USDA
UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

2014 Farm Bill
FACT SHEET
October 2016

Enrollment of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC)

2017 AND 2018 ENROLLMENT

2017 and 2018 enrollment of ARC and PLC farms, consistent with the program election for the farm and covered commodities made in the election period, will begin Dec. 1 and end Aug. 1 of the applicable contract year.

- 2017 enrollment will begin Dec. 1, 2016, and end Aug. 1, 2017.
- 2018 enrollment will begin Dec. 1, 2017, and end Aug. 1, 2018.

PRICE LOSS COVERAGE (PLC)

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 <u>higher</u> of the market year average (MYA) price or the national average loan rate for the covered commodity.

Crop	Reference Prices	National Loan Rates	Maximum PLC Rate
Barley **1**/	$4.95 per bu.	$1.95 per bu.	$3.00 per bu.
Chickpeas, Large (Garbanzo Bean, Kabuli)	$21.54 per cwt.	$11.28 per cwt.	$10.26 per cwt.
Chickpeas, Small (Garbanzo Bean, Desi)	$19.04 per cwt.	$7.43 per cwt.	$11.61 per cwt.
Corn	$3.70 per bu.	$1.95 per bu.	$1.75 per bu.
Dry Peas	$11.00 per cwt.	$5.40 per cwt.	$5.60 per cwt.
Grain Sorghum	$3.95 per bu.	$1.95 per bu.	$2.00 per bu.
Lentils	$19.97 per cwt.	$11.28 per cwt.	$8.69 per cwt.
Oats	$2.40 per bu.	$1.39 per bu.	$1.01 per bu.
Canola	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Crambe	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Flaxseed	$11.28 per bu.	$5.65 per bu.	$5.63 per bu.
Mustard	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Rapeseed	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Safflower	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Sesame Seed	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Sunflower	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Peanuts	$535.00 per ton	$355.00 per ton	$180.00 per ton
Rice, Long Grain	$14.00 per cwt.	$6.50 per cwt.	$7.50 per cwt.
Rice, Medium Grain **2**/	$14.00 per cwt.	$6.50 per cwt.	$7.50 per cwt.
Rice, Temperate Japonica	$16.10 per cwt.	$6.50 per cwt.	$8.60 per cwt.
Soybeans	$8.40 per bu.	$5.00 per bu.	$3.40 per bu.
Wheat	$5.50 per bu.	$2.94 per bu.	$2.56 per bu.

1/ Barley price is based on the price of "all barley." Previously, the price was based on the "feed barley" price.
2/ Includes short grain; excludes temperate japonica.

The PLC payment amount for a covered commodity is equal to 85 percent times the base attributable to the covered commodity, times the payment rate for the covered commodity. The base attributed to the covered commodity is the covered commodity base plus the generic base attributed to the covered commodity. The payment rate for the covered commodity is the difference between the reference price and the effective price.

PLC payments are not dependent on the crops planted and/or considered planted (except for generic base acres as noted above) for the current crop year.

PLC PAYMENT EXAMPLE

Farm Number 1200:

Crop	Base Acres	Planted Acres	PLC Yield
Wheat	100	0	30 bu.
Corn	100	110	80 bu.
Alfalfa	0	165	N/A
TOTAL	200	275	

Payment Rate Calculation:

Crop	Reference Price	Effective Price		PLC Payment Rate
		MYA Price	Loan Rate	
Wheat	$5.50	$5.00	$2.94	$0.50
Corn	$3.70	$4.00	$1.95	$0.00

*MYA prices are hypothetical in this example.

In this example, the MYA prices are HIGHER than the loan rate, so the MYA prices are the effective prices.

For wheat, the PLC payment rate is $0.50 ($5.50 reference price minus the $5 effective price).

For corn, the PLC payment rate is $0.00 because the effective price ($4) is greater than the reference price ($3.70).

