



Farm Bill Update January 6, 2020

#LeanOnYourLandgrant

OSU
EXTENSION
EVENT

Objectives for Today:

- ❖ Frequently Asked Questions So Far
- ❖ ARC-IC Interpretation Changes
- ❖ Teaching Farm Bill Tips and Tricks



Frequently Asked Question #1: PLC Yield in Tool

Rule: The PLC Yield Update is only for program year 2020.

The Ohio State University ARC and PLC Decision Tool- Corn

Worlds colored in Red- Include a drop down list. Click on cell to access alternative choices.
Superscript numbers are cells that have definitions. Click on the cell to view definition.

State **Ohio**
Select County **Delaware**
Select Practice **Nonirrigated**

FSA Farm PLC Yields ¹⁷
2019 PLC Yield ¹⁸ **115**
2020 Updated Yield **115**

2019 County **Estimate**
Zero Change from Average

Marketing Years	Previous Farm Bill (2014-2018)										2018 Farm Bill	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2014 Farm Bill Yields ²	187	164	157	136	183	154	140	166	189	190	Yield Update	
2018 Farm Bill Yields					189	161	151	178	191	190	174	176
Market Year Average Price	\$3.55	\$5.18	\$6.22	\$6.89	\$4.46	\$3.70	\$3.61	\$3.36	\$3.36	\$3.61	\$3.85	\$3.53
Benchmark Price ⁴	\$3.70	\$5.18	\$6.22	\$6.89	\$4.46	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.85	\$3.70
Reference Price	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70
PLC Price Difference ⁶						\$0.00	\$0.09	\$0.34	\$0.34	\$0.09	-\$0.15	\$0.17
ARC Benchmark Price ⁷						\$5.29	\$5.29	\$4.79	\$3.95	\$3.70	\$3.70	\$3.70
ARC Benchmark Yield ⁸						168	158	150	153	168	176	176
Benchmark ⁹						\$889	\$836	\$719	\$604	\$622	\$651	\$651
Guarantee						\$764	\$719	\$618	\$520	\$535	\$560	\$560
Actual Revenue						\$570	\$505	\$558	\$635	\$686	\$671	\$620
Formula Rate ¹²						\$194	\$213	\$60	\$0	\$0	\$0	\$0
Maximum Payment Possibility ¹³						\$89	\$84	\$72	\$60	\$62	\$65	\$65
Payment Rate ¹⁴						\$89	\$84	\$60	\$0	\$0	\$0	\$0
PLC Yield ¹⁵											115	115
PLC Payment Rate ¹⁶											\$0.00	\$0.17
PLC Payment / Acre						\$0	\$10	\$39	\$39	\$10	\$0	\$20
ARC Payment / Acre						\$89	\$84	\$60	\$0	\$0	\$0	\$0

So why does the tool allow for changes in 2019 and 2020?

- ❖ PLC Yields are tied to the Individual FSA Farm
- ❖ We don't have those values. The one there is the county average.
- ❖ The producer needs to put their current PLC Yield in 2019 and the new Yield in 2020.

Frequently Asked Question #2: Double Crop Soybeans

Rule: Soybean yields need to be weighted by share of double crop and full season. This is used in the PLC Yield Update and ARC-IC since it is individual yields.

1- Select State, County and Crop

	2013	2014	2015	2016	2017	
Enter FSA Planted Acreage Yields						State Year
Did you plant Soybeans during the respective year?	Yes	Select	Yes	Select	Yes	
Enter Actual FSA Planted Acreage Yields	50	x	55	x	68	90% Year
Higher of Actual or Substitute Yield	50		55		68	

In our tool and then also for FSA yield reporting- producers will need to use a *blended* soybean yield.

~~$$\frac{\text{Single Crop Yield} + \text{Double Crop Yield}}{2}$$~~

~~Example~~

~~$$\frac{60 \text{ bu./acre} + 45 \text{ bu./acre}}{2} = 52.5$$~~

Frequently Asked Question #2: **Blended Yields**

There are two ways to correct this:

#1: Weighting bushels/acre by share of acres

#2: Dividing total production by total acres

FAC= Following another crops (double cropped)

NFAC= Not Following another crop (full season)

Done for every year with double crop and full season soybeans on same FSA Farm

Note: Make sure the Farms Match

County 13 BATES Crop YP-SOYBEANS Practice FAC NIRR Type COMM Legal Description 13 39N 29W Unit Description REED FARM Insured's Share 0.667 Other persons sharing in crop GLEN REED Unit Number BU 2.00 FSN 3731 Yield No. 13.0 ☐ Added Land/Cropland Acres ☐ New PradType/TMA ☐ New Crop ☐ Meas. Serv	County 13 BATES Crop YP-SOYBEANS Practice NFAC-NIRR Type COMM Legal Description 13 39N 29W Unit Description THE REED FARM Insured's Share 0.667 Other persons sharing in crop GLEN REED Unit Number BU 2.00 FSN 3731 Yield No. 14.0 ☐ Added Land/Cropland Acres ☐ New PradType/TMA ☐ New Crop ☐ Meas. Serv																																																																																																																								
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Frequently Asked Question #2: Double Crop Soybeans

