

Making the ARC/PLC Choice for 2025



College of Agricultural,
Consumer &
Environmental Sciences

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN



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Topics

- American Relief Act and ECAP summary
- 2024 ARC/PLC Payments
- 2025 ARC/PLC Decision
 - Deadlines
 - Options
 - Expected payments
 - Other considerations



Acronyms and Clarifications

Farm Bill Programs

- Price Loss Coverage (PLC)
- Agricultural Risk Coverage (ARC)
 - County option (ARC-CO)
 - Individual farm option (ARC-IC)

Ad Hoc Payments

Emergency Commodity Assistance Program (ECAP)

Crop Insurance Programs

Supplement Coverage Option (SCO) – insurance program with eligibility linked to Farm Bill program choice (acres must be in PLC)

American Relief Act of 2025

Economic assistance (\$10 billion) and disaster aid (\$21 billion)

Emergency Commodity Assistance Program (ECAP) payments

- Paid on 2024 planted + 50% of prevent plant acres
- Corn: \$42.91 per acre
- Soybeans: \$29.76 per acre
- Wheat: \$30.69 per acre
- 85% of payment will be initially received

Application process open

- Pre-filled out form will be mailed
- Need to verify and sign it to apply by August 15



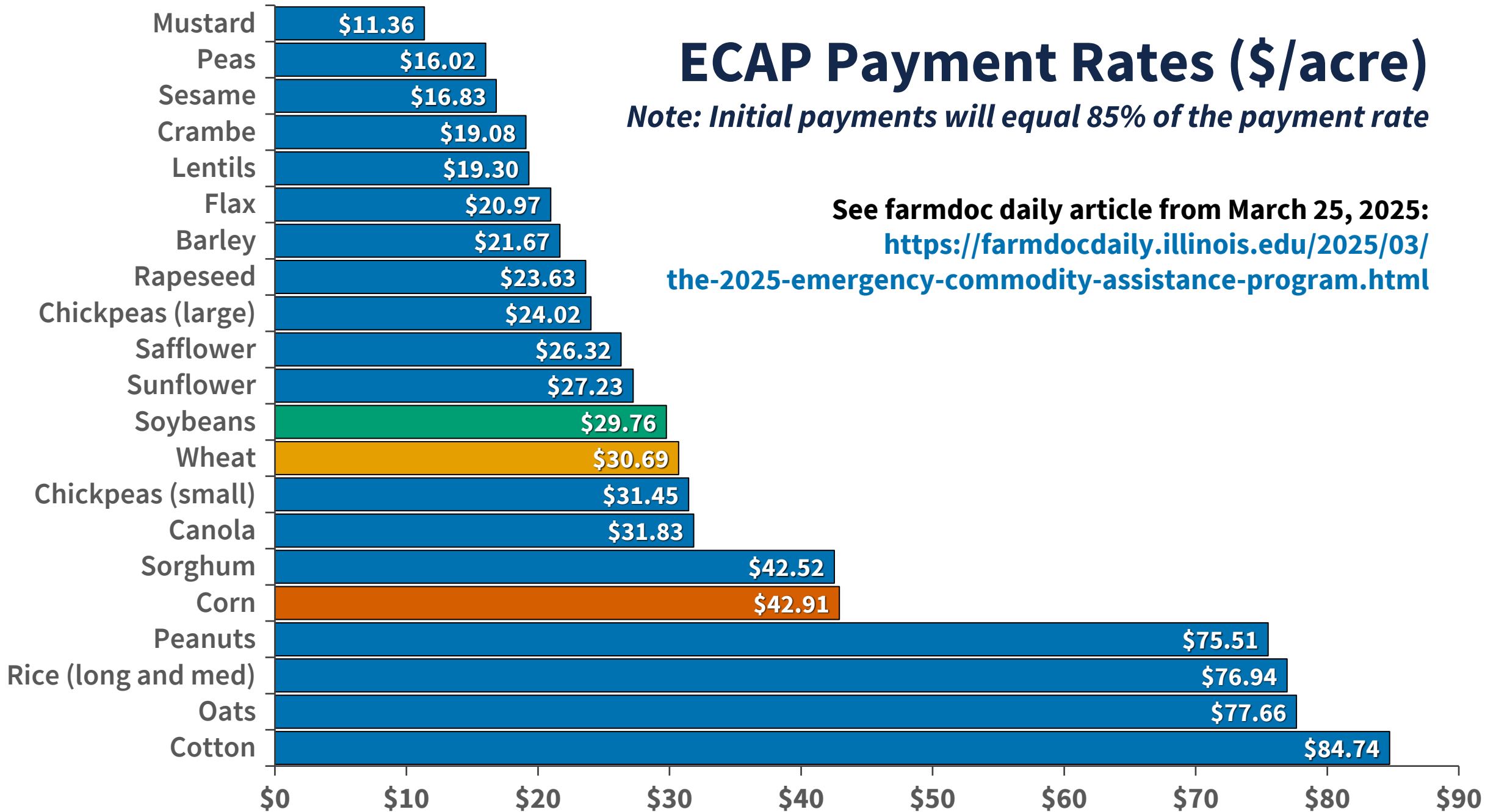
See *farmdoc daily* article from March 25, 2025:
<https://farmdocdaily.illinois.edu/2025/03/the-2025-emergency-commodity-assistance-program.html>

