

ARC and PLC coverage choice.

When it comes to managing risk—in acres and in business—you need the latest, most accurate information available. Changes in the 2018 Farm Bill allow producers to choose between Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) when enrollment opens. Understanding how the two programs are implemented is important to making the right risk management decision for your operation.

Price Loss Coverage (PLC)

- Payment triggers when the Marketing Year Average (MYA) price of a covered commodity falls below the reference price for that commodity.
- Producers are indemnified based on the difference between the MYA price and the reference price, times your FSA program yield
- Supplemental Coverage Option (SCO) is available*
- EXAMPLE: 2019 corn (effective reference price \$3.70 – effective price \$3.50) x payment yield 150 bu/acre x 85% x 1000 FSA base acres = \$25,500 PLC payment

**Supplemental Coverage Option (SCO) is an area-based policy endorsement that is purchased to supplement an underlying crop insurance policy. SCO endorsement begins to pay when county average revenue falls below 86% of its expected level.*

Agriculture Loss Coverage-County (ARC-CO)

- Payment Triggers when the county revenue falls below the historical benchmark revenue, not current production, of covered commodities
- Producers are issued ARC-CO payments when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee (Limited to 10% of the Benchmark revenue)
- Supplemental Coverage Option (SCO) is not available*
- EXAMPLE: 2019 corn (5 year Olympic average county yield 171 x 5 year Olympic average price \$3.70) x 86% - (actual yield 150 X effective price \$3.50) x 85% x 1000 FSA base acres = \$16,150

Agriculture Loss Coverage-Individual (ARC-IC)

- Payment triggers when a farm's revenue is below the ARC-IC guarantee.

Enroll at your local FSA office

Crop Year	Start	End	2019 Reference Prices
2019 Enrollment	September 3, 2019	March 15, 2020	Corn \$3.70/bu
2020 Enrollment	October 1, 2019	March 15, 2020	Soybeans \$8.40/bu
2020 Yield Update	October 1, 2019	September 30, 2020	Wheat \$5.50/bu
2019 ARC/PLC Payments	October 2020		

Determining the best selection for individual farms requires calculation of each program based on the farm's number of base acres, farm yields and ARC yields. Contact your GreenStone crop insurance specialist to run your individual numbers and project the best choice for your farm.

Contact your local branch for more information 800-444-FARM.



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