



Details, Decisions, and Directions: Ag Risk Coverage/Price Loss Coverage

Farm
Service
Agency

fsa.usda.gov

What We Will Briefly Cover

- The basics of each program
- Examples of payments
- Deadline information

Agriculture Risk Coverage (ARC) / Price Loss Coverage (PLC) Programs

- Main commodity crop safety net programs
- Implemented as part of 2018 Farm Bill for 2019-2023
- Continuing Resolution passed on November 16, 2023 included an extension of the 2018 Farm Bill that included the authorization to conduct ARCPLC signup for 2024
- Annual election and enrollment period open for 2024 production season

**Deadline for election and enrollment:
March 15, 2024**

ARC/PLC Election & Enrollment Period for 2024

- ARC-County (ARC-CO) or PLC may be elected on a crop-by-crop basis on the farm

Example: Farm 100 wheat base – PLC

corn base – ARC-CO

- If ARC-Individual (ARC-IC) is elected, it applies to all covered commodities on the farm (ie crops with base acres)
- Program election is made on the same form as annual contract enrollment

ARC/PLC Election & Enrollment Period for 2024

- If you previously signed a multi-year contract, no action is needed UNLESS you want to make an election change or UNLESS something has changed on the farm (shares, added land, et cetera)
- In all cases (regardless of MY contract status), if you do NOT make an election for 2024, the elections in place for the 2023 program year roll over
- **Regardless of whether you make a new election, a new contract (enrollment) must be completed by the deadline**
- Must be unanimous election decision by all 2024 producers on the farm

ARC/PLC Election & Enrollment Period for 2024

What is Price Loss Coverage (PLC)?

- Price protection program (No yield loss coverage)
- Payments are triggered when the *Effective Price* for a crop year is less than the *Effective Reference Price*
- Payments issued after October 1 of following year
- May be elected on a crop-by-crop basis

ARC/PLC Election & Enrollment Period for 2024

Crop	Reference Prices	Crop	Reference Prices
Barley <u>1</u> /	\$4.95 per bu.	Mustard	\$20.15 per cwt.
Chickpeas, Large (Garbanzo Bean, Kabuli)	\$21.54 per cwt.	Rapeseed	\$20.15 per cwt.
Chickpeas, Small (Garbanzo Bean, Desi)	\$19.004 per cwt.	Safflower	\$20.15 per cwt.
Corn	\$3.70 per bu.	Sesame Seed	\$20.15 per cwt.
Dry Peas	\$11.00 per cwt.	Sunflower	\$20.15 per cwt.
Grain Sorghum	\$3.95 per bu.	Peanuts	\$535.00 per ton
Lentils	\$19.97 per cwt.	Rice, Long Grain	\$14.00 per cwt.
Oats	\$2.40 per bu.	Rice, Medium Grain <u>2</u> /	\$14.00 per cwt.
Canola	\$20.15 per cwt.	Soybeans	\$8.40 per bu.
Crambe	\$20.15 per cwt.	Wheat	\$5.50 per bu.
Flaxseed	\$11.28 per bu.	Seed Cotton	\$0.367 per lb.

PLC Reference Prices

ARC/PLC Election & Enrollment Period for 2024

Effective Reference Price

- The lessor of:
 - 115% of the Reference PriceOR
 - The greater of:
 - The Reference PriceOR
 - 85% of the 5-year Olympic average of the MYA
- *The Effective Reference Price can be greater than the Statutory Reference Price established under the 2018 Farm Bill if historical Marketing Year Average (MYA) prices are high*

Note: This calculation allows for a higher “effective” reference price if historical MYA prices are trending higher. In past years, the “effective reference price” has been equal to the crop’s “reference price”.

ARC/PLC Election & Enrollment Period for 2024

Crop	Effective Reference Price	Crop	Effective Reference Price
Barley	\$4.95 per bu.	Mustard	\$23.17 per cwt.
Chickpeas, Large (Garbanzo Bean, Kabuli)	\$22.61 per cwt.	Rapeseed	\$20.15 per cwt.
Chickpeas, Small (Garbanzo Bean, Desi)	\$21.08 per cwt.	Safflower	\$20.15 per cwt.
Corn	\$4.01 per bu.	Sesame Seed	\$23.17 per cwt.
Dry Peas	\$11.00 per cwt.	Sunflower	\$20.15 per cwt.
Grain Sorghum	\$4.06 per bu.	Peanuts	\$535.00 per ton
Lentils	\$19.97 per cwt.	Rice, Long Grain	\$14.00 per cwt.
Oats	\$2.76 per bu.	Rice, Medium Grain	\$14.00 per cwt.
Canola	\$20.15 per cwt.	Soybeans	\$9.26 per bu.
Crambe	\$20.60 per cwt	Wheat	\$5.50 per bu.
Flaxseed	\$11.28 per bu.	Seed Cotton	\$0.367 per lb.

2024 Effective Reference Prices

ARC/PLC Election & Enrollment Period for 2024

PLC Effective Price -

- Represents price received for crop in a specific year
- Compared to Effective Reference Price to determine if there's a price loss that triggers PLC payments

Effective Price

- The higher of:
 - The Market Year Average (MYA) Price
- OR
- National Loan Rate

Market Year Average (MYA) Price

- National weighted average of all prices received during the marketing year following harvest
 - Example: September 1 – August 31 for corn
- Determined for each crop year

ARC/PLC Election & Enrollment Period for 2024

Price Loss Coverage – Payment Rate Formula

$$\begin{array}{rclcl} \text{Effective} & & & & \text{PLC} \\ \text{Reference} & - & \text{Effective} & = & \text{Payment} \\ \text{Price} & & \text{Price} & & \text{Rate} \end{array}$$

PLC Payment Rates for 2022

No PLC payments triggered for Corn,
Soybeans, Wheat, and Gr. Sorghum

ARC/PLC Election & Enrollment Period for 2024

Price Loss Coverage – Payment Formula

$$\text{PLC Payment Rate} \times \text{Farm PLC Yield} \times \text{Payment Acres} = \text{PLC Payment}$$

Payment acres = Base Acres x 85%

PLC Yield exists for each base crop on a farm

NOTE: PLC payments are not dependent on the planting of the crop

ARC/PLC Election & Enrollment Period for 2024

PLC Payment Rate Calculation – Corn example

Effective Reference Price = \$4.01/bu.

Effective Price = \$3.57/bu.

