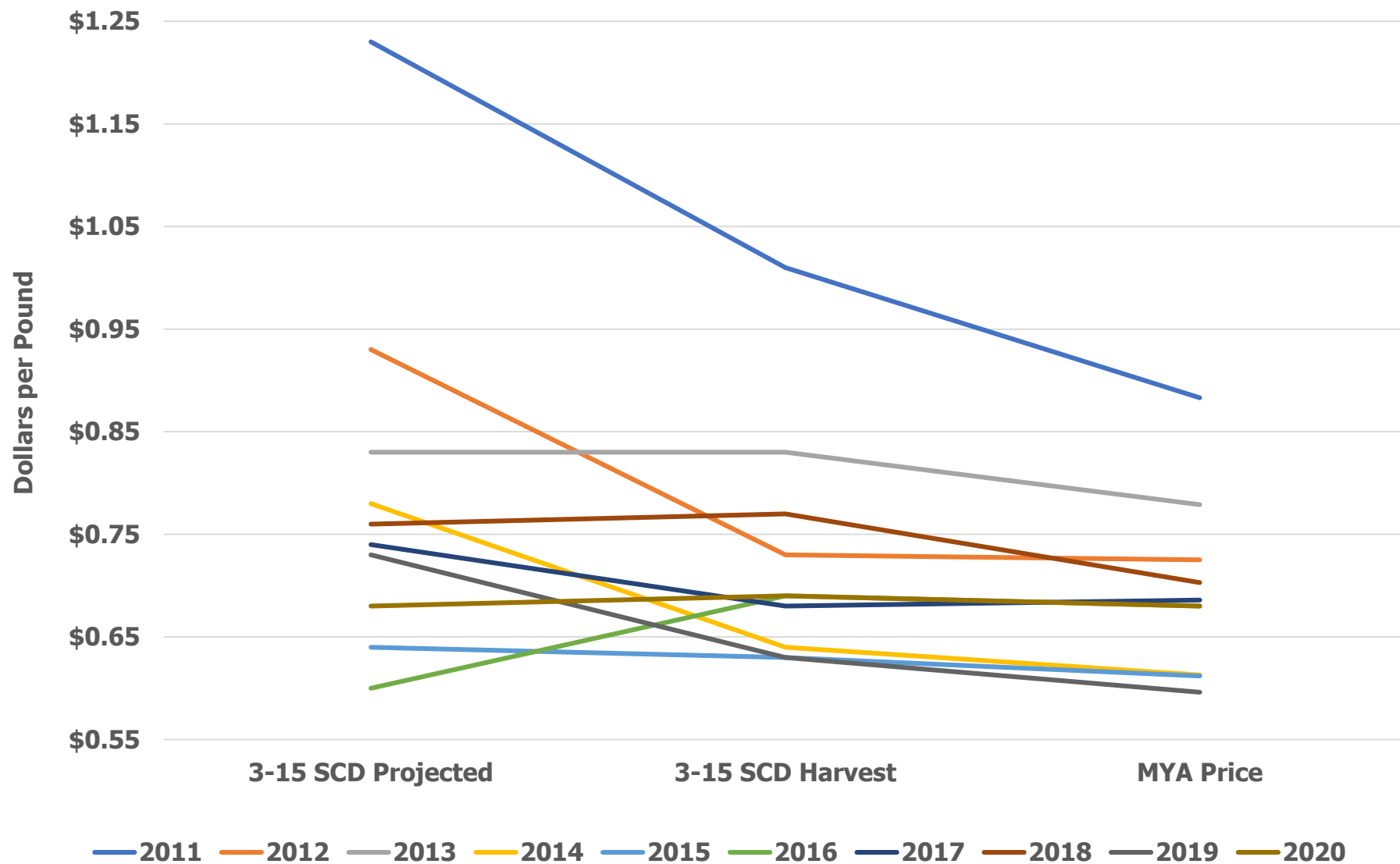
- **Economic Outlook**
- **Policy Update**
 - Quality Loss Adjustment (QLA)
 - ARC/PLC Decisions
 - Crop Insurance Decisions
 - Ad Hoc Update
 - Looking Ahead
 - Next Farm Bill
- **Questions...**