Payment Calculation:

Crop	Base Acres	Payment %	Payment Rate	PLC Yield	PLC Payment
Wheat	100	85	$0.50	30 bu.	$1,275
Corn	100	85	$0.00	80 bu.	$0

Note that a payment is triggered for wheat even though no wheat has been planted in the crop year.

RISK MANAGEMENT AGENCY'S (RMA) SUPPLEMENTAL COVERAGE OPTION (SCO)

Producers who have elected PLC, and who also participate in the federal crop insurance program administered by the Risk Management Agency (RMA), may purchase additional crop insurance coverage called the Supplemental Coverage Option (SCO). SCO provides additional coverage for a portion of a producer's underlying crop insurance policy deductible, and is based on expected average county yields or revenue. The cost of SCO is subsidized and indemnities are determined by the yield or revenue loss for the county or area.

Covered commodities on farms that have a valid election of County Agriculture Risk Coverage (ARC-CO) or farms with a valid election of Individual Agriculture Risk Coverage (ARC-IC) are not eligible for SCO benefits.

COUNTY AGRICULTURE RISK COVERAGE (ARC-CO)

The ARC-CO program provides coverage for revenue losses 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. The ARC-CO guarantee equals 86 percent of the previous five-year national MYA price, excluding the years with the highest and lowest prices (the ARC guarantee price), multiplied by the average historical county yield (the ARC county guarantee yield), excluding the years with the highest and lowest yields. (A substitute yield is used in any year when the ARC county yield is below 70 percent of the transitional yield for the applicable crop and county.)

The ARC-CO payment is equal to 85 percent of the base acres of the covered commodity times the difference between the county guarantee and the actual county crop revenue for the covered commodity. Payments may not exceed 10 percent of the ARC-CO guarantee price multiplied by the ARC-CO guarantee yield. For ARC-CO payment purposes, any covered commodity planted on generic base is attributed to the planted covered commodity.

ARC-CO COUNTY AVERAGE YIELDS

The ARC-CO program relies solely on county average yield data. No yields from individual participating farms are used in the calculations.

An actual average county yield is calculated as the production of a covered commodity in a county divided by the commodity's total planted acres for a crop year in the county, as determined by the Farm Service Agency (FSA). For wheat, corn, grain sorghum, barley and oats, planted acres are defined as harvested acres plus unharvested acres.

Separate irrigated and non-irrigated yields are established in a county having a sufficient number of farms with planted and considered planted (P&CP) acreage history of a covered commodity in 2009 through 2012, as determined by FSA. These separate yields are only established where at least an average of 25 percent of a covered commodity's P&CP acreage was irrigated in 2009 through 2012 and at least an average of 25 percent of the same covered commodity's P&CP acreage in that county was non-irrigated in 2009 through 2012.

An average historical county yield is the average of actual average county yields for the most recent five years, excluding each of the crop years with the highest and lowest yields and substituting 70 percent of the county transitional yield in each year when the actual average county yield is less than 70 percent of the county transitional yield.

The actual county average yield for ARC-CO is based on county-level National Agricultural Statistics Service (NASS) data, if available. When county-level NASS yield data do not exist for the county, FSA uses the next best data sources available to establish yields going next to county level RMA data. If neither NASS nor RMA county level data is available, the FSA state committee has discretion to use the NASS district data that covers multiple counties or to use other sources.

EXAMPLES OF HOW SMALL VARIATIONS IN YIELDS BETWEEN COUNTIES CAN IMPACT ARC-CO PAYMENTS

Assume County A had an average yield of 160 bushels per acre from 2009 through 2013. National prices for the same years averaged $5.29 per bushel, making the guarantee equal to $727.90 (86 percent of 160 bushels times $5.29). In 2014, the weather is ideal and the county had a 197-bushel-per-acre yield, an increase of 23 percent from the historical yield. The 2014 national average corn price was $3.70, making the county's actual revenue equal to $728.90 (197 bushels times $3.70). Since the actual revenue ($728.90) is greater than the historical revenue ($727.90), **the ARC-CO payment rate is zero**.

Assume neighboring counties have similar weather conditions and also have historical yields of 160 bushels an acre.

