



2015 ARC-CO Payments for Corn, Soybeans, and Wheat

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The Farm Service Agency has released 2015 county yields and is making payments on the Agricultural Risk Coverage – County Coverage (ARC-CO) commodity title program. This article contains maps showing payments per base acre for corn, soybeans, and wheat. Also shown is a table giving payments for Illinois Counties. An Excel file containing all counties and their yields and payments is provided [here](#). Not all counties have complete enough data to calculate payments. As a result, additional counties will have their payments announced in the future.

Description of ARC-CO

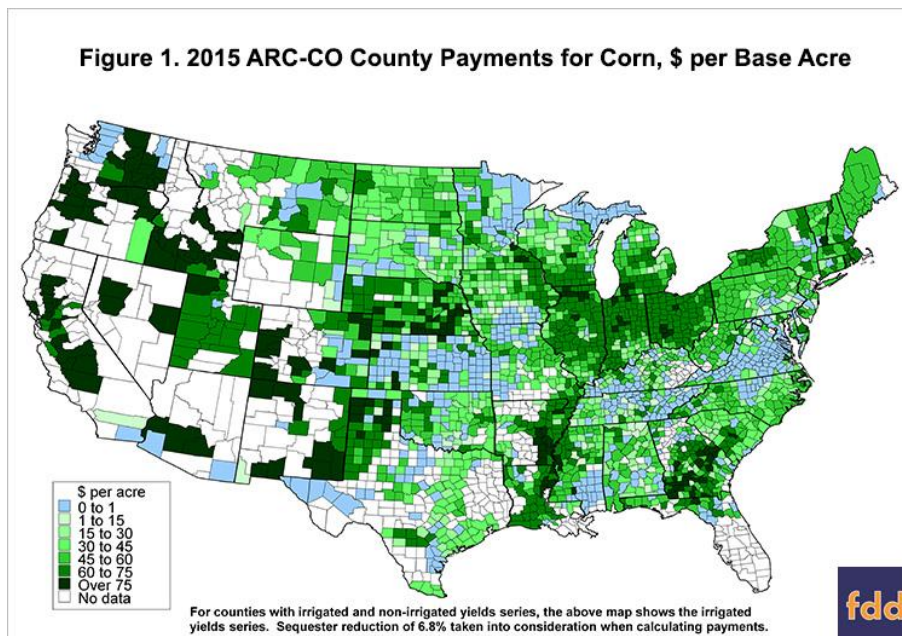
ARC-CO is a county revenue program that makes payments when actual county revenue is below a guarantee set at 86% of a benchmark revenue (see *farmdoc daily* [February 20, 2014](#) for a description of ARC-CO payments). ARC-CO uses national, marketing-year-average (MYA) prices in the calculation of actual and benchmark revenues. With actual MYA prices for corn, beans, and wheat falling well below benchmark prices, payments are triggered in many counties, even where yields were above the county benchmark yield. The benchmark price for corn used in calculating ARC guarantees in 2015 was \$5.29 per bushel. The MYA price for corn in 2015 is \$3.61 per bushel, more than 30% below the benchmark price. Given the 86% guarantee level for the ARC-CO program, payments are triggered in counties where yields are up to 25% above the county benchmark yield. A similar situation exists for soybeans and wheat. The 2015 benchmark price for soybeans (wheat) is \$12.27 (\$6.70) compared to a 2015 MYA price estimate of \$8.95 (\$4.89). Thus, soybean and wheat payments are triggered in counties with soybean and wheat yields up to 18% above their respective benchmark yields.

2015 ARC-CO payments are also impacted by the Federal Budget sequester. As was the case for 2014 payments, ARC-CO payments will be reduced 6.8% due to the sequester requirement contained in Congressional budgeting legislation from 2011. The sequester reduction is incorporated into the payment levels discussed below.

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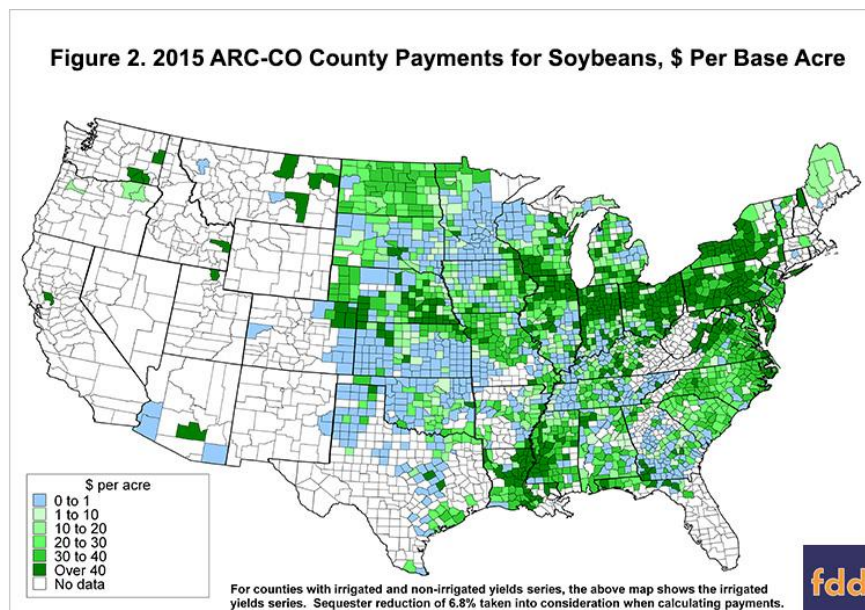
2015 ARC-CO Payments for Corn

