

# 2025 ARC AND PLC SIGNUP RECOMMENDATIONS FOR WISCONSIN FARMERS

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



# Topics Covered

- Recommendations for corn, soybeans, wheat, and oats
- SCO and ECO
- 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 NASS county yield
  - County Revenue Guarantee = 86% of Olympic average of county revenue for 2019-2023, with reference price as price 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>
  - National database of county yields and guarantees:  
<https://www.fsa.usda.gov/documents/arcco-2025-data-20250106>

# Initial ARC/PLC Recommendations for 2025

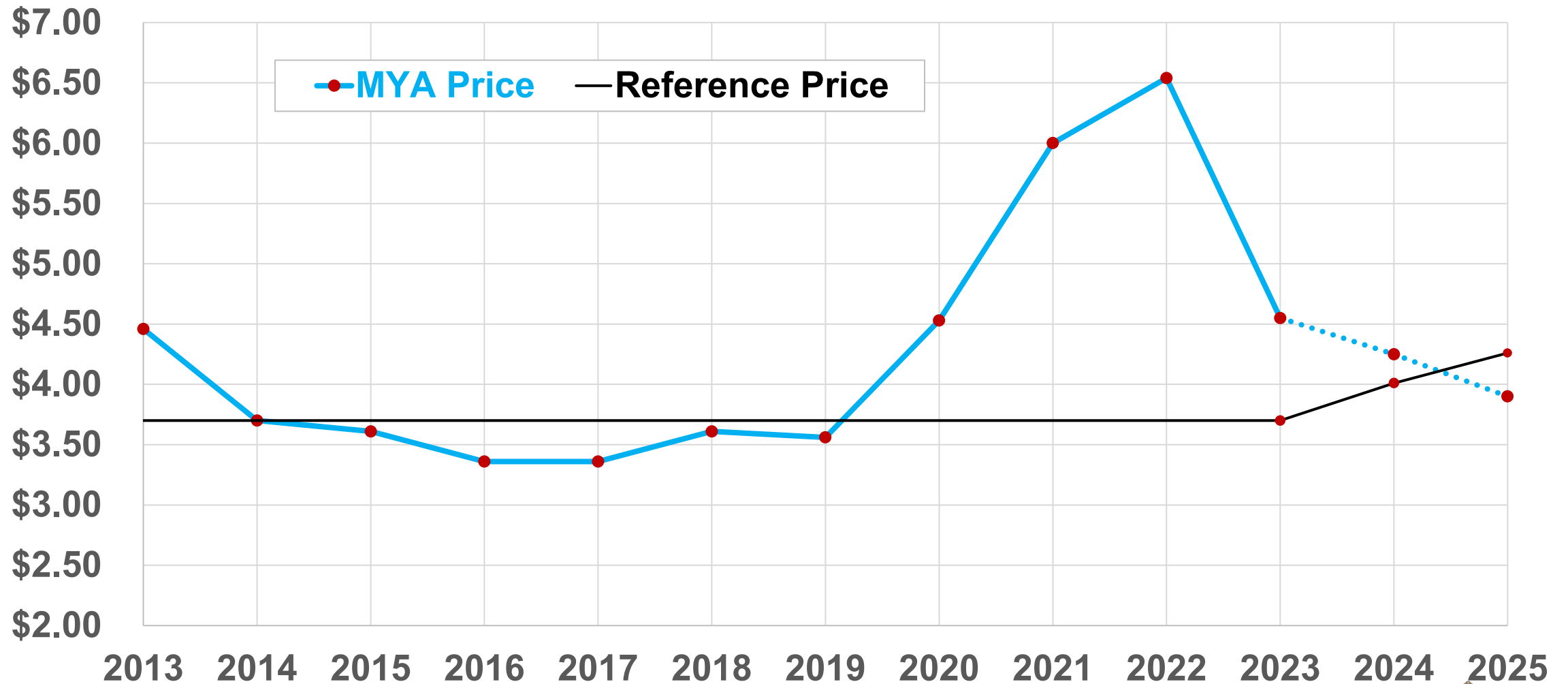
- If had to decide today: PLC for Corn and ARC for Soybeans, Wheat and Oats
- No Rush, you have until April 15<sup>th</sup> to make your election
  - Market uncertainty high due to supply and demand issues and policy uncertainty: WASDE has surprised markets this year
  - USDA Long-run Baseline published mid-Feb will have 2025 price estimates
  - 2025 Prospective Plantings Report published Mar 31
  - Policy Uncertainty: Will Trump impose tariffs? What will Congress do?
  - I will update my recommendations as the sign-up period progresses
- **File your FSA Enrollment form for 2025 soon (2025 CCC-866)**
  - Your 2024 ARC/PLC Elections will automatically transfer to 2025
- **Update your Elections for 2025 before April 15<sup>th</sup> if you want to**

# 2025 Effective Prices and Farm Price Projections

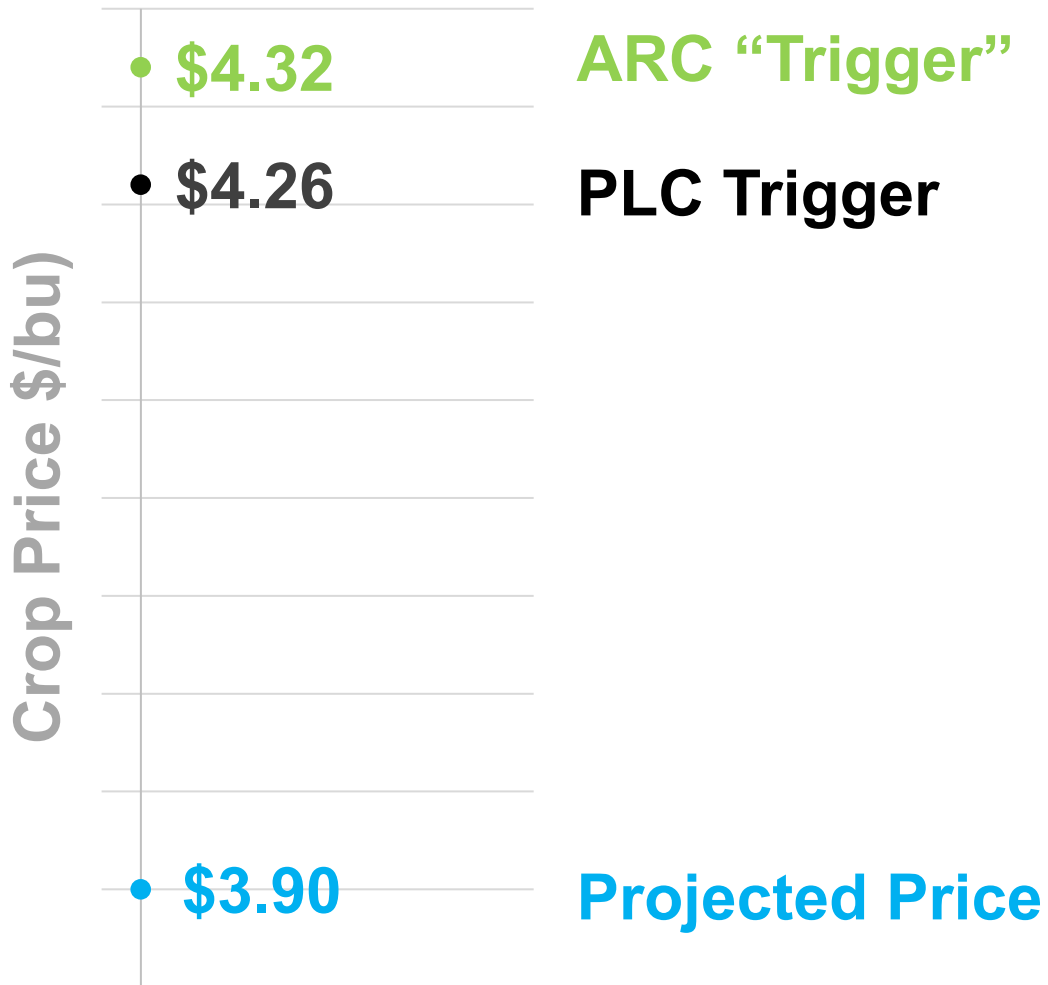
Crop	PLC Trigger	ARC "Trigger"	Projected 2025 Farm Price
	2025 Effective Reference Price	2025 Effective ARC Price	
Corn	\$4.26	\$4.32	\$3.90
Soybeans	\$9.66	\$10.46	\$10.00
Wheat	\$5.56	\$5.78	\$5.80
Oats	\$2.76	\$3.24	\$2.90

