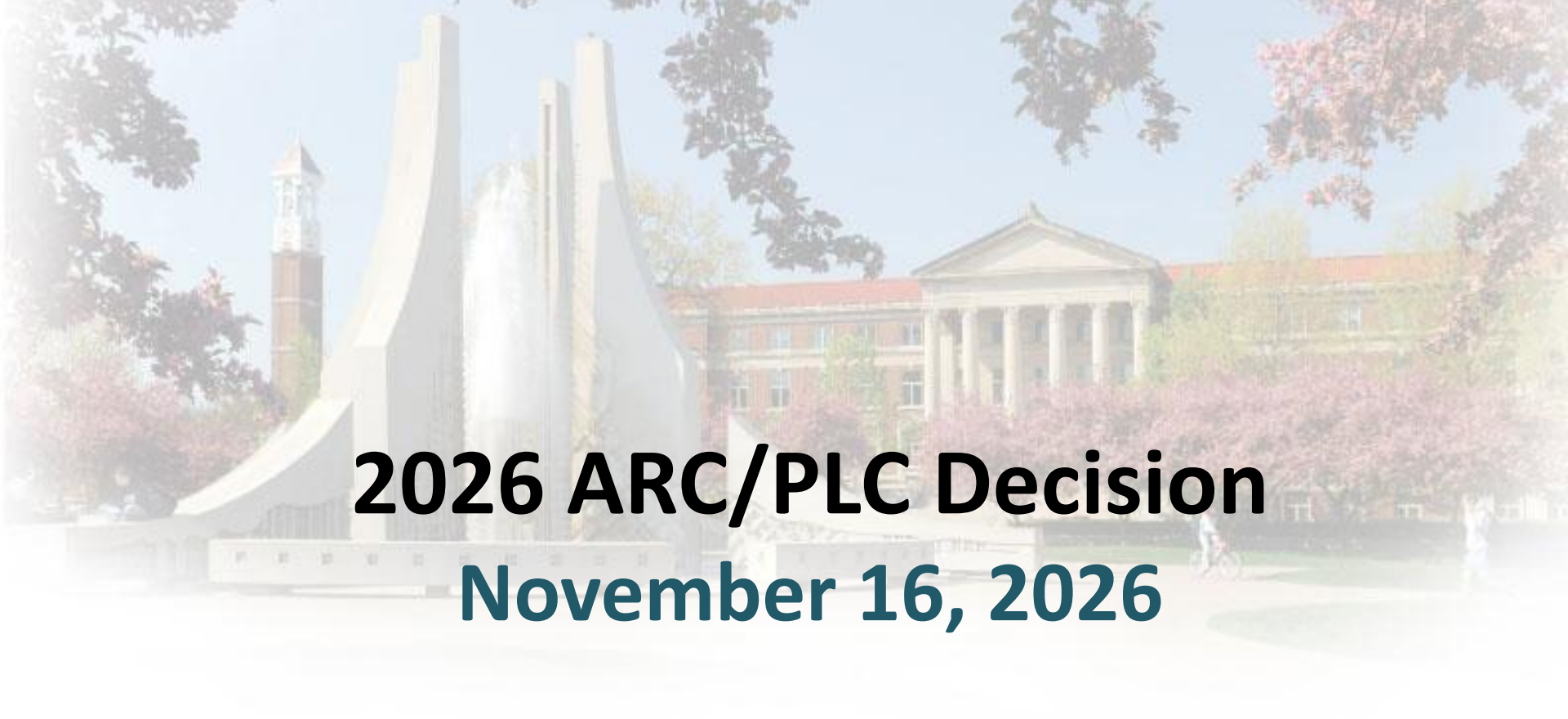


2026 ARC/PLC Decision

November 16, 2026

Michael Langemeier

Department of Agricultural Economics

Purdue University

Outline

- Introduction
- ARC-CO Program
- PLC Program
- ARC-CO versus PLC
- Example Comparisions

Introduction

- Key Definitions:
  - ARC: Agricultural Risk Coverage
  - PLC: Price Loss Coverage
  - OBBA: One Big Beautiful Bill
  - ERP: Effective Reference Price
  - SCO: Supplemental Coverage Option
  - MYA: Marketing Year Average
  - WASDE: World Agriculture Supply and Demand Estimates