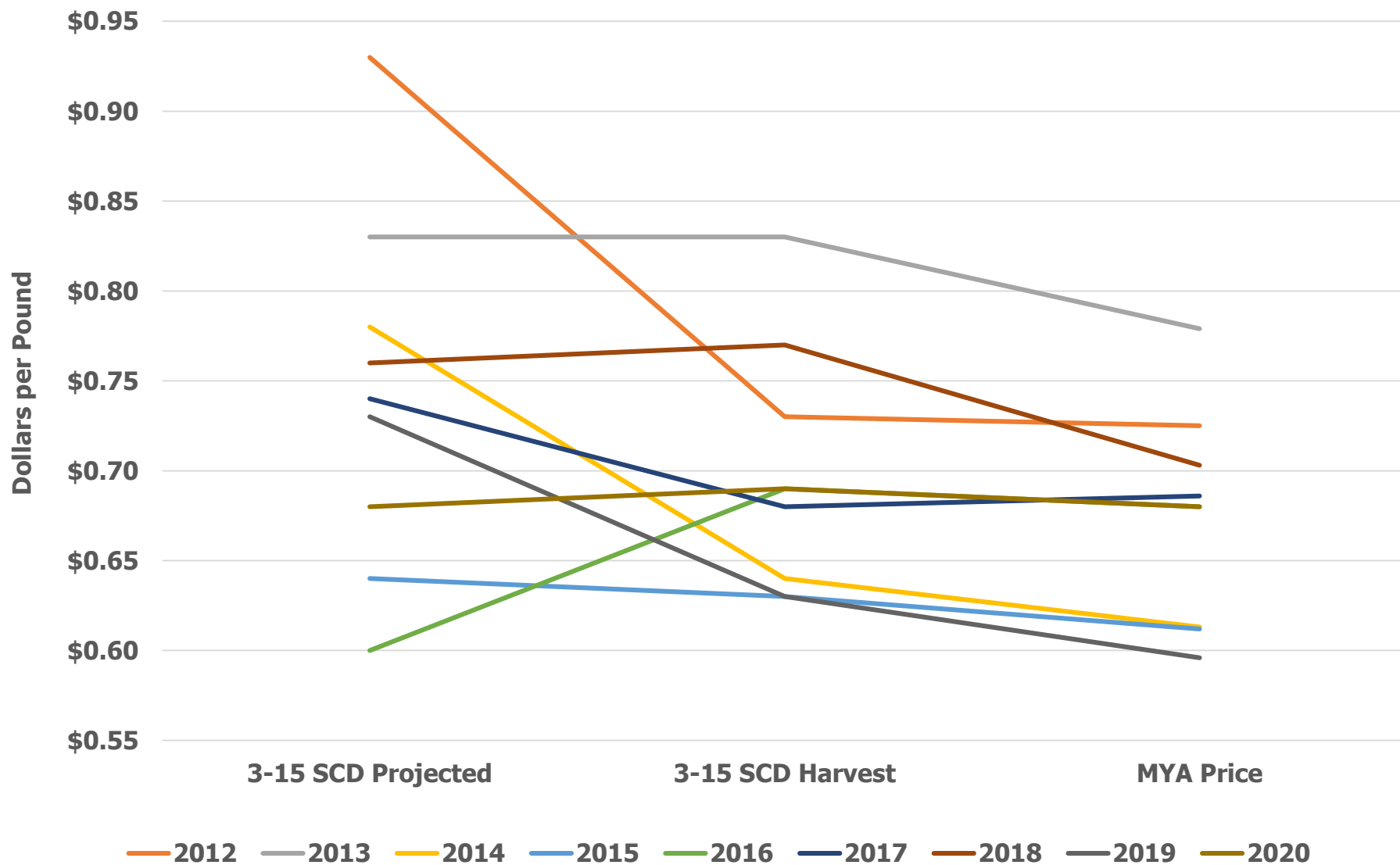
2021 March Cotton Futures



Historic Intra-Season Cotton Price Movements



Historic Intra-Season Cotton Price Movements



Quality Loss Adjustment (QLA)

Quality Loss Adjustment (QLA)

- Deadline: **March 5, 2021**
- **Form FSA-898** may be submitted by mail, fax, hand delivery, or via electronic means. Please call your Service Center prior to sending applications electronically for instructions and assistance.
- Eligible crops include those for which Federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage is available, except for grazed crops and honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees and turfgrass sod.
- Crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. In addition, quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are not eligible.
- A producer's harvested eligible crop must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss (such as total digestible nutrients).

QLA QUALIFYING DISASTER EVENT (2018 AND/OR 2019)	RELATED CONDITIONS
Qualifying Drought*	Heat, excessive wind, hot wind
Excessive Moisture	
Flooding	Silt, debris
Hurricane	Excessive wind, excessive rain, flooding, storm surges, tornado, tropical storm, tropical depression
Snowstorm	Blizzard
Tornado	Excessive wind
Typhoon	Hurricanes, excessive wind, excessive rain, flooding, storm surges, tornado, tropical storm, tropical depression
Volcanic Activity	Ash, fire, vog, lava, earthquake
Wildfire	Heavy smoke
*For drought, the loss is eligible if it occurred in an area within a county rated by the U.S. Drought Monitor as having a D3 (extreme drought) or higher intensity level during 2018 or 2019.	

Quality Loss Adjustment (QLA)

Form FSA-898

DATE STAMPED

Form Approved - OMB No. 0560-0298

OMB Expiration Date: 07/06/2021

This form is available electronically.

FSA-898
(01-08-21)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

1. Recording State Name/Code

2. Recording County Name/Code	
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3. Crop Year

4. Application No.

QUALITY LOSS ADJUSTMENT (QLA) PROGRAM APPLICATION

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 760, Subpart R and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Pub. L. 116-20), as amended by the Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.

Public Burden Statement (Paperwork Reduction Act): Public reporting burden for this collection is estimated to average 30 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

PART A - PRODUCER AGREEMENT

The Department of Agriculture (USDA) will make payments to producers who meet the requirements of the QLA Program. The following information is needed in order for USDA to make a determination that the applicant is eligible to receive a QLA Program payment. By submitting this application, and upon approval by USDA, the applicant agrees:

1. To comply with regulations set forth in 7 CFR Part 760, Subpart R, which may be found at <https://www.regulations.gov/docket?D=FSA-2020-0011>.
2. That the affected production of each crop included in this application suffered at least a 5 percent loss due to quality due to an eligible cause of loss.
3. To provide to USDA all information that is necessary to verify that the information provided on this form is accurate and to allow a USDA representative access to all documents and records of the applicant and those in the possession of a third-party such as a warehouse operator, processor or packer;

FSA-898 (01-06-21)

Page 2 of 2

PART D CROPS OTHER THAN FORAGE WITH TOTAL DOLLAR VALUE LOSS

Line	22. State/ County	23. Crop	24. Crop Type	25. Intended Use	26. Organic Status (O/C)	27. Disaster Event	28. Disaster Event Beginning Date (MM/DD/YYYY)	29. Disaster Event Ending Date (MM/DD/YYYY)
1								
2								
3								
Line	30. Unit of Measure	31. Total Affected Production	32. Type of Quality Loss Discount	33. Total Dollar Value Loss on Affected Production	34. Price Before Discount	COC USE ONLY		
						35. COC Adjusted Total Affected Production	36. COC Adjusted Total Dollar Value Loss on Affected Production	37. COC Adjusted Price Before Discount
1								
2								
3								

Quality Loss Adjustment (QLA)

The Agricultural & Food Policy Center

@Texas A&M University



Home

About Us

Important Links

Publications

Our People

Economic Models

Courses

Contact Information

Our mission

To provide unbiased and objective economic analysis of the impacts for policy alternatives on stakeholders.

Current Projects

[Quality Loss Adjustment \(QLA\) Calculator for Cotton](#)

(Released February 18, 2021)

[Video Tutorial: QLA Calculator for Cotton](#)

[ARC-CO / PLC Decision Aid](#)

(Updated for 2021!)



Agricultural Policy Specialist Dr. Joe Outlaw and colleagues from the Agricultural and Food Policy Center provide brief weekly updates on current agricultural policy issues. See the [recent podcasts](#) available now.

Representative Farms - The AFPC maintains a database of agricultural operations representing the major agricultural production regions of the country. These operations are used in policy research analysis. The representative farms are updated every two years using face to face panel interviews. Types of operations include cotton, rice, feed grain, and wheat farms, cattle ranches, and dairies.