Example: 2013

Way #1:

$$24 \text{ bu./ac.} \times \left[\frac{67.60}{215.6} \right] + 32 \text{ bu./ac.} \times \left[\frac{148}{215.6} \right]$$

$$7 + 22 = 29 \text{ bu./acre}$$

Way #2:

$$\left[\frac{1613 + 4664}{\text{Total Prod. 6,277}} \right] \text{ Divided by } \left[\frac{67.6 + 148}{\text{Total Acres 215.6}} \right]$$

$$6,277 / 215.6 = 29 \text{ bu./acre}$$

MPCI Acreage and Production Reporting Form											
County	13 BATES	County	13 BATES								
Crop	YP-SOYBEANS	Crop	YP-SOYBEANS								
Practice	NFAC NIRR	Practice	NFAC NIRR								
Type	COMM	Type	COMM								
Legal Description	13 39N 29W	Legal Description	13 39N 29W								
Unit Description	THE REED FARM	Unit Description	THE REED FARM								
Insured's Share	0.667	Insured's Share	0.667								
Other persons sharing in crop		Other persons sharing in crop									
Unit Number	BU 2.00	Unit Number	BU 2.00								
FSN	3731	FSN	3731								
Yield No.	13.0	Yield No.	14.0								
Cropland Acres		Cropland Acres									
New Prao Type/TMA		New Prao Type/TMA									
New Crop		New Crop									
Meas. Serv		Meas. Serv									
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Frequently Asked Question #3: **Market Year Prices**

Question: Where do the Market Year Average (MYA) prices come from and who calculated them?

The National Ag Statistics Service (NASS) surveys buyers of a commodities first point of sale monthly and publishes the monthly price data based on price and quantity sold at that price.

That monthly price is then multiplied by the percent of the 2019 crop sold during the month.

- ❖ Check-off programs receive this same information
- ❖ Marketing year runs:
 - Sept. 1 – Aug. 31 for corn and soybeans
 - June1- May 31st for wheat

Frequently Asked Question #3: **Market Year Prices**

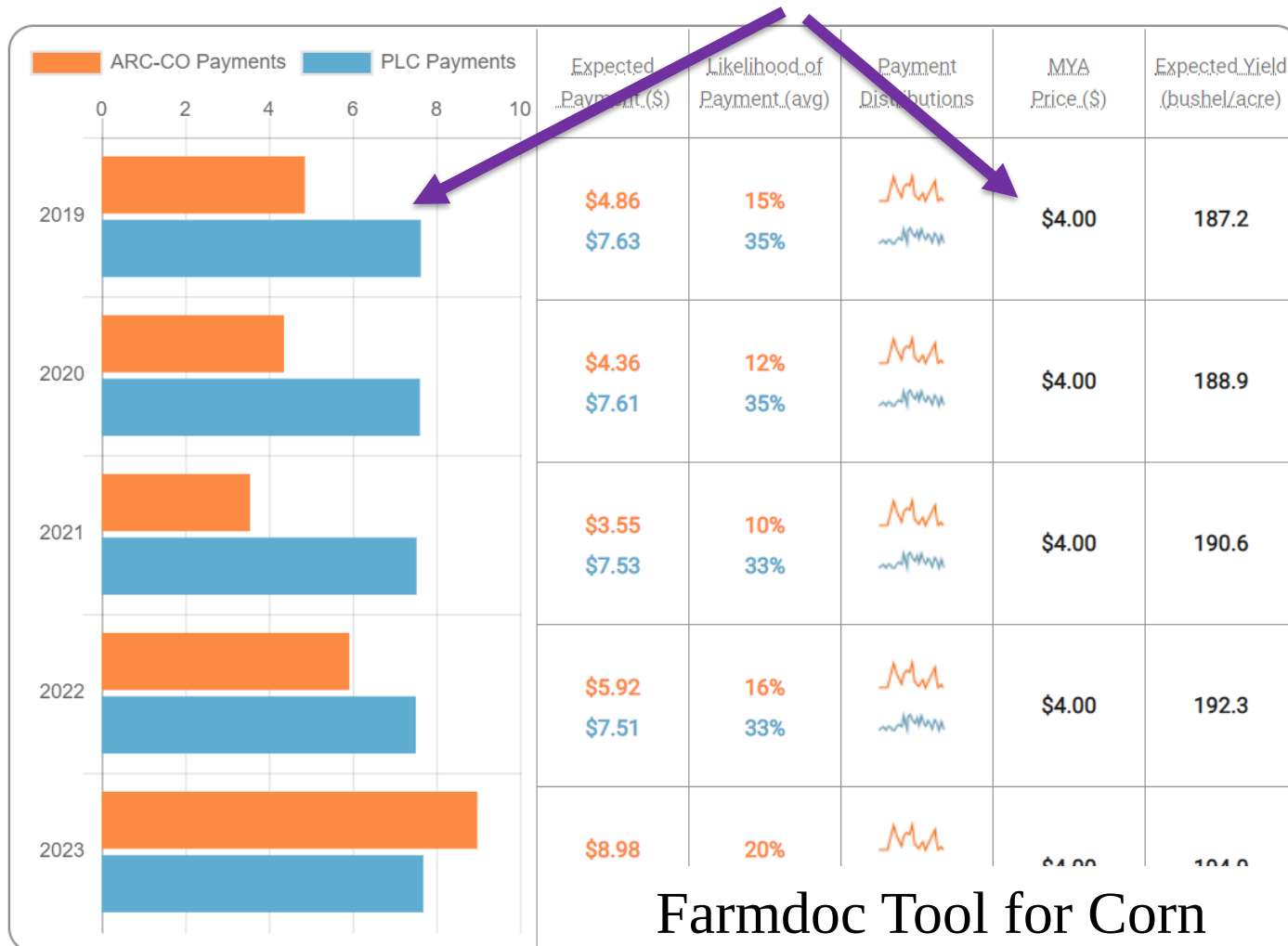
Example: Corn in 2019 Crop Year

Average of September Farm Price- \$3.80		Average of October Farm Price- \$3.84		Average of November Farm Price- \$3.68
X	+	X	+	X
Percent of 2019 Crop sold in September 7%		Percent of 2019 Crop sold in October 11.5%		Percent of 2019 Crop sold in November 12.4%
..... =				National MYA

2/3 of the corn crop is usually sold between Sept-March meaning we have a decent idea of national price by March.