Introduction (continued)

- OBBA made changes to ARC and PLC programs which took effect with the 2025 program and will continue for 2026.
- OBBA increased likelihood and size of payments.
- In 2025, OBBA resulted in producers receiving the higher of the ARC-CO and PLC payment.
- The decision deadline for 2026 is **12/11/26.**

ARC-CO

ARC-CO Program

- Triggers payment when the actual county revenue falls below a guaranteed percentage of a county revenue benchmark.
- Benchmark revenue product of:
  - Benchmark price: Olympic average of 5 most recent complete years of the MYA prices
  - Benchmark yield: Olympic average of 5 most recently release county yields, all adjusted for trend
  - For 2026, years included are 2020 through 2024

ARC-CO Program (continued)

- Payments:
  - ARC-CO payment rate per acre equals the difference between actual and guaranteed revenue, capped at 12% of county benchmark revenue
  - Made on 85% of base acres
- Guarantee/Trigger:
  - 90% of county benchmark revenue
- Payment Range:
  - 90% to 78%

PLC

PLC

- Triggers support when the PLC Effective Price falls below the Effective Reference Price
- The PLC Effective Price is the greater of the U.S. Marketing Year Average (MYA) or Market Loan Rate
  - 2026 Marketing Years
    - September 2026 through August 2027 for corn and soybeans
    - June 2026 through May 2027 for wheat

PLC

- Payments:
  - PLC payment rate per bushel equals the difference between effective reference price and MYA price
  - Per bushel payment rate is the same for everyone
  - Payments vary among farms based on PLC yields
  - Made on 85% of base acres

ARC-CO versus PLC

2025 ARC/PLC Payments

- Average U.S. Payments per Acre:
  - Corn: $51
  - Soybeans: $29
  - Wheat: $47
- Started receiving payments during week of 10/12/26

2026 ARC/PLC Decision

- Return to choosing one of the program options: ARC-CO, PLC, or ARC-IC
- ARC-CO and PLC enrollments are made at the FSA farm-commodity level, can mix and match
- ARC-IC enrollment is made at the FSA farm level and base acres on all FSA farms enrolled within a county are combined

2026 ARC/PLC Decision (continued)

- Signup is for crops currently being harvested or that have already been harvested
  - No official county-level yield estimates are available
- Currently in the 2026 marketing year for prices
  - USDA provides MYA projections in monthly WASDE reports
- Payments, if triggered, won't be made until October 2027