- In 2014, the weather was ideal in County B to the west, but rains were not as timely as in County A. County B's 2014 yield was 187 bushels an acre, 5 percent less than in County A, and its 2014 actual revenue was $691.90 (187 bushels times $3.70). Since the actual revenue ($691.90) is less than the historical revenue ($727.90), **the ARC-CO payment rate is $36 an acre**.
- In 2014, the weather was ideal in County C to the east, but rains again were not as timely as in County A. County C's 2014 yield was 177 bushels an acre, 10 percent less than in County A, and its 2014 actual revenue was $654.90 (177 bushels times $3.70). Since the actual revenue ($654.90) is less than the historical revenue ($727.90), **the ARC-CO payment rate is $73 an acre**.

All three counties had great yields. County A, with the largest yield, does not get an ARC-CO payment. County A is surrounded by Counties B and C that receive ARC-CO payments of $36 and $73 an acre, respectively, due to slightly lower yields. The marginally lower yields result in payments for Counties B and C, but the primary driver behind the payments is the 30 percent decrease in the 2014 corn price (from $5.29 to $3.70).

WHAT CAN PRODUCERS DO TO HELP FSA ESTABLISH ARC-CO COUNTY AVERAGE YIELDS?

FSA encourages producers to respond to NASS surveys to ensure that NASS has sufficient data points to publish county-level yields for ARC-CO calculations.

ARC-CO EXAMPLE

Joe Farmer has 100 percent interest in this farm participating in ARC-CO.

Crop	Base Acres	Planted Acres
Wheat	100.00	0.00
Corn	100.00	30.00
Total	**200.00**	**30.00**

DETERMINATION OF ARC-CO PAYMENT RATES

The following charts provide the steps that are used to calculate the ARC-CO payment rate for the two covered commodities on Joe's farm. The county yields in the example are hypothetical and do not represent a specific county. The historic MYA prices for the 2009-2012 crops are NASS estimates; the 2013 and 2014 MYA prices are hypothetical to demonstrate alternative outcomes for the ARC-CO payment rates.

ARC-CO Payment Rate Determination: Wheat Example

Crop Year	2009	2010	2011	2012	2013	2014 Payment Factors
Step 1. Calculation of Benchmark Revenue						
(A) County Yield (bu/acre)	44	51	65	31	46	(D) ARC-CO County
(B) 70 percent of T-yield	32	32	32	32	32	Guarantee Yield 1/
(C) Higher of (A) or (B)	44	51	~~65~~	~~32~~	46	47
(E) MYA Price 2/	4.87	5.70	7.24	7.77	6.50	(H) ARC-CO
(F) Reference Price 4/	5.50	5.50	5.50	5.50	5.50	Benchmark Price 3/
(G) Higher of (E) or (F)	~~5.50~~	5.70	7.24	~~7.77~~	6.50	6.48
(I) ARC-CO Benchmark Revenue, (D) times (H) 4/						**304.56**
Step 2. Calculation of Actual Revenue						
(J) 2014 Price						6.50
(K) 2014 Loan Rate						2.94
(L) Higher of (J) or (K)						6.50
(M) 2014 County Yield						29.00
(N) Actual County Revenue, (L) times (M)						**188.50**
Step 3. Calculation of ARC-CO Payment Rate						
(O) ARC-CO Guarantee, (I) times 0.86 5/						261.92
(P) Maximum ARC-CO Payment Rate, (I) times 0.10 6/						30.46
(Q) Revenue Shortfall, (O) minus (N)						73.42
(R) ARC-CO Payment Rate, Lesser of (P) or (Q)						**30.46**

1/ The ARC-CO guarantee yield is the 2009-2013 Olympic average of the higher of the county yield or 70 percent of T-yield for each year.

2/ The MYA price is the season average farm price for the covered commodity as published by NASS or determined by the World Agricultural Outlook Board (WAOB).

