

# 2025 ARC AND PLC SIGNUP RECOMMENDATIONS FOR WISCONSIN FARMERS

---

## Dr. Paul D. Mitchell

Professor of Agricultural and Applied Economics  
Extension State Specialist in Cropping Systems Management  
Director Renk AgriBusiness Institute

**January 27, 2025**

608-320-1162      [pdmitchell@wisc.edu](mailto:pdmitchell@wisc.edu)

<https://aae.wisc.edu/pdmitchell/extension/arc-plc-signup/>



# Topics Covered

- Recommendations for corn, soybeans, wheat, and oats
- SCO and ECO and the ACR/PLC decision
- Recommendations for minor crops
  
- Not Covered: How PLC and ARC work
- Types of farms that may find ARC-IC a useful option

# ARC and PLC Signup Deadline: April 15, 2025

- Farmers choose PLC or ARC-CO (or ARC-IC) for their base acres
- Can mix and match across farms and crops
  - Use PLC for your corn base and ARC-CO for your soybean base
  - Use PLC for corn on one farm, ARC-CO for corn on another
- Signup is only for 2025 crops (2024 crops already chosen)
  - Payments based on marketing year average prices from Sep 1, 2025 until Aug 31, 2026
  - If payments are triggered, they will be made in Sep/Oct of 2026

# ARC and PLC: Reminder of how they work

- PLC: Pays if the national marketing year average price falls below the Effective Reference Price (PLC Trigger)
- ARC: Pays if actual county revenue below county revenue guarantee
  - Actual County Revenue = national PLC price x FSA county yield
  - County Revenue Guarantee = 86% of Olympic average of county revenue for 2019-2023
    - Effective Reference Price is the price floor
    - Yields are Trend Adjusted and County T-yield is the yield floor
  - Wisconsin spreadsheet of prices and county yields and guarantees
  - <https://aae.wisc.edu/pdmitchell/wp-content/uploads/sites/15/2025/01/2025-Price-County-Data-Post.xlsx>

# ARC/PLC Recommendations for 2025

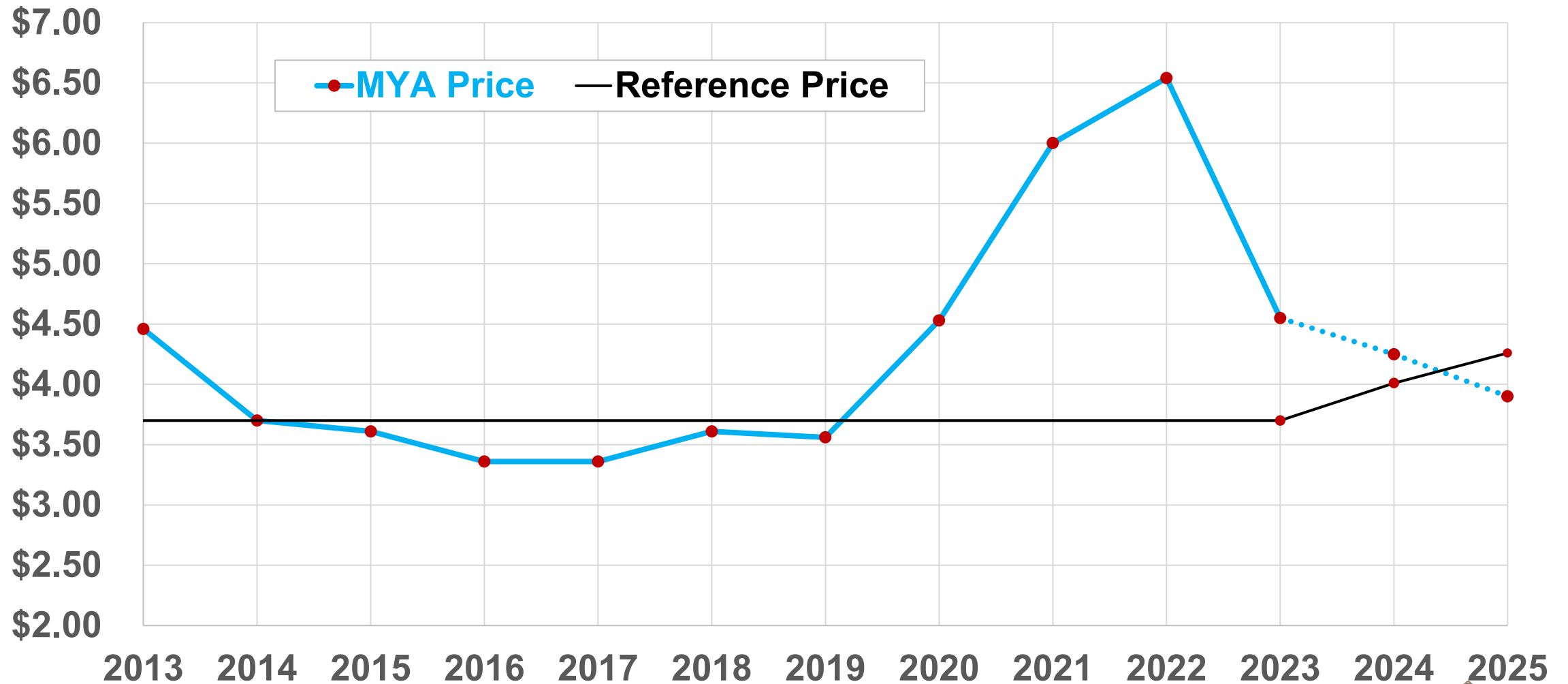
- **Corn, Soybean, Wheat and Oat Base Acres:** [Signup for ARC-CO](#)
- File your 2025 FSA Enrollment form (2025 CCC-866)
  - Your 2024 ARC/PLC Elections will automatically transfer to 2025
  - If you want to, you can update your Elections until April 15<sup>th</sup>
- I will monitor markets and policies as the sign-up period progresses and update my recommendations if needed, but I do not anticipate doing so
  - USDA Long-run Baseline published mid-Feb will have 2025 price estimates
  - 2025 Prospective Plantings Report published Mar 31

# 2025 Effective Prices and Farm Price Projections

Crop	PLC Trigger	ARC “Trigger”	Projected 2025 Farm Price
	2025 Effective Reference Price	2025 Effective ARC Price	
Corn	\$4.26	\$4.32	\$3.90
Soybeans	\$9.66	\$10.46	\$10.00
Wheat	\$5.56	\$5.78	\$5.80
Oats	\$2.76	\$3.24	\$2.90

- Effective Reference Prices (Dec 31, 2024)  
<https://www.fsa.usda.gov/documents/2025-erp-pdf>
- **Effective ARC Prices: Price needed to trigger ARC payments if county yield equals its benchmark**
- Projected 2025 Farm Prices: USDA Early-Release Baseline Projections (Nov 7, 2024)  
<https://www.usda.gov/oce/commodity-markets/baseline>