- 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 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>

# Corn Prices and Effective Reference Prices



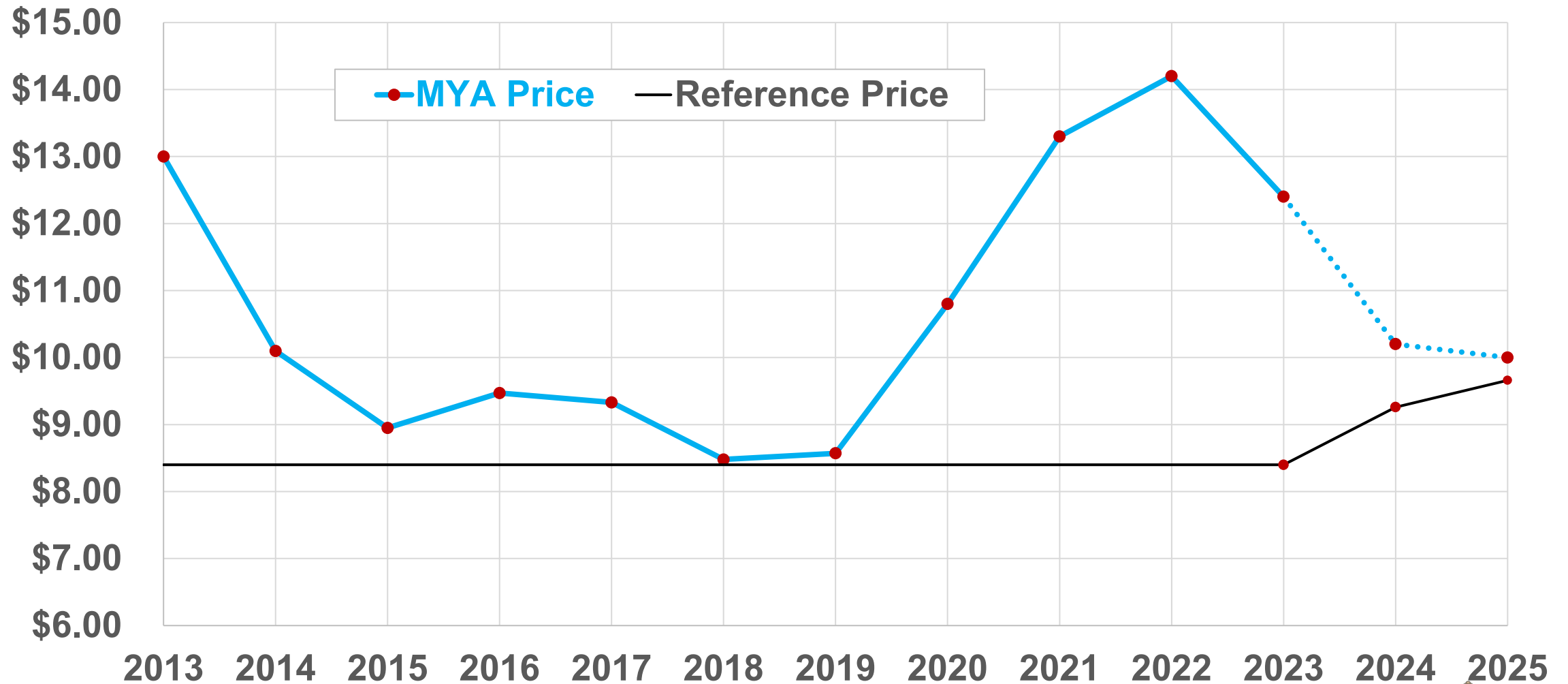
# Corn



- Projected Price well below the PLC Trigger (Effective Reference Price) and the ARC "Trigger"
- Both ARC and PLC likely to pay
- With average county yields and projected price, ARC is close to hitting payment maximum (10% of county benchmark revenue)
- Recommendation: Choose PLC
- ARC not a bad choice



