ARC/PLC Program

ARC/PLC Program Process has three PARTS:

1. **Update**: Owner(s) choice to "reallocate" base acres and/or "update" CC Yields
   - September 29, 2014 through February 27, 2015
ARC/PLC Program

ARC/PLC Program Process has three PARTS:

2. **Election**: Once Base Acres and Yields are set, then the *Election* of PLC or ARC takes place on the farm
   ✓ November 17, 2014 through March 31, 2015

3. **Enrollment**: Once Election has been completed then *Enrollment* takes place on the farm
   ✓ Mid-April 2015 through Summer 2015
Yield Options

YIELD UPDATE OPTIONS

1. **Retain** Current Counter-Cyclical Yields
   OR

2. **Update** Yields @ 90% of Planted Acreage – (Yield history)

- Yield Update is available **PER** Crop for producers and farms regardless of program election – PLC/ARC-CO/ARC-IC
Yield Options

YIELD UPDATE OPTIONS

- Yield Update is available if farm had acres planted of covered commodities, 2008 – 2012, using simple average, excluding zero planted years

Substitute Yield

- A substitute yield is authorized to be used in the yield update calculation in the following situations:
  - The crop was planted on the farm in the crop year
  - The yield is low as the result of a disaster condition
Substitute Yield

- A substitute yield is authorized to be used in the yield update calculation in the following situations:

  ✓ The yield data is unavailable because crop was taken for another use

  ✓ The yield is missing or unattainable because it was farmed by a different producer

Substitute Yield

- In cases where part of the yield is missing, a partial substitute (or plug) yield may be considered on those acres
Substitute Yield

✓ Substitute Yield is calculated at the county level

✓ Calculation is 75% of the 2008-2012 average yield in the county

✓ And is the same yield for each of the 2008-2012 crop years, when used

FSA Website – ARC/PLC

Go to:  fsa.usda.gov

Under “Popular Topics”, click on:

“Agricultural Risk Coverage / Price Loss Coverage”
Payment Yield Update Example 1

5 Year average of Planted acreage

<table>
<thead>
<tr>
<th>Farm #1</th>
<th>Current Corn CC Yield: 96/bu.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop Corn</td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td>151</td>
</tr>
<tr>
<td>Avg. CO Yield (75%)</td>
<td>-98</td>
</tr>
</tbody>
</table>
### Yield Example

**Payment Yield Update Option Example #2**

3 Year Average of Planted acres

\[(128+134+122=384)/3=128\]

<table>
<thead>
<tr>
<th>Farm #2</th>
<th>Corn</th>
<th>CC Yield: 105/bu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop</td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>Corn</td>
<td>Zero Plant</td>
<td>Zero Plant</td>
</tr>
<tr>
<td>Average CO Yield (75%)</td>
<td>122</td>
<td>122</td>
</tr>
</tbody>
</table>

---

### Yield Examples

**Payment Yield Update Option Example #3**

1 Year Average of Planted acres

\[(60/1=60\)

<table>
<thead>
<tr>
<th>Farm #3</th>
<th>Wheat</th>
<th>CC Yield: 32/bu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop</td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>Wheat</td>
<td>Zero Plant</td>
<td>Zero Plant</td>
</tr>
<tr>
<td>Average CO Yield (75%)</td>
<td>45</td>
<td>45</td>
</tr>
</tbody>
</table>
Yield Update - Decision

➢ The owner(s) decision on the farm:

➢ Is to **retain** or **update** the applicable crop’s yield.