# Corn Prices and Effective Reference Prices



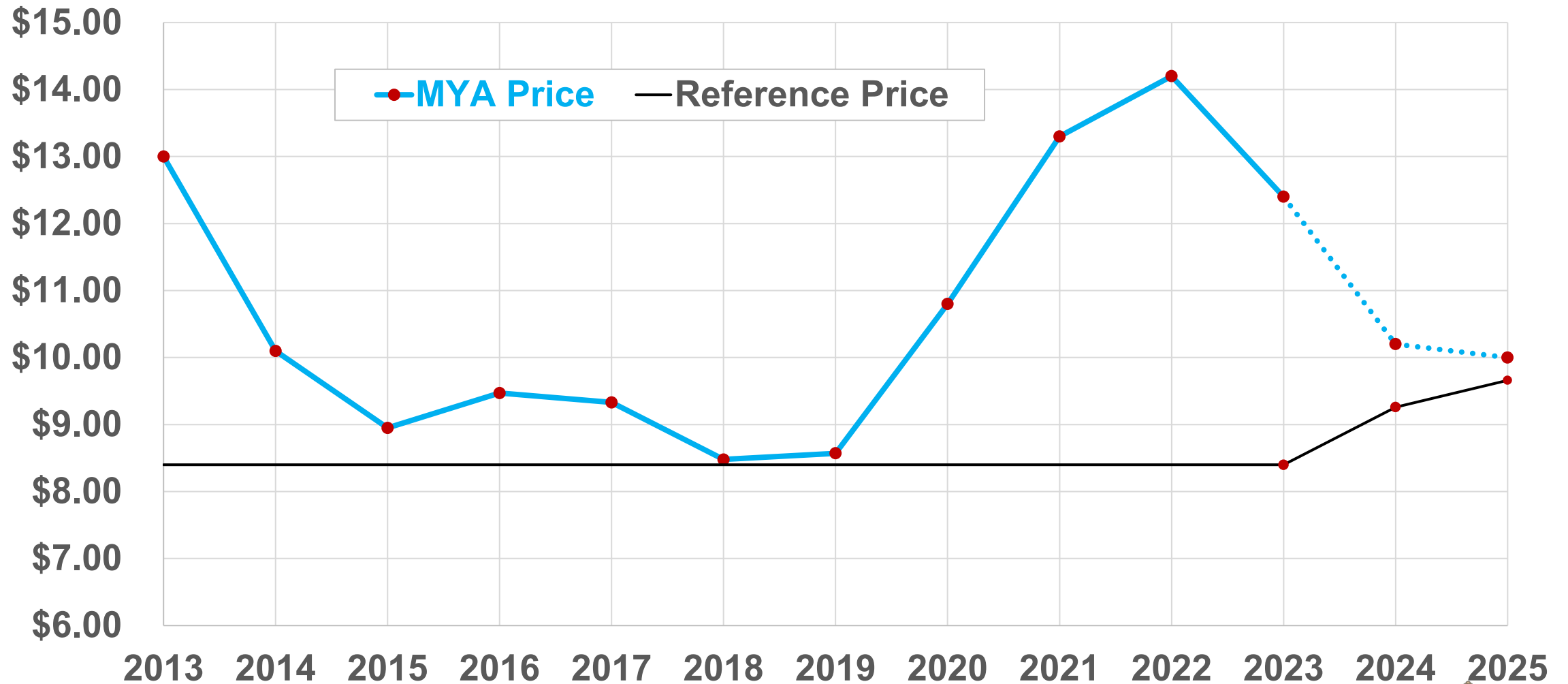
# Corn



- Projected Price well below the PLC Trigger (Effective Reference Price) and the ARC "Trigger"
- Both ARC and PLC likely to pay, but ARC likely to pay more
- ARC payments exceed PLC payments except when have high county yield and low national price
- Recommendation: Choose ARC



# Soybean Prices and Effective Reference Prices

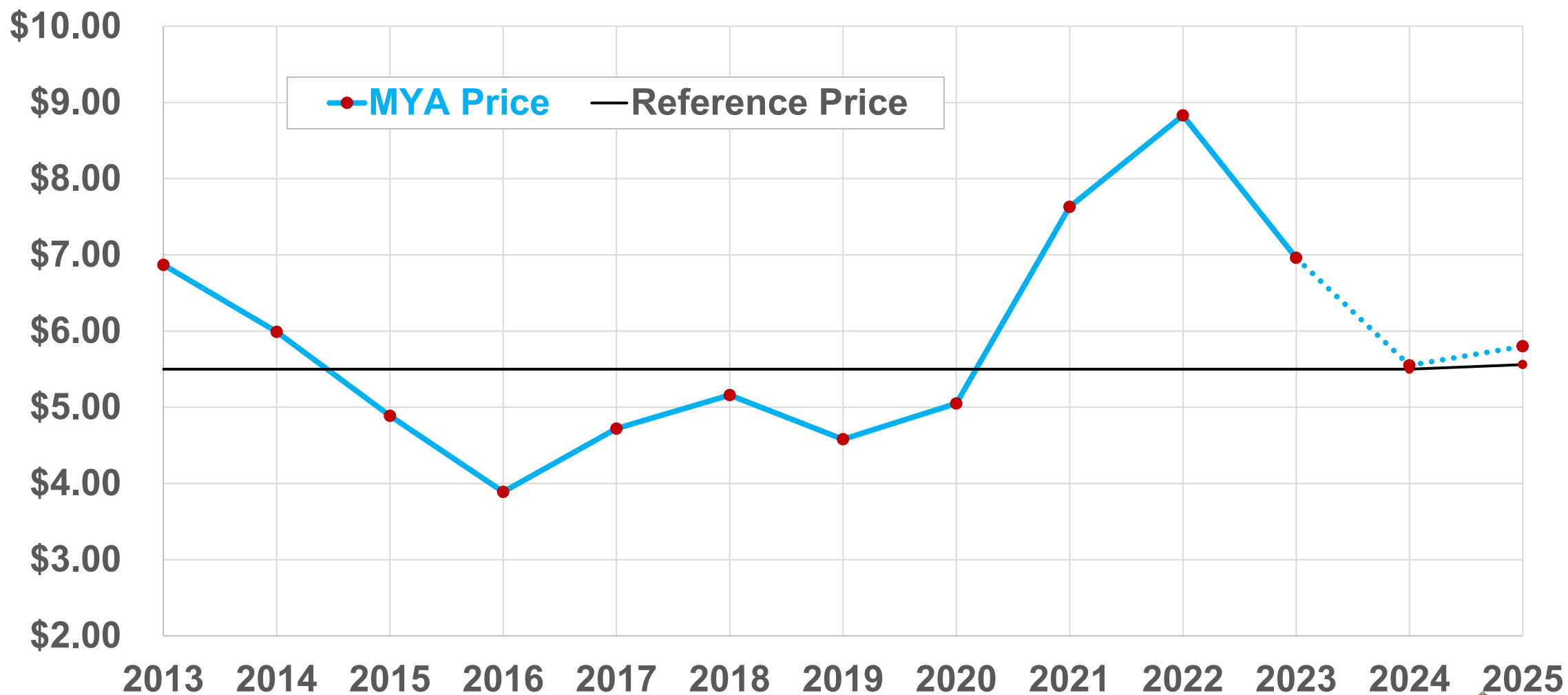


# Soybeans

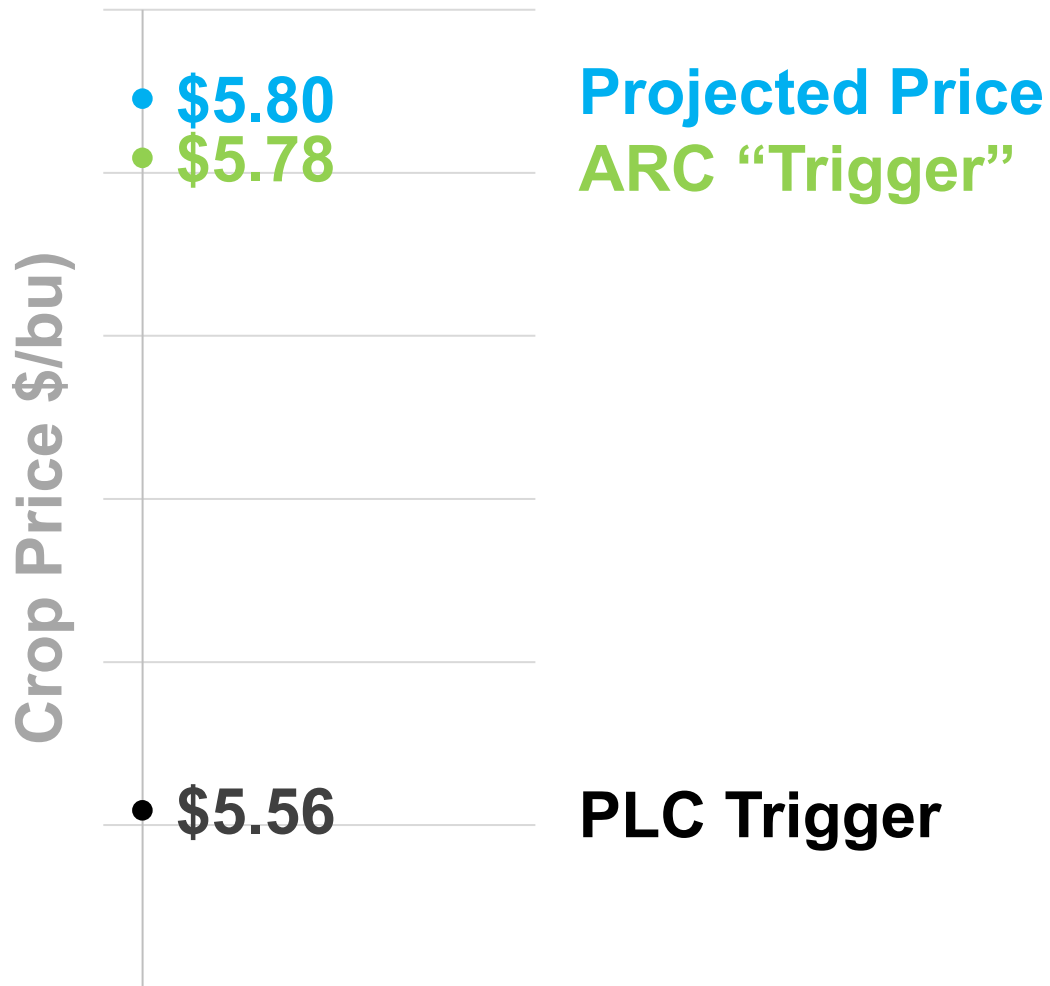


- Projected Price well above the PLC Trigger and well below the ARC "Trigger"
- ARC likely to pay even with above average county yields
- PLC much less likely to pay
- Recommendation: choose ARC