ECAP Payment Rates (\$/acre)

Note: Initial payments will equal 85% of the payment rate

See farmdoc daily article from March 25, 2025:

<https://farmdocdaily.illinois.edu/2025/03/the-2025-emergency-commodity-assistance-program.html>



Source: Farm Service Agency, USDA

American Relief Act of 2025

Disaster aid (~\$21 billion)

- It could be an extension of the Emergency Relief Program (ERP) under a new name
- ERP increased the coverage level of crop insurance
 - $\geq 80\%$ insurance coverage levels result in 95% ERP factors
- Designated for 2023 and 2024
- If received crop insurance payments in 2023 and/or 2024, would also likely receive ERP-like payments

2024 Commodity Title Programs Experience



2024 Farm Bill Programs

Made the decision for these by March 15, 2024

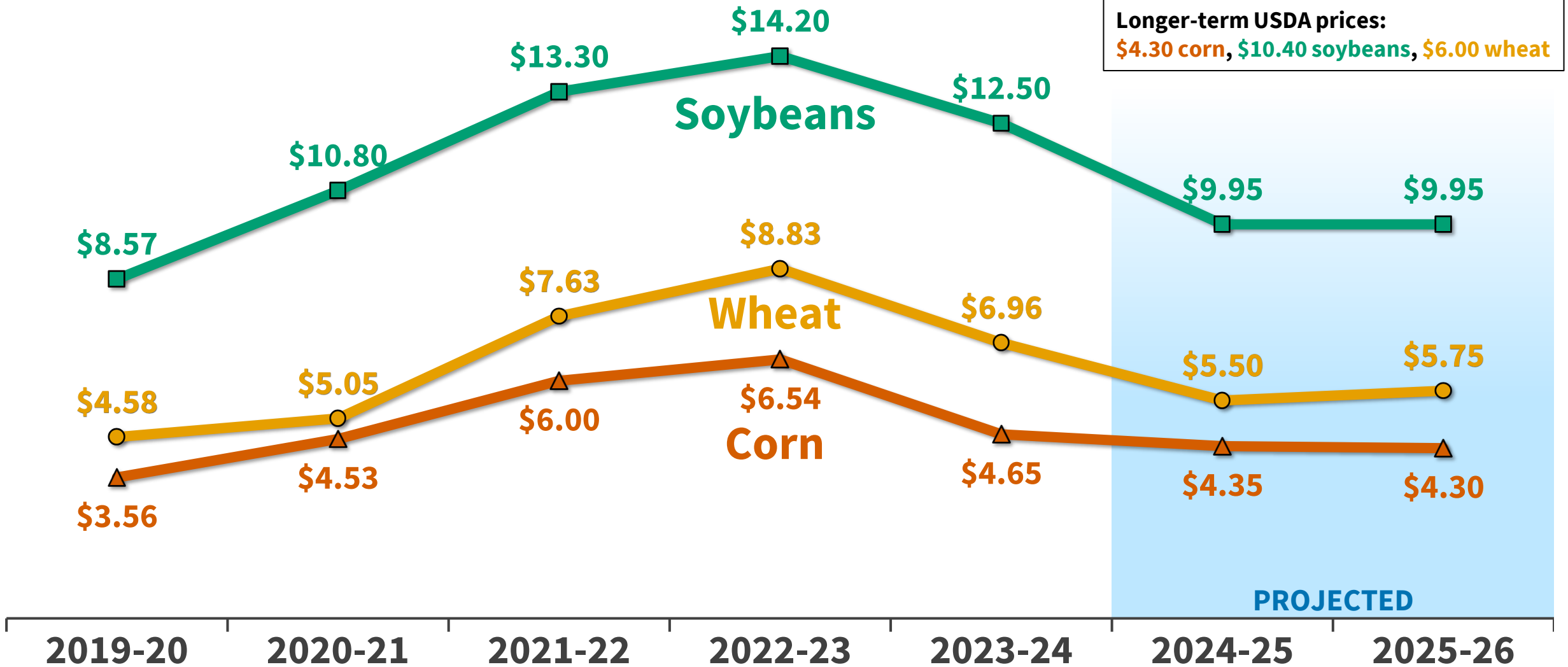
Payments will be received (if any) in October 2025

