Making Farm Program & Crop Insurance Decisions for 2025



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Where we are at today...

- 2018 Farm Bill was extended to Sept. 30th, 2024
- Election/Enrollment of Farm Programs (ARC/PLC) needs to be made with your FSA office by April 15th, 2025
- Crop Insurance deadline for spring-planted crops is March 15th, 2025
 - If you are using Supplemental Coverage Option (SCO), then you cannot be enrolled in ARC on that same crop and base acres



Farm Bill Timeline

2025 Election covers the 2025/2026 Marketing Year for crops harvested in 2025

Corn, Sorghum, & Soybeans Marketing year: Sept. 1st, 2025- Aug. 31st, 2026

Wheat Marketing year: June 1st, 2025 – May 31st, 2026

The ARC or PLC payment for the crop harvested in <u>2024</u> will be received in <u>Oct.</u> 2025

K-STATE
Research and Extension

Chances of Payments in Oct. 2024?

PLC	Wheat	Corn	Grain Sorghum	Soybeans
2024/2025 MYA Estimate*	\$5.50	\$4.34	\$4.18	\$10.10
Effective Reference Price	\$5.50	\$4.01	\$4.06	\$9.26
Est. PLC Payment Rate	\$0.00	\$0.00	\$0.00	\$0.00

*January KSU estimate

https://www.agmanager.info/crop-insurance/risk-management-strategies/mya-price-estimates-updated-arc-and-plc-commodity-



Table 1: Estimated MYA 2024/2025 Wheat Price For Calculating 2024/2025 ARC and PLC Payments (1/31/25)

	Est	Est		
Estimated MYA Price(s)	24/25	Wt.*	73%	
June	5.86	11.8	1370	
July	5.52	18.6	2024 ARC Reference Price	
August	5.23	12.5	MYA Price 22/23	\$8.83
September	5.36	10.1	MYA Price 21/22	\$7.63
October	5.47	6.8	MYA Price 20/21	\$5.50
November	5.45	5.2	MYA Price 19/20	\$5.50
December	5.49	8.4	MYA Price 18/19	\$5.50
Forecast January 25	5.46	8.2	5 Yr. Olympic Average	
Forecast February	5.46		20 '4의 - [11] 12 (12 12 - 12 12 12 12 12 12 12 12 12 12 12 12 12	\$6.21
Forecast March	5.59	5.0	ARC 14% Deductible Price	\$5.34
Forecast April	5.59	4.6		
Forecast May	5.69	3.7	PLC Reference Price	\$5.50
Estimated 24/25 MYA price	\$5.50		Estimated PLC Payment	\$0.00

^{*}The 2024/25 monthly prices in red are K-State estimates. Weights are a five-year average, 2019-2023.

 $\frac{https://www.agmanager.info/crop-insurance/risk-management-strategies/mya-price-estimates-updated-arc-and-plc-commodity-0$



Table 2: Estimated MYA 2024/2025 Corn Price For Calculating 2024/2025 ARC and PLC Payments (1/31/25)

	Est	Est	ľ	
Estimated MYA Price(s)	24/25	Wt *	41%	
September	3.98	6.0	4270	
October	3.99	12.7	2024 ARC Reference Price	
November	4.07	12.3	MYA Price 22/23	\$6.54
December	4.23	9.6	MYA Price 21/22	\$6.00
Forecast January 25	4.53	13.8	MYA Price 20/21	\$4.53
Forecast February	4.53	7.3	MYA Price 19/20	\$4.01
Forecast March	4.62	7.5	MYA Price 18/19	\$4.01
Forecast April	4.62	6.0	5 Yr. Olympic Average	
Forecast May	4.64	5.3	Benchmark Price for 2024 ARC	\$4.85
Forecast June	4.64	7.0	ARC 14% Deductible	\$4.17
Forecast July	4.34	5.9		
Forecast August	4.34	6.5	PLC Reference Price	\$4.01
Estimated 24/25 MYA price	\$4.34		PLC Payment	\$0.00

 $^{^{\}star}$ The 2024/25 monthly prices in red are K-State estimates. Weights are a five-year average, 2019-2023.

https://www.agmanager.info/crop-insurance/risk-management-strategies/mya-price-estimates-updated-arc-and-plc-commodity-0



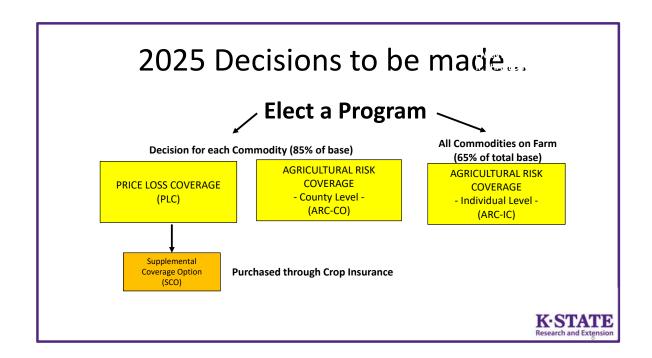
Chances of ARC-County Payments in Oct. 2025 for 2024 Harvested Crops?