# Wheat Prices and Effective Reference Prices

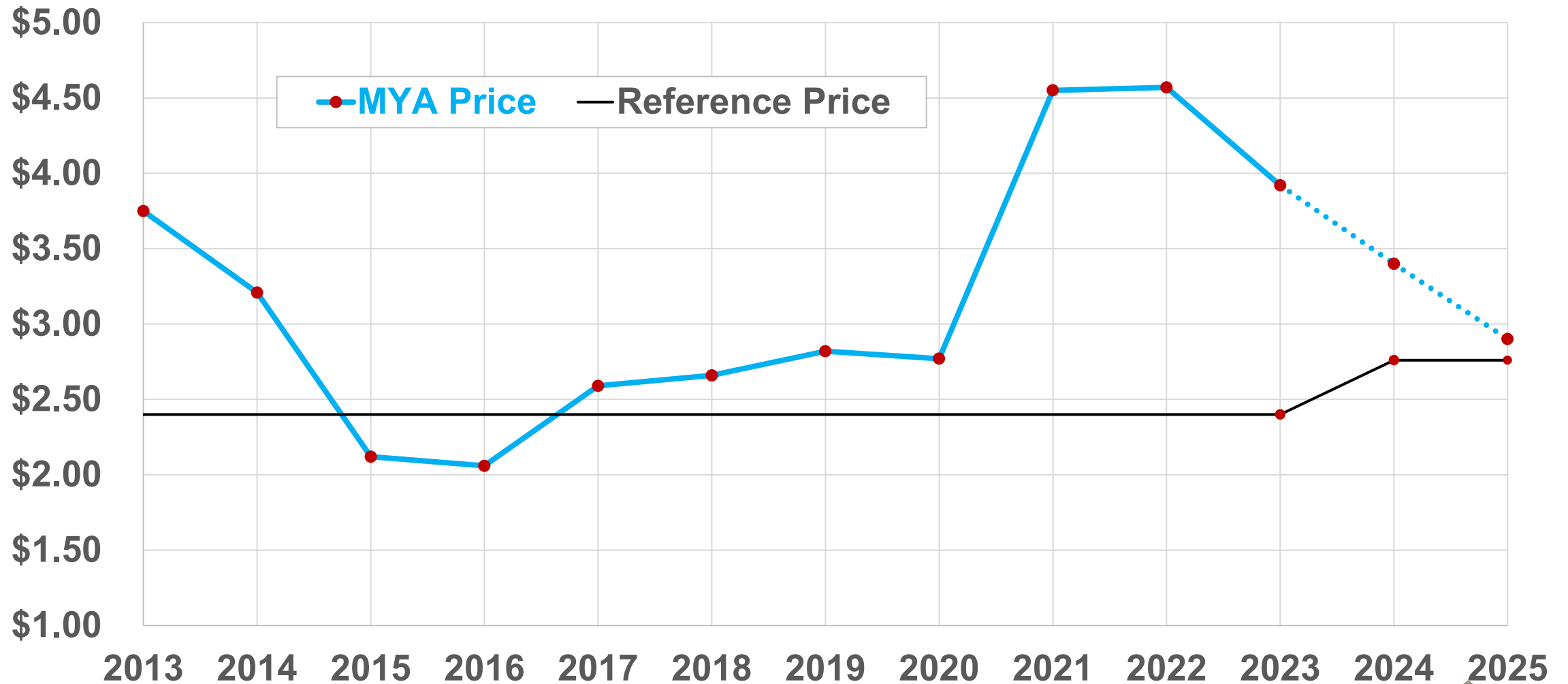


# Wheat

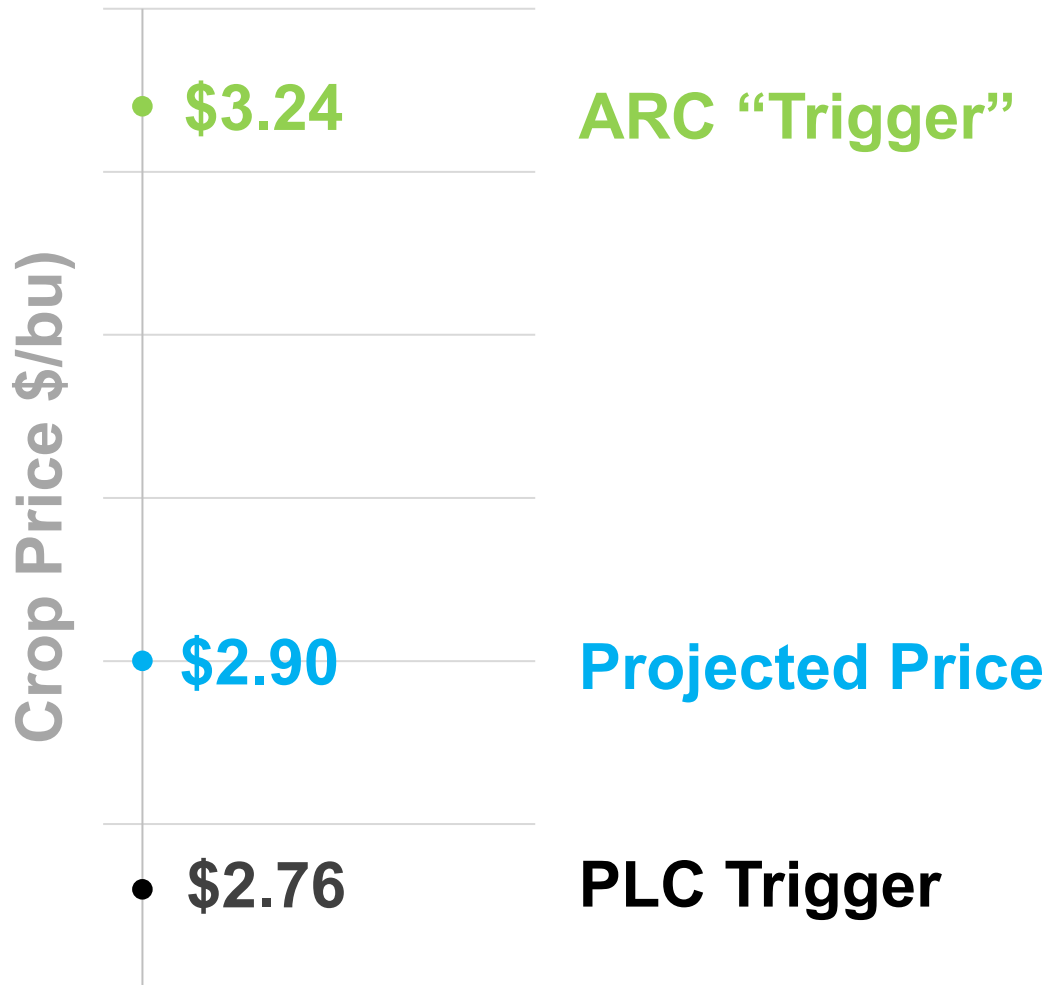


- Projected Price well above PLC Trigger and just above the ARC "Trigger"
- ARC likely to pay if have modest county yield losses or worse
- PLC much less likely to pay
- Recommendation: choose ARC

