

Some Key Points for 2019-2020 ARC/PLC Decisions

- ✓ ARC/PLC election and enrollment for 2019 must be completed by **March 16, 2020**.
- ✓ Failure to act by March 16, 2020 will result in no payments for 2019.
- ✓ ARC/PLC enrollment for 2020 must be completed by **June 30, 2020**.
- ✓ Eligibility for SCO maintained with PLC. ARC acres ineligible for SCO.
- ✓ Seed Cotton base acres enrolled in ARC/PLC are ineligible for STAX on planted cotton acres.
- ✓ PLC yield update for landowners (one time opportunity) completed by **September 30, 2020**.
- ✓ PLC yield updates effective for 2020 crop year.
- ✓ All elections and updates must be unanimous by producers or landowners as applicable.

ARC/PLC Decision Aid

<https://www.afpc.tamu.edu/tools/farm/farbill/2018/>

This decision aid considers uncertainty in prices and yields when determining expected payments. If one chooses to consider a specific known price or yield outcome then the formula is best used.

Information Needed for each Crop

- Physical farm location (county and state)
- Number of base acres
- 2014 PLC Payment Yield
- Historical Irrigated Percentage (2019 HIP is on 2019 form FSA-156EZ)
- For PLC Yield Update: historical planted or prevented planted acres and yields from 2013-2017 for irrigated and non-irrigated lands

Current marketing year average price (MYA) projections compared to effective reference prices.

Green numbers indicate a positive PLC payment rate is currently projected. The PLC payment rate can be computed as the Effective Reference Price minus the MYA price.

Effective Reference Price and Marketing Year Average (MYA) Prices for 2019 and 2020 Crop Years (as of 01/21/20)

Commodity	Marketing Year	Unit	2019 Effective Reference Price	2019/20 MYA Price Projections 2/	2019/20 MYA Price Forecast 3/	2020 Effective Reference Price 1/	2020/21 MYA Price Forecast 3/
Barley	Jun. 1-May 31	Bushel	\$4.95	\$4.60	\$4.66	\$4.95	\$4.57
Canola	Jul. 1-Jun. 30	Pound	\$0.2015	\$0.1474	\$0.1527	\$0.2015	\$0.1545
Corn	Sep. 1-Aug. 31	Bushel	\$3.70	\$3.85	\$3.85	\$3.70	\$3.53
Grain Sorghum	Sep. 1-Aug. 31	Bushel	\$3.95	\$3.40	\$3.40	\$3.95	\$3.17
Oats	Jun. 1-May 31	Bushel	\$2.40	\$2.95	\$2.88	\$2.40	\$2.58
Peanuts	Aug. 1-Jul. 31	Pound	\$0.2675	\$0.206	\$0.2103	\$0.2675	\$0.2212
Seed cotton	Aug. 1-Jul. 31	Pound	\$0.3670	\$0.3151	\$0.3095	\$0.3670	\$0.3103
Soybeans	Sep. 1-Aug. 31	Bushel	\$8.40	\$9.00	\$8.99	\$8.40	\$8.54
Sunflower Seed	Sep. 1-Aug. 31	Pound	\$0.2015	\$0.1780	\$0.1778	\$0.2015	\$0.1702
Wheat	Jun. 1-May 31	Bushel	\$5.50	\$4.55	\$4.58	\$5.50	\$4.73

Source: Based on data from USDA FSA and FAPRI

1/ 2020 Effective Reference Price is projected for sunflower seed and seed cotton.

2/ MYA Price Projections from USDA FSA as of January 10, 2020

3/ MYA Price Forecasts from FAPRI as of November 18, 2019

Green colored MYA prices indicate payment eligible price projection/forecast.

Additional Resources Available at <https://agecon.uga.edu/extension/policy.html>:

- The 2018 Farm Bill PLC and ARC Decision: Implications for Georgia Producers
- Eligibility and Payments under the 2018 Farm Bill PLC and ARC Programs
- Computing the PLC and ARC Safety Net Payments in the 2018 Farm Bill
- Updating the Price Loss Coverage (PLC) Payment Yields in the 2018 Farm Bill
- Understanding the 2018 Farm Bill Effective Reference Price

Author: Adam N. Rabinowitz (adam.rabinowitz@uga.edu or 229-386-3512) is an Assistant Professor and Extension Economist with the Department of Agricultural and Applied Economics at the University of Georgia.