

USDA-FSA Commodity Support Programs Agriculture Improvement Act of 2018 *Recommendations for 2021 sign-up*

Electing the appropriate commodity support program for your FSA farms does not have to be difficult or confusing. With all of the attached acronyms throughout the process, it is very easy to become overwhelmed. To begin with, this program is **not** a substitute for federal crop insurance. Payments received through this program are towards 85% of the base acres for each FSA farm. Base acres are crop specific and are not reflective of the actual acres farmed for an FSA farm.

A Marketing year average, MYA, pricing system collects raw cash price data from across the county beginning as the crop reaches maturity and continues for a full year. PLC yield or County yield are the yield input portion of the program. PLC yield is specific to an FSA farm and a County yield is specific to a county. Once MYA price and crop yield are final, the calculated data determines if a price loss or revenue loss has triggered a payment. ARC-CO or ARC-IC set a revenue guarantee of 86% of the benchmark revenue based on 5-year Olympic average yields and prices. The commodity support program, using farm base acres, MYA price and PLC or County yields, does not provide a safety net to assist with the current years input costs as federal crop insurance does.

The Illinois farmdoc Policy Toolbox is available at <https://farmdoc.illinois.edu/policy-toolbox>. This toolbox contains the Gardner Program Payment Calculator, which compares ARC-CO or PLC election for each FSA farm. It also contains the FAST spreadsheet tool to compare what-if scenarios for all program elections. Please contact your local Extension office with any follow-up questions on the available decision making tools for 2021 ARC-CO/PLC sign-up.

Dr. Paul Mitchell’s recommendations for the 2021 sign-up year are as follow:

-UW Extension Field Crop Economics State Specialist

1. **Corn** base acres: Choose PLC
2. **Soybean** base acres: Choose ARC-CO
3. **Wheat** base acres: Choose PLC
4. **Oat** base acres: Choose ARC-CO
5. **ARC-IC** may be an option in whole FSA farm prevent plant situations for the 2021 program year or in fields that have a history of uneven yields.



2021 Crop	Price Floor	2021 MYA Price (forecast)	Program Election
Corn	\$3.70	\$3.65	PLC
Soybeans	\$8.40	\$10.00	ARC
Wheat	\$5.50	\$4.90	PLC
Oats	\$2.40	\$2.70	ARC

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