



ARC-CO/PLC Farm Program Payment Tracker – 2024 CY

A Farm Planning/Decision Tool

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Under the current Farm Bill, producer can elect annual coverage for the 2024 crop year and enroll in crop-by-crop ARC-County (ARC-CO) or PLC. Another choice is to enroll the entire farm in the ARC-Individual (ARC-IC) program. Although election changes for 2024 are optional, enrollment (a signed contract) is required for each year of the program. Enrollment for the 2024 crop year closes March 15, 2024, at your local USDA FSA service center. If a producer does not submit their ARC or PLC decision to their local FSA office by March 15, 2024, the election defaults to the current election for crops on the farm from the previous crop year.

The *ARC-CO/PLC Farm Program Payment Tracker* spreadsheet was developed to provide an estimate of the farm program payment comparison for ARC-CO and the PLC programs for selected covered commodities produced on a farm's existing base acres for the 2024 crop year. Table 2.

The intent of this farm policy tool is to illustrate the effect that changes in monthly national marketing year average (MYA) price estimates and expected area yields have on the frequency and dollar-amount of farm program payments producers could possibly be eligible for under either an ARC-CO or a PLC election. Producers can enter their own MYA price and parish yield expectations into the spreadsheet and the decision tool will simultaneously estimate an ARC-CO and PLC payment scenario over a range of MYA prices and parish yields that are within a predefined range of the individualized data points. For example, in the corn and soybean worksheets, the predefined price range is set at $\pm \$0.20$ per bushel from the specified MYA price point in increments of $\$0.05$ per bushel. Parish yield, when applicable by production practice, is set to range from ± 10 bushels per acre from the specified yield midpoint in increments of two bushels per acre. ARC-CO is designed as a shallow loss revenue support program. Declines in the national MYA price and/or reported parish yield could cause actual revenue earned in a parish to deviate from the historic revenue guarantee for that particular crop, triggering an ARC-CO program payment. The effect of changing prices and yields are important parameters to consider when estimating an ARC-CO program payment.

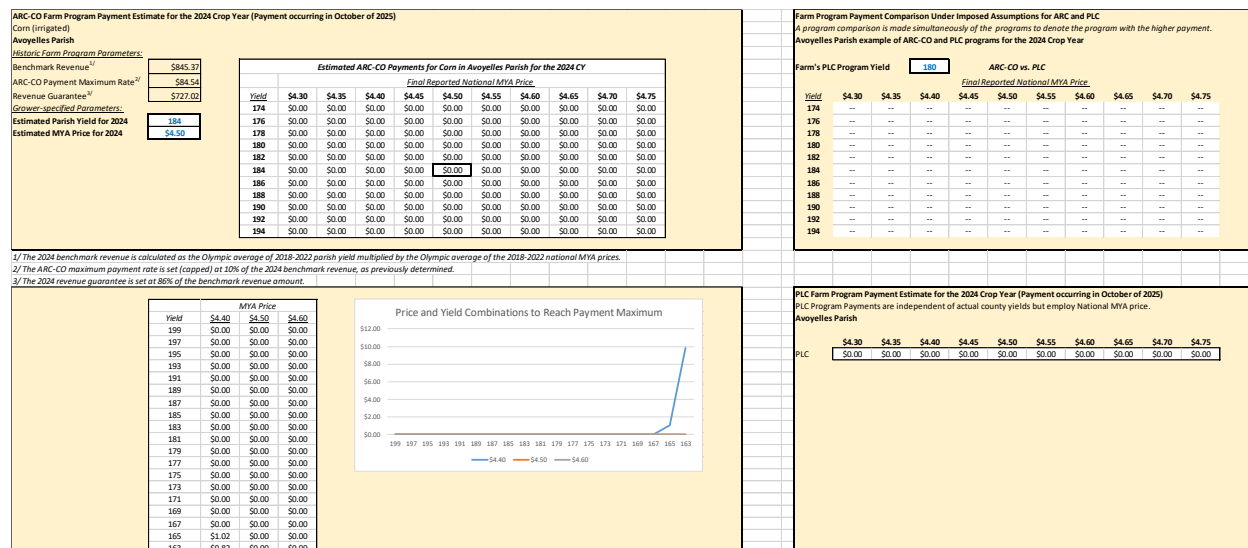
ARC-CO program payment calculations are calculated at the parish level, no individual farm yields are considered. The PLC program is a price support program. Declines in the national MYA price below the established reference price threshold trigger a PLC program payment. The PLC payment rate is the multiplied by the farm's individual PLC program yield on file with USDA FSA to calculate the program payment. These payment yields are independent (and are fixed) of actual farm yields for a given crop year.

