ARC or PLC? – The Decision Farmers Must Make Before December 11

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Overview

Farmers have an important decision to make this fall concerning participation in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. The decision is particularly significant for the 2026 crop year because of changes enacted by the One Big Beautiful Bill Act (OBBBA), higher statutory reference prices, the addition of millions of new base acres, and the opportunity to make the election after much of the 2026 crop has been harvested.

The deadline for making the 2026 ARC/PLC election and completing enrollment is December 11, 2026. Producers should not assume that their previous election automatically preserves eligibility for 2026 payments. Although the previous election generally remains on record if a new election is not submitted, the farm will be ineligible for 2026 program payments without completing the required election and enrollment process.

The delayed election period provides an unusual opportunity. Farmers now have considerably more information about actual production, county yield prospects, and commodity market conditions than they ordinarily would have when making the election. That information should be used.

The Farm Safety Net

The OBBBA made substantial changes to ARC and PLC. Among other things, it increased statutory reference prices, modified the effective reference price calculation, increased ARC revenue guarantees, increased payment limitations, and authorized the allocation of up to 30 million additional base acres nationally. Because eligible acreage exceeded the 30-million-acre allocation, USDA applied a 3.69 percent prorated reduction to newly allocated base acres.

The legislation also provided that producers would receive the higher of their calculated ARC or PLC payment for the 2025 crop year, regardless of their previous election. That was a special statutory provision applicable to 2025. It does not eliminate the need for producers to make their 2026 election.

The 2026 enrollment period opened September 16 and closes December 11. Producers can elect ARC-County (ARC-CO), PLC, or ARC-Individual (ARC-IC), subject to applicable program requirements. Producers also have the option of entering a multiyear contract covering 2026 through 2031.

The Difference Between ARC and PLC

The fundamental distinction between ARC and PLC remains important. Price Loss Coverage (PLC) provides protection when the national marketing-year average price for a covered commodity falls below its effective reference price. The PLC payment is generally calculated by multiplying the difference between the effective reference price and the applicable market-year average price by the farm's PLC payment yield and 85 percent of its PLC payment acres. PLC is principally a price-protection program. It becomes more attractive when commodity prices are expected to decline below statutory support levels.

Agriculture Risk Coverage (ARC) provides protection against revenue declines. Under ARC-CO, payments are triggered when actual county revenue falls below 90 percent of benchmark revenue. The program's payment guarantee is 90 percent of benchmark revenue, with payments capped at 12 percent of benchmark revenue. ARC-CO considers both national commodity prices and county yields. Consequently, a county experiencing a substantial production shortfall may generate an ARC payment even when national commodity prices remain relatively strong.

ARC-Individual (ARC-IC) operates differently. It evaluates revenue across covered commodities on the entire farm rather than using county-level commodity calculations. It deserves particular attention where an individual farming operation experienced substantial production losses that may not be reflected in the countywide yield.

Commodity Prices: Where Do Things Stand?

The November 10, 2026, USDA World Agricultural Supply and Demand Estimates (WASDE) report provides the latest projections for evaluating the ARC and PLC alternatives.

Commodity	Projected 2026 MYA Price	PLC Effective Reference Price	ARC Benchmark Price
Corn	$4.60	$4.42	$5.03
Soybeans	$12.10	$10.71	$12.17
Wheat	$6.20	$6.35	$6.98

These figures illustrate the differences between the programs and provide some useful guidance for producers making their 2026 election.

Corn. The projected $4.60 marketing-year average price exceeds the $4.42 PLC effective reference price by 18 cents. Consequently, PLC would not generate a payment at the current projected price. ARC-CO, however, could generate payments if county yields are sufficiently low. Assuming benchmark county yields, the ARC revenue guarantee translates into an effective price trigger of approximately $4.53. The November projection of $4.60 is above that trigger, but a county yield decline could still produce an ARC-CO payment. Thus, county production conditions remain particularly important for corn producers.

Soybeans. The projected $12.10 marketing-year average price is substantially above the PLC effective reference price of $10.71. PLC payments are therefore unlikely under current projections. ARC-CO has a more favorable starting position because its benchmark price is $12.17, producing an effective price trigger of approximately $10.95 when county yields equal benchmark yields. The projected price remains above that trigger, but county yield losses could generate ARC-CO payments. The November report increased the projected soybean price by 10 cents from October, making PLC even less attractive under current price assumptions.

Wheat. Wheat presents a different picture. The November projected $6.20 marketing-year average price is 15 cents below the $6.35 PLC effective reference price. PLC therefore could generate a payment under current projections. ARC-CO has a benchmark price of $6.98, translating into an approximate price trigger of $6.28 when county yields equal benchmark yields. Consequently, both programs warrant consideration, although the actual county yield will be important in determining whether ARC-CO produces a payment. Wheat producers should pay particular attention to the PLC alternative given the current price projection.

These are projections, not final marketing-year average prices. Nevertheless, the November WASDE report provides a more current basis for evaluating the alternatives than the October projections. Producers should incorporate these updated prices, their actual production experience, and available county yield estimates into their final ARC/PLC calculations before the December 11 enrollment deadline.

County Yields May Be the Deciding Factor

Perhaps the most important consideration in the 2026 ARC/PLC election is county yield performance. Unlike PLC, which principally responds to national commodity prices, ARC-CO is sensitive to local production conditions. Two neighboring counties can have substantially different ARC payment results even when they grow the same commodity and face identical national market prices.