PLC Payment Rate = \$.44/bu.

Farm 100 – 425.0 ac. corn base

PLC Yield = 165

Farm Level Payment

425.0 ac. X 85% x 165 x \$0.44 = \$26227

ARC/PLC Election & Enrollment Period for 2024

Agriculture Risk Coverage (ARC)

Two options – County or Individual Level

ARC-County (ARC-CO)

- An income support program based on a benchmark (expected) county level crop revenue - guaranteed at 86%
- Uses county level yields and national average prices to determine benchmark and actual revenues by crop
- ARC-CO payments for a crop are triggered when the actual county revenue falls below the 86% guarantee

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO)

- Revenue losses determined for a crop independent of other crops on the farm
- Covered crop does not have to be planted on the farm
- If revenue loss occurs, payments issued on 85% of farm's base acres
- No requirement to report production

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO)

Benchmark revenue is determined for a crop by multiplying the following:

- 5-year Olympic County Average Yield
 - Source – RMA Data (primary), NASS Data (secondary)
 - Substitute yield used if the county yield in a benchmark year is below 80% of the county T-Yield
- 5-year Olympic Average National Price
 - Source – Higher of Market Year Average (MYA) or the Effective Reference Price (Current Year is used for all years in the benchmark period)

5-year average – based on 5 years prior to the preceding year of the program year

Example: for 2024, use 2018-2022

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO)

County level *actual* revenue is determined for a crop by multiplying the following:

- Actual average county yield for the crop
 - Source – RMA Data (primary), NASS Data (secondary)
- Higher of Market Year Average (MYA) price or National Loan Rate

Payments are triggered when the actual county revenue for a crop is less than the *guarantee* (86% of the benchmark revenue)

- Important: the ARC-CO payment rate is capped at 10% of the ARC-CO benchmark

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO)

Payment Example:

Crop	Actual Average County Yield	MYA Price	National Loan Rate	ARC-CO Actual Crop Revenue
Corn	135 Bu	\$3.80	\$2.20	\$513/ac

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO) Payment Example:

ARC-CO Guarantee 1/	ARC-CO Actual Crop Revenue/per acre	Crop Revenue Loss 2/
\$531.39	\$513.00	\$18.39/acre
<p>1/ Guarantee is 86% of Benchmark Revenue (\$617.90)</p> <p>2/ Payment rate is lesser of the calculated payment rate above - \$18.39/acre OR the CAP (10% of the benchmark revenue)</p> <p>(CAP: $\\$617.90 \times 10\% = \\$61.79/\text{acre}$).</p>		

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO)

Payment Example:

Corn Base Acres	85% of Base Acres	Share on Contract	Crop Loss	Producer Payment
100	85	100%	\$18.39/ac.	\$1563

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO)

Irrigated/Non-irrigated Yields

- ARC-County has criteria for using separate irrigated (IR) and non-irrigated (NI) county yields to determine revenues and payment rates
- Determined on a crop-by-crop basis
- Referred to as “HIP” crops
(HIP = Historical Irrigated Percentage)
- Crops that do not qualify use a blended county average yield

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO) Irrigated/Non-irrigated Yields

- A HIP (Historical Irrigated Percentage) will be determined for applicable crops on each farm in the county, based upon FSA IR/NI acreage report data from 2013 through 2017
- HIP used to determine the number of base acres used in the IR revenue calculation, and the number of base acres used in the NI revenue calculation
- HIP payment factor remains on the farm for 2019-2024

ARC/PLC Election & Enrollment Period for 2024

ARC-County (ARC-CO): Physical Location

- The 2018 Farm Bill requires ARC-CO revenue calculations be based on a farm's "*physical location*" determined by tracts within the farm
- The farm's *benchmarks, guarantees, and actual revenues* are based on the *physical location* of tract(s) within a farm, as determined by FSA, and *weighted* by each tract's base acres of the covered commodity
- *Weighted* revenues will be *summarized* to the farm level to determine overall revenue for each covered commodity on the administrative farm that is enrolled in ARC-CO

ARC/PLC Election & Enrollment Period for 2024

Agriculture Risk Coverage (ARC) Two Options: ARC-CO & ARC-Individual Coverage

ARC – Individual Coverage (ARC-IC)

Whole farm revenue coverage – revenues weighted for all covered crops that are planted to determine farm's overall gain/loss

- Farm must have at least .01 acre of a covered commodity actually planted to determine revenue gain/loss for ARC-IC crops
 - *Exception for farms with 100% approved prevented planting*
- If revenue loss occurs, payments issued on 65% of farm's base acres
- Production must be reported

ARC/PLC Election & Enrollment Period for 2024

ARC–Individual Coverage (ARC-IC)

- Income support is provided to producers who plant any of the 22 covered commodities, regardless of whether base acres exist on the farm for that commodity
- Producers on an ARC-IC enrolled farm who do not share in the farm's planted covered commodities are ineligible for ARC-IC payments
- Producers on an ARC-IC enrolled farm who do share but do not enroll, are also ineligible for ARC-IC payments
 - FSA will compute benchmark revenues for each covered commodity that is planted in the current year

ARC/PLC Election & Enrollment Period for 2024

ARC–Individual Coverage (ARC-IC)

- Only initially planted covered commodities are included in the revenue calculations
- Prevent Plant (PP) acres are only included in cases where 100% of the farm's initial planted covered commodities are approved PP
- Production must be certified for the current year and the benchmark (five) years; yields are subject to spot check
- Production reporting deadline is July 15 in year following the crop year

ARC/PLC Election & Enrollment Period for 2024

ARC–Individual Coverage (ARC-IC)

- ARC-IC yields are certified as a blended yield to include production from both IR and NI acres
- ARC-IC yields must include production from all ARC-IC eligible types of the covered commodity planted
 - Example: Producer has winter wheat and spring wheat
- Production from acres of covered commodities that are hayed, grazed, etc. must have a conversion factor applied to determine production
- Payment acres are 65% of the total base acres on the farm, regardless of what type or how many acres of covered commodities are planted

ARC/PLC Election & Enrollment Period for 2024

ARC–Individual Coverage (ARC-IC)

ARC-IC payments trigger when the current year revenue from all planted covered commodities on the producer’s “ARC-IC farm” falls below the guaranteed revenue for the ARC-IC farm

