

The 2026 ARC/PLC Decision



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Acronyms Used in this Presentation

ARC: Agriculture Risk Coverage (ARC-CO for County, ARC-IC for Individual)

PLC: Price Loss Coverage

OBBBA: One Big Beautiful Bill Act

ERP: Effective Reference Price

SCO: Supplemental Coverage Option

FSA: Farm Service Agency

MYA: Marketing Year Average

WASDE: World Agricultural Supply and Demand Estimates

Topics

- Reminder about OBBBA changes to ARC/PLC
- 2025 ARC/PLC Postmortem
- The 2026 ARC/PLC Decision
 - PLC ERPs and ARC Benchmarks
 - Guidance
 - Decision tools/resources



Reminder about OBBBA changes to ARC/PLC

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PLC Program

- Triggers support when the **PLC Effective Price** falls below the Effective Reference Price
- The **PLC Effective Price** is the greater of the U.S. Marketing Year Average (MYA) or Market Loan Rate
 - 2026 marketing year
September 2026 through August 2027 for corn and soybeans
June 2026 through May 2027 for wheat
- Payments:
 - PLC Payment Rate per bushel is then multiplied by the farm's PLC Yield
Per bushel payment rate is the same for everyone, payments vary based on PLC yields
 - Made on 85% of base acres

Increased Statutory PLC Reference Prices

		“Old” Price	Current Price	Price Change	Percent Change
	Corn	\$3.70	\$4.10	\$0.40	+11%
	Soybean	\$8.40	\$10.00	\$1.60	+19%
	Wheat	\$5.50	\$6.35	\$0.85	+15%

Increases for all current program crops
0.5% annual increases after 2031

Barley and Oats +10%, Sorghum +11%, Seed Cotton +14%, Peanuts +18%, Rice +21%

Effective Reference Price Changes

Effective reference price is the greater of:

Statutory reference price

88% of the five-year Olympic Average,
capped at **1.15** x statutory reference price

Change:

- **88% of the average was 85%**

ARC-CO Program

- Triggers support when actual county revenue falls below a guaranteed percentage of a county revenue benchmark.
- Benchmark revenue product of:
 - Benchmark price: Olympic average of 5 most recent complete years of the MYA prices
 - Benchmark yield: Olympic average of 5 most recent released county yields, all adjusted for trend
 - For 2026, years included are 2020 through 2024

ARC-CO Program

- Payments:

- ARC-CO payment rates equal to the difference between actual and guaranteed revenue, capped at 12% of the county benchmark revenue
- Made on 85% of base acres

ARC-CO

	Previous (2018 Farm Bill)	Current (OBBBA)
Guarantee/Trigger:	86% of county benchmark revenue	90% of county benchmark revenue
Max Payment Rate	10% of benchmark	12% of benchmark
Payment Range	86% to 76%	90% to 78%

- PLC reference price changes impact ARC benchmark prices
- Continue to use trend-adjustment for ARC benchmark yields
- **SCO eligibility no longer tied to commodity program choice**
 - can use on acres enrolled in PLC or ARC