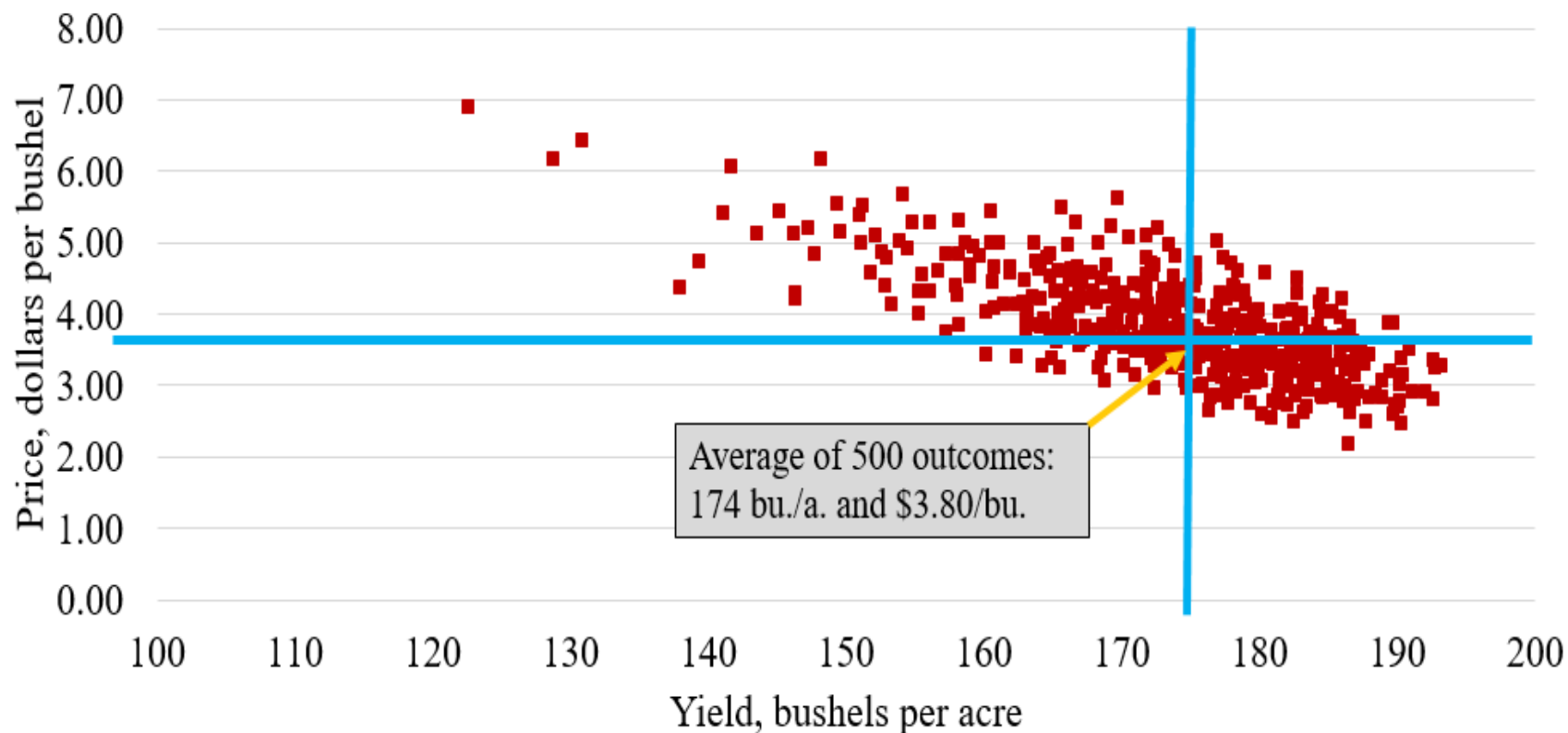
FAQ#4: Why Do Tools Show Corn PLC PMT at \$4.00?

Why do some decision aides show a PLC payment when price is above \$3.70



FAQ#4: Why Do Tools Show Corn PLC PMT at \$4.00?

Relative Corn Prices 2019/2020



FAQ#4: Why Do Tools Show Corn PLC PMT at \$4.00?

Relative Corn Prices 2019/2020

Let's say there was a 20% chance of \$3.50 a 50% chance of \$3.80 and a 30% chance at \$3.95.

