



### Instructions for Meeting Participation

#### Getting Started

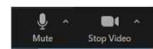
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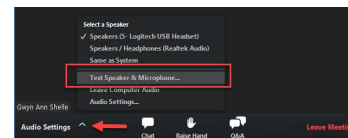


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Send Questions or Message to presenters

Sound Check





## Agenda

- Introduction and Plan for the Day
- **Farm Safety in the Farm Bill**
  - Laurel Harduar Morano, MSU
- **Farm Bill Policy Overview & Expectations**
  - Alan Ker, MSU Extension
- **Commodity Programs Decision**
  - Molly Sears, MSU Extension
- **Using the MSU 2025 Farm Bill Analyzer**
  - Jon LaPorte, MSU Extension
- Open Q&A



## Decisions for owners/producers on Farm Service Agency (FSA) farms

### 1. 2025 Commodity Program (FSA) Decision

- Price Loss Coverage (PLC)
- Agricultural Risk Coverage (ARC) – County
- ARC – Individual (whole FSA farm)

### 2. Crop Insurance (RMA) Decision

- Supplemental Coverage Option (SCO)



## 2025 Commodity Program (FSA) Decision

1. Deadline: April 15, 2025
2. Base Acres/Program Yields do not change
3. PLC and ARC-CO: choose on a crop-by-crop basis
  1. If PLC is chosen, may opt for SCO
4. ARC-IC: Entire FSA Farm
  - Pays on 65% base acres, rather than 85%



## Price Loss Coverage (PLC)

PLC Payment:

$0.85 \times (\text{Eff. Ref. Price} - \text{MYA Price}) \times \text{PLC Yield}$

- MYA (Market Year Average) Price:
  - National, cash price for all crop sold during MY
  - Marketing Year:
    - Sept-Aug for Corn/Soy
    - June-May for Wheat



## Agricultural Risk Coverage – County (ARC-CO)

Payments = County Revenue – 0.86\*Benchmark Revenue

- Benchmark Rev = Benchmark Yield \* Benchmark Price
  - Both Benchmarks are Olympic averages from preceding 5 years
- County Revenue = County FSA Yield \* MYA price



## What's new?

- Effective reference prices for PLC have increased compared to 2024:
  - \$4.26 for corn (compared to \$4.01 in 2024)
  - \$9.66 for soybeans (compared to \$9.26 in 2024)
  - \$5.56 for wheat (compared to \$5.50 statutory reference price)
- These effective reference prices are still below ARC benchmark prices:
  - \$5.03 for corn
  - \$12.17 for soybeans
  - \$6.72 for wheat



## 2025/26 MYA Price Projections

|          | K-State<br>(Dec 2024) | ERS Ag Baselines<br>(Oct 2024) | CBO Baseline<br>(June 2024) |
|----------|-----------------------|--------------------------------|-----------------------------|
| Corn     | \$4.30                | \$3.90                         | \$4.20                      |
| Soybeans | \$10.22               | \$10.00                        | \$10.90                     |
| Wheat    | \$5.71                | \$5.80                         | \$5.95                      |



## 2025/26 (Early) Expectations:

ARC-CO will likely lead to larger payments when county revenues are driven by low yields

PLC payments could be a factor with moderately low prices and high yields (or in very low price scenarios)

**Realistically, major choice will be:**

ARC-CO or PLC + SCO?

