

# ARC and PLC Recommendations for 2024

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With the 1-year extension of the 2018 Farm Bill, farmers have until March 15, 2024 to make their commodity program decisions for their base acres for each crop and each FSA farm. Changes for this year include an increase in the PLC Effective Reference Prices for corn, soybeans, and oats. They are now \$4.01 for corn, \$9.26 for soybeans, and \$2.76 for oats, higher than the previous reference prices of \$3.70 for corn, \$8.40 for soybeans and \$2.40 for oats. Wheat still has an effective reference price of \$5.50. USDA price projections for 2024 marketing-year average farm price published in November 2023 are above the PLC Effective Reference Prices for all crops: \$4.50 for corn, \$11.30 for soybeans, \$6.80 for wheat, and \$3.10 for oats. As a result, my recommendation is to sign up for county ARC (ARC-CO) for corn, soybean, wheat, and oat base acres for 2024.

ARC-CO is the better option for those wanting to maximize potential payments because county-level production issues are more likely to cause low county yields that trigger ARC payments than aggregate market conditions to cause the national marketing year average price to fall below the effective reference prices. Of course, weather and global conditions will have a lot to say about what actual prices will be in 2024, but I do not see my recommendations changing unless price expectations for 2024 decline substantially in the next few months.

I recommend that farmers make their election now, as they can change their decisions before the March 15 deadline if price expectations decline. USDA finalizes projections of 2024 farm prices in mid-February (<https://usda.library.cornell.edu/concern/publications/qn59q396v?locale=en>), so some may want to wait until then to make their election. However, expected crop prices for 2024 would have to decline substantially in the next few months for PLC to become the recommended option.

SCO (Supplemental Coverage Option) and ECO (Enhanced Coverage Option) are two crop insurance options that farmers can add on top of their individual Revenue Protection (RP) or Yield Protection (YP) to cover part of their deductible using a county crop insurance policy. If a farmer wants to buy SCO (Supplemental Coverage Option) as part of the crop insurance coverage for a crop, then all base acres for that crop must be enrolled in PLC. SCO and ECO are crop insurance options, and so you will need to contact your crop insurance agent to buy them, not your county FSA office.

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.

