

2018 Farm Bill

Making the ARC/PLC Decision

Kansas State University Agricultural Economics

Check out our WEB page at <http://www.AgManager.info>

Copyright 2019, All Rights Reserved

Shannon M. Blocker



K-STATE
Research and Extension

Pottawatomie County

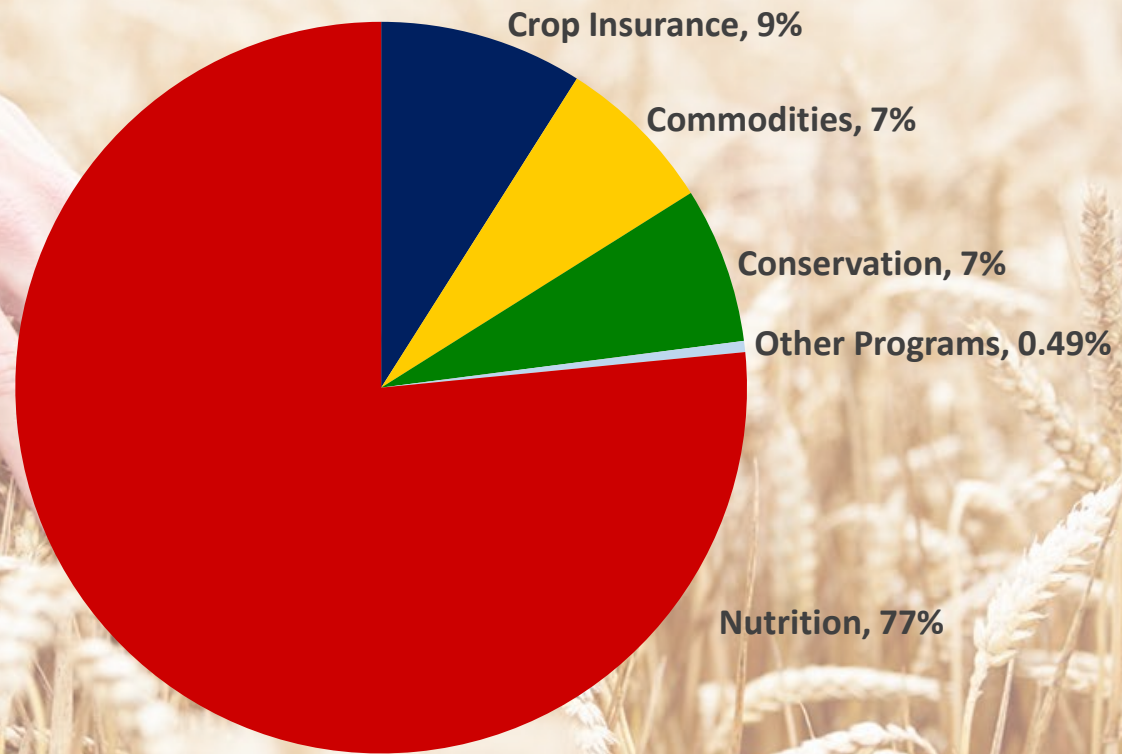
This information is based on our understanding of the 2018 Farm Bill. This information is intended for educational purposes only. Keep checking www.AgManager.info for the latest information

2018 Farm Bill Titles

- Title I: Commodities
- Title II: Conservation
- Title III: Trade
- Title IV: Nutrition
- Title V: Credit
- Title VI: Rural Development
- Title VII: Research, Education, and Related Matters
- Title VIII: Forestry
- Title IX: Energy
- Title X: Horticulture
- Title XI: Crop Insurance
- Title XII: Miscellaneous

Farm Bill Budget

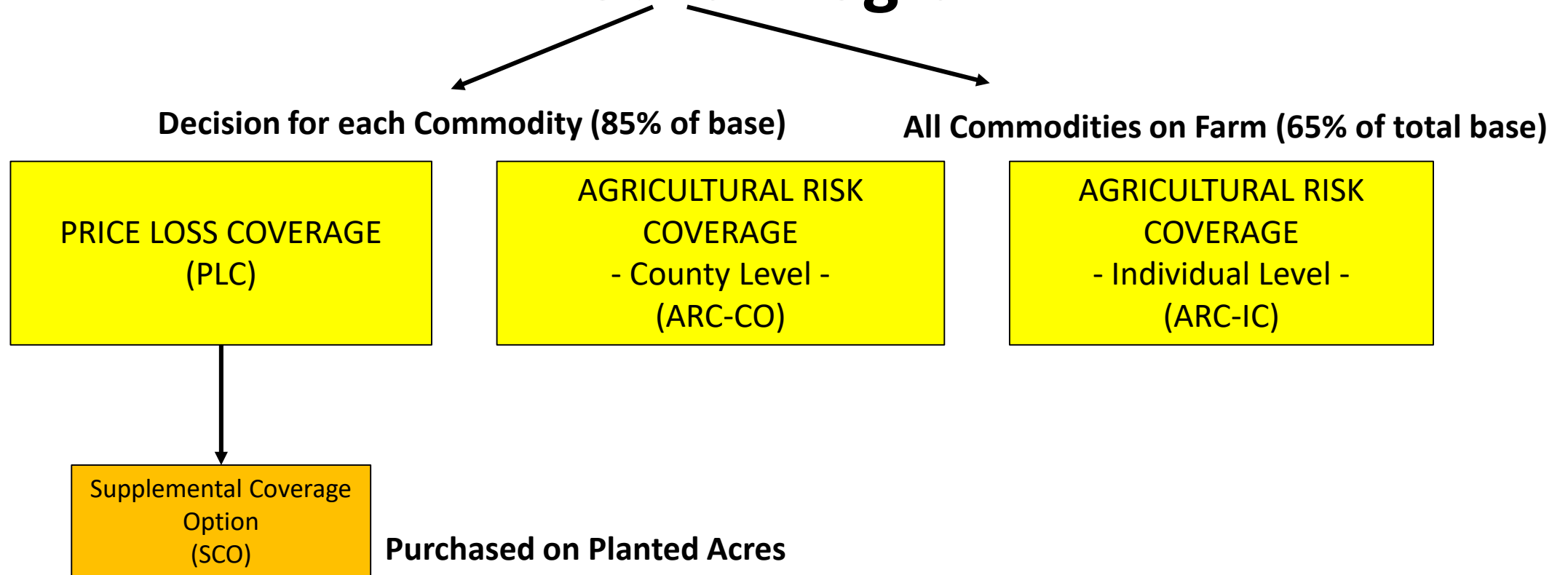
Projected Outlays, FY2019-2028



Source: Congressional Research Service and Congressional Budget Office

Decisions to be made...

Elect a Program





Brief Review of ARC-CO and PLC Design

- ARC-CO – Low **revenue** program
 - Triggers when revenue is below 86% of county benchmark: set by last 5 years (with 1 lag year) of national Marketing Year Average prices and county yields
 - Payments determined on county-by-county basis, subject to a 10% payment cap.
- PLC – Low **price** program
 - Triggers when national Marketing Year Average price below the reference price for the crop.
 - Payments determined by a national price, and paid on farm base acres and program yields.
 - Subject to a much higher cap
 - Also provided the option for SCO.

Percent of Farms that Made an ARC/PLC Election Nationally by Crop

Commodity	PLC	ARC-CO	ARC-IC
BARLEY	57%	42%	1%
CANOLA	93%	7%	1%
CORN	9%	91%	0%
DRY PEAS	44%	53%	3%
FLAXSEED	59%	40%	1%
GRAIN SORGHUM	54%	46%	0%
MUSTARD	53%	42%	4%
OATS	23%	76%	0%
SAFFLOWER	57%	40%	2%
SESAME	76%	24%	0%
SOYBEANS	4%	96%	0%
SUNFLOWERS	49%	50%	1%
WHEAT	34%	66%	0%

Source: USDA (http://www.fsa.usda.gov/programs-and-services/arcplc_program)

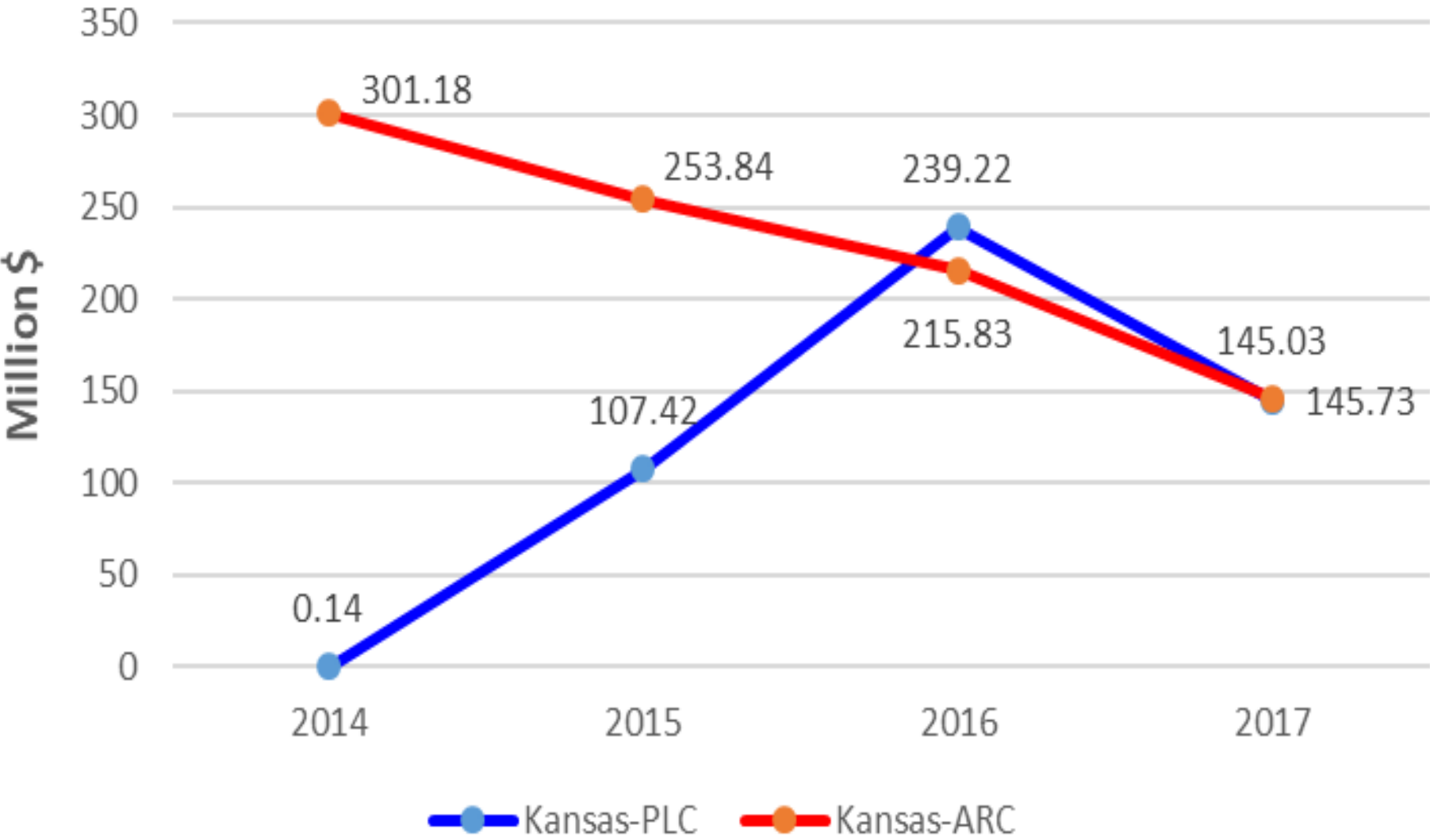
10/18/2019

Kansas State University, Copyright 2019, All Rights Reserved

Percent of Farms that made an ARC/PLC election Kansas by Crop

Commodity	PLC	ARC-CO	ARC-IC
BARLEY	46%	54%	0%
CANOLA	68%	32%	0%
CORN	17%	82%	0%
DRY PEAS	27%	73%	0%
FLAX	100%	0%	0%
GRAIN SORGHUM	47%	52%	0%
MUSTARD	0%	100%	0%
OATS	29%	71%	0%
SAFFLOWER	62%	38%	0%
SESAME	56%	44%	0%
SOYBEANS	12%	88%	0%
SUNFLOWERS	33%	66%	1%
WHEAT	23%	76%	0%

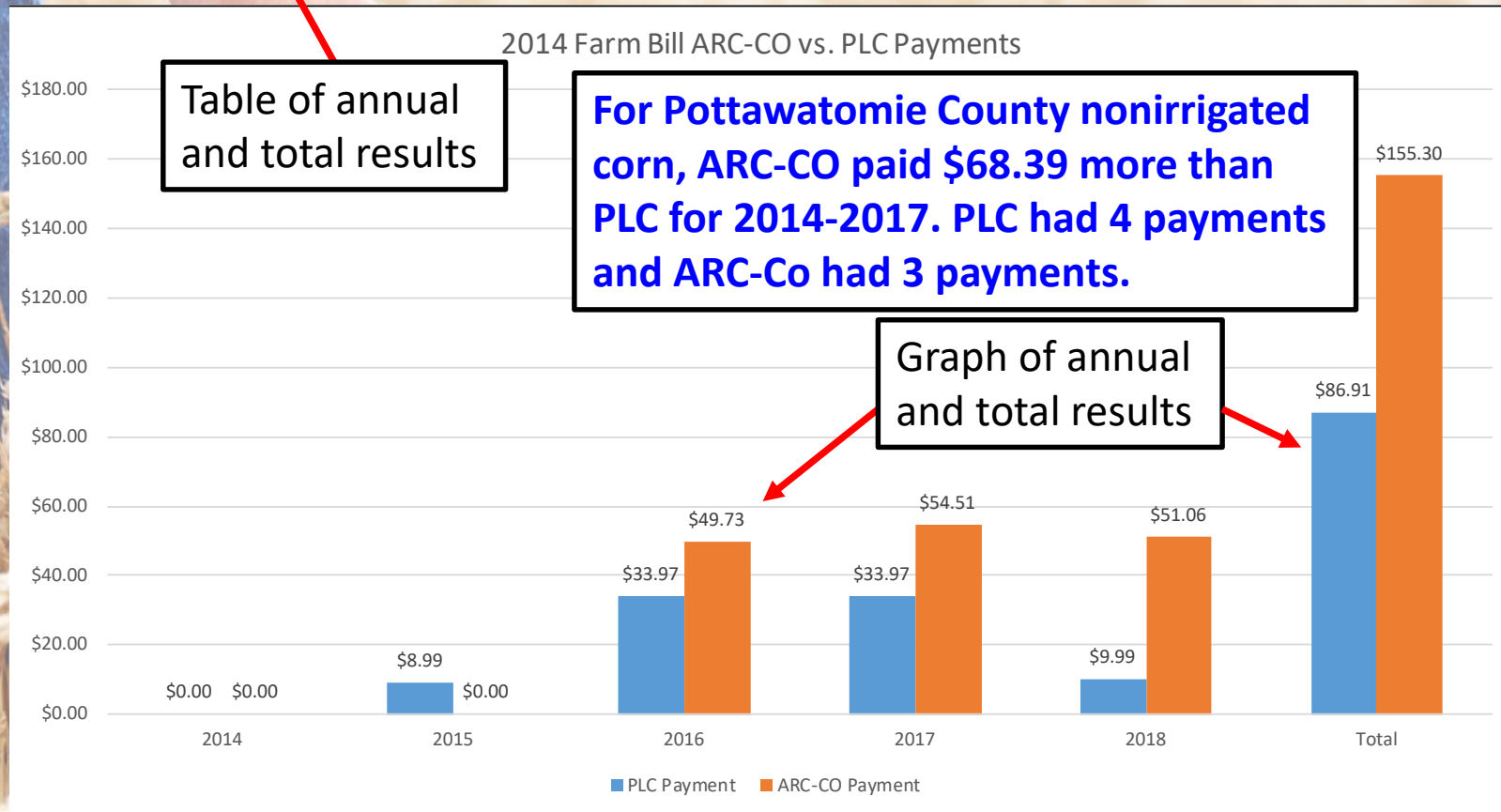
Kansas ARC and PLC Total Payments: 2014-2017



