

# ARC and PLC Recommendations for 2023

Paul D. Mitchell, Agricultural and Applied Economics, UW-Madison

Cell: 608-320-1162 | Email: [pdmitchell@wisc.edu](mailto:pdmitchell@wisc.edu) | Web: <https://aae.wisc.edu/pdmitchell/>



December 1, 2022

Signup for the USDA commodity support programs Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) for the 2023 crop year began October 17, 2022. Farmers have until March 15, 2023 to make or change their decisions, but unless market expectations for 2023 change substantially in the next few months, I do not see my recommendation changing. Because expected prices for 2023 are well above the PLC Reference Prices, my recommendation is to sign up for county ARC (ARC-CO) for corn, soybean, wheat, and oat base acres for 2023.

Signup is for 2023 crops, with payments coming, if triggered, in September and October of 2024, (after the 2023 marketing year ends). Price expectations for 2023 are substantially higher than the PLC Reference Prices used as a price floor for corn, soybeans, wheat, and oats. As a result, ARC-CO is the better option for those wanting to maximize potential payments: county-level problems causing low county yields that trigger ARC payments are more likely than the national marketing year average price to fall below the reference prices. However, the likelihood and size of ARC payments are also quite low given expected market prices, thus I emphasize that neither ARC nor PLC is likely to make large payments for the 2023 crops.

Given the low likelihood of ARC or PLC payments and the high price expectations for 2023, this may again be a year to consider using two relatively new crop insurance options: SCO (Supplemental Coverage Option) and ECO (Enhanced Coverage Option). These policy options allow you to lock in more of your expected revenue by using a county crop insurance policy to cover part of your deductible for individual Revenue Protection (RP) or Yield Protection (YP). Note that if you want to purchase SCO for a crop, then you must enroll your base acres for that crop in PLC. Also, SCO and ECO are crop insurance policies, and so you will need to contact your crop insurance agent to buy them, not your county FSA office. I have created a short video explaining more details about SCO and ECO (<https://youtu.be/sApzsiyO0g>).

See my ARC PLC Resources Page <https://aae.wisc.edu/pdmitchell/extension/arc-plc-signup/> for more resources, including videos explaining the logic for my recommendations, an overview of SCO and ECO, and recommendations for minor crops in Wisconsin.