Contact: [George Knappek](#)

The Excel file for the Marketing Year Average (MYA) Prices for Covered Commodities is available [here](#)

Recent Publications

[Working Paper: Representative Farms Economic Outlook for the Preliminary 2021 FAPRI/AFPC Baseline](#)

[Briefing Paper: Representative Farms Economic Outlook for the Preliminary 2021 FAPRI/AFPC Baseline](#)

[Working Paper: Representative Farms Economic Outlook for the August 2020 FAPRI/AFPC Baseline](#)

[Briefing Paper: Representative Farms Economic Outlook for the August 2020 FAPRI/AFPC Baseline Update](#)

[Briefing Paper: Representative Farms Economic Outlook for the June 2020 FAPRI/AFPC Baseline](#)

[Working Paper: Representative Farms Economic Outlook for the June 2020 FAPRI/AFPC Baseline](#)

[Overview of the Coronavirus Food Assistance Program \(CFAP\)](#)

[COVID-19 Impact on Texas Production Agriculture](#)

[Initial COVID-19 Response for Agricultural Producers](#)

[Overview of Trade Aid and Its Impact on AFPC's Representative Farms](#)

<https://afpc.tamu.edu>

[Surviving the Farm Economy Downturn](#)

Quality Loss Adjustment (QLA)

AutoSave OFF QLA Calculator_Version 2-18-2021_2

Home Insert Draw Page Layout Formulas Data Review View Acrobat Tell me

Clipboard: Cut, Copy, Paste, Format

Font: B, I, U, A, A, A

Paragraph: Bullets, Numbered, Decrease Indent, Increase Indent, Merge & Center

Conditional Formatting, Format as Table

Insert, Delete, Format


AutoSum, Fill, Clear, Sort & Filter, Find & Select, Ideas, Create and Share, Adobe PDF

C16 fx Instructions for QLA Calculator are as follows:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	
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Quality Loss Adjustment (QLA) Calculator for Cotton

Agricultural and Food Policy Center - Texas A&M University



Disclaimer: This is an educational tool to help you summarize data and gather supporting materials for QLA in counties previously eligible for WHIP+. The formulas and calculations are based on our understanding of the program as described by USDA regulations. By using this tool, you: 1) agree that the results are for educational information purposes only; 2) agree that the results are not a guarantee of program payments, and 3) acknowledge that this tool is provided with absolutely no warranties, express or implied, including the implied warranties of fitness for a particular purpose, or absence of errors or omissions. In no event will Texas A&M AgriLife Research or Extension be liable to you for any damages, including lost profit, lost savings, lost patience, or other incidental or special damages.

To get started, please enter the name of the eligible producer (person or legal entity) in the blue cell below.

Eligible Producer Name:

A producer is eligible for a QLA payment if a crop suffered a quality loss due to a qualifying disaster event. A crop's affected production must have had: a quality loss due to a qualifying disaster event and at least a 5 percent quality loss due to all eligible causes of loss combined. Your local FSA office will use the information provided on your form FSA-898 to determine if the 5 percent quality loss threshold has been met and to calculate any QLA payments.

A qualifying disaster event is a named hurricane, qualifying drought, excessive moisture, flooding, snowstorm, tornado, typhoon, volcanic activity, or wildfire that occurred in the 2018 or 2019 calendar year. The portion of the crop that suffered the quality loss is the affected production. There may be qualifying events in both 2018 and 2019.

Instructions for QLA Calculator are as follows:

The "Cotton_2018" QLA Calculator is on the second worksheet and the "Cotton_2019" QLA Calculator is on the third worksheet of this workbook. The "PRINT" worksheet is a summary (for convenient printing) with all of the data needed to fill out Part D of FSA Form FSA-898 for cotton.

The Cotton 2018 and 2019 calculators are designed to accommodate entry of 20,000 bales and up to 10 line entries on form FSA-898 (if your operation exceeds those parameters, feel free to contact us for a larger version). *NOTE: for most producers, much of the information required will be available for download from your gin or cotton marketing cooperative. The information can then be copied/pasted directly into this decision tool.*

***The green, gray, and blue cells are all input cells. All other cells are protected. Please closely follow the steps provided at the top of each calculator worksheet.**

If you have any questions about QLA policy or eligibility, please contact your local FSA office. If you have any other questions, including questions about this tool, please reach out to AFPC staff at (979) 845-5913.

README Cotton_2018 Cotton_2019 PRINT

[illegible]

Quality Loss Adjustment (QLA)

- Plains Cotton Cooperative Association (PCCA) Example: <https://www.pcca.com>

Announcement by Gin Accounting

2/19/2021, 8:50:35 AM

Quality Loss Adjustment (QLA) Application Resources:

Texas A&M University's Agriculture and Food Policy Center (AFPC) has developed a Microsoft Excel-based calculator for determining eligibility for USDA's QLA program. The Farm Service Agency has reviewed and approved this tool for use in assistance with completing the QLA application. The AFPC calculator will produce data ready to complete the FSA-898 form used to apply for the QLA program. Producers can copy and paste their bale information from PCCA directly into the AFPC calculator. AFPC is available to provide telephone support at the number listed in their calculator. This tool is for information only and producers applying for QLA are responsible for certification and compliance with USDA regulations.

Note: Data files will be separated by crop year so that the calculation can be done separately for each year.

[Download AFPC QLA Calculator](#)

[Download PCCA Data Files*](#)

[USDA Quality Loss Adjustment Information](#)

Texas A&M has developed a Quality Loss Adjustment (QLA) Calculator for Cotton which can be found at afpc.tamu.edu.
If you would like to use it, you will need to download the files below.
Texas A&M AFPC Tool Download: All Bales and Counties - 2018
Texas A&M AFPC Tool Download: All Bales and Counties - 2019

Texas A&M has developed a Quality Loss Adjustment (QLA) Calculator for Cotton which can be found at afpc.tamu.edu.

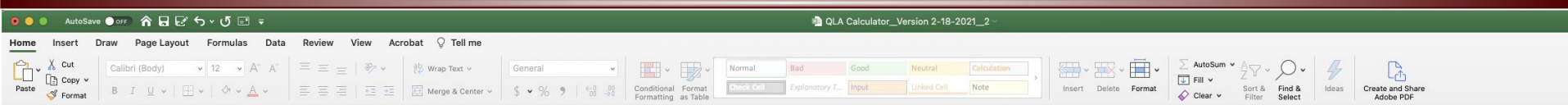
If you would like to use it, you will need to download the files below.

Texas A&M AFPC Tool Download: All Bales and Counties - 2018

Texas A&M AFPC Tool Download: All Bales and Counties - 2019



Quality Loss Adjustment (QLA)



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
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Quality Loss Adjustment (QLA) Calculator for Cotton

Agricultural and Food Policy Center - Texas A&M University

Questions about this tool? See [README](#) worksheet/tab. Still having trouble? Call AFPC at (979) 845-5913.

****This calculator is set up to accommodate 20,000 bales and up to 10 line entries on form FSA-898. Please contact us if you need a larger version.**

****For most producers, much of the information required below will be available for download from your gin or cotton marketing cooperative.**

****STEP 1:** For downloaded data, simply copy/paste the data into the gray cells below. Otherwise, enter values by hand in the gray cells below.

