Five-Step Process & Deadlines

1. Update Base Acres  
   February 27, 2015
2. Update Payment Yields  
   February 27, 2015
3. Select Program  
   March 31, 2015
4. Consider Supplemental Coverage Option  
   March 15, 2015
5. Enroll for 2014 (and 2015)  
   Summer 2015

Choices are for 2014 – 2018 crop years, and irrevocable.

NOTE: Steps 1 & 2 signed by LANDOWNER; Steps 3-5 are signed by PRODUCER.

Step 1: Update Base Acres

- NO CHANGE can be made to total base acreage.
- Keep current crop-designated base acres
  
  or

- Reallocate crop-designated base acres using 2009-2012 actual planted acre shares.

Recommendation: Choose option that puts most base acres into corn.

Step 2: Update Payment Yields

- Keep current yields
  
  or

- Update yields to 90% of 2008-2012 yields.
- May update or keep yields for each crop separately.

Recommendation: Choose option that gives highest yield for each crop.
Recommendation: Most farmers will find ARC-CO the best option, especially for corn and soybeans; many will find PLC the best option for wheat —

There are always exceptions! Are you?

Option 1: Price Loss Coverage (PLC)
- Establishes a price floor (“reference price”).
- Essentially Counter-Cyclical Payments with higher prices.
- Payment based on national marketing year average price, your payment yield and base acres.
- If national price less than Reference Price, PLC payment is made on difference.
- Can be selected for single crop.

Option 2: PLC + Supplemental Coverage Option (SCO)
- Adds SCO insurance to cover part of your regular crop insurance deductible.
- Maximum total coverage is 86%.
- SCO premium 65% subsidized.

Option 3: Agriculture Risk Coverage-County (ARC-CO)
- Establishes a revenue floor at 86% of County Benchmark.
- Essentially a new and improved ACRE program.
- County benchmark based on 5-year Olympic average for County yield and 5-year Olympic average of marketing year average (MYA) price.
- Uses PLC reference price if higher than MYA.
- Uses 70% of county T-yield if higher than actual county.

Option 4: ARC Individual (ARC-IC)
- Coverage based on revenue for ALL program crops as a WHOLE farm Benchmark.
- Revenue protection for 65% of base acres.
- Payment up to 10% of county benchmark (same as ARC-CO).
- Based on revenue expected for FARM as a whole.

NOTE: PLC or ARC-CO payments are determined, not by a farmer’s actual yields and prices received, but by county yields (ARC-CO) or payment yields (PLC), and national prices.

For more information and decision-making tools:

FSA National web site ARC/PLC information:

Base Acres and Yield Updating Tools, County Sample Farms and Build Your Own Farm:
- http://fsa.usapas.com

County Substitute Yields:

University of Illinois FAST Tools—2014 Farm Bill Decision Tool: ARC-COPLC. A county ARC vs PLC what-if calculator. Farmer can enter county yields and national prices for 2014-2018 and it calculates ARC and PLC payments.
- http://www.farmanddoc.illinois.edu/fasttools/index.asp

USDA National Marketing Year Average Prices 2002-2013: