



**Dick Sims Crop
Insurance**

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ARC/PLC PROVISIONS 2019-2023

Program Options

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- Reauthorized Price Loss Coverage (PLC)

Price Based – selected by Base Crop on the farm

- Reauthorized Agriculture Risk Coverage (ARC)

Revenue Based

- **ARC-CO – County** Yield Level

- by Base Crop on the farm

- **ARC-IC – Individual/Farm** Yield Level

- by FARM for all Base Crops



Program Signup Process

1. **Yield Update**: An Owner can Update PLC Yields.
(October of 2019 – September 30, 2020)
2. **Election**: Election of PLC, ARC-CO or ARC-IC can be completed prior to yield updates.
(September of 2019 – March 15, 2020 for 2019)
3. **Enrollment**: Once Election has been completed then Enrollment takes place.
(September of 2019 – March 15, 2020 for 2019)



1. PLC Yield Update Process

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Allows an **OWNER** a **one-time** decision to update the farm's PLC yield for **2020** on a commodity by commodity basis.

Operator or Owners may initiate this process

- Yield update is effective for 2020 (through the life of the Farm Bill); not retroactive to 2019.
- The updated PLC yield is equal to 90% of each covered commodity's **2013 – 2017** average yield. Simple average of the years the crop is planted, multiplied by a National Ratio.
- If the yield in any of these years (2013 – 2017) is less than 75% of the county yield, then 75% of the 2013 – 2017 county yield will be substituted for that year.

Note: The Yield Update option is available **PER Crop** for producers and farms regardless of program election – **PLC/ARC-CO/ARC-IC**.



PLC Yield Update:

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Operators on the farm will likely have the yield data and can initiate the yield update process, however:

At least **ONE owner** Must sign the CCC-867 Form.

RMA yield Data can be used.

CCC-867 (07-23-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Program Years: 2020 through 2023					
YIELD UPDATE FOR THE PRICE LOSS COVERAGE (PLC) PROGRAM I		2A. County FSA Office Name and Address (Including Zip Code) DAKOTA COUNTY - MN 4100 220th St. W Suite 104 FARMINGTON MN 55024-0129							
		2B. County FSA Office Telephone No. (Including Area Code) (651)463-8626 x2		2C. County FSA Office FAX No. (Including Area Code) (855)739-3981					
3. State Code 27	4. County Code 037	5. Farm No. 	6. Covered Commodity Corn						
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9015) as amended by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1412. The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/ FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program.</p> <p>Paperwork Reduction Act (PRA) Statement: The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p>									
<p>THE FARM PLC YIELD UPDATE DECISION is made by an owner of the farm identified in Item 5 above. If FSA receives conflicting yield update from another owner, owners will be required to resolve their dispute providing CCC with written evidence of the dispute resolution by the end of the yield update period.</p>									
FARM YIELD UPDATE									
7. I agree to update the PLC yield for the covered commodity, identified in Item 6 above, based on 90 percent of the farm's 2013 through 2017 average yield per planted acre, excluding any year(s) when no acreage was planted times a national factor determined by dividing the 2008-12 national yield by the 2013-2017 national yield. The covered commodity's national yield factor is <u>0.9000</u> .									
7A. 2013 Yield	7B. 2014 Yield	7C. 2015 Yield	7D. 2016 Yield	7E. 2017 Yield	7F. Total	7G. Average Yield	7H. Multiplied by 2.4 (If Seed Cotton)	7I. Multiplied by 90%	7J. Multiplied by yield factor (PLC Yield)
250.00	250.00	240.00	240.00	260.00	1240.00	248.00		223.20	201
8. Owner's Name and Address (Including Zip Code) 									
9A. Signature of Owner (By)						9B. Title/Relationship of the Individual Signing in the Representative Capacity		9C. Date (MM-DD-YYYY)	
10A. Signature of CCC Representative						10B. Date (MM-DD-YYYY)			
<p>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</p> <p>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.asc.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 890-7442; or (3) e-mail: complaints@usda.gov, (EEO) or usda.nondiscrimination@usda.gov.</p>									



PLC Yield Update

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- ☐ The PLC yield update process may be requested and completed **regardless of program election** made for the base crop on the farm.
- ☐ The PLC yield update/request is a one-time opportunity for program year 2020.
- ☐ The PLC yield may be used in future Farm Bills, depending on the regulations in those bills.

PROGRAM ELECTION

PLC, ARC-County, ARC-Individual

ARC/PLC Election Process

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ALL Producer(s) with an interest in cropland on the farm will make the election decision.

Owners do not make the election decision, unless they are considered a Producer, having an interest in cropland on the farm. This would not include owners with an interest in CRP.

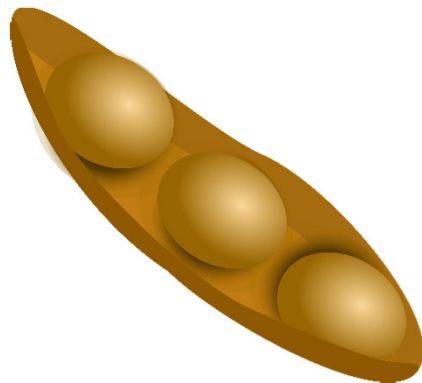
- ❑ 2019 Election Deadline March 15, 2020.
- ❑ Election locked in for 2019 and 2020.
- ❑ Each year 2021-2023, producers will have the opportunity to “change” the election on the farm.
- ❑ Failure to make a 2019 election by March 15, 2020 will result in a **default** to the current election on the farm (2014-2018) and **NO payment issued for 2019.**



PLC, ARC-CO, ARC-IC Election

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- Elections of PLC or ARC-CO are made on a **covered commodity by covered commodity basis** (*Base Crops*) on the farm.
- Election of ARC-IC, all covered commodity base acres on the **farm** have elected ARC-IC.



PRICE LOSS COVERAGE (PLC)

PLC

Price Loss Coverage (PLC)

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- Payments issued when **Effective Price** is less than **Effective Reference Price**
- Payments issued on 85% of the base acres of the covered commodity
- May be elected by base crop
- May be combined with ARC-CO or RMA's SCO
- Payments are made regardless of planting of covered commodity
- **Effective Price** = higher of Marketing Year Average Price (MYA) or the National Loan Rate for the Crop
- **Effective Reference Price** = the lesser of: 115% of the reference price OR the greater of: the Reference Price OR 85% of the 5-year Olympic Ave of the MYA Price

Reference Price/National Loan Rate

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Crop	Reference Price	National Loan Rate	Max PLC Rate
Corn	\$3.70	\$2.20	\$1.50
Oats	\$2.40	\$2.00	\$0.40
Soybeans	\$8.40	\$6.20	\$2.20
Wheat	\$5.50	\$3.38	\$2.12

- These are the Main crops in Indiana



AGRICULTURAL RISK COVERAGE (ARC) - COUNTY

ARC-CO

Ag Risk Coverage – County (ARC-CO)

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- ❑ Payments made when the **ARC-CO Actual Revenue** is less than the **ARC-CO Guarantee** (86% Benchmark) for a covered commodity.

County “Yield” data is used, not individual/producer farm data.

- ❑ The payment rate can be no higher than **10% of the ARC-CO Benchmark Revenue** for the covered commodity.
- ❑ Payments made on 85% of base acres of the covered commodity.
- ❑ Payments are made regardless of the planting of the covered commodity.
- ❑ Election may be made by covered commodity (*base crop*) on the farm.



ARC-County

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“NEW” under 2018 Farm Bill:

- **ARC-CO Benchmark Revenue, Guarantee** will be based on **“PHYSICAL LOCATION”** of the tract and farm.
- **ARC-CO Actual Crop Revenue** will also be based on **“PHYSICAL LOCATION”** of the tract and farm.

NOTE: 2014 Farm Bill, ARC-CO revenue calculations were based on “Administrative County” of the farm.

Exception, there was a “waiver of administrative county” for 2014 & 2015, if requested by all producers on the farm.



ARC-County

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ARC-CO Yields will be established using the following data:



- RMA yield data for the county where the data is available
 - For Indiana, the majority of counties have RMA yield data available for corn and soybeans.
 - Benchmark yields will include lag year, so for 2019, the benchmark years will be 2013-2017.
- NASS yield data available for State Committee review when RMA yield data is not available.
- No RMA or NASS yield data, then State Committee will use best available data to establish the yield.