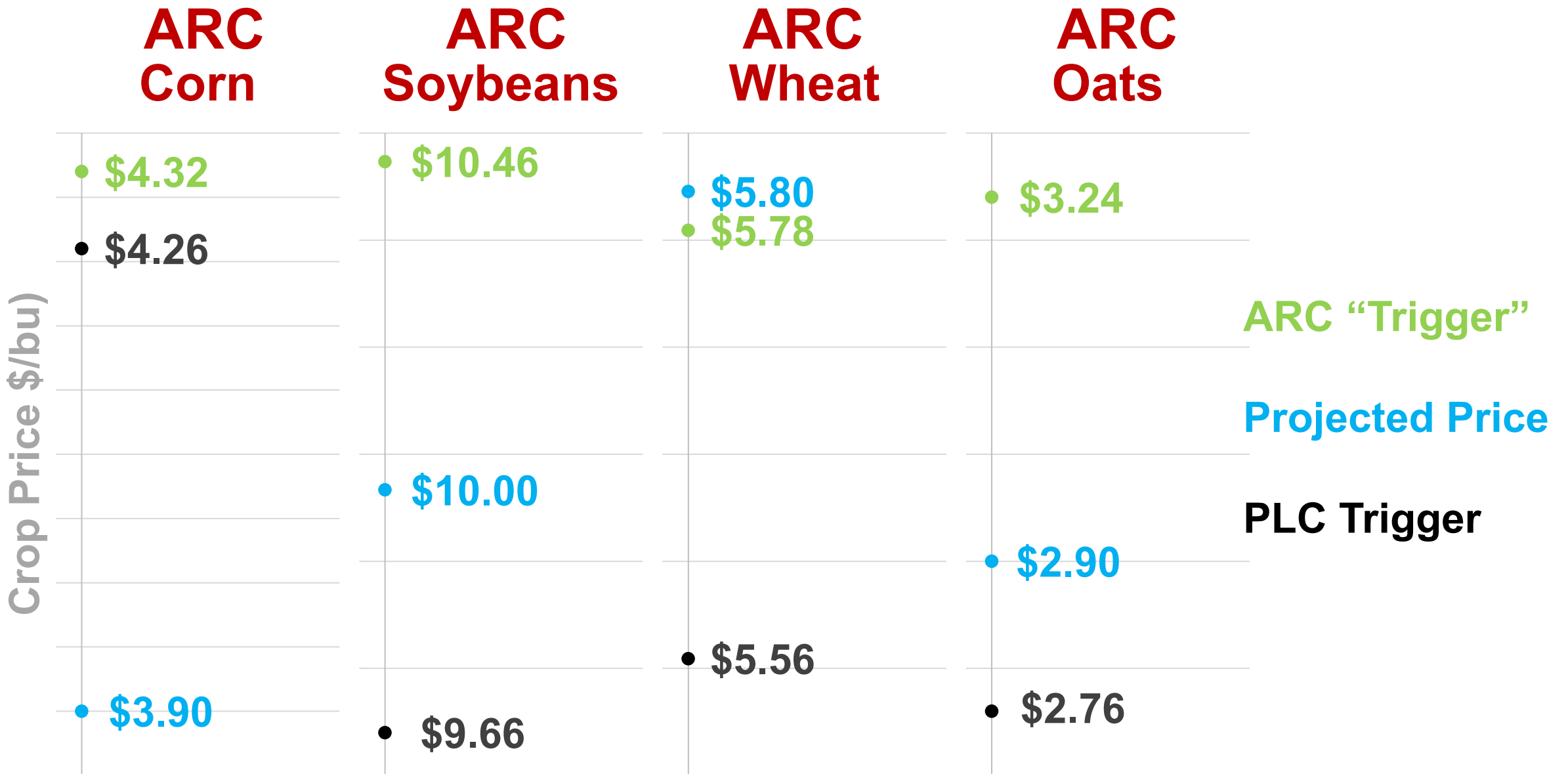
# Oat Prices and Effective Reference Prices



# Oats



- Projected Price above the PLC Trigger and well below the ARC "Trigger"
- ARC likely to pay even with above average county yields
- PLC much less likely to pay
- Recommendation: choose ARC



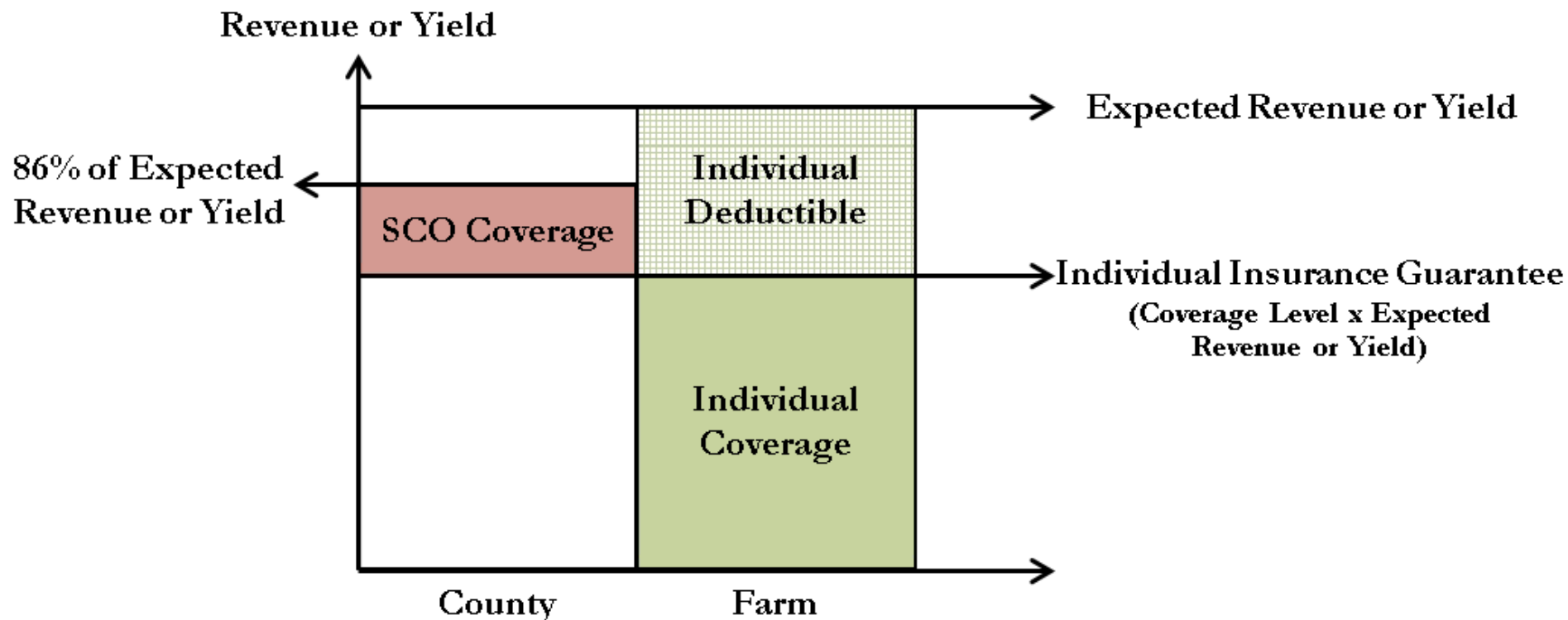
# 2025 ARC/PLC Recommendations

- Signup deadline is **April 15**
  - **Enroll for 2025, your 2025 Elections transfer, update Elections if needed**
  - I will update my recommendations as the sign-up period progresses
- **Corn: Choose ARC-CO**: Projected Price well below PLC and ARC triggers, so payments likely for both ARC and PLC, but ARC payments generally will exceed PLC payments
- **Soybeans & Oats: Choose ARC-CO**: ARC “Trigger” exceeds Projected Prices, so ARC payments likely; PLC payments less likely and, if paid, will be smaller
- **Wheat: Choose ARC-CO**: Projected Price just above ARC “Trigger”, well above PLC trigger, so (small) ARC payments more likely than any PLC payments
- **If you buy SCO crop insurance by Mar 15<sup>th</sup>, you must file the FSA form to choose PLC for that crop by Mar 15<sup>th</sup> (30 days before regular deadline)**



# Supplemental Coverage Option (SCO)

- SCO: allows you to insure part of your RP/YP deductible with a county policy (ARP/AYP)
  - Layer individual & county coverage
- Add SCO to your RP policy to increase total coverage up to the 86% of your expected revenue
  - SCO will not pay until county loss exceeds 14%
  - 65% SCO premium subsidy (farmer pays 35% of premium)
- SCO available, **but only if you choose PLC for the insured crop**
  - If choose ARC for a crop, cannot buy SCO for that crop