2025 ARC/PLC Postmortem



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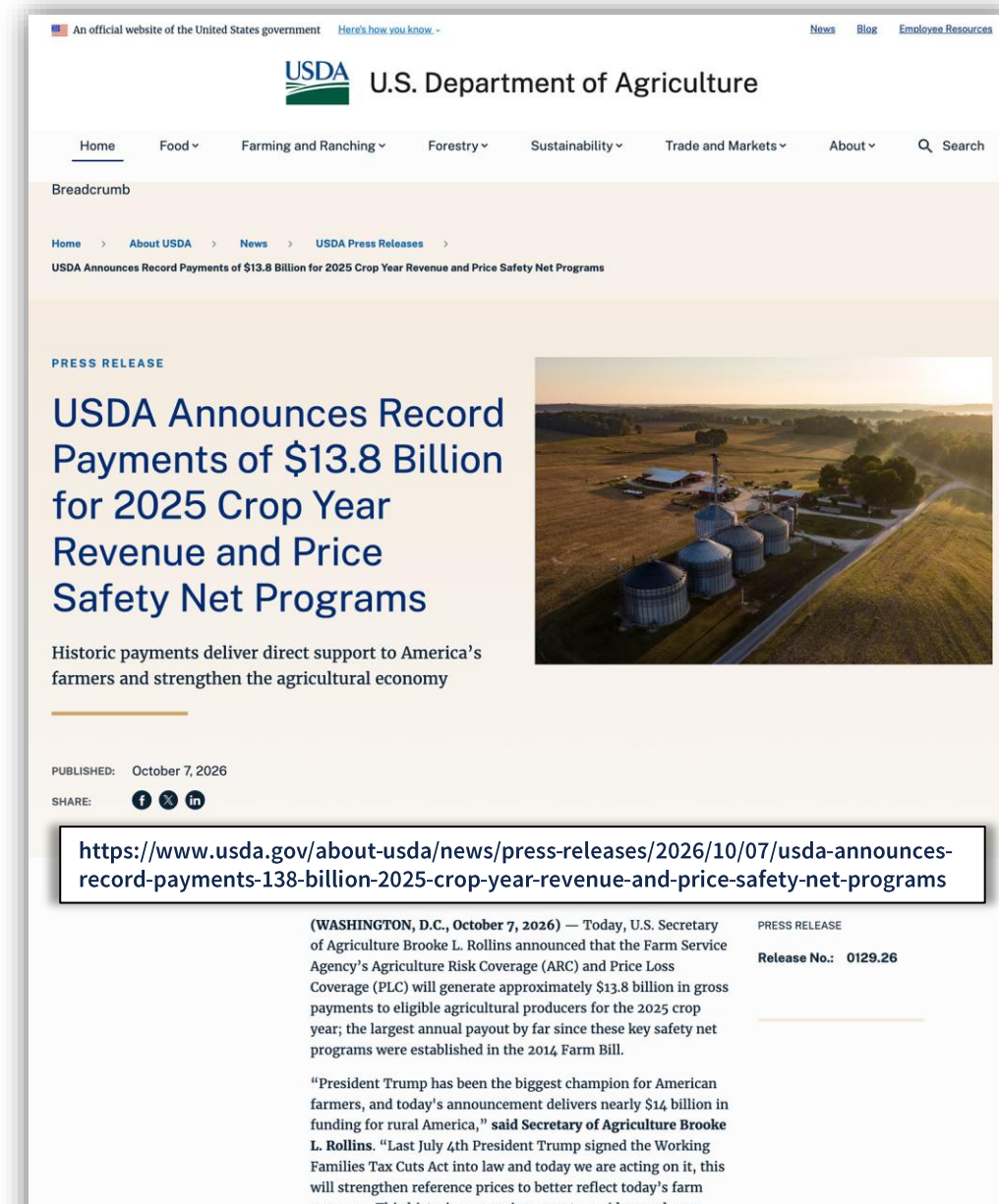
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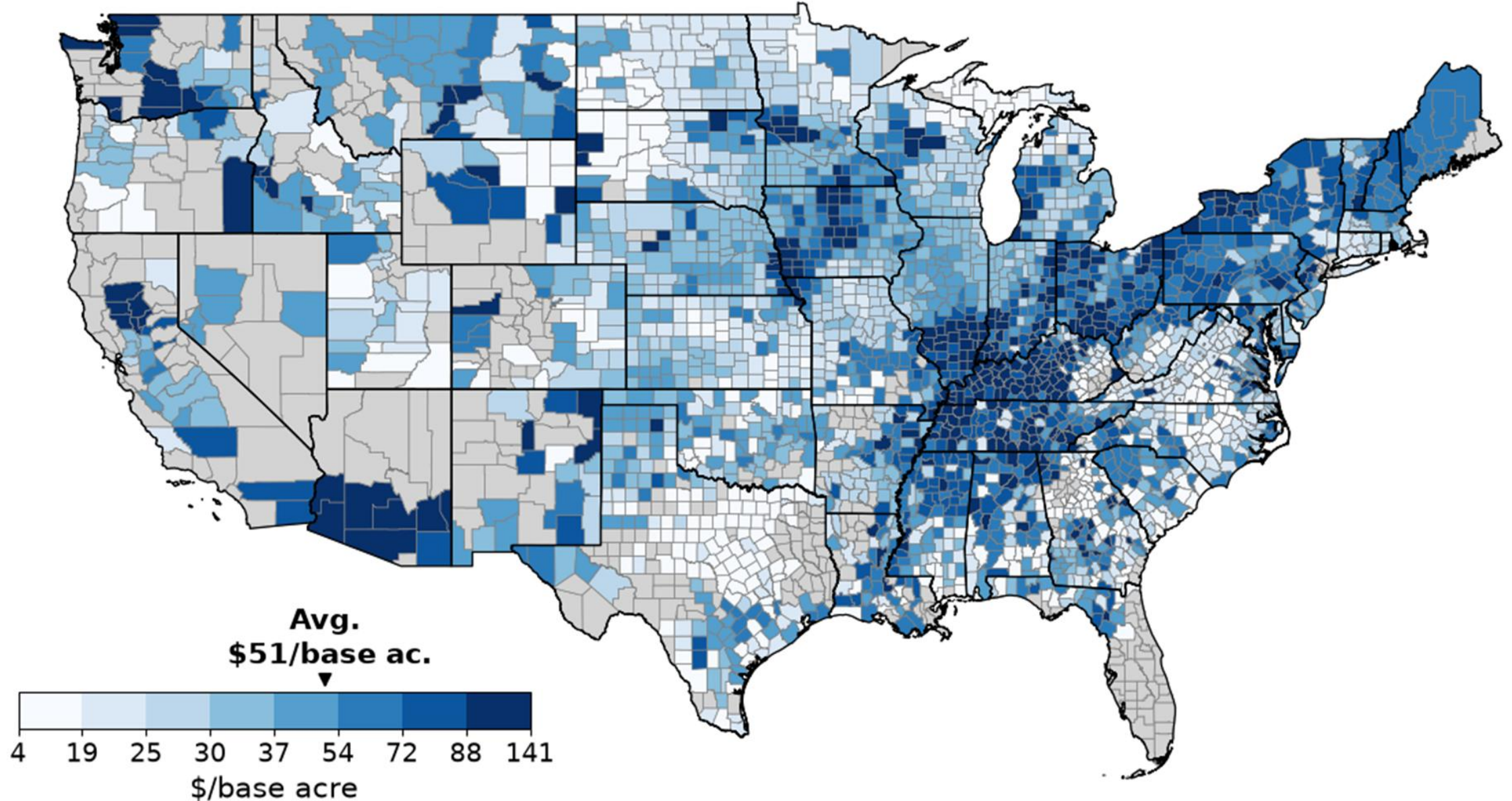
2025 ARC/PLC Payments