2026 ARC/PLC Decision (continued)

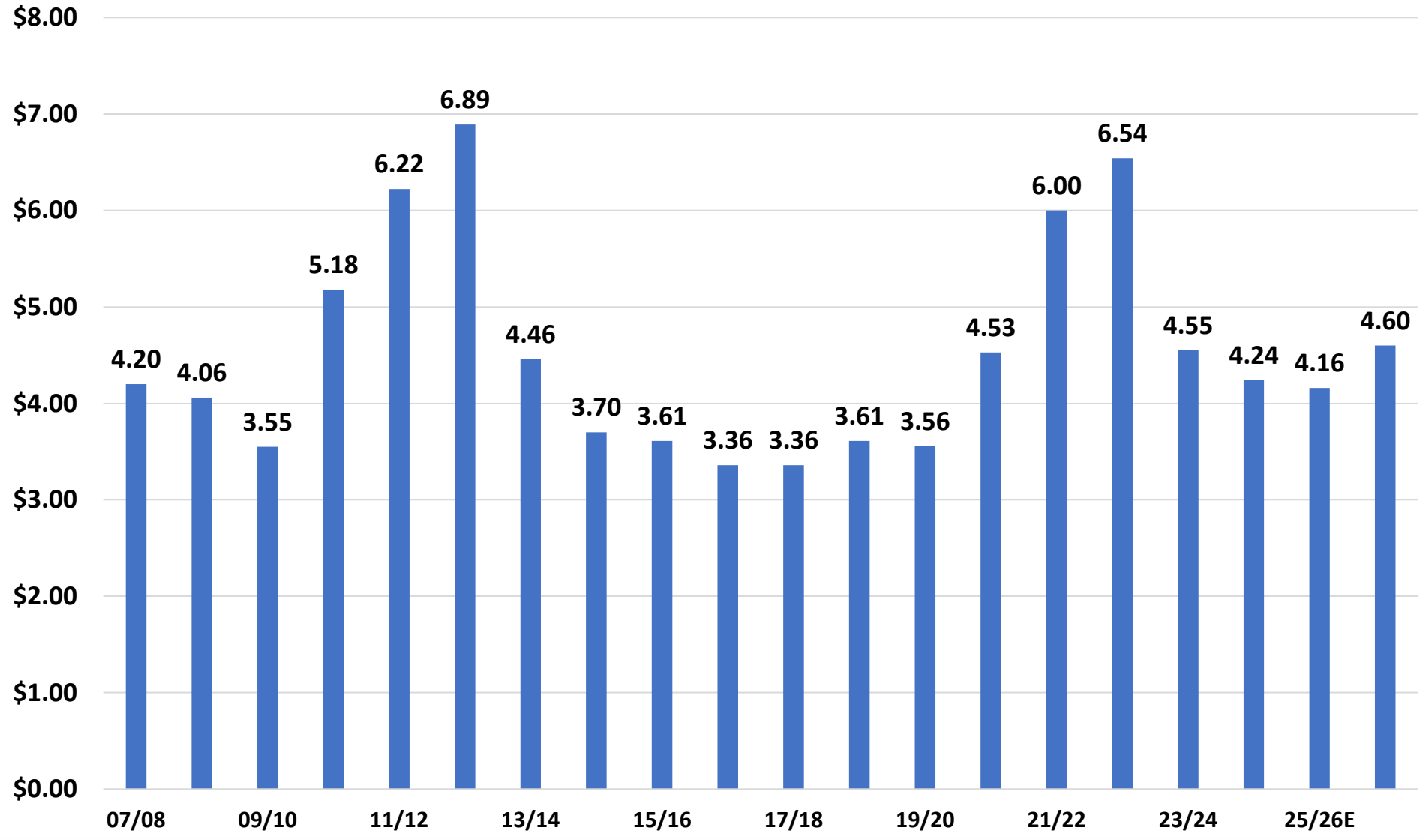
Price	Corn	Soybeans	Wheat
Projected MYA	$4.60	$12.10	$6.20
Effective Reference Price	$4.42	$10.71	$6.35
ARC Benchmark Price	$5.03	$12.17	$6.98

2026 ARC/PLC Decision (continued)

- ARC-CO is expected to trigger larger payments than PLC in most areas for **corn and soybeans**
- For **wheat**, expected payment comparison will vary across regions

