



## 2016 ARC-CO Payments

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The Farm Service Agency has released 2016 county yields, thereby providing all information needed to calculate Agricultural Risk Coverage - County Coverage (ARC-CO) payments. This article contains maps showing payments per base acre for corn, soybeans, and wheat. Also shown is a table giving payments for Illinois counties.

### Description of ARC-CO

ARC-CO is a county revenue program that makes payments when actual county revenue is below a guarantee set at 86% of a benchmark revenue (see *farmdoc daily* [February 20, 2014](#) for a description of ARC-CO payments). ARC-CO uses national, marketing-year-average (MYA) prices in the calculation of actual and benchmark revenues. The benchmark price for corn used in calculating ARC guarantees in 2016 was \$4.79 per bushel. The MYA price for corn in 2016 is \$3.36 per bushel, more than 30% below the benchmark price. Given the 86% guarantee level for the ARC-CO program, payments are triggered in counties where yields are up to 22% above the county benchmark yield; yields higher than that will offset the price decline and result in revenue above the guarantee. A similar situation exists for soybeans and wheat. The 2016 benchmark price for soybeans (wheat) is \$11.87 (\$6.70) compared to a 2016 MYA price estimate of \$9.47 (\$3.89). Thus, soybean and wheat payments are triggered in counties with soybean and wheat yields up to 8% and 48% above their respective benchmark yields.

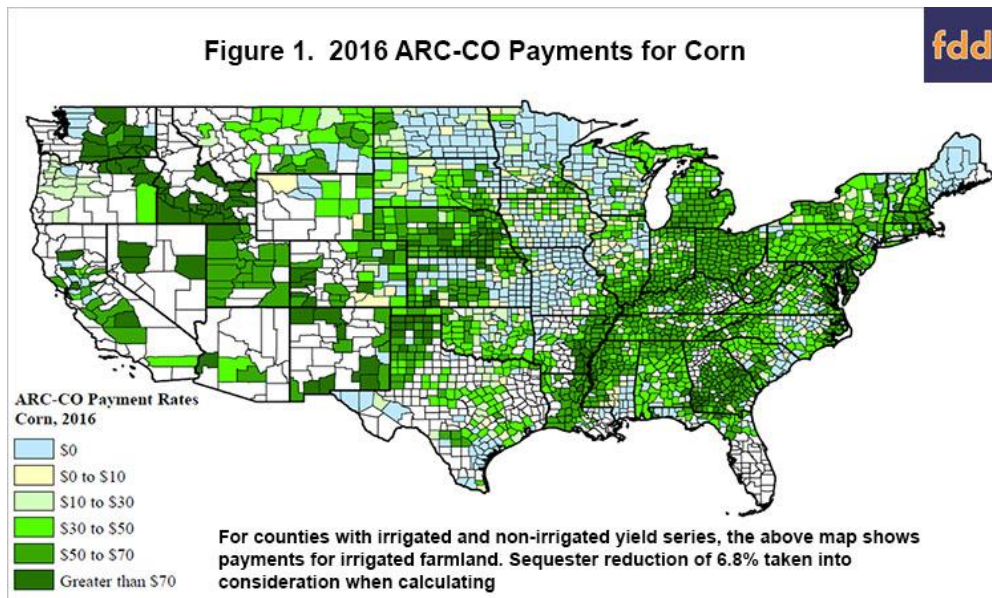
2016 ARC-CO payments are also impacted by the Federal Budget sequester. As was the case for 2014 and 2015 payments, ARC-CO payments will be reduced 6.8% due to the sequester requirement contained in Congressional budgeting legislation from 2011. The sequester reduction is incorporated into the payment levels discussed below.