NOTE: If you have actual loan rates, enter those in Column K. If you only have loan premiums/discounts instead, input those in Column W (and ignore Column K).

NOTE: If you include bales with a loan rate above \$0.52/lb, the calculator will appropriately exclude them for you.

NOTE: Producer share in Column I should be rounded to 2 decimal places. For example, 2/3 share should be entered as 66.67%.

****STEP 2:** The blue cells contain default values provided for your convenience (based on what we anticipate to be the most common responses). You **MUST** change these values as needed to reflect the specific circumstances on your farm(s).

Column A (Affected by Qualifying Disaster Event?) defaults to "Yes." If the bales were NOT affected by an eligible weather event, enter "No" instead.

Column B (Disaster Event) defaults to "Drought" for convenience. If drought does not apply, select the relevant disaster event. If the quality of a bale was impacted by multiple disaster events, you only need to list one disaster event.

Columns C & D (Disaster Event Dates) default to the calendar year for the disaster event. For counties with qualifying drought (D3 or greater), these dates will suffice. For other disaster events, include specific dates.

Column N (Base Loan Rate or Contract Price) defaults to \$0.52/lb (including for pooled cotton). For bales with contracted prices, enter the contract price here instead.



Only use this column if you do NOT have Actual Loan Values (Column K).

Crop Year: 2018

	Affected by Qualifying Disaster Event?	Disaster Event	Disaster Event Beginning Date (MM/DD/YYYY)	Disaster Event Ending Date (MM/DD/YYYY)	Organic Status (Organic/Conventional)	State	County	Producer's Share (%)	Bale #	Net Weight (lbs)	Per Lb			Per Lb	Per Bale				Lbs	Per Bale			Per Lb
											Actual Loan Value	Base Loan Value	Premium (+) / Discount (-)	Base Loan Rate or Contract Price	Value Before Adjustment	Quality Adjustment	Value After Adjustment	Include in Affected Production?	Total Affected Production Producer's Share	Value Before Adjustment Producer's Share	Quality Adjustment Producer's Share		Premium (+) / Discount (-)
19	A	B	C	D	E	F	G	H	I	J	K	L	M=K-L	N	O=J*N	P=J*M	Q=J*K	R: A="Yes" and M<50?	S="H">1 (if eligible)	T="H">0 (if eligible)	U="H">P (if eligible)		W
20	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734534	449	\$0.5485	\$0.5200	\$0.0285	\$0.5200	\$233.48	\$12.80	\$246.28	No	0	\$0.00	\$0.00		
21	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734535	434	\$0.5485	\$0.5200	\$0.0285	\$0.5200	\$225.68	\$12.37	\$238.05	No	0	\$0.00	\$0.00		
22	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734536	465	\$0.5155	\$0.5200	-\$0.0045	\$0.5200	\$241.80	-\$2.09	\$239.71	Yes	349	\$181.35	\$1.57		
23	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734537	450	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$234.00	-\$2.93	\$231.08	Yes	338	\$175.50	\$2.19		
24	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734538	464	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$241.28	-\$3.02	\$238.26	Yes	348	\$180.96	\$2.26		
25	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734539	463	\$0.5485	\$0.5200	\$0.0285	\$0.5200	\$240.76	\$13.20	\$253.96	No	0	\$0.00	\$0.00		
26	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734540	467	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$242.84	-\$3.04	\$239.80	Yes	350	\$182.13	\$2.28		
27	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734541	462	\$0.5485	\$0.5200	\$0.0285	\$0.5200	\$240.24	\$13.17	\$253.41	No	0	\$0.00	\$0.00		
28	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734542	469	\$0.5155	\$0.5200	-\$0.0045	\$0.5200	\$243.88	-\$2.11	\$241.77	Yes	352	\$182.91	\$1.58		
29	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734543	459	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$238.68	-\$2.98	\$235.70	Yes	344	\$179.01	\$2.24		
30	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734544	462	\$0.5005	\$0.5200	-\$0.0195	\$0.5200	\$240.24	-\$9.01	\$231.23	Yes	347	\$180.18	\$6.76		
31	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734545	467	\$0.5240	\$0.5200	\$0.0040	\$0.5200	\$242.84	\$1.87	\$244.71	No	0	\$0.00	\$0.00		
32	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734546	469	\$0.5505	\$0.5200	\$0.0305	\$0.5200	\$243.88	\$14.30	\$258.18	No	0	\$0.00	\$0.00		
33	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734547	497	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$258.44	-\$3.23	\$255.21	Yes	373	\$193.83	\$2.42		
34	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734548	468	\$0.5485	\$0.5200	\$0.0285	\$0.5200	\$243.36	\$13.34	\$256.70	No	0	\$0.00	\$0.00		
35	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734549	456	\$0.5485	\$0.5200	\$0.0285	\$0.5200	\$237.12	\$13.00	\$250.12	No	0	\$0.00	\$0.00		
36	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734550	477	\$0.5175	\$0.5200	-\$0.0025	\$0.5200	\$248.04	-\$1.19	\$246.85	Yes	358	\$186.03	\$0.89		
37	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734551	462	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$240.24	-\$3.00	\$237.24	Yes	347	\$180.18	\$2.25		
38	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734552	477	\$0.5005	\$0.5200	-\$0.0195	\$0.5200	\$248.04	-\$9.30	\$238.74	Yes	358	\$186.03	\$6.98		
39	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734553	459	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$238.68	-\$2.98	\$235.70	Yes	344	\$179.01	\$2.24		
40	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734554	475	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$247.00	-\$3.09	\$243.91	Yes	356	\$185.25	\$2.32		
41	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734555	464	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$241.28	-\$3.02	\$238.26	Yes	348	\$180.96	\$2.26		
42	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734556	482	\$0.5135	\$0.5200	-\$0.0065	\$0.5200	\$250.64	-\$3.13	\$247.51	Yes	362	\$187.98	\$2.35		
43	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734557	480	\$0.5180	\$0.5200	-\$0.0020	\$0.5200	\$249.60	-\$0.96	\$248.64	Yes	360	\$187.20	\$0.72		
44	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734558	464	\$0.5505	\$0.5200	\$0.0305	\$0.5200	\$241.28	\$14.15	\$255.43	No	0	\$0.00	\$0.00		
45	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734559	457	\$0.5155	\$0.5200	-\$0.0045	\$0.5200	\$237.64	-\$2.06	\$235.58	Yes	343	\$178.23	\$1.54		
46	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734560	467	\$0.5025	\$0.5200	-\$0.0175	\$0.5200	\$242.84	-\$8.17	\$234.67	Yes	350	\$182.13	\$6.13		
47	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734561	468	\$0.5155	\$0.5200	-\$0.0045	\$0.5200	\$243.36	-\$2.11	\$241.25	Yes	351	\$182.52	\$1.58		
48	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734562	458	\$0.5175	\$0.5200	-\$0.0025	\$0.5200	\$238.16	-\$1.15	\$237.02	Yes	344	\$178.62	\$0.86		
49	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734563	454	\$0.5155	\$0.5200	-\$0.0045	\$0.5200	\$236.08	-\$2.04	\$234.04	Yes	341	\$177.06	\$1.53		
50	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734564	465	\$0.5025	\$0.5200	-\$0.0175	\$0.5200	\$241.80	-\$8.14	\$233.66	Yes	349	\$181.35	\$6.10		
51	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734565	461	\$0.5100	\$0.5200	-\$0.0100	\$0.5200	\$239.72	-\$4.61	\$235.11	Yes	346	\$179.79	\$3.46		
52	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734566	465	\$0.5155	\$0.5200	-\$0.0045	\$0.5200	\$241.80	-\$2.09	\$239.71	Yes	349	\$181.35	\$1.57		
53	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734567	461	\$0.5505	\$0.5200	\$0.0305	\$0.5200	\$239.72	\$14.06	\$253.78	No	0	\$0.00	\$0.00		
54	Yes	Drought	01/01/2018	12/31/2018	Conventional	Texas	Robertson	75.00%	3734568	476	\$0.5375	\$0.5200	\$0.0175	\$0.5200	\$247.52	\$8.33	\$255.85	No	0	\$0.00	\$0.00		