Figure 1 illustrates the appearance of this decision tool in Microsoft® Excel for irrigated corn in Avoyelles parish. Each spreadsheet is parish specific. Once the parish spreadsheet is downloaded, the user will find separate worksheet tabs containing the ARC-CO/PLC program payment estimate tracker by crop and production practice. Historical program parameters such as benchmark revenue, maximum payment rate,

and revenue guarantees have been pre-calculated using USDA FSA data. The producer can enter their 2024 expected parish yield (units per acre) for the crop and their expected 2024 U.S. MYA price (dollars per bushel). The producer must also enter their farm's PLC program yield for the crop, if applicable. This is the only producer-specified information that is required for this decision tool to function. These cells are located on the left-hand side of the worksheet (cells B10, B11, and AM6) and are coded **BLUE**.

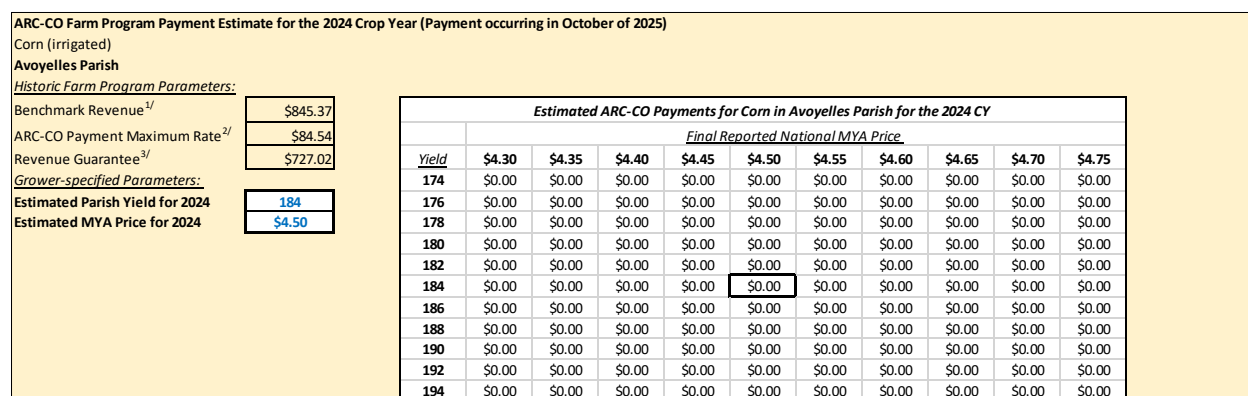
The default U.S. MYA price and yields represent no formal estimate by the LSU AgCenter and will need to be changed, subject to crop year development and final USDA agency reporting.

Figure 1. View of the ARC-CO/PLC farm program payment tracking tool.



Focusing on the top left quadrant of the ARC-CO/PLC farm program payment tracking tool, Figure 2 presents a closer view of the layout of the ARC-CO payment feature of the decision tool. Once price and yield parameters have been entered, the table will calculate the actual revenue for the parish and determine if an ARC-CO farm program is triggered. If an ARC-CO payment is triggered, the payment amount will appear in the table for the corresponding price and yield combination in **GREEN**. Cells that contain the payment formula on this sheet have been protected to prevent an inadvertent and unintentional alteration of an embedded formulaic cell. When triggered for a parish, ARC-CO program payment estimates are made on 85% of the payment acres as mandated by program guidelines.

Figure 2. Image of the 2024 ARC-CO/PLC farm program payment tracker tool for ARC-CO purposes.



The producer has entered their expected parish yield for irrigated corn (184 bushels per acre) and the expected national MYA 2024 price of \$4.50 per bushel. Under the specified scenario, no ARC-CO payment is triggered for the parish.

Given the recent year-over-year movement in commodity prices (and, subsequently, the Olympic Average price), Figure 3 illustrates conditions under which price and yield combinations trigger maximum program payments (dollars per acre). Yields are set to range within +/- 15 bushels per acre and price varies by +/- \$0.10 per bushel. These parameters are a function of user-specified parameters appearing in Figure 1 and held constant in this analysis.

Figure 3. Price and yield combinations to reach the ARC-CO farm program payment cap (per acre).



The lower right-hand quadrant of the ARC-CO/PLC farm program payment tracker uses the previously entered national MYA price and individual farm program yield to calculate the estimated PLC farm program payment over a range of prices. In this irrigated corn example, national prices are set to vary. At the specified \$4.50 price for corn, no PLC payment is triggered. For prices that are below corn's reference price, PLC program are calculated considering the farm's program yield of 180 bushels.

Figure 4. PLC farm program payment information for the 2024 crop year.

