



Government Program Payments for Crop Cost-Return Budgets

Department of Agricultural Economics



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The Federal Agricultural Improvement and Reform (FAIR) Act of 1996 departed substantially from previous government program policies. Program payments are no longer determined by crop prices. Also, acreage diversions are no longer required. Production Flexibility Contract (PFC) payments replace deficiency payments. Except for adjustments made for acreage base freed up by expiring CRP contracts, program payments are essentially predetermined over the 1996 through 2002 period.

Assuming 100 percent participation, Table 1 provides estimates of production flexibility contract payments for the three major program crops in Kansas.

For each program crop on a farm computation of expected payments are straightforward: (Payments = Number of Base Acres $\times$ Program Yield $\times$ Payment Rate $\times$ 0.85). Because payments are not determined by which crop is planted in the future, all program payments for a farm should be totaled, and then divided by total cropland acres, to establish that income component. That is, in crop budget-

ing, both program and non program crops should be assigned the same program payments value per acre so the crop mix does not affect the choice of crop mix.

The program payments values listed in the crop cost-return budgets in this handbook were based on average (1993-1995) county base acreage and program yields for wheat, corn, and grain sorghum (from Enrolled Farm and Producer Report Summaries provided by the state FSA office). One hundred percent participation is assumed. County values were aggregated up to areas corresponding to the six Kansas Farm Management Association regions. Thus, all cost-return budgets for a particular region contain the same government program payments value. Table 2 provides expected payments per cropland acre (includes idled farm land but not CRP) for each region in Kansas, and for the seven years corresponding to FAIR. Tables 3 and 4 outline payments that are 8 percent lower and 8 percent higher than Table 2 payments, and are designed to be used with yield levels I and III in the cost-return budgets. To provide additional detail Table 5 provides expected payments by county.

Table 1. Estimated FAIR Payment Rates, Dollars per Bushel, 1996 through 2002

Harvest Year	Commodity		
	Wheat	Corn	Milo
1996	\$0.87 ^a	\$0.24	\$0.31
1997	\$0.61	\$0.46 ^a	\$0.50 ^a
1998	\$0.65	\$0.36	\$0.42
1999	\$0.63	\$0.35	\$0.40
2000	\$0.57	\$0.32	\$0.37
2001	\$0.46	\$0.26	\$0.30
2002	\$0.45	\$0.25	\$0.29
1996 – 2002 average	\$0.6057	\$0.32	\$0.37

Source: U.S. Dept. of Agriculture, 1996 Farm Bill Release, April 24, 1996.

^a Includes the following estimated payment rates based on the amount of the 1995 deficiency payments required to be repaid: wheat, \$0.25/bu.; corn, \$0.13/bu.; and milo, \$0.11/bu.

**Table 2. Estimated FAIR Payments per Acre of Cropland
by Farm Management Association Region, 1996-2002, Yield Level II**

Region of Kansas	Year						
	1996	1997	1998	1999	2000	2001	2002
NW	13.51	12.25	11.87	11.48	10.44	8.44	8.22
SW	15.34	15.66	14.59	14.11	12.85	10.40	10.11
NC	14.41	13.18	12.78	12.33	11.23	9.08	8.84
SC	17.37	14.98	14.79	14.30	12.99	10.50	10.23
NE	8.45	10.64	9.34	9.01	8.24	6.68	6.47
SE	8.91	8.61	8.20	7.91	7.21	5.83	5.67
State	13.66	13.08	12.46	12.04	10.96	8.87	8.63

**Table 3. Estimated FAIR Payments per Acre of Cropland
by Farm Management Association Region, 1996-2002, Yield Level I**

Region of Kansas	Year						
	1996	1997	1998	1999	2000	2001	2002
NW	12.43	11.27	10.92	10.56	9.61	7.77	7.56
SW	14.11	14.41	13.43	12.98	11.83	9.57	9.30
NC	13.26	12.12	11.76	11.35	10.33	8.36	8.14
SC	15.98	13.78	13.60	13.15	11.95	9.66	9.42
NE	7.78	9.79	8.59	8.29	7.58	6.14	5.95
SE	8.20	7.92	7.54	7.28	6.63	5.36	5.22
State	12.57	12.03	11.46	11.07	10.09	8.16	7.94

**Table 4. Estimated FAIR Payments per Acre of Cropland
by Farm Management Association Region, 1996-2002, Yield Level III**