Quality Loss Adjustment (QLA)

Excel File Edit View Insert Format Tools Data Window Help

QLA Calculator_Version 2-18-2021_2

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Quality Loss Adjustment (QLA) Summary for Cotton

Agricultural and Food Policy Center - Texas A&M University

The following values are for PART D (CROPS OTHER THAN FORAGE WITH TOTAL DOLLAR VALUE LOSS) of form FSA-898.
Your local FSA office will use the information below to determine if the 5% loss threshold has been met and to calculate any QLA payments.
For assistance completing other parts of FSA-898, please contact your local FSA office.

Eligible Producer Name: Aggie Farmer LLC

Crop Year: 2018

22. State/County	23. Crop	24. Crop Type	25. Intended Use	26. Organic Status (O/C)	27. Disaster Event	28. Disaster Event Beginning Date	29. Disaster Event Ending Date	30. Units of Measure	31. Total Affected Production	32. Type of Quality Loss Discount	33. Total Dollar Value Loss on Affected Production	34. Price Before Discount
Texas / Robertson	Cotton	<leave blank>	<leave blank>	Conventional	Drought	01/01/2018	12/31/2018	lbs	181,950.00	Loan Discount	\$7,748.01	\$0.52

Crop Year: 2019

22. State/County	23. Crop	24. Crop Type	25. Intended Use	26. Organic Status (O/C)	27. Disaster Event	28. Disaster Event Beginning Date	29. Disaster Event Ending Date	30. Units of Measure	31. Total Affected Production	32. Type of Quality Loss Discount	33. Total Dollar Value Loss on Affected Production	34. Price Before Discount

README Cotton_2018 Cotton_2019 PRINT

Using the QLA Calculator

If you need help for any reason call:

979-845-5913

You can ask for us but just ask for help with the QLA calculator for cotton.

Other Current Decisions:

ARC & PLC (Crop Year 2021)

2021 ARC/PLC Election

Signup Deadline: March 15, 2021

The Agricultural & Food Policy Center

@Texas A&M University



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About Us

Important Links

Publications

Our People

Economic Models

Courses

Contact Information

Our mission

To provide unbiased and objective economic analysis of the impacts for policy alternatives on stakeholders.

Current Projects

[Quality Loss Adjustment \(QLA\) Calculator for Cotton](#)

(Released February 18, 2021)

[Video Tutorial: QLA Calculator for Cotton](#)

[ARC-CO / PLC Decision Aid](#)

(Updated for 2021!)



Agricultural Policy Specialist Dr. Joe Outlaw and colleagues from the Agricultural and Food Policy Center provide brief weekly updates on current agricultural policy issues. See the [recent podcasts](#) available now.

Representative Farms - The AFPC maintains a database of agricultural operations representing the major agricultural production regions of the country. These operations are used in policy research analysis. The representative farms are updated every two years using face to face panel interviews. Types of operations include cotton, rice, feed grain, and wheat farms, cattle ranches, and dairies.

Contact: [George Knapek](#)

The Excel file for the Marketing Year Average (MYA) Prices for Covered Commodities is available [here](#)

Recent Publications

[Working Paper: Representative Farms Economic Outlook for the Preliminary 2021 FAPRI/AFPC Baseline](#)

[Briefing Paper: Representative Farms Economic Outlook for the Preliminary 2021 FAPRI/AFPC Baseline](#)

[Working Paper: Representative Farms Economic Outlook for the August 2020 FAPRI/AFPC Baseline](#)

[Briefing Paper: Representative Farms Economic Outlook for the August 2020 FAPRI/AFPC Baseline Update](#)

[Briefing Paper: Representative Farms Economic Outlook for the June 2020 FAPRI/AFPC Baseline](#)

[Working Paper: Representative Farms Economic Outlook for the June 2020 FAPRI/AFPC Baseline](#)

[Overview of the Coronavirus Food Assistance Program \(CFAP\)](#)

[COVID-19 Impact on Texas Production Agriculture](#)

[Initial COVID-19 Response for Agricultural Producers](#)

[Overview of Trade Aid and Its Impact on AFPC's Representative Farms](#)

<https://afpc.tamu.edu>

[Surviving the Farm Economy Downturn](#)

AFPC ARC-IC Decision Tool

ARC - Individual Coverage Decision Aid

Agricultural and Food Policy Center - Texas A&M University

Disclaimer: This is an educational tool to help you understand how your choices under the 2018 Farm Bill may affect your FSA payments. The calculations are based on our understanding of the new programs as described by the USDA regulations. By using this tool, you 1) agree that the results are for educational purposes only; 2) agree that the results are not a guarantee of future FSA program parameters or payments, and 3) acknowledge that this tool is provided with absolutely no warranty, without even the implied warranty of fitness for a particular purpose.