- ARC-IC farm is defined as the producer’s share of all planted covered commodities from all ARC-IC enrolled farms in the state
- Revenue from ARC-IC farms that are not enrolled in the current year is not included in the revenue calculations
- The farm’s revenue does not include crop insurance indemnities

Note: Revenue from one farm or crop can potentially eliminate the revenue loss from another farm or crop

ARC/PLC Election & Enrollment Period for 2024

ARC–Individual Coverage (ARC-IC)

- Each producer will have a unique benchmark revenue calculated across all planted covered commodities, based on their share on all ARC-IC enrolled farms in the state
- A weighted average of the benchmark revenues is guaranteed at 86%
- An actual revenue is calculated across all planted covered commodities and compared to the guarantee to determine if there was a loss

ARC/PLC Election & Enrollment Period for 2024

ARC-IC Example: Weighted Benchmark

Covered Commodities on ARC-IC Farm	Planted Acres	Planted/Total Planted Covered Commodities	% of Planted Covered Commodities
Wheat	1000	1000/1600	62.50%
Barley	600	600/1600	37.50%
Total	1600		

Wheat BM Revenue: (\$258.32 X 62.50%) = \$161.45
Barley BM Revenue: (\$291.00 X 37.50%) = \$ 109.13
Weighted Farm Benchmark Revenue = \$270.58/Acre
 Guarantee = \$270.58 x 86% = \$232.70/Ac.

**Farm
Service
Agency**

ARC/PLC Election & Enrollment Period for 2024

ARC-IC Example: Actual Revenue & Loss Calculation

Crop	Certified Yield per Acre for 2019	MYA Price *	Acres Planted	Revenue	Revenue per Acre	Producer Share of Crop	Producer's Revenue per Acre
Wheat	35	\$5.20	1000	\$182,000		100%	
Barley	48	\$4.60	600	\$132,480		100%	
Totals			1600	\$314,480	\$196.55	100%	\$196.55

Guarantee = \$232.70

Payment rate = \$27.06/ac.*

Actual Revenue = \$196.55

Loss = \$36.15/ac.

***Note: Payment cap (10% benchmark) applies**

**Farm
Service
Agency**

fsa.usda.gov

ARC/PLC Election & Enrollment Period for 2024

ARC-IC: Payment Calculation

- Farm 225, 100% Share to Operator
 - 500 base acres of barley
 - 200 base acres of corn
 - 50 base acres of oats

65% total base acres X producer's share of planted covered commodities X producer's calculated payment rate per acre

750 acres X 65% = 487.5 (payment acres) X 100% share to operator X \$27.06 (Payment Rate per Acre) = \$13,192

ARC/PLC Election & Enrollment Period for 2024

ARC and PLC Recap

	Coverage Type	Price	Yield	Payment Acres	Required Planting
PLC	Price Only	National MYA	N/A	85% Crop Base Acres	No
ARC-CO	Price and Yield	National MYA	County Average Yields	85% Crop Base Acres	No
ARC-IC	Price and Yield	National MYA	Individual (ARC-IC Farm) Yields	65% Total Base Acres	Yes – (Exception-100% PP)

Note: The planting of fruits and vegetables (FAV's) on payment acres enrolled in ARC and PLC Program is permitted; however, if FAV's are planted on payment acres, an acre-for-acre reduction will apply, unless the FAV is destroyed without benefit before harvest

**Farm
Service
Agency**

fsa.usda.gov

ARC/PLC Election & Enrollment Period for 2024

REMINDERS:

- **Deadline is March 15, 2024**
- **If no new election is made, 2023 elections roll over for 2024**
- **Regardless of whether a new election is made, a new contract (enrollment) IS required**



Contact Us

Nebraska Farm Service Agency State Office

www.fsa.usda.gov/ne

(402) 437-5581

County FSA Office

To find your nearest office contact information go online to
farmers.gov/service-center-locator

Other Resources

www.fsa.usda.gov

farmers.gov

Specific to ARC/PLC: www.fsa.usda.gov/arc-plc



Farm Program Details and Decisions

Nebraska Extension and the Center for Agricultural Profitability
Web information: cap.unl.edu

Brad Lubben
Extension Policy Specialist
Lincoln
brad.lubben@unl.edu

Jessica Groskopf
Extension Economist
Scottsbluff
jgroskopf2@unl.edu

Jim Jansen
Extension Economist
Concord
jjansen4@unl.edu

Anastasia Meyer
Extension Economist
Beatrice
ameyer71@unl.edu

Shannon Sand
Extension Economist
North Platte
ssand2@unl.edu



2024 Farm Program Details and Decisions

- **Farm bill development – on-going**
- **Cash flow – 2023 crop program payments**
- **Enrollment decisions – ARC v PLC**
- **Other considerations – crop insurance and marketing**





ARC & PLC – Projected 2023 Crop Payment Rates (Paid in 2024)

Commodity	Effective Reference Price	ARC Benchmark Price	Projected National Marketing Year Average Price	Projected PLC Payment Rate	Projected % Price Change Needed to Trigger PLC	Projected % Price Change from ARC Benchmark	Projected % Revenue Change Needed to Trigger ARC
Corn	\$3.70	\$3.98	\$4.85	\$0.00	-24%	22%	-29%
Grain Sorghum	\$3.95	\$4.31	\$4.85	\$0.00	-19%	12%	-24%
Soybeans	\$8.40	\$9.57	\$12.90	\$0.00	-35%	35%	-36%
Wheat	\$5.50	\$5.50	\$7.30	\$0.00	-25%	33%	-35%

* Payment rates for PLC and trigger levels for PLC and ARC based on projected prices from USDA-WAOB and USDA-FSA along with author calculations as of December 2023.