$$\$3.50 < \$3.70$$

$$=$$

$$- \$0.20/ \text{ bu.}$$

$$\$3.80 > \$3.70$$

$$=$$

$$\$0 \text{ PLC Pmt.}$$

$$\$3.95 > \$3.70$$

$$=$$

$$\$0 \text{ PLC Pmt.}$$

$$- \$0.20/ \text{ bu. times } 20\% = -0.04$$

$$\$0 * 50\% = 0$$

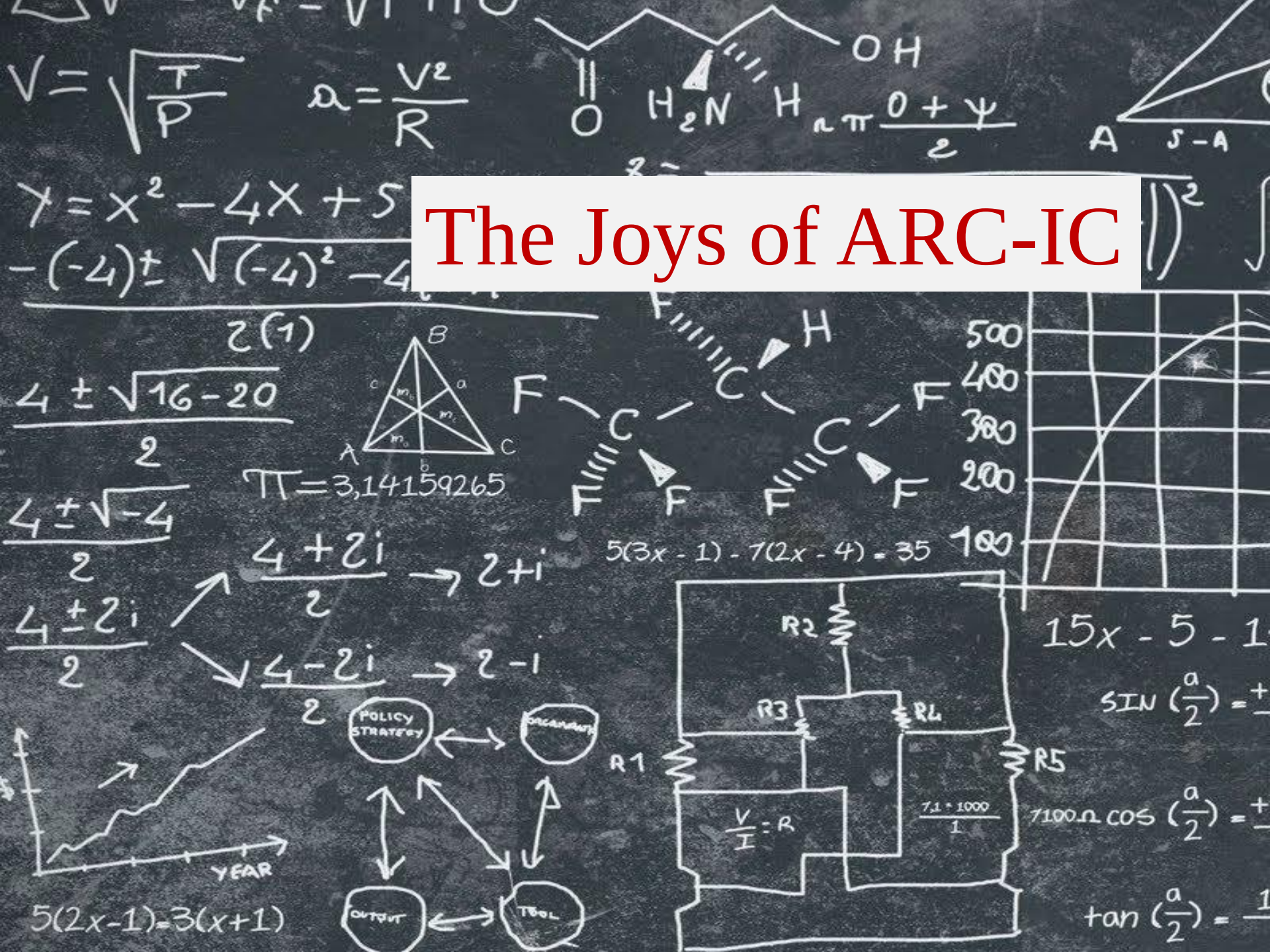
$$\$0 * 30\% = 0$$

$$-\$0.04 + \$0 + \$0 = \$-0.04$$

\$3.70 minus $\$0.04 = \3.64 and triggers a relative payment

What Questions are there about these 4 FAQs?





The Joys of ARC-IC

Navigating the Farm Bill: **Ben's Decision Preference**

Decision #1: PLC Yield Update

Decision #2: Do I want to do ARC-IC for any of my FSA Farms?

- If so, which ones?
- Do I care about a payment in program year 2020?

Decision #3: Remaining FSA Farms- a choice per commodity between ARC-CO and PLC

- ARC-CO protects against low prices and yields.
- PLC protects against low prices.

Decision #4: For PLC crops do I want to add Supplemental Coverage Option

- Additional area coverage for producers at “low” coverage levels
- Cheaper individual premiums for “high” coverage levels



2018 Farm Bill: **ARC- IC Characteristic Clarification**

Production Reports are for all planted and covered (eligible) commodities in the base year (example 2019)

- ❖ Alfalfa is not a covered crop
- ❖ Prevent Plant only counts if there was nothing else planted.
 - ❖ If your farm has 100 acres and you planted 60 acres of corn and took 40 acres pp then only the 60 acres counts.
 - ❖ If your farm was 100 acres and you had 100 prevent plant corn acres then all 100 acres count.
- ❖ Only the initially reported crop not a second crop
 - ❖ beans behind wheat (ARC-IC based on wheat)
 - ❖ Or a field where they took prevent plant corn and then planted soybeans (no eligible acres so based on corn pp acres)

All ARC-IC Farms by the producer in the same state receive the same ARC-IC payment.

- ❖ Originally it was thought that all acres and yields were put in one “created FSA farm”
- ❖ FSA is interpreting this as each FSA farm calculated separately and then weighted to create a payment.

Decision #2 a: **ARC- Individual**

- ❖ A completely different type of beast than what we are used to with ARC-CO
- ❖ Limitations
 1. Cannot choose between program for different crops
 2. Because of lower base acres- the ARC-IC payment needs to be 30% higher than the weighted sum of all other program payments in ARC-CO and PLC.
 3. The need for historical production records and future record keeping.

Advise: People who might want to consider it:

1. 100% Prevent Plant in 2019 on any FSA Farms
2. 2019 FSA Farm Yields 15% below the 2013-2017 FSA Farm average.
3. Higher year-to-year production variability of all crops
4. “Large” acreage of fruits and vegetables (+15%)

Changed this one



Photo Credit- Protagonists

2018 Farm Bill: **ARC-IC**

How to tackle ARC-IC?????