2019 Crop Year

Table 1. Farm Number's to Enroll in ARC-IC

	1	2	3	4	5	6	7	8	9	10
FSA Farm Number	FSA 101	FSA 102	FSA 103	FSA 104	FSA 105	FSA 106	FSA 107	FSA 108	FSA 109	FSA 110
Total Cropland on Farm										
Base Acres on Farm										
Include Farm in Analysis	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 2. 2019 Planted Acres and Producer's Share of Crop Production

Enter covered commodities planted in the 2019 crop year, number of acres planted, and your % share of production (stated on the FSA 578 form) on each farm number. PP acres are not entered unless 100% of the FSA farm's initial planted covered commodities are approved PP. Then, enter number of PP acres and enter a 0 yield in Table 6.

	Acres	Your Share of Crop Production, %	Weighting Factors, %
Crop	FSA 101		
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
Total Acres	0		
Wtd Avg % Share		0%	

Using the ARC/PLC Decision Aids

If you need help for any reason call:

979-845-5913

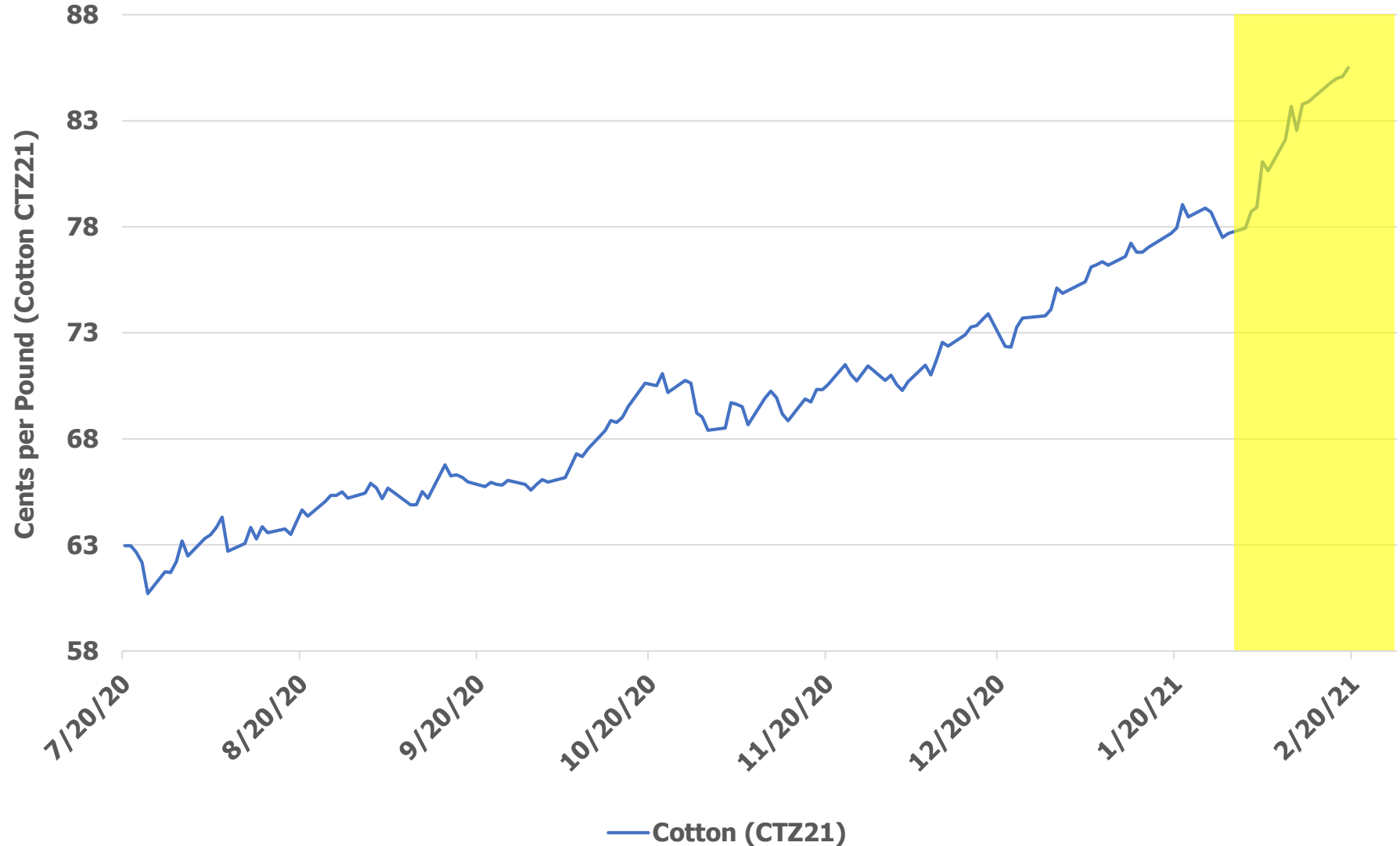
You can ask for us but just ask for help with the ARC/PLC decision aid (or the ARC-IC tool).

Other Current Decisions:

Crop Insurance

2021 December Cotton Futures

March 15, 2021 Sales Closing Date



Yield Exclusion (YE)

- **Key Features**

- If the actual county yield is at least 50 percent below the previous 10-year average county yield, a producer may choose to drop their individual yield from their APH calculation.
- Applies to contiguous counties.

TEXAS (2019)	Policies Sold	Policies Earning Premium	Acreage	Liability	Premium	Indemnity
Policies w/ Yield Exclusion (YE)	37,794	15,062	3,635,899	\$913,844,651	\$236,231,048	\$112,071,730
Total Policies Insured	159,851	54,079	13,030,674	\$3,553,783,731	\$801,594,399	\$631,802,406
<i>Share w/YE</i>	<i>24%</i>	<i>28%</i>	<i>28%</i>	<i>26%</i>	<i>29%</i>	<i>18%</i>

STAX vs ARC/PLC

“Beginning with the 2019 crop year, a **farm** shall not be eligible for **[STAX]** for upland cotton for a crop year for which the **farm** is **enrolled** in coverage for **seed cotton** under [PLC] or [ARC].”

- *Scenario:* plant 150 acres of cotton on a farm with 50 acres of wheat base, 50 acres of peanut base, and 40 acres of seed cotton base, and 10 acres of unassigned base.
- *One Option:* producer can purchase STAX on 150 acres of cotton and enroll all 100 acres of wheat/peanut base in ARC/PLC.

Beginning with the 2020 Crop Year: per MGR-19-028 producers who purchase STAX must report acres that have been, or will be, enrolled in ARC or PLC. Acreage later enrolled in ARC or PLC will be ineligible for a STAX indemnity on such acreage and producers will owe 60% of the premium due on affected acres.