Price Loss Coverage (PLC)

Effective Reference Price and Payment Rate

$$\text{Effective Reference Price} = \text{Min of} \left[\text{Max of} \left[\begin{array}{l} \text{Reference Price} \\ 85\% \times 5 - \text{year Olympic Average Price} \\ 115\% \times \text{Reference Price} \end{array} \right] \right]$$

$$\text{PLC Payment Rate} = \text{Max of} \left[\frac{\text{Effective Reference Price} - \text{Effective Price}}{0} \right]$$

$$\text{PLC Payment} = \text{PLC Payment Rate} \times \text{PLC Payment Yield} \times \text{Base Acres} \times 85\%$$



Price Loss Coverage (PLC)

Effective Reference Prices for 2024

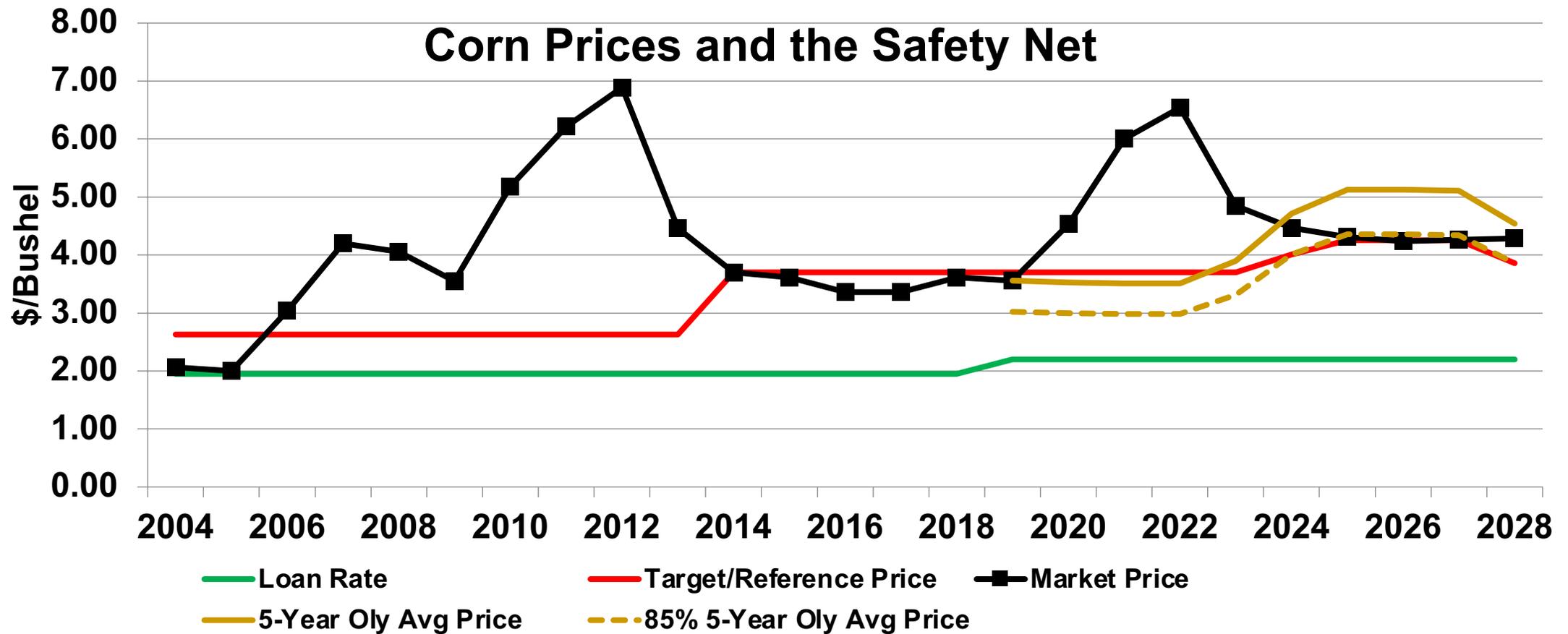
$$\text{Effective Reference Price} = \text{Min of } \left[\text{Max of } \left[\begin{array}{l} \text{Reference Price} \\ 85\% \times 5 \text{ - year Olympic Average Price} \\ 115\% \times \text{Reference Price} \end{array} \right] \right]$$

Commodity	Reference Price (MIN)	Marketing Year Average Price					Olympic Average Price	85% of Olympic Average Price	115% of Reference Price (MAX)	2024 Effective Reference Price
		2018	2019	2020	2021	2022				
Corn	\$3.70	\$3.61	\$3.56	\$4.53	\$6.00	\$6.54	\$4.71	\$4.01	\$4.26	\$4.01
Grain Sorghum	3.95	3.26	3.34	5.04	5.94	5.94	4.77	4.06	4.54	4.06
Soybeans	8.40	8.48	8.57	10.80	13.30	14.20	10.89	9.26	9.66	9.26
Wheat	5.50	5.16	4.58	5.05	7.63	8.83	5.95	5.05	6.33	5.50

* Prices through 2022 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023.



Farm Bill Decisions and Outlook



* Prices and projections through 2023 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023. Price projections for 2024-2028 from FAPRI as of September 2023.



Agriculture Risk Coverage – ARC-CO

Benchmark, Guarantee, and Payment Rate

$$\text{ARC – CO Benchmark Revenue} = \frac{\text{ARC – CO Benchmark Yield}}{\text{ARC – CO Benchmark Price}} \times \text{ARC – CO Benchmark Revenue}$$

$$\text{ARC – CO Guarantee} = \text{ARC – CO Benchmark Revenue} \times 86\%$$

$$\text{ARC – CO Actual Revenue} = \text{Actual County Yield} \times \text{Effective Price}$$

$$\text{ARC – CO Payment Rate} = \text{Min of} \left[\text{Max of} \left[\frac{\text{ARC – CO Guarantee} - \text{ARC – CO Actual Revenue}}{0} \right], \text{ARC – CO Benchmark Revenue} \times 10\% \right]$$

$$\text{ARC – CO Payment} = \text{ARC – CO Payment Rate} \times \text{Base Acres} \times 85\%$$



Agriculture Risk Coverage – ARC-CO

Effective ARC Prices for 2024

$$\text{ARC – CO Benchmark Revenue} = \text{ARC – CO Benchmark Yield} \times \text{ARC – CO Benchmark Price}$$