# Soybean Prices and Effective Reference Prices

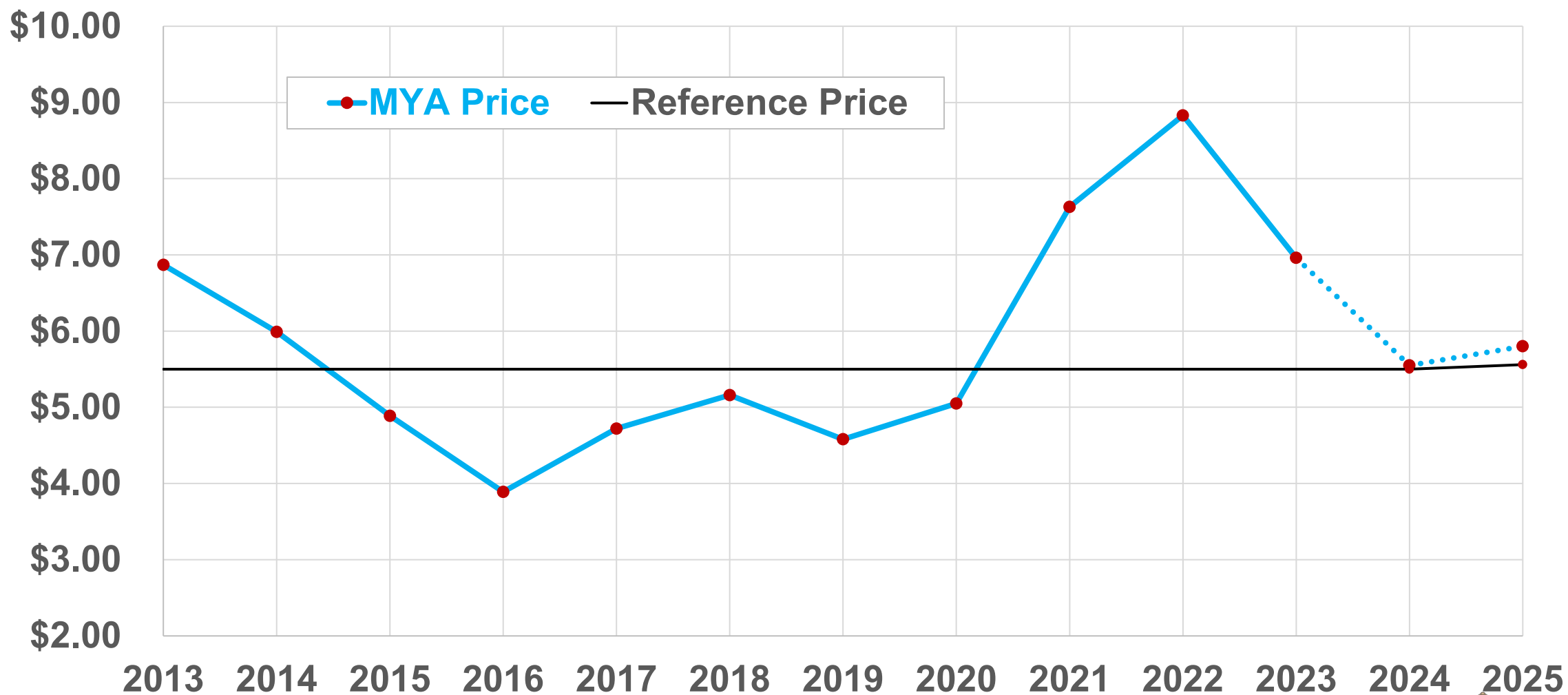


# Soybeans

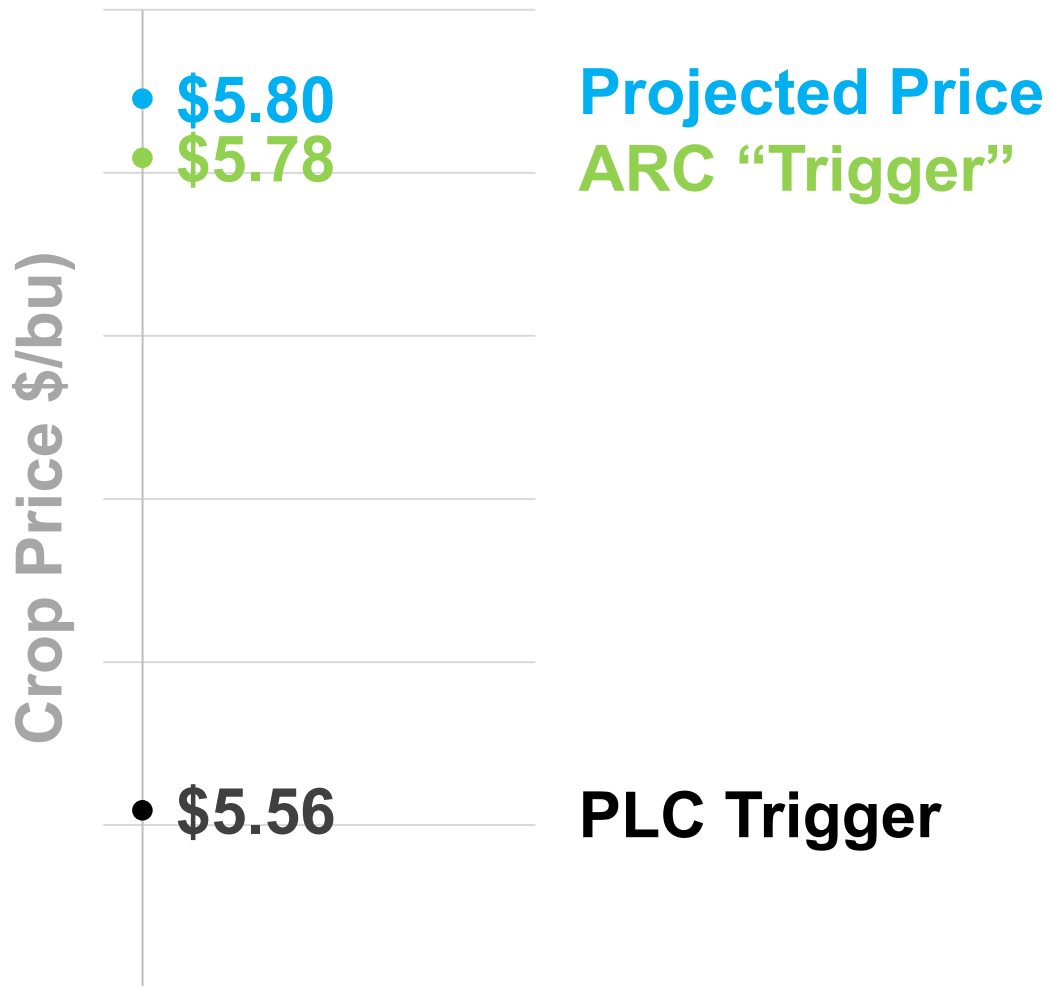


- Projected Price well above the PLC Trigger and well below the ARC "Trigger"
- ARC likely to pay even with above average county yields
- PLC much less likely to pay
- Recommendation: choose ARC