We still don't know

- Market Year Average (MYA) prices
- County yields for 2024

U.S. Prices by Marketing Year

USDA price forecasts
 2024-25: USDA estimates in Mar WASDE
 2025-26: Based on futures contracts
Longer-term USDA prices:
 \$4.30 corn, \$10.40 soybeans, \$6.00 wheat



National Market Year Average (MYA) price by year
 September to August for corn and soybeans
 June to May for wheat

Corn

PLC

triggers when MYA price is below ERP

- 2024 Effective Reference Price: **\$4.01**
- Payment received if MYA price is below **\$4.01**
- Current WASDE estimate is **\$4.35**
- Likely no payment

ARC-CO

triggers when county revenue is below 0.86 of benchmark yield x benchmark price

- Benchmark price is **\$4.85**
- At **\$4.35** MYA, payments would be triggered in areas when the county yield is **0.96** of the benchmark yield (or lower)

Soybeans

PLC

triggers when MYA price is below ERP

- 2024 Effective Reference Price: **\$9.26**
- Payment received if MYA price is below **\$9.26**
- Current WASDE estimate is **\$9.95**
- Likely no payment

ARC-CO

triggers when county revenue is below 0.86 of benchmark yield x benchmark price

- Benchmark price is **\$11.12**
- At **\$9.95** MYA, payments triggered if the county yield is **0.96** of the benchmark yield (or lower)

Wheat

PLC

triggers when MYA price is below ERP

- 2024 Effective Reference Price: **\$5.50**
- Payment received if MYA price is below **\$5.50**
- Current WASDE estimate is **\$5.50**
- ??

ARC-CO

triggers when county revenue is below 0.86 of benchmark yield x benchmark price

- Benchmark price is **\$6.21**
- At **\$5.50** MYA, payments triggered if the county yield is **0.97** of the benchmark yield (or lower)

2025 Commodity Program Decisions

ARC vs PLC



2025 Commodity Title Choices

ARC vs PLC
have until

April 15th

to make decision
but do not wait
until the 15th

2025 APRIL						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15 ARC ? PLC ?	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

The Decision

Have until April 15

Farm	Program Crop	Crop Choice
FSA Farm 1	Corn	PLC/ARC-CO
	Soybeans	PLC/ARC-CO
FSA Farm 2	Corn	PLC/ARC-CO
	Soybeans	PLC/ARC-CO

The Decision

Have until April 15

Farm	Program Crop	Crop Choice	OR
FSA Farm 1	Corn	PLC/ARC-CO	ARC-IC
	Soybeans	PLC/ARC-CO	
FSA Farm 2	Corn	PLC/ARC-CO	ARC-IC
	Soybeans	PLC/ARC-CO	

Situations where ARC-IC might be considered:

- Farms with significant production variability
- Highly productive farms (farm benchmark yield significantly higher than county benchmark yield)
- “High” share of FSA farm acreage planted to non-program crops

farmdocdaily.illinois.edu/2019/10/the-case-for-looking-at-the-arc-ic-arc-individual-program-option.html

The Decision

Have until April 15

Farm	Program Crop	Crop Choice	OR
FSA Farm 1	Corn	PLC/ARC-CO	ARC-IC
	Soybeans	PLC/ARC-CO	
FSA Farm 2	Corn	PLC/ARC-CO	ARC-IC
	Soybeans	PLC/ARC-CO	

