

ARC-County & PLC Payments for the First 5 Years of the 2018 Farm Bill

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Now that Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) payments have been issued for the 2023/2024 marketing year for crops harvested in 2023, we can analyze the performance of the 5 years of the original 2018 Farm Bill. Note that a 1-year extension of the 2018 Farm Bill allowed these programs to continue as originally designed for the 2024 harvested crop, where payments (if any) would be received in October of 2025. The current congress will likely pass another extension of the 2018 Farm Bill in the lame duck session before the end of the year, giving farmers another election between these farm programs by March 15, 2025, where payment (if any) would be received in October of 2026.

A new spreadsheet tool created by K-State Ag Economics allows the user to see ARC-County and PLC payments for **any state, county, crop, and irrigation type**, by year, for the 2018 Farm Bill. These payment rates published by Farm Service Agency were paid on 85% of base acres in each crop, subject to budget sequestration. The new tool is available [HERE](#).

Figure 1 shows an example of the tool's output for Edwards County, KS non-irrigated corn. In this example, a small PLC payment was made on corn base acres in 2019, when Marketing Year Average (MYA) price fell to \$3.56 per bushel. After 2019, the MYA corn price has been above the Effective Reference Price for PLC, so no other corn payments were triggered for PLC. ARC-County payments for Edwards County non-irrigated corn base acres were triggered in 2022 and 2023, making the total payments under the 2018 Farm Bill \$63.96 per acre for ARC-County.

The 2018 Farm Bill gave farmers more flexibility to switch between ARC and PLC each year after 2020, in contrast to the 2014 Farm Bill where producers were locked into a 5-year irrevocable decision. In this example for Edwards County non-irrigated corn base, the profit maximizing option would have been to select PLC for 2019 and 2020 (as that was a combined election), either program for 2021 as no payments were issued, and then ARC-County for 2022 and 2023.

Note that \$63.96 per acre, paid on 85% of corn base, subject to budget sequestration, is a fairly small amount of support for farmers in Edwards County during these 5 years. This is a common theme for most every county and crop the user views. Commodity prices increased dramatically during 2020 and hit historical highs in 2021 and 2022, causing few payments to be made and only in counties that experienced drought conditions that caused yield losses, like in Edwards County in 2022 and 2023.



Figure 1 ARC-County and PLC Payment information for Edwards County, KS Non-Irrigated Corn

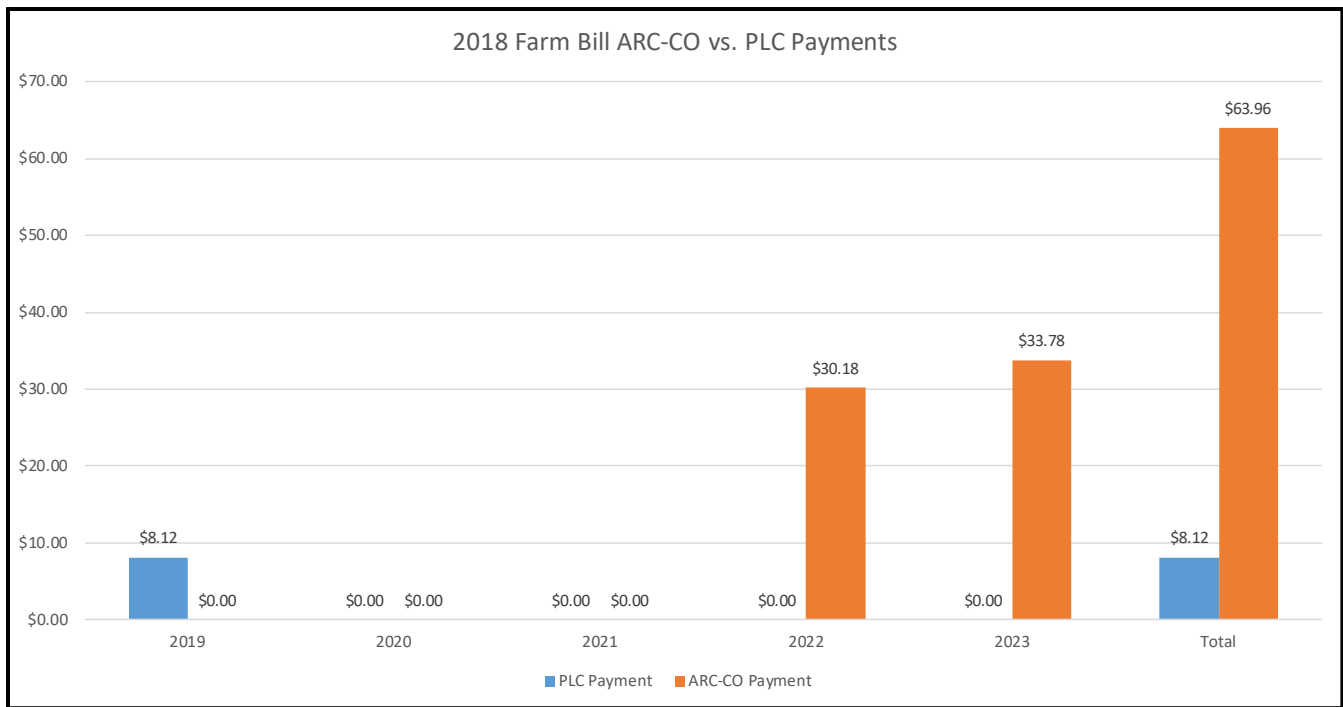


State: Kansas
 County: Edwards
 Commodity: Corn
 Irrigation Designation: Nonirrigated
 PLC Program Yield: 58.032

In the Excel Spreadsheet Tool, yellow boxes are dropdown menus to select any State, County, Crop, and Irrigation-type which FSA has published data for. The farm's own PLC program yield can be entered in the green box to make PLC payments farm specific.