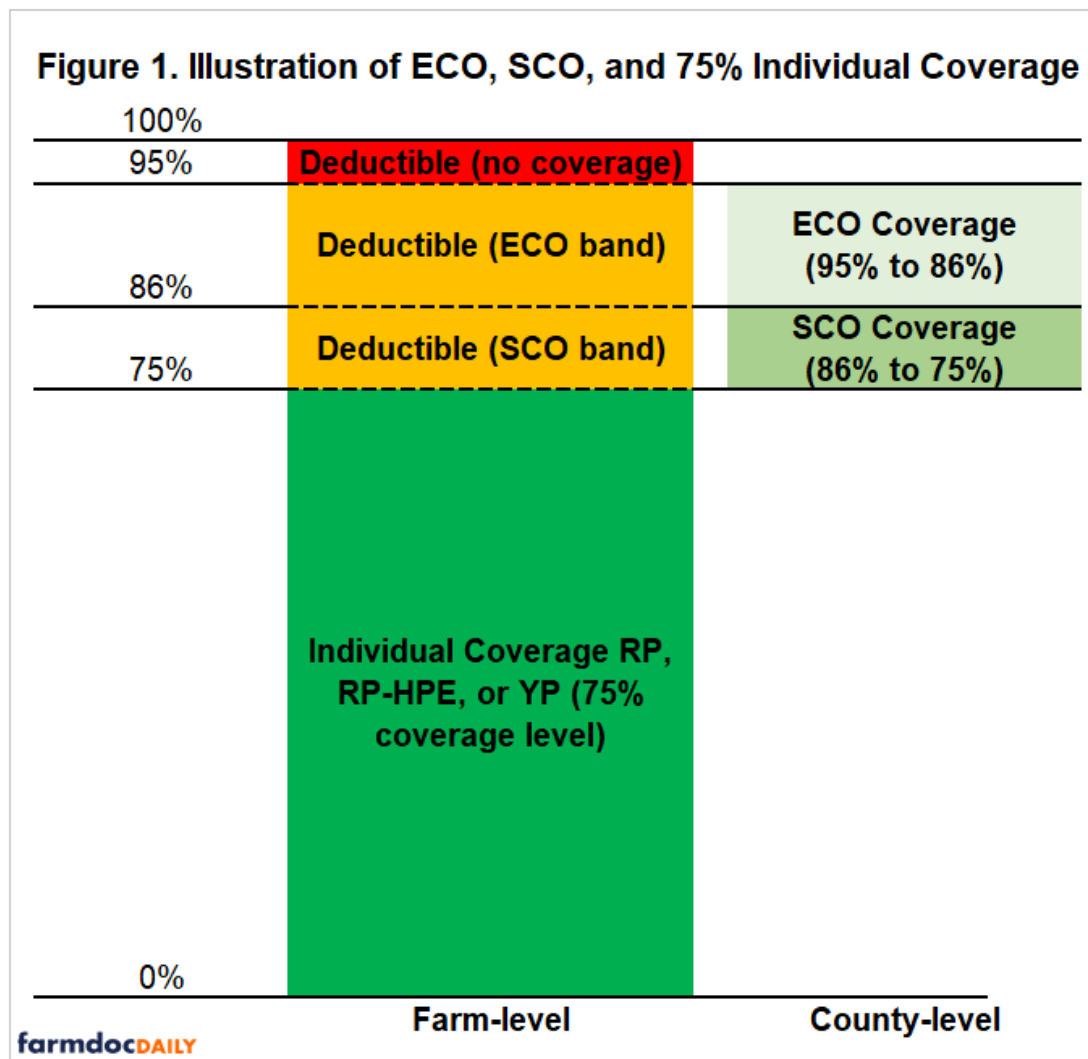


## Possible outcomes with RP plus SCO

1. **SCO pays, but not RP** (low county yield, good farm yield)
2. **RP pays, but not SCO** (good county yield, low farm yield)
3. **Both SCO and RP pay** (low prices, low county and low farm yield)
4. **Neither SCO nor RP pays** (high prices, good county and good farm yield)

# Enhanced Coverage Option (ECO)

- ECO: also insures part of your RP/YP deductible with a county policy (ARP/AYP)
- Covers from 86% up to 95% of your expected revenue
- Can use ECO whether sign up for ARC or PLC
- Can add ECO on top of SCO or use ECO instead of SCO
- **New in 2025: ECO premium subsidy now 65% just like SCO**



# Farmer Use of SCO and ECO in Wisconsin

## SCO Insured Acres in Wisconsin

Year	Corn	Soybeans	Wheat	Oats
2020	268,611	77,653	700	399
2021	266,633	107,243	6,708	297
2022	221,059	107,246	5,320	366
2023	253,805	116,905	3,326	277
2024	84,927	74,293	2,147	417

## % Acres with SCO in Wisconsin

Year	Corn	Soybeans	Wheat	Oats
2020	6.8%	3.8%	0.4%	0.1%
2021	6.8%	5.1%	2.3%	0.2%
2022	5.7%	5.0%	1.8%	0.3%
2023	6.3%	5.5%	1.2%	0.2%
2024	2.3%	3.5%	0.8%	0.3%

## ECO Insured Acres in Wisconsin

Year	Corn	Soybeans	Wheat	Oats
2021	239,315	105,401		352
2022	240,520	122,333	5,340	274
2023	270,994	118,918	2,056	339
2024	348,901	137,511	1,687	271

## % Acres with ECO in Wisconsin

Year	Corn	Soybeans	Wheat	Oats
2021	6.1%	5.0%		0.2%
2022	6.2%	5.7%	1.8%	0.2%
2023	6.8%	5.6%	0.7%	0.3%
2024	9.4%	6.4%	0.6%	0.2%

# 2025 ARC/PLC Recommendations

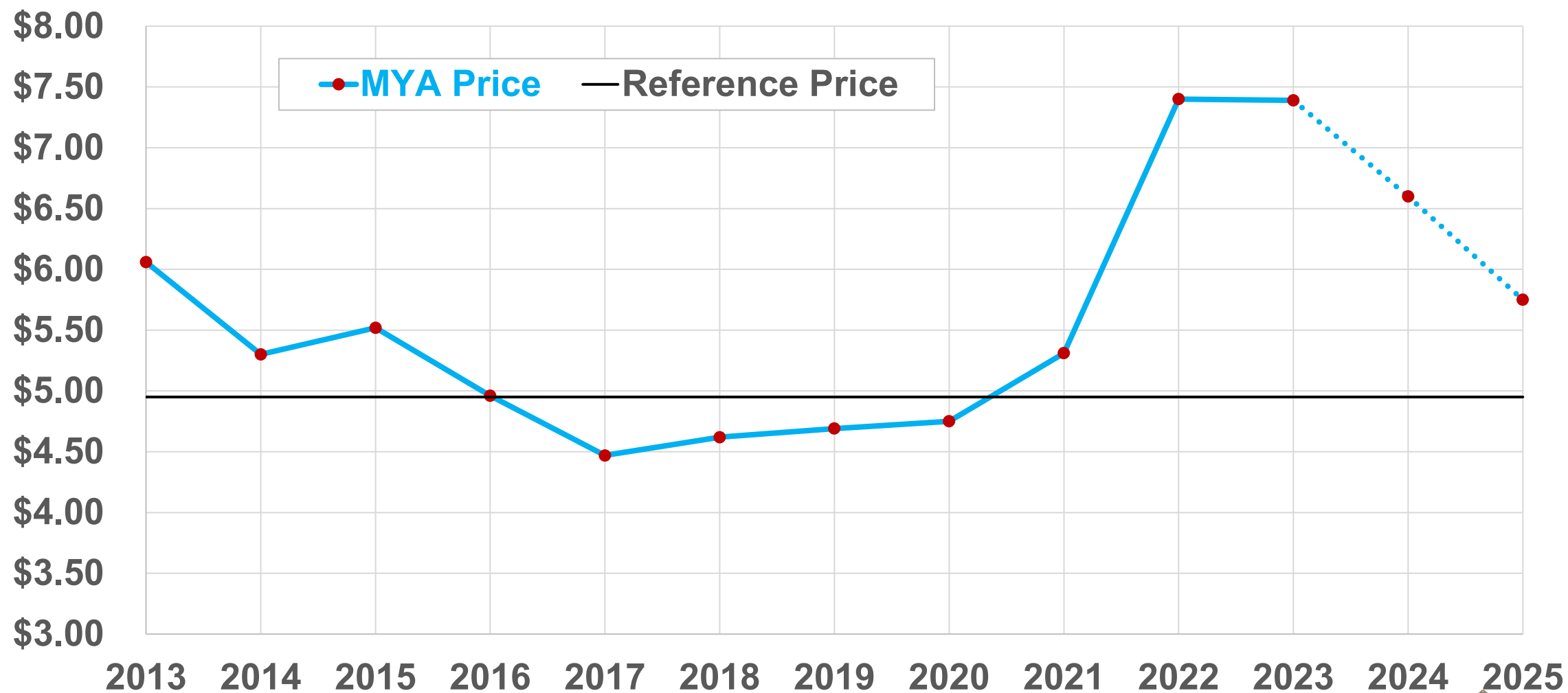
- Signup deadline is April 15
  - **Enroll for 2025, your 2025 Elections transfer, update Elections if needed**
  - I will update my recommendations as the sign-up period progresses
- **Corn: Choose ARC-CO**: Projected Price well below PLC and ARC triggers, so payments likely for both ARC and PLC, but ARC payments generally will exceed PLC payments
- **Soybeans & Oats: Choose ARC-CO**: ARC “Trigger” exceeds Projected Prices, so ARC payments likely; PLC payments less likely and, if paid, will be smaller
- **Wheat: Choose ARC-CO**: Projected Price just above ARC “Trigger”, well above PLC trigger, so (small) ARC payments more likely than any PLC payments
- **If you buy SCO crop insurance by Mar 15<sup>th</sup>, you must file the FSA form to choose PLC for that crop by Mar 15<sup>th</sup> (30 days before regular deadline)**