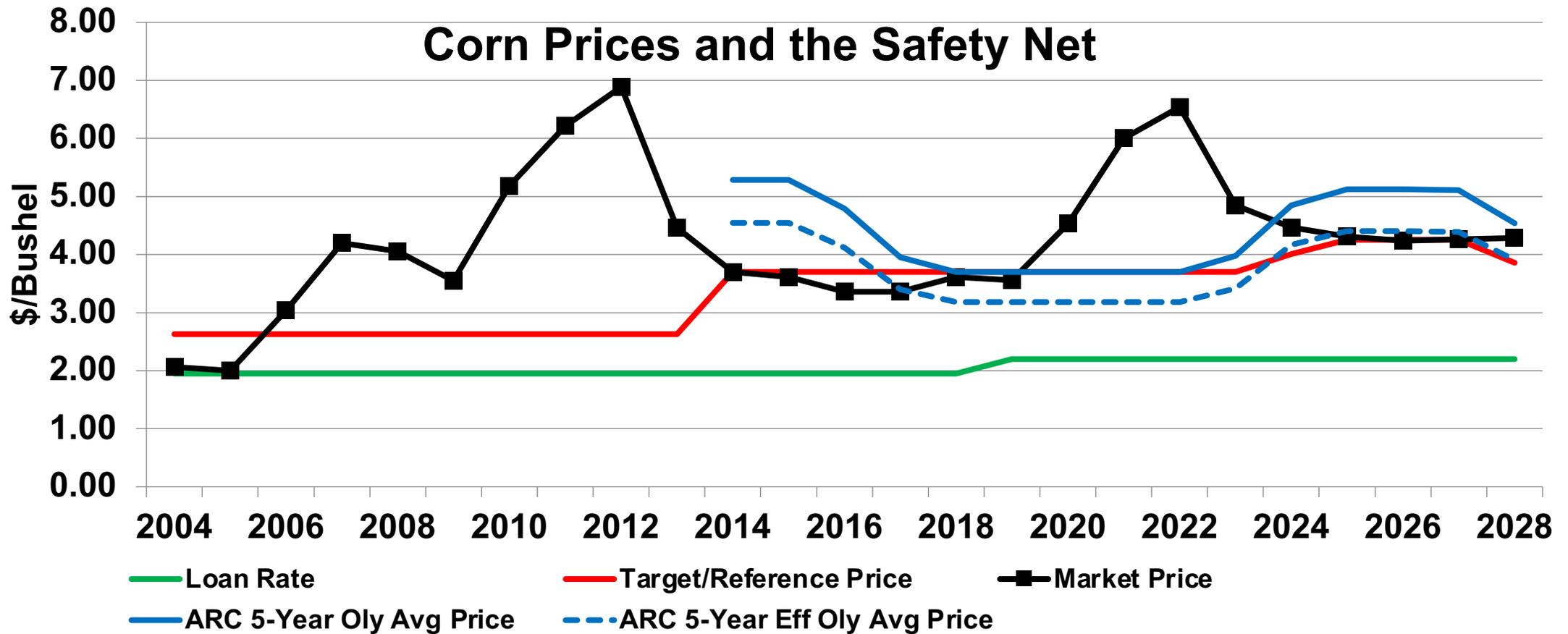
$$\text{ARC – CO Guarantee} = \text{ARC – CO Benchmark Revenue} \times 86\%$$

Commodity	2024 Effective Reference Price	Higher of Marketing Year Average Price or Effective Reference Price*					Olympic Average Price	86% of Olympic Average Price	2024 Effective ARC Price
		2018	2019	2020	2021	2022			
Corn	\$4.01	\$3.61 4.01	\$3.56 4.01	\$4.53 4.01	\$6.00 4.01	\$6.54 4.01	\$4.85	\$4.17	\$4.17
Grain Sorghum	4.06	3.26 4.06	3.34 4.06	5.04 4.06	5.94 4.06	5.94 4.06	5.01	4.31	4.31
Soybeans	9.26	8.48 9.26	8.57 9.26	10.80 9.26	13.30 9.26	14.20 9.26	11.12	9.56	9.56
Wheat	5.50	5.16 5.50	4.58 5.50	5.05 5.50	7.63 5.50	8.83 5.50	6.21	5.34	5.34

* Prices through 2022 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023. Prices lower than the reference price are replaced in the calculation by the effective reference price.



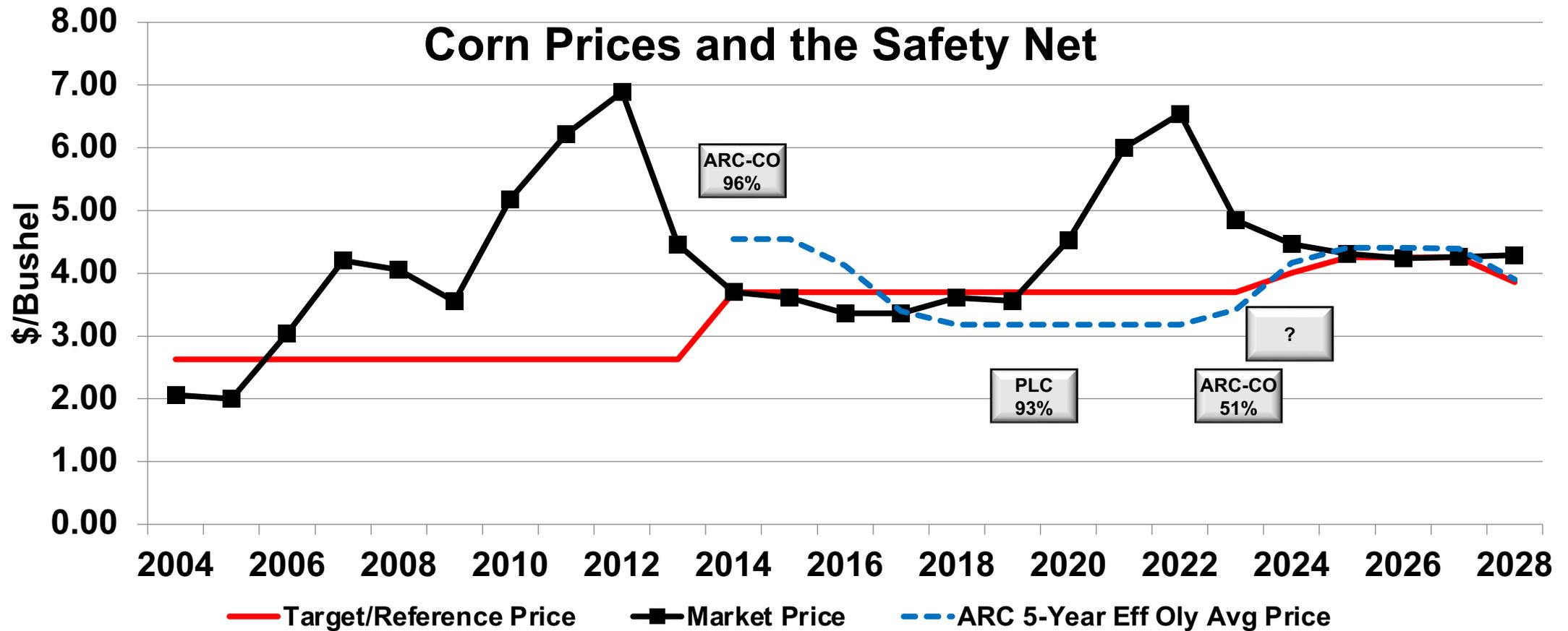
Farm Bill Decisions and Outlook



* Prices and projections through 2023 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023. Price projections for 2024-2028 from FAPRI as of September 2023.