- Record payments
USDA has publicized **\$13.8 billion**
 - OBBBA changes
 - Prices and yields
 - Max of ARC/PLC
- Widespread across US counties for most eligible commodities
- Started to be received by farmers during week of Oct 12th



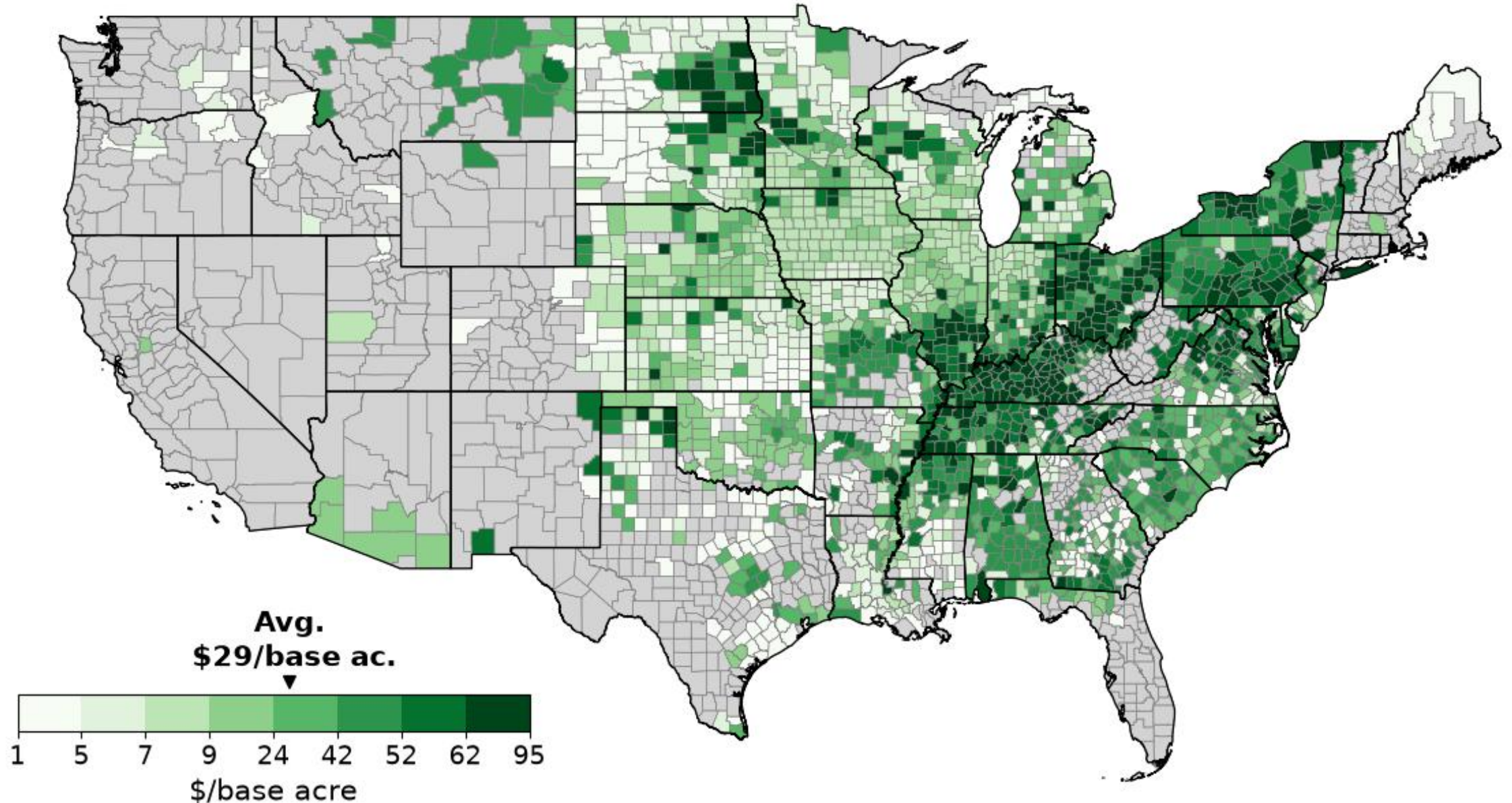
2025 ARC/PLC Payment Rates for Corn (\$/base acre)