3/ The ARC-CO benchmark price is the 2009-2013 Olympic average of the higher of the MYA price or the 2014 loan rate for each year.

4/ ARC-CO benchmark revenue is the product of ARC-CO guarantee yield and ARC-CO benchmark price.

5/ ARC-CO guarantee is 86 percent of the ARC-CO benchmark revenue.

6/ The maximum ARC-CO payment rate is 10 percent of the ARC-CO guarantee.

ARC-CO Payment Rate Determination: Corn Example

Crop Year	2009	2010	2011	2012	2013	2014 Payment Factors
Step 1. Calculation of Benchmark Revenue						
(A) County Yield (bu/acre)	125	100	165	110	95	(D) ARC-CO County
(B) 70 percent of T-yield	84	84	84	84	84	Guarantee Yield 1/
(C) Higher of (A) or (B)	125	100	~~165~~	110	~~95~~	112
(E) MYA Price 2/	3.55	5.18	6.22	6.89	4.50	(H) ARC-CO
(F) Reference Price 4/	3.70	3.70	3.70	3.70	3.70	Benchmark Price 3/
(G) Higher of (E) or (F)	~~3.70~~	5.18	6.22	~~6.89~~	4.50	5.30
(I) ARC-CO Benchmark Revenue 4/						**593.60**
Step 2. Calculation of Actual Revenue						
(J) 2014 Price						5.25
(K) 2014 Loan Rate						1.95
(L) Higher of (J) or (K)						5.25
(M) 2014 County Yield						140.00
(N) Actual County Revenue, (L) times (M)						**735.00**
Step 3. Calculation of ARC-CO Payment Rate						
(O) ARC-CO Guarantee 5/						510.50
(P) Maximum ARC-CO Payment Rate 6/						59.36
(Q) Revenue Shortfall, (O) minus (N)						-
(R) ARC-CO Payment Rate, Lesser of (P) or (Q)						**-**

1/ The ARC-CO guarantee yield is the 2009-2013 Olympic average of the higher of the county yield or 70 percent of T-yield for each year.

2/ The MYA price is the season average farm price for the covered commodity as published by NASS or determined by WAOB.

3/ The ARC-CO benchmark price is the 2009-2013 Olympic average of the higher of the MYA price or the 2014 loan rate for each year.

4/ ARC-CO benchmark revenue is the product of ARC-CO guarantee yield and ARC-CO benchmark price.

5/ ARC-CO guarantee is 86 percent of the ARC-CO benchmark revenue.

6/ The maximum ARC-CO payment rate is 10 percent of the ARC-CO guarantee.

Note that in the above examples, wheat base on Joe's farm receives an ARC-CO payment even though he did not plant wheat on the farm, and conversely, corn base on his farm will not receive an ARC-CO payment.

CALCULATION OF PAYMENT

Calculation of Farm Total Payment: Joe Farmer Example

Crop	Base Acres	Payment Percentage	Payment Rate	ARC-CO Payment
Wheat	100.00	85 percent	$30.46	$2,589.10
Corn	100.00	85 percent	0.00	0
Total ARC-CO Payments for Joe Farmer				**$2,589.10**

INDIVIDUAL AGRICULTURE RISK COVERAGE (ARC-IC)

The ARC-IC program provides revenue loss coverage at a farm level. An ARC-IC farm is defined as the sum of the interests of a producer in all FSA farms that are enrolled in the individual coverage option for ARC in a state. Producers who have interests in multiple farms in multiple states that are enrolled in ARC-IC have a separate ARC-IC farm in each state.

ARC-IC revenue loss payments are made to the ARC-IC farm when the current year revenue for all covered commodities planted on the ARC-IC farm falls below 86 percent of the farm benchmark revenue.

All ARC-IC farms in the state in which the producer has an interest are included in a single ARC-IC revenue calculation to determine a payment rate. The payment rate for the ARC-IC farm is capped at 10 percent of the farm's benchmark revenue.

