As expected, most Iowa and U.S. corn and soybean farmers elected Agricultural Risk Coverage County (ARC-CO) as their farm bill safety net over the five-year life of the farm program. This election was made by farm and by crop on or before April 7, 2015.

This is according to numbers released June 15, 2015, by the USDA Farm Service Agency (FSA); Iowa farmers made election decisions on more than 22.5 million base acres. These were mostly all corn and soybean acres, with a few oat base acres. Hay is not a commodity crop, thus no decision on those base acres was required.

Iowa’s totals included more than 15.57 million base acres of corn and 6.788 million acres of soybeans. Farmers could choose by commodity crop to elect their base acres in either the ARC (Agricultural Risk Coverage) or PLC (Price Loss Coverage) program. That decision cannot be changed through the 2018 crop. However, farmers still need to enroll annually in the ARC/PLC program that they have elected.

Here’s how Iowa farmers elected their base acres for their corn and soybean crops in terms of percentage:

- Corn: 97% ARC-CO; 3% PLC
- Soybeans: 98% ARC-CO; 2% PLC.

Farmers and crop share landowners will still need to enroll in the program elected on before the April 7 deadline. This annual enrollment is so that they can receive payments in October (roughly one year after crop harvest), if commodity prices or crop revenues drop below certain levels. These levels can vary by crop, county and region of the country. As expected, there were some regional splits in the election numbers released, with Corn Belt growers generally opting for ARC as Southern producers chose PLC.

Overall, the election totals in Iowa cover more than 22.5 million base acres and nearly 260 million acres of farmland are covered nationwide under the new ARC/PLC programs.

**Enrollment runs through Sept. 30**

Farmers can now enroll for the ARC/PLC program elected at their local FSA office. Enrollment began June 17 and runs through Sept. 30, 2015, for both the 2014 and 2015 crops. Contact your local office to determine if an appointment is necessary so the appropriate paperwork requiring signatures can be prepared. Besides enrollment forms, you’ll also be signing payment limitations and entity rule forms.

**Calculating potential payments**

The final FSA county yields for 2014 have not yet been released, but are expected later this summer. FSA uses planted, intended and prevented planting acres which are different.
from the USDA National Agricultural Statistics Service (NASS) yields released Feb. 19, 2015, for the 2014 crop that uses harvested acres.

The national average cash price used for both ARC and PLC programs will not be known until late September. The PLC payment for corn is expected to be quite small, perhaps $.05 per bushel times 85% of the base acres elected on the farm. No PLC payment on soybean base acres will be made for 2014.

**Example of 2014 ARC-CO projected payments**

Iowa State University Extension has an Excel spreadsheet to help estimate ARC/PLC program payments.

Current estimates are most Iowa farms that elect and enroll will receive an ARC-CO payment on their corn base acres this fall of roughly $50. There are a few counties, especially in southeast Iowa that had large 2014 yields that will not trigger these payments to be made by FSA in mid-October.

### 2014 ARC-CO Payments per Base Acre*

<table>
<thead>
<tr>
<th></th>
<th>Statewide Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corn</strong></td>
<td>$50/A</td>
</tr>
<tr>
<td><strong>Soybeans</strong></td>
<td>$10/A</td>
</tr>
</tbody>
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*Payments will be issued in October 2015

Even fewer farms statewide will receive an ARC-CO payment on their soybean base acres. Those payments will average roughly $10 in Iowa and vary by county across Iowa.

These potential 2014 ARC-CO payments per base acre were calculated by ISU Extension economist Alejandro Plastina who developed an online spreadsheet to come up with these estimated payments.

ARC-CO payments to be made this October depend on the 2014 final FSA county yields and the marketing year average (MYA) national cash prices for covered commodities. Since the MYA runs from Sept. 1 through Aug. 31 for the 2014 crop the final 2014-15 MYA, cash prices will be necessary to determine the ARC/PCL program payments.

**Summary of 2014 and 2015 ARC-CO payments**

These ARC-CO calculated payments for both the 2014 and the 2015 crops are estimates only. For corn and soybeans, the final 2014 MYA national cash price will be announced by USDA in late September 2015. The 2015 final MYA price will not be published until late September 2016.

The 2014 ARC-CO payment estimates uses the NASS county yields. The 2015 yields are 10-year trend yields for each county. So ARC-CO payments for both the 2014 and 2015 crop years can be reasonably projected. A detailed description of ARC/PLC programs is available on the ISU Ag Decision Maker website in AgDM File A1-32, New Safety Net: PLC, ARC-CO, ARC-IC.