<https://farmdocdaily.illinois.edu/2026/10/2025-final-arc-plc-payments.html>



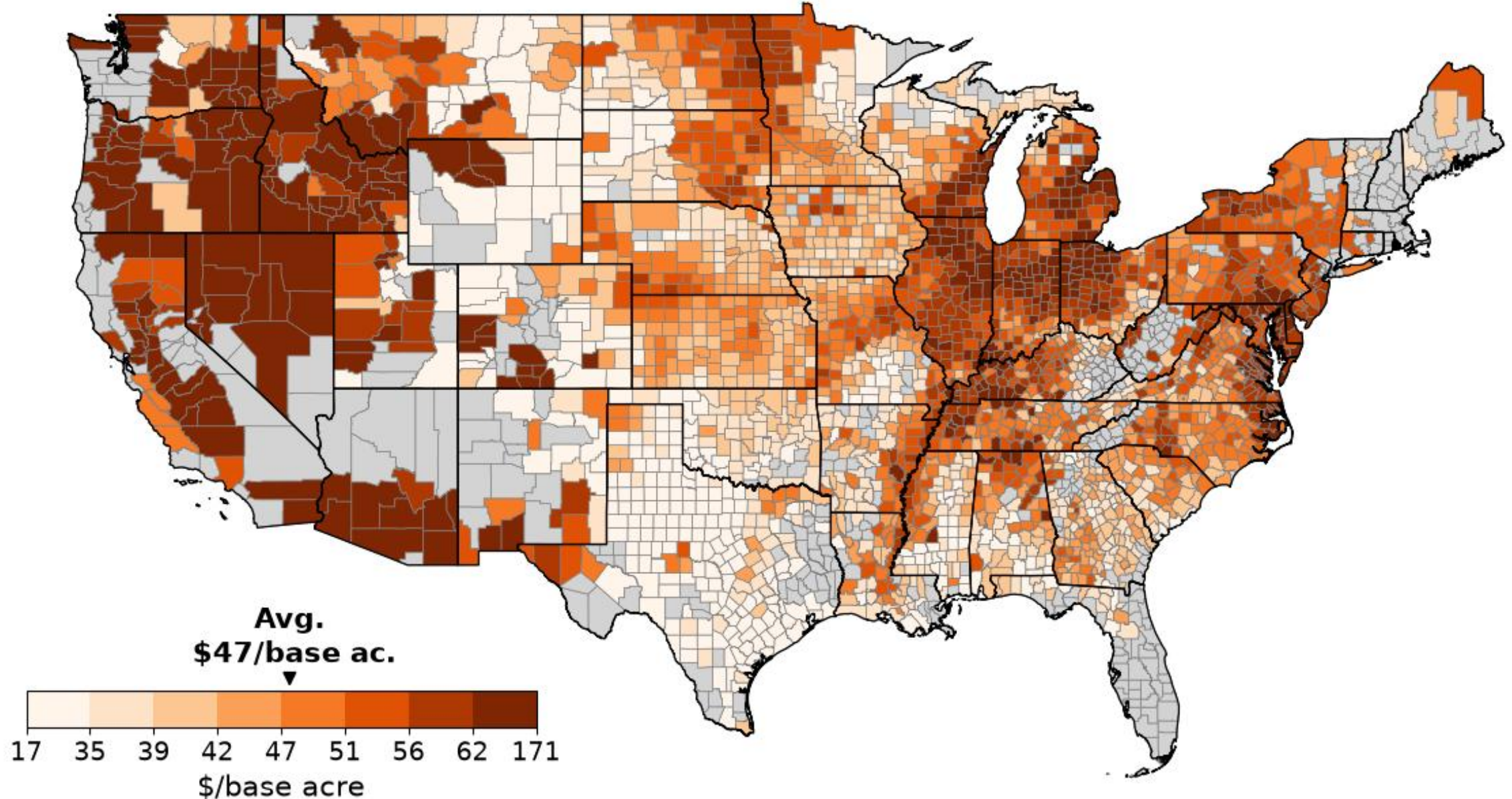
2025 ARC/PLC Payment Rates for Soybeans (\$/base acre)