# Minor Crops: Reference Prices and USDA Projected Prices

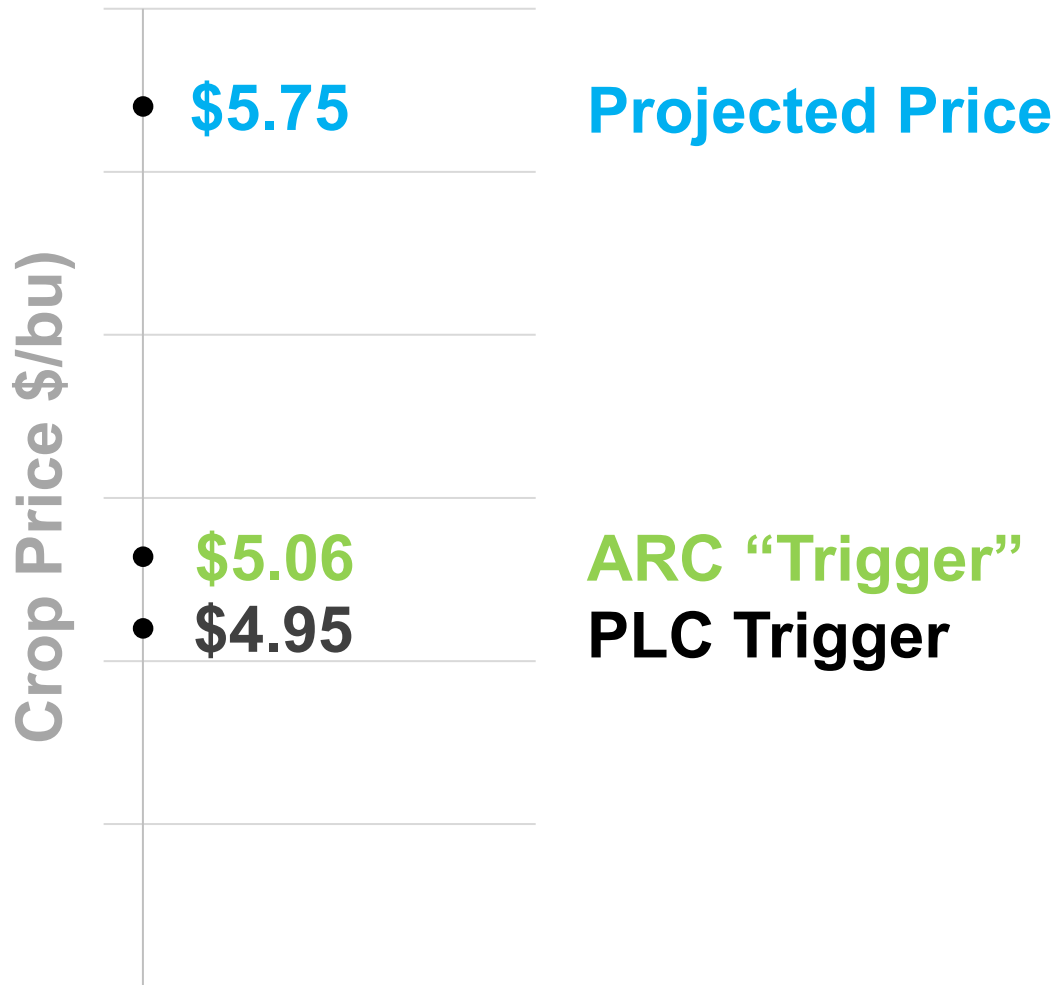
Crop	PLC Trigger	ARC “Trigger”	Projected 2025 Farm Price
	2025 Effective Reference Price	2025 Effective ARC Price	
Barley	\$4.95	\$5.06	\$5.75
Sunflower	\$20.15	\$20.15	\$20.05
Sorghum	\$4.51	\$4.56	\$3.80

- Effective Reference Prices (Dec 31, 2024)  
<https://www.fsa.usda.gov/documents/2025-erp-pdf>
- **Effective ARC Prices: Price needed to trigger ARC payments if have average (benchmark) county yield**
- Projected 2025 Farm Prices: USDA Early-Release Baseline Projections (Nov 7, 2024)  
<https://www.usda.gov/oce/commodity-markets/baseline>