2021 Safety Net Decisions

Rules of Thumb

- ARC and PLC are less likely to pay. That's okay! Most producers tell us they would rather get their income from the market rather than the government anyway. The silver lining: you now get to make an ARC/PLC election annually.
- Rather than focusing on expected ARC/PLC payments (in a situation where it doesn't look like either will trigger), consider instead where you are most vulnerable. Is it lower prices due to trade disruptions or slow economic recovery? Is it lower yields due to persistent drought?
- Talk to your crop insurance agent to make sure you've evaluated all yield enhancement options (e.g. Yield Exclusion) and unit structures.
- With current price elections on crop insurance, perhaps now is the time to focus more on area-wide tools like STAX, SCO, and ECO.
 - You can have STAX on a farm as long as the seed cotton base on the farm is not enrolled in ARC/PLC.
 - You can purchase SCO for a crop on a farm as long as it's not enrolled in ARC.
 - You can purchase ECO on the farm regardless of ARC/PLC enrollment.
- At a minimum, on farms without seed cotton base, be sure to take a close look at area-wide policies like STAX.
- If your APH is relatively higher than the county average yields, then be sure to compare STAX against both SCO and ECO.

Ad Hoc Update

COVID-19 Response for Agriculture

- Phase 1. On March 4, 2020, Congress passed H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020.
- Phase 2. On March 18, 2020, Congress passed H.R. 6201, the Families First Coronavirus Response Act.
- Phase 3. On March 27, 2020, Congress passed H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Led to the creation of the Coronavirus Food Assistance Program (CFAP) 1.0 and 2.0. **Trump Administration updates to CFAP 2.0 currently frozen by Biden Administration.**
- Phase 4. On December 21, 2020, Congress passed H.R. 133, the Consolidated Appropriations Act, 2021, which included \$900 billion in COVID assistance, with \$13 billion for nutrition and \$13 billion for agriculture. **Provided \$20/ac in supplemental assistance to CFAP 2.0.**

Agricultural and Food Policy Center
Texas A&M University

April 16, 2020

Initial COVID-19 Response for Agricultural Producers



AFPC

Department of Agricultural Economics
Texas A&M AgriLife Research
Texas A&M AgriLife Extension Service
Texas A&M University

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Wildfires & Hurricanes Indemnity Program Plus (WHIP+)

- First authorized in the Bipartisan Budget Act of 2018 (February 9, 2018).
- USDA continues to work through 2018 & 2019 losses (signup deadline was 10/30/2020).
- Signup for WHIP+ Quality Loss Adjustment (QLA) program is currently underway. This aid was authorized in December 2019.
- The Consolidated Appropriations Act, 2021, was signed by President Trump on 12/27/2020. The act authorizes (1) unobligated funds for block grants under WHIP+ and (2) \$1 billion in unobligated CFAP 1.0 funds to be used to cover 2018 & 2019 losses in WHIP+.
- Will the 2nd 50% of 2019 losses be covered? It remains an open question...
- 2020 losses currently included in reconciliation package working its way through Congress.

Agricultural and Food Policy Center
Texas A&M University

January 2020

Overview of Drought Relief Provisions in the FY2020 Further Consolidated Appropriations Act



AFPC

Department of Agricultural Economics
Texas AgriLife Research
Texas AgriLife Extension Service
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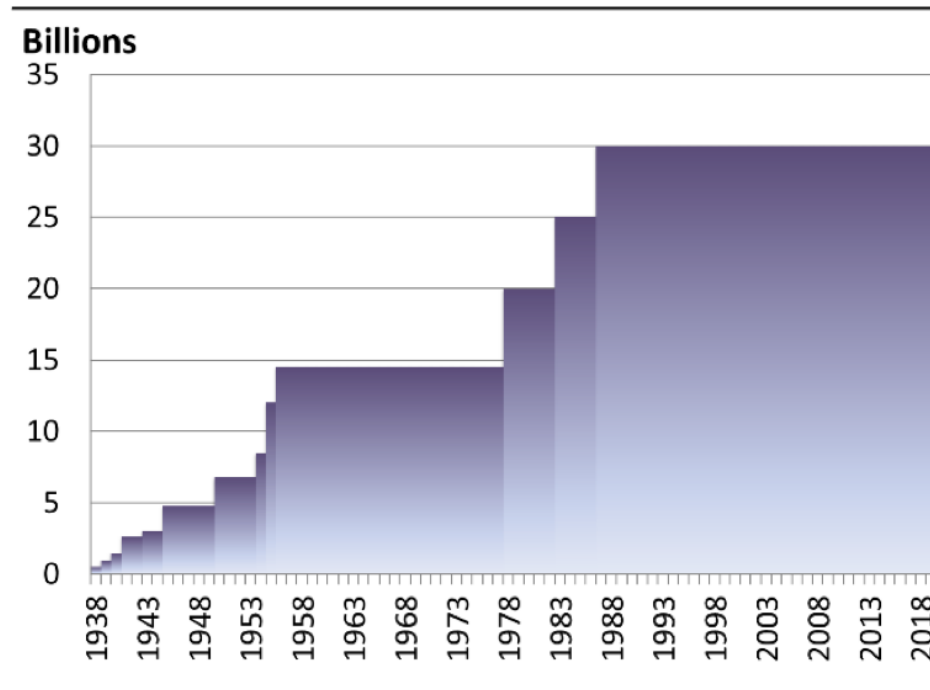
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Looking Ahead

Commodity Credit Corporation (CCC)

Borrowing Authority

- Funding mechanism for many farm bill programs and ad hoc programs, including the Market Facilitation Programs (MFP 1 & 2) and portions of the Coronavirus Food Assistance Programs (CFAP 1 & 2).
- How will CCC funding be used in the next Administration?



Climate 21 Project

Transition Memo

- **Establish a Carbon Bank (100 days)**...establish a carbon bank through administrative action by using existing authorities under the Commodity Credit Corporation (CCC).
- **Section 5 of the CCC Charter Act:**
 - (a) supporting the prices of agricultural commodities (other than tobacco) through loans, purchases, payments, and other operations;
 - (b) making available materials and facilities required in connection with the production and marketing of agricultural commodities (other than tobacco);
 - (c) procuring agricultural commodities (other than tobacco) for sale to other Government agencies, foreign governments, and domestic, foreign, or international relief or rehabilitation agencies, and to meet domestic requirements;
 - (d) removing and dispose of or aid in the removal or disposition of surplus agricultural commodities (other than tobacco);
 - (e) increasing the domestic consumption of agricultural commodities (other than tobacco) by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities;
 - (f) exporting or causing to be exported, or aid in the development of foreign markets for, agricultural commodities (other than tobacco) (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations);
 - (g) carrying out conservation or environmental programs authorized by law; and
 - (h) carrying out such other operations as the Congress may specifically authorize or provide for.