1. Identify the eligible acres for each FSA Farm.
2. Calculate the revenues for each FSA Farm you are considering ARC-IC.
3. Combine farms in different combinations looking at payments over all base acres.

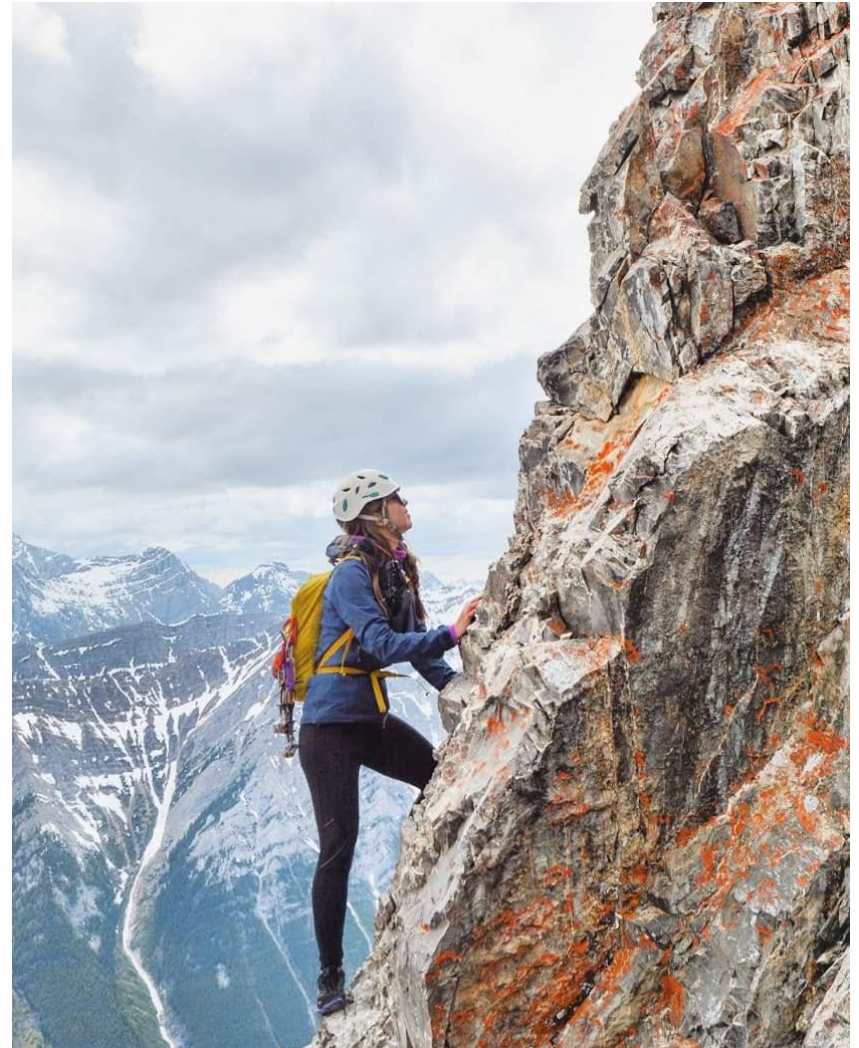


Photo Credit- Sherpa Adventure Gear

2018 Farm Bill: **Eligible Acres**

Eligible Acre Examples:

FSA Farm 250 has 300 acres and in 2019 had:

- 100 acres planted corn (initial crop)
- 100 acres planted wheat (initial crop)
- 100 acres planted soybean (second crop)
- 100 acres prevent plant corn

How Many Acres are Eligible and Decide the historical ARC-IC calculation?

Answer: **200**

- 100 acres planted corn (initial crop)
- 100 acres planted wheat (initial crop)



Photo Credit- The Big Quiz

2018 Farm Bill: Eligible Acres

Eligible Acre Examples:

FSA Farm 586 has 150 acres and in 2019 had:

- 100 acres planted to corn (taken as prevent plant)
- 100 acres planted soybean (behind the prevent plant corn)
- 50 acres corn (initial)

How Many Acres are Eligible and Decide the historical ARC-IC calculation?

Answer: 50

- 50 acres corn



Photo Credit- The Big Quiz

2018 Farm Bill: Eligible Acres

Eligible Acre Examples:

FSA Farm 1556 has 300 acres and in 2019 had:

- 200 acres prevented plant corn (initial)
- 100 acres prevented planted wheat (initial)
- 100 acres planted soybean (second crop)



How Many Acres are Eligible and Decide the historical ARC-IC calculation?

Answer: 300

- Since soybeans are a subsequent crop and all acres are prevented plant- then they all count.

Photo Credit- The Big Quiz

2018 Farm Bill: **ARC-IC Historical Calculations**

Marketing Year Prices

The historical prices are the higher of the National Market Year Average (MYA) price or the National Reference Price and they are the same for everyone.

Year	Corn	Soybeans	Wheat	Barley	Oats	Sorghum
2013	\$4.46	\$13.00	\$6.87	\$6.06	\$3.75	\$4.28
2014	\$3.70	\$10.10	\$5.99	\$5.30	\$3.21	\$4.03
2015	\$3.70	\$8.95	\$5.50	\$5.52	\$2.40	\$3.95
2016	\$3.70	\$9.47	\$5.50	\$4.96	\$2.40	\$3.95
2017	\$3.70	\$9.33	\$5.50	\$4.95	\$2.59	\$3.95

2018 Farm Bill: **ARC-IC Historical Calculations**

Historical Yields-The producer has three options

Each County is Different

1. If they planted the crop in the historical year and have the record then they can use that one if it is higher
2. If they did not plant that crop in the historical year then it is the county average yield.
3. If they planted the crop in the historical year, but don't have records then it is a substitute yield of 80% of the county transitional yield.

