

USDA Provides \$1.8 Billion to Offset Market Fluctuations

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Farmers Can Now Make Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

The U.S. Department of Agriculture (USDA) is in the process of issuing \$1.8 billion in payments to agricultural producers who enrolled in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2020 crop year. These payments provide critical support to help mitigate fluctuations in either revenue or prices for certain crops. These two USDA safety-net programs help producers of certain crops build back better after facing the impacts of COVID-19 and other challenges.

In addition, USDA's Farm Service Agency (FSA) is encouraging producers to contact their local USDA Service Centers to make or change elections and to enroll for 2022 ARC or PLC, providing future protections against market fluctuations. The election and enrollment period opened on Oct. 18, 2021 and runs through March 15, 2022.

"As we build back better than we were before, we will continue to support our farmers, ranchers and producers as they overcome the challenges associated with COVID-19, climate change and other issues," said FSA Administrator Zach Ducheneaux. "We also know producers prefer to get good prices for their crops in the marketplace, but these programs provide stability when markets are volatile, making a big difference in the lives of farm families across the country."

2020 Payments and Contracts

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2020 ARC-County (ARC-CO), ARC-Individual (ARC-IC) and PLC for covered commodities that triggered for the crop year.

For ARC-CO, view the [2020 ARC-CO Benchmark Yields and Revenues online database](#) for payment rates applicable to their county and each covered commodity.

For PLC, payments have triggered for barley, canola, chickpeas (large and small), dry peas, flaxseed, lentils, peanuts, seed cotton and wheat. More information on rice payments will be announced later this fall and in early 2022.?

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2020 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

By the Numbers

More than 1.7 million contracts were signed in 2019. In 2020, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. In 2021, signed contracts surpassed 1.8 million.

Since the ARC and PLC were authorized by in the 2014 Farm Bill and reauthorized by in the 2018 Farm Bill, these safety-net programs have paid out more than \$32.5 billion to producers of covered commodities.

“I am incredibly proud of our FSA staff who work with producers to make elections and to enroll in these important programs,” Ducheneaux said. “We are excited for the 2022 signup and hope producers take advantage of these valuable programs.”

2022 Elections and Enrollment?

Producers can elect coverage and enroll in ARC-CO or PLC, which are both crop-by-crop, or ARC-IC, which is for the entire farm. Although election changes for 2022 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2022, it will be necessary to sign a new contract.??

If an election is not submitted by the deadline of March 15, 2022, the election remains the same as the 2021 election for crops on the farm.? Farm owners cannot enroll in either program unless they have a share interest in the farm.???

Covered commodities include barley, canola, large and small chickpeas, corn,?crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed, and wheat.??

Web-Based Decision Tools?

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:?

- [Gardner-farmdoc Payment Calculator](#), a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- [ARC and PLC Decision Tool](#), a tool available through TexasA&M allows producers to estimate payments and yield updates and expected payments for 2022.

Crop Insurance Considerations?

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election.? Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm. ?

More Information??

For more information on ARC and PLC, visit the?[ARC and PLC webpage](#) or contact your local [USDA Service Center](#).

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit?[usda.gov](#).?

Farm Service Agency:

1400 Independence Ave.

SW Washington, DC 20250

Contact:

FPAC Press Desk

FPAC.BC.Press@usda.gov