ARC-CO vs. PLC Payment Calculator 2014-2018 Non-Irrigated Corn Pottawatomie Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$0.00	\$3.70	\$5.29	\$3.70	111	141	\$587.19	\$521.70
2015	\$8.99	\$0.00	\$3.70	\$5.29	\$3.61	111	150	\$587.19	\$541.50
2016	\$33.97	\$49.73	\$3.70	\$4.79	\$3.36	123	136	\$589.17	\$456.96
2017	\$33.97	\$54.51	\$3.70	\$3.95	\$3.36	138	122	\$545.10	\$409.92
2018	\$9.99	\$51.06	\$3.70	\$3.70	\$3.60	138	79	\$510.60	\$283.68
Total	\$86.91	\$155.30							

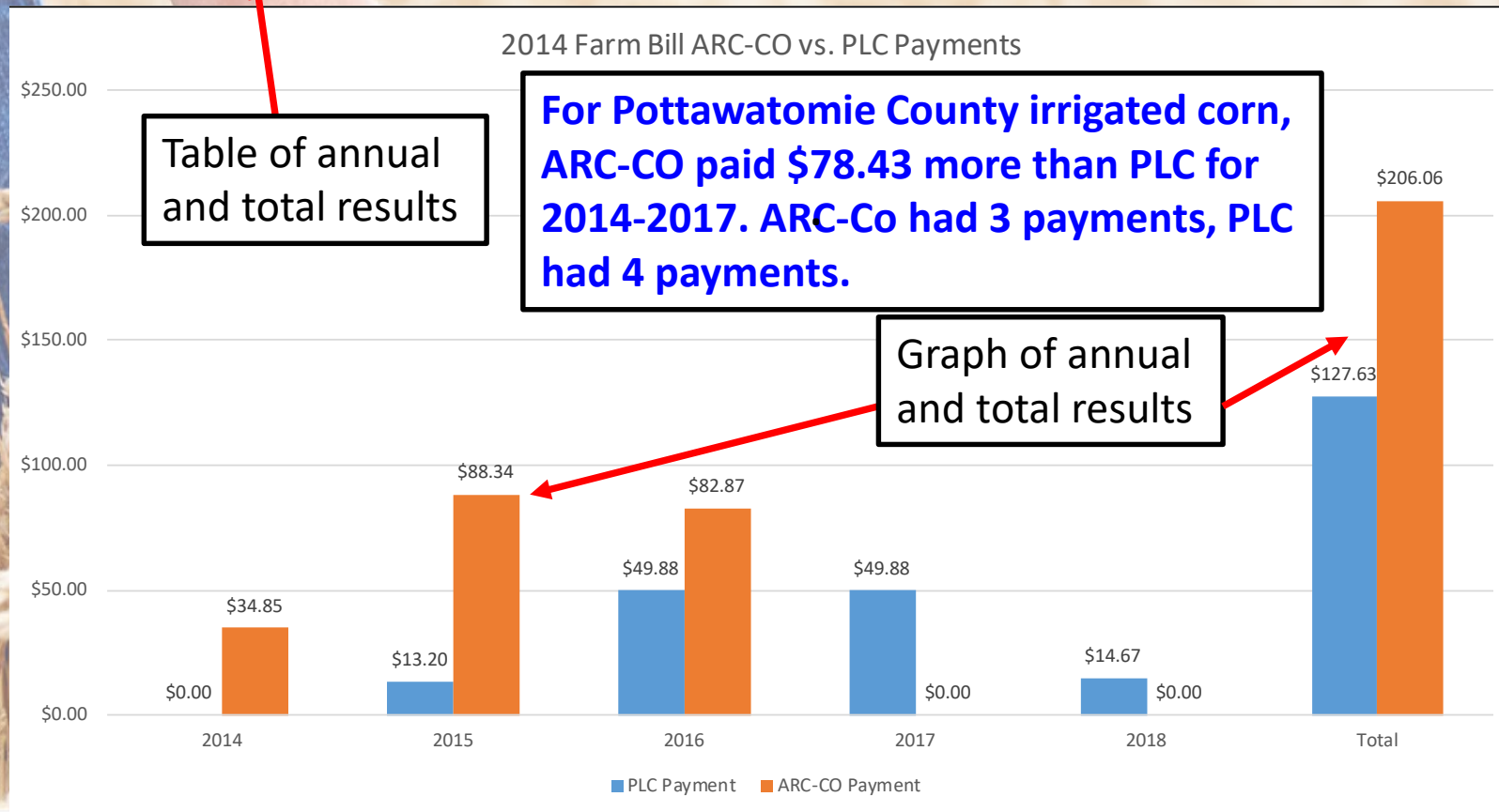
**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*



ARC-CO vs. PLC Payment Calculator 2014-2018 Irrigated Corn Pottawatomie Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$34.85	\$3.70	\$5.29	\$3.70	163	191	\$862.27	\$706.70
2015	\$13.20	\$88.34	\$3.70	\$5.29	\$3.61	167	172	\$883.43	\$620.92
2016	\$49.88	\$82.87	\$3.70	\$4.79	\$3.36	173	172	\$828.67	\$577.92
2017	\$49.88	\$0.00	\$3.70	\$3.95	\$3.36	177	194	\$699.15	\$651.84
2018	\$14.67	\$0.00	\$3.70	\$3.70	\$3.60	184	168	\$680.80	\$606.24
Total	\$127.63	\$206.06							

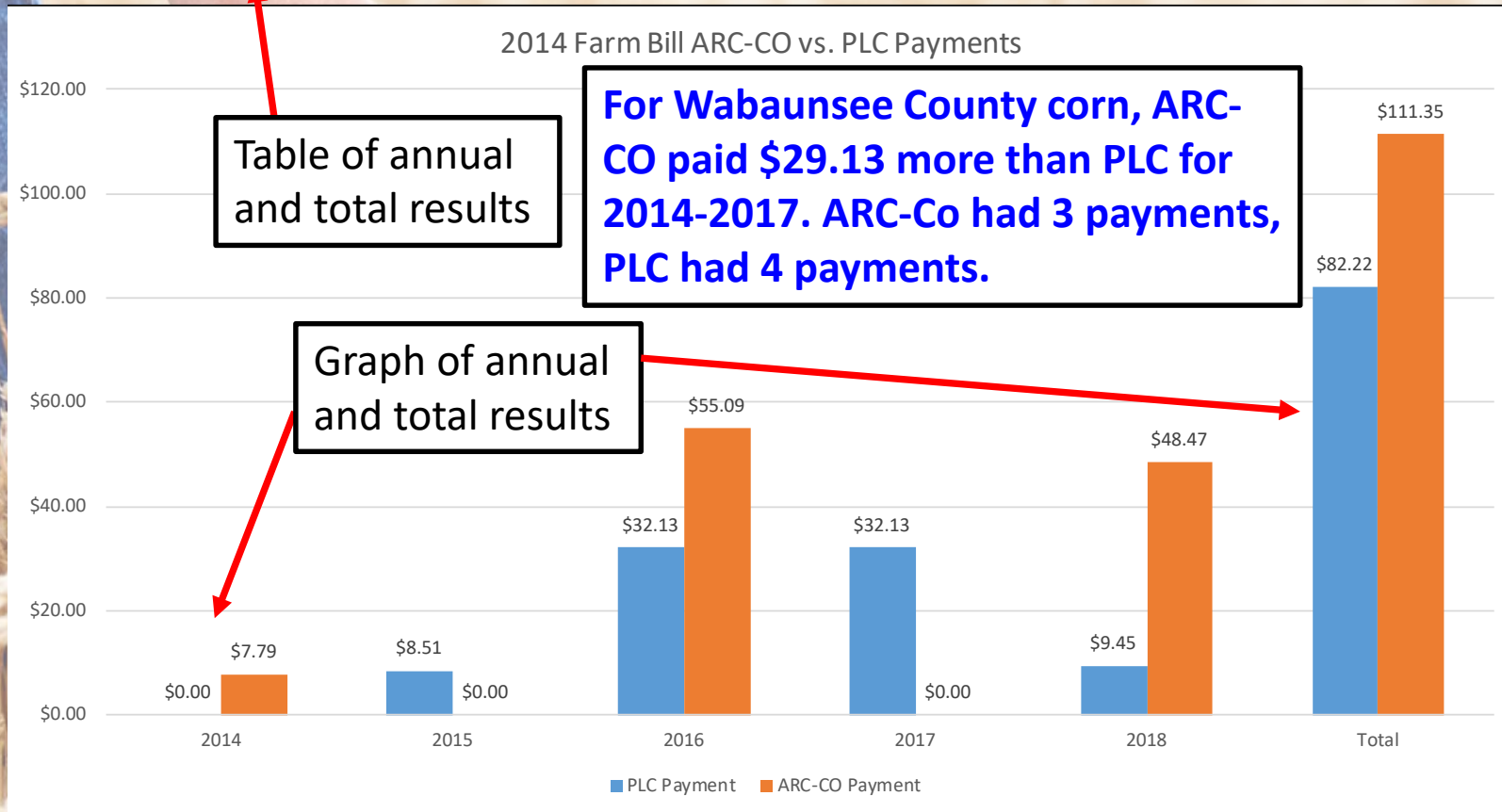
**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*



ARC-CO vs. PLC Payment Calculator 2014-2018 Corn Wabaunsee Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$7.79	\$3.70	\$5.29	\$3.70	105	127	\$555.45	\$469.90
2015	\$8.51	\$0.00	\$3.70	\$5.29	\$3.61	102	146	\$539.58	\$527.06
2016	\$32.13	\$55.09	\$3.70	\$4.79	\$3.36	115	118	\$550.85	\$396.48
2017	\$32.13	\$0.00	\$3.70	\$3.95	\$3.36	127	132	\$501.65	\$443.52
2018	\$9.45	\$48.47	\$3.70	\$3.70	\$3.60	131	75	\$484.70	\$271.44
Total	\$82.22	\$111.35							

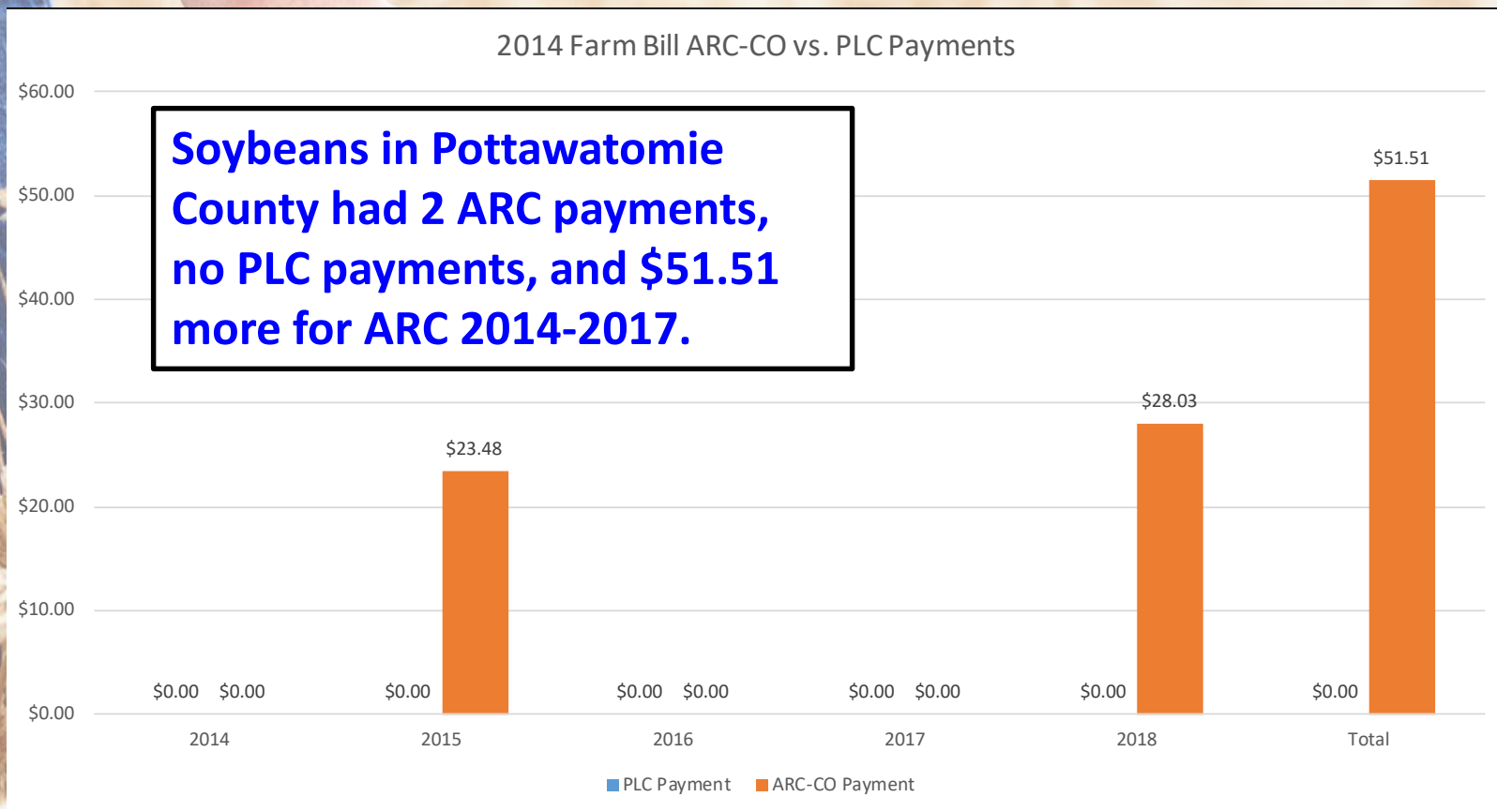
**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*



