

## 2016 Agricultural Risk Coverage – County (ARC-CO) Payments

Agricultural Risk Coverage (ARC), one of two options for program crops in the 2014 farm bill, is a revenue based program that makes payments when revenues fall below a trigger tied to averages of recent prices and yields. There are two ARC programs. The ARC-CO, or ARC County, makes payments when county level revenue falls below a county revenue benchmark guarantee. The ARC-IC, or ARC Individual, makes payments when a farm's revenue falls below a farm's revenue benchmark guarantee. The United States Department of Agriculture's (USDA) Farm Service Agency (FSA) recently released 2016 ARC-CO payment rates. This article contains maps of Missouri showing the ARC-CO payments, by county, for irrigated and non-irrigated corn and soybeans.

Under ARC-CO, the county revenue benchmark is the 5 year Olympic average marketing year average (MYA) price times the 5 year Olympic average county yield. The county revenue benchmark guarantee is 86% of the county revenue benchmark. A payment is triggered when the actual county revenue is less than the county revenue benchmark guarantee. The payment is the difference between the actual county revenue and the county revenue benchmark guarantee. The payment is capped at 10% of the county revenue benchmark and made on 85% of base acres. Payments are made in October of the year after the crop is harvested, i.e. 2016 crop year payments are made in October of 2017.

For producers who enrolled crops in the ARC-CO program, the 2016 crop is the third year of potential payments. Figure 1 and 2 show the payments for the 2016 non-irrigated and irrigated corn crop. Only three counties (Bollinger, Scott, and Mississippi) have both non-irrigated and irrigated payments calculated separately. Payments on non-irrigated acres ranged from \$0 to \$71.26 per base acre (Dunklin county) while payments on irrigated acres ranged from \$68.40 per base acre (Bollinger) to \$73.70 per base acre (Scott). Additionally, 69% of all counties did not receive a payment on the 2016 corn crop. This is a significantly higher percentage than in 2015 where only 41% of counties did not receive a payment, and significantly lower than in 2014 when 95% of counties did not receive a payment.

Figure 3 and 4 show the payments for non-irrigated and irrigated soybean crop. For soybeans, eight counties (Ripley, Bollinger, Scott, Stoddard, New Madrid, Mississippi, Dunklin, and Pemiscot) have both non-irrigated and irrigated payments calculated separately. Payments on non-irrigated soybean acres ranged from \$0 to \$46.41 per base acre (Butler) while payments on irrigated soybean acres range from \$21.45 per base acre (Pemiscot) to \$48.43 per base acre (Bollinger). For the 2016 soybean crop, 91% of counties did not receive a payment. This is the same percentage as in 2014 and significantly higher than in 2015 when only 39% of counties did not receive a payment.

### Summary:

*ARC-CO payment rates were recently released by USDA FSA. The payments varied greatly across Missouri with 69% of counties not receiving a corn payment and 91% of counties not receiving a soybean payment.*

### For more on this topic, see these FAPRI-MU publications:

Report #01-17  
2017 U.S. Baseline Briefing Book

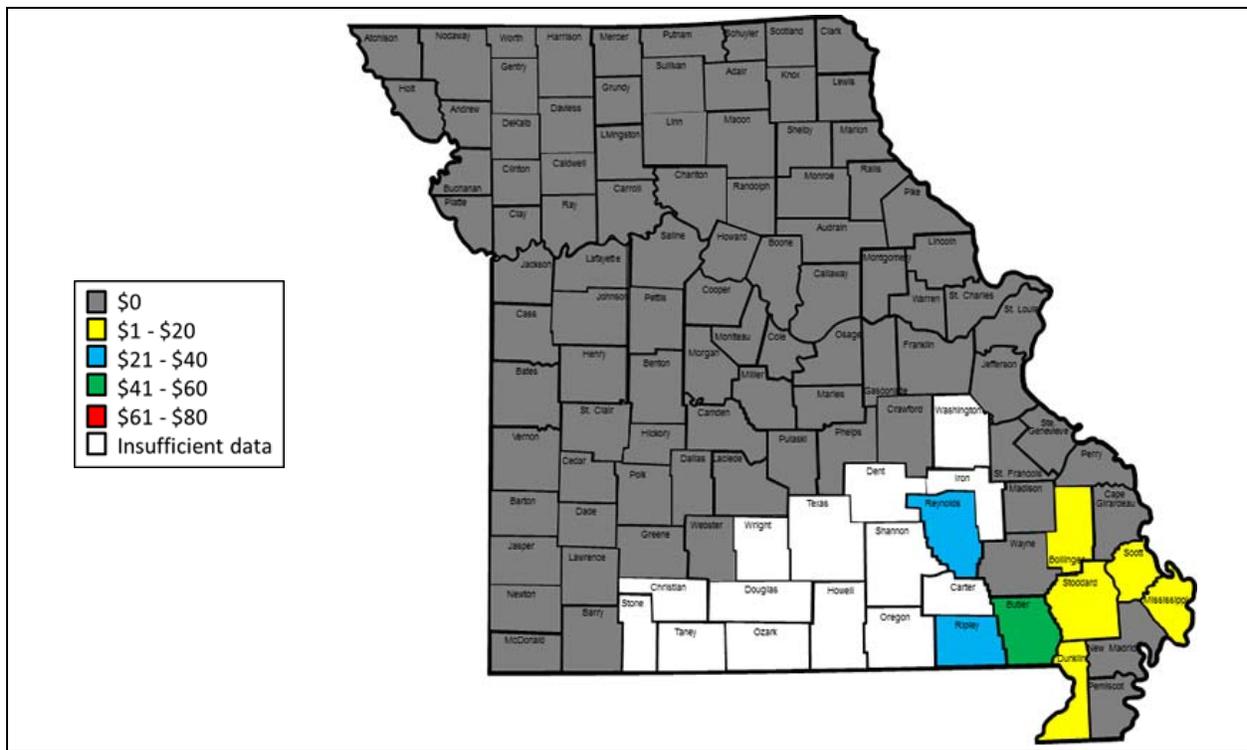
Bulletin #01-16  
All or Nothing: 2014 ARC-CO Payment Rates