<https://farmdocdaily.illinois.edu/2026/10/2025-final-arc-plc-payments.html>



2025 ARC/PLC Payment Rates for Wheat (\$/base acre)

<https://farmdocdaily.illinois.edu/2026/10/2025-final-arc-plc-payments.html>



The 2026 ARC/PLC Decision

- PLC ERPs and ARC Benchmarks
- Guidance
- Decision tools/resources

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2026 ARC/PLC Decision

Election decision deadline is December 11th, 2026

DECEMBER
2026

NOVEMBER							JANUARY						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7						1	2
8	9	10	11	12	13	14	3	4	5	6	7	8	9
15	16	17	18	19	20	21	10	11	12	13	14	15	16
22	23	24	25	26	27	28	17	18	19	20	21	22	23
29	30						24	25	26	27	28	29	30
							31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4	5
6	7	8	9	10	11 ARC/PLC Decision Deadline	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

ARC/PLC Decision is for the 2026 year

Return to choosing one of the program options: PLC, ARC-CO, ARC-IC

- **PLC and ARC-CO enrollments are made at the FSA farm-commodity level, can mix and match**
- **ARC-IC is at the FSA farm level and base acres on all FSA farms enrolled within a county are combined**

ARC/PLC Decision is for the 2026 year

**Crop currently being harvested,
or has already been harvested**

- No official county-level yield estimates are available

Currently in the 2026 marketing year for prices

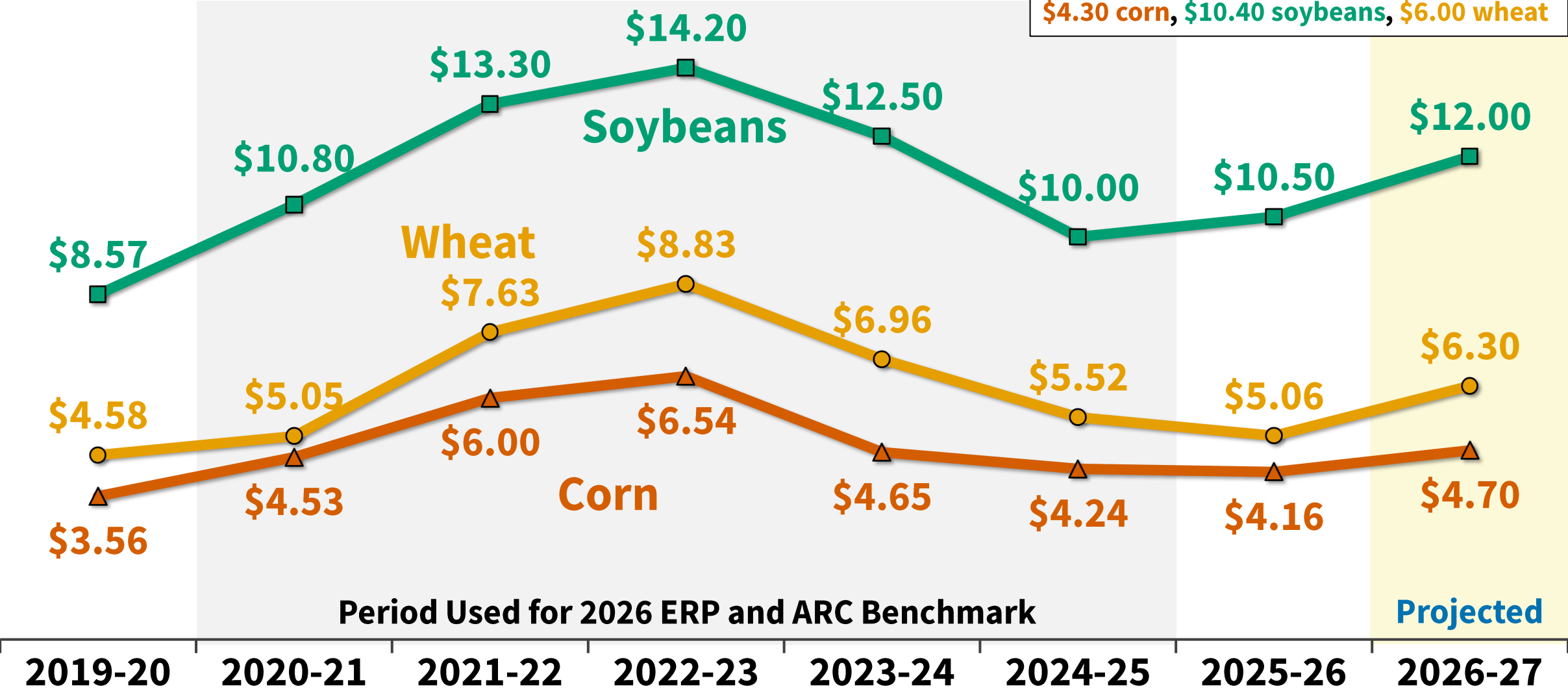
- USDA providing MYA projections in monthly WASDE reports