The ARC-IC farm's guarantee equals 86 percent of the ARC-IC farm's individual benchmark guarantee, defined as the five-year average of an ARC-IC farm's annual ARC-IC benchmark revenue (farm's yield for each crop year, multiplied by the higher of the reference price or the MYA price) for all covered commodities, excluding the high and low annual revenues. Actual revenue is computed using the ARC-IC farm's actual yield times the higher of the MYA price or the national average loan rate.

ARC-IC payments are calculated by multiplying:

* The ARC-IC payment rate, multiplied by
* The total base acres of the ARC-IC farm(s), multiplied by 65 percent.

Producers on farms that have both elected and enrolled into ARC-IC will need to work with FSA to establish yields for each of the current year planted covered commodities on the ARC-IC farm(s) for the immediately preceding five years. The yields established for the immediately preceding five years are known as the **benchmark yields**. If prior yields are not available for each of the current year covered commodities, a yield will be assigned by FSA for each of the missing years, up to five years, to allow the farm benchmark revenue to be calculated for the farm.

After harvest in the current year, the producer is required to report current production to FSA for calculation of the current year revenue on the farm. The reported production multiplied by the higher of the reference price or the national MYA price for all covered commodities on the ARC-IC participating farm(s) are totaled and then divided by the total planted acreage of all covered commodities on the participating ARC-IC farm(s), resulting in an actual revenue per acre. The result will be either a revenue loss or gain per acre. If a loss is determined, the ARC-IC revenue loss per acre is the ARC-IC payment rate and it is used to make the ARC-IC payment on the farm.

The ARC-IC payment on the farm will be calculated as follows:

* The ARC-IC payment rate, multiplied by
* The total base acres of the ARC-IC farm(s), multiplied by 65 percent.

Payment shares are then taken into account for each producer who had an interest in the covered commodities on the farm.

ARC-IC EXAMPLE

The following is an example of how an ARC-IC payment is calculated. Payments are made on base acres in proportion to the planting of covered commodities on the farm; however, payment acres are limited to 65 percent of the total base acres on the farm.

Consider the following farm information for the 2014 crop. Jane Farmer has 100 percent interest in this farm, which is her only farm enrolled in ARC-IC. Jane planted three covered commodities on her farm in 2014, and the farm has 200 acres of covered commodity base and no generic base. This ARC-IC farm information for Jane Farmer is shown in the following chart, including the production of the covered commodities for the 2014 crop.

Crop	Base Acres	2014 Planted Acres	Percentage of Crop Planted 1/	2014 Crop Production
Corn	100.00	110.00	36.67%	11,550 bu.
Soybeans	100.00	25.00	8.33%	1,000 bu.
Grain Sorghum	0.0	165.00	55.00%	9,900 bu.
Total	**200.00**	**300.00**	**100.00%**	

1/ Percentage of covered commodity for each crop is the P&CP acres divided by the total acres of covered commodities P&CP on the ARC-IC farm.

The following charts illustrate how Jane Farmer's benchmark revenue, ARC-IC guarantee and maximum ARC-IC payment rate are calculated for her ARC-IC enrolled farm. Each of these ARC-IC program factors are calculated on a per acre basis. Thus, each factor reflects a value weighed by the plantings of covered commodities on the farm for the 2014 crop.

