ARC-County Payments Announced for 2023/2024 Marketing Year

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The end of August marked the completion of the 2023/2024 Marketing Year for corn, grain sorghum and soybeans. Prices for all farm bill covered commodities (with the exception of rapeseed) were well above Price Loss Coverage (PLC) effective reference prices, so no PLC payments will be made. However, because of widespread drought conditions in Kansas in 2023, many counties will have significant Agricultural Risk Coverage (ARC)-County Payments.

ARC-County payments rates can be found in interactive map format <u>HERE</u> for Kansas and <u>HERE</u> for the national map (zoom features will need to be used). Note that payments are on a per acre basis and will be made on <u>85%</u> of a farm's base acres in that commodity, subject to budget sequestration reduction of 5.7%. By using the interactive map format, the user can hover their curser over their county to get detailed information, as shown in Figure 1.

Figure 1 Detailed ARC-CO Payment information for Clay County, KS Non-Irrigated Soybeans



In this example, Clay County had an 18.9-bushel county soybean yield in 2023. Multiplying this by \$12.40 estimated Marketing Year Average national price; Actual Revenue was only \$234.48 per acre.

The loss in revenue is the Formula Payment Rate (Guarantee Revenue minus Actual Revenue), but this is greater than the Maximum Payment rate of \$43.96, so this will be the payment received.

The farmer's payment would be \$43.96 multiplied by 85% of their soybean base acres in Clay County, and reduced by 5.7% for budget sequestration.

Many areas of Kansas will be receiving corn, soybean, and grain sorghum ARC-County payments this October. While this will help alleviate some of the revenue loss of last year's crop, many farmers will still find themselves short on cash flow with lower commodity prices. Possible ARC-County payments for the 2024 harvested crop will not be received until October of 2025 and will depend on county yield and prices throughout the 2024/2025 marketing year. A new Farm Bill, or another extension of the 2018 Farm Bill, will determine commodity programs available for the 2025 growing season.

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