Payments, if triggered, won't be made until Oct 2027

Market Year Average (MYA) Price

September to August for **corn** and **soybeans**
June to May for **wheat**

USDA price forecasts
Projected prices based on USDA WASDE forecasts (Oct 2026)
Longer-term USDA prices:
\$4.30 corn, \$10.40 soybeans, \$6.00 wheat



2026 ARC/PLC Decision

- ARC-CO is expected to trigger larger payments than PLC in most areas for **corn** and **soybeans**
- For **wheat**, expected payment comparison will vary

	Corn	Soybean	Wheat
Projected MYA	\$4.70	\$12.00	\$6.30
PLC Eff. Ref. Price	\$4.42	\$10.71	\$6.35
ARC Benchmark	\$5.03	\$12.17	\$6.98
90% of ARC Benchmark	\$4.53	\$10.95	\$6.28

PLC Payment Triggers

- Triggers when the **PLC Effective Price** falls below the Effective Reference Price
- The **PLC Effective Price** is the maximum between the U.S. Marketing Year Average (MYA) or Market Loan Rate
- **PLC Payment Rate** per bushel is then multiplied by the **PLC Yield**. Payments made on 85% of base acres

	Corn	Soybean	Wheat
Projected MYA	\$4.70	\$12.00	\$6.30
PLC Eff. Ref. Price	\$4.42	\$10.71	\$6.35
Cap if MYA price falls to	\$2.42	\$6.82	\$3.72

Using futures/historical implied volatilities

As of Oct-19-2026

Corn
likelihood of
MYA below
\$4.42
(PLC triggering)

~30%

Soybean
likelihood of
MYA below
\$10.71
(PLC triggering)

~15%

Wheat
likelihood of
MYA below
\$6.35
(PLC triggering)

~50%

ARC-CO Payment Triggers

- Triggers when Actual Revenue falls below the Guarantee Revenue* (90% of benchmark revenue)
- Actual Revenue = U.S. MYA price * FSA County Yields

		Corn	Soybean	Wheat
Projected MYA		\$4.70	\$12.00	\$6.30
ARC Benchmark		\$5.03	\$12.17	\$6.98
Price to trigger	If Yields = 95% of benchmark yields	\$4.77	\$11.53	\$6.61
	If Yields = 100% of benchmark yields	\$4.53	\$10.95	\$6.28
	If Yields = 105% of benchmark yields	\$4.31	\$10.43	\$5.98

**FSA has published these for 2026 for all crops and counties*

2026 ARC-CO/PLC Decision Guidance

1. Estimate your county yields

- a) Especially compared to the ARC-CO benchmark yield

2. Review your PLC Yields

- a) This is FSA-farm specific

3. What-if analysis for payments

- a) What do you think are most likely outcomes for prices and yields?
- b) What price and yield outcomes concern you most?

4. New price info will be available mid-November

ARC/PLC Information resources and decision support

USDA price forecasts:

WASDE releases on Nov 10th and Dec 10th

**No official county yield forecasts will be available, but
state-level estimates and county-level experience could be
useful in the decision**

Individual yield info could inform ARC-IC consideration

ARC/PLC Information resources and decision support

- *farmdoc* ARC/PLC What-If Tool (excel sheet):
<https://farmdoc.illinois.edu/fast-tools/arc-co-plc-model>
- *farmdoc* ARC/PLC calculator: <https://fd-tools.ncsa.illinois.edu/arcplc>
- Beta version of a U of MN tool:
<https://hmonaco.github.io/arc-plc-calculator/>

ARC/PLC Information resources and decision support

farmdoc ARC/PLC What-If Tool (excel sheet):

<https://farmdoc.illinois.edu/fast-tools/arc-co-plc-mode>

Farm Bill What-If Tool

About This Tool

🕒 Last Updated : October 16, 2026

This program calculates Agricultural Risk Coverage for County Coverage (ARC-CO), Price Loss Coverage (PLC) payments, and ARC at the Individual Level (ARC-IC). County yields and market year average (MYA) prices are brought in for a user-specified state-county-crop combination. Users then can change county yields and prices to see ARC-CO and PLC payments under those yields and prices.