# Barley Prices and Effective Reference Prices



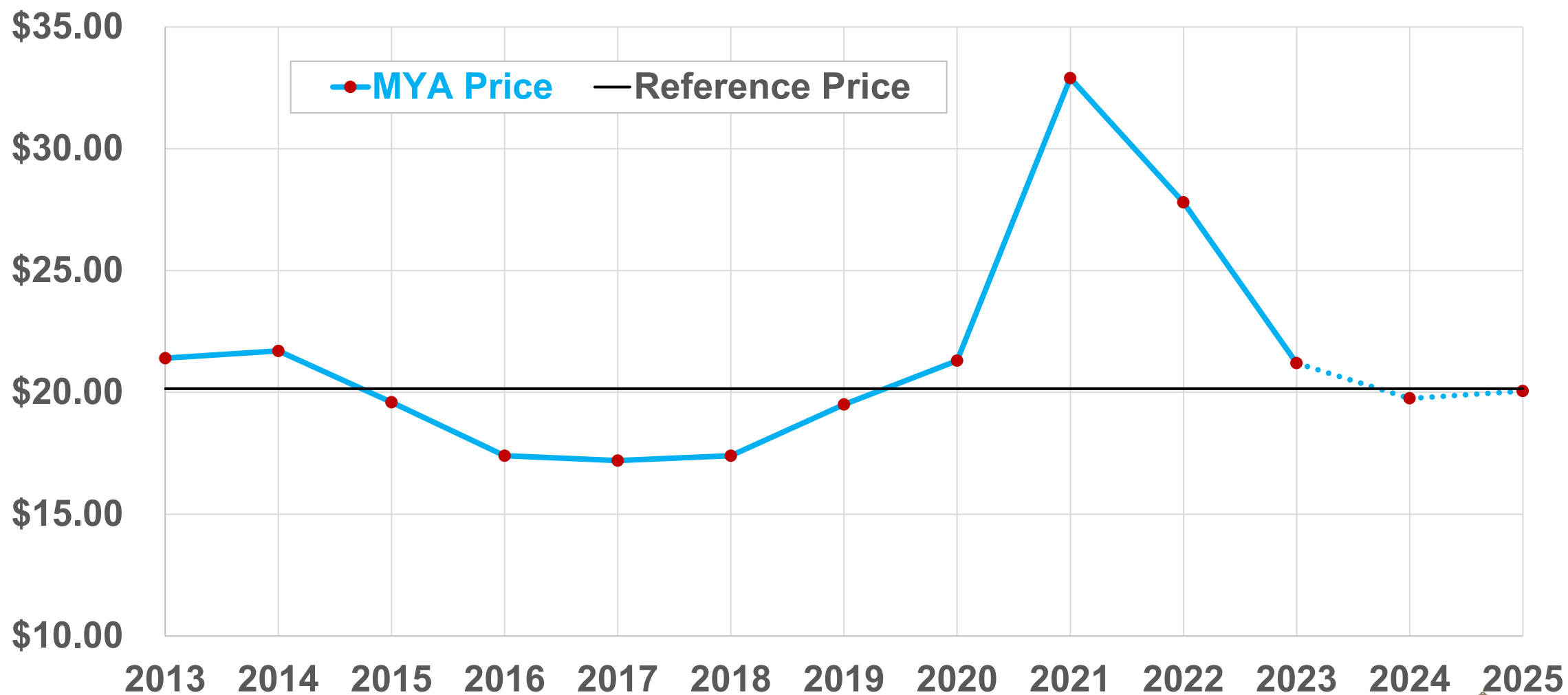
## Barley



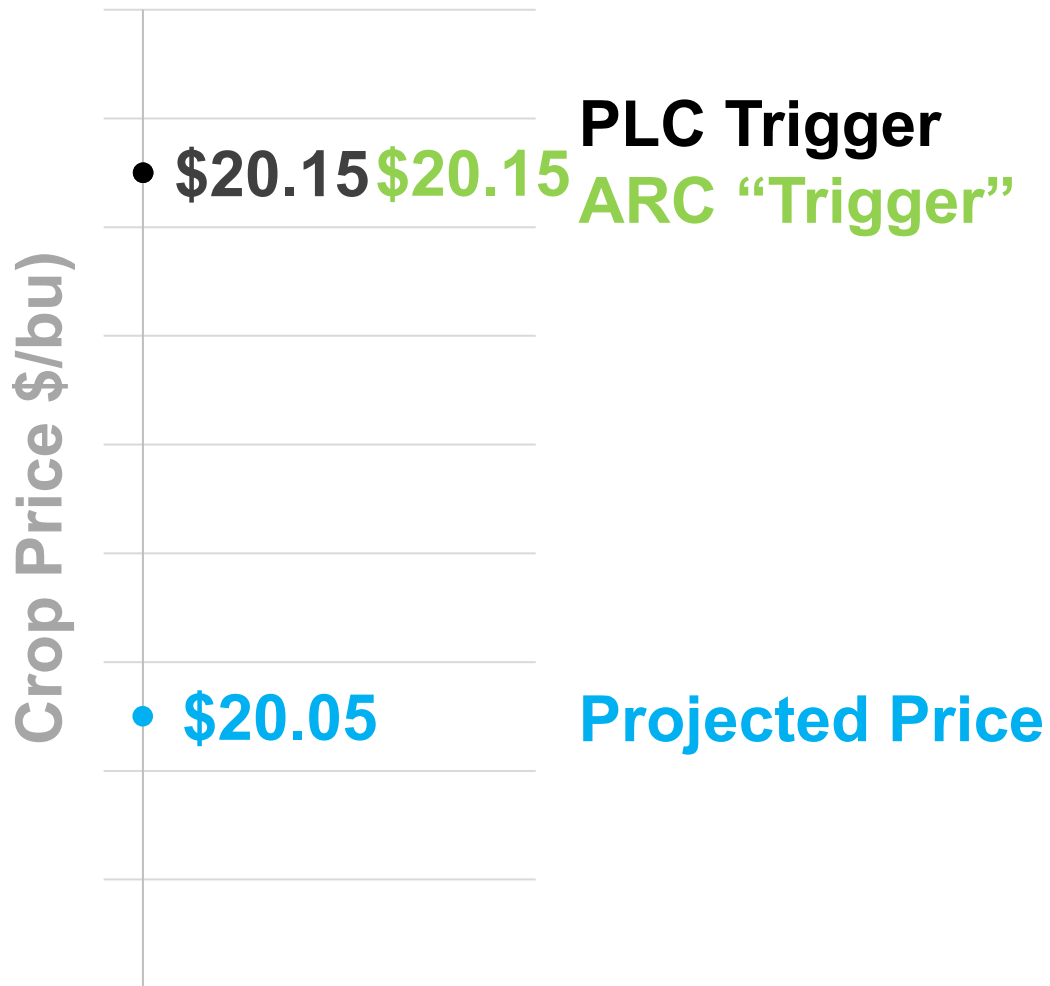
- Projected Price well above the PLC Trigger (Effective Reference Price) and the ARC "Trigger"
- ARC and PLC unlikely to pay
- Recommendation: Choose ARC. Don't expect a payment, but always a small chance that local county yield will be low enough to trigger ARC payments