Ohio County Substitute Yields: Used if Yield is low or if the crop was planted, but there is no record!

County Name	Crop Name	Unit	ARC-CO Yield Designation	2013	2014	2015	2016	2017
Champaign	Soybeans	Bushel	Irrigated	38.40	38.40	38.40	38.40	38.40
Champaign	Soybeans	Bushel	Nonirrigated	34.40	34.40	34.40	34.40	34.40
Champaign	Wheat	Bushel	All	53.60	53.60	53.60	53.60	53.60
Clark	Corn	Bushel	All	125.60	125.60	125.60	125.60	138.40
Clark	Oats	Bushel	All	42.40	42.40	42.40	42.40	42.40
Clark	Soybeans	Bushel	All	38.40	38.40	38.40	38.40	38.40
Clark	Wheat	Bushel	All	55.20	55.20	55.20	55.20	55.20
Clermont	Barley	Bushel	All	46.40	46.40	46.40	46.40	46.40

You would use these yield if you have a low yield or don't have record of a yield.

2018 Farm Bill: **ARC-IC Historical Calculations**

Historical Yields-The producer has three options

Each County is Different

1. If they planted the crop in the historical year and have the record then they can use that one if it is higher
2. If they did not plant that crop in the historical year then it is the county average yield.
3. If they planted the crop in the historical year, but don't have records then it is a substitute yield of 80% of the county transitional yield.

Ohio County Average Yields: Used if the commodity in question was not planted in a historical year.

County Name	Crop Name	Unit	ARC-CO Yield Designation	2013 trend adjusted (county yield or 80% of T)	2014 trend adjusted (county yield or 80% of T)	2015 trend adjusted (county yield or 80% of T)	2016 trend adjusted (county yield or 80% of T)	2017 trend adjusted (county yield or 80% of T)
Union	Barley	Bushel	All	71	72	69	78	73
Van Wert	Barley	Bushel	All	71	72	69	78	73
Vinton	Barley	Bushel	All	71	72	69	78	73
Warren	Barley	Bushel	All	71	72	69	78	73
Wayne	Barley	Bushel	All	71	72	69	78	73
Wyandot	Barley	Bushel	All	71	72	69	78	73
Clermont	Canola	Pound	All	1,748	1,614	1,677	1,768	1,558
East Lucas	Canola	Pound	All	1,742	1,614	1,677	1,768	1,558

Questions about ARC-IC So Far??



ARC- Individual: Example 1

100 Total Acres

In 2019, Farm Smith has 100% ownership in FSA Farm (111) and intended to plant 40 acres corn and 60 acres soybeans, but took prevent plant on all of it.

Historical Corn	Yield	Price	Revenue
2013	166	\$4.46	\$740
2014	156	\$3.70	\$577
2015	147	\$3.70	\$544
2016	147	\$3.70	\$544
2017	180	\$3.70	\$660
Olympic Average of 2013-2017			\$594

Historical Soybean	Yield	Price	Revenue
2013	48	\$13.00	\$624
2014	49	\$10.10	\$495
2015	51	\$8.95	\$456
2016	52	\$9.47	\$492
2017	49	\$9.33	\$457
Olympic Average of 2013-2017			\$481

$(\$594 \times 40/100) + (\$481 \times 60/100) = \$526$ which is our Benchmark

$\$526 \times 86\%$ to get Revenue Guarantee = \$452 (If Revenue falls < \$452 we get a payment)

100% Prevent Plant = No Revenue So Maximum Payment of 10% of Benchmark = \$52.60

ARC- Individual: Example 1 “What if”

15 Total Acres

Same Example with some Planted Acreage

Let's assume Farmer Smith Planted 15 acres of her 40 planned corn acres and took 25 acres of Corn PP and 60 acres of Soybean PP.

Historical Corn	Yield	Price	Revenue
2013	166	\$4.46	\$740
2014	156	\$3.70	\$577
2015	147	\$3.70	\$544
2016	147	\$3.70	\$544
2017	180	\$3.70	\$660
Olympic Average of 2013-2017			\$594

Guarantee= $86\% * \$594 = \underline{\$511}$

2019 Revenue = Yield of those 15 acres multiplied by National Price.

What about with a yield of 132 vs 155?

$132 \text{ bushels} \times \$3.80 = \$502$

$\$502 > \511 so Yes payment!

Payments are possible with planted acres and low yield.

1 FSA Farm Down

Take a breather and Reset



ARC- Individual: Example 2

600 Total Acres

In 2019, Farm Smith has 100% ownership in FSA Farm (222) planted 400 acres of corn and 200 acres of wheat, but took prevent plant on 500 acres of soybeans (200 second crop).

Historical Corn	Yield	Price	Revenue
2013	166	\$4.46	\$740
2014	176	\$3.70	\$651
2015	126	\$3.70	\$466
2016	151	\$3.70	\$559
2017	158	\$3.70	\$585
Olympic Average of 2013-2017			\$598

Historical Wheat	Yield	Price	Revenue
2013	78	\$6.87	\$536
2014	80	\$5.30	\$424
2015	68	\$5.52	\$375
2016	83	\$4.96	\$412
2017	81	\$4.95	\$401
Olympic Average of 2013-2017			\$412

$(\$598 \times 400/600) + (\$412 \times 200/600) = \$536$ which is our Benchmark

$\$536 \times 86\%$ to get Revenue Guarantee = \$461 (If Revenue falls < \$461 we get a payment)

ARC- Individual: **Example**

We need actual revenue for 2019 now!

Remember Farm Smith Planted 400 acres of corn and 200 acres of wheat.

She averaged 169 bu./acre on the corn and 55 bu./acre on the wheat.