# Wheat Prices and Effective Reference Prices

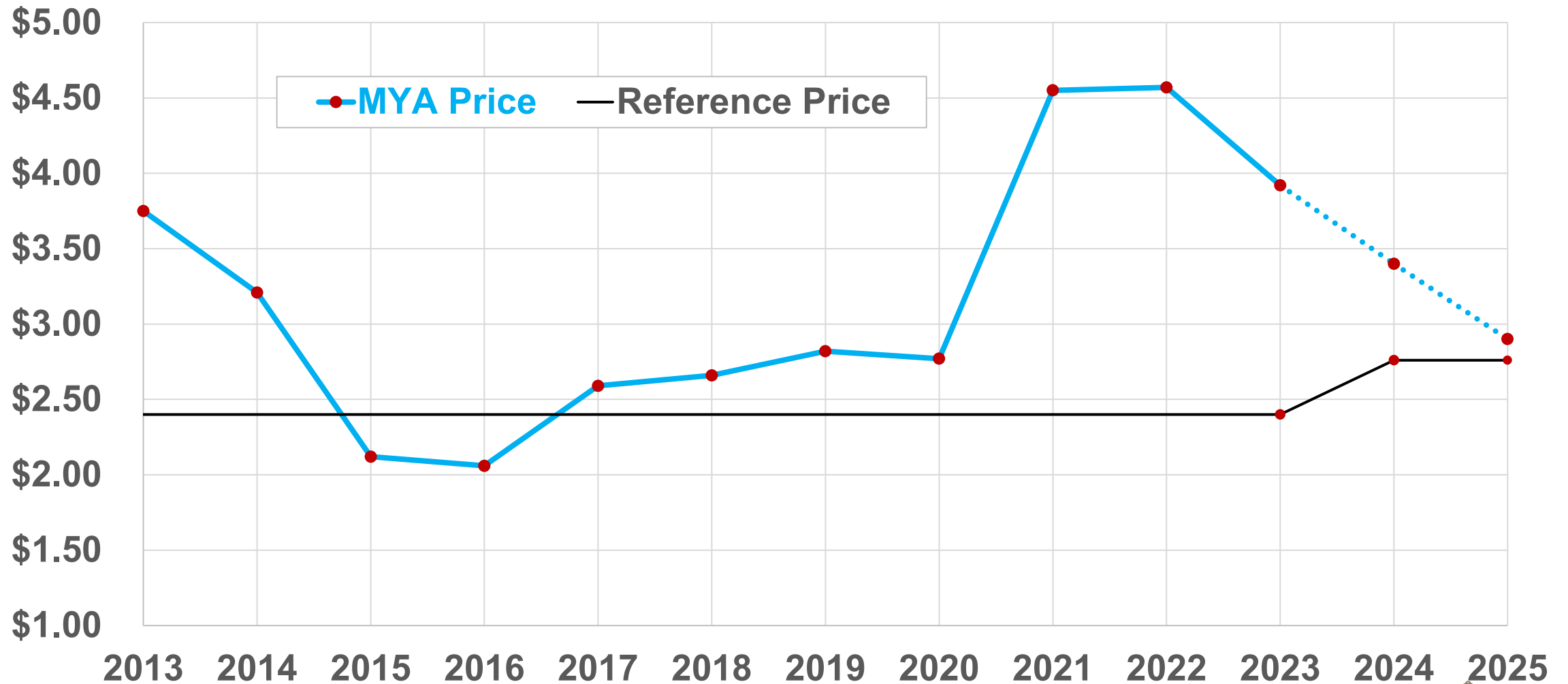


# Wheat

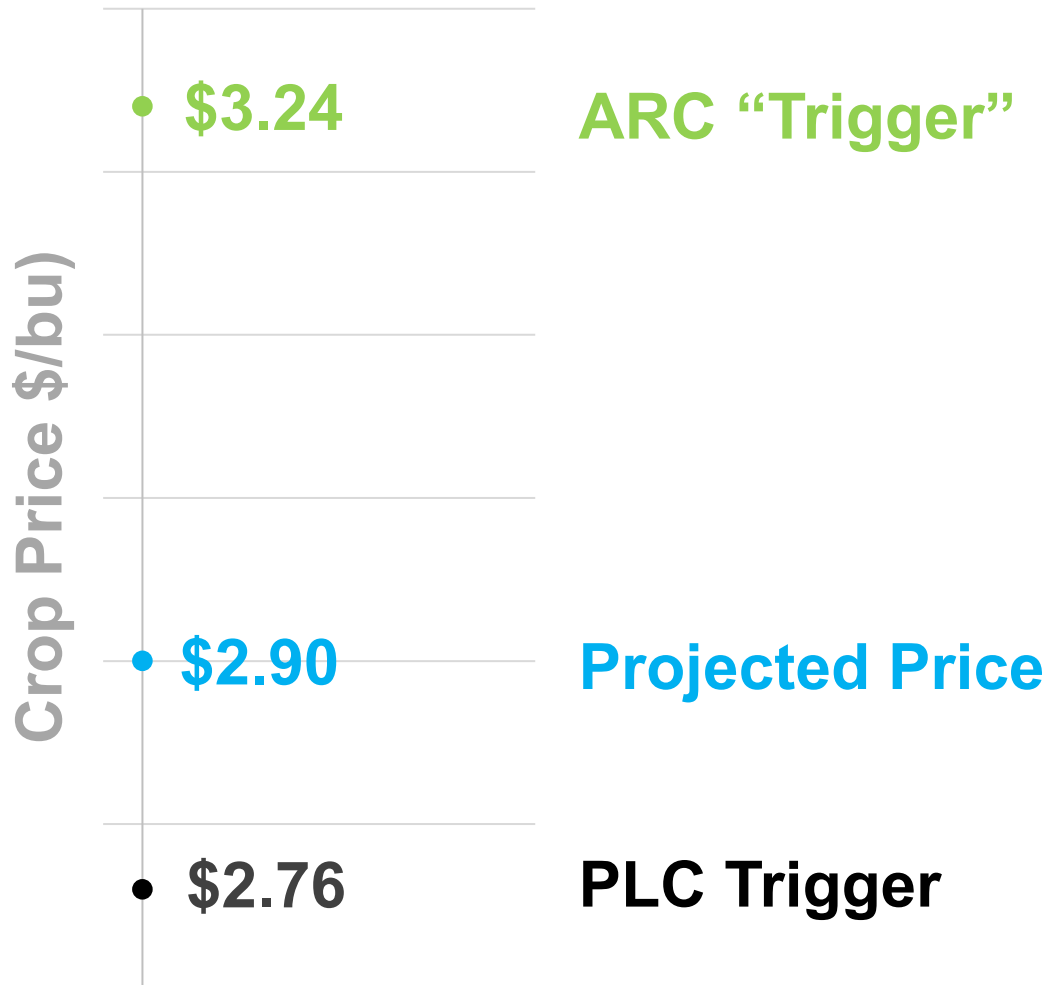


- Projected Price well above PLC Trigger and just above the ARC "Trigger"
- ARC likely to pay if have modest county yield losses or worse
- PLC much less likely to pay
- Recommendation: choose ARC

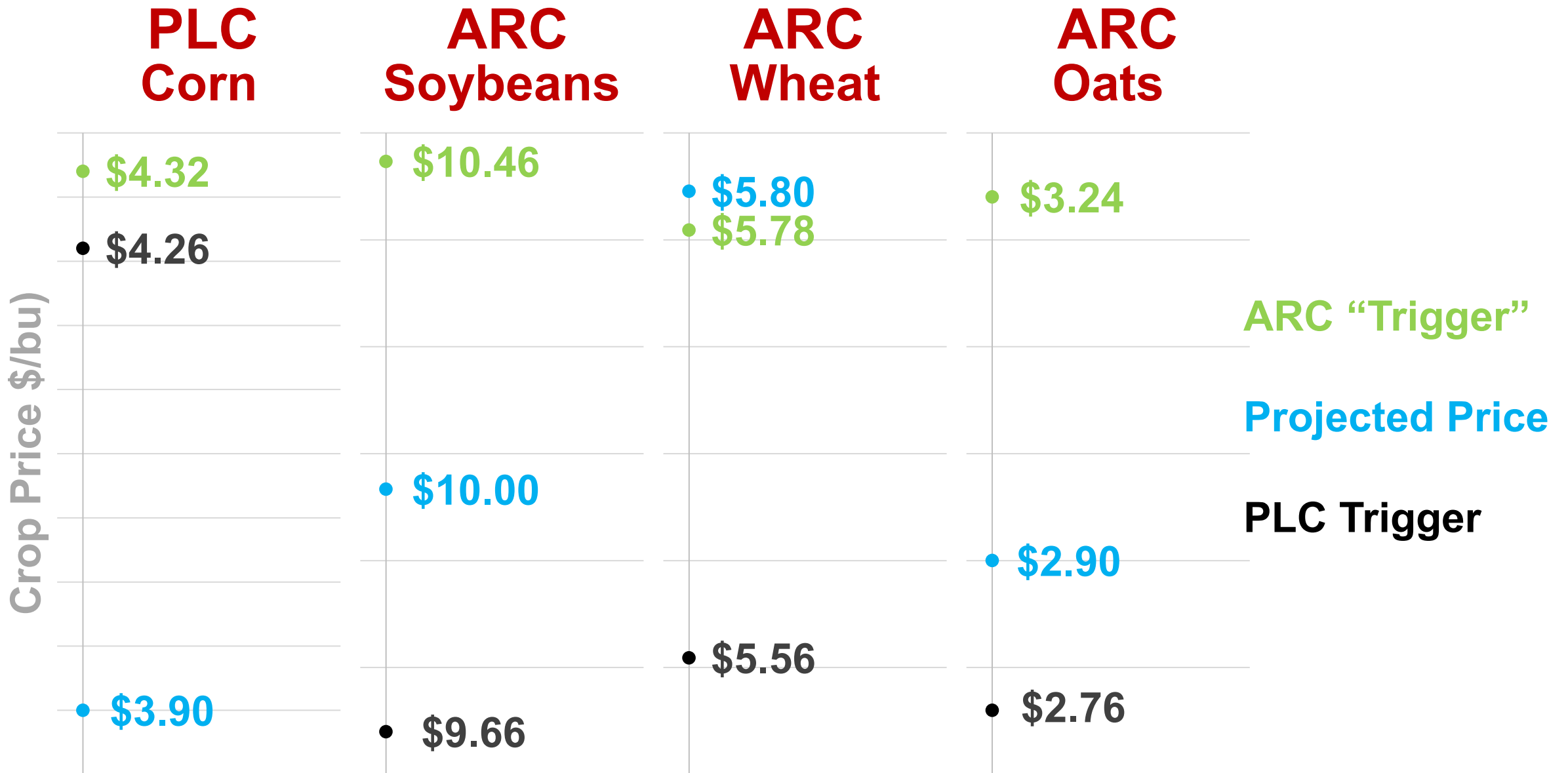
# Oat Prices and Effective Reference Prices