ARC-CO vs. PLC Payment Calculator 2014-2018 Soybeans Pottawatomie Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$0.00	\$8.40	\$12.27	\$10.10	38	43	\$466.26	\$434.30
2015	\$0.00	\$23.48	\$8.40	\$12.27	\$8.95	37	41	\$453.99	\$366.95
2016	\$0.00	\$0.00	\$8.40	\$11.87	\$9.47	40	54	\$474.80	\$511.38
2017	\$0.00	\$0.00	\$8.40	\$10.86	\$9.33	43	47	\$466.98	\$438.51
2018	\$0.00	\$28.03	\$8.40	\$9.63	\$8.51	45	41	\$433.35	\$344.66
Total	\$0.00	\$51.51							

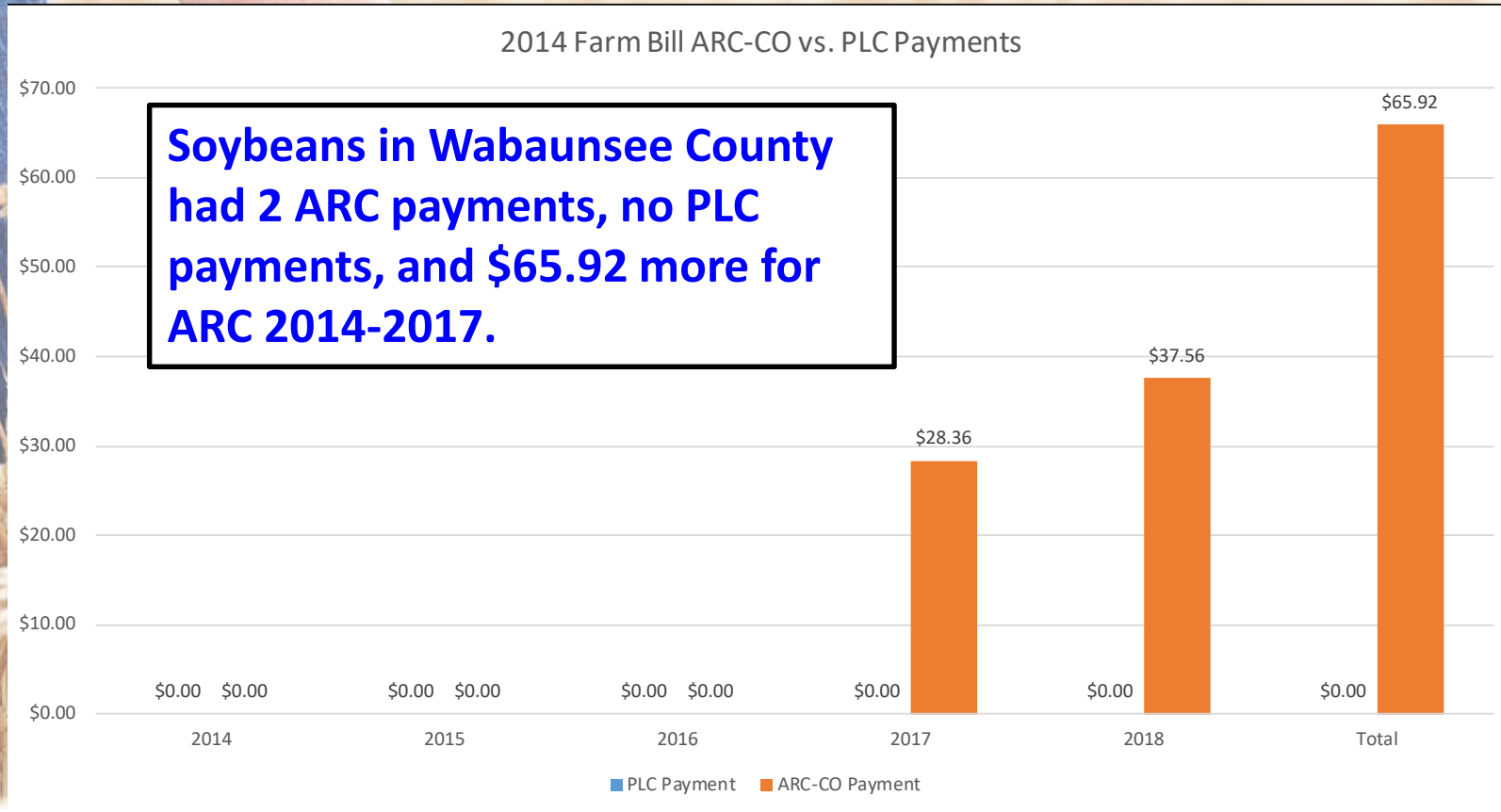
**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*



ARC-CO vs. PLC Payment Calculator 2014-2018 Soybeans Wabaunsee Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$0.00	\$8.40	\$12.27	\$10.10	31	36	\$380.37	\$363.60
2015	\$0.00	\$0.00	\$8.40	\$12.27	\$8.95	30	41	\$368.10	\$366.95
2016	\$0.00	\$0.00	\$8.40	\$11.87	\$9.47	34	51	\$403.58	\$482.97
2017	\$0.00	\$28.36	\$8.40	\$10.86	\$9.33	39	36	\$423.54	\$335.88
2018	\$0.00	\$37.56	\$8.40	\$9.63	\$8.51	39	32	\$375.57	\$268.07
Total	\$0.00	\$65.92							

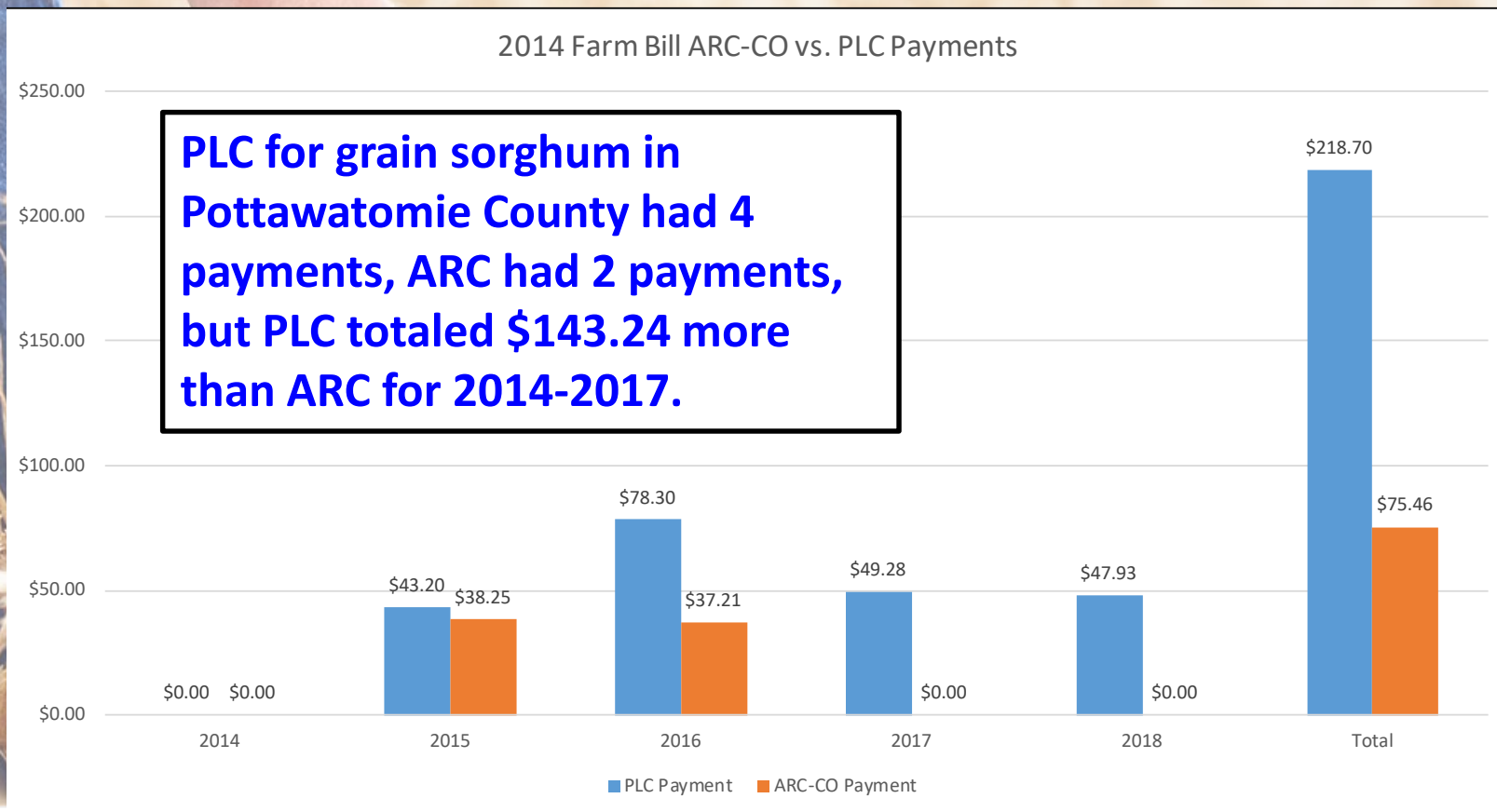
**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*



ARC-CO vs. PLC Payment Calculator 2014-2018 Grain Sorghum Pottawatomie Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$0.00	\$3.95	\$5.10	\$4.03	75	93	\$382.50	\$374.79
2015	\$43.20	\$38.25	\$3.95	\$5.10	\$3.31	75	69	\$382.50	\$228.39
2016	\$78.30	\$37.21	\$3.95	\$4.77	\$2.79	78	68	\$372.06	\$189.72
2017	\$49.28	\$0.00	\$3.95	\$4.09	\$3.22	74	100	\$302.66	\$322.00
2018	\$47.93	\$0.00	\$3.95	\$3.98	\$3.24	82	87	\$326.36	\$281.56
Total	\$218.70	\$75.46							

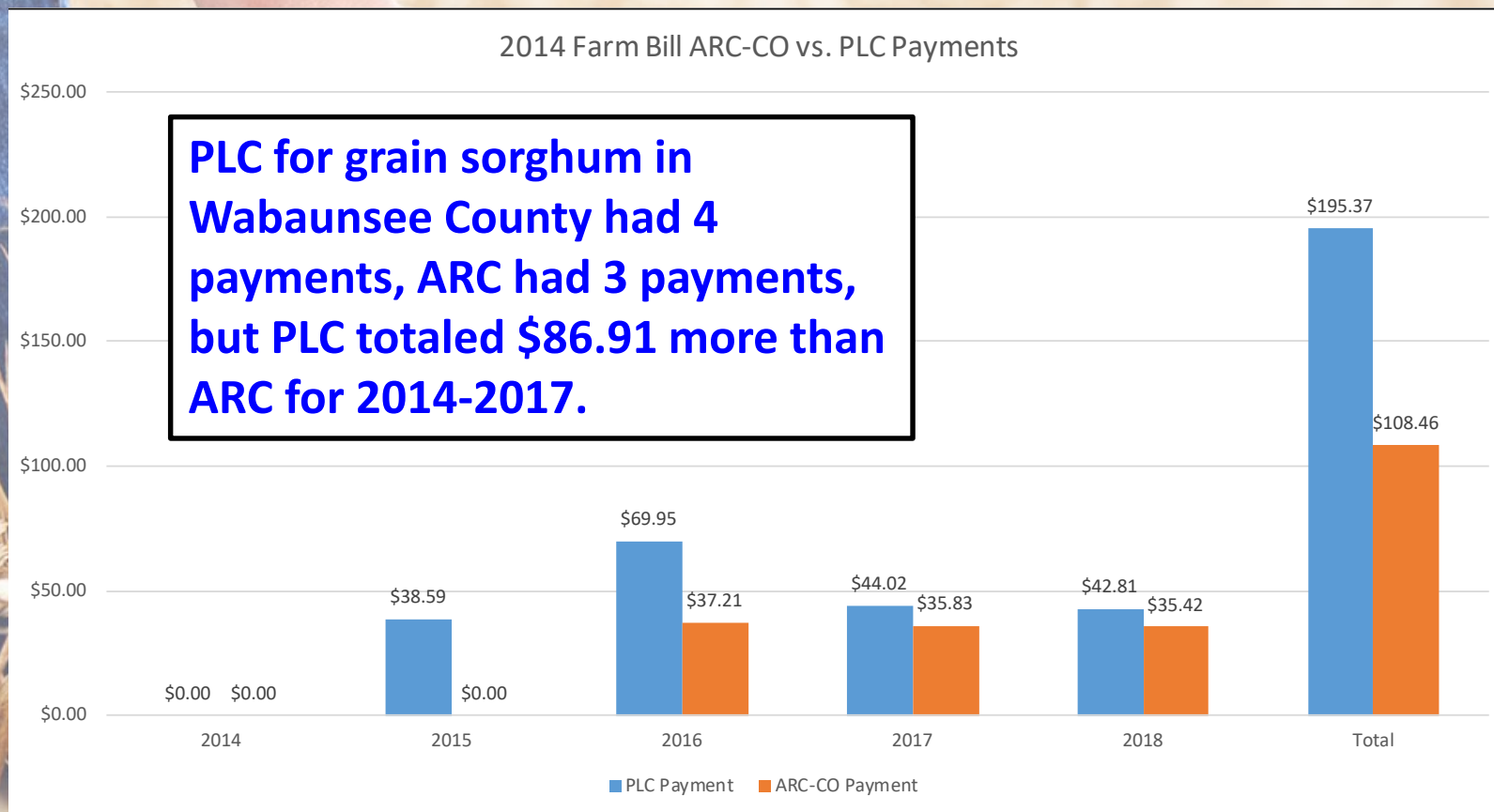
**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*