Region of Kansas	Year						
	1996	1997	1998	1999	2000	2001	2002
NW	14.56	13.23	12.82	12.40	11.28	9.12	8.88
SW	16.56	16.92	15.76	15.23	13.88	11.23	10.91
NC	15.57	14.23	13.81	13.32	12.13	9.81	9.55
SC	18.76	16.17	15.97	15.44	14.03	11.34	11.05
NE	9.13	11.49	10.09	9.73	8.90	7.21	6.98
SE	9.63	9.30	8.85	8.54	7.79	6.30	6.13
State	14.76	14.12	13.46	13.00	11.84	9.58	9.32

Table 5. Estimated Payments, per Acre of Cropland, Wheat, Corn, and Grain Sorghum, 1996-2002

County of Kansas	Year						
	1996	1997	1998	1999	2000	2001	2002
Allen	8.49	8.25	7.84	7.56	6.89	5.57	5.42
Anderson	6.43	7.17	6.51	6.29	5.74	4.65	4.51
Atchison	8.99	12.30	10.57	10.18	9.33	7.57	7.32
Barber	17.29	12.48	13.15	12.74	11.54	9.31	9.10
Barton	13.92	12.64	12.26	11.85	10.78	8.71	8.48
Bourbon	5.37	5.55	5.16	4.98	4.55	3.68	3.57
Brown	12.43	16.04	13.95	13.47	12.32	9.98	9.66
Butler	9.72	9.81	9.25	8.90	8.13	6.58	6.40
Chase	8.49	8.30	7.87	7.59	6.92	5.60	5.45
Chautauqua	6.74	5.49	5.54	5.35	4.86	3.93	3.83
Cherokee	13.02	10.84	10.85	10.49	9.53	7.70	7.51
Cheyenne	14.07	12.73	12.32	11.93	10.84	8.76	8.53
Clark	11.52	8.95	9.18	8.88	8.06	6.51	6.36
Clay	13.44	12.84	12.27	11.84	10.79	8.72	8.49
Cloud	16.87	15.09	14.73	14.22	12.94	10.46	10.19
Coffey	7.57	8.09	7.45	7.19	6.56	5.31	5.15
Comanche	12.05	9.30	9.56	9.25	8.39	6.77	6.62
Cowley	14.87	11.86	12.06	11.66	10.59	8.55	8.35
Crawford	9.97	10.33	9.62	9.27	8.46	6.85	6.65
Decatur	14.65	13.47	13.02	12.57	11.44	9.25	9.01
Dickinson	14.52	12.25	12.21	11.79	10.72	8.66	8.45
Doniphan	11.94	18.22	15.05	14.60	13.33	10.82	10.44
Douglas	7.25	9.39	8.15	7.87	7.20	5.83	5.65
Edwards	14.56	16.51	14.84	14.37	13.10	10.61	10.29
Elk	5.92	4.92	4.93	4.76	4.33	3.50	3.41
Ellis	10.68	8.55	8.69	8.39	7.63	6.16	6.01
Ellsworth	13.09	10.27	10.51	10.16	9.22	7.45	7.27
Finney	18.02	19.82	18.02	17.43	15.89	12.86	12.48
Ford	14.61	14.18	13.45	12.99	11.84	9.57	9.31
Franklin	6.32	7.89	6.94	6.69	6.12	4.96	4.80
Geary	11.70	11.10	10.65	10.26	9.36	7.57	7.37
Gove	12.48	11.14	10.89	10.51	9.57	7.73	7.54
Graham	11.35	9.61	9.57	9.24	8.40	6.79	6.62
Grant	17.70	20.05	18.09	17.48	15.95	12.92	12.53
Gray	19.45	22.14	19.93	19.27	17.58	14.24	13.81
Greeley	12.54	10.96	10.74	10.40	9.44	7.63	7.44
Greenwood	4.46	4.41	4.17	4.02	3.67	2.97	2.89
Hamilton	9.96	8.22	8.24	7.97	7.24	5.85	5.71
Harper	21.36	15.17	16.09	15.59	14.11	11.39	11.14
Harvey	16.40	16.11	15.25	14.71	13.42	10.85	10.56
Haskell	24.16	29.17	25.75	24.93	22.74	18.42	17.85
Hodgeman	12.48	11.11	10.87	10.49	9.55	7.72	7.52
Jackson	5.99	7.10	6.35	6.12	5.59	4.53	4.39
Jefferson	6.70	9.17	7.85	7.58	6.93	5.62	5.44
Jewell	16.22	15.14	14.59	14.07	12.83	10.37	10.10
Johnson	6.69	7.67	6.88	6.65	6.07	4.91	4.76
Kearny	12.97	13.43	12.42	12.03	10.95	8.86	8.61
Kingman	16.23	12.36	12.75	12.35	11.19	9.04	8.83
Kiowa	11.80	12.01	11.19	10.82	9.86	7.98	7.75
Labette	11.64	9.75	9.74	9.41	8.56	6.91	6.74
Lane	15.50	13.30	13.17	12.72	11.57	9.35	9.11
Leavenworth	5.88	8.05	6.89	6.65	6.09	4.94	4.77
Lincoln	13.61	10.87	11.05	10.68	9.70	7.83	7.65