# Sunflower Seed Prices and Effective Reference Prices

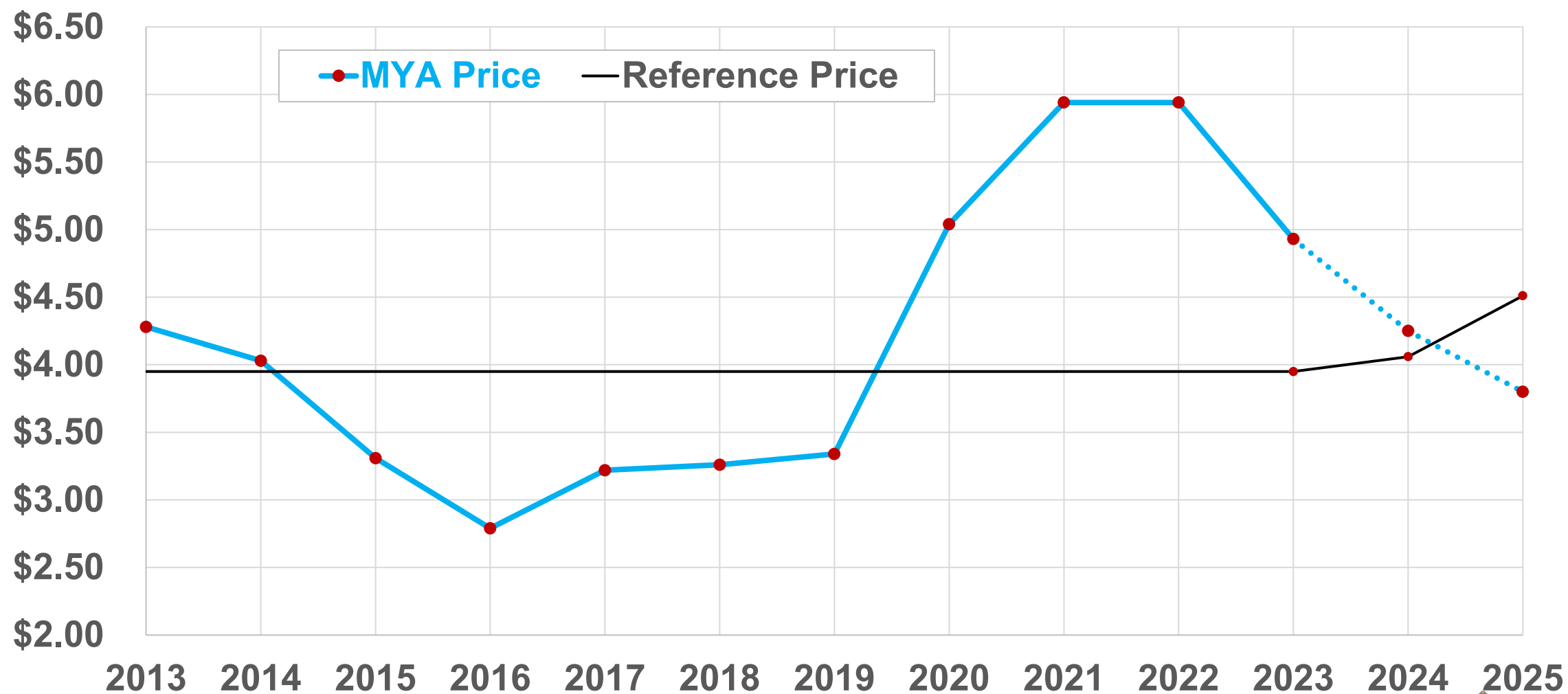


# Sunflower

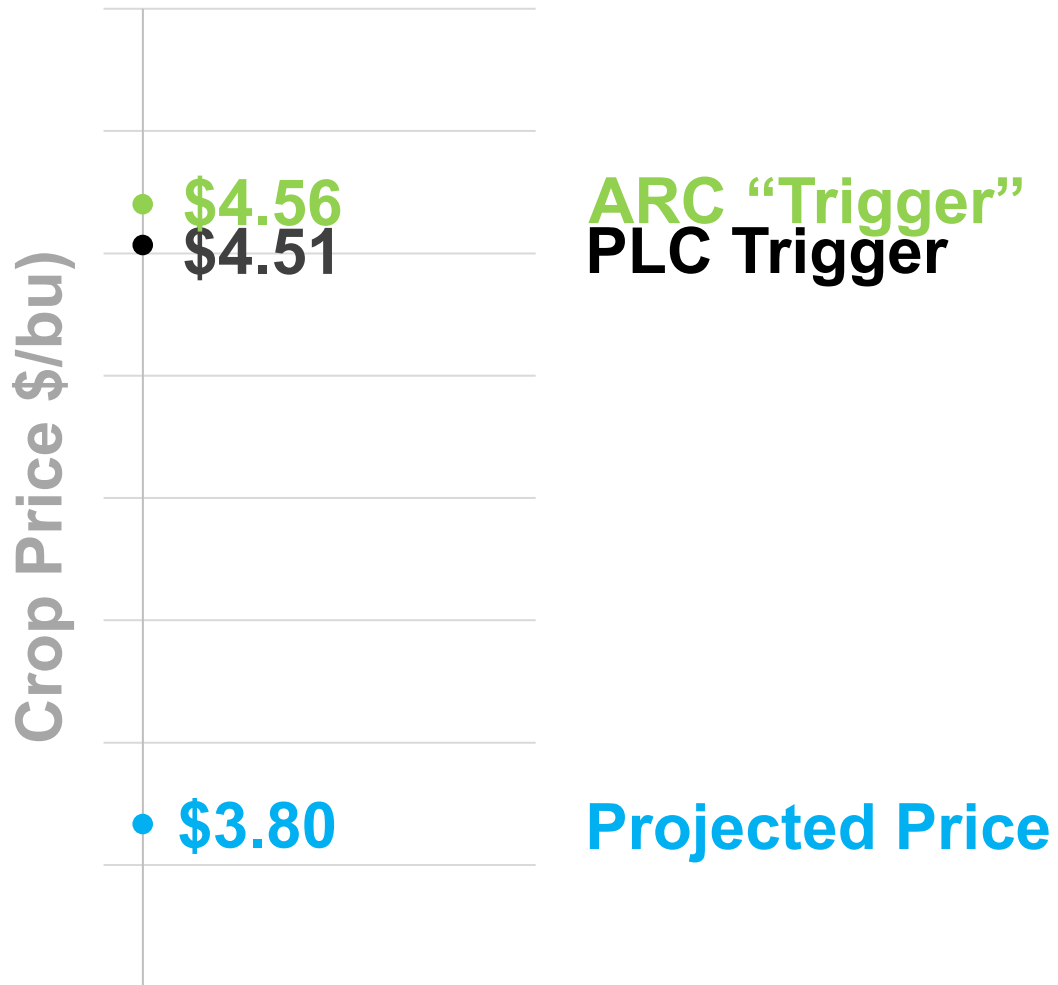


- Projected Price below the PLC Trigger and the ARC "Trigger"
- Both ARC and PLC likely to pay
- Recommendation: Choose ARC. ARC will pay more than PLC, except when have high county yields and low national price
- PLC not a bad choice

# Sorghum Prices and Effective Reference Prices

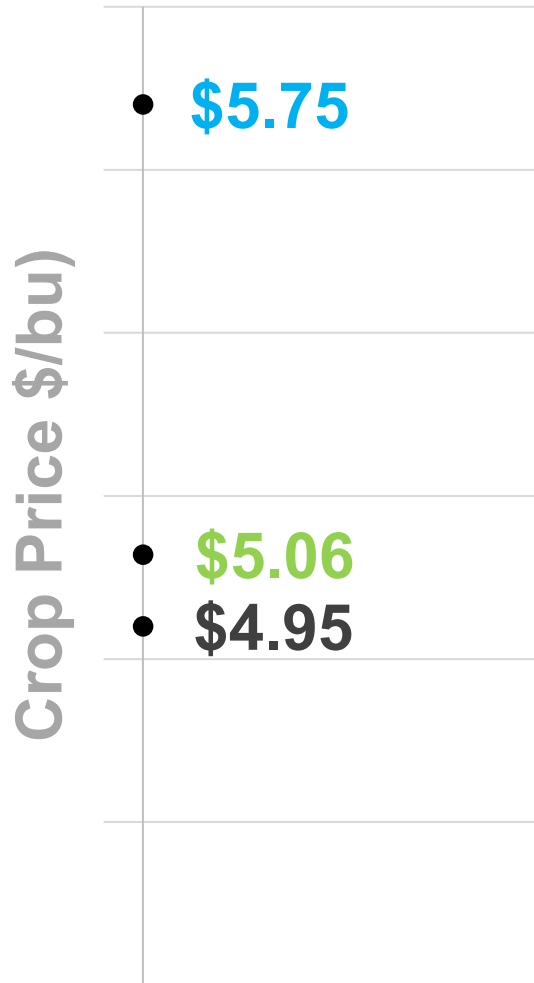


# Sorghum

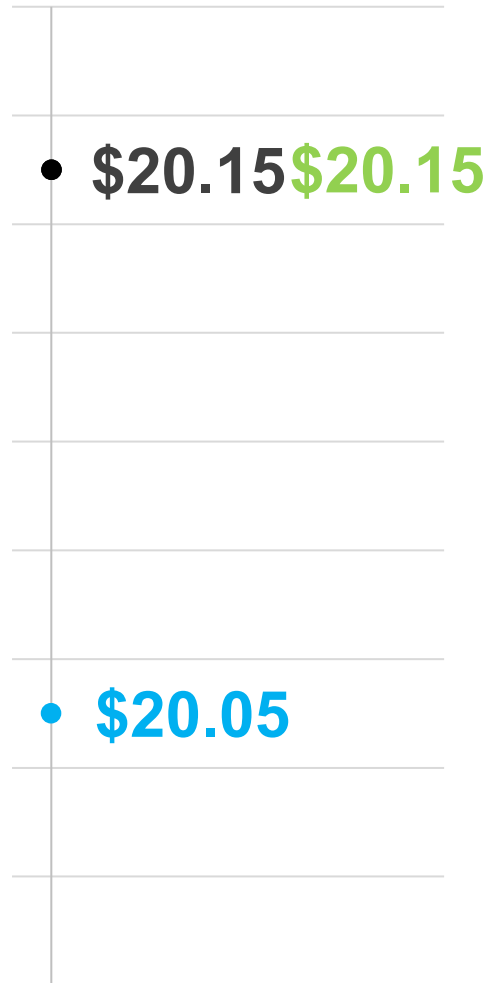


- Projected Price well below the PLC Trigger (Effective Reference Price) and the ARC "Trigger"
- Both ARC and PLC likely to pay, but ARC likely to pay more
- ARC payments exceed PLC payments except when have high county yield and low national price
- Recommendation: Choose ARC

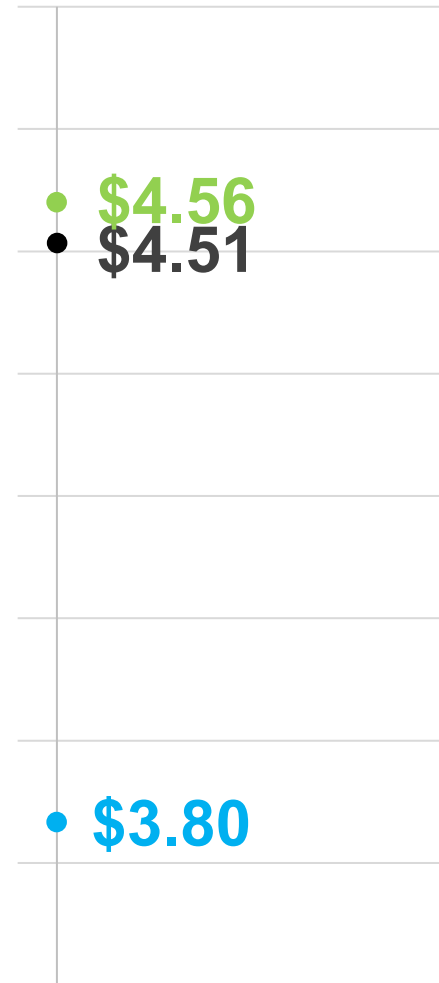
## ARC Barley



## ARC Sunflower



## ARC Sorghum



ARC "Trigger"

PLC Trigger

Projected Price

# 2025 ARC/PLC Recommendations

- Signup deadline is **April 15**
  - **Enroll for 2025, your 2025 Elections transfer, update Elections if needed**
  - I will update my recommendations as the sign-up period progresses
- **Barley: Choose ARC-CO**: Neither likely to pay, but always a small chance of an ARC payment due to unusually low county yield
- **Sunflowers: Choose ARC-CO**: Small ARC and PLC payments likely, ARC has slightly higher expected payments
- **Sorghum: Choose ARC-CO**: Projected Price well below PLC and ARC triggers, so payments likely for both, but ARC payments generally will exceed PLC payments