📄 Download this FAST Tool

Download previous Farm Bill What-If Tools:

[Spring 2026](#) [Fall 2025](#)

[Spring 2024](#) [Spring 2023](#)

[Fall 2022](#) [Spring 2021](#)



ARC-CO PLC WHAT-IF COMPARISON

Input

State: Illinois
County: Champaign
Crop: Corn
Practice: Non-irrigated
PLC Yield: 179
Year: 2026
Default PLC Yield: 171

ARC-IC Calculator

FAST

Calculation of PLC and ARC-CO Payments

Year	County Yield ¹	MYA Price ²	Payment ^{3,4}		ARC-CO Calculations			
			PLC	ARC-CO	Benchmark Yield ⁵	Price ⁶	Guarantee ⁷	County Revenue ⁸
	Bu	\$/Bu	\$/base acre		Bu	\$/Bu	\$ per base acre	
2026	233	4.70	\$0	\$0	233.3	5.03	1055.97	1096.32
Projected	233.26	4.70						

1 County yields impact ARC-CO payments.
2 Market year average (MYA) prices impact both PLC and ARC-CO payments.
3 PLC payments equal PLC yield x (effective reference price - higher of MYA price or loan rate) x .85. PLC payment calculations are shown in Table 1 below.
4 Equals .85 x minimum of (ARC guarantee - county revenue) or (12% of benchmark yield x benchmark price), when county revenue is less than ARC guarantee, zero otherwise. Guarantee and revenue calculations are shown in the green ARC-CO Calculations box.
5 Benchmark yield calculations are shown in Table 2 and 3 below.
6 Benchmark price calculations are shown in Table 3 below.
7 Guarantee equals .90 x benchmark yield x benchmark price.
8 County revenue equals county yield x MYA price.

For estimates of expected values of ARC-CO and PLC payments see the Gardner Program Payment Calculator at:
<https://fd-tools.ncsa.illinois.edu>

Support provided by:



Gardner Agricultural
Policy Program

USDA
OFFICE OF THE CHIEF ECONOMIST
United States Department of Agriculture

Program Selection	PLC minus ARC-CO	State = Illinois, County = Champaign, Crop = Corn, Year = 2026
Price Change	\$ 0.25	ARC-CO Benchmark Yield = 233.26, Benchmark Price = \$5.03, Guarantee \$1055.97
Yield Change	5	PLC Yield = 179, Effective Reference Price = \$4.42

-2026 County	2026 Market Year Average Price										
Yield	\$3.45	\$3.70	\$3.95	\$4.20	\$4.45	\$4.70	\$4.95	\$5.20	\$5.45	\$5.70	\$5.95
258	28	24	41	33	0	0	0	0	0	0	0
253	28	8	24	33	0	0	0	0	0	0	0
248	28	-7	7	22	0	0	0	0	0	0	0
243	28	-10	-9	4	0	0	0	0	0	0	0
238	28	-10	-26	-14	0	0	0	0	0	0	0
233	28	-10	-43	-31	-15	0	0	0	0	0	0
228	28	-10	-48	-49	-34	0	0	0	0	0	0
223	28	-10	-48	-67	-53	-6	0	0	0	0	0
218	28	-10	-48	-85	-72	-26	0	0	0	0	0

ARC/PLC Information resources and decision support

Beta version of a U of MN tool:
<https://hmonaco.github.io/arc-plc-calculator>



2026 ARC-CO / PLC Calculator

Enter a county and PLC yield and Marketing Year Average (MYA) price to estimate payments per base acre.

LOCATION & CROP

State

Illinois

County

Champaign

Crop

Corn

Practice

Non-irrigated

YOUR SCENARIO

County yield (bu/ac)

236.1

Default 236.1

Champaign, IL · Corn · Non-irrigated · FIPS 17019

ARC-CO

\$0.00

per base acre

PLC

\$0.00

per base acre

Neither pays

at this yield and price

BENCHMARK YIELD	BENCHMARK PRICE	BENCHMARK REVENUE	ARC GUARANTEE (90%)	YOUR ACTUAL REVENUE	EFF. REFERENCE PRICE	PLC YIELD
233.3 bu	\$5.03	\$1,173	\$1,056	\$1,109	\$4.42	167.9 bu

Our estimations based on available info

Expected ARC-CO

\$44.98

Expected PLC

\$15.52

Chance ARC-CO pays

54%

Chance PLC pays

29%

We simulate many possible outcomes for the 2026 county yield and the national MYA price and compute ARC-CO and PLC payments in each one. The figures above are the average payment across these outcomes and the share of outcomes in which each program pays. They

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ARC/PLC Information resources and decision support

farmdoc ARC/PLC calculator

<https://fd-tools.ncsa.illinois.edu/arcplc>

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- Crop Insurance Tools
- Research Papers & Briefs
- FAST Spreadsheet Tools
- Illinois Farm Management Handbook

ARC/PLC Calculators

2025 Farm Bill What-If Tool (Sheet)

ARC/PLC Calculator (Online)