# 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



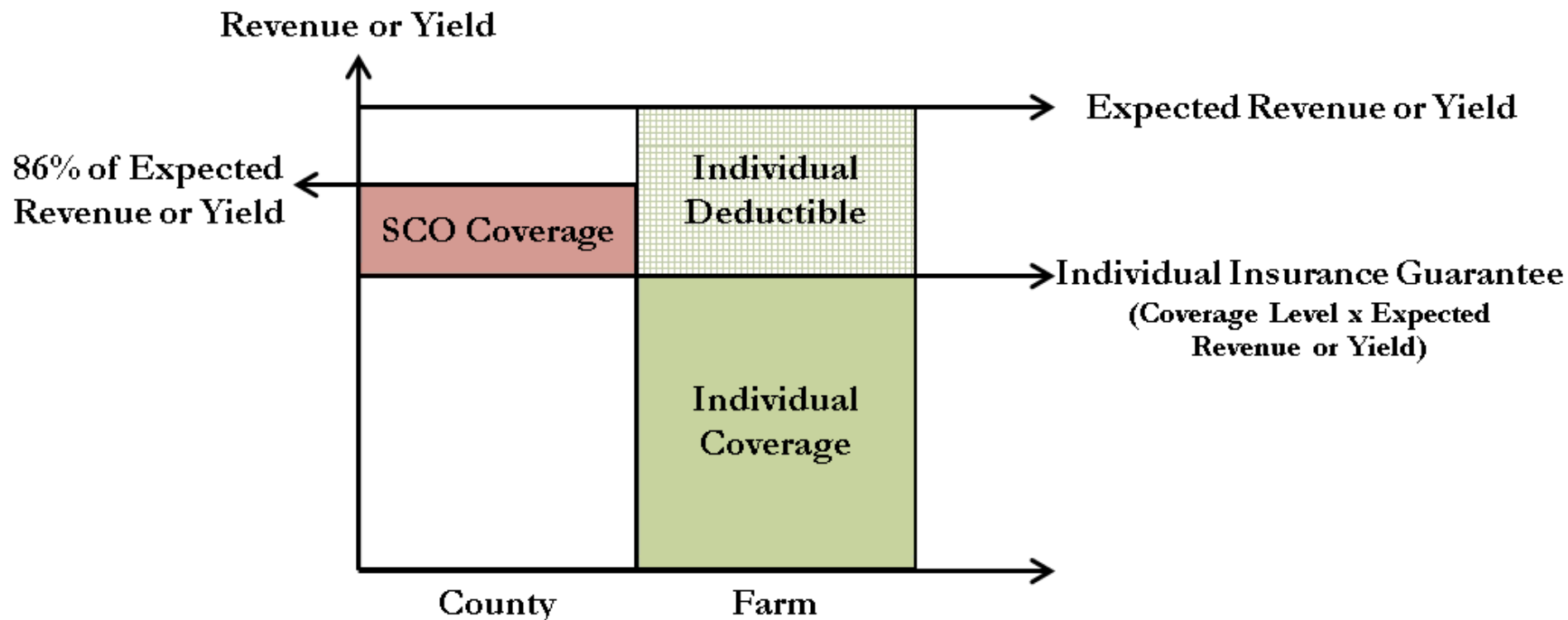
# Initial 2025 ARC/PLC Recommendations

- Signup opens Jan 21, Deadline is April 15
  - **Enroll for 2025 soon, your 2025 Elections transfer, update Elections later**
  - Key USDA updates to be published, some policy uncertainty will be resolved
  - **I will update my recommendations as the sign-up period progresses**
- **Corn: Choose PLC**: Projected Price well below PLC and ARC triggers, so both ARC and PLC payments are likely, but ARC could hit payment maximum
- **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 choose PLC for that crop by Apr 15<sup>th</sup> or you will void your SCO coverage (premium still due)**



# 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
  - Can't exceed 86% for total coverage
- Add SCO to your RP policy to increase 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



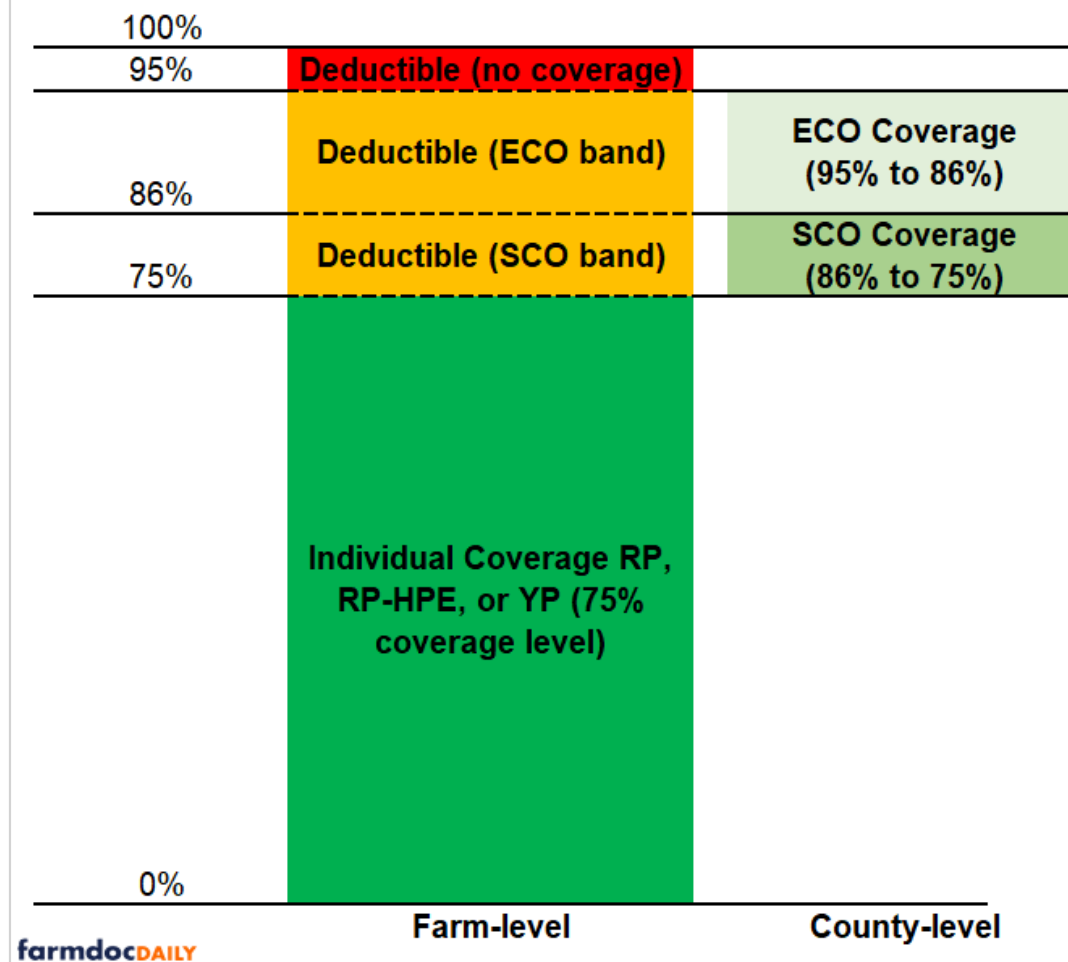
## Possible outcomes with RP plus SCO

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 allows you to insure part of your RP/YP deductible with a county policy (ARP/AYP)
- Covers from 86% up to 95% of 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**

Figure 1. Illustration of ECO, SCO, and 75% Individual Coverage



# 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%

# Initial 2025 ARC/PLC Recommendations

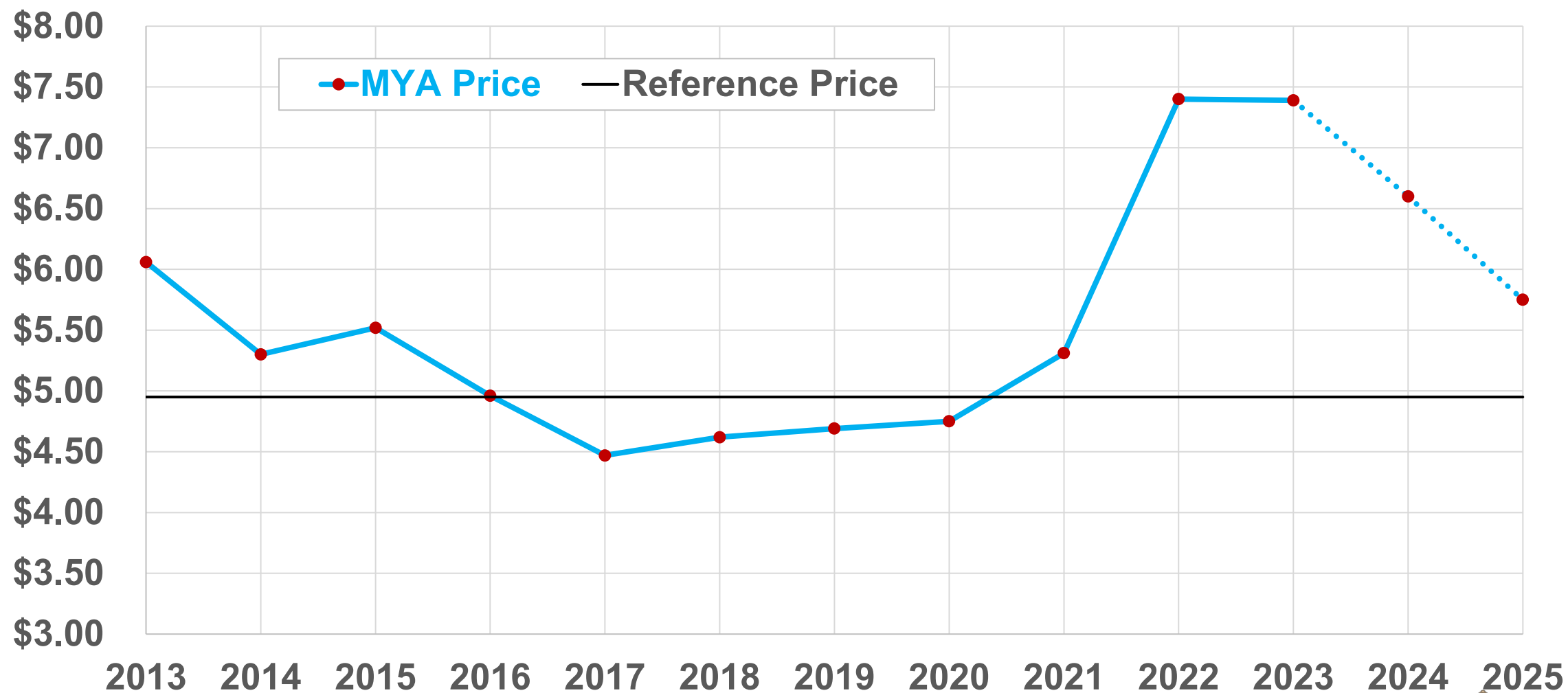
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  - **Enroll for 2025 soon, your 2025 Elections transfer, update Elections later**
  - Key USDA updates to be published, some policy uncertainty will be resolved
  - **I will update my recommendations as the sign-up period progresses**
- **Corn: Choose PLC**: Projected Price well below PLC and ARC triggers, so both ARC and PLC payments are likely, but ARC could hit payment maximum
- **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 choose PLC for that crop by Apr 15<sup>th</sup> or you will void your SCO coverage (premium still due)**

