

# Guidance on 2022 Price Forecasts for the FarmDOC ARC/PLC Payment Simulator

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FarmDOC staff regularly update the tool to include price forecasts from various sources, but users can choose “Custom” for their Forecast Model and enter any prices they want. This post provides guidance on prices to use for this forecast option.

The goal is to estimate payments for 2022, but the Custom option requires that you also enter prices for each year for 2019 to 2023. To ensure that the program calculate your ARC county benchmarks correctly based on actual outcomes, I recommend using the actual marketing year average prices for 2019 and 2020 in the table below. I also recommend initially using the current estimates for the 2021, 2022, 2023 marketing years. The most recent USDA price estimates for 2021 are published monthly in the WASDE report (<https://www.usda.gov/oce/commodity/wasde>) and summarized regularly by the FSA ([https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/arc-plc/2021/pdf/2021\\_my.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/arc-plc/2021/pdf/2021_my.pdf)). USDA also published long-run price forecasts for 2022 and 2023 on November 5, 2021 (<https://usda.library.cornell.edu/concern/publications/qn59q396v>) and will update these in early February of 2022 (<https://www.usda.gov/oce/commodity-markets/baseline>).

The table below has the actual prices for 2019 and 2020 and the most recent estimates for 2021, 2022 and 2023 when this post was written in November 2021.

## Recommended Prices to use for the Custom Forecast Model (Nov 2021)

Crop	2019	2020	2021	2022	2023
Corn	\$3.56	\$4.53	\$5.45	\$4.80	\$4.50
Soybeans	\$8.57	\$10.80	\$12.35	\$10.50	\$10.35
Wheat	\$4.58	\$5.05	\$6.70	\$6.50	\$6.00

The tool is not clear, but you need to enter the prices for a crop starting with 2019 until 2023 with commas between them. Using the numbers in this table, for corn you would enter “3.56, 4.53, 5.45, 4.80, 4.50”. Similarly, for soybeans enter “8.57, 10.80, 12.35, 10.50, 10.35” and for wheat enter “4.58, 5.05, 6.70, 6.50, 6.00”. If you want to explore different price expectations for 2021 or 2022, change the 3<sup>rd</sup> and 4<sup>th</sup> numbers respectively; changing the 5<sup>th</sup> number only affects estimates for 2023. For help on how to interpolate payments for different prices than you used, see the end of this blog post from 2021: <https://aae.wisc.edu/pdmitchell/2020/12/23/guidance-on-price-forecast-models-for-the-farmdoc-arc-plc-calculator/>.