Report #06-13  
Impacts of Selected Provisions of the House and Senate Farm Bills

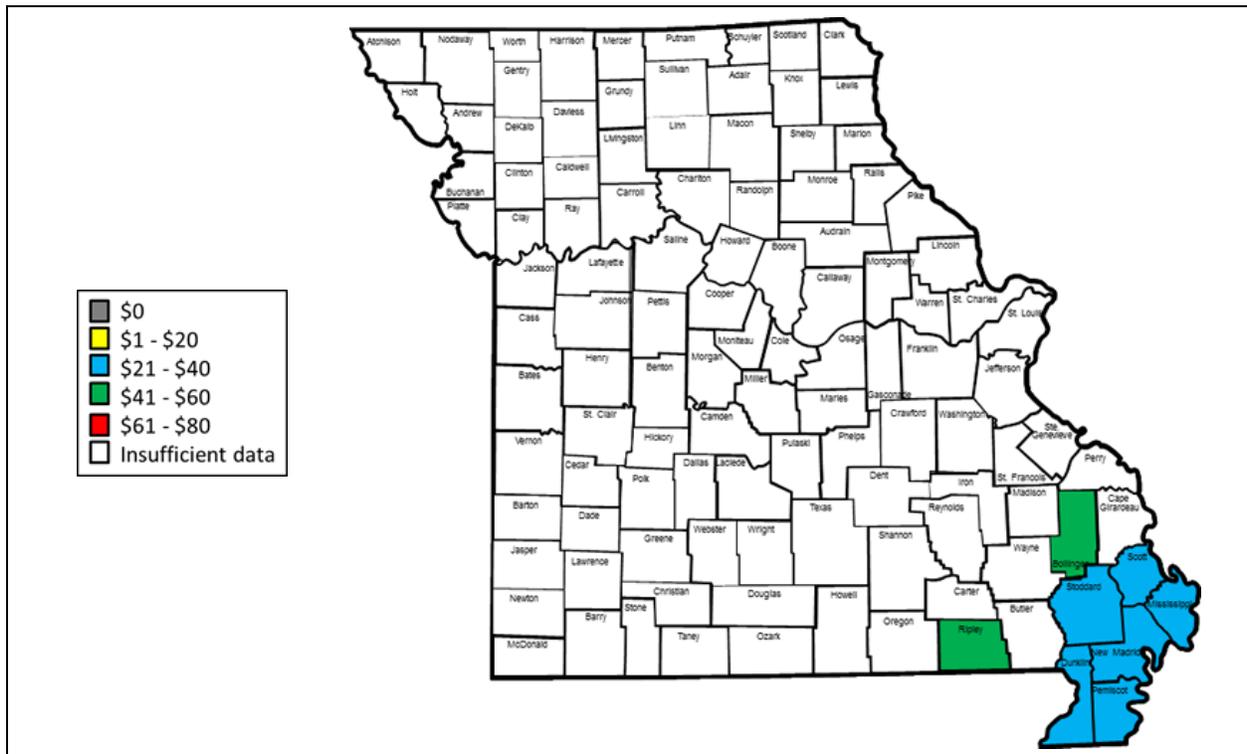
### Author:

Peter Zimmer  
ZimmerP@missouri.edu





**Figure 3. 2016 nonirrigated soybean ARC-CO payments per base acre.**



**Figure 4. 2016 irrigated soybean ARC-CO payments per base acre.**

Published by the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri (MU), 101 Park De Ville Dr., Suite E; Columbia, MO 65203. This material is based upon work supported by the U.S. Department of Agriculture under Agreement Nos. 58-0111-16-011 and 58-0111-17-015 and the USDA National Institute of Food and Agriculture, Hatch project No. MO-HASS0024. Any opinion, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily reflect the view of the USDA nor MU. Permission is granted to reproduce this information with appropriate attribution to the author and FAPRI-MU.