# Minor Crops: Reference Prices and USDA Projected Prices

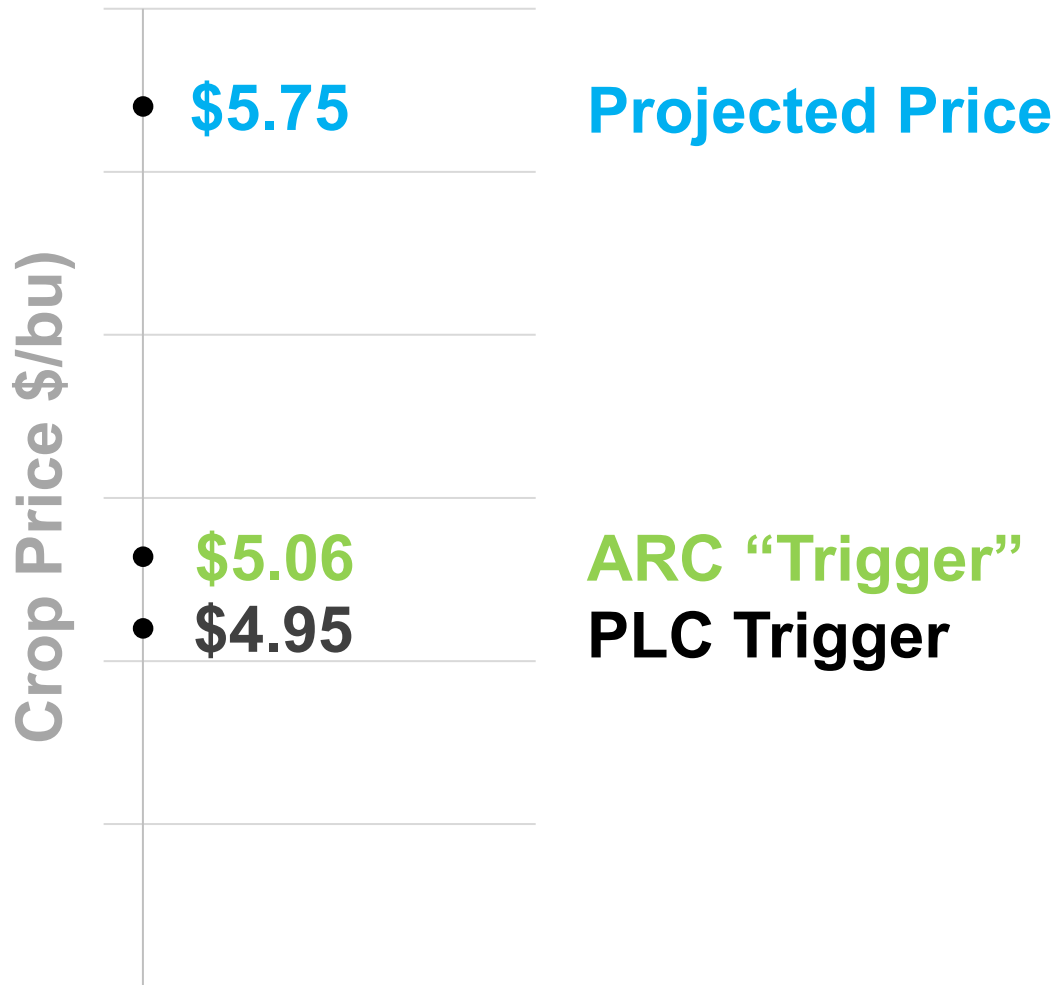
Crop	PLC Trigger	ARC “Trigger”	Projected 2025 Farm Price
	2025 Effective Reference Price	2025 Effective ARC Price	
Barley	\$4.95	\$5.06	\$5.75
Sunflower	\$20.15	\$20.15	\$20.05
Sorghum	\$4.51	\$4.56	\$3.80

- 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**
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# Barley Prices and Effective Reference Prices



