True or False (one point each):

T  F  1. Over half of the U.S. corn crop is typically planted by the middle of May.

T  F  2. Direct payment rates change with crop prices.

T  F  3. Countercyclical payment rates change with crop prices.

T  F  4. You can pay back a marketing loan using the crop, instead of cash.

T  F  5. There are two triggers for the ACRE program, a state-level revenue trigger and a farm-level revenue trigger.

T  F  6. SURE pays the entire difference between the farm guarantee and the actual farm revenue.

Long answer (three points each, please show your work):

7. a) Calculate the per-acre soybean direct payment if the soybean direct payment yield is 32 bushels per acre.
   b) Given your answer on 7. a), how many soybean base (or payment) acres would the farm need to have in order to receive $5,000 in soybean direct payments?

8. a) What would be the soybean countercyclical payment rate in 2009 if the national season-average price was $5.20 per bushel?
   b) What would be the soybean countercyclical payment rate in 2009 if the national season-average price was $6.20 per bushel?

9. For 2009, the set-up for ACRE for Iowa corn is an expected state yield of 171 bushels per acre and an ACRE price guarantee of $4.15 per bushel. Your farm has an expected farm yield (based on a 5-year Olympic average) of 171 bushels per acre. You have also purchased crop insurance and paid $22.61 per acre for it.
   a) What are the ACRE revenue guarantee and the ACRE farm revenue trigger in this case?
   b) If, for 2009, the actual state yield is 165 bushels per acre, the actual farm yield is 190 bushels per acre, and the season-average price is $3.50 per bushel, then what is the ACRE payment rate?