Key Farm Bill Information and Websites

**Declarations**

*February 27, 2015* – Deadline to Update PLC Yields and/or Reallocate Base Acres

*March 31, 2015* – Deadline to **ELECT** ARC-CO, ARC-IC or PLC on your Farm(s)

**Contact Information**

Preble/Montgomery County Farm Service Agency  
1655 North Barron Street  
Eaton, Ohio 45320

Please Call for an Appointment at 937-456-4211 Ext. 2  

dawn.etter@oh.usda.gov  
john.warrick@oh.usda.gov  
dan.ennist@oh.usda.gov

**Websites**

Farm Service Agency Homepage  
http://www.fsa.usda.gov/FSA/  

Farm Service Agency ARC/PLC Program Webpage  

The Ohio State University Extension 2014 Farm Bill Webpage (Crop Program Decisions)  
http://aede.osu.edu/research/crop-program-decisions  

The Ohio State University Extension 2014 Farm Bill Public Meeting Webpage  
http://agnr.osu.edu/resources/farm-bill-2014/farm-bill-meeting-locations  

2014 Farm Bill Decision Aids (University of Illinois and Texas A & M):  
http://farmbilltoolbox.farmdoc.illinois.edu/  
https://www.afpc.tamu.edu/models/decisionaid.php  

**Preble/Montgomery County Farm Bill Meeting Dates**

Monday – December 15th @ 1:00 to 3:00 p.m. Eaton Church of the Brethren Church on North Barron Street, Eaton, Ohio  
Monday – December 15th @ 6:30 to 8:30 p.m. Miami Valley CTC Adult Ed Building on Hoke Road, Clayton, Ohio
**Take Time To Educate Yourself on the ARC and PLC Programs!**

**Price Loss Coverage – (PLC)**

Price ONLY Based Program

Payment earned if actual Crop Prices are BELOW the Farm Bill Reference Prices of:

- Corn $3.70 bu
- Soybeans $8.40 bu
- Wheat $5.50 bu

Actual crop price is determined by using the Marketing Year Average Price for the crop which is a 12 month Weighted Average Price (See 12 Month Marketing Year Below for Each Covered Crop):

- Corn (Sept 1-Aug 31)
- Soy (Sept 1-Aug 31)
- Wheat (Jun 1-May 31)

PLC Payment acres are 85% of the crop base for the crop that qualifies for a payment.

Payment yield is the PLC Yield on the farm which can be updated to equal 90% of the average yield from 2008-2012.

You may choose PLC or ARC-IC on a crop by crop basis on each FSA Farm Number unless you enroll in ARC-IC.

**Example PLC Calculation:**

100.0 Acre Corn Base
140 Bu. PLC Yield
Market Yr Avg Corn Price of $3.40

Reference Price $3.70
Market Price $3.40
PLC Pay Rate $0.30

100 ac X 85% X 140 Bu X $0.30 = **Total CORN PLC Payment $3,570**

There is no 10% CAP for PLC Payments like there is for ARC.

**Agriculture Risk Coverage – County (ARC-CO)**

Price AND Yield Based Program (Revenue Based)

Payment is earned if the Actual County Revenue is below the County Guarantee (86% of Benchmark Revenue).

Benchmark Revenue is calculated annually using most recent 5 crop years:

- Olympic Average County Yield for Each Crop for 2009-2013 (Drop High, Drop Low and Average Remaining 3 Years)
- Olympic Average National Price for Each Crop for 2009-2013 (Drop High, Drop Low and Average Remaining 3 Years)
- Benchmark Revenue is the Olympic Yield X Olympic Price

ARC-CO Payment acres are 85% of the base for the CROP.

**EXAMPLE ARC-CO Calculation**

Bases: Corn 100.0, Soya 125.0

**Benchmark Revenue Assumptions:**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Revenue Assumption</th>
<th>Price (Aug 31)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$910</td>
<td>$601</td>
</tr>
<tr>
<td>Soya</td>
<td>$568</td>
<td>$480</td>
</tr>
</tbody>
</table>

**Guarantee (86% of Benchmark):**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Guaranteed Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$783</td>
</tr>
<tr>
<td>Soya</td>
<td>$517</td>
</tr>
</tbody>
</table>

**2014 Actual COUNTY Revenue Assumptions (Normal Co. Yld. for 2014 & Prices of $3.40 Corn & $10.00 Soya):**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Reference Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$783</td>
</tr>
<tr>
<td>Soya</td>
<td>$517</td>
</tr>
</tbody>
</table>

**ARC-CO Pay Rate (Limited to 10% of Benchmark Revenue):**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Pay Rate (10% of Guarantee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$77.35</td>
</tr>
<tr>
<td>Soya</td>
<td>$545</td>
</tr>
</tbody>
</table>

**ARC-CO Payments:**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$7,735 (Base 100 x 85% x $91)</td>
</tr>
<tr>
<td>Soya</td>
<td>$3,931 (Base 125 x 85% x $37)</td>
</tr>
</tbody>
</table>

**Total ARC-CO Payment** $11,666 ($7735 + 3931)

**Agriculture Risk Coverage – Individual (ARC-IC)**

Price AND Yield Based Program (Revenue Based)

Payment is earned if the Actual FARM Revenue is below the FARM Guarantee (86% of Benchmark Revenue Weighted Based on ACTUAL PLANTED CROPS on the FARM).

Benchmark Revenue is calculated differently than ARC-CO. Under ARC-IC, the Benchmark Revenue uses your FARM’s Actual Yields and the National Average Price to Calculate the Revenue for each year 2009-2013. Then an Olympic Average of the Revenue is determined.

ARC-IC Payments are limited to 10% of Benchmark Revenue for the Farm.

ARC-IC Payment acres are 65% of the TOTAL BASE ACRES on the FARM.

**Example ARC-IC Calculation (Payment Calculated for All Crops Combined):**

Total Base on Farm 250 acres
(Bases: Corn 100, Soya 125, Wheat 25)
(Planted: Corn 50.0 Soya 150.0 Wht 0)

Benchmark Revenue is calculated using 25% of Corn Benchmark Revenue and 75% of Soybean Benchmark Revenue because corn/soybeans are the only program crops planted on the farm and are planted in a 25/75 ratio. ** THIS IS FOR EXAMPLE PURPOSES only. Actual ratio will affect ARC-IC Payments.**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Benchmark Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$875 x 25% = $219</td>
</tr>
<tr>
<td>Soya</td>
<td>$580 x 75% = $435</td>
</tr>
<tr>
<td>Wheat</td>
<td>$654</td>
</tr>
</tbody>
</table>

Farm Guarantee (86% x $654) $562

Actual Farm Revenue Example
Corn 167 bu x $3.40 x 25% = $142
Soya 48 bu x $10.00 x 75% = $360
Total 2014 Weighted Revenue $502

ARC-IC Pay Rate (Lower of)

- $65.40 ($562 x 10%)
- $60.00 ($562 - $502)

**Total ARC-IC Pay is $9,750 ($60.00 x 250 Total Base Acres X 65%)**

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