



Initial ARC and PLC Recommendations for 2025

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

Office: (608) 265-6514 Email: pdmitchell@wisc.edu Web: <http://www.aae.wisc.edu/mitchell/extension.htm>

Farmers this year have until April 15, 2025 to make commodity program decisions for their base acres. Typically, the deadline has been March 15th to match the crop insurance deadline, but with the delayed Farm Bill extension, the deadline has been extended to April 15th. This extra month may be useful this year, as it gives extra time for market and policy uncertainty to become clearer. At this time, **I recommend that farmers enroll in the commodity support programs for 2025 and choose ARC-CO for all crops.** Their enrolment will automatically transfer their ARC and PLC elections for 2024 to 2025. Farmers can update their elections when they enroll, or they can do so later, as long as the updated forms are completed before the April 15th deadline.

The table below reports the effective reference prices for 2025 and initial USDA projections for marketing-year average farm prices for the 2025 crop. For 2025, effective reference prices increased for corn, soybeans, wheat and sorghum based on 2018 Farm Bill rules. On November 7, 2024, the USDA published its first projections for 2025 marketing year average farm prices, which generally declined for all crops relative to 2024 projections.

| Crop | 2025 Effective Reference Price | 2025 Projected Farm Price |
|----------------|--------------------------------|---------------------------|
| Corn | \$4.26 | \$3.90 |
| Soybeans | \$9.66 | \$10.00 |
| Wheat | \$5.56 | \$5.80 |
| Oats | \$2.76 | \$2.90 |
| Barley | \$4.95 | \$5.75 |
| Sunflower Seed | \$20.15 | \$20.05 |
| Sorghum | \$4.51 | \$3.80 |

For soybeans, wheat, oats, and barley, projected prices are far enough above effective reference prices that PLC payments are unlikely to occur. As a result, I recommend that Wisconsin farmers choose county ARC (ARC-CO) for soybeans, wheat, oats, and barley for 2025. Projected prices are below effective reference prices for corn, sunflower seeds, and sorghum, so that both PLC and ARC-CO payments are likely. However, ARC payments will generally exceed PLC payments, especially since PLC program yields for most farms are well below expected county yields. PLC payments will only exceed ARC payments when county yields are high and national prices are low. As a result, I am recommending that Wisconsin farmers also choose ARC-CO for corn, sunflower seeds, and sorghum for 2025.

The USDA finalizes projections of 2025 crop prices in mid-February (<https://usda.library.cornell.edu/concern/publications/qn59q396v?locale=en>) and publishes the Prospective Plantings report at the end of March on intended crop acres (<https://usda.library.cornell.edu/concern/publications/x633f100h>). If expected prices decline

substantially because of changing market conditions or policies, I will update my recommendations, but I do not anticipate major changes. Regardless, farmers have until April 15 to change their program elections.

SCO (Supplemental Coverage Option) and ECO (Enhanced Coverage Option) are crop insurance options that farmers can add on to their individual Revenue Protection (RP) or Yield Protection (YP). If a farmer wants to buy SCO as part of their crop insurance coverage, then base acres for that crop must enroll in PLC. If you buy SCO, communicate with your crop insurance agent to ensure you do not inadvertently void your insurance coverage, especially since deadlines are different this year.

My ARC PLC Resources Page <https://aae.wisc.edu/pdmitchell/extension/arc-plc-signup/> has more resources for farmers, including videos explaining the logic for my recommendations, data on prices and county yields, and an overview of SCO and ECO.