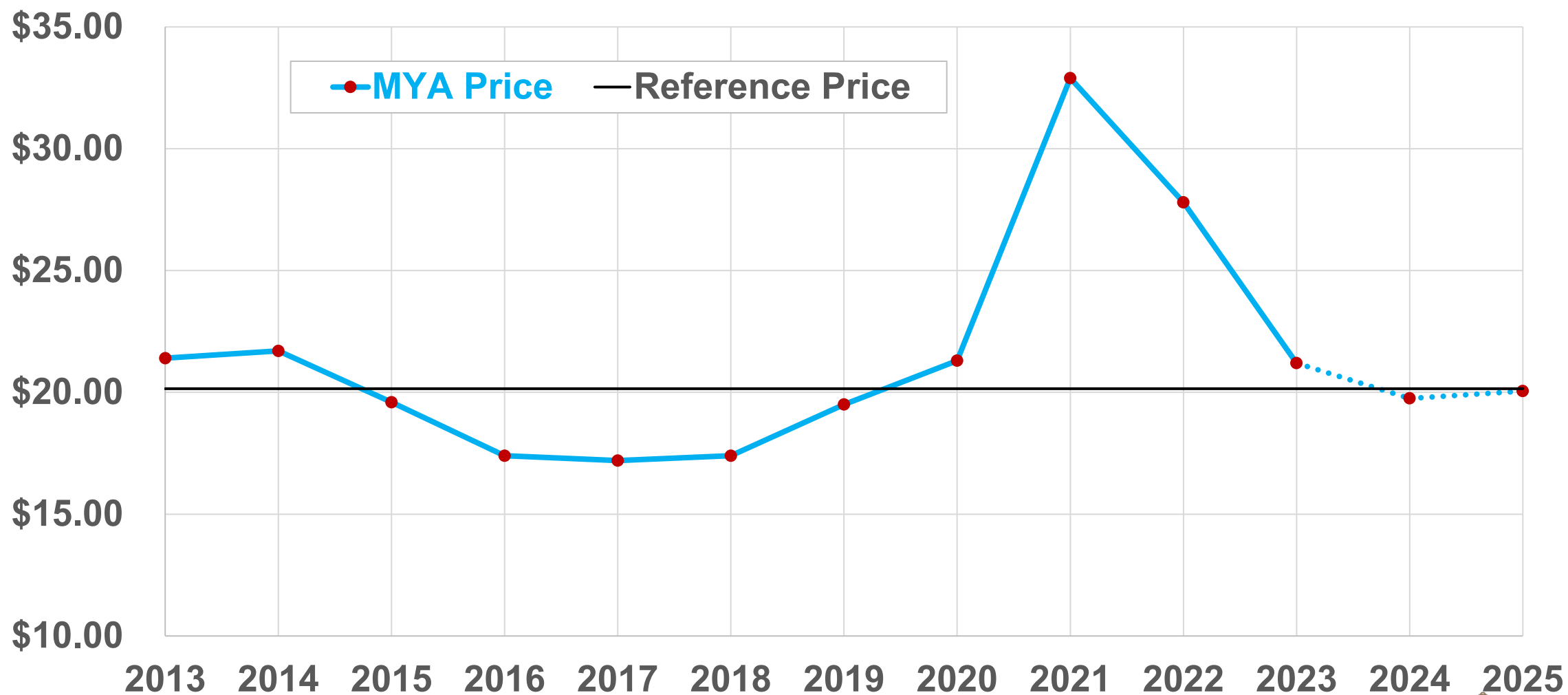
## Barley



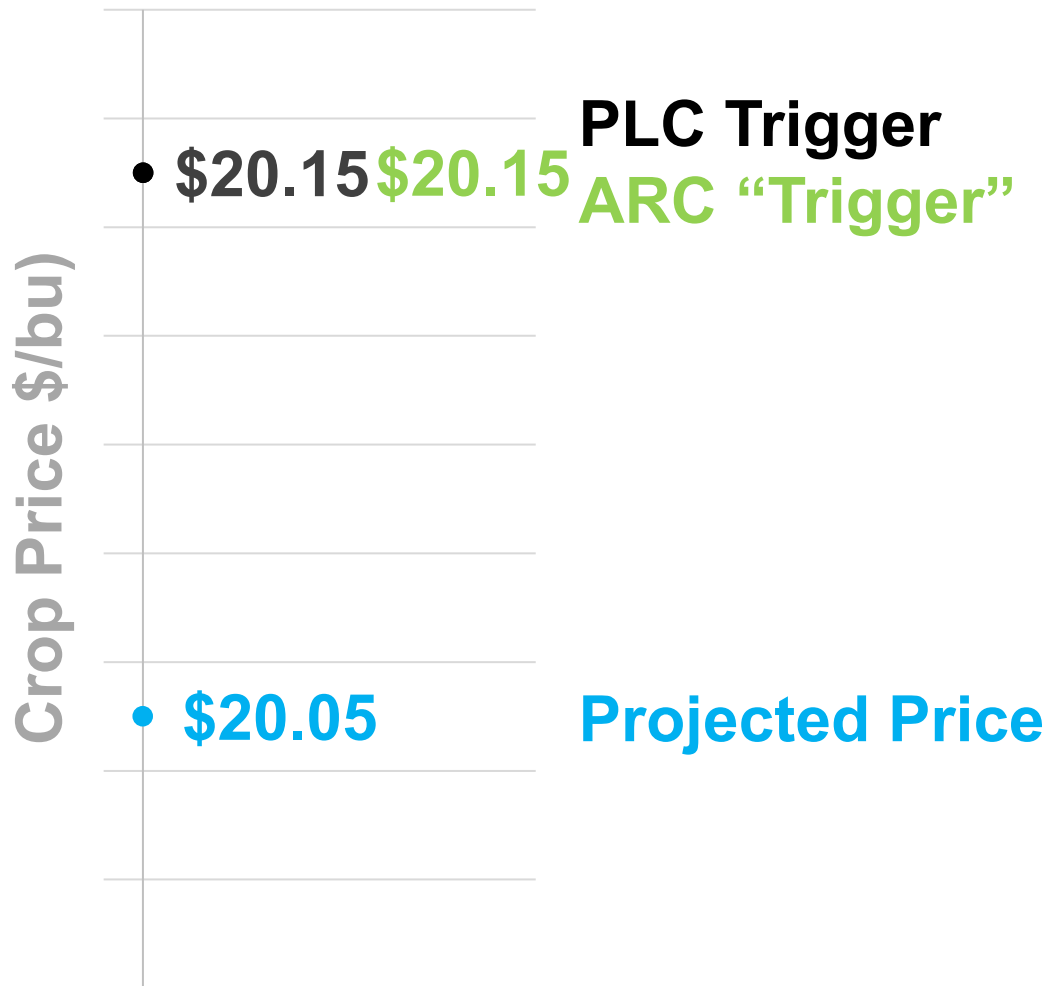
- Projected Price well above the PLC Trigger (Effective Reference Price) and the ARC “Trigger”
- ARC and PLC unlikely to pay
- Recommendation: Choose ARC because there is always a small chance that county yields will be low enough to trigger payments