ARC-CO vs. PLC Payment Calculator 2014-2018 Grain Sorghum Wabaunsee Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$0.00	\$3.95	\$5.10	\$4.03	67	84	\$341.70	\$338.52
2015	\$38.59	\$0.00	\$3.95	\$5.10	\$3.31	64	96	\$326.40	\$317.76
2016	\$69.95	\$37.21	\$3.95	\$4.77	\$2.79	78	85	\$372.06	\$237.15
2017	\$44.02	\$35.83	\$3.95	\$4.09	\$3.22	88	85	\$359.92	\$273.70
2018	\$42.81	\$35.42	\$3.95	\$3.98	\$3.24	89	47	\$354.22	\$152.28
Total	\$195.37	\$108.46							

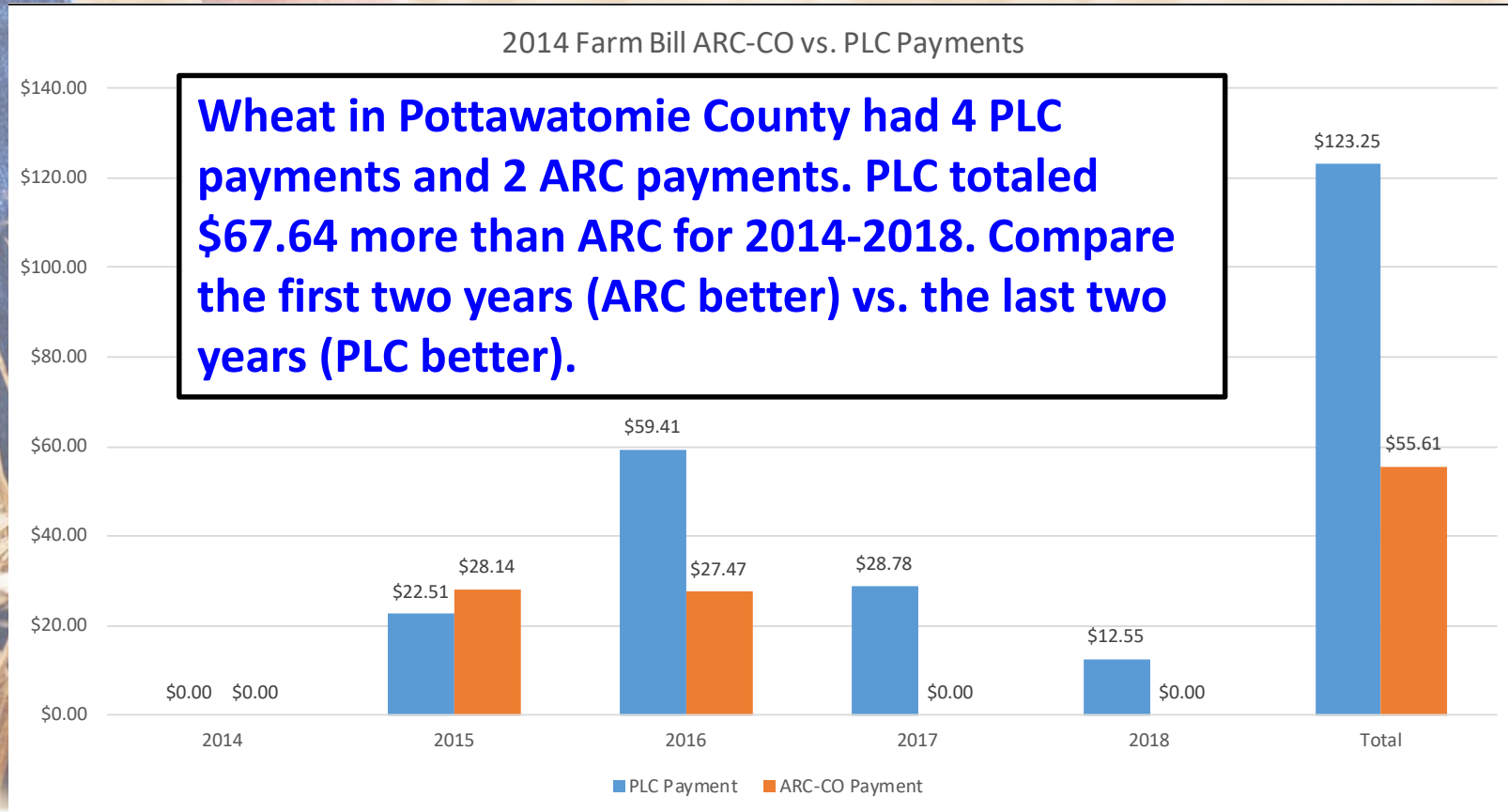
**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*



ARC-CO vs. PLC Payment Calculator 2014-2018 Wheat Pottawatomie Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$0.00	\$5.50	\$6.60	\$5.99	41	48	\$270.60	\$287.52
2015	\$22.51	\$28.14	\$5.50	\$6.70	\$4.89	42	31	\$281.40	\$151.59
2016	\$59.41	\$27.47	\$5.50	\$6.70	\$3.89	41	50	\$274.70	\$194.50
2017	\$28.78	\$0.00	\$5.50	\$6.12	\$4.72	46	53	\$281.52	\$250.16
2018	\$12.55	\$0.00	\$5.50	\$5.66	\$5.16	50	49	\$283.00	\$250.51
Total	\$123.25	\$55.61							

**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*

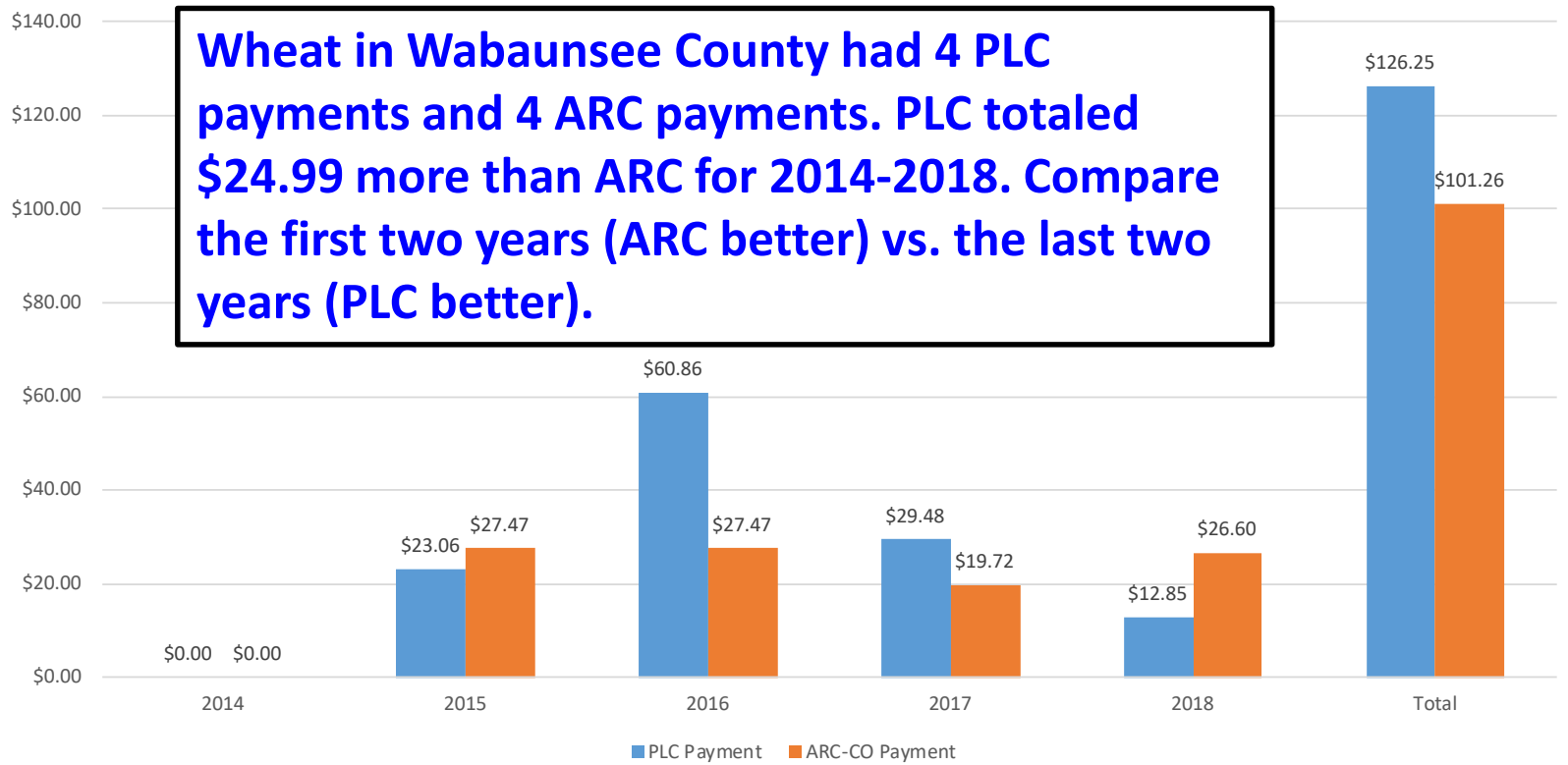


ARC-CO vs. PLC Payment Calculator 2014-2018 Wheat Wabaunsee Co

Production Year	PLC Payment	ARC-CO Payment	Reference Price	Olympic Average Price	Actual Marketing Year Price	Olympic Average Yield	Actual County Yield	Benchmark Revenue	Actual Revenue
2014	\$0.00	\$0.00	\$5.50	\$6.60	\$5.99	42	44	\$277.20	\$263.56
2015	\$23.06	\$27.47	\$5.50	\$6.70	\$4.89	41	31	\$274.70	\$151.59
2016	\$60.86	\$27.47	\$5.50	\$6.70	\$3.89	41	50	\$274.70	\$194.50
2017	\$29.48	\$19.72	\$5.50	\$6.12	\$4.72	45	46	\$275.40	\$217.12
2018	\$12.85	\$26.60	\$5.50	\$5.66	\$5.16	47	35	\$266.02	\$178.54
Total	\$126.25	\$101.26							

**2018 MYA price, County Yield, and Actual Revenue are ESTIMATES based on the available data*

2014 Farm Bill ARC-CO vs. PLC Payments



What we did last time around...

- Farmers with more experience picked PLC
 - More experience with low price scenarios than newer farmers who just came off a run of very good incomes
- Farmers with higher crop insurance coverage levels preferred ARC
 - Did not see advantage to SCO option under PLC
- High levels of uncertainty pushed people toward PLC
 - Simpler program and more attractive for people who “just weren’t sure” what program to pick
- Current information on payouts of ARC in 2014 in certain counties pushed people toward ARC
 - Bird-in-hand attitude versus looking at the entire 5-year period

What do we expect this time around?

- Tendency to look backwards and try to fix our (perceived) mistakes
- But we have to keep looking forward and using the best information we have to determine which program is the best fit
- Risk management versus highest payout
 - Is your farm more susceptible to catastrophic price scenario or shallow loss?
- MFP payments will be supplementing the ARC/PLC payments and may end up being higher for some people
 - Do not depend on MFP in the long run...

Decisions to be made...

- Each farm will choose a farm program to enroll in starting Sept. 1st, 2019. Deadline is March 15th, 2020.
- If you do not enroll, your farm will default to the decision made for the last farm bill and NO payment will be received on the 2019 crop
- The first payment of the new Farm Bill will be made in Oct. 2020
 - This will be on the crops harvested in 2019

PLC - ARC Producer Election

- The election between ARC/PLC is one of the key changes in the 2018 Farm Bill
 - The initial election will be in 2019 for the first 2 years of the planned 5 year program, i.e., MY 2019/20 & MY 2020/21
 - Beginning with the 2021 crop year, producers will be allowed to change their ARC/PLC program elections annually

Timeline

	Beginning	End
2019 Enrollment (Elect programs for 2019 & 2020)	September 3 rd , 2019	March 15th, 2020
2020 Enrollment	October 1 st , 2019	June 30 th , 2020
2020 Yield Update	October 1 st , 2019	September 30 th , 2020
2019 ARC/PLC Payments Received	October 2020	

Future years (2021-2023) will have an Oct. 1st-March 15th enrollment period

Unassigned Base Acres

- Farmers-ranchers who planted their entire farm to grass and pasture all years from 2009-2017 will have their base “unassigned”.
- Question: What is NOT grass and pasture?
 - All program crops.
 - Alfalfa
 - Farmers who planted base acres to wheat or oats and harvested it as hay or pasture are considered planted to a program crop.
 - CRP is considered planted and not grass/pasture
 - Farmers who planted triticale, brome, or similar forages for hay or grazing are in a “gray” area. What is the definition of “grass”? It will need to be interpreted by the Secretary.
 - Base acres converted to grass hay or native grass pasture are NOT considered planted to a crop.

Unassigned Base Acres

- Farmers (ranchers) who have their base “unassigned” will continue have their acres considered “planted” to program crops during the life of this farm bill so it will maintain the base for future legislation.
- These base acres will be “unassigned” from receiving commodity payments, but eligible for the Conservation Stewardship Program (CSP) grasslands program payment at a rate of \$18/acre.
- They will need to sign up for this NRCS program (not automatic) and address at least one resource concern

What Changed in PLC?

1. “Effective Reference Price” instead of just the statutory reference prices

Commodity	2018 Farm Bill Statutory Price (\$/bu)	Highest “Effective” Reference Price Possible (115% of Statute)
Wheat	5.50	6.33
Corn	3.70	4.26
Sorghum	3.95	4.54
Soybeans	8.40	9.66

What Changed in PLC?

2. Payment Yield Update will again be offered by 2020

- The 2020 update is intended to benefit farmers who sustained multiple years of losses during the 2008-2012 crop years used to calculate the 2014 updated program yield.
- Will use the farm's yields from 2013-2017, excluding any years that the crop was not planted
- Low yield years will be replaced by 75% of the county average yield from 2013-2017
- The average farm yield over these years (after low yield replacement) will be multiplied by 90% and then by a "detrrending" factor

Don't get caught up in the formula. FSA will run this for you. If the update is higher than your current established yield, **UPDATE, even if in PLC

Changes made to ARC County

- Increase the transitional yield plug to 80% from 70% used for the Olympic average yield calculation for ARC.