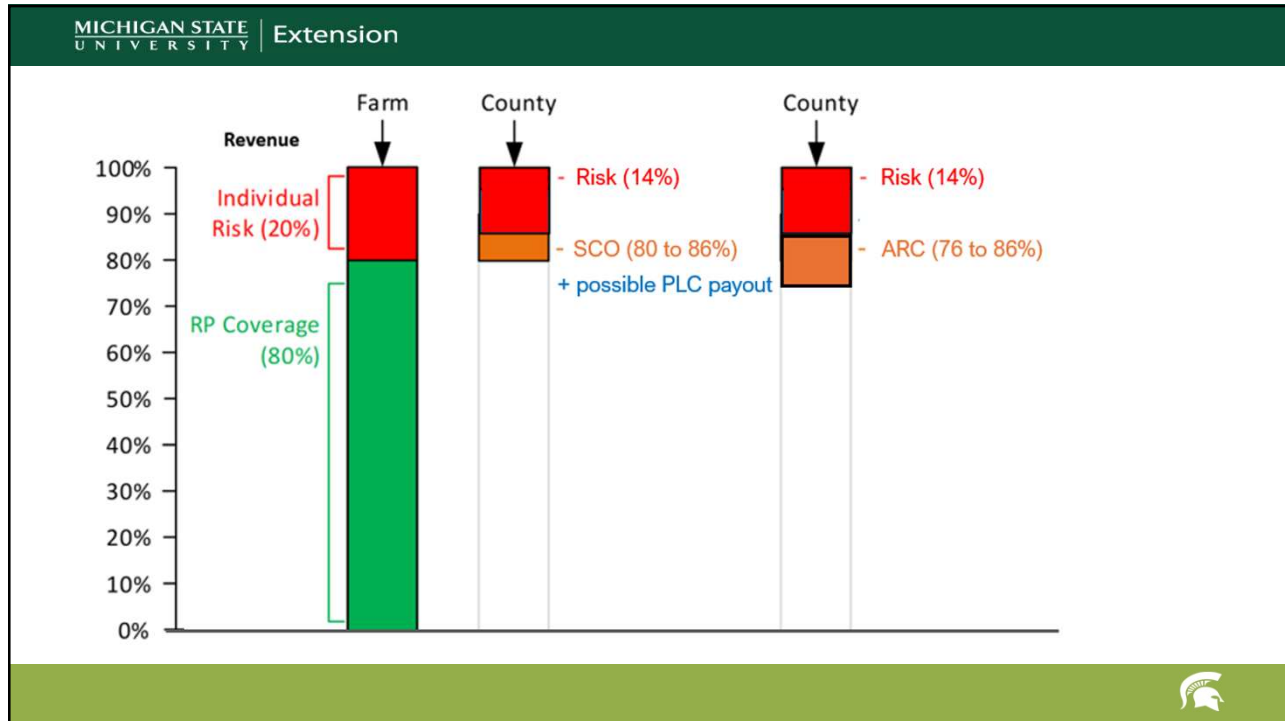


## Supplemental Coverage Option (SCO)

- SCO is an insurance policy that stacks on top of your individual insurance
  - It reflects the type of policy you have (i.e. if you have revenue protection, SCO will also cover revenue)
  - It offers coverage from the 80-86% level
  - Loss payments are determined based on county yields
  - There is a 65% subsidy on the premium rates.
- Given its possible payout is based on county yields, SCO is allowed to stack with PLC (which only covers prices), and is not allowed to be combined with ARC-Co.







**MICHIGAN STATE UNIVERSITY | Extension**

## 2025 MSU Farm Bill Analyzer

MSU Farm Bill Website  
[https://www.canr.msu.edu/farm\\_bill/](https://www.canr.msu.edu/farm_bill/)

**MICHIGAN STATE UNIVERSITY | Extension MSU 2025 FARM BILL ANALYZER**  
 Version 3.0

**Step 1. Select Farm's County:** County Farm located:  Select County Farm Name:  Farm Number:

**Step 2. Enter Acres, Yields and Irrigation Percentage (from FSA CCC-BE1, 156) for each farm:**

| Covered by:          | Corn | Soybeans | Wheat | Total Base Acres |
|----------------------|------|----------|-------|------------------|
| Base Acres           | 0.00 | 0.00     | 0.00  |                  |
| PLC Acres            | 0.00 | 0.00     | 0.00  |                  |
| Irrigated Percentage | 0.0% | 0.0%     | 0.0%  |                  |
| Actual Planted Acres | 0.00 | 0.00     | 0.00  |                  |

**Step 3. Enter Anticipated COUNTY Yields:**

|                           | CORN    | SOYBEANS | WHEAT   |
|---------------------------|---------|----------|---------|
| National Loan Rate        | \$ 3.20 | \$ 6.20  | \$ 9.50 |
| Effective Reference Price | \$ 4.26 | \$ 9.66  | \$ 5.56 |
| Benchmark Prices          | \$ 5.09 | \$ 12.17 | \$ 6.72 |

**Step 4. Enter SCO Insurance Payments & Coverage:**

|                | CORN | SOYBEANS | WHEAT |
|----------------|------|----------|-------|
| SCO Coverage % | 0%   | 0%       | 0%    |
| SCO Premium    | \$ - | \$ -     | \$ -  |
| SCO Payment    | \$ - | \$ -     | \$ -  |

**Step 5. Enter or Select Projected Prices:**

|  | CORN  | SOYBEANS | WHEAT |
|--|-------|----------|-------|
| Program Year Choice? (No SCO)          | PLC   | ARC      | ARC   |
| Projected Program & Insurance Payments | \$ -  | \$ -     | \$ -  |
| PLC w/ SCO                             | \$ -  | \$ -     | \$ -  |
| ARC-CO                                 | \$ 10 | \$ -     | \$ -  |

**Step 6. Evaluate the Results:**

|                          | CORN | SOYBEANS | WHEAT |
|--------------------------|------|----------|-------|
| Total Farm               |      |          |       |
| Total Projected Payments | \$ - | \$ -     | \$ -  |
| PLC w/ SCO               | \$ - | \$ -     | \$ -  |
| ARC-CO                   | \$ - | \$ -     | \$ -  |

## Take Homes

- SCO cannot be used with ARC
- Base acres compared with planted acres is an important factor to consider
- ARC-Co can have higher payouts in low-yield environments
- PLC payments could be a factor in low-price environments
- PLC + SCO can give the benefits of both products



### ARC/PLC DECISION TREE FOR 2024

PLC Reference prices:              **Corn \$4.26**              **Soybeans \$9.66**              **Wheat \$5.56**

Remember –              PLC protects against low price  
                                     ARC-CO protects against low price and low yield (Revenue)

|  | <b>CORN</b> | <b>SOYS</b> | <b>WHEAT</b> |
|--|-------------|-------------|--------------|
| Buying 85% RP on your foundation policy – (NO SCO) | ARC-CO?     | ARC-CO?     | ARC-CO?      |
| Planting acres > base?                             | SCO         | SCO         | SCO          |
| Buying 80% or less on your foundation policy       |             |             |              |
| With SCO   | PLC         | PLC         | PLC          |
| Without SCO  | ARC-CO?     | ARC-CO?     | ARC-CO?      |
| Buying no insurance                                | ARC-CO?     | ARC-CO?     | ARC-CO?      |

For more information visit: [https://www.canr.msu.edu/farm\\_bill/](https://www.canr.msu.edu/farm_bill/)





## What Should I Do?

- Get quotes for SCO options
- Run Calculator:
  - Enter your farm numbers (FSA 156 form)
  - Determine how many acres you intend to plant (compared to base)
  - Test possible variations of county yield and MYA price
  - SCO will drive the ARC-CO/PLC Decision
- Learn more and sign-up – don't wait!
- **Deadlines:**
  - **March 15<sup>th</sup> for RMA sign-up and April 15<sup>th</sup> for PLC/ARC-Co sign-up**