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Linn	7.07	7.83	7.14	6.88	6.29	5.09	4.94
Logan	13.35	10.99	11.03	10.67	9.69	7.83	7.64
Lyon	6.33	7.37	6.63	6.39	5.84	4.73	4.59
Marion	12.19	11.34	10.95	10.55	9.62	7.78	7.58
Marshall	12.86	14.27	13.07	12.56	11.50	9.31	9.04
McPherson	17.05	14.74	14.55	14.06	12.79	10.33	10.07
Meade	16.72	18.34	16.75	16.16	14.76	11.95	11.60
Miami	4.51	5.59	4.93	4.75	4.35	3.52	3.41
Mitchell	16.63	13.78	13.83	13.35	12.14	9.81	9.57
Montgomery	12.07	10.72	10.49	10.13	9.22	7.45	7.26
Morris	9.83	9.51	9.07	8.74	7.97	6.45	6.28
Morton	11.22	11.22	10.59	10.20	9.31	7.53	7.32
Nemaha	10.05	12.72	11.24	10.78	9.90	8.02	7.77
Neosho	9.51	8.76	8.48	8.18	7.45	6.02	5.86
Ness	11.93	9.49	9.66	9.34	8.48	6.85	6.68
Norton	15.78	13.66	13.47	13.02	11.84	9.57	9.32
Osage	7.18	8.60	7.72	7.41	6.79	5.50	5.34
Osborne	14.06	11.91	11.87	11.46	10.42	8.42	8.21
Ottawa	17.55	13.16	13.68	13.24	12.00	9.69	9.47
Pawnee	14.04	13.72	13.01	12.55	11.44	9.25	9.00
Phillips	11.25	9.98	9.78	9.44	8.59	6.94	6.77
Pottawatomie	8.25	10.21	9.02	8.69	7.96	6.44	6.24
Pratt	16.74	17.00	15.84	15.33	13.95	11.29	10.97
Rawlins	14.39	12.64	12.42	11.99	10.91	8.82	8.60
Reno	15.34	13.66	13.36	12.90	11.74	9.49	9.25
Republic	16.18	18.96	16.97	16.38	14.96	12.12	11.75
Rice	17.15	15.81	15.29	14.75	13.44	10.86	10.58
Riley	10.39	11.60	10.59	10.19	9.32	7.54	7.32
Rooks	11.28	9.17	9.27	8.95	8.13	6.57	6.41
Rush	12.41	10.19	10.26	9.91	9.01	7.28	7.10
Russell	11.58	9.08	9.29	8.98	8.16	6.59	6.43
Saline	16.32	12.51	12.89	12.47	11.31	9.13	8.92
Scott	16.32	15.52	14.83	14.32	13.04	10.55	10.26
Sedgwick	17.12	14.91	14.68	14.18	12.90	10.43	10.16
Seward	18.59	20.43	18.66	18.00	16.44	13.31	12.92
Shawnee	8.88	11.95	10.27	9.92	9.07	7.36	7.11
Sheridan	15.49	16.85	15.38	14.87	13.56	10.97	10.65
Sherman	15.50	14.73	14.00	13.57	12.33	9.97	9.70
Smith	14.80	13.69	13.25	12.77	11.64	9.41	9.17
Stafford	17.19	17.58	16.37	15.82	14.42	11.66	11.33
Stanton	16.10	17.15	15.73	15.22	13.87	11.22	10.90
Stevens	15.77	18.53	16.60	16.00	14.63	11.85	11.49
Sumner	22.05	16.00	16.83	16.30	14.76	11.92	11.65
Thomas	16.76	17.06	15.88	15.37	13.99	11.32	11.00
Trego	10.70	8.79	8.85	8.55	7.77	6.28	6.13
Wabaunsee	6.26	7.34	6.58	6.34	5.80	4.70	4.56
Wallace	14.72	15.14	14.02	13.58	12.36	10.00	9.71
Washington	13.78	15.34	14.03	13.49	12.35	9.99	9.70
Wichita	15.16	14.88	14.04	13.57	12.36	10.00	9.72
Wilson	10.99	9.96	9.69	9.35	8.52	6.88	6.71
Woodson	8.78	8.68	8.22	7.92	7.23	5.85	5.69
Wyandotte	3.40	4.42	3.81	3.70	3.37	2.73	2.64

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