This is particularly important in Kansas and Iowa, where differences in rainfall, soil conditions, irrigation, and growing-season weather can produce substantial variations in county yields.

Kansas. Kansas State University recently released its November 2, 2026, county-level corn and soybean yield forecasts through its AgManager program. The research, prepared by Jenny Ifft and Grant Gardner, provides separate estimates for dryland and irrigated production.

That distinction is particularly important in Kansas. Combining irrigated and dryland production into a single county estimate can obscure substantial differences in production conditions. A county with significant irrigated acreage may have a relatively strong overall yield even though dryland producers experienced considerable production difficulties.

The Kansas State analysis provides county-specific estimates for both dryland and irrigated corn and soybeans. Producers should compare those estimates with their respective ARC-CO benchmark yields rather than relying exclusively on the statewide average.

For example, a dryland corn producer in western Kansas should not necessarily reach the same conclusion about ARC-CO as an irrigated corn producer in the same county. The relevant question is whether the county's actual program yield, calculated under USDA rules, will fall below the ARC-CO trigger yield. The same consideration applies to soybeans.

The Kansas analysis is particularly useful because it provides a framework for evaluating local production conditions before USDA finalizes all official county yield information.

Iowa. Iowa presents a somewhat different picture. DTN's October 2026 Digital Yield Tour estimated Iowa corn yields at 219.2 bushels per acre and soybean yields at 64.7 bushels per acre. Those estimates suggest a generally strong production year, although they do not eliminate the possibility of ARC-CO payments in individual counties.

Earlier DTN county-level estimates illustrated the substantial differences within Iowa. Its August preliminary estimates projected Grundy County corn yields at 234.3 bushels per acre, while Decatur County was projected at 151.5 bushels per acre. Those figures were preliminary and should not be treated as final October estimates, but they illustrate why statewide averages can be misleading.

For Iowa producers, the Iowa State University Extension Ag Decision Maker program offers a particularly useful 2026 ARC/PLC decision tool. Producers can select their county, enter estimated county yields, and compare potential ARC-CO and PLC payments using current commodity price projections and official FSA benchmark information.

Iowa's generally strong production outlook may make PLC more attractive in certain circumstances, particularly for producers concerned about a substantial decline in national commodity prices. However, producers in counties with yields materially below benchmark levels should carefully evaluate ARC-CO.

The Practical Significance of the County-Yield Information

At projected 2026 marketing-year average prices of $4.70 for corn and $12.00 for soybeans, ARC-CO payments become increasingly likely as county yields decline below benchmark levels. At benchmark yields, the approximate ARC-CO price triggers are $4.53 for corn and $10.95 for soybeans.

Consequently, a Kansas county experiencing substantial dryland production difficulties may present a different ARC-CO opportunity than an Iowa county experiencing above-average yields. Even within Iowa, the difference

between a strong northern Iowa production year and a more difficult southern Iowa growing season could affect the program election.

Producers should also remember that the county yield used in the ARC-CO calculation is an official USDA program yield, not simply an individual farmer's production history or a private yield forecast. Private estimates are useful for decision-making, but they do not determine eligibility or payment amounts.

The November 10 USDA crop production and WASDE reports should provide additional information before the December 11 enrollment deadline. Producers should incorporate those reports, their own harvest experience, and available county-level estimates into their final calculations.

The lesson is straightforward: the ARC/PLC decision should be made at the farm level, but the ARC-CO analysis must account for local county production conditions.

Integrating ARC and PLC With Crop Insurance

Farmers should also consider their ARC/PLC election in conjunction with crop insurance. The OBBBA changed the relationship between ARC and the Supplemental Coverage Option (SCO). Producers can now purchase SCO or Enhanced Coverage Option (ECO) regardless of their ARC election. That removes an important limitation that previously influenced the ARC-versus-PLC decision.

ARC and PLC should not be viewed as substitutes for crop insurance. Crop insurance generally addresses individual policy-level production or revenue risks, while ARC-CO uses county-level revenue and PLC responds to national commodity prices. Producers should evaluate the combined protection offered by these programs and avoid paying for overlapping coverage without understanding the potential benefits.

The December 11 Deadline Matters

The 2026 ARC/PLC election is more than a routine administrative exercise. The OBBBA has strengthened the federal farm safety net, but producers must make informed decisions to take advantage of the available protection.

To make an informed decision, farmers should do the following before December 11:

1. Obtain updated FSA base-acre information, including any newly allocated base acres.
2. Review PLC program yields and ARC benchmark yields for each covered commodity.
3. Compare actual 2026 farm yields with historical and county benchmark yields.

4. Evaluate October and November USDA commodity price projections and calculate potential payments under alternative price scenarios.
5. Consider ARC-CO, PLC, and ARC-IC together with crop insurance coverage.

The delayed election provides farmers with an advantage they ordinarily do not have: a much clearer picture of the year's production experience. That information should be used.

From a broader policy perspective, a reliable farm safety net is important to maintaining domestic agricultural production and rural economic stability. Federal agricultural policy should encourage production, reward responsible risk management, and recognize the economic uncertainty inherent in farming. The OBBBA moves in that direction, although the ultimate adequacy of the changes will depend on future market conditions.

Conclusion

Farmers should not leave the decision until the last minute. December 11, 2026, is the deadline. Missing it could mean forfeiting an otherwise available 2026 program payment. The best election is not necessarily the program that paid the most last year. It is the program that provides the most appropriate protection given the farm's production history, local yield prospects, and anticipated commodity prices.

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