



2019 ARC-CO Payments for Corn and Soybeans in Illinois

Nick Paulson, Gary Schnitkey, Jonathan Coppess, Krista Swanson

Department of Agricultural and Consumer Economics
University of Illinois

Carl Zulauf

Department of Agricultural, Environmental and Development Economics
Ohio State University

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With the 2019 marketing year average (MYA) prices for corn and soybeans finalized as of the end of September, and the Farm Service Agency (FSA) recently releasing [actual county yields](#) for the 2019 program year, ARC-CO payments can now be calculated. This article reports 2019 ARC-CO payments on corn and soybean base acres for counties in Illinois.

2019 ARC-CO Payments for Corn

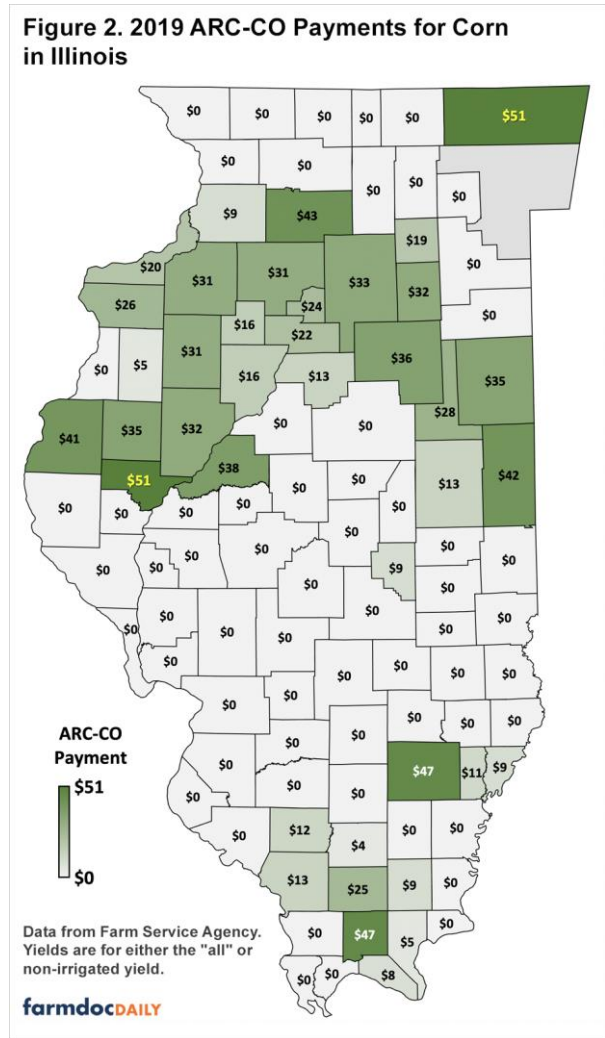
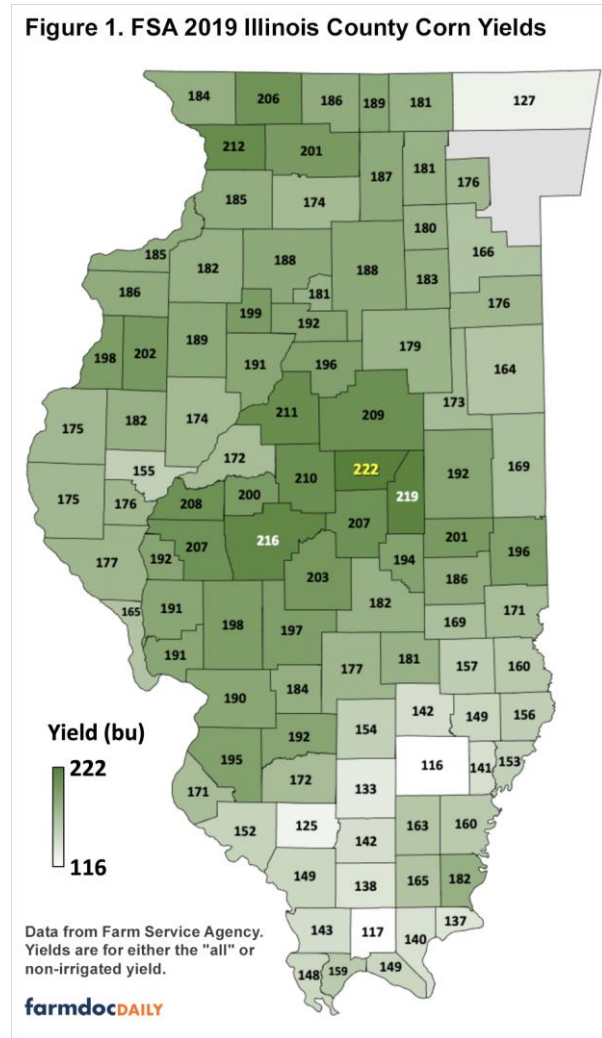
Figure 1 shows the actual county yields used by FSA to determine ARC-CO payments on corn base acres. Corn yields were the highest in central and northwestern Illinois, with FSA county yields well over 200 bushels per acre throughout those regions. Yields were lower in areas of southern Illinois, and also in northeastern Lake county.