ARC-CO Example continued...

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Calculate the Actual Crop Revenue:

(County Example)

Corn: $\$3.60 \times 180 = \648

Soya: $\$8.50 \times 50 = \425

Crop	Benchmark County Revenue	ARC County Guarantee	Payment Cap
Corn	\$759.98	\$653.58	\$76/A
Soybeans	\$541.21	\$465.44	\$54.12/A

Is there a loss?

Corn: $\$653.58 - \$648 = \$5.58$

Soya: $\$465.44 - \$425 = \$40.44$



Does the loss exceed the payment cap
(10%) for each crop?

Calculate the Payment:

Corn: $85\% \times 150 \times \$5.58 \times 100\% = \711.45

Soya: $85\% \times 150 \times \$40.44 \times 100\% = \$5,156$

**Total Farm Payment =
\$5,867.55**



AGRICULTURAL RISK COVERAGE (ARC) - INDIVIDUAL

ARC-IC

Ag Risk Coverage – Individual (ARC-IC)

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- ❑ Payments are made when the **ARC-IC Actual Revenue** is **less than** the **ARC-IC Guarantee** (86% Benchmark) for ALL covered commodities (base crops) on ALL farms enrolled in ARC-IC in the state for the producer.
- ❑ The payment rate is the difference in the ARC-IC Guarantee and the ARC-IC Actual Revenue, but can be **no higher than** 10% of the ARC-IC Benchmark Revenue for all covered commodities on the farm.
- ❑ Payments made on 65% of total base acres on the farm.
- ❑ Election is by FARM.



ARC-IC & Prevent Plant (100%)

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- Producers who experienced **100% Prevent Plant (PP) of all covered commodities** on the farm in 2019 should review the ARC-IC program for details.
- 100% Prevent Plant acres are considered “planted” for FSA programs under the ARC-IC program. This will result in a zero actual year yield & revenue for 2019.
- The ARCPLC Election is binding for 2019 and 2020. However, elections can be changed for 2021-2023 by producers on the farm.



ARC-IC 2019 100 % PP Farm Example

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Farm #1: 100% Prevent Plant Corn with **NO** other covered commodity planted on the farm.

Corn: Benchmark Revenue = \$849.80
 Guarantee (86%) = \$730.83
 Actual Revenue (**0 Yield**) = \$0.00
 \$730.83 - \$0.00 = \$730.83 loss

10% CAP Benchmark Revenue = \$84.98/acre

ARC-IC payment Calculation:

300 Base Acres X 65% X \$84.98 = \$16,571



2014 ARC-CO PLC Payment Estimator

Input

State	Indiana
County	Cass
Crop	Corn
Type	All
PLC Payment Yield	150

Use Defaults

Help

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Goto 2018 Farm Bill
What-If Tool

What-If

Change the county yields and Market Year Average (MYA) prices for 2018 to see payments under ARC-County and PLC. Payments are stated per base acre, as such they are multiplied by .85. If there are 100 base acres per farm, multiple the result below by 100.

Input			Agricultural Risk Coverage (ARC) - County				Price Loss Coverage (PLC)
Year	County Yield	MYA Price ¹	Benchmark Yield ²	ARC Price ³	ARC Guarantee ⁴	ARC Payment ⁵	Payment ⁶
2009	164	3.55					
2010	148	5.18					
2011	149	6.22					
2012	115	6.89					
2013	191	4.46				\$/acre	\$/acre
2014	195	3.70	154	5.29	701	0.00	0.00
2015	129	3.61	163	5.29	742	68.31	10.69
2016	189	3.36	156	4.79	643	6.01	40.40
2017	181	3.36	170	3.95	577	0.00	40.40
2018	196	3.61	187	3.70	595	0.00	10.69
Five-Year Average						14.86	20.44
National loan rate equals: 1.95					Reference price equals: 3.70		

2019 and 2020 ARC-CO PLC WHAT-IF COMPARISON

Input

State	Indiana
County	Cass
Crop	Corn
Practice	Non-irrigated
PLC Yield	165

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View 2014 Farm Bill
Payments

Calculation of PLC and ARC-CO Payments

[illegible]

