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ARC/PLC Decisions – 2024/2025 Marketing Year

Without completion of a new Farm Bill, extension of the 2018 Bill means evaluation of the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs at least one more time. March 15th is the election deadline for 2024 harvested crops (payments would be made in late 2025).

The basic program concepts haven't changed. ARC is a revenue-based program, combining five years of both marketing year average prices and county level yields multiplied by a factor to determine a revenue guarantee. Payments are made if the revenue guarantee isn't achieved and capped at 10 percent of the benchmark revenue.

The PLC program is more price-based. When marketing year average prices fall below a reference price, payments are triggered. New for this next year is an increase in selected effective reference prices based on marketing year average price triggers set forth in the original bill.

When evaluating your decision, check out some of the resources available through the KSU Department of Agricultural Economics. The first is a general program overview sharing reference price changes and statewide program election numbers since the inception of the Farm Bill. It's a great read to get the evaluation process started and includes links to additional resources as well. Check it out at <https://www.agmanager.info/arc-and-plc-selections-2024>.

Two of those links will help you take a deeper dive into program options. One is the tradeoff spreadsheet. This Excel based program graphically illustrates where ARC and PLC will tend to pay and when they won't so you can see differences in each commodity at a county level.

The second is a series of two papers providing marketing year average price outlooks. One provides predictions from KSU economists and explains in greater detail the background on the predictions. The other has predictions from multiple other sources for comparison purposes.

All of the above can be found on the KSU Ag Economics Farm Bill webpage at: <https://www.agmanager.info/ag-policy/2018-farm-bill>. Want to hear from KSU Economists about some of what to consider? Check out the *Managing Risk with ARC, PLC and SCO: 2024 Tradeoffs and Tools* webinar Friday, February 2nd with economists Jenny Ifft and Robin Reid. The 12:00 - 1:00 pm Zoom will cover how current market conditions affect these choices plus tools available to help with your decision. Recordings will be available. Register to participate at: <https://www.agmanager.info/events/managing-risk-arc-plc-and-sco-2024-tradeoffs-and-tools>