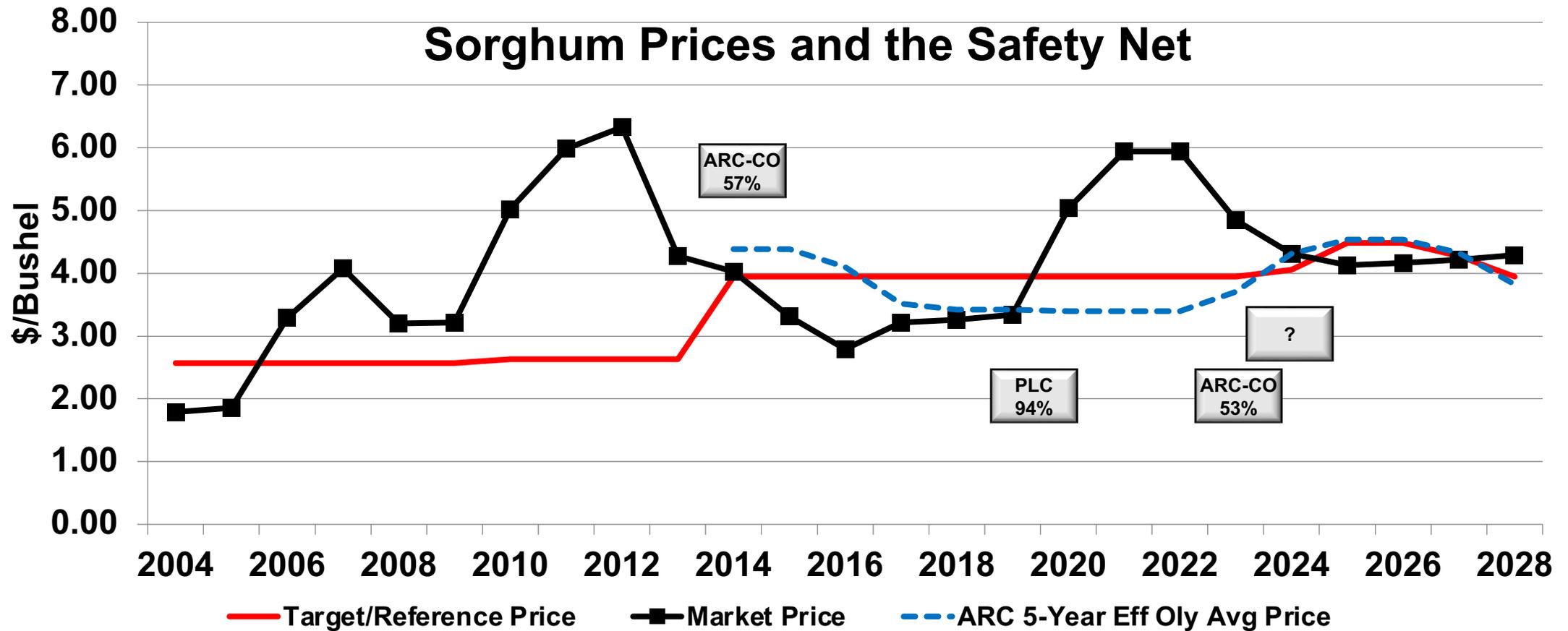
Farm Bill Decisions and Outlook



* Prices and projections through 2023 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023. Price projections for 2024-2028 from FAPRI as of September 2023.



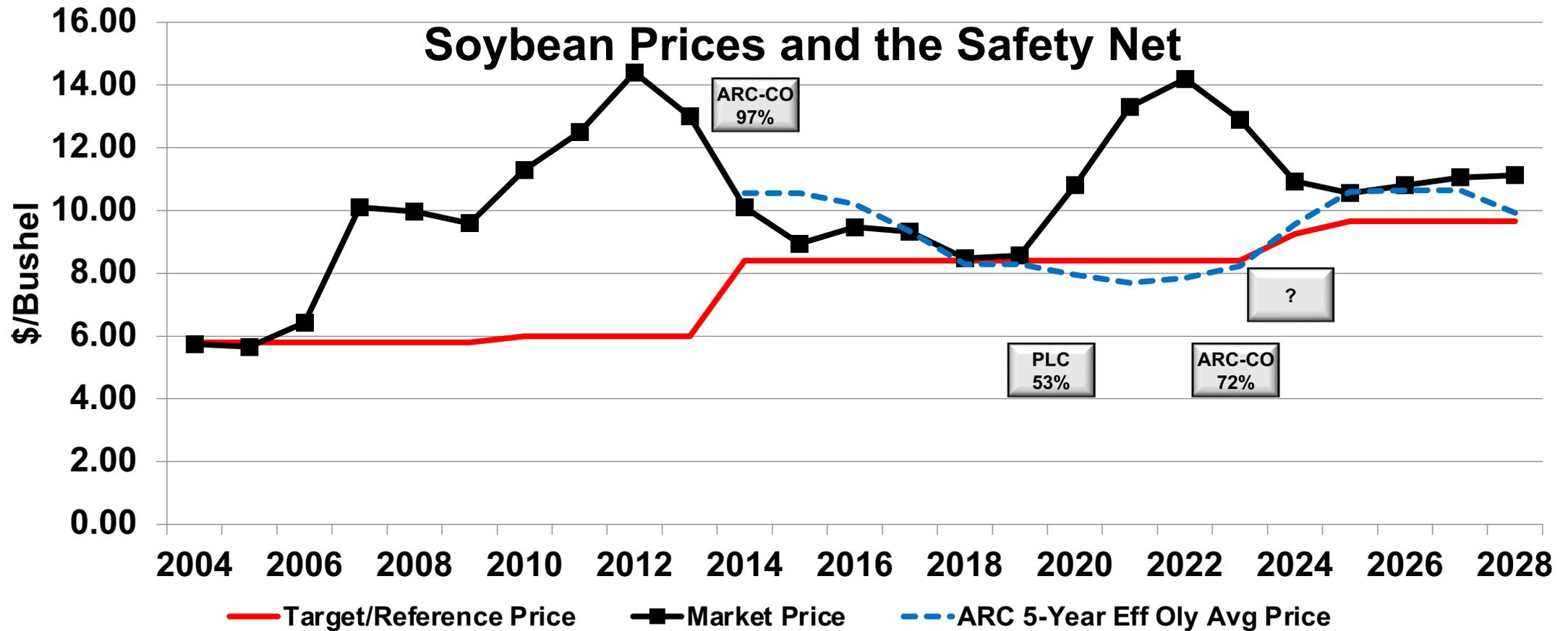
Farm Bill Decisions and Outlook



* Prices and projections through 2023 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023. Price projections for 2024-2028 from FAPRI as of September 2023.