ARC-CO payments are determined by actual revenue as compared to a benchmark, with each defined at the county level. Actual revenue in each county is equal to actual yield times the 2019 MYA price of \$3.56 per bushel. The ARC-CO payment is then equal to the difference, if positive, between 86% of benchmark revenue and actual revenue. Given the 2019 benchmark price for corn of \$3.70, the actual corn yield in a county would need to be less than 89% of the county's 2019 benchmark yield to trigger an ARC-CO payment.

Figure 2 shows 2019 ARC-CO payments for corn for all Illinois counties. Payment levels are for non-irrigated acres and have been adjusted for the 85% payment rate, so are reported as dollars per base acre. Roughly 60% of Illinois counties had actual yields that were large enough not to trigger an ARC-CO payment. A band of counties across Illinois in the northern half of the state had yields low enough to trigger payments. A pocket of across southern Illinois also had county yields low enough to trigger ARC-CO payments on corn base.

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Payments in areas where they were triggered range from a low of \$4.47 per acre in Franklin county to \$51 per acre in Lake and Schuyler counties. For comparison, the PLC program will provide payments on corn base in all counties at a rate of \$0.14 (\$3.70-3.56) per bushel of program yield. A program yield of 150 bushels per acre would result in a PLC payment of just over \$20 per acre (0.85 x 150 x \$0.14). Based on typical program yields for corn in Illinois, PLC support will likely be in the range of \$15 to \$25 per base acre for most farms with base enrolled in that program. Only 20% of Illinois counties triggered an ARC-CO payment greater than \$25 per corn base acre.



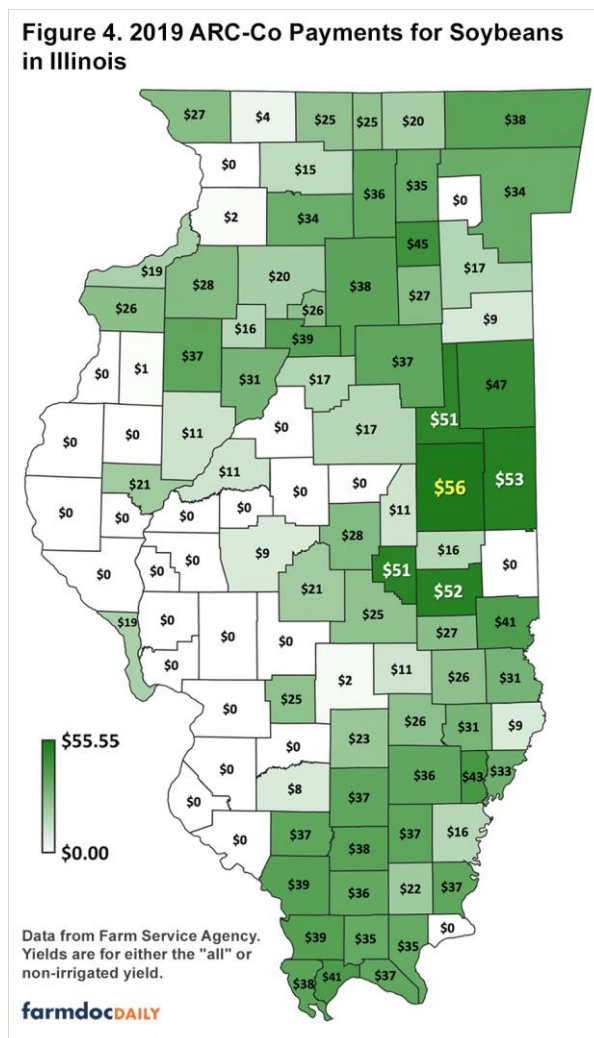
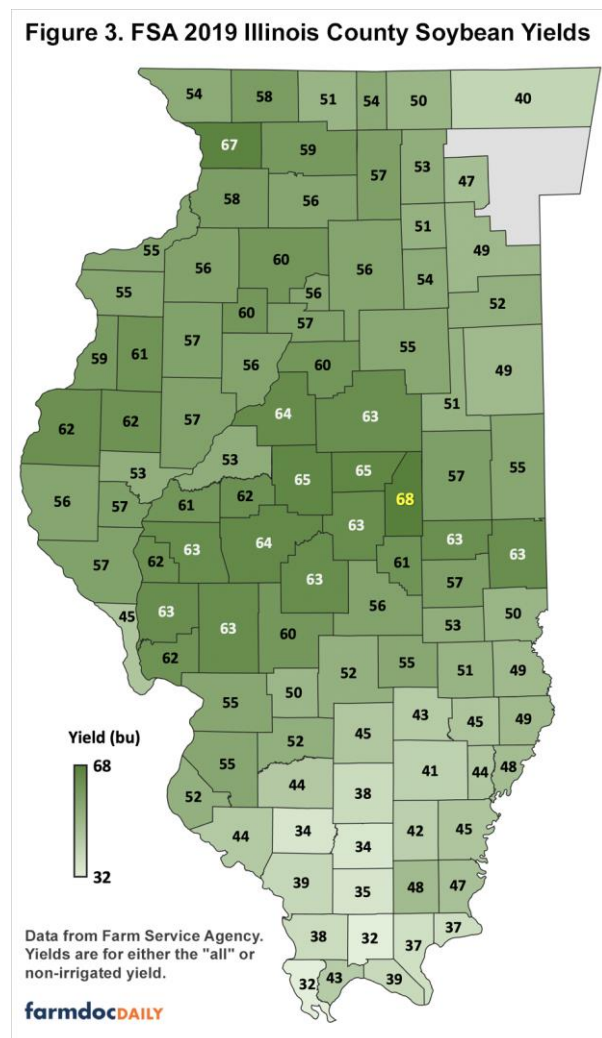
2019 ARC-CO Payments for Soybeans