2025 Program Payments:

Payments (if any) will not be received until October 2026

SCO Caveat:

Supplemental Coverage Option (SCO)

- County coverage from 86% to RP (or YP, RP-HPE) coverage level
- Acres must be enrolled in PLC

Crop insurance decisions have been made already

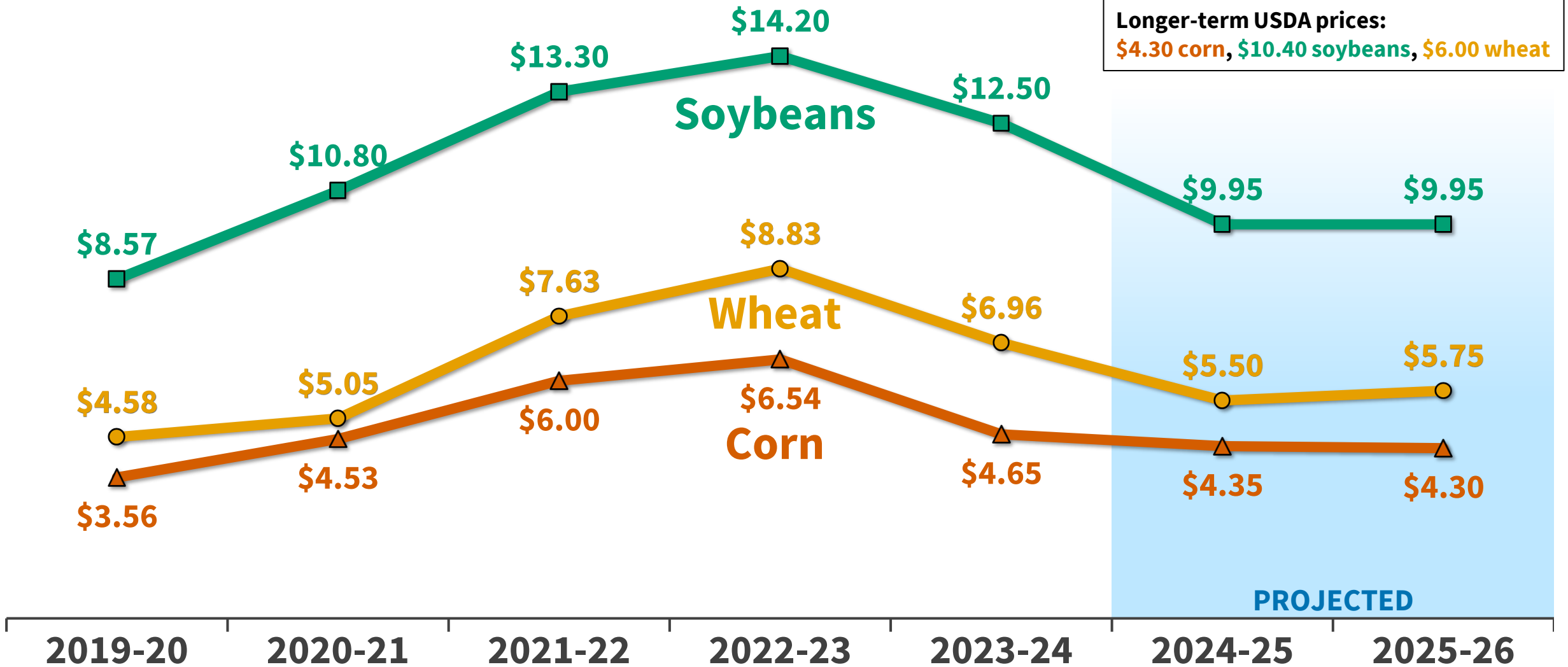
- Selecting PLC required for any acres where SCO coverage is being used
- Note matching issues

Other supplemental area/county option

Enhanced Coverage Option (ECO),
which covers from 90% or 95% down to 86%
-- is **not** impacted by ARC/PLC choice

U.S. Prices by Marketing Year

USDA price forecasts
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National Market Year Average (MYA) price by year
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Where are you leaning for program choice for soybeans?