Crop	Yield (A)	Price (B)	Revenue $A*B=$ (C)	Acres (D)	Total Revenue $C*D=(E)$	Sum of E (F)	Divide F by Total Acres
Corn	169	\$3.85	\$650.65	400	\$260,260		
Wheat	55	\$4.55	\$250.25	200	\$50,050		
						310,310	
			Total	600			\$517.18

$\$517.18 > \461 so no payment on this farm by itself.

2 FSA Farm Down Getting Close!



ARC- Individual: Example

500 Total Acres

In 2019, Farm Smith has 100% ownership in FSA Farm (333) planted 300 acres of soybean and 200 acres of corn.

Historical Soybeans	Yield	Price	Revenue
2013	61	\$13.00	\$793
2014	71	\$10.10	\$717
2015	68	\$8.95	\$609
2016	72	\$9.47	\$682
2017	57	\$9.33	\$532
Olympic Average of 2013-2017			\$669

Historical Corn	Yield	Price	Revenue
2013	174	\$4.46	\$776
2014	184	\$3.70	\$681
2015	173	\$3.70	\$640
2016	163	\$3.70	\$603
2017	176	\$3.70	\$651
Olympic Average of 2013-2017			\$657

$(\$669 \times 300/500) + (\$657 \times 200/500) = \$664$ which is our Benchmark

$\$664 \times 86\%$ to get Revenue Guarantee = \$571 (If Revenue falls < \$571 we get a payment)

Maximum Payment Possible: 10% of Benchmark = \$66.40/ base acre

ARC- Individual: Example

Similar to Example 2 we need 2019 Revenue!

Remember Farm Smith Planted 300 acres of soybean and 200 acres of corn.

She averaged 60 bu./acre on the soybeans and 165 bu./acre on the corn.

Crop	Yield (A)	Price (B)	Revenue $A*B=$ (C)	Acres (D)	Total Revenue $C*D=(E)$	Sum of E (F)	Divide F by Total Acres
Soybeans	60	\$9.00	\$540	300	\$162,000		
Corn	165	\$3.85	\$635.25	200	\$127,050		
						289,050	
			Total	500			\$578.10/ac.

$$\$578.10 > \$571$$

so this farm does not trigger a payment.

All 3 FSA Farm Down

Now to find the right combination



ARC- Individual: **Review of Farms**

Triggered Payments

Farm (111)- 100% Prevent Plant; 100 eligible acres with 100 base acres

- 40 acres of corn with historical revenue at **\$594/ acre**; current: \$0
- 60 acres of soybean with historical revenue at **\$481**; current: \$0



Farm (222)- Some Prevent Plant; 600 eligible acres with 900 base acres

- 400 acres of corn with historical revenue: **\$598/acre**; current: \$650.65
- 200 acres of wheat with historical revenue: **\$412/acre**; current: \$250.25

Farm (333)- No Prevent Plant; 500 eligible acres with 500 base acres

- 300 acres of soybean with historical revenue: **\$669/acre**; current: \$540
- 200 acres of corn with historical revenue: **\$657/acre**; current: \$635.25

ARC- Individual: **Throw in 100% prevent plant first**

Historical Benchmark

Farm	Crop	Farm Benchmark Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	\$594	40	\$23,760	
111	Soybean	\$481	60	\$28,860	
				↓	
		Total	100	\$52,620	\$526.20
			86% of Benchmark		\$452.53

Current Revenue

Farm	Crop	Farm Actual Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	0	40	\$0	
111	Soybean	0	60	\$0	
				↓	
		Total	100	\$0	\$0

ARC- Individual: **Score Sheet**

Combination #1: Only Farm 111

Payment= (\$52.62 per acre * 100 base acres) *65%= \$3,420.30
plus lets assume \$7 per base acre for the other farms in ARC/PLC
\$7 * 1,400 acres * 85% = \$8,330
Total= **\$11,750.30** for all 1,500 base acres

ARC- Individual: Farms 111 and 222

Historical Benchmark

Farm	Crop	Farm Benchmark Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	\$594	40	\$23,760	
111	Soybean	\$481	60	\$28,860	
222	Corn	\$598	400	\$239,200	
222	Wheat	\$412	200	\$82,400	
				↓	
		Total	700	\$374,220	\$534.60
			86% of Benchmark		\$459.76

ARC- Individual: Farms 111 and 222

Current Revenue

Farm	Crop	Farm Actual Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	\$0	40	\$0	
111	Soybean	\$0	60	\$0	
222	Corn	\$650.65	400	\$260,260	
222	Wheat	\$250.25	200	\$50,050	
				↓	
		Total	700	\$310,310	\$443.30

Historical Revenue from
Slide Before= \$459.76

That is greater than
\$443.30 from this slide

Triggers max payment of
\$16.46

ARC- Individual: Score Sheet

Combination #1: Only Farm 111

Total= **\$11,750.30** for all 1,500 base acres

Combination #2: Farms 111 and 222

Payment = $(\$16.46 \text{ per acre} * (100 + 900 \text{ base acres}) * 65\% = \$10,699$

Plus \$7 per acre for ARC/PLC on 500 other acres

$\$7 * 500 \text{ acres} * 85\% = \$2,975$

Total of **\$13,674** for all 1,500 base acres together

ARC- Individual: Farms 111 and 333

Historical Benchmark

Farm	Crop	Farm Benchmark Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	\$594	40	\$23,760	
111	Soybean	\$481	60	\$28,860	
333	Soybean	\$669	300	\$200,700	
333	Corn	\$657	200	\$131,400	
				↓	
		Total	600	\$384,720	\$641.20
			86% of Benchmark		\$551.43

ARC- Individual: Farms 111 and 333

Current Revenue

Farm	Crop	Farm Actual Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	\$0	40	\$0	
111	Soybean	\$0	60	\$0	
333	Soybean	\$540	300	\$162,000	
333	Corn	\$635.25	200	\$127,050	
				↓	
		Total	600	\$289,050	\$481.75