Figure 3 shows the actual county yields used by FSA to determine ARC-CO payments on soybean base acres. Soybean yields in 2019 follow a similar regional pattern as those for corn in Illinois – the highest county yields of 60 or more bushels per acre are concentrated in the central region of the state with lower yields in many southern Illinois counties.

The 2019 MYA price for soybeans is \$8.57, compared with an ARC benchmark price of \$9.63. This implies that for ARC-CO payments for soybeans are triggered in counties where actual yields are less than 97% of the county's benchmark yield.

Figure 4 shows 2019 ARC-CO payments for soybeans for all Illinois counties. Most counties in northern Illinois, as well as the entire eastern half of the state in central and southern Illinois, had county yields low enough to trigger payments. Just 25% of Illinois counties had yields high enough to have no ARC-CO payment for soybeans for the 2019 program year.

Payment levels in counties where they were triggered range from a low of \$2.25 in Franklin county to a high of nearly \$56 per acre in Champaign county. Since the 2019 MYA price for soybeans was above the PLC reference price of \$8.40, no PLC payments will be triggered on soybean base acres.



Summary

With the 2019 MYA prices and county yields now finalized, ARC-CO payments can now be calculated.

In Illinois, ARC-CO payments will be triggered in a band of counties across a portion of the northern half of the state as well as in a pocket of counties in southern Illinois. Since the 2019 MYA price for corn is below the reference price, a PLC payment will be triggered for all corn base acres enrolled in that program. Payment levels will vary by farm depending on program yields, but in many cases support from PLC for corn in 2019 will be greater than from ARC-CO in counties that triggered a payment. Exceptions would be areas where actual yields were well below benchmark yields resulting in ARC-CO payments exceeding \$30 per base acre.

Roughly 75% of Illinois counties will trigger an ARC-CO payment for soybeans in 2019, while the PLC program will trigger no support for soybean acres. In Illinois, ARC-CO payments for soybean base cover a wide range from around \$2 per acre to just over \$55 per acre.

The actual payments for 2019 generally line up with expectations and forecasts that were made during the enrollment decision period (see, for example, [February 21, 2020](#)). While there are exceptions and significant variation, most counties in Illinois did not trigger an ARC-CO payment for corn acres or triggered a relatively small payment compared with support provided by PLC. In contrast, the majority of counties will receive ARC-CO payments on soybean acres, with some counties receiving quite large

payments from the ARC-CO program. These expectations were likely a main driver of the large shift out of ARC-CO into the PLC option for corn base, while the majority of soybean base acres opted for ARC-CO for the 2018 farm bill this past spring ([April 30, 2020](#)).

A complete table of ARC-CO payments for all Illinois counties is provided below in Table 1.