# Sunflower Seed Prices and Effective Reference Prices

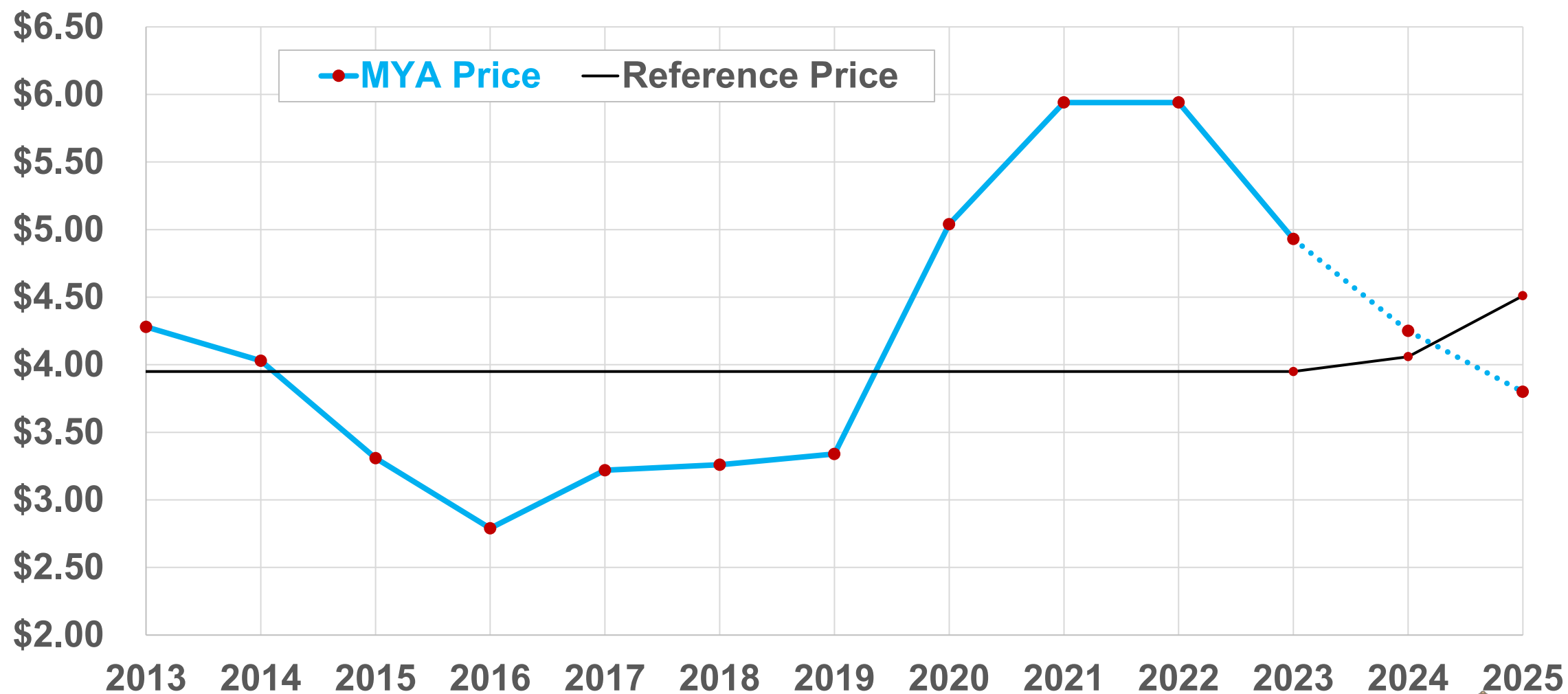


# Sunflower

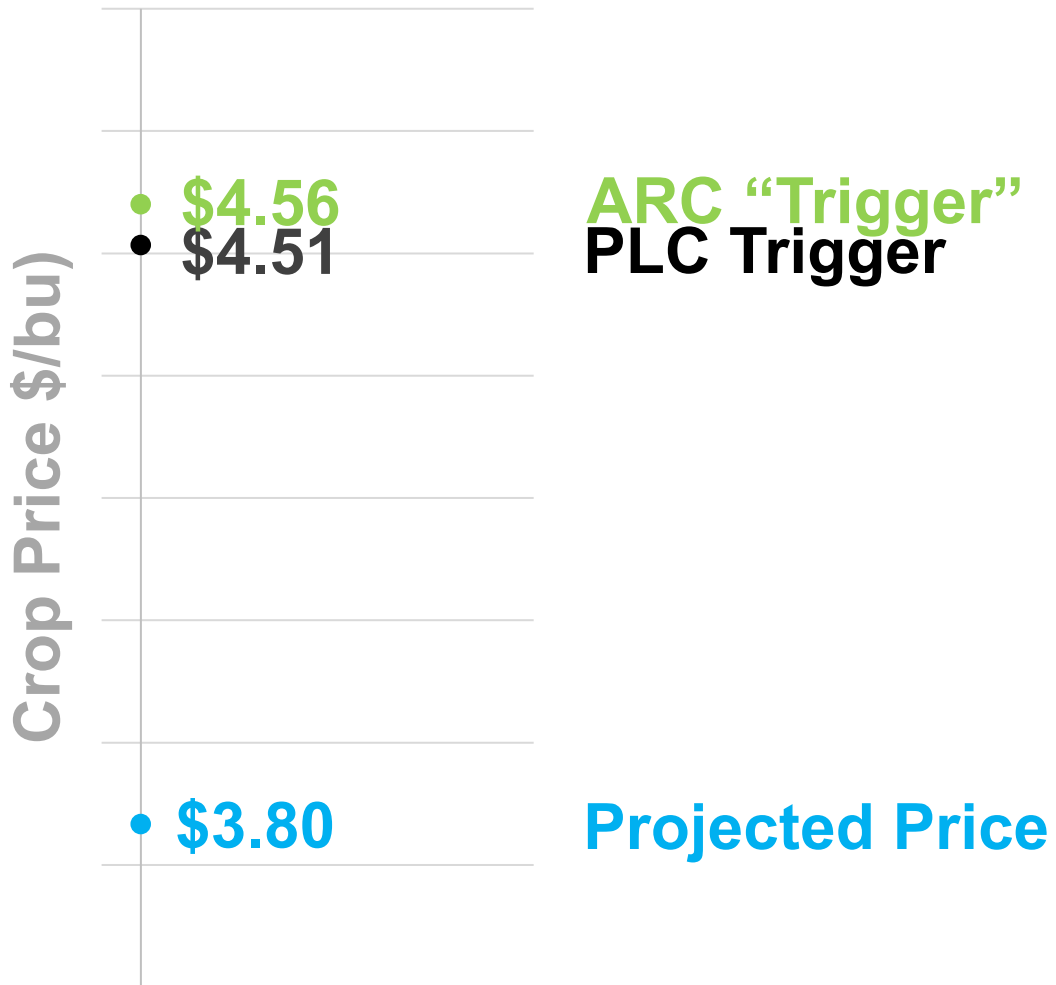


- Projected Price below the PLC Trigger and the ARC "Trigger"
- Both ARC and PLC likely to pay
- Recommendation: Choose PLC because it has slightly higher expected payments
- ARC not a bad choice

# Sorghum Prices and Effective Reference Prices

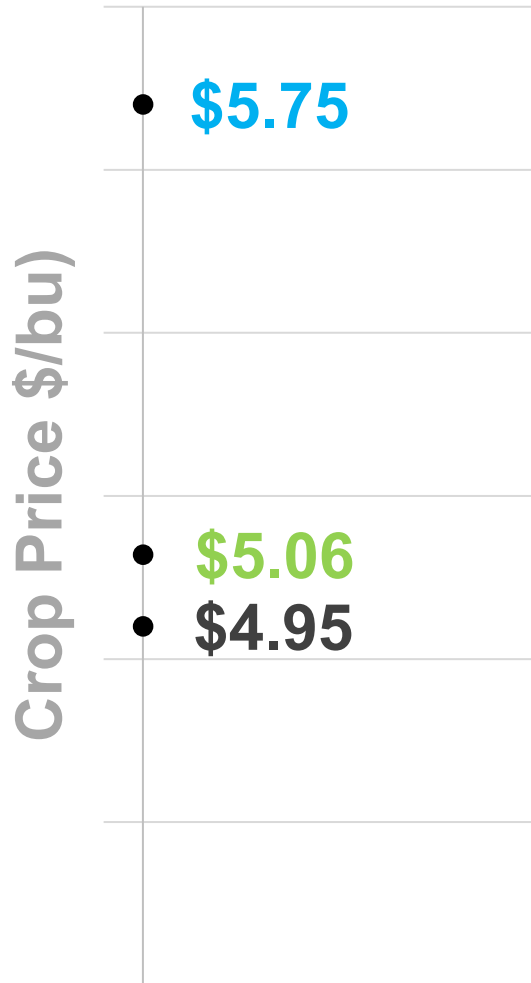


# Sorghum

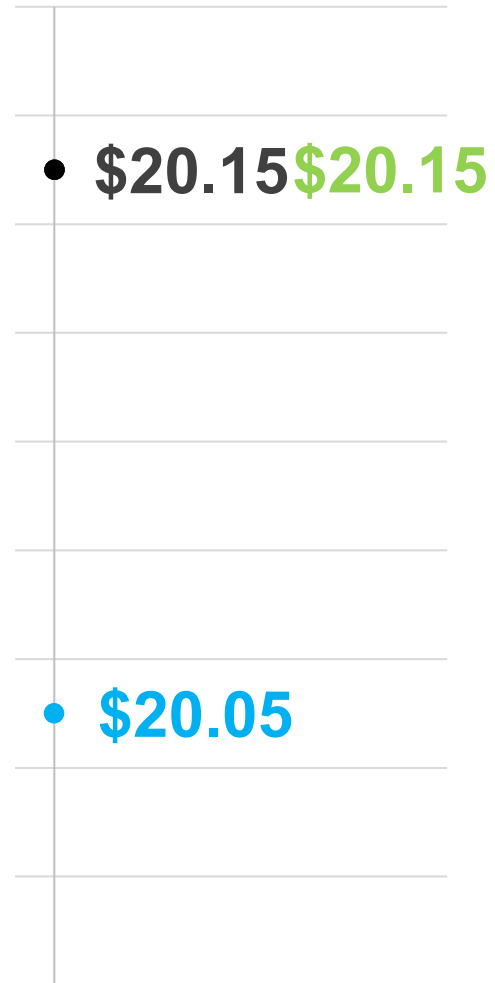


- Projected Price well below the PLC Trigger and ARC “Trigger”
- Both ARC and PLC likely to pay
- With average county yields and projected price, ARC will hit payment maximum (10% of county benchmark revenue)
- Recommendation: Choose PLC so unusually high county yields do not reduce payments

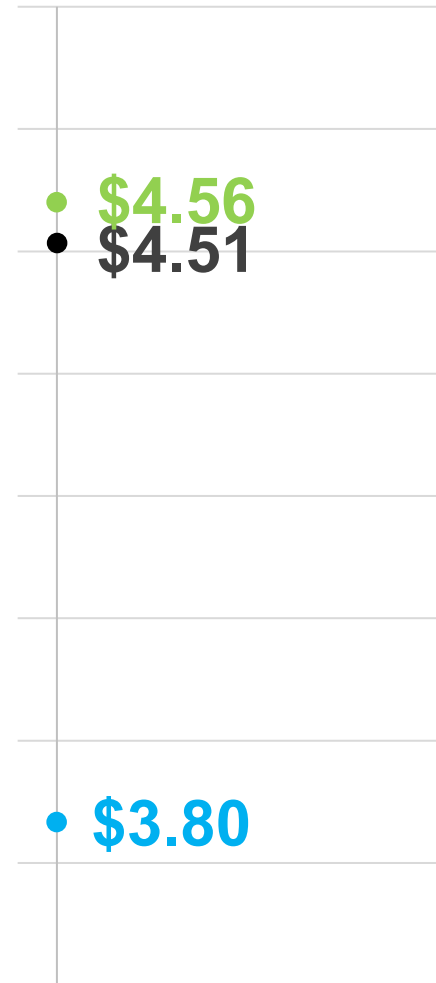
## ARC Barley



## PLC Sunflower



## PLC Sorghum



ARC "Trigger"

PLC Trigger

Projected Price

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  - **Enroll for 2025 soon, your 2025 Elections transfer, update Elections later**
  - Key USDA updates to be published, some policy uncertainty will be resolved
  - **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 PLC**: Small ARC and PLC payments likely, PLC has slightly higher expected payments
- **Sorghum: Choose PLC**: Projected Price well below PLC and ARC triggers, so both ARC and PLC payments are likely, but ARC likely to hit payment maximum