Figure 1 shows a map of 2015 ARC-CO payments for corn across the United States. In counties where non-irrigated and irrigated payments exist, the irrigated ARC-CO payment is reported. As can be seen in Figure 1, many counties across the United States will receive 2015 ARC-CO payments for corn. Payments of between \$45 and \$75 per base acre are common across much of the Midwest. However, there are also many counties with lower payments, and some counties will not receive a 2015 ARC-CO payment for corn due to actual yields being well above –more than 25% above -- their county benchmarks.



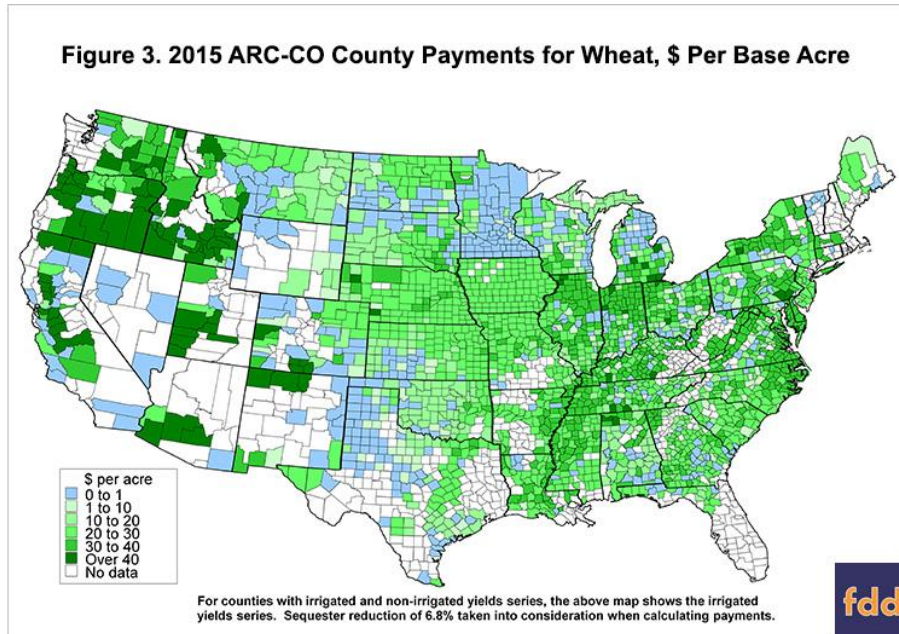
2015 ARC-CO Payments for Soybeans

Figure 2 shows a map of 2015 ARC-CO payments for soybeans. Most soybean producing counties across the country will receive ARC-CO payments. Within the corn-belt, the largest payments will occur in counties in the band beginning in eastern Iowa, crossing northern Illinois and southern Wisconsin, extending across northern and central Indiana and Ohio. In contrast, there are also counties where soybean yields were high enough that payments were not triggered despite low prices. Examples include central and southern MN, and northern Iowa.



2015 ARC-CO Payments for Wheat

Figure 3 shows 2015 ARC-CO payments for wheat. Similar to corn and soybeans, payments for wheat are triggered on the majority of counties throughout the US. Counties with the largest payments for wheat are in the western US. In the corn-belt region, wheat payment levels range from \$10 to \$30 per base acre, with many examples of counties with payments outside of that range. In Illinois alone, there are counties with large wheat payments exceeding \$35 per base acre as well as counties where there will be no ARC-CO payment for wheat.



Commentary

With the release of final county yields by FSA, ARC-CO payments for many counties can be finally calculated. Because county average yields impact whether the program triggers, there are some counties in which a \$0 ARC-CO payment occurs. In these counties, actual 2015 yields significantly higher than the benchmark yields, resulting in actual revenue above the guarantee despite low price levels.

Table 1 reports 2015 ARC-CO payments by county in Illinois for corn, soybeans, and wheat, and illustrates the variability in payments levels. Using corn as an example, Piatt county will not receive a 2015 ARC-CO payment. The county corn yield in Piatt was the highest county yield in Illinois at 221 bushels per acre, or more than 30% greater than Piatt's 169 bushel per acre benchmark yield. Thus, high corn yields in Piatt were enough to offset the low MYA price so that actual revenue was above the guarantee resulting in no ARC-CO payment for corn.

Across most counties in the US, ARC-CO payments for 2015 on corn, soybean, and wheat base will provide much needed additional cash flow on grain farms as net farm income projections for 2016 continue to be low due to low commodity price levels (see *daily* article from [September 27, 2016](#)). However, these payments will not completely offset the lower prices and the remaining, stubbornly high costs that contribute to negative projected cash flows. An urgent need to cut cash flows now and through 2017 continues to exist.

