The USDA Farm Service Agency (FSA) opened enrollment for the 2019 Agriculture Risk Coverage (ARC) and/or Price Loss Coverage (PLC) commodity programs for 2019. These are continuations of similar programs created in the 2014 farm bill.

While final rules and regulations aren’t available publicly, the state and county FSA staff have received training, and forms are being developed. Producers will have until March 15, 2020, to elect for both the 2019 and 2020 ARC and/or PLC programs. Enrollment will then be concurrent for the 2019 program and after Oct. 7 for 2020 as well.

Under the 2018 farm bill, producers can sign up their individual crops by FSA farm number in ARC-County (ARC-CO) or PLC. Or, they can sign up the entire farm in ARC-Individual (ARC-IC). Those program elections will apply for the 2019 and 2020 crop years. Then, from 2021 through 2023, producers can change their program decisions annually. Those enrollment periods are expected to be Oct. 1 through March 15.

ARC operates on a rolling average of revenue price guarantees for crops based on average county yields. PLC has set reference prices for commodities and pays when the national marketing year price comes in below those reference prices.

While the 2-year election and 2019 enrollment have begun, producers can also enroll for the 2020 crop year starting Oct. 7, 2019.

**PLC Yield Update for 2020**
Producers will also have a one-time chance to update their PLC Yield on a farm to be used starting with the 2020 crop. Even if a producer elects ARC-CO or ARC-IC, the PLC yield is the public record of yield associated with that FSA farm number. Under the farm bill provisions, producers can update yield data for each commodity up to 90% of the average yield for the farm from the 2013 through 2017 crop years.

Most of the supporting production evidence will likely be provided by crop insurance production records. Crop insurance providers are aware of these requests that producers will have of their crop insurance agents. Expect that in some cases, the crop insurance unit coverage yields might not match perfectly with FSA farm numbers used to elect and enroll in ARC/PLC. Producers will work with their FSA staff on those issues.

The farmland owner on cash rent farms will need to approve the PLC Yield Update that takes effect beginning with the 2020 crop year. If the owner accompanies the producer to the FSA office, the yield update can be completed during that same office visit.

**ARC/PLC Program Changes**
Under the 2014 farm bill, payments for ARC-CO declined over time for significant crops as prices fell after the 2013 crop year. Payments for PLC, which were non-existent for corn and soybeans
at the beginning of the 2014 and 2015, increased during the latter part of the farm bill. Thus, Congress added the option for the 2018 farm bill for producers to switch programs annually, starting in 2021.

Congress also changed the program by moving to trend-adjusted yields reported by producers to crop insurance agents. This USDA Risk Management Agency (RMA) data will be used for both the ARC-CO program. A provision was also provided that allows FSA to divide some of the largest counties in the country into smaller units for determining county trend-adjusted yields.

Another program change – if prices move higher over the next few years, then the reference price for ARC and PLC can increase as well. Reference prices have changed to use a five-year Olympic average that would allow reference prices to grow as much as 15% for commodity crops. Current reference prices for corn ($3.70 a bushel), soybeans ($8.40) and wheat, ($5.50) and reference prices for other commodities remain the same as the 2014 farm bill.

USDA reminds producers that enrolling in ARC and PLC programs can affect eligibility for the Supplemental Coverage Option (SCO) insurance program. Producers who sign up for ARC are ineligible for SCO on those planted acres, but producers who enroll in PLC can still buy SCO policies through their crop insurance agent.

**Determining Potential ARC/PLC Payments**

The key to making the ARC/PLC program decision will be the final Marketing Year Average (MYA) national cash price. The University of Missouri Food & Agricultural Policy Institute (FAPRI) released its 2019 Baseline in August that provides a framework for evaluating the choice to elect and enroll in PLC for 2019 and 2020. Their 2019 - '20 MYA national cash price for corn is $3.59 per bushel and $8.43 per bushel for soybeans, respectively. These final prices won’t be known until late September 2020, and potential payments would then be made in October 2020 on the 2019 crop.

### National Cash Price Projections

<table>
<thead>
<tr>
<th>Crop</th>
<th>2019 - '20 Marketing Year</th>
<th>2020 - '21 Marketing Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$3.59</td>
<td>$3.39</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$8.53</td>
<td>$7.94</td>
</tr>
</tbody>
</table>

*Source: U of Missouri, FAPRI Baseline, August 2019*

If realized, this MYA national cash price for corn would fall below the $3.70 per bushel reference price. However, the $8.43 per bushel is higher than the $8.40 reference price, and that would eliminate a PLC payment on soybeans in 2019.

Now, look at the projected prices for the 2020 - '21 Marketing Year. Based on assumptions for a slight increase in both corn and soybean planted acres and trendline yields, the national cash prices would decline to $3.39 per bushel for corn and $7.94 per bushel for soybeans, respectively. These final prices, if realized, would trigger potential PLC payments that would then be made in October 2021.

**ARC/PLC Decision Tools**

To help producers decide the best program for their acres, USDA has partnered with the University of Illinois and Texas A&M University to develop a pair of web-based tools. Also, Iowa State University Extension and Outreach will be developing an Iowa ARC/PLC Payment Analyzer and conducting up to 65 public meetings with county FSA staff during November and December.

*Source: USDA Farm Service Agency personnel interviews September 2019.*