



ARC-PLC Regulation and Decision Tools

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On Thursday, September 25, 2014, Secretary Vilsack announced the regulations for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs created by the 2014 Farm Bill. Along with the regulation, Secretary Vilsack also announced the public release of the web-based decision tools that have been developed under cooperative agreements with the Farm Service Agency. This article provides more information on these items.

Background

The Agriculture Act of 2014 (the 2014 Farm Bill) revised the commodity support programs beginning with the 2014 crop year. Direct payments, counter-cyclical payments and the Average Crop Revenue Election payments were eliminated by this farm bill. In place of those support programs, three new programs were created for covered commodities or program crops. These programs are: Agriculture Risk Coverage, County Option (ARC-CO), Agriculture Risk Coverage, Individual Farm Coverage (ARC-IC), and Price Loss Coverage (PLC). The 2014 Farm Bill also provided one-time opportunities for farm owners to update the payment yields for the FSA farm and a one-time opportunity to reallocate the base acres among program crops planted on the FSA farm. Finally, the farm bill included funds for the development of web-based decision aids or tools that farmers, landowners and others could use to help sort through the program decisions required.

Discussion

The University of Illinois as the lead institution for a national coalition has worked under a cooperative agreement to develop the web-based decision tools. In addition to the web-based tools, the coalition has also created an online resource site affiliated with *farmdoc* and will be conducting outreach, education and

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training on the programs and the web-based tools. The following is an overview of the resources currently available.

- (1) **The Farm Bill Toolbox on farmdoc:** a one-stop resource for all aspects of the farm bill program decisions, it is available [here](#) (or by entering the following web address: <http://farmbilltoolbox.farmdoc.illinois.edu>) provides a seven-step decision process or matrix to guide producers through the program decisions and use of the web-based tool. The Toolbox also provides one-page fact sheets and links to additional resources such as previously published articles and new articles on farm bill program issues and topics. Finally, the *farmdoc* team will be conducting weekly webinars explaining the programs, the web-based tool and analysis, as well as program and harvest updates. These webinars will be every Friday morning at 8:00 a.m. (CST) beginning September 26th and continuing through the end of October. Webinars will be archived and available for review. Additional webinars are also available in the archives. For registration, more information and archives please visit the [Farm Bill Toolbox](#).
- (2) **The Agriculture Policy Analysis System (APAS):** available [here](#) (or by entering the following web address: <http://fsa.usapas.com>) this web-based application provides the ability to calculate updated payment yields for the FSA farm, calculate reallocated base acres for the FSA farm and analyze, compare and understand the program choices (ARC-CO, ARC-IC and PLC/SCO). Program analysis and information is available in two forms. First, the Sample Farms button allows for a quick program comparison and analysis based on a data-generated sample farm for your state and county, both expected program payments and per-acre, crop-by-crop payments. Producers can also select the Build Your Own Farm (BYOF) option that will allow them to input their farm-specific information and run estimates of program payments. Both options also provide a “safety net” analysis using specific revenue targets and providing the probability of reaching those revenue targets under different program scenarios.
- (3) **Farm Service Agency:** the APAS web-based tool is also available on the FSA website, along with detailed fact sheets and other related program information (available [here](#) or by entering the following web address: www.fsa.usda.gov/arc-plc).

FSA has not announced a final deadline for making the farm program decisions (payment yields, base acre reallocation and program election), but it is anticipated that the deadline will be sometime in 2015, maybe as late as March. Producers and landowners are encouraged to wait until later in the year or early next year. More information about prices and yields will be known at that time, allowing for a more informed, better decision. With many farmers already in the fields, or about to begin harvesting, there is no immediate action needed. There is time to learn more about the programs, use the web-based tools and understand the analysis before any decision will have to be made. Updates on deadlines and program decisions will be available on the [Farm Bill Toolbox](#) and through [farmdoc daily](#).