○ ARC-CO

○ PLC

○ ARC-IC

○ Portfolio approach
(multiple programs)



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PLC vs. ARC-CO

	Soybeans
Effective Reference Price	\$9.66
ARC Benchmark Price	\$12.17
86% of ARC Price	\$10.47
	Prices need to be very low for PLC. Strong lean to ARC-CO

Farm Bill What-If Tool: SOYBEAN

Program Selection	ARC-CO	State = Illinois, County = Champaign, Crop = Soybeans, Year = 2025 ARC-CO Benchmark Yield = 71.44, Benchmark Price = \$12.17, Guarantee \$747.71 PLC Yield = 55, Effective Reference Price = \$9.66
Price Change	\$ 0.15	
Yield Change	3	

-2025											
County	2025 Market Year Average Price										
Yield	\$9.25	\$9.40	\$9.55	\$9.70	\$9.85	\$10.00	\$10.15	\$10.30	\$10.45	\$10.60	\$10.75
86	0	0	0	0	0	0	0	0	0	0	0
83	0	0	0	0	0	0	0	0	0	0	0
80	3	0	0	0	0	0	0	0	0	0	0
77	27	17	7	0	0	0	0	0	0	0	0
74	50	41	31	22	12	3	0	0	0	0	0
71	74	65	56	47	37	28	19	10	1	0	0
68	74	74	74	71	63	54	45	36	28	19	10
65	74	74	74	74	74	74	71	63	54	46	38
62	74	74	74	74	74	74	74	74	74	73	65
59	74	74	74	74	74	74	74	74	74	74	74
56	74	74	74	74	74	74	74	74	74	74	74

Farm Bill What-If Tool: SOYBEAN

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Yield	\$9.25	\$9.40	\$9.55	\$9.70	\$9.85	\$10.00	\$10.15	\$10.30	\$10.45	\$10.60	\$10.75	
86	19	12	5	0	0	0	0	0	0	0	0	0
83	19	12	5	0	0	0	0	0	0	0	0	0
80	19	12	5	0	0	0	0	0	0	0	0	0
77	19	12	5	0	0	0	0	0	0	0	0	0
74	19	12	5	0	0	0	0	0	0	0	0	0
71	19	12	5	0	0	0	0	0	0	0	0	0
68	19	12	5	0	0	0	0	0	0	0	0	0
65	19	12	5	0	0	0	0	0	0	0	0	0
62	19	12	5	0	0	0	0	0	0	0	0	0
59	19	12	5	0	0	0	0	0	0	0	0	0
56	19	12	5	0	0	0	0	0	0	0	0	0

Farm Bill What-If Tool: SOYBEAN

Program Selection	PLC minus ARC-CO	State = Illinois, County = Champaign, Crop = Soybeans, Year = 2025 ARC-CO Benchmark Yield = 71.44, Benchmark Price = \$12.17, Guarantee \$747.71 PLC Yield = 55, Effective Reference Price = \$9.66
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-2025 County Yield	2025 Market Year Average Price										
	\$9.25	\$9.40	\$9.55	\$9.70	\$9.85	\$10.00	\$10.15	\$10.30	\$10.45	\$10.60	\$10.75
86	19	12	5	0	0	0	0	0	0	0	0
83	19	12	5	0	0	0	0	0	0	0	0
80	16	12	5	0	0	0	0	0	0	0	0
77	-8	-5	-2	0	0	0	0	0	0	0	0
74	-31	-29	-26	-22	-12	-3	0	0	0	0	0
71	-55	-53	-50	-47	-37	-28	-19	-10	-1	0	0
68	-55	-62	-69	-71	-63	-54	-45	-36	-28	-19	-10
65	-55	-62	-69	-74	-74	-74	-71	-63	-54	-46	-38
62	-55	-62	-69	-74	-74	-74	-74	-74	-74	-73	-65
59	-55	-62	-69	-74	-74	-74	-74	-74	-74	-74	-74
56	-55	-62	-69	-74	-74	-74	-74	-74	-74	-74	-74

* A positive value indicates that PLC will pay more, a negative value indicates that ARC-CO will pay more.

Where are you leaning for program choice for CORN?