PLC Farm Program Payment Estimate for the 2024 Crop Year (Payment occurring in October of 2025)										
PLC Program Payments are independent of actual county yields but employ National MYA price.										
Avoyelles Parish										
	\$4.30	\$4.35	\$4.40	\$4.45	\$4.50	\$4.55	\$4.60	\$4.65	\$4.70	\$4.75
PLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

The upper right-hand quadrant of the decision tool provides a comparison as to which program, ARC-CO or PLC, will produce a higher program payment per acre. Figure 5. Cells with **GREEN** shading distinguish between ARC-CO and PLC program payments. The intent of this section was to provide a binary explanation of “*Which farm program would produce the higher program payment per acre?*” Payments, when triggered, are expressed on a per-acre basis. In this scenario, neither an ARC-CO nor a PLC payment is triggered.

Figure 5. Comparison of ARC-CO and PLC program payment amounts under specified price and yield parameters for the 2024 crop year.

Farm Program Payment Comparison Under Imposed Assumptions for ARC and PLC										
A program comparison is made simultaneously of the programs to denote the program with the higher payment.										
Avoyelles Parish example of ARC-CO and PLC programs for the 2024 Crop Year										
Farm's PLC Program Yield	180									
	ARC-CO vs. PLC									
	Final Reported National MYA Price									
Yield	\$4.30	\$4.35	\$4.40	\$4.45	\$4.50	\$4.55	\$4.60	\$4.65	\$4.70	\$4.75
174	--	--	--	--	--	--	--	--	--	--
176	--	--	--	--	--	--	--	--	--	--
178	--	--	--	--	--	--	--	--	--	--
180	--	--	--	--	--	--	--	--	--	--
182	--	--	--	--	--	--	--	--	--	--
184	--	--	--	--	--	--	--	--	--	--
186	--	--	--	--	--	--	--	--	--	--
188	--	--	--	--	--	--	--	--	--	--
190	--	--	--	--	--	--	--	--	--	--
192	--	--	--	--	--	--	--	--	--	--
194	--	--	--	--	--	--	--	--	--	--

As additional program data is released by the USDA and as the marketing year progresses, ARC-CO payment amounts are likely to vary. This decision tool provides an estimate as to the degree of what the 2024 ARC-CO and PLC program payments for selected crops in Louisiana may resemble in terms of per acre dollar amount.

The prices appearing in the ARC/PLC payment tracker are only for illustrative purposes and are to serve as a starting point as growers begin to evaluate the likelihood of an ARC/PLC payment being triggered for CY2024.

Table 2. 2024 crop year ARC-CO/PLC farm program payment comparison worksheets.

Parish	<i>Corn</i>	<i>Grain Sorghum</i>	<i>LG Rice</i>	<i>MG Rice</i>	<i>Seed Cotton</i>	<i>Soybeans</i>	<i>Wheat</i>
Acadia	A	A	A	A	—	A	A
Allen	A	A	A	A	—	A	A
Avoyelles	N&I	A	A	A	A	N&I	A
Beauregard	A	—	A	—	—	A	A
Bossier	A	A	—	—	A	A	A
Caddo	N&I	A	—	—	N&I	N&I	A
Calcasieu	A	A	A	—	—	A	A
Caldwell	N&I	A	—	—	A	N&I	A
Catahoula	N&I	N&I	A	A	N&I	N&I	A
Concordia	N&I	N&I	A	A	N&I	N&I	A
East Carroll	N&I	A	A	A	N&I	N&I	A
Evangeline	A	A	A	A	—	A	A
Franklin	N&I	A	A	—	N&I	N&I	A
Grant	A	A	—	—	A	A	A
Iberia	A	A	—	—	—	A	A
Iberville	A	A	—	—	—	A	A
Jeff Davis	A	A	A	A	—	A	A
Lafayette	A	A	A	—	—	A	A
La Salle	A	—	—	—	—	A	A
Madison	N&I	A	A	A	N&I	N&I	A
Morehouse	N&I	N&I	A	A	A	N&I	A
Ouachita	N&I	A	—	—	A	N&I	A
Natchitoches	N&I	A	A	A	A	N&I	A
Pte. Coupee	A	A	A	A	A	N&I	A
Rapides	N&I	A	A	—	A	N&I	A
Red River	N&I	A	A	—	A	N&I	A
Richland	N&I	A	A	A	A	N&I	A
St. James	—	—	—	—	—	A	A
St. John the Baptist	A	A	—	—	—	A	A
St. Landry	A	A	A	A	A	A	A
St. Martin	A	A	A	—	—	A	A
St. Mary	—	—	—	—	—	—	A
Tensas	N&I	A	A	A	N&I	N&I	N&I
Vermilion	A	A	A	—	—	A	A
W. Baton Rouge	A	—	—	—	—	A	A
West Carroll	N&I	A	A	A	A	N&I	A

Where “—” denotes no reported data, A denotes *all yield*, N and I denote yields by either *non-irrigated* or *irrigated* practice, respectively.

This is for educational purposes only; parameters are likely to change as reported price and yield data are made public from the USDA. These are not official USDA projections for program payment.

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