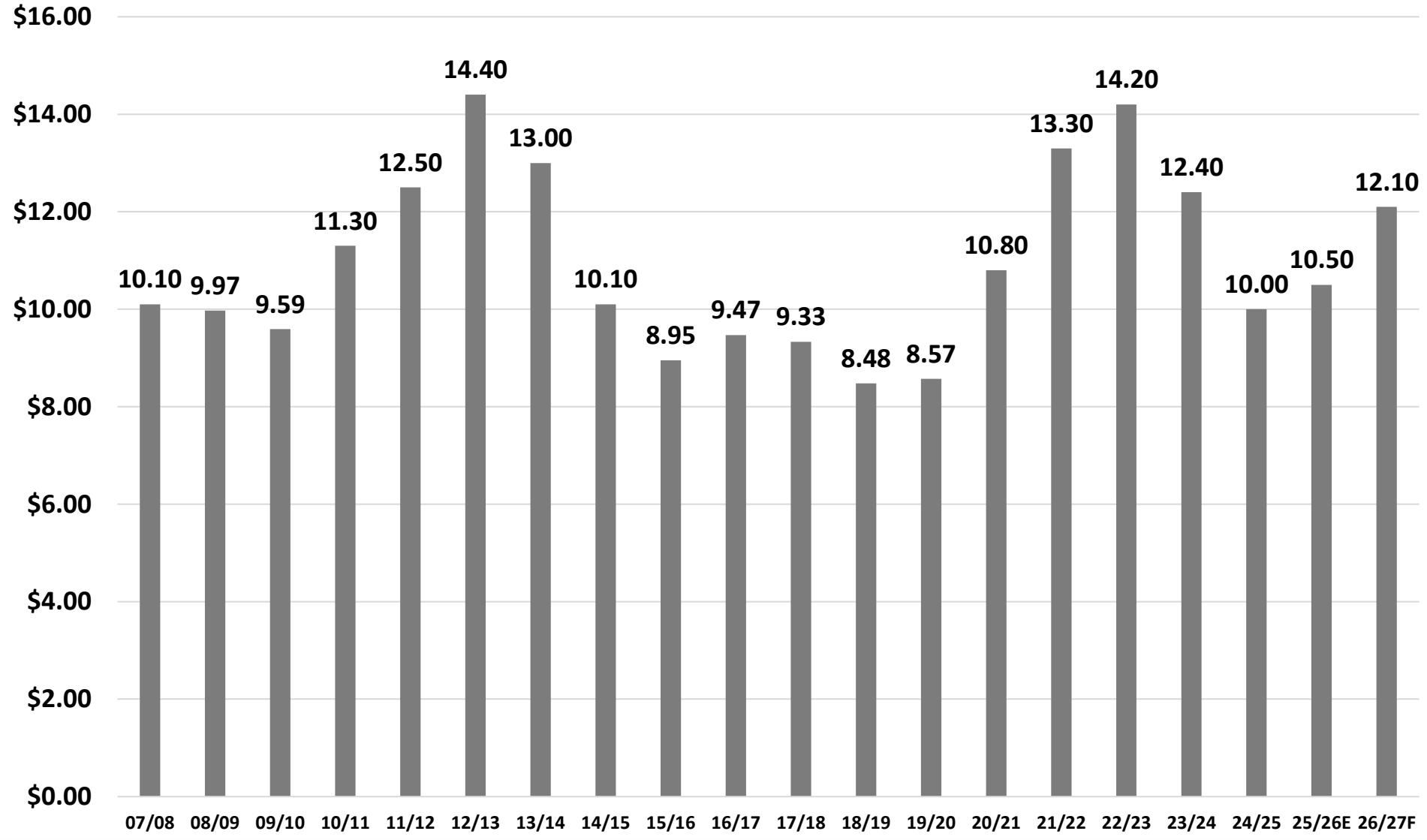
U.S. Marketing Year Price for Corn ($ per Bushel)

USDA - WASDE Reports



U.S. Marketing Year Price for Soybeans ($ per Bushel)

USDA - WASE Reports



Examples

White County, Indiana (Corn)

- ARC-CO Benchmark Guarantee, Corn
  - Benchmark Yield = 213.8
  - Benchmark Price = $5.03
  - Guarantee = 213.8 x $5.03 x 90% = $967.87
- County Revenue Projection:
  - County Yield = 213.8
  - MYA Price = $4.60
  - County Revenue = 213.8 x $4.60 = $983.48

White County, Indiana (Corn)

- Projected Payments:
  - ARC-CO = $0
    - Guarantee is lower than county revenue ($968 < $983)
    - Payment would occur if county yield or MYA price were sufficiently lower
  - PLC = $0
    - MYA price is higher than effective reference price ($4.60 > $4.42)

White County, Indiana (Soybeans)

- ARC-CO Benchmark Guarantee, Soybeans
  - Benchmark Yield = 64.2
  - Benchmark Price = $12.17
  - Guarantee = 64.2 x $12.17 x 90% = $703.18
- County Revenue Projection:
  - County Yield = 64.2
  - MYA Price = $12.10
  - County Revenue = 64.2 x $12.10 = $776.82

White County, Indiana (Soybeans)

- Projected Payments:
  - ARC-CO = $0
    - Guarantee is lower than county revenue ($703 < $777)
    - Payment would occur if occur if county yield or MYA price were sufficiently lower
  - PLC = $0
    - MYA price is higher than effective reference price ($12.10 > $10.71)

Final Thoughts
2026 ARC/PLC Decision

- ARC-CO is expected to trigger larger payments than PLC in most areas for **corn and soybeans**
- For **wheat**, expected payment comparison will vary across regions

Information Sources

- ARC/PLC Excel Spreadsheet
  - https://farmdoc.Illinois.edu/fast-tools/arc-co-plc-model
- ARC/PLC Calculator
  - https://fd-tools.ncsa.illinois.edu/arcplc

Questions, Comments

www.ag.purdue.edu/commercialag