Table 1. 2019 ARC-CO Payments for Corn and Soybeans, Illinois Counties

County	Corn	Soybeans	County	Corn	Soybeans
Adams	\$0.00	\$0.00	Lee	\$42.86	\$33.79
Alexander	\$0.00	\$37.66	Livingston	\$35.73	\$36.74
Bond	\$0.00	\$25.37	Logan	\$0.00	\$0.00
Boone	\$0.00	\$25.17	McDonough	\$34.73	\$0.00
Brown	\$0.00	\$0.00	McHenry	\$0.00	\$19.98
Bureau	\$30.64	\$19.89	McLean	\$0.00	\$16.68
Calhoun	\$0.00	\$19.03	Macon	\$0.00	\$28.33
Carroll	\$0.00	\$0.00	Macoupin	\$0.00	\$0.00
Cass	\$0.00	\$0.00	Madison	\$0.00	\$0.00
Champaign	\$13.14	\$55.55	Marion	\$0.00	\$23.28
Christian	\$0.00	\$21.15	Marshall	\$22.04	\$39.06
Clark	\$0.00	\$40.63	Mason	\$37.72	\$11.01
Clay	\$0.00	\$25.96	Massac	\$7.96	\$36.60
Clinton	\$0.00	\$0.00	Menard	\$0.00	\$0.00
Coles	\$0.00	\$52.26	Mercer	\$26.04	\$26.38
Cook	\$0.00	\$34.35	Monroe	\$0.00	\$0.00
Crawford	\$0.00	\$31.39	Montgomery	\$0.00	\$0.00
Cumberland	\$0.00	\$26.68	Morgan	\$0.00	\$0.00
DeKalb	\$0.00	\$36.13	Moultrie	\$8.92	\$51.27
De Witt	\$0.00	\$0.41	Ogle	\$0.00	\$14.96
Douglas	\$0.00	\$16.13	Peoria	\$16.13	\$31.37
DuPage	\$0.00	\$0.00	Perry	\$11.85	\$37.00
Edgar	\$0.00	\$0.00	Piatt	\$0.00	\$10.92
Edwards	\$10.72	\$42.92	Pike	\$0.00	\$0.00
Effingham	\$0.00	\$11.02	Pope	\$5.11	\$35.18
Fayette	\$0.00	\$2.25	Pulaski	\$0.26	\$41.32
Ford	\$28.46	\$50.58	Putnam	\$23.85	\$25.66
Franklin	\$4.47	\$38.38	Randolph	\$0.00	\$0.00
Fulton	\$31.63	\$11.48	Richland	\$0.00	\$30.80
Gallatin	\$0.00	\$36.61	Rock Island	\$19.76	\$19.19
Greene	\$0.00	\$0.00	St. Clair	\$0.00	\$0.00
Grundy	\$32.13	\$27.44	Saline	\$9.09	\$21.61
Hamilton	\$0.00	\$37.17	Sangamon	\$0.00	\$8.63
Hancock	\$40.94	\$0.00	Schuyler	\$51.25	\$21.33
Hardin	\$0.00	\$0.00	Scott	\$0.00	\$0.00
Henderson	\$0.00	\$0.00	Shelby	\$0.00	\$25.39
Henry	\$30.97	\$28.40	Stark	\$16.15	\$16.44
Iroquois	\$34.64	\$47.10	Stephenson	\$0.00	\$4.47
Jackson	\$13.28	\$38.70	Tazewell	\$0.00	\$0.00
Jasper	\$0.00	\$25.63	Union	\$0.00	\$39.13
Jefferson	\$0.00	\$36.74	Vermilion	\$42.05	\$53.08
Jersey	\$0.00	\$0.00	Wabash	\$8.73	\$33.47
Jo Daviess	\$0.00	\$27.42	Warren	\$5.41	\$1.32
Johnson	\$47.06	\$35.34	Washington	\$0.00	\$8.33
Kane	\$0.16	\$34.62	Wayne	\$46.93	\$36.45
Kankakee	\$0.00	\$8.99	White	\$0.00	\$16.47
Kendall	\$19.30	\$45.05	Whiteside	\$9.44	\$1.79
Knox	\$30.80	\$37.26	Will	\$0.00	\$17.00
Lake	\$51.14	\$38.41	Williamson	\$25.16	\$35.98
LaSalle	\$33.33	\$37.77	Winnebago	\$0.00	\$25.22
Lawrence	\$0.00	\$8.65	Woodford	\$12.52	\$17.18

References

Coppess, J., N. Paulson, K. Swanson, G. Schnitkey and C. Zulauf. "[Farm Program Update: ARC/PLC Enrollment](#)." *farmdoc daily* (10):80, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, April 30, 2020.

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