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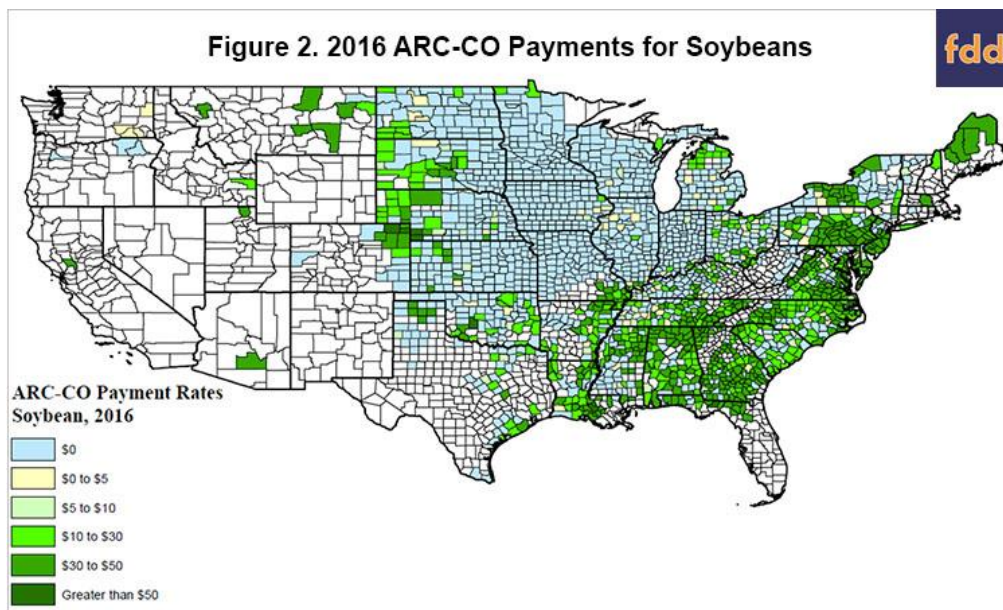
## 2016 ARC-CO Payments for Corn

Figure 1 shows a map of 2016 ARC-CO payments for corn across the United States. As with all the figures in the article, payments are adjusted for the fact that payments are received on .85 of the base acres. In counties where non-irrigated and irrigated payments exist, the irrigated ARC-CO payment is reported. If the county is not shaded, FSA did not report a yield for that county, most likely because no farms were enrolled in ARC-CO. As can be seen in Figure 1, payments will be received for many counties in states that border the Ohio River and lower Mississippi River. Many counties along the eastern seaboard will receive payments. Payments are also prevalent in Nebraska, but fewer counties will receive payments in Illinois, Iowa, Missouri, Minnesota, and Wisconsin.



## 2016 ARC-CO Payments for Soybeans

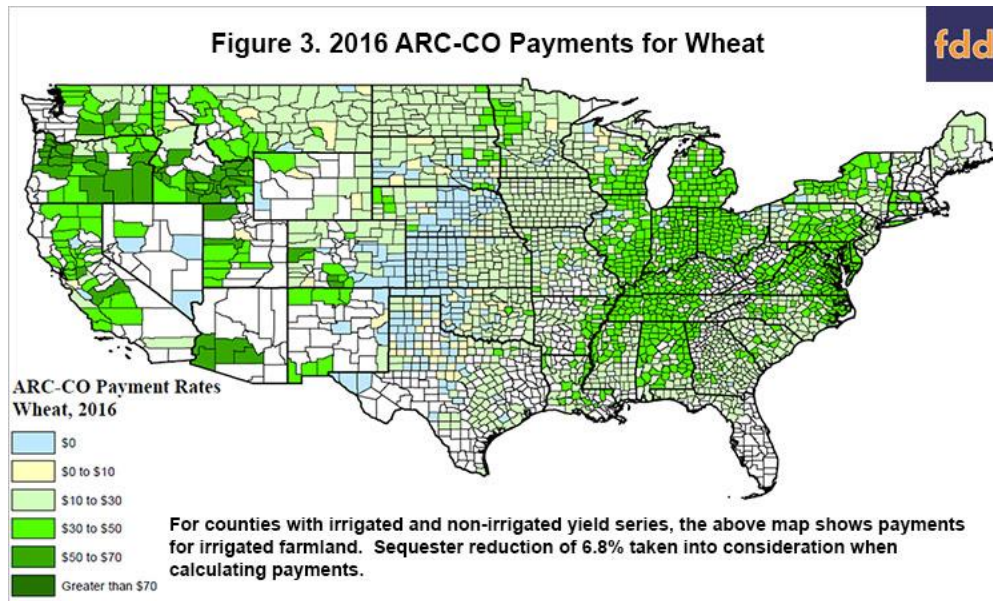
Most counties in the Midwest will not receive payments for soybeans. Payments are more prevalent in the eastern United States.



