



The ARC-CO / PLC Decision Aid: Listing of Parish-specific Commodity Applications

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USDA Secretary Vilsack announced that the deadline for base reallocation and/or payment yield update has been extended through February 27, 2015 to **March 31, 2015**. This new deadline coincides with that of farm program election date. The farm program election is comprised of three alternatives: (a) ARC-CO, (b) PLC, or (c) ARC-IC. ARC-CO and PLC can be selected on a covered commodity-by-covered commodity basis from farm-to-farm. The ARC-IC option is a whole farm program and, if selected, applies to all covered commodities produced on that farm's serial number. All producers on a farm (which may or may not include the farm owner) must unanimously agree on the program choice. The LSU Agricultural Center's Department of Agricultural Economics and Agribusiness has worked to develop a downloadable Microsoft® Excel spreadsheet that allows all interested parties to evaluate the ARC-CO and PLC programs on a crop specific basis relative to the user's price and yield expectations over the five year life of the farm bill. Given the fact that the ARC-CO is a county level shallow loss revenue program and PLC is a target price program; historical county and individual farm-level data is required for model input for the purposes of payment calculation. ARC-CO and PLC were selected for this economic critique as this decision is on case-by-case basis with the need to observe how changing market conditions will affect each program on the same crop in the same parish on the same farm.

This decision aid has been updated from an earlier version released by the Department in December of 2014. Additional crop production data has been made available through USDA FSA and NASS for the 2009 through 2013 production period. The ARC-CO and PLC program comparison is presented for corn, grain sorghum, long grain rice, medium grain rice, soybeans, and wheat commodities produced in Louisiana. Marketing year average prices (MYA) used in the 2014 through 2018 crop years represent the February 17, 2015 University of Missouri Food and Agricultural Policy Research Institute (FAPRI) U.S. crop price update. County (parish) yields for the next five years appearing in the decision aid represent no official trend or forecast for the parish, but rather are intended to serve as a placeholder for the user-specified yield expectations for future yield levels of the parish. Although it is nearly impossible to predict current market conditions over the duration of the farm bill, the overall objective of this decision aid is to allow producers to evaluate the impact that alternative price/yield combinations will have on frequency and payment amount (dollars per base acres) of the ARC-CO and PLC farm programs. The updated PLC payment yield is calculated and applied to PLC program payment amount (if triggered). This design feature allows the consideration of the February 5, 2015 revision of the USDA FSA substitute (PLC) yields by parish. All mathematical calculations and payment formulas are in a 'protected view', allowing the user to simply enter the farm's yield history from 2008 to 2013, the expected MYA price for 2014 through 2018 crop years, and the 2014 through 2018 expected county yield.

The parish files (identified in Table 1) are available through your local LSU AgCenter county agent and/or by contacting the author directly. An accompanying user's guide for the decision tool is available for download (Adobe Acrobat format) through the Department's website at:

http://www.lsuagcenter.com/en/our_offices/departments/Ag_Economics_Agribusiness/extension_outreach/2014-Farm-Bill-Information/ARCCO--PLC-Decision-Tool-Users-Guide.htm This brief document identifies the necessary steps required for inputting the data while providing a synopsis of the results.

Table 1. The ARC-CO/PLC decision aid is available on a crop-specific basis relative to location. (Table is continued over the following pages.)

Parish	ARC-CO/PLC Decision Aid Available for:
Acadia	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Allen	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Ascension	Soybeans
Assumption	Grain Sorghum, Soybeans, Wheat
Avoyelles	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Beauregard	Irrigated Corn, Non-irrigated Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Bienville	Corn, Grain Sorghum, Soybeans, Wheat
Bossier	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Caddo	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Calcasieu	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Caldwell	Irrigated Corn, Non-irrigated Corn, Grain Sorghum, Rice (LG), Irrigated Soybeans, Non-irrigated Soybeans, Wheat
Cameron	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Catahoula	Irrigated Corn, Non-irrigated Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Claiborne	Corn, Grain Sorghum, Soybeans, Wheat
Concordia	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
De Soto	Corn, Grain Sorghum, Soybeans, Wheat
East Baton Rouge	Corn, Soybeans, Wheat
East Carroll	Irrigated Corn, Non-irrigated Corn, Irrigated Grain Sorghum, Non-irrigated Grain Sorghum, Rice (LG), Irrigated Soybeans, Non-irrigated Soybeans, Wheat
East Feliciana	Corn, Soybeans, Wheat
Evangeline	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Franklin	Corn, Grain Sorghum, Rice (LG), Irrigated Soybeans, Non-irrigated Soybeans, Wheat