ARC-IC Benchmark Revenue: Calculations for Jane Farmer's ARC-IC Farm

Crop/Program Year	2009	2010	2011	2012	2013	
Step 1. Calculation of the Five-Year Olympic Average Revenue for Covered Commodities						
Corn						
(A) Yield	125	100	165	110	95	5-Year
(B) 70 percent of T-Yield	~~85~~	~~85~~	~~85~~	~~85~~	~~85~~	Olympic
(C) MYA Price 1/	~~3.55~~	5.18	6.22	6.89	4.50	Average
(D) Reference Price	3.70	~~3.70~~	~~3.70~~	~~3.70~~	~~3.70~~	Revenue 2/
(E) Annual Revenue 3/	462.50	518.00	~~1,026.30~~	757.90	~~427.50~~	**579.47**
Soybeans						
(A) Yield	38	41	29	48	33	5-Year
(B) 70 percent of T-Yield	~~27~~	~~27~~	~~27~~	~~27~~	~~27~~	Olympic
(C) MYA Price	9.59	11.30	12.50	14.40	12.95	Average
(D) Reference Price	~~8.40~~	~~8.40~~	~~8.40~~	~~8.40~~	~~8.40~~	Revenue
(E) Annual Revenue	364.42	463.30	~~362.50~~	~~691.20~~	427.35	**418.36**
Grain Sorghum						
(A) Yield	90	~~40~~	75	80	99	5-Year
(B) 70 percent of T-Yield	~~65~~	65	~~65~~	~~65~~	~~65~~	Olympic
(C) MYA Price	~~3.22~~	5.02	5.99	6.33	4.25	Average
(D) Reference Price	3.95	~~3.95~~	~~3.95~~	~~3.95~~	~~3.95~~	Revenue
(E) Annual Revenue	355.50	~~326.30~~	449.25	~~506.40~~	420.75	**408.50**
Step 2. Calculation of Benchmark Revenue, Guarantee and Maximum Payment Rate						

Crop	Olympic Avg. Rev.	2014 Percent Planted	Weighted Revenue (F) 4/
Corn	579.47	36.67	212.49
Soybeans	418.36	8.33	34.85
Grain Sorghum	408.50	55.00	224.68
(G) ARC-IC Benchmark Revenue (per acre), Sum items (F)			**472.02**
(H) ARC-IC Guarantee, (G) times 86 percent			**405.94**
(I) Maximum ARC-IC Payment Rate, 10 percent times (G)			**47.20**

1/ MYA price is the season average farm price for the covered commodity as published by NASS or determined by WAOB.

2/ The five-year Olympic average revenue is the average of the 2009-2013 crop revenues dropping the years with the highest and lowest revenue.

3/ The annual revenue for a crop is the higher of the crop's actual yield (A) or 70 percent of the T-yield (B) times the higher of the MYA price (C) or the crop's reference price (D). Values struck out indicate the values excluded in the calculations.

4/ Weighted revenue is Olympic average revenue for a crop times the percent planted.

The ARC-IC actual revenue is also calculated on a per acre basis by determining the total revenue for the farm and dividing it by the total planted acres on the farm. The per acre ARC-IC revenue for Jane Farmer's ARC-IC farm is illustrated in the following chart.

Actual Revenue Calculation: Jane Farmer's ARC-IC Farm, 2014 Crop

Crop	2014 Production	MYA Price 1/	National Average Loan Rate	Crop Revenue 2/
Corn	11,550	5.25	~~1.95~~	60,637.50
Soybeans	1,000	8.50	~~5.00~~	8,500.00
Grain Sorghum	9,900	4.98	~~1.95~~	49,302.00
(A) Total Farm Revenue, sum of crop revenues				118,439.50
(B) ARC-IC Actual Revenue, (A) divided by total planted acres 3/				**394.80**

1/ MYA price is the season average farm price for the covered commodity as published by NASS or determined by WAOB.

2/ Crop revenue is the product of planted acres times the higher of the MYA price or the national average loan rate. The national average loan rate is struck out because it is lower than the MYA price.

3/ Total planted acres of covered commodities on the ARC-IC farm for the 2014 crop.

To determine if Jane Farmer earns ARC-IC payments on her farm for the 2014 crop, the farm's actual revenue is compared to the ARC-IC guarantee. If the ARC-IC actual revenue is less than the guarantee, then Jane earns ARC-IC payments. The ARC-IC payment on a farm may be limited by the maximum ARC-IC payment rate. The determination and calculation of payments that Jane Farmer is due on her ARC-IC farm are illustrated in the chart below. For 2014, Jane's ARC-IC payment rate is $11.40 per acre, which is below the maximum payment rate.