- ARC-CO
- PLC
- ARC-IC
- Portfolio approach (multiple programs)



PLC vs. ARC-CO

	Soybeans	Corn
Effective Reference Price	\$9.66	\$4.26
ARC Benchmark Price	\$12.17	\$5.03
86% of ARC Price	\$10.47	\$4.33
	Prices need to be very low for PLC. Strong lean to ARC-CO	PLC will pay more at low prices. Slight lean to ARC-CO

See farmdoc Daily, January 28, 2025

Farm Bill What-If Tool: CORN

Program Selection	ARC-CO	State = Illinois, County = Champaign, Crop = Corn, Year = 2025 ARC-CO Benchmark Yield = 223.70, Benchmark Price = \$5.03, Guarantee \$967.68 PLC Yield = 179, Effective Reference Price = \$4.26
Price Change	\$ 0.15	
Yield Change	5	

-2025											
County	2025 Market Year Average Price										
Yield	\$3.55	\$3.70	\$3.85	\$4.00	\$4.15	\$4.30	\$4.45	\$4.60	\$4.75	\$4.90	\$5.05
249	72	40	9	0	0	0	0	0	0	0	0
244	87	56	25	0	0	0	0	0	0	0	0
239	96	72	41	11	0	0	0	0	0	0	0
234	96	88	58	28	0	0	0	0	0	0	0
229	96	96	74	45	16	0	0	0	0	0	0
224	96	96	90	62	33	5	0	0	0	0	0
219	96	96	96	79	51	23	0	0	0	0	0
214	96	96	96	96	69	41	14	0	0	0	0
209	96	96	96	96	86	60	33	7	0	0	0
204	96	96	96	96	96	78	52	26	0	0	0
199	96	96	96	96	96	96	71	46	20	0	0

Farm Bill What-If Tool: CORN

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Price Change	\$ 0.15	
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-2025												
County	2025 Market Year Average Price											
Yield	\$3.55	\$3.70	\$3.85	\$4.00	\$4.15	\$4.30	\$4.45	\$4.60	\$4.75	\$4.90	\$5.05	
249	107	84	62	39	16	0	0	0	0	0	0	0
244	107	84	62	39	16	0	0	0	0	0	0	0
239	107	84	62	39	16	0	0	0	0	0	0	0
234	107	84	62	39	16	0	0	0	0	0	0	0
229	107	84	62	39	16	0	0	0	0	0	0	0
224	107	84	62	39	16	0	0	0	0	0	0	0
219	107	84	62	39	16	0	0	0	0	0	0	0
214	107	84	62	39	16	0	0	0	0	0	0	0
209	107	84	62	39	16	0	0	0	0	0	0	0
204	107	84	62	39	16	0	0	0	0	0	0	0
199	107	84	62	39	16	0	0	0	0	0	0	0

Farm Bill What-If Tool: CORN

Program Selection	PLC minus ARC-CO	State = Illinois, County = Champaign, Crop = Corn, Year = 2025 ARC-CO Benchmark Yield = 223.70, Benchmark Price = \$5.03, Guarantee \$967.68 PLC Yield = 179, Effective Reference Price = \$4.26
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-2025											
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Yield	\$3.55	\$3.70	\$3.85	\$4.00	\$4.15	\$4.30	\$4.45	\$4.60	\$4.75	\$4.90	\$5.05
249	35	44	53	39	16	0	0	0	0	0	0
244	20	28	37	39	16	0	0	0	0	0	0
239	12	13	20	28	16	0	0	0	0	0	0
234	12	-3	4	11	16	0	0	0	0	0	0
229	12	-11	-12	-6	0	0	0	0	0	0	0
224	12	-11	-29	-23	-17	-5	0	0	0	0	0
219	12	-11	-34	-40	-35	-23	0	0	0	0	0
214	12	-11	-34	-57	-53	-41	-14	0	0	0	0
209	12	-11	-34	-57	-70	-60	-33	-7	0	0	0
204	12	-11	-34	-57	-80	-78	-52	-26	0	0	0
199	12	-11	-34	-57	-80	-96	-71	-46	-20	0	0

* A positive value indicates that PLC will pay more, a negative value indicates that ARC-CO will pay more.

Where are you leaning for program choice for WHEAT?