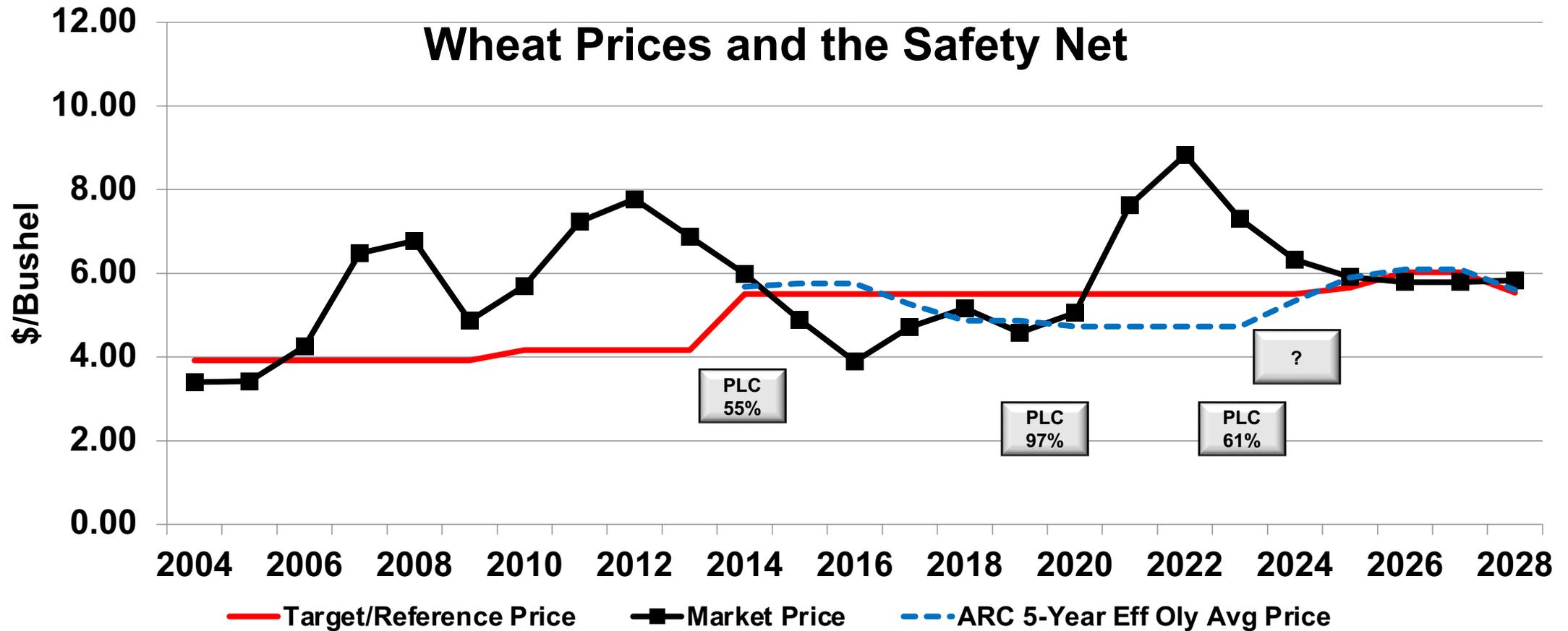
Farm Bill Decisions and Outlook



* Prices and projections through 2023 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023. Price projections for 2024-2028 from FAPRI as of September 2023.



Farm Bill Decisions and Outlook



* Prices and projections through 2023 from USDA-NASS, USDA-WAOB, and USDA-FSA as of December 2023. Price projections for 2024-2028 from FAPRI as of September 2023.



ARC & PLC – Projected 2024 Crop Payment Rates (Paid in 2025)

Commodity	PLC	ARC		Projected Price**	Downside Price/Revenue Risk Covered by ARC/PLC	
	Effective Reference Price	Benchmark Price	Effective Price at Benchmark Yield*		Projected Price Change to Trigger PLC	Projected Revenue Change to Trigger ARC
Corn	\$4.01	\$4.85	\$4.17	\$4.47	-10%	-7%
Grain Sorghum	\$4.06	\$5.01	\$4.31	\$4.31	-6%	-0%
Soybeans	\$9.26	\$11.12	\$9.56	\$10.94	-15%	-13%
Wheat	\$5.50	\$6.21	\$5.34	\$6.38	-13%	-16%

* Effective price for ARC based on 86% of benchmark price that would trigger ARC payments assuming no yield loss from benchmark yield.

** Projected prices for 2024 based on projections from FAPRI as of August 2023.



ARC & PLC – Potential Payment Rates

ARC Payment Rates Under a Range of Yields and Prices

Price Range	Yield Range										
	70	84	98	112	126	140	154	168	182	196	210
2.24	67.90	67.90	67.90	67.90	67.90	67.90	67.90	67.90	67.90	67.90	67.90
2.68	67.90	67.90	67.90	67.90	67.90	67.90	67.90	67.90	67.90	58.27	20.72
3.13	67.90	67.90	67.90	67.90	67.90	67.90	67.90	58.27	14.46	0.00	0.00
3.58	67.90	67.90	67.90	67.90	67.90	67.90	33.24	0.00	0.00	0.00	0.00
4.02	67.90	67.90	67.90	67.90	67.90	20.72	0.00	0.00	0.00	0.00	0.00
4.47	67.90	67.90	67.90	67.90	20.72	0.00	0.00	0.00	0.00	0.00	0.00
4.92	67.90	67.90	67.90	33.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.36	67.90	67.90	58.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.81	67.90	67.90	14.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.26	67.90	58.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.71	67.90	20.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Estimated payments under ARC-CO or PLC under range of price and yield levels, illustrated for nonirrigated corn using 140 bushel/acre average benchmark yield across Nebraska counties, 112 bushel/acre payment yield (80% of average yield), and projected price of \$4.47/bushel as base levels for analysis.