Historical Revenue from
Slide Before= \$551.43

That is greater than
\$481.75 from this slide

Triggers a max payment
of \$64.12

ARC- Individual: **Score Sheet**

Combination #1: Only Farm 111

Total= **\$11,750.30** for all 1,500 base acres

Combination #2: Farms 111 and 222

Total of **\$13,674** for all 1,500 base acres together

Combination #3: Farms 111 and 333

Payment = (\$64.12 per acre * (100 + 500 base acres) *65%= \$25,006.80

Plus \$7 per acre for ARC/PLC on 900 other acres

\$7 *900 acres *85= \$5,355

Total of **\$30,361** for all 1,500 base acres together

ARC- Individual: Farms 111, 222, and 333

Historical Benchmark

Farm	Crop	Farm Benchmark Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	\$594	40	\$23,760	
111	Soybean	\$481	60	\$28,860	
222	Corn	598	400	\$239,200	
222	Wheat	412	200	\$82,400	
333	Soybean	\$669	300	\$200,700	
333	Corn	\$657	200	\$131,400	
				↓	
		Total	1,200	\$706,320	\$588.60
			86% of Benchmark		\$506.20

ARC- Individual: Farms 111, 222 and 333

Current Revenue

Farm	Crop	Farm Actual Revenue (A)	Acres (B)	Total Revenue A*B= (C)	Divide C by Total Acres
111	Corn	\$0	40	\$0	
111	Soybean	\$0	60	\$0	
222	Corn	650.65	400	\$260,260	
222	Wheat	250.25	200	50,050	
333	Soybean	\$540	300	\$162,000	
333	Corn	\$635.25	200	\$127,050	
				↓	
		Total	1,200	\$599,360	\$499.47

Historical Revenue from
Slide Before= \$506.20

That is greater than
\$499.47 from this slide

Triggers a max payment
of \$6.73

ARC- Individual: **Score Sheet**

Combination #1: Only Farm 111

Total= **\$11,750.30** for all 1,500 base acres

Combination #2: Farms 111 and 222

Total of **\$13,674** for all 1,500 base acres together

Combination #3: Farms 111 and 333

Total of **\$30,361** for all 1,500 base acres together

Combination #3: Farms 111, 222 and 333

Payment = (\$6.73 per acre * (100 + 500 + 900 base acres) * 65% = \$6,561.75

No other base acres left

Total of **\$6,561.75**

2018 Farm Bill: **ARC-IC**

How to tackle ARC-IC?????

1. Identify the eligible acres for each FSA Farm.
2. Calculate the revenues for each FSA Farm you are considering ARC-IC.
3. Combine farms in different combinations looking at payments over all base acres.

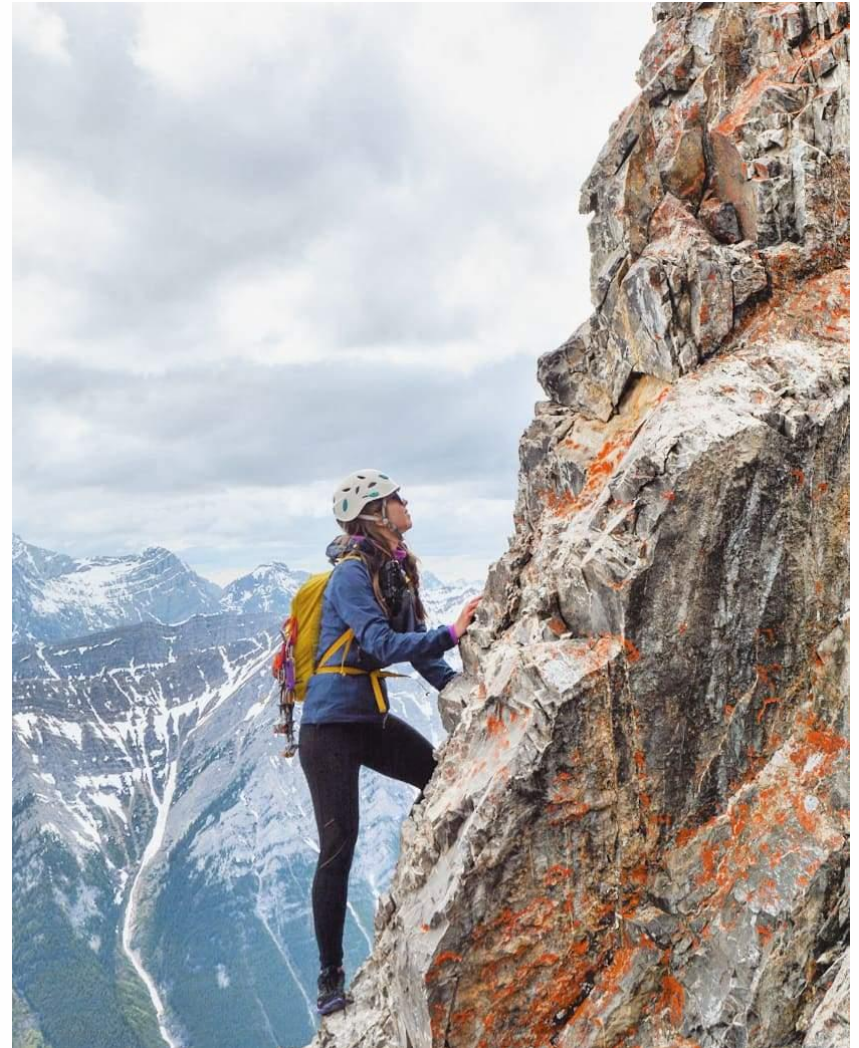


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