County Yield	
2015	100
2016	120
2017	80
2018	30
2019	110
<i>Olympic Average</i>	<i>96.7</i>

What this means:

Low years in county yield history will be replaced by a higher number

This will bring the average up in some cases, raising the ARC-CO guaranteed revenue

- A trend yield adjustment, similar to crop insurance's SCO trend adjustment, will be applied to ARC which will also increase the guarantee in many cases

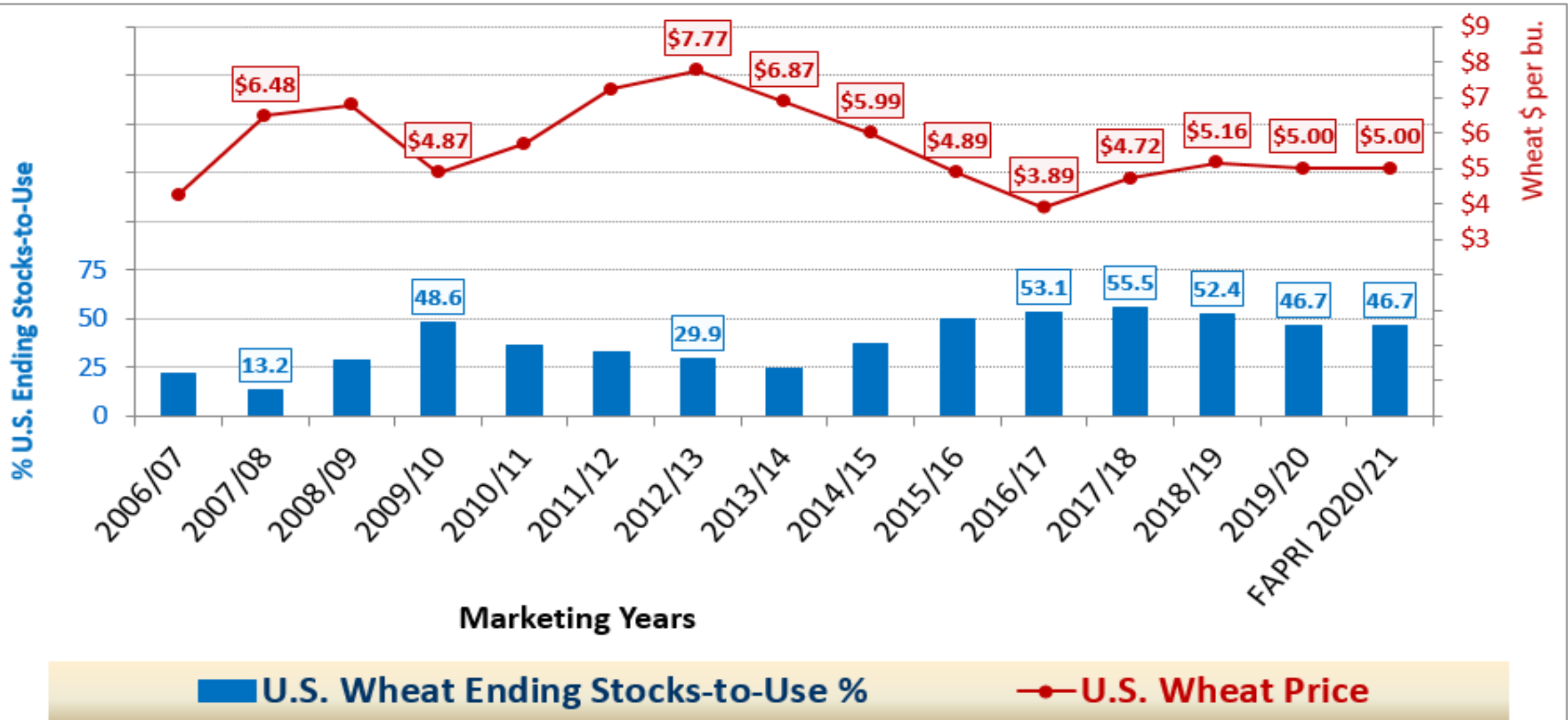
Changes made to ARC County

- ARC payments will be based on county where base acres are located rather than administrative county.
- Prioritize RMA data in the calculation of county yields used for the ARC guarantee and actual yields.

Changes made to ARC County

- There will be a separate irrigated and non-irrigated yield ARC guarantee in more counties.
 - Had to have 3 out of 5 years of RMA data for each practice (2013-2017)
 - OR at least 10% of the crop in the county AND at least 5,000 acres each year from 2013-2017
- The 5 year guarantee will have a “lag” year
 - 2019 Guarantee will include years 2013-2017
 - 2020 Guarantee will include years 2014-2018

U.S. Wheat Ending Stocks & Prices



What program should I choose?

- PLC payments will be made if the MYA price drops below \$5.50
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$4.87**
- **With an average yield (55 bushels), ARC-CO will not start paying until price falls below \$4.87**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$31.36** per acre in 2019

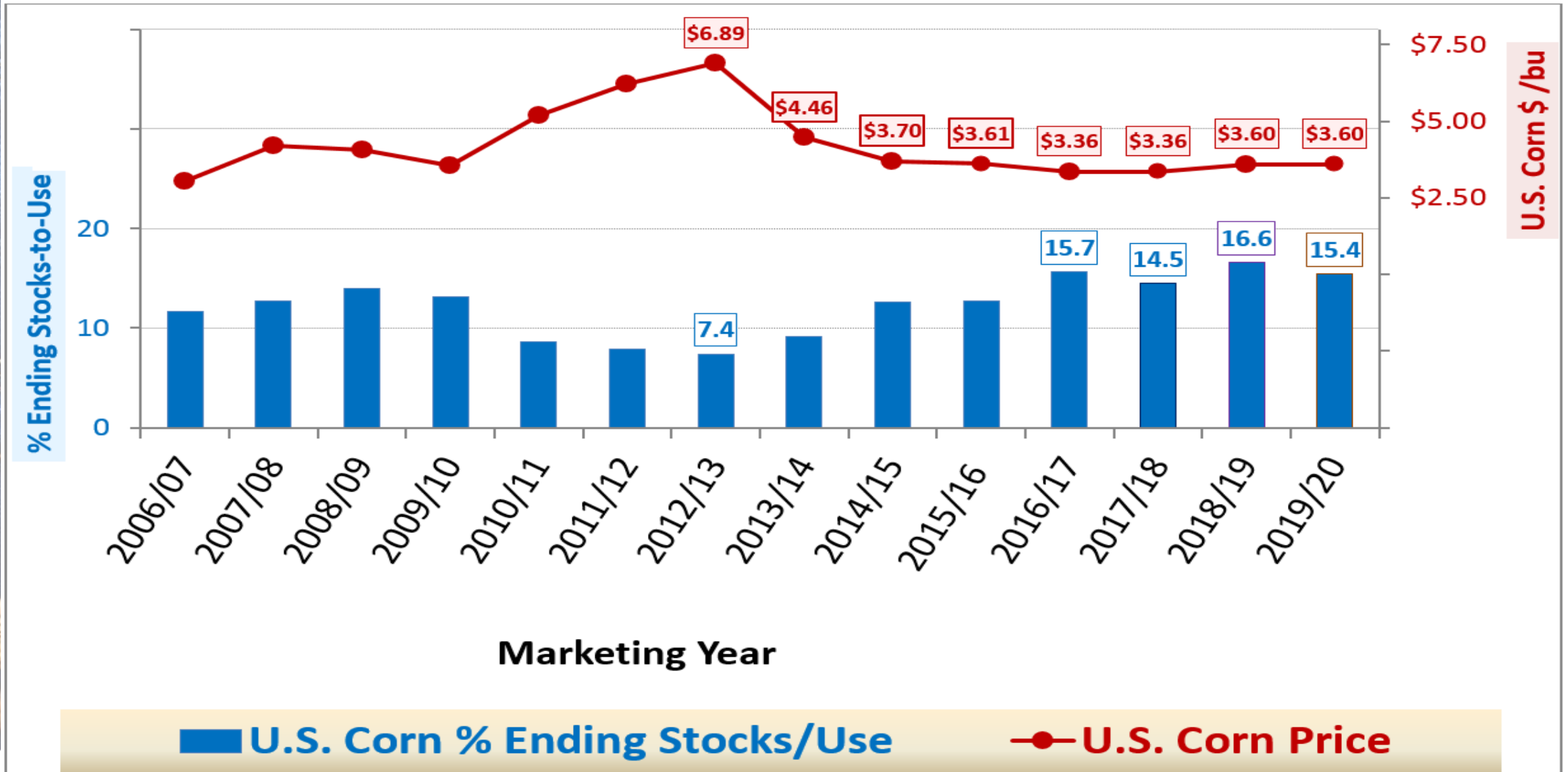
ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year									
County:	Pottawatomie	Crop:	Wheat	Type:	All				
			ARC		PLC				
5 Yr. Olympic Avg. County Yield			55.41		Program Yield	49.9			
5 Yr. Olympic Avg. MYA Price			\$5.66		Reference Price	\$5.50			
Benchmark Revenue			\$313.62						
Guaranteed Revenue			\$269.71		PLC > ARC-CO max @	\$4.87			
P.P. \$5.00	Yield								
	33	37	41	45	50	55	61	66	
MYA Price	PLC Payment	ARC Payment							
\$6.19	\$0.00	\$31.36	\$31.36	\$15.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$6.07	\$0.00	\$31.36	\$31.36	\$20.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$5.95	\$0.00	\$31.36	\$31.36	\$25.76	\$1.96	\$0.00	\$0.00	\$0.00	\$0.00
\$5.83	\$0.00	\$31.36	\$31.36	\$30.68	\$7.36	\$0.00	\$0.00	\$0.00	\$0.00
\$5.72	\$0.00	\$31.36	\$31.36	\$31.36	\$12.31	\$0.00	\$0.00	\$0.00	\$0.00
\$5.61	\$0.00	\$31.36	\$31.36	\$31.36	\$17.26	\$0.00	\$0.00	\$0.00	\$0.00
\$5.50	\$0.00	\$31.36	\$31.36	\$31.36	\$22.21	\$0.00	\$0.00	\$0.00	\$0.00
\$5.39	\$5.49	\$31.36	\$31.36	\$31.36	\$27.16	\$0.21	\$0.00	\$0.00	\$0.00
\$5.28	\$10.97	\$31.36	\$31.36	\$31.36	\$31.36	\$5.71	\$0.00	\$0.00	\$0.00
\$5.17	\$16.46	\$31.36	\$31.36	\$31.36	\$31.36	\$11.21	\$0.00	\$0.00	\$0.00
\$5.07	\$21.44	\$31.36	\$31.36	\$31.36	\$31.36	\$16.21	\$0.00	\$0.00	\$0.00
\$4.97	\$26.43	\$31.36	\$31.36	\$31.36	\$31.36	\$21.21	\$0.00	\$0.00	\$0.00
\$4.87	\$31.42	\$31.36	\$31.36	\$31.36	\$31.36	\$26.21	\$1.86	\$0.00	\$0.00
\$4.77	\$36.40	\$31.36	\$31.36	\$31.36	\$31.36	\$31.21	\$7.36	\$0.00	\$0.00
\$4.67	\$41.39	\$31.36	\$31.36	\$31.36	\$31.36	\$31.36	\$12.86	\$0.00	\$0.00
\$4.58	\$45.88	\$31.36	\$31.36	\$31.36	\$31.36	\$31.36	\$17.81	\$0.00	\$0.00

What program should I choose?

- PLC payments will be made if the MYA price drops below \$5.50
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$4.87**
- **With an average yield (51 bushels), ARC-CO will not start paying until price falls below \$4.77**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$28.63** per acre in 2019

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year									
County:	Wabaunsee	Crop:	Wheat	Type:	All				
			ARC			PLC			
5 Yr. Olympic Avg. County Yield			50.58		Program Yield	45.5			
5 Yr. Olympic Avg. MYA Price			\$5.66		Reference Price	\$5.50			
Benchmark Revenue			\$286.28						
Guaranteed Revenue			\$246.20		PLC > ARC-CO max @	\$4.87			
P.P. \$5.00	Yield								
	30	33	37	41	46	51	56	61	
MYA Price	PLC Payment	ARC Payment							
\$6.19	\$0.00	\$28.63	\$28.63	\$17.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$6.07	\$0.00	\$28.63	\$28.63	\$21.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$5.95	\$0.00	\$28.63	\$28.63	\$26.05	\$2.25	\$0.00	\$0.00	\$0.00	\$0.00
\$5.83	\$0.00	\$28.63	\$28.63	\$28.63	\$7.17	\$0.00	\$0.00	\$0.00	\$0.00
\$5.72	\$0.00	\$28.63	\$28.63	\$28.63	\$11.68	\$0.00	\$0.00	\$0.00	\$0.00
\$5.61	\$0.00	\$28.63	\$28.63	\$28.63	\$16.19	\$0.00	\$0.00	\$0.00	\$0.00
\$5.50	\$0.00	\$28.63	\$28.63	\$28.63	\$20.70	\$0.00	\$0.00	\$0.00	\$0.00
\$5.39	\$5.01	\$28.63	\$28.63	\$28.63	\$25.21	\$0.00	\$0.00	\$0.00	\$0.00
\$5.28	\$10.01	\$28.63	\$28.63	\$28.63	\$28.63	\$3.32	\$0.00	\$0.00	\$0.00
\$5.17	\$15.02	\$28.63	\$28.63	\$28.63	\$28.63	\$8.38	\$0.00	\$0.00	\$0.00
\$5.07	\$19.57	\$28.63	\$28.63	\$28.63	\$28.63	\$12.98	\$0.00	\$0.00	\$0.00
\$4.97	\$24.13	\$28.63	\$28.63	\$28.63	\$28.63	\$17.58	\$0.00	\$0.00	\$0.00
\$4.87	\$28.68	\$28.63	\$28.63	\$28.63	\$28.63	\$22.18	\$0.00	\$0.00	\$0.00
\$4.77	\$33.23	\$28.63	\$28.63	\$28.63	\$28.63	\$26.78	\$2.93	\$0.00	\$0.00
\$4.67	\$37.78	\$28.63	\$28.63	\$28.63	\$28.63	\$28.63	\$8.03	\$0.00	\$0.00
\$4.58	\$41.88	\$28.63	\$28.63	\$28.63	\$28.63	\$28.63	\$12.62	\$0.00	\$0.00

U.S. Corn % Stocks/Use vs Price\$



What program should I choose?