ARC & PLC – Potential Payment Rates

PLC Payment Rates Under a Range of Yields and Prices

Price Range	Yield Range										
	70	84	98	112	126	140	154	168	182	196	210
2.24	198.80	198.80	198.80	198.80	198.80	198.80	198.80	198.80	198.80	198.80	198.80
2.68	148.74	148.74	148.74	148.74	148.74	148.74	148.74	148.74	148.74	148.74	148.74
3.13	98.67	98.67	98.67	98.67	98.67	98.67	98.67	98.67	98.67	98.67	98.67
3.58	48.61	48.61	48.61	48.61	48.61	48.61	48.61	48.61	48.61	48.61	48.61
4.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Estimated payments under ARC-CO or PLC under range of price and yield levels, illustrated for nonirrigated corn using 140 bushel/acre average benchmark yield across Nebraska counties, 112 bushel/acre payment yield (80% of average yield), and projected price of \$4.47/bushel as base levels for analysis.



ARC & PLC – Potential Payment Rates

ARC Payment Rate – PLC Payment Rate Under a Range of Yields and Prices

		Yield Range										
		70	84	98	112	126	140	154	168	182	196	210
Price Range	2.24	-130.90	-130.90	-130.90	-130.90	-130.90	-130.90	-130.90	-130.90	-130.90	-130.90	-130.90
	2.68	-80.84	-80.84	-80.84	-80.84	-80.84	-80.84	-80.84	-80.84	-80.84	-90.47	-128.02
	3.13	-30.77	-30.77	-30.77	-30.77	-30.77	-30.77	-30.77	-40.40	-84.21	-98.67	-98.67
	3.58	19.29	19.29	19.29	19.29	19.29	19.29	-15.37	-48.61	-48.61	-48.61	-48.61
	4.02	67.90	67.90	67.90	67.90	67.90	20.72	0.00	0.00	0.00	0.00	0.00
	4.47	67.90	67.90	67.90	67.90	20.72	0.00	0.00	0.00	0.00	0.00	0.00
	4.92	67.90	67.90	67.90	33.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	5.36	67.90	67.90	58.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	5.81	67.90	67.90	14.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	6.26	67.90	58.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	6.71	67.90	20.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Estimated payments under ARC-CO or PLC under range of price and yield levels, illustrated for nonirrigated corn using 140 bushel/acre average benchmark yield across Nebraska counties, 112 bushel/acre payment yield (80% of average yield), and projected price of \$4.47/bushel as base levels for analysis.



2024 Farm Program Details and Decisions

ARC-IC

- **Calculations based on farm-level yields and national prices**
 - **Weighted for current year plantings**
- **Revenue calculations based on planted acres**
 - **Exception in the case of 100% prevent plant acres on a farm (FSA farm number)**
- **Payments**
 - **Based on producer's interest in all farms enrolled in ARC-IC**
 - **Paid on 65% of base acres**



2024 Farm Program Decisions

Crop Insurance/Risk Management Considerations

- **ARC provides shallow-loss revenue protection that may substitute for higher levels of crop insurance coverage**
 - **ARC protects revenue risk from 86% down to 76% of the ARC benchmark that may be in the producer's crop insurance deductible range, but...**
 - **ARC-CO protection is tied to county-level risk of crops in the farm's base and pays on just 85% of base acres**
 - **ARC-IC protection is tied to farm-level risk of planted crops on the farm, but pays on just 65% of base acres**





2024 Farm Program Decisions

Crop Insurance/Risk Management Considerations

- **PLC provides price protection that may substitute for price risk management at price levels near or below reference prices**
 - **PLC may complement crop insurance purchases, particularly YP, but PLC protection is limited to program yields and base acres**
 - **PLC enrollment (technically, not enrolling in ARC) allows the producer to also consider the Supplemental Coverage Option (SCO)**





2024 Farm Program Details and Decisions

ARC v PLC or ARC v PLC + SCO

- **Supplemental coverage option (SCO) is available as a supplement to underlying crop insurance coverage**
 - **SCO provides county-level coverage from 86% down to underlying coverage level**
- **SCO is not available if enrolled in ARC**
 - **SCO closely mimics ARC when it covers revenue above an RP or RP-HPE policy at 75%**
 - **ARC covers losses from 86% to 76% of benchmark revenue (average price x county average trend-adjusted yield)**
 - **SCO would cover losses from 86% to 75% based on insurance price x county yield guarantee**
- **SCO has a premium cost, unlike ARC, but the cost is subsidized**
 - **If the expected indemnity over time equals the total premium, then the expected indemnity from SCO should exceed the farmer-paid premium**
- **SCO has limited usage to date – may not be a big factor for most**
 - **SCO-RP was purchased on only 3-4% of RP acres in Nebraska in 2023 (for corn, sorghum, soybeans, and wheat)**





2024 Farm Program Education

Collaboration between Nebraska Extension and the Nebraska Farm Service Agency

Location	Date	Time
Alliance	Feb 8	9 AM – 12 NOON
Auburn	Feb 7	1 – 4 PM
Beatrice	Feb 9	1 – 4 PM
Columbus	Feb 7	1 – 4 PM
Gering	Feb 6	9 AM – 12 NOON
Hastings	Feb 14	1 – 4 PM
Holdrege	Feb 22	1 – 4 PM
Imperial	Feb 26	1 – 4 PM
Mead	Feb 9	9 AM – 12 NOON
McCook	Feb 23	1 – 4 PM

Location	Date	Time
Norfolk	Feb 20	9 AM – 12 NOON
North Platte	Feb 21	1 – 4 PM
O'Neill	Feb 16	1 – 4 PM
Ord	Feb 20	1 – 4 PM
Sidney	Feb 7	9 AM – 12 NOON
Valentine	Feb 9	9 AM – 12 NOON
Wayne	Feb 8	1 – 4 PM
Wayne	Feb 8	6 – 9 PM
West Point	Feb 13	9 AM – 12 NOON
York	Feb 6	9 AM – 12 NOON