

AG ECONOMICS

ARC-CO AND PLC FARM PROGRAM SUPPORT ESTIMATE CALCULATOR

Larry Falconer

The 2014 Agricultural Act cut support levels and made major changes to the programs Mississippi crop producers have utilized to help manage financial risk in the agricultural production sector. The Agriculture Risk Coverage-County Level (ARC-CO) and Price Loss Coverage (PLC) programs authorized by the 2014 Farm Bill combine provisions from previous programs delivered by the Farm Service Agency (FSA) (the counter-cyclical portion of the Direct and Counter-Cyclical Program, the Supplemental Revenue Assistance Payments Program and the Average Crop Revenue Election Program) with revenue insurance delivered by the Risk Management Agency.

PLC program payments are issued when the effective price of a covered commodity is less than the respective reference

price for that commodity. The effective price equals the higher of the market year average price (MYA) or the national average loan rate for the

covered commodity. The ARC-CO program provides revenue loss coverage at the county level. ARC-CO payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee for the covered commodity. Because payments for PLC, ARC-CO, and ARC-IC are issued after the end of the respective crop year for each covered commodity, and depend on prices and yields that are uncertain at the beginning of the crop year when financing arrangements must be made, agricultural lenders and reducers in the Delta region requested that a decision support aid be developed to provide updated estimates of expected payments through the marketing year.

The farm management economist at Delta Research

and Extension Center developed a decision support aid to help agricultural lenders and producers estimate the ARC-CO and PLC payments for the Delta region.

"PROPERLY UTILIZING AND INTERPRETING RESULTS FROM THE DECISION SUPPORT AID WILL ASSIST AGRICULTURAL LENDERS AND PRODUCERS IN MAKING SOUND FINANCIAL DECISIONS THAT DEPEND ON GOVERNMENT SUPPORT PAYMENTS."

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A sample ARC-CO and PLC Farm Program Support Estimate Calculator. For the actual calculator, which is updated monthly, contact Larry Falconer at larry.falconer@msstate.edu

County Name	2016 Bench Mark Yield (2011-15 oly. avg.)	2016 Bench Mark Price (2011-15 oly. avg.)	2016 Benchmark Revenue	2016 Guarantee Revenue	2016 Max. P'ment Rate	2016 Est. Yield	2016 Est. Natl. Price	2016 Est. Revenue	2016 Formula P'ment Rate	2016 Formula P'ment Rate	Est. 2016 P'ment PER Base Acre
Bolivar*	34	\$11.8700	\$403.58	\$347.08	\$40.36	36	\$9.5000	\$342.00	\$5.08	\$5.08	\$4.32
Bolivar*	55	\$11.8700	\$652.85	\$561.45	\$65.29	57	\$9.5000	\$541.50	\$19.95	\$19.95	\$16.96
Carroll**	47	\$11.8700	\$557.89	\$479.79	\$55.79	56	\$9.5000	\$532.00	\$0.00	\$0.00	\$0.00
Coahoma	45	\$11.8700	\$534.15	\$459.37	\$53.42	51	\$9.5000	\$484.50	\$0.00	\$0.00	\$0.00
Desoto	33	\$11.8700	\$391.71	\$336.87	\$39.17	38	\$9.5000	\$361.00	\$0.00	\$0.00	\$0.00
Grenada	33	\$11.8700	\$391.71	\$336.87	\$39.17	40	\$9.5000	\$380.00	\$0.00	\$0.00	\$0.00
Holmes	45	\$11.8700	\$534.15	\$459.37	\$53.42	51	\$9.5000	\$484.50	\$0.00	\$0.00	\$0.00
Humphreys	47	\$11.8700	\$557.89	\$479.79	\$55.79	46	\$9.5000	\$437.00	\$42.79	\$42.79	\$36.37
Issaquena	46	\$11.8700	\$546.02	\$469.58	\$54.60	51	\$9.5000	\$484.50	\$0.00	\$0.00	\$0.00
Leflore	53	\$11.8700	\$629.11	\$541.03	\$62.91	53	\$9.5000	\$503.50	\$37.53	\$37.53	\$31.90
Mont.	41	\$11.8700	\$486.67	\$418.54	\$48.67	35	\$9.5000	\$332.50	\$86.04	\$86.04	\$41.37
Panola	41	\$11.8700	\$486.67	\$418.54	\$48.67	40	\$9.5000	\$380.00	\$38.54	\$38.54	\$32.76
Quitman*	29	\$11.8700	\$344.23	\$296.04	\$34.42	32	\$9.5000	\$304.00	\$0.00	\$0.00	\$0.00
Quitman*	43	\$11.8700	\$510.41	\$438.95	\$51.04	45	\$9.5000	\$427.50	\$11.45	\$11.45	\$9.73
Sharkey	55	\$11.8700	\$652.85	\$561.45	\$65.29	58	\$9.5000	\$551.00	\$10.45	\$10.45	\$8.88
Sunflower	51	\$11.8700	\$605.37	\$520.62	\$60.54	52	\$9.5000	\$494.00	\$26.62	\$26.62	\$22.63
Tallahatchie	44	\$11.8700	\$522.28	\$449.16	\$52.23	48	\$9.5000	\$456.00	\$0.00	\$0.00	\$0.00
Tate	35	\$11.8700	\$415.45	\$357.29	\$41.55	41	\$9.5000	\$389.50	\$0.00	\$0.00	\$0.00
Tunica	38	\$11.8700	\$451.06	\$387.91	\$45.11	47	\$9.5000	\$446.50	\$0.00	\$0.00	\$0.00
Warren	40	\$11.8700	\$474.80	\$408.33	\$47.48	47	\$9.5000	\$446.50	\$0.00	\$0.00	\$0.00
Wash.	55	\$11.8700	\$652.85	\$561.45	\$65.29	59	\$9.5000	\$560.50	\$0.95	\$0.95	\$0.81
Yazoo	45	\$11.8700	\$534.15	\$459.37	\$53.42	49	\$9.5000	\$465.50	\$0.00	\$0.00	\$0.00