Grant	Corn, Grain Sorghum, Soybeans, Wheat
Iberia	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Iberville	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Jackson	Corn, Grain Sorghum, Soybeans, Wheat
Jefferson	Soybeans
Jefferson Davis	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Lafayette	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Lafourche	Soybeans
La Salle	Corn, Grain Sorghum, Soybeans, Wheat
Lincoln	Corn, Grain Sorghum, Soybeans, Wheat
Livingston	Corn, Soybeans
Madison	Irrigated Corn, Non-irrigated Corn, Grain Sorghum, Rice (LG), Irrigated Soybeans, Non-irrigated Soybeans, Wheat
Morehouse	Corn, Irrigated Grain Sorghum, Non-irrigated Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Natchitoches	Irrigated Corn, Non-irrigated Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Orleans	Soybeans
Ouachita	Irrigated Corn, Non-irrigated Corn, Grain Sorghum, Rice (LG), Irrigated Soybeans, Non-irrigated Soybeans, Wheat
Plaquemines	Soybeans
Pointe Coupee	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
Rapides	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Red River	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Richland	Corn, Grain Sorghum, Rice (LG), Rice (MG), Irrigated Soybeans, Non-irrigated Soybeans, Wheat
Sabine	Corn, Grain Sorghum, Soybeans, Wheat
St. Bernard	Soybeans
St. Charles	Soybeans
St. Helena	Corn, Soybeans
St. James	Rice (LG), Soybeans
St. John	Corn, Soybeans
St. Landry	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
St. Martin	Corn, Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat

St. Mary	Grain Sorghum, Rice (LG), Rice (MG), Soybeans, Wheat
St. Tammany	Corn, Soybeans
Tangipahoa	Corn, Soybeans, Wheat
Tensas	Irrigated Corn, Non-irrigated Corn, Grain Sorghum, Rice (LG), Irrigated Soybeans, Non-irrigated Soybeans, Irrigated Wheat, Non-irrigated Wheat
Terrebonne	Soybeans
Union	Corn, Grain Sorghum, Soybeans, Wheat
Vermilion	Corn, Grain Sorghum, Rice (LG), Soybeans, Wheat
Vernon	Corn, Grain Sorghum, Soybeans, Wheat
Washington	Corn, Grain Sorghum, Soybeans, Wheat
Webster	Corn, Grain Sorghum, Soybeans
West Baton Rouge	Corn, Grain Sorghum, Soybeans, Wheat
West Carroll	Corn, Irrigated Grain Sorghum, Non-irrigated Grain Sorghum, Rice (LG), Irrigated Soybeans, Non-irrigated Soybeans, Wheat
West Feliciana	Corn, Grain Sorghum, Soybeans, Wheat
Winn	Corn, Grain Sorghum, Soybeans, Wheat

With most policy models, the estimated farm program payments generated in this analytical tool are only to be viewed as suggested returns presented for educational purposes only. The validity of these results are subject to a multitude of user generated inputs (i.e., forecasted final market year average price and county yields) and how closely they correctly correlate to actual future data. Unlike probability tools that employ simulation analysis, results generated by using this tool have, statistically, a low chance of actually occurring and are to be used as a means for observing the operational mechanics of each farm program under user defined market conditions (price/yield).

This information is presented for educational purposes only and is not an endorsement for one farm program or insurance product over another. Consultation should be sought from a certified crop insurance agent regarding insurance options for a commodity produced in a particular geographical area. Additional information can be obtained on farm programs at the LSU Agricultural Center's Department of Agricultural Economics and Agribusiness farm bill webpage at:

http://www.lsuagcenter.com/en/our_offices/departments/Ag_Economics_Agribusiness/extension_outreach/2014-Farm-Bill-Information/



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