- PLC payments will be made if the MYA price drops below \$3.70
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$3.29**
- **With an average yield (149 bushels), ARC-CO will not start paying until price falls below \$3.15**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$54.98** per acre in 2019

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year										
County:	Pottawatomie	Crop:	Corn			Type:	Nonirrigated			
			ARC				PLC			
5 Yr. Olympic Avg. County Yield			148.58			Program Yield		133.7		
5 Yr. Olympic Avg. MYA Price			\$3.70			Reference Price		\$3.70		
Benchmark Revenue			\$549.75							
Guaranteed Revenue			\$472.79			PLC > ARC-CO max @		\$3.29		
P.P. \$3.60		Yield								
		88	98	109	121	134	149	164	179	
MYA Price	PLC Payment	ARC Payment								
\$4.17	\$0.00	\$54.98	\$54.98	\$18.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.09	\$0.00	\$54.98	\$54.98	\$26.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.01	\$0.00	\$54.98	\$54.98	\$35.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.93	\$0.00	\$54.98	\$54.98	\$44.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.85	\$0.00	\$54.98	\$54.98	\$53.14	\$6.94	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.77	\$0.00	\$54.98	\$54.98	\$54.98	\$16.62	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.70	\$0.00	\$54.98	\$54.98	\$54.98	\$25.09	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.63	\$9.36	\$54.98	\$54.98	\$54.98	\$33.56	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.56	\$18.72	\$54.98	\$54.98	\$54.98	\$42.03	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.49	\$28.08	\$54.98	\$54.98	\$54.98	\$50.50	\$5.13	\$0.00	\$0.00	\$0.00	
\$3.42	\$37.44	\$54.98	\$54.98	\$54.98	\$54.98	\$14.51	\$0.00	\$0.00	\$0.00	
\$3.35	\$46.80	\$54.98	\$54.98	\$54.98	\$54.98	\$23.89	\$0.00	\$0.00	\$0.00	
\$3.28	\$56.16	\$54.98	\$54.98	\$54.98	\$54.98	\$33.27	\$0.00	\$0.00	\$0.00	
\$3.21	\$65.52	\$54.98	\$54.98	\$54.98	\$54.98	\$42.65	\$0.00	\$0.00	\$0.00	
\$3.15	\$73.55	\$54.98	\$54.98	\$54.98	\$54.98	\$50.69	\$3.44	\$0.00	\$0.00	
\$3.09	\$81.57	\$54.98	\$54.98	\$54.98	\$54.98	\$54.98	\$12.38	\$0.00	\$0.00	

What program should I choose?

- PLC payments will be made if the MYA price drops below \$3.70
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$3.29**
- **With an average yield (192 bushels), ARC-CO will not start paying until price falls below \$3.15**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$71.03** per acre in 2019

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year										
County:	Pottawatomie	Crop:	Corn			Type:	Irrigated			
			ARC				PLC			
5 Yr. Olympic Avg. County Yield			191.97			Program Yield		172.8		
5 Yr. Olympic Avg. MYA Price			\$3.70			Reference Price		\$3.70		
Benchmark Revenue			\$710.29							
Guaranteed Revenue			\$610.85			PLC > ARC-CO max @		\$3.29		
P.P. \$3.60		Yield								
		113	126	140	156	173	192	211	230	
MYA Price	PLC Payment	ARC Payment								
\$4.17	\$0.00	\$71.03	\$71.03	\$27.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.09	\$0.00	\$71.03	\$71.03	\$38.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.01	\$0.00	\$71.03	\$71.03	\$49.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.93	\$0.00	\$71.03	\$71.03	\$60.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.85	\$0.00	\$71.03	\$71.03	\$71.03	\$10.25	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.77	\$0.00	\$71.03	\$71.03	\$71.03	\$22.73	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.70	\$0.00	\$71.03	\$71.03	\$71.03	\$33.65	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.63	\$12.09	\$71.03	\$71.03	\$71.03	\$44.57	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.56	\$24.19	\$71.03	\$71.03	\$71.03	\$55.49	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.49	\$36.28	\$71.03	\$71.03	\$71.03	\$66.41	\$7.08	\$0.00	\$0.00	\$0.00	
\$3.42	\$48.38	\$71.03	\$71.03	\$71.03	\$71.03	\$19.19	\$0.00	\$0.00	\$0.00	
\$3.35	\$60.47	\$71.03	\$71.03	\$71.03	\$71.03	\$31.30	\$0.00	\$0.00	\$0.00	
\$3.28	\$72.56	\$71.03	\$71.03	\$71.03	\$71.03	\$43.41	\$0.00	\$0.00	\$0.00	
\$3.21	\$84.66	\$71.03	\$71.03	\$71.03	\$71.03	\$55.52	\$0.00	\$0.00	\$0.00	
\$3.15	\$95.03	\$71.03	\$71.03	\$71.03	\$71.03	\$65.90	\$6.05	\$0.00	\$0.00	
\$3.09	\$105.39	\$71.03	\$71.03	\$71.03	\$71.03	\$71.03	\$17.57	\$0.00	\$0.00	

What program should I choose?

- PLC payments will be made if the MYA price drops below \$3.70
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$3.29**
- **With an average yield (131 bushels), ARC-CO will not start paying until price falls below \$3.15**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$48.46** per acre in 2019

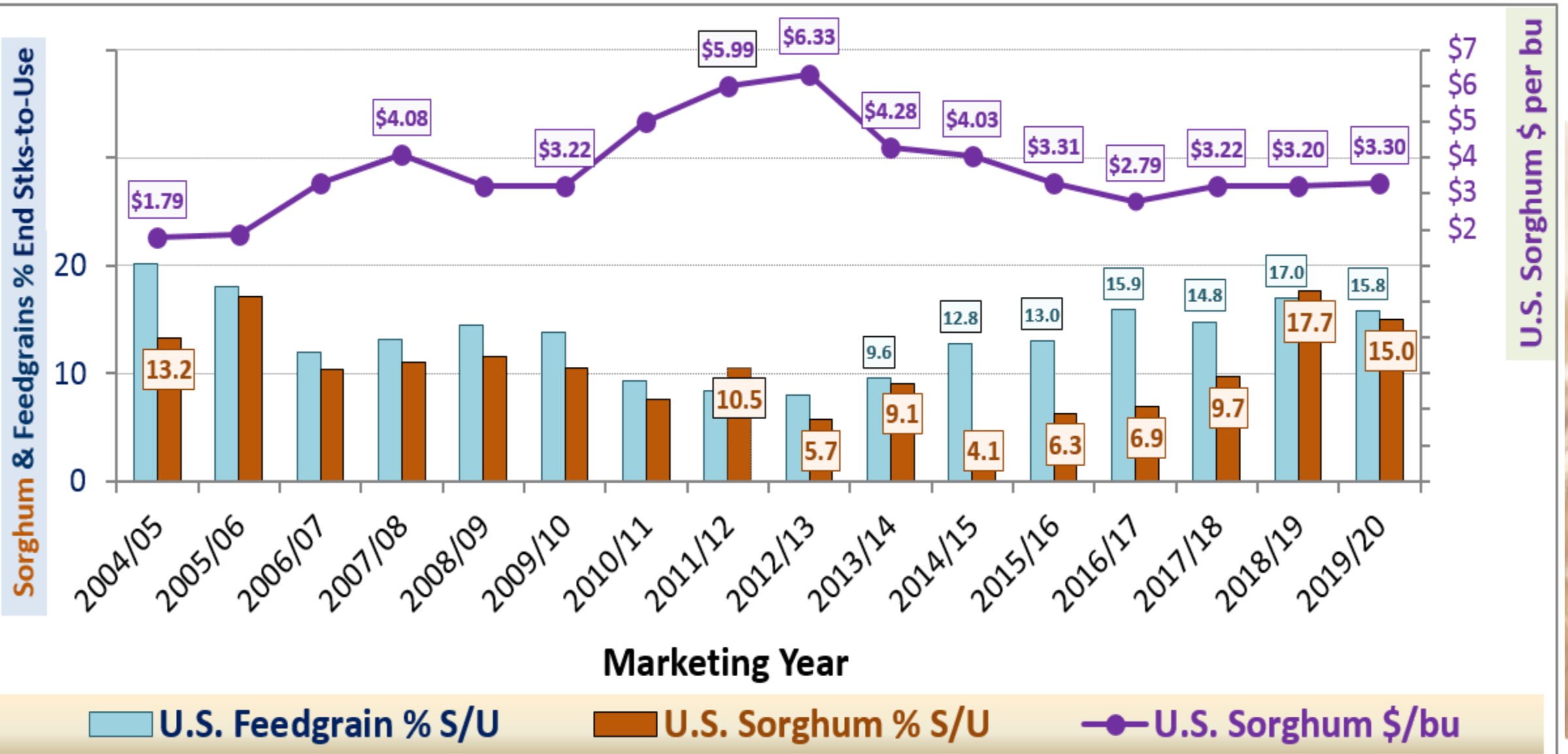
ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year										
County:	Wabaunsee	Crop:	Corn			Type:	Nonirrigated			
			ARC				PLC			
5 Yr. Olympic Avg. County Yield			130.98			Program Yield		117.9		
5 Yr. Olympic Avg. MYA Price			\$3.70			Reference Price		\$3.70		
Benchmark Revenue			\$484.63							
Guaranteed Revenue			\$416.78			PLC > ARC-CO max @		\$3.29		
P.P. \$3.60		Yield								
		77	86	95	106	118	131	144	157	
MYA Price	PLC Payment	ARC Payment								
\$4.17	\$0.00	\$48.46	\$48.46	\$20.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.09	\$0.00	\$48.46	\$48.46	\$28.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.01	\$0.00	\$48.46	\$48.46	\$35.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.93	\$0.00	\$48.46	\$48.46	\$43.43	\$0.20	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.85	\$0.00	\$48.46	\$48.46	\$48.46	\$8.68	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.77	\$0.00	\$48.46	\$48.46	\$48.46	\$17.16	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.70	\$0.00	\$48.46	\$48.46	\$48.46	\$24.58	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.63	\$8.25	\$48.46	\$48.46	\$48.46	\$32.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.56	\$16.50	\$48.46	\$48.46	\$48.46	\$39.42	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.49	\$24.76	\$48.46	\$48.46	\$48.46	\$46.84	\$4.96	\$0.00	\$0.00	\$0.00	
\$3.42	\$33.01	\$48.46	\$48.46	\$48.46	\$48.46	\$13.22	\$0.00	\$0.00	\$0.00	
\$3.35	\$41.26	\$48.46	\$48.46	\$48.46	\$48.46	\$21.48	\$0.00	\$0.00	\$0.00	
\$3.28	\$49.51	\$48.46	\$48.46	\$48.46	\$48.46	\$29.74	\$0.00	\$0.00	\$0.00	
\$3.21	\$57.76	\$48.46	\$48.46	\$48.46	\$48.46	\$38.00	\$0.00	\$0.00	\$0.00	
\$3.15	\$64.84	\$48.46	\$48.46	\$48.46	\$48.46	\$45.08	\$4.13	\$0.00	\$0.00	
\$3.09	\$71.91	\$48.46	\$48.46	\$48.46	\$48.46	\$48.46	\$11.99	\$0.00	\$0.00	

What program should I choose?

- PLC payments will be made if the MYA price drops below \$3.70
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$3.29**
- **With an average yield (181 bushels), ARC-CO will not start paying until price falls below \$3.15**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$66.79** per acre in 2019

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year										
County:	Wabaunsee	Crop:	Corn			Type:	Irrigated			
			ARC				PLC			
5 Yr. Olympic Avg. County Yield		180.52			Program Yield		162.5			
5 Yr. Olympic Avg. MYA Price		\$3.70			Reference Price		\$3.70			
Benchmark Revenue		\$667.92								
Guaranteed Revenue		\$574.41			PLC > ARC-CO max @		\$3.29			
P.P. \$3.60		Yield								
		107	119	132	147	163	181	199	217	
MYA Price	PLC Payment	ARC Payment								
\$4.17	\$0.00	\$66.79	\$66.79	\$23.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.09	\$0.00	\$66.79	\$66.79	\$34.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.01	\$0.00	\$66.79	\$66.79	\$45.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.93	\$0.00	\$66.79	\$66.79	\$55.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.85	\$0.00	\$66.79	\$66.79	\$66.21	\$8.46	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.77	\$0.00	\$66.79	\$66.79	\$66.79	\$20.22	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.70	\$0.00	\$66.79	\$66.79	\$66.79	\$30.51	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.63	\$11.37	\$66.79	\$66.79	\$66.79	\$40.80	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.56	\$22.75	\$66.79	\$66.79	\$66.79	\$51.09	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.49	\$34.12	\$66.79	\$66.79	\$66.79	\$61.38	\$5.54	\$0.00	\$0.00	\$0.00	
\$3.42	\$45.49	\$66.79	\$66.79	\$66.79	\$66.79	\$16.95	\$0.00	\$0.00	\$0.00	
\$3.35	\$56.86	\$66.79	\$66.79	\$66.79	\$66.79	\$28.36	\$0.00	\$0.00	\$0.00	
\$3.28	\$68.24	\$66.79	\$66.79	\$66.79	\$66.79	\$39.77	\$0.00	\$0.00	\$0.00	
\$3.21	\$79.61	\$66.79	\$66.79	\$66.79	\$66.79	\$51.18	\$0.00	\$0.00	\$0.00	
\$3.15	\$89.36	\$66.79	\$66.79	\$66.79	\$66.79	\$60.96	\$4.26	\$0.00	\$0.00	
\$3.09	\$99.11	\$66.79	\$66.79	\$66.79	\$66.79	\$66.79	\$15.12	\$0.00	\$0.00	

U.S. Sorghum % Stocks/Use vs Price\$



What program should I choose?