➢ Can be updated regardless of program elected – Price Loss Coverage, ARC-CO or ARC-IC

Yield Update - Decision

➢ The owner(s) decision on the farm:

➢ Will allow the yield to reside on FSA farm records for the duration of the farm bill and be available for future farm bills, if applicable
Yield Update - Decision

- If not completed by the deadline, or if there is a disagreement of the yield update by one or more owners of the farm, and is not resolved by the deadline:

- The farm’s yield, or PLC Yield, will be the farm’s 2013 CC yield

Yield Certification

- Yield and production records are NOT required to be provided with the yield certification form

- FSA will not copy or store yield or production records
Yield Certification

- The type of production evidence used to certify yield will be required to be identified.
- Types of production include:
  1. RMA data;
  2. production sold/commercial;
  3. on-farm storage;
  4. livestock feed records;
  5. FSA loan record;
  6. FSA NAP record;
  7. other

Yield Certification

- Yields must represent the total harvested and appraised production (IR/NI) divided by the planted acreage of crop on the farm for each year.
- Certified yields will be required to be supported by production evidence if requested by FSA.
Production Records

- Production records will be required if:
  - PLC Yields have been updated and the farm **is selected for review by FSA**.
  - if the farm is elected into ARC-IC, **for benchmark and current year production**

Yield Calculator

- FSA has provided a Yield Calculator
- The yield calculator has been posted to the ARCPLC website at: http://www.fsa.usda.gov/FSA/webapp?area=home&subject=arpl&topic=landing
Yield Calculator

### Step 1:
Enter Farm Number

### Step 2:
Enter State

### Step 3:
Enter County

| Covered Commodity | Substitute Yield | 2006 | 2009 | 2010 | 2012 | A Simple Avg Yield | B Official Aug Yield | ADD (%) or 95% of Simple Avg Yield | Yield Calculator | 7.96 | 46 | 52 |
|-------------------|------------------|------|------|------|------|-------------------|---------------------|-------------------------------|-------------------|-------|
| Rice, Long        |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
|                   |                  | 5240 | 6200 | 7210 | 7587 | 62385             | 7800                | 7850                          |                   |       |    |    |
|                   |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
| Wheat             |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
|                   |                  | 57   | 52   | 48   | 43   |                   |                     |                               |                   |       |    |    |
|                   |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
| Corn              |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
|                   |                  | 179  | 150  | 165  | 157  |                   |                     |                               |                   |       |    |    |
|                   |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
| Soybeans          |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
|                   |                  | 18   | 40   | 45   | 50   |                   |                     |                               |                   |       |    |    |
|                   |                  |      |      |      |      |                   |                     |                               |                   |       |    |    |
Yield Examples – Example

Overview:

- In this example, the Soybean CC Yield is 28 bu/ac.
- The producer planted Soybeans in 5 of the years 2008 – 2012. Yields averaged:
  - 2008 – 40 bu/ac
  - 2009 - 43 bu/ac
  - 2010 – 36 bu/ac.
  - 2011 - 37 bu/ac
  - 2012 – 42 bu/ac.
- Substitute Yield is 31 bu/ac.

<table>
<thead>
<tr>
<th>Farm 1 Covered commodity – Soybeans</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Total 1/</th>
<th>Average Yield 2/</th>
<th>PLC Yield @ 90%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered commodity Yield</td>
<td>40</td>
<td>43</td>
<td>36</td>
<td>37</td>
<td>42</td>
<td>42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substitute Yield @ 75%</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Yield Examples – Example

**Example – Answer Key**

<table>
<thead>
<tr>
<th>Farm 1</th>
<th>Covered commodity – Soybeans</th>
<th>Counter-Cyclical Yield – 28 bu./acre</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>Covered commodity Yield</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>Substitute Yield @ 75%</td>
<td>34</td>
<td>34</td>
</tr>
</tbody>
</table>


2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.

- 5 Year average of Planted acreage \( (40 + 43 + 36 + 37 + 42 \) = 198 = 40

Yield Update Decision – Update the soybean PLC yield to 36 bu./acre

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- Visit FSA Website: [www.fsa.usda.gov](http://www.fsa.usda.gov)
- ARC/PLC Program Information will be posted on the ARCPLC web page
- ARC/PLC Producer Web-tools are available on the ARCPLC web page
Webinars & Recordings
www.uaex.edu/farmbill