ARC-IC Payment Calculation: Jane Farmer's ARC-IC Farm

ARC-IC Payment Item	
(A) Benchmark Revenue, Item (G) from Benchmark Revenue Chart	472.02
(B) ARC-IC Guarantee, Item (H) from Benchmark Revenue Chart	405.94
(C) ARC-IC Actual Revenue, Item (B) from Actual Revenue Chart	394.80
(D) ARC-IC Revenue Shortfall, Item (B) minus (C)	11.14
(E) Maximum ARC-IC Payment Rate, Item (I) from Benchmark Revenue Chart	47.20
(F) ARC-IC Payment Rate, Lessor of (D) or (E)	11.14
(G) 2014 Base Acres (Jane Farmer's ARC-IC Farm)	200
(I) ARC-IC Payment Percentage	0.65
(J) ARC-IC Payment, (F) times (G) times (I)	**1,448.20**

TREATMENT OF GENERIC BASE ACRES FOR PAYMENT

Generic base acres planted to a covered commodity are eligible for ARC/PLC payments and will be attributed to a covered commodity as follows:

- If a single covered commodity is planted on the farm and the total acreage planted equals or exceeds the generic base acres on the farm, the generic base acres are attributed to that covered commodity in an amount equal to the total number of generic base acres on the farm.
- If multiple covered commodities are planted on the farm and the total number of acres planted to all covered commodities on the farm exceeds the generic base acres on the farm, the generic base acres will be attributed to each of the covered commodities on the farm on a pro rata basis to reflect the ratio of:
  ° The acreage planted to a covered commodity on the farm; to
  ° The total acreage planted to all covered commodities on the farm.
- If the total number of acres planted to all covered commodities on the farm does not exceed the generic base acres on the farm, the total acres planted to each covered commodity are attributed to that covered commodity.

Example 1 – Single Covered Commodity Planted in Excess of Generic Base Acres

Farm Serial Number (FSN) 10 – Producer elects PLC. The farm consists of:

- 300 acres cropland;
- 100 acres corn base;
- 100 acres wheat base; and
- 100 acres generic base.

The producer plants 250 acres of corn and no other covered commodities. PLC payments in this example are calculated using a total of 200 acres of corn (100 acres of corn base acres plus 100 acres of corn planted on generic base acres) and 100 acres of wheat base. In this example, 50 acres of cropland are left idle or planted to a non-covered commodity.

Example 2 – Multiple Covered Commodities Planted on Farm in Excess of Generic Base Acres

FSN 30 – Producer elects PLC:

- 300 acres cropland;
- 100 acres corn base;
- 100 acres wheat base; and
- 100 acres generic base.

Producer plants:

- 200 acres of corn;
- 50 acres grain sorghum;
- 50 acres of soybeans; and
- 300 total acres.

Generic base acres are attributed to the covered commodities as follows:

- 200 acres corn planted divided by 300 acres total covered commodities planted on the farm multiplied by 100 acres generic base equals 66.67 acres of generic base attributable to corn;
- 50 acres of grain sorghum planted divided by 300 total covered commodities planted on the farm multiplied by 100 acres generic base equals 16.67 acres of generic base attributable to grain sorghum; and
- 50 acres of soybeans planted divided by 300 total covered commodities planted on the farm multiplied by 100 acres generic base equals 16.67 acres of generic base attributable to soybeans.

ARC AND PLC PAYMENTS

Payments for PLC, ARC-CO and ARC-IC are issued after the end of the respective crop year for each covered commodity (if triggered), but not before Oct. 1 of the following year.

- 2015 program year payments will not be issued until after Oct. 1, 2016.
- 2016 program year payments will not be issued until after Oct. 1, 2017.
- 2017 program year payments will not be issued until after Oct. 1, 2018.
- 2018 program year payments will not be issued until after Oct. 1, 2019.

FOR MORE INFORMATION

This fact sheet is for informational purposes only; other restrictions may apply. For more information on ARC/PLC, visit **www.fsa.usda.gov/arc-plc** or contact your local FSA office. To find your local office, visit **http://offices.usda.gov**.