- PLC payments will be made if the MYA price drops below \$3.95
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$3.51**
- **With an average yield (86 bushels), ARC-CO will not start paying until price falls below \$3.43**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$34.34** per acre in 2019

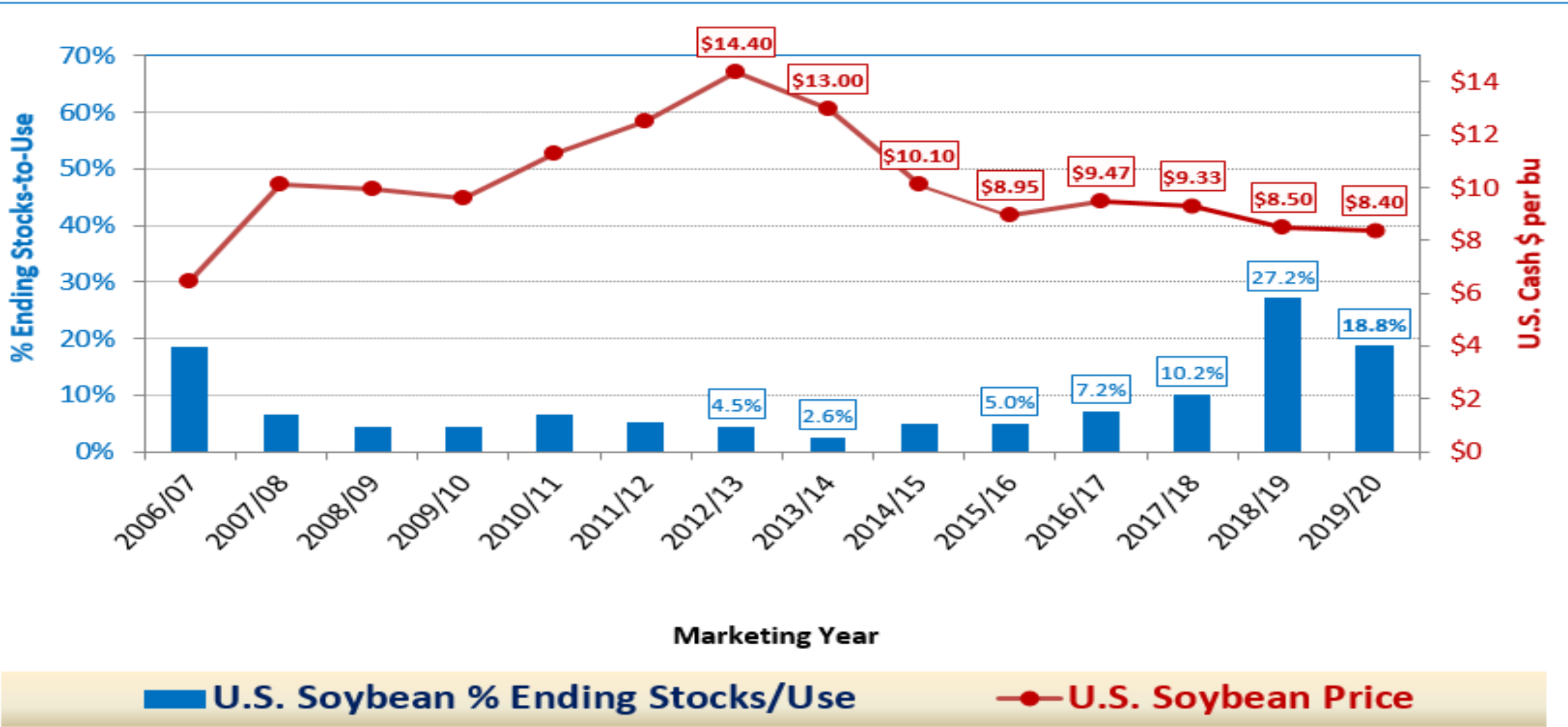
ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year										
County:	Pottawatomie		Crop:	Grain Sorghum			Type:	All		
				ARC				PLC		
5 Yr. Olympic Avg. County Yield				86.29			Program Yield	77.7		
5 Yr. Olympic Avg. MYA Price				\$3.98			Reference Price	\$3.95		
Benchmark Revenue				\$343.43						
Guaranteed Revenue				\$295.35			PLC > ARC-CO max @	\$3.51		
P.P. \$3.30							Yield			
				50	56	62	69	77	86	95 103
MYA Price	PLC Payment	ARC Payment								
\$4.45	\$0.00	\$34.34	\$34.34	\$19.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.36	\$0.00	\$34.34	\$34.34	\$25.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.27	\$0.00	\$34.34	\$34.34	\$30.61	\$0.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.19	\$0.00	\$34.34	\$34.34	\$34.34	\$6.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.11	\$0.00	\$34.34	\$34.34	\$34.34	\$11.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$4.03	\$0.00	\$34.34	\$34.34	\$34.34	\$17.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$3.95	\$0.00	\$34.34	\$34.34	\$34.34	\$22.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$3.87	\$6.21	\$34.34	\$34.34	\$34.34	\$28.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$3.79	\$12.43	\$34.34	\$34.34	\$34.34	\$33.84	\$3.52	\$0.00	\$0.00	\$0.00	\$0.00
\$3.71	\$18.64	\$34.34	\$34.34	\$34.34	\$34.34	\$9.68	\$0.00	\$0.00	\$0.00	\$0.00
\$3.64	\$24.07	\$34.34	\$34.34	\$34.34	\$34.34	\$15.07	\$0.00	\$0.00	\$0.00	\$0.00
\$3.57	\$29.51	\$34.34	\$34.34	\$34.34	\$34.34	\$20.46	\$0.00	\$0.00	\$0.00	\$0.00
\$3.50	\$34.95	\$34.34	\$34.34	\$34.34	\$34.34	\$25.85	\$0.00	\$0.00	\$0.00	\$0.00
\$3.43	\$40.38	\$34.34	\$34.34	\$34.34	\$34.34	\$31.24	\$0.37	\$0.00	\$0.00	\$0.00
\$3.36	\$45.82	\$34.34	\$34.34	\$34.34	\$34.34	\$34.34	\$6.39	\$0.00	\$0.00	\$0.00
\$3.29	\$51.26	\$34.34	\$34.34	\$34.34	\$34.34	\$34.34	\$12.41	\$0.00	\$0.00	\$0.00

What program should I choose?

- PLC payments will be made if the MYA price drops below \$3.95
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$3.51**
- **With an average yield (87 bushels), ARC-CO will not start paying until price falls below \$3.43**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$34.81** per acre in 2019

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year											
County:	Wabaunsee	Crop:	Grain Sorghum			Type:	All				
			ARC				PLC				
5 Yr. Olympic Avg. County Yield			87.45			Program Yield	78.7				
5 Yr. Olympic Avg. MYA Price			\$3.98			Reference Price	\$3.95				
Benchmark Revenue			\$348.05								
Guaranteed Revenue			\$299.32			PLC > ARC-CO max @	\$3.51				
P.P. \$3.30			Yield								
			51	57	63	70	78	87	96	104	
MYA Price	PLC Payment	ARC Payment									
\$4.45	\$0.00	\$34.81	\$34.81	\$18.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.36	\$0.00	\$34.81	\$34.81	\$24.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.27	\$0.00	\$34.81	\$34.81	\$30.31	\$0.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.19	\$0.00	\$34.81	\$34.81	\$34.81	\$6.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.11	\$0.00	\$34.81	\$34.81	\$34.81	\$11.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$4.03	\$0.00	\$34.81	\$34.81	\$34.81	\$17.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.95	\$0.00	\$34.81	\$34.81	\$34.81	\$22.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.87	\$6.30	\$34.81	\$34.81	\$34.81	\$28.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.79	\$12.59	\$34.81	\$34.81	\$34.81	\$34.02	\$3.70	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.71	\$18.89	\$34.81	\$34.81	\$34.81	\$34.81	\$9.94	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.64	\$24.40	\$34.81	\$34.81	\$34.81	\$34.81	\$15.40	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.57	\$29.91	\$34.81	\$34.81	\$34.81	\$34.81	\$20.86	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.50	\$35.42	\$34.81	\$34.81	\$34.81	\$34.81	\$26.32	\$0.00	\$0.00	\$0.00	\$0.00	
\$3.43	\$40.93	\$34.81	\$34.81	\$34.81	\$34.81	\$31.78	\$0.91	\$0.00	\$0.00	\$0.00	
\$3.36	\$46.44	\$34.81	\$34.81	\$34.81	\$34.81	\$34.81	\$7.00	\$0.00	\$0.00	\$0.00	
\$3.29	\$51.95	\$34.81	\$34.81	\$34.81	\$34.81	\$34.81	\$13.09	\$0.00	\$0.00	\$0.00	

U.S. Soybean % Stocks/Use vs Price\$



What program should I choose?

- PLC payments will be made if the MYA price drops below \$8.40
- PLC payment will exceed ARC-CO payments at any yield level if price drops below **\$7.33**
- With an average yield (**45** bushels), ARC-CO will not start paying until price falls below **\$8.23**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$43.14** per acre in 2019

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year										
County:	Pottawatomie	Crop:	Soybeans				Type:	Nonirrigated		
			ARC					PLC		
5 Yr. Olympic Avg. County Yield			44.80				Program Yield		40.3	
5 Yr. Olympic Avg. MYA Price			\$9.63				Reference Price		\$8.40	
Benchmark Revenue			\$431.42							
Guaranteed Revenue			\$371.02				PLC > ARC-CO max @		\$7.33	
P.P. \$8.40		Yield								
		27	30	33	37	41	45	50	54	
MYA Price	PLC Payment	ARC Payment								
\$9.46	\$0.00	\$43.14	\$43.14	\$43.14	\$21.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$9.27	\$0.00	\$43.14	\$43.14	\$43.14	\$28.03	\$0.00	\$0.00	\$0.00	\$0.00	
\$9.09	\$0.00	\$43.14	\$43.14	\$43.14	\$34.69	\$0.00	\$0.00	\$0.00	\$0.00	
\$8.91	\$0.00	\$43.14	\$43.14	\$43.14	\$41.35	\$5.71	\$0.00	\$0.00	\$0.00	
\$8.74	\$0.00	\$43.14	\$43.14	\$43.14	\$43.14	\$12.68	\$0.00	\$0.00	\$0.00	
\$8.57	\$0.00	\$43.14	\$43.14	\$43.14	\$43.14	\$19.65	\$0.00	\$0.00	\$0.00	
\$8.40	\$0.00	\$43.14	\$43.14	\$43.14	\$43.14	\$26.62	\$0.00	\$0.00	\$0.00	
\$8.23	\$6.85	\$43.14	\$43.14	\$43.14	\$43.14	\$33.59	\$0.67	\$0.00	\$0.00	
\$8.07	\$13.31	\$43.14	\$43.14	\$43.14	\$43.14	\$40.15	\$7.87	\$0.00	\$0.00	
\$7.91	\$19.76	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$15.07	\$0.00	\$0.00	
\$7.75	\$26.21	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$22.27	\$0.00	\$0.00	
\$7.60	\$32.26	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$29.02	\$0.00	\$0.00	
\$7.45	\$38.30	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$35.77	\$0.00	\$0.00	
\$7.30	\$44.35	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$42.52	\$6.02	\$0.00	
\$7.15	\$50.40	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$13.52	\$0.00	
\$7.01	\$56.04	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$43.14	\$20.52	\$0.00	

What program should I choose?

- PLC payments will be made if the MYA price drops below \$8.40
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$7.33**
- **With an average yield (60 bushels), ARC-CO will not start paying until price falls below \$8.07**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$57.38** per acre in 2019

ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year									
County:	Pottawatomie	Crop:	Soybeans	Type:	Irrigated				
			ARC				PLC		
5 Yr. Olympic Avg. County Yield			59.58	Program Yield			53.6		
5 Yr. Olympic Avg. MYA Price			\$9.63	Reference Price			\$8.40		
Benchmark Revenue			\$573.76						
Guaranteed Revenue			\$493.43	PLC > ARC-CO max @			\$7.33		
P.P. \$8.40		Yield							
		36	40	44	49	54	60	66	72
MYA Price	PLC Payment	ARC Payment							
\$9.46	\$0.00	\$57.38	\$57.38	\$57.38	\$29.89	\$0.00	\$0.00	\$0.00	\$0.00
\$9.27	\$0.00	\$57.38	\$57.38	\$57.38	\$39.20	\$0.00	\$0.00	\$0.00	\$0.00
\$9.09	\$0.00	\$57.38	\$57.38	\$57.38	\$48.02	\$2.57	\$0.00	\$0.00	\$0.00
\$8.91	\$0.00	\$57.38	\$57.38	\$57.38	\$56.84	\$12.29	\$0.00	\$0.00	\$0.00
\$8.74	\$0.00	\$57.38	\$57.38	\$57.38	\$57.38	\$21.47	\$0.00	\$0.00	\$0.00
\$8.57	\$0.00	\$57.38	\$57.38	\$57.38	\$57.38	\$30.65	\$0.00	\$0.00	\$0.00
\$8.40	\$0.00	\$57.38	\$57.38	\$57.38	\$57.38	\$39.83	\$0.00	\$0.00	\$0.00
\$8.23	\$9.12	\$57.38	\$57.38	\$57.38	\$57.38	\$49.01	\$0.00	\$0.00	\$0.00
\$8.07	\$17.70	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$9.23	\$0.00	\$0.00
\$7.91	\$26.27	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$18.83	\$0.00	\$0.00
\$7.75	\$34.85	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$28.43	\$0.00	\$0.00
\$7.60	\$42.90	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$37.43	\$0.00	\$0.00
\$7.45	\$50.94	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$46.43	\$1.73	\$0.00
\$7.30	\$58.98	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$55.43	\$11.63	\$0.00
\$7.15	\$67.03	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$21.53	\$0.00
\$7.01	\$74.53	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$57.38	\$30.77	\$0.00

What program should I choose?

- PLC payments will be made if the MYA price drops below \$8.40
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$7.33**
- **With an average yield (41 bushels), ARC-CO will not start paying until price falls below \$8.23**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$39.31** per acre in 2019



ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year										
County:	Wabaunsee	Crop:	Soybeans	Type:	Nonirrigated					
			ARC		PLC					
5 Yr. Olympic Avg. County Yield			40.82		Program Yield		36.7			
5 Yr. Olympic Avg. MYA Price			\$9.63		Reference Price		\$8.40			
Benchmark Revenue			\$393.10							
Guaranteed Revenue			\$338.07		PLC > ARC-CO max @		\$7.33			
			Yield							
			24	27	30	33	37	41	45	49
MYA Price	PLC Payment	ARC Payment								
\$9.46	\$0.00	\$39.31	\$39.31	\$39.31	\$25.89	\$0.00	\$0.00	\$0.00	\$0.00	
\$9.27	\$0.00	\$39.31	\$39.31	\$39.31	\$32.16	\$0.00	\$0.00	\$0.00	\$0.00	
\$9.09	\$0.00	\$39.31	\$39.31	\$39.31	\$38.10	\$1.74	\$0.00	\$0.00	\$0.00	
\$8.91	\$0.00	\$39.31	\$39.31	\$39.31	\$39.31	\$8.40	\$0.00	\$0.00	\$0.00	
\$8.74	\$0.00	\$39.31	\$39.31	\$39.31	\$39.31	\$14.69	\$0.00	\$0.00	\$0.00	
\$8.57	\$0.00	\$39.31	\$39.31	\$39.31	\$39.31	\$20.98	\$0.00	\$0.00	\$0.00	
\$8.40	\$0.00	\$39.31	\$39.31	\$39.31	\$39.31	\$27.27	\$0.00	\$0.00	\$0.00	
\$8.23	\$6.25	\$39.31	\$39.31	\$39.31	\$39.31	\$33.56	\$0.64	\$0.00	\$0.00	
\$8.07	\$12.12	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$7.20	\$0.00	\$0.00	
\$7.91	\$18.00	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$13.76	\$0.00	\$0.00	
\$7.75	\$23.88	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$20.32	\$0.00	\$0.00	
\$7.60	\$29.39	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$26.47	\$0.00	\$0.00	
\$7.45	\$34.90	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$32.62	\$2.82	\$0.00	
\$7.30	\$40.41	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$38.77	\$9.57	\$0.00	
\$7.15	\$45.92	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$16.32	\$0.00	
\$7.01	\$51.07	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$39.31	\$22.62	\$0.00	

What program should I choose?