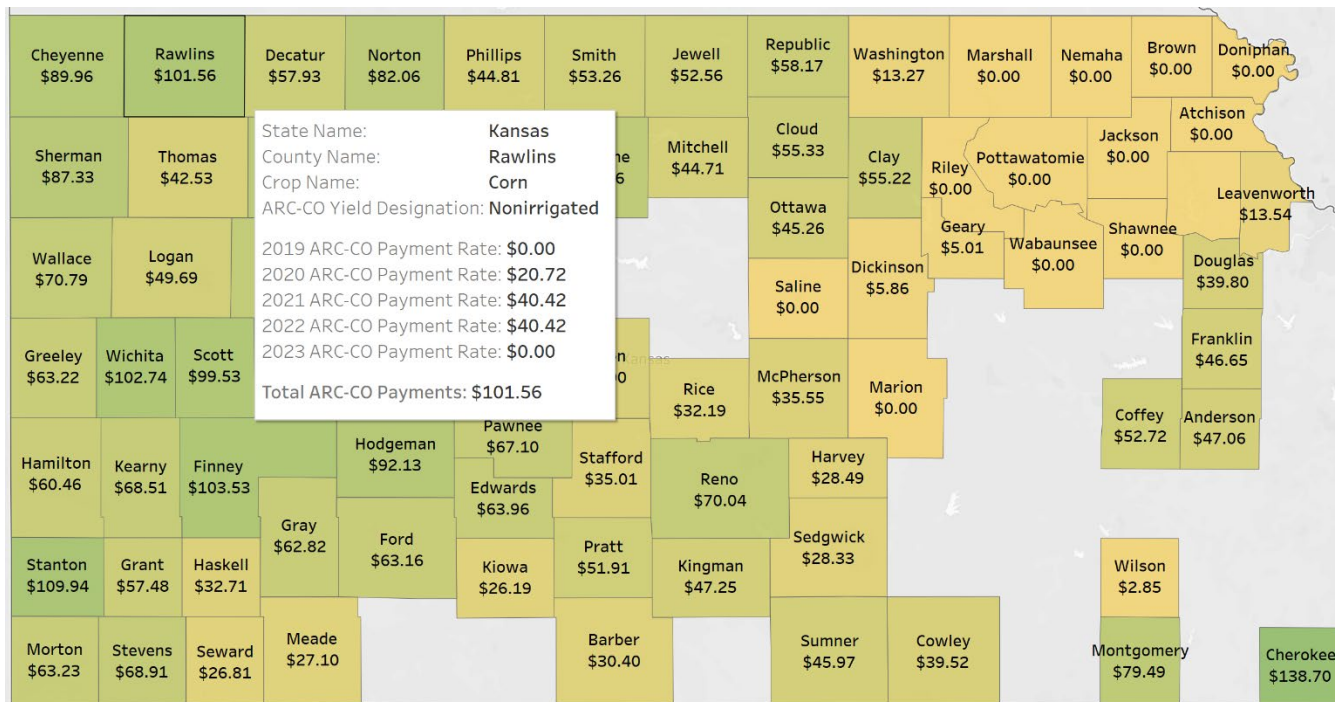
ARC-CO vs. PLC Payment Calculator 2019-2023

Production Year	PLC Payment	ARC-CO Payment	Effective Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2019	\$8.12	\$0.00	\$3.70	\$3.70	\$3.56	64.48	73.32	\$238.58	\$261.02
2020	\$0.00	\$0.00	\$3.70	\$3.70	\$4.53	75.95	98.41	\$281.02	\$445.80
2021	\$0.00	\$0.00	\$3.70	\$3.70	\$6.00	70.9	92.87	\$262.33	\$557.22
2022	\$0.00	\$30.18	\$3.70	\$3.70	\$6.54	81.56	14.11	\$301.77	\$92.28
2023	\$0.00	\$33.78	\$3.70	\$3.98	\$4.55	84.88	54	\$337.82	\$244.52
Total	\$8.12	\$63.96							



To compare total ARC-County payments for the 2018 Farm Bill by crop and irrigation-type across states and counties, interactive maps and be found [HERE for Kansas](#) and [HERE for the national map](#) (zoom features will need to be used). By using the interactive map format, the user can hover their cursor over their county to get detailed information, as shown in Figure 2. Note that some counties have separate non-irrigated and irrigated ARC-County guarantees and some are combined as the “All” selection. If the county is not displayed, it is because it does not have the irrigation designation the user has selected.

Figure 2 Total 2018 Farm Bill ARC-County Payments, detail for Rawlins County, KS Non-Irrigated Corn



In short, the 2018 Farm Bill farm programs have made relatively little cumulative payments for the 2019-2023 crop years because of high commodity prices and favorable growing conditions for much of the country. Many counties and crops have not yet triggered any ARC-County payments during the life of the 2018 Farm Bill. However, if commodity prices remain at low levels seen currently, these programs could trigger payments for 2024 harvested crops and possibly 2025 harvested crops, if another extension of the 2018 Farm Bill is passed.

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