ARC-PLC Decision Tool Instructions and Example

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There are a few possible decision tools that can be used for the ARC-PLC choice for 2025. My recommendation is to use the tool developed by Univ. Illinois as it has options that give you more flexibility in evaluating the results. You can download the Illinois version on the right-hand side of the screen ("Download Fast Tool") at: https://farmdoc.illinois.edu/policy-toolbox

Go to the "What If" tab which will be all you need unless you want to evaluate ARC individual farm (not very common).

For the Upper "Input" Table Select:

Kentucky

Targeted County

Crop Type

PLC yield for the farm (this will have a minor effect on PLC payments so if it isn't known I would just make a reasonable guess)

Year: Make sure it is set for 2025

Note: all numbers and parameters that are meant to be changed are in blue font.

For the lower portion of this Table you can change the Marketing Year Average Price (MYA Price) for 2025.   This is the national expected price for the 2025 marketing year. The tool was last updated in January when future prices were lower and the expected prices for 2025 crops have risen since then. In other words, the defaults they provide for the MYA Price are currently low. My recommendations would be to use the following MYA Prices for 2025 (as of 2/17/25):

Corn	$4.45	(default is $4.10)
Soybeans	$10.25	(default is $10.20)
Wheat	$6.15	(default is $5.60)

The other parameter that you can change in the lower portion of the table is the County Yield for 2025. I believe their default is the trend adjusted yield county yield expectation for 2025. Given the way the tables are structured, you can leave it at its default and see how changes in actual yield would affect payments as the output will show various final yields centered around the default.

Then go to Table 1 below the input table to see a summary of results for PLC and ARC payments with various final prices and yields. Under Program Selection choose either PLC, ARC, or PLC – ARC. This last option shows the difference between the PLC and ARC payments and is what ultimately most users will want to see to make their decisions. You can also select the price change and yield change for the table (this modifies the table). I recommend $.10/bu for Price Change and 10 bu for Yield Change for corn, and $.25/bu for Price Change and 5 bu for Yield Change for soybeans.

Example Results:

The example used here is for Todd County and for corn base. If the final MYA price turned out to be $4.25/bu and the final county yield was 194 bushels, the resulting ARC payment would be $49/acre, and the resulting PLC payment would be $1/acre. The resulting PLC – ARC difference would be -$48 which means ARC pays out $48/acre better then PLC. Thus, this third option is very useful for evaluating which of the two programs would be the better choice. As can be seen in the table for this third option, the majority of payouts are better for the ARC program. Only where prices are low and yields are high does PLC do better in this county in 2025.

The calculated PLC payouts will be the same in all counties, but the calculated ARC payouts will change based on the county yield for the previous five years. So there may be some counties where PLC looks better relative to ARC compared to what is shown in this example.

ARC-CO PLC WHAT-IF COMPARISON

Input

State	Kentucky
County	Todd
Crop	Corn
Practice	All
PLC Yield	200
Year	2025

Use Defaults | Menu

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FAST

Default PLC Yield 151

Calculation of PLC and ARC-CO Payments

Year	County Yield[1]	MYA Price[2]	Payment[3,4]		ARC-CO Calculations			
					Benchmark			County
			PLC	ARC-CO	Yield[5]	Price[6]	Guarantee[7]	Revenue[8]
	Bu	$/Bu	$/base acre		Bu	$/Bu	$ per base acre	
2025	204	4.45	$0	$0	204.2	5.03	883.11	908.47
Default	204.15	4.10						

Table 1. Payments per Base Acre at Different Yields and Prices

Program Selection			ARC-CO		State = Kentucky, County = Todd, Crop = Corn, Year = 2025
Price Change	$	0.10			ARC-CO Benchmark Yield = 204.15, Benchmark Price = $5.03, Guarantee $883.11
Yield Change		10			PLC Yield = 200, Effective Reference Price = $4.26

-2025

County Yield	\				2025 Market Year Average Price						
	$3.95	$4.05	$4.15	$4.25	$4.35	**$4.45**	$4.55	$4.65	$4.75	$4.85	$4.95
254	0	0	0	0	0	0	0	0	0	0	0
244	0	0	0	0	0	0	0	0	0	0	0
234	0	0	0	0	0	0	0	0	0	0	0
224	0	0	0	0	0	0	0	0	0	0	0
214	32	13	0	0	0	0	0	0	0	0	0
204	65	48	31	13	0	0	0	0	0	0	0
194	87	82	66	(49)	33	16	0	0	0	0	0
184	87	87	87	85	70	54	38	23	7	0	0
174	87	87	87	87	87	87	77	62	48	33	18
164	87	87	87	87	87	87	87	87	87	74	60
154	87	87	87	87	87	87	87	87	87	87	87

Table 1. Payments per Base Acre at Different Yields and Prices

Program Selection			PLC ▾		State = Kentucky, County = Todd, Crop = Corn, Year = 2025
Price Change	$	0.10			ARC-CO Benchmark Yield = 204.15, Benchmark Price = $5.03, Guarantee $883.11
Yield Change		10			PLC Yield = 200, Effective Reference Price = $4.26

-2025

County Yield					2025 Market Year Average Price						
	$3.95	$4.05	$4.15	$4.25	$4.35	**$4.45**	$4.55	$4.65	$4.75	$4.85	$4.95
254	52	35	18	1	0	0	0	0	0	0	0
244	52	35	18	1	0	0	0	0	0	0	0
234	52	35	18	1	0	0	0	0	0	0	0
224	52	35	18	1	0	0	0	0	0	0	0
214	52	35	18	1	0	0	0	0	0	0	0
204	52	35	18	1	0	0	0	0	0	0	0
194	52	35	18	(1)	0	0	0	0	0	0	0
184	52	35	18	1	0	0	0	0	0	0	0
174	52	35	18	1	0	0	0	0	0	0	0
164	52	35	18	1	0	0	0	0	0	0	0
154	52	35	18	1	0	0	0	0	0	0	0

Table 1. Payments per Base Acre at Different Yields and Prices

Program Selection			PLC minus ARC-CO ▾		State = Kentucky, County = Todd, Crop = Corn, Year = 2025
Price Change	$	0.10			ARC-CO Benchmark Yield = 204.15, Benchmark Price = $5.03, Guarantee $883.11
Yield Change		10			PLC Yield = 200, Effective Reference Price = $4.26

-2025

County Yield					2025 Market Year Average Price						
	$3.95	$4.05	$4.15	$4.25	$4.35	**$4.45**	$4.55	$4.65	$4.75	$4.85	$4.95
254	52	35	18	1	0	0	0	0	0	0	0
244	52	35	18	1	0	0	0	0	0	0	0
234	52	35	18	1	0	0	0	0	0	0	0
224	52	35	18	1	0	0	0	0	0	0	0
214	20	21	18	1	0	0	0	0	0	0	0
204	-13	-13	-13	-1	0	0	0	0	0	0	0
194	-35	-47	-48	(-48)	-33	-16	0	0	0	0	0
184	-35	-52	-69	-85	-70	-54	-38	-23	-7	0	0
174	-35	-52	-69	-86	-87	-87	-77	-62	-48	-33	-18
164	-35	-52	-69	-86	-87	-87	-87	-87	-87	-74	-60
154	-35	-52	-69	-86	-87	-87	-87	-87	-87	-87	-87

* A positive value indicates that PLC will pay more, a negative value indicates that ARC-CO will pay more.

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