2014 ARC-CO PLC Payment Estimator



Goto 2018 Farm Bill What-If Tool

Input

State	Indiana
County	Cass
Crop	Soybeans
Type	All
PLC Payment Yield	55

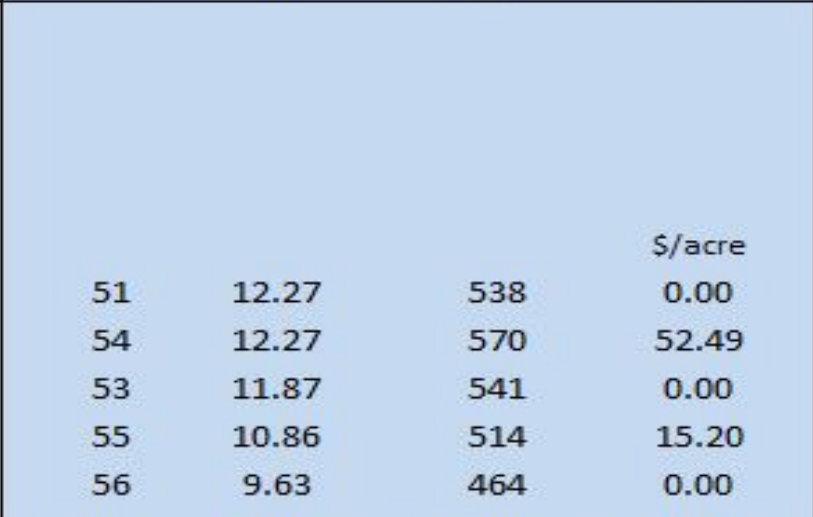
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What-If

Change the county yields and Market Year Average (MYA) prices for 2018 to see payments under ARC-County and PLC. Payments are stated per base acre, as such they are multiplied by .85. If there are 100 base acres per farm, multiple the result below by 100.

Input			Agricultural Risk Coverage (ARC) - County				Price Loss Coverage (PLC)				
Year	County Yield	MYA Price ¹	Benchmark		ARC Guarantee ⁴	ARC Payment ⁵	Payment ⁶				
			Yield ²	Price ³							
2009	48	9.59									
2010	53	11.30									
2011	52	12.50									
2012	48	14.40									
2013	58	13.00									
2014	56	10.10					51	12.27	538	0.00	0.00
2015	50	8.95					54	12.27	570	52.49	0.00
2016	60	9.47					53	11.87	541	0.00	0.00
2017	53	9.33					55	10.86	514	15.20	0.00
2018	63	8.48					56	9.63	464	0.00	0.00
			Five-Year Average				13.54	0.00			
National loan rate equals: 5.00					Reference price equals: 8.40						

2019 and 2020 ARC-CO PLC WHAT-IF COMPARISON

Input

State	Indiana
County	Cass
Crop	Soybeans
Practice	All
PLC Yield	55

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[View 2014 Farm Bill
Payments](#)

Calculation of PLC and ARC-CO Payments

Year	County Yield ¹	MYA Price ²	Payment ^{3,4}		ARC-CO Calculations			
			PLC	ARC-CO	Benchmark Yield ⁵	Price ⁶	Guarantee ⁷	County Revenue ⁸
2018	64		\$ / base acre		Bu.	\$ / Bu	\$ per base acre	
2019	57	8.35	\$2	\$4	58.1	9.63	480.92	475.95
2020	56	8.35	\$2	\$5	59.5	9.25	473.32	467.60

SUMMARY

3. ARC/PLC Enrollment Process

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2019 Election & Enrollment are completed on the same form, CCC-866 for PLC, ARC-CO or CCC-862 for ARC-IC.

- ❑ 2019 Election Deadline is March 15, 2020.
- ❑ 2019 Enrollment deadline is March 15, 2020.
- ❑ 2020 Enrollment deadline is June 30, 2020.
- ❑ 2019 & 2020 program years can be completed simultaneously in the same visit to the county office.
- ❑ Enrollment is an annual process.
- ❑ Producers may participate or not participate year by year.
- ❑ Zero share owner signatures are NOT required for annual Enrollment.

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QUESTIONS?



Visit FSA Website:

https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index

- ARC/PLC program data will be posted to this page
- Historic yield and price data is also posted to this page
- Projected Prices by crop are posted here and updated monthly