Table 1. 2015 ARC-CO Payments, \$ per Base Acre

County	Soy-			County	Soy-			County	Soy-		
	Corn	beans	Wheat		Corn	beans	Wheat		Corn	beans	Wheat
Adams	41.15	0.00	26.01	Hardin	49.45	0.00	22.08	Morgan	69.15	31.82	7.27
Alexander	58.67	41.80	2.17	Henderson	48.44	30.55	23.35	Moultrie	27.16	7.26	32.38
Bond	57.69	2.41	31.32	Henry	67.95	49.81	37.15	Ogle	77.11	42.72	39.28
Boone	73.90	48.54	35.36	Iroquois	66.21	15.84	34.50	Peoria	70.82	27.27	29.19
Brown	59.09	35.85	28.66	Jackson	39.67	0.00	15.44	Perry	33.60	0.00	30.25
Bureau	74.17	42.72	31.85	Jasper	60.77	0.00	7.00	Piatt	0.00	0.00	35.56
Calhoun	64.54	0.40	29.19	Jefferson	53.64	3.15	23.19	Pike	63.28	44.71	32.91
Carroll	79.62	46.53	42.46	Jersey	69.98	42.19	32.38	Pope	0.00	0.00	27.07
Cass	69.15	9.28	30.25	Jo Daviess	72.50	51.52	35.03	Pulaski	62.02	23.68	0.00
Champaign	61.36	0.00	0.00	Johnson	52.39	10.24	30.25	Putnam	73.75	34.36	31.32
Christian	69.32	42.72	7.27	Kane	75.01	54.43	39.28	Randolph	53.64	35.32	15.02
Clark	63.70	0.00	11.15	Kankakee	66.21	44.71	37.68	Richland	58.25	0.00	15.02
Clay	57.83	0.00	31.32	Kendall	72.08	37.64	37.15	Rock Island	72.30	15.10	30.25
Clinton	60.77	2.41	32.91	Knox	34.37	29.81	0.00	Saline	30.69	0.00	16.13
Coles	64.22	3.46	20.97	Lake	62.44	43.75	0.00	Sangamon	72.08	43.99	36.09
Cook	53.64	40.82	5.89	Lasalle	73.75	48.54	35.03	Schuyler	61.60	17.11	27.60
Crawford	61.18	13.31	32.38	Lawrence	62.02	4.94	16.13	Scott ³	62.86	47.63	27.60
Cumberland	64.96	0.00	0.00	Lee	72.08	42.72	38.75	Shelby	67.89	0.00	31.85
Dekalb	77.94	52.35	39.28	Livingston	69.94	24.73	33.97	St. Clair	61.60	16.59	18.20
Dewitt	50.27	38.17	23.19	Logan	73.34	54.43	19.58	Stark	44.55	29.81	35.03
Douglas	18.59	0.00	35.03	Macon	27.91	0.00	0.00	Stephenson	75.43	34.36	40.34
Dupage	67.05	48.60	37.68	Macoupin	62.02	28.01	21.81	Tazewell	71.66	42.72	9.35
Edgar	70.40	48.54	35.03	Madison	53.69	0.00	32.38	Union	53.64	19.87	11.99
Edwards	60.35	19.12	0.00	Marion	62.44	10.77	29.41	Vermilion	68.73	0.00	0.00
Effingham	67.47	8.75	33.44	Marshall	71.66	26.00	31.85	Wabash	61.60	42.94	30.78
Fayette	62.86	21.67	31.85	Mason ²	67.89	44.20	0.00	Warren	56.62	43.99	28.13
Ford	62.02	0.00	36.09	Massac	4.72	0.00	32.38	Washington	58.67	12.78	36.09
Franklin	44.52	0.00	15.02	Mcdonough	69.15	24.73	24.42	Wayne	54.90	35.32	25.26
Fulton	63.28	28.01	24.72	Mchenry	70.82	37.64	37.68	White	65.79	41.80	13.22
Gallatin	65.79	17.86	35.56	Mclean	54.39	22.72	35.03	Whiteside	70.82	10.55	31.85
Greene	67.89	20.92	31.85	Menard	71.24	9.28	0.00	Will	65.37	46.66	35.56
Grundy	70.82	49.58	32.38	Mercer	34.37	33.09	32.38	Williamson	18.28	0.00	27.75
Hamilton	59.51	0.00	20.70	Monroe	19.65	14.05	12.26	Winnebago	70.82	44.73	37.68
Hancock	18.62	4.21	29.19	Montgomery	66.63	5.47	25.95	Woodford	76.69	29.81	31.85

¹ These are payments per acre considering that payments are made on 85% of base acres. Payments are also reduced by a 6.8% sequester.

² Mason county has ARC-CO payments for irrigated and non-irrigated yields. The table contains payments for non-irrigated yields. Yields for irrigated yields are \$67.47 for corn, \$28.01 for soybeans, and \$0 for wheat.

³ In Scott county, wheat has payments for irrigated and non-irrigated yields. The table contains payments for non-irrigated yields. Payments for irrigated yields are \$0 per acre.

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