- PLC payments will be made if the MYA price drops below \$8.40
- **PLC payment will exceed ARC-CO payments at any yield level if price drops below \$7.33**
- **With an average yield (58 bushels), ARC-CO will not start paying until price falls below \$8.07**
- If the county yield is *lower* than average, ARC-CO will pay at much higher prices BUT if the county yield is *higher* than average, it will take a large price loss to trigger any payment
- ARC-CO maximum payment will be **\$55.39** per acre in 2019




ARC Payments vs. PLC Payments Under Different Yields and Prices for 2019/20 Marketing Year									
County:	Wabaunsee	Crop:	Soybeans	Type:	Irrigated				
			ARC				PLC		
5 Yr. Olympic Avg. County Yield			57.52	Program Yield			51.8		
5 Yr. Olympic Avg. MYA Price			\$9.63	Reference Price			\$8.40		
Benchmark Revenue			\$553.92						
Guaranteed Revenue			\$476.37	PLC > ARC-CO max @			\$7.33		
P.P. \$8.40		Yield							
		34	38	42	47	52	58	64	70
MYA Price	PLC Payment	ARC Payment							
\$9.46	\$0.00	\$55.39	\$55.39	\$55.39	\$31.75	\$0.00	\$0.00	\$0.00	\$0.00
\$9.27	\$0.00	\$55.39	\$55.39	\$55.39	\$40.68	\$0.00	\$0.00	\$0.00	\$0.00
\$9.09	\$0.00	\$55.39	\$55.39	\$55.39	\$49.14	\$3.69	\$0.00	\$0.00	\$0.00
\$8.91	\$0.00	\$55.39	\$55.39	\$55.39	\$55.39	\$13.05	\$0.00	\$0.00	\$0.00
\$8.74	\$0.00	\$55.39	\$55.39	\$55.39	\$55.39	\$21.89	\$0.00	\$0.00	\$0.00
\$8.57	\$0.00	\$55.39	\$55.39	\$55.39	\$55.39	\$30.73	\$0.00	\$0.00	\$0.00
\$8.40	\$0.00	\$55.39	\$55.39	\$55.39	\$55.39	\$39.57	\$0.00	\$0.00	\$0.00
\$8.23	\$8.80	\$55.39	\$55.39	\$55.39	\$55.39	\$48.41	\$0.00	\$0.00	\$0.00
\$8.07	\$17.08	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$8.31	\$0.00	\$0.00
\$7.91	\$25.37	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$17.59	\$0.00	\$0.00
\$7.75	\$33.65	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$26.87	\$0.00	\$0.00
\$7.60	\$41.41	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$35.57	\$0.00	\$0.00
\$7.45	\$49.18	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$44.27	\$0.00	\$0.00
\$7.30	\$56.94	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$52.97	\$9.17	\$0.00
\$7.15	\$64.71	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$18.77	\$0.00
\$7.01	\$71.96	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$55.39	\$27.73	\$0.00

OSU-KSU Farm Bill Decision Tool

 **2018 Government Program and Crop Insurance Decision Tool** 

Amy Hagerman and Eric A. DeVuyst
Dept of Agricultural Economics
Oklahoma State University

Mykel Taylor and Robin Reid
Dept. of Agricultural Economics
Kansas State University

Prior to completing this program, collect your Crop History Summary (mailed to you by FSA) or USDA Report FSA-156EZ from your FSA Office.

Select State/Territory	Kansas	
Select County/Parish	Jackson	
	Select Crops	
Enter Farm Number	Lease % Share	100.00%
Enter Scenario Description		

- Can evaluate the 2-year ARC/PLC decision for each commodity on each individual farm
- Can do scenario analysis for different price/yield levels
- Also has ARC-IC and SCO program capabilities
- Available soon at AgManager.info
- I will offer assistance in running this decision tool by appointment.

OSU-KSU Farm Bill Decision Tool Appointments

I will be making appointments beginning in December. Appointments in Alma will be on Wednesdays. Appointments in Westmoreland will be on Thursdays.

Information I will need for each farm number (from FSA 156):


- County
- Base acres in each crop
- Historical Irrigation Percentage (HIP)
- Current program yields
- Farm level yields from 2013-2017 for yield update calculation (optional)

OSU-KSU Farm Bill Decision Tool Appointments



← → ↻ pottawatomie.k-state.edu

Apps Label Database USDA/NASS QuickS... Dow AgroSciences... Hormel Calculator



Pottawatomie Home


- About
- County Fair
- 4-H Youth Development
- Community Development
- Crops and Livestock
- Home and Family
- Lawn and Garden
- News
- Contact Us

Pottawatomie County Extension
612 E Campbell Street
PO Box 127
Westmoreland, KS 66549
785-457-3319
pt@listserv.ksu.edu

Hours:
8:00 a.m. to 4:30 p.m.
Closed on designated holidays

Extension making a difference in your life

Extension programs present useful information related to agriculture, home economics, youth development, family life, business and economics, healthy living, and much more. We take programs to schools, gardens, community centers, and other places. Our philosophy is to help people help themselves by taking university knowledge to where people live, work, play, develop, and lead. We work at being responsive to the needs of the people by focusing our resources on providing quality information, education and problem-solving programs for real concerns.



The Extension staff conducts educational programs for adult and youth residents of Pottawatomie County in the program areas of 4-H Youth Development, Family & Consumer Sciences, Agriculture/Horticulture and Community Development.

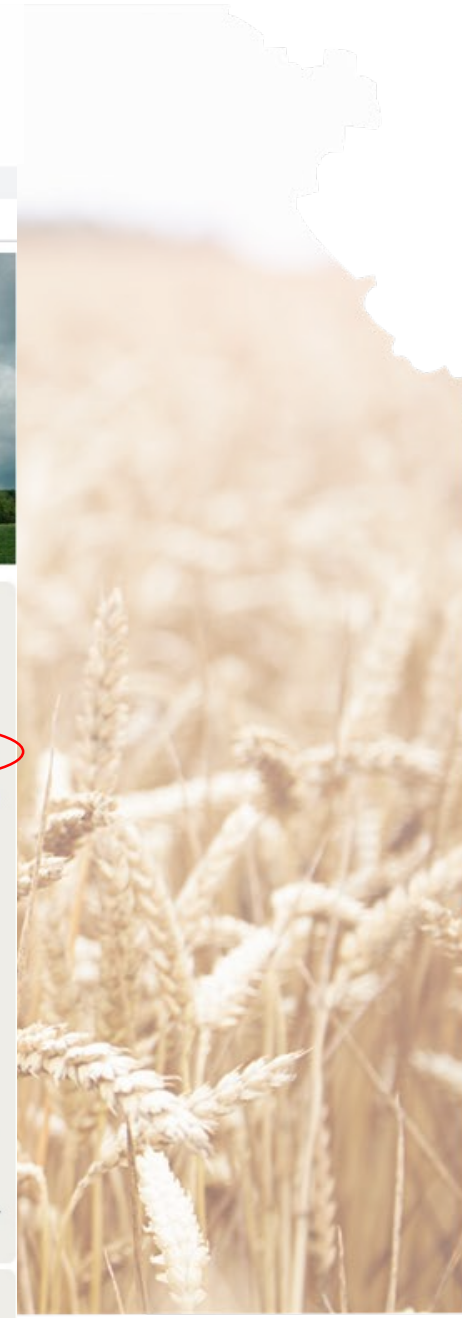
Pottawatomie County is an expansive county of 551,692 acres or 862 square miles. The northern portion of the county is largely agricultural while many southern areas consist of existing and planned developments. The county contains several cities and towns including: Belvue, Blaine, Duluth, Emmett, Fostoria, Havensville, Louisville, East Manhattan, Olsburg, Onaga, St George, St Marys, Wamego, Westmoreland and Wheaton.

Pottawatomie County is a growing county, population of 22,302 (2012 Census), with a continued expansion of new construction in the housing markets and business sectors.

The county is diversified in its businesses and industry. The county is home to several excellent school systems including a High School nationally recognized for academics, two State Lakes and Tuttle Creek Reservoir.

HOT TOPICS

- [2018 Farm Bill Informational Meetings](#)
- [Farm Bill Appointments](#)
- [Access to Affordable, Quality Child Care in Pottawatomie County](#)
- [SHICK Flyer](#)
- [Sign up for Extension Email News!](#)
- [Area Agriculture Program Events](#)
- [Housing and Credit Counseling](#)
 - Get help with personal housing and financial goals with virtual counseling at the Extension office.
- [Ag Management Tools](#)
 - Management Minder
 - Estrus Synchronization Planner
 - Cover Crop Decision Tools



OSU-KSU Farm Bill Decision Tool Appointments

← → ↻ pottawatomie.k-state.edu/docs/Farm%20Bill%20Meeting%20Handout.pdf
Apps Label Database USDA/NASS QuickS... Dow AgroSciences... Hormel Calculator



2018 Farm Bill Information from K-State Agriculture Economics Department
<http://www.agmanager.info/ag-policy/2018-farm-bill>

Information needed to run the Farm Bill Decision Tool for each farm number (from FSA 156):

- County
- Base acres in each crop
- Historical Irrigation Percentage (HIP)
- Current program yields
- Farm level yields from 2013-2017 for yield update calculation (optional) – source crop insurance records or other

Alma 2018 Farm Bill Decision Tool Appointments

Wednesdays, Dec 4, 2019 – Feb 19, 2020, 9:30 am-3:00 pm (excluding 12-25-19 and 1-1-20)

(30 minute appointments, if more than 2-3 farm numbers, sign up for multiple appointments)

<https://www.signupgenius.com/go/5080D48AAA92AA3F94-alma>

Westmoreland 2018 Farm Bill Decision Tool Appointments

Thursdays, Dec 5, 2019 – Feb 20, 2020, 9:30 am-3:30 pm (excluding 12-26-19 and 1-2-20)

(30 minute appointments, if more than 2-3 farm numbers, sign up for multiple appointments)

<https://www.signupgenius.com/go/5080D48AAA92AA3F94-westmoreland>

Shannon Blocker
K-State Research & Extension
Pottawatomie County Extension Agent
Agriculture and Natural Resources
sblocker@ksu.edu
(785)-457-3319

OSU-KSU Farm Bill Decision Tool Appointments

signupgenius.com/go/5080d48aaa92aa3f94-westmoreland

Apps Label Database USDA/NASS QuickS... Dow AgroSciences... Hormel Calculator

SignUpGenius Features Pricing More Create a Sign Up Log In

NEW! The easiest way to rent with a debit card
GET 10% OFF THE BASE RATE*
 *Discount applies to pay later base rate only. Taxes & fees excluded. Terms apply.
 BOOK NOW
 dollar CAR RENTAL

NFM
 24 MONTH FINANCING ON FURNITURE & FLOORING
 SHOP NOW

K-State Research & Extension
Westmoreland 2018 Farm Bill Decision Tool Appointments
 Location: Westmoreland, KS - Extension Office
 Created by: SB Shannon Blocker

Date (mm/dd/yyyy)	Time (CDT)	Available Slot	Calendar View
12/05/2019 (Thu.)	9:00am - 9:30am	30 minute appointment if more than 2-3 farm numbers, sign up for multiple appointments	Sign Up
	9:30am - 10:00am	30 minute appointment if more than 2-3 farm numbers, sign up for multiple appointments	Sign Up
	10:00am - 10:30am	30 minute appointment if more than 2-3 farm numbers, sign up for multiple appointments	Sign Up
	10:30am - 11:00am	30 minute appointment if more than 2-3 farm numbers, sign up for multiple appointments	Sign Up

NFM
 24 MONTH FINANCING ON FURNITURE & FLOORING
 SHOP NOW

Submit and Sign Up

©2019 SignUpGenius. All Rights Reserved.

Supplemental Coverage Option

- SCO only available under PLC; cannot purchase if you are in ARC
- An endorsement to your own farm policy (“underlying policy”)
- Brings coverage up to 86% of expected yield/revenue
- \$\$ coverage based on farm APH but loss trigger/measure based on county outcome
- Must sign up prior to planting, like regular MPCl policy
- SCO part of larger crop insurance decision
 - Buy SCO -- or -- Buy higher individual coverage -- or -- Don’t buy any more insurance
 - Few of the 2014-2018 acres in PLC also bought SCO

Conclusions and Implications

- For the 2018 Farm Bill, it's a 2-year decision, NOT a 5-year decision, as it was in 2014.
 - What do you expect prices to be over the next two years?
 - Prices lower than PLC reference prices will favor the PLC program
 - What do you expect yields to be over the next two years?
 - The ARC-CO program may be preferred if prices are above reference prices because lower yields can trigger payments
 - Is SCO a consideration? (Nudges toward PLC)
- Implication: be careful of making the decision based solely on the result of the last five years or feeling like you didn't get it right in 2014.

THANK YOU!

The screenshot shows the AgManager.info website. The browser address bar displays 'www.agmanager.info'. The header features the Kansas State University logo and 'Agricultural Economics'. A navigation menu includes 'Home', 'About', 'Contributors', 'Events', 'Farm Management Guides', 'KFMA', 'KSMRA', 'News', 'Programs', 'Sponsors', 'Tools', 'Sign In', and 'Register'. A secondary menu below has 'Land & Leasing', 'Crop Insurance', 'Grain Marketing', 'Livestock & Meat', and 'Ag Policy', with 'Ag Policy' circled in red. A search bar is located to the right of this menu. The main content area features a banner for 'Crop Basis Maps' with the subtitle 'Basis Levels for Soybeans, Corn, Wheat, and Grain Sorghum' and a 'View Maps' button. Below the banner are three columns: 'Welcome to AgManager.info' with a social media share button, 'Recent Updates' listing various reports and interviews, and 'Upcoming Events' listing two conferences in Manhattan.

Shannon M. Blocker

sblocker@ksu.edu

(785)-457-3319