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Farm Bill What-If Tool

October 16, 2026

This program calculates Agricultural Risk

Crop Insurance Decision Tool

September 24, 2026

This program calculates premiums, evaluates

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2026 ARC/PLC Payment Estimates (\$/base acre)

FSA-Registered Farm Info

STATE

Illinois

COUNTY

Champaign

CROP

Corn

PLC PAYMENT YIELD

167.9

bu/acre

PRACTICE TYPE

☐ Irrigated

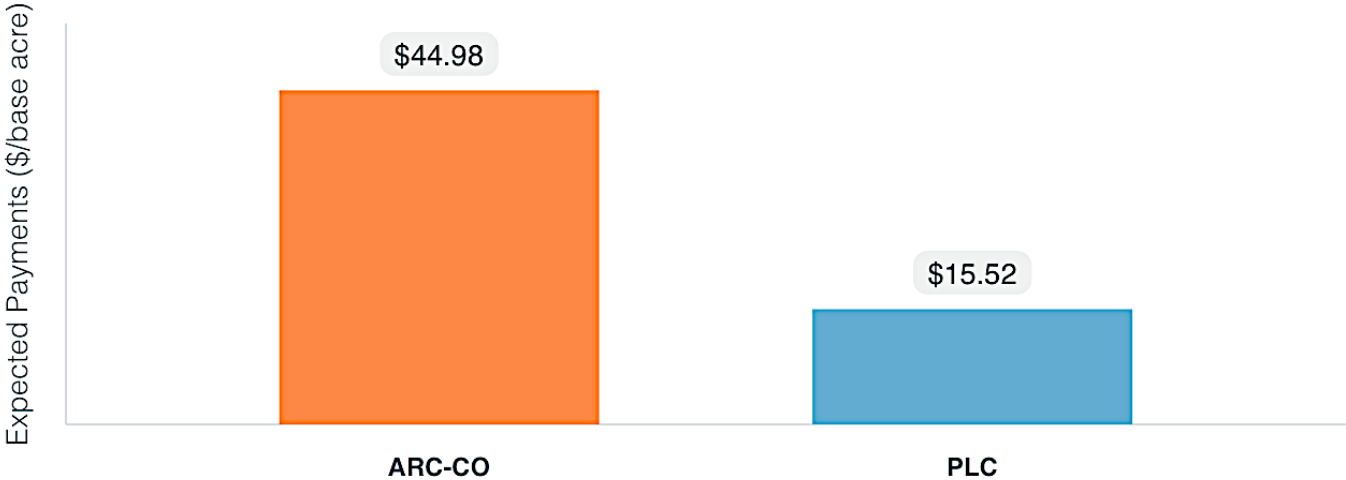
☒ Non-Irrigated

FORECAST MODEL

Forecast

ARC/PLC PROGRAM INPUTS	
ARC Coverage level	90%
ARC Coverage Range	12%
Payment Acres	85%
Statutory Reference Price (\$/bu)	\$4.10

→ RUN CALCULATOR



ARC-CO Payment Estimates Payments based on 5-year Olympic moving average of county average yields and national average prices.	
Expected payment rate (\$/base acre)	\$44.98
Likelihood of payment (avg.)	54%
▼ Benchmark revenue (\$/acre)	\$1173.30
▼ Expected Revenue (\$/acre)	\$1042.04
Maximum payment rate (\$/base acre)	\$119.68

PLC Payment Estimates Payments based on national average prices compared to fixed-price thresholds.	
Expected payment rate (\$/base acre)	\$15.52
Likelihood of payment (avg.)	29%
Eff. Ref Price (\$/bu.)	\$4.42
Projected MYA Price (\$/bu.)	\$4.70
Market Loan Rate (\$/bu.)	\$2.42
Stat Ref Price (\$/bu.)	\$4.10

Upcoming Webinar

Final Look at the 2026 ARC/PLC Decision

Tuesday November 17, 2026

11am to 12 pm Central Time

The November WASDE report from USDA will provide one of the final indicators on price projections that could impact producer's commodity program decision for 2026 ahead of the December 11th deadline. Join Nick Paulson and Gary Schnitkey as they discuss considerations and provide final guidance on the ARC/PLC program decision for 2026.

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Champaign County Example

	Market Year Average Prices					Olympic Average	88% of Olympic Average
	2020	2021	2022	2023	2024		
Corn	\$4.53	\$6.00	\$6.54	\$4.55	\$4.24	\$5.03	\$4.42
Soybeans	\$10.80	\$13.30	\$14.20	\$12.40	\$10.00	\$12.17	\$10.71

Finding the 5-year Olympic Average

Throw out the **single highest price year** and the **single lowest price year**, and then average the remaining 3 years.

Olympic averages here are the 2026 ARC benchmark prices

2026 PLC ERP: Multiply Olympic Average by 88%