Commodity Credit Corporation (CCC)

Borrowing Authority

- Secretary Vilsack's authority is no longer limited.
- When he previously served as Secretary, starting in fiscal year 2012 (P.L. 112-55), the appropriators included the following rider:

*Provided further, That none of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries or expenses of any employee of the Department of Agriculture or officer of the Commodity Credit Corporation to carry out **clause 3 of section 32** of the Agricultural Adjustment Act of 1935 (Public Law 74-320, 7 U.S.C. 612c, as amended), or for any surplus removal activities or price support activities under section 5 of the Commodity Credit Corporation Charter Act:*

- **Section 32:** permanent appropriation that since 1935 has set aside the equivalent of 30% of annual customs receipts to support the farm sector through (1) encouraging the export of farm products through producer payments or other means; (2) encouraging the domestic consumption of farm products by diverting surpluses from normal channels or increasing their use by low-income groups; and (3) reestablishing farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.
- **Section 5 of the CCC Charter Act:** (a) supporting the prices of agricultural commodities (other than tobacco) through loans, purchases, payments, and other operations; ... (c) procuring agricultural commodities (other than tobacco) for sale to other Government agencies, foreign governments, and domestic, foreign, or international relief or rehabilitation agencies, and to meet domestic requirements; (d) removing and dispose of or aid in the removal or disposition of surplus agricultural commodities (other than tobacco); ...

Next Farm Bill

What your critics are saying...

Now that the industry is on more solid footing, some agricultural economists and watchdogs say Congress should let taxpayers off the hook after bolstering farmers through years of turmoil, from the Trump administration's trade wars to the pandemic.

"These farm subsidies need to be curtailed," says Anne Schechinger, senior economic analyst at the Environmental Working Group, a nonprofit farm and environment watchdog group. "So many Americans are still struggling with the pandemic-induced economic crisis, but farmers are really doing well."

News Flash: the safety net (ARC/PLC) is already designed to curtail aid when prices improve!

AGRICULTURE

Biden's farm problem: Booming sales raise questions about bailout money

A turnaround in agricultural exports and prices could force adjustments after years of subsidies propped up farmers.



Farm laborers arrive in the early morning to begin harvesting in Greenfield, California. | Brent Stirton/Getty Images

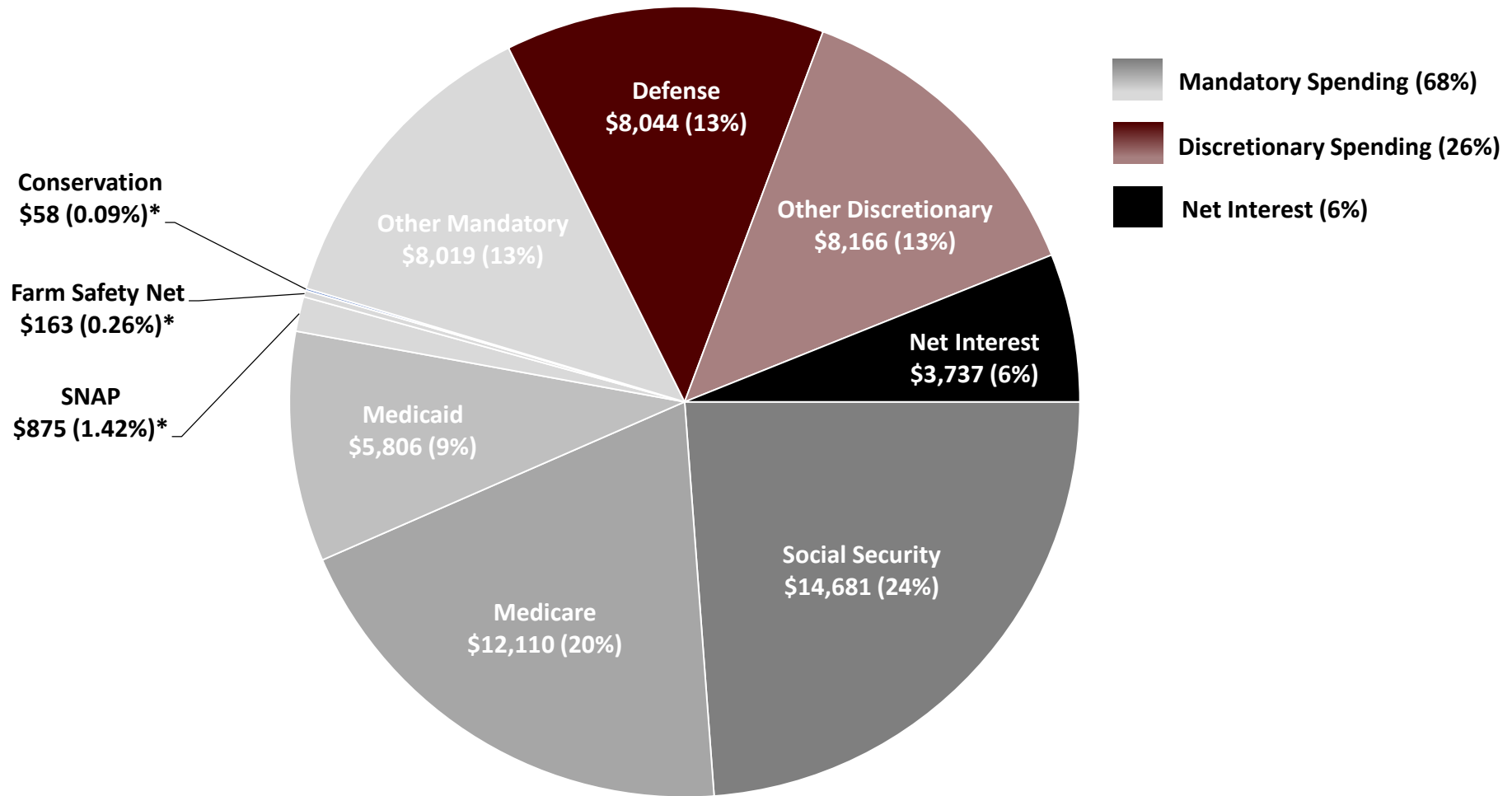
By RYAN MCCRIMMON

02/18/2021 07:55 PM EST



Estimated Federal Outlays (FY2021-2030)

CBO September 2020 Outlook & March 2020 Baseline* (in billions)



NOTE: total outlays from FY2021 to FY2030—\$61.66 trillion—excludes offsetting receipts of \$3.735 trillion.

Questions?

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