## 2016 ARC-CO Payments for Wheat

Many counties around the United States will be receiving payments for wheat (see Figure 3). Payments will be received in many counties east of the Mississippi and in the western United States. ARC-CO will

not make payments in western Kansas, western Oklahoma, and the panhandle of Texas. High county yields in these areas offset the 2016 MYA price being below the 2016 benchmark price.



### Illinois ARC-CO Payments

Table 1 shows per acre payments by county in Illinois. These payments are given per base acre for corn, soybeans, and wheat. These are per base acre and have been adjusted for the 6.8% sequester. Take Piatt County as an example. Land owners and farmers in Piatt County will receive \$31 per corn base acre. If a farm has 50 base acres of corn, it would receive \$1,550 in ARC-CO payments on that corn base.

### Commentary

With the release of final county yields by FSA, ARC-CO payments for many counties can be calculated. Because average yields vary by county both for the 2016 crop and the 2011-2015 crops that determine the benchmark yield, there will be variability in ARC-CO payments across the counties. Those counties that had high 2016 yields relative to their benchmarks will not receive payments. Higher payments will be received for counties with low county yields relative to their benchmark yields.

**Table 1. 2016 ARC-CO Payments per Base Acre in Illinois<sup>1</sup>**

	Soy-				Soy-				Soy-		
	Corn	Beans	Wheat		Corn	Beans	Wheat		Corn	Beans	Wheat
Adams	0	0	14	Hardin	45	0	33	Morgan	26	0	35
Alexander	53	39	28	Henderson	23	2	0	Moultrie	37	0	33
Bond	26	0	17	Henry	47	3	0	Ogle	2	0	40
Boone	69	0	36	Iroquois	0	0	35	Peoria	5	3	18
Brown	15	0	29	Jackson	56	0	32	Perry	49	0	30
Bureau	64	0	0	Jasper	47	0	33	Piatt	31	0	35
Calhoun	30	0	17	Jefferson	49	0	31	Pike	2	0	33
Carroll	9	0	40	Jersey	62	0	32	Pope	57	39	9
Cass	37	0	30	Jo Daviess	25	0	34	Pulaski	58	18	33
Champaign	9	0	42	Johnson	50	37	30	Putnam	17	0	20
Christian	50	0	35	Kane	29	0	39	Randolph	49	0	34
Clark	29	0	34	Kankakee	0	0	28	Richland	52	0	35
Clay	21	0	31	Kendall	23	0	36	Rock Island	29	2	0
Clinton	54	0	33	Knox	17	0	34	St. Clair	56	0	33
Coles	25	0	36	Lake	57	0	27	Saline	60	0	32
Cook	0	0	10	LaSalle	45	3	19	Sangamon	3	0	36
Crawford	43	0	32	Lawrence	55	0	32	Schuyler	14	0	28
Cumberland	48	0	35	Lee	33	3	37	Scott	0	0	19
DeKalb	32	0	39	Livingston	0	0	35	Shelby	47	0	32
De Witt	63	12	18	Logan	8	0	22	Stark	28	0	33
Douglas	41	0	36	McDonough	10	0	13	Stephenson	36	0	40
DuPage	61	0	38	McHenry	29	0	38	Tazewell	0	0	35
Edgar	51	0	36	McLean	17	0	21	Union	51	1	28
Edwards	55	3	32	Macon	28	0	0	Vermilion	0	0	37
Effingham	60	0	33	Macoupin	0	0	18	Wabash	57	0	21
Fayette	49	0	30	Madison	34	0	33	Warren	4	4	14
Ford	0	0	36	Marion	56	0	36	Washington	54	0	37
Franklin	54	0	34	Marshall	42	0	23	Wayne	46	0	33
Fulton	10	0	0	Mason	8	0	0	White	61	0	35
Gallatin	61	4	37	Massac	58	3	31	Whiteside	41	0	21
Greene	18	0	32	Menard	47	0	13	Will	0	0	36
Grundy	0	0	34	Mercer	30	0	0	Williamson	57	0	32
Hamilton	56	0	34	Monroe	54	0	33	Winnebago	48	0	37
Hancock	0	0	26	Montgomery	8	0	33	Woodford	10	0	32

<sup>1</sup> These payments are for a bases acres of the corp. They have been adjusted for a sequester equal to 6.8%.

**References**

Coppess, J., and N. Paulson. "Agriculture Risk Coverage and Price Loss Coverage in the 2014 Farm Bill." *farmdoc daily* (4):32, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, February 20, 2014.