- ARC-CO
- PLC
- ARC-IC
- Portfolio approach (multiple programs)



PLC vs. ARC-CO

	Soybeans	Corn	Wheat
Effective Reference Price	\$9.66	\$4.26	\$5.56
ARC Benchmark Price	\$12.17	\$5.03	\$6.72
86% of ARC Price	\$10.47	\$4.33	\$5.78
	<p>Prices need to be very low for PLC.</p> <p>Strong lean to ARC-CO</p>	<p>PLC will pay more at low prices.</p> <p>Slight lean to ARC-CO</p>	<p>PLC will pay more at low prices.</p> <p>Slight lean to ARC-CO</p>

Farm Bill What-If Tool: **WHEAT**

Program Selection	ARC-CO	State = Illinois, County = Washington, Crop = Wheat, Year = 2025 ARC-CO Benchmark Yield = 85.52, Benchmark Price = \$6.72, Guarantee \$494.24 PLC Yield = 60, Effective Reference Price = \$5.56
Price Change	\$ 0.15	
Yield Change	5	

-2025												
County	2025 Market Year Average Price											
Yield	\$5.00	\$5.15	\$5.30	\$5.45	\$5.60	\$5.75	\$5.90	\$6.05	\$6.20	\$6.35	\$6.50	
111	0	0	0	0	0	0	0	0	0	0	0	0
106	0	0	0	0	0	0	0	0	0	0	0	0
101	0	0	0	0	0	0	0	0	0	0	0	0
96	14	2	0	0	0	0	0	0	0	0	0	0
91	35	24	12	1	0	0	0	0	0	0	0	0
86	49	46	35	24	13	2	0	0	0	0	0	0
81	49	49	49	47	37	27	16	6	0	0	0	0
76	49	49	49	49	49	49	41	32	22	12	3	3
71	49	49	49	49	49	49	49	49	48	39	30	30
66	49	49	49	49	49	49	49	49	49	49	49	49
61	49	49	49	49	49	49	49	49	49	49	49	49

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-2025											
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Yield	\$5.00	\$5.15	\$5.30	\$5.45	\$5.60	\$5.75	\$5.90	\$6.05	\$6.20	\$6.35	\$6.50
111	29	21	13	6	0	0	0	0	0	0	0
106	29	21	13	6	0	0	0	0	0	0	0
101	29	21	13	6	0	0	0	0	0	0	0
96	29	21	13	6	0	0	0	0	0	0	0
91	29	21	13	6	0	0	0	0	0	0	0
86	29	21	13	6	0	0	0	0	0	0	0
81	29	21	13	6	0	0	0	0	0	0	0
76	29	21	13	6	0	0	0	0	0	0	0
71	29	21	13	6	0	0	0	0	0	0	0
66	29	21	13	6	0	0	0	0	0	0	0
61	29	21	13	6	0	0	0	0	0	0	0

Farm Bill What-If Tool: **WHEAT**

Program Selection	PLC minus ARC-CO	State = Illinois, County = Washington, Crop = Wheat, Year = 2025 ARC-CO Benchmark Yield = 85.52, Benchmark Price = \$6.72, Guarantee \$494.24 PLC Yield = 60, Effective Reference Price = \$5.56
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-2025											
County Yield	2025 Market Year Average Price										
	\$5.00	\$5.15	\$5.30	\$5.45	\$5.60	\$5.75	\$5.90	\$6.05	\$6.20	\$6.35	\$6.50
111	29	21	13	6	0	0	0	0	0	0	0
106	29	21	13	6	0	0	0	0	0	0	0
101	29	21	13	6	0	0	0	0	0	0	0
96	14	19	13	6	0	0	0	0	0	0	0
91	-7	-3	1	5	0	0	0	0	0	0	0
86	-20	-25	-22	-18	-13	-2	0	0	0	0	0
81	-20	-28	-36	-41	-37	-27	-16	-6	0	0	0
76	-20	-28	-36	-43	-49	-49	-41	-32	-22	-12	-3
71	-20	-28	-36	-43	-49	-49	-49	-49	-48	-39	-30
66	-20	-28	-36	-43	-49	-49	-49	-49	-49	-49	-49
61	-20	-28	-36	-43	-49	-49	-49	-49	-49	-49	-49

* A positive value indicates that PLC will pay more, a negative value indicates that ARC-CO will pay more.

Considerations

- South American crop
- Economic conditions
- Trade war(s) and tariffs
- All bearish factors



Summary

ARC/PLC decision needs to be made by April 15, 2025

- 2025 crop year, payment would not be received until Oct 2026

General recommendations

Soybeans – strong lean to ARC-CO

Corn – slight lean to ARC-CO

Wheat – slight lean to ARC-CO

Expectations for 2025 crop yields and prices

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