	2024/2025 ARC-CO benchmark	2024/2025 Estimated MYA*	% of Benchmark County yield to trigger payment	Example Benchmark County Yield (bushels)	Bushel yield to trigger payment
Wheat	\$6.21	\$5.50	97.1%	45	44
Corn	\$4.85	\$4.34	96.1%	150	144
Grain Sorghum	\$5.01	\$4.18	103.1%	100	103
Soybeans	\$11.12	\$10.10	94.7%	50	47

^{*}January KSU estimate

 $\underline{https://www.agmanager.info/crop-insurance/risk-management-strategies/mya-price-estimates-updated-arc-and-plc-commodity-0.}$





Price Loss Coverage

PLC – Low **price** program

- Triggers when national Marketing Year Average price below the reference price for the crop
- Paid on 85% of farm base acres and program yields

Example: \$5.56 Reference Price - \$5.50 MYA = \$0.06 loss \$0.06 per bushel * Farm's Program Yield * 85% of Farm's wheat base acres

Subject to a much higher payment limit, as it will keep paying unless MYA price gets below
the loan rate

	Wheat	Corn	Grain Sorghum	Soybeans
2025 PLC Reference Price	\$5.56	\$4.26	\$4.51	\$9.66
Loan Rate	\$3.38	\$2.20	\$2.20	\$6.20

Agricultural Risk Coverage

- ARC-CO Low **revenue** program
 - Triggers when revenue is below 86% of county benchmark: set by last 5 years (with 1 lag year) of national Marketing Year Average prices and county yields
 - Payments determined on county-by-county basis, subject to a 10% payment cap
 - Paid on 85% of base acres of that crop

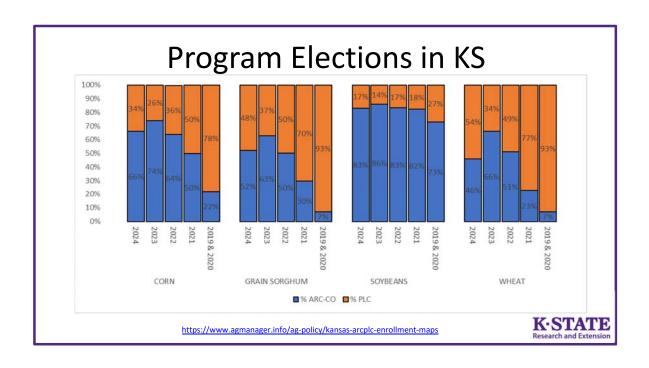
Example: 40.5 bu. Benchmark County Yield x \$6.72 Benchmark Price = \$272.16 per acre Benchmark Revenue

\$272.16 * 86% = \$234.06 Guaranteed Revenue \$272.16 * 10% = \$27.21 Max Payment per Acre

36 bu. Actual Yield x \$5.50 MYA = \$198 per acre Actual Revenue

\$234.06 - \$198 = \$36.06 Loss \$27.21 Max Payment * 85% Wheat Base Acres

	Wheat	Corn	Grain Sorghum	Soybeans
2025 ARC Benchmark Prices	\$6.72	\$5.03	\$5.30	\$12.17



What program should I choose for 2025?									
Crop Name	Wheat	Corn	Grain Sorghum	Soybeans					
PLC Effective Ref. Price	\$5.56	\$4.26	\$4.51	\$9.66					
2024 ARC Benchmark	\$6.72	\$5.03	\$5.30	\$12.17					
86% of ARC Benchmark (average yield)	\$5.78	\$4.33	\$4.56	\$10.47					
Price ARC will Trigger w/10% yield loss	\$6.42	\$4.81	\$5.06	\$11.63					
Price ARC will Trigger w/10% yield gain	\$5.25	\$3.93	\$4.14	\$9.51					
				K-STATE					

Price Projections-Corn

As of Jan. 31st, 2025

	(Final)	(Estimated)	(Projected)
Corn	2023/2024	2024/2025	2025/2026
K-State Monthly Estimate	\$4.55	\$4.34	\$4.41
USDA WASDE Monthly Estimate	\$4.55	\$4.25	
FAPRI-MU (Baseline)	\$4.55	\$4.10	\$4.13
USDA ERS	\$4.55	\$4.36	

PLC Reference Price for Corn is \$4.26 for 2025

 $\frac{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-mya-prices-arc-and-plc-commodity}{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-mya-prices-arc-and-plc-commodity}{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-mya-prices-arc-and-plc-commodity}{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-mya-prices-arc-and-plc-commodity}{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-mya-prices-arc-and-plc-commodity}{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-mya-prices-arc-and-plc-commodity}{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{http://www.agmanagement-strategies/projections-arc-and-plc-commodity}}{\text{$



What program should I choose?

- PLC payments will be made if the MYA price drops below \$4.26
- With an average yield (102 bushels),
 ARC-CO will not start paying until price
 falls to \$4.33
- PLC payment will exceed ARC-CO payments at any yield level if MYA price drops below \$3.67
- ARC-CO maximum payment will be \$51.34 per acre in 2025

https://www.agmanager.info/agpolicy/2018-farm-bill/tradeoffbetween-20252026-arc-and-plc

AR	ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year											
State:	Kansas											
County:	Marion	Crop:		Co	orn	1	ype:	Nonirri	gated			
				ARC				PLC				
5 Yr. Olympic Avg. County Yield		Yield	-	102.06	Bushels	Program Yie	ld	87.4	Bushels			
5 Yr. Olympic	5 Yr. Olympic Avg. MYA Price			\$5.03		Eff. Reference	e Price	\$4.26				
Benchmark F	levenue			\$513.36								
Guaranteed	Revenue			\$441.49	(PLC> ARC-C	O max @	\$3.67				
					Yie	eld						
		34	42	53		82	102	112	12:			
	PLC											
MYA Price	Payment	ARC Payment										
\$7.22	\$0.00	\$51.34	\$51.34	\$51.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.91	\$0.00	\$51.34	\$51.34	\$51.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.61	\$0.00	\$51.34	\$51.34	\$51.34	\$5.23	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.33	\$0.00	\$51.34	\$51.34	\$51.34	\$23.71	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.06	\$0.00	\$51.34	\$51.34	\$51.34	\$41.53	\$0.00	\$0.00	\$0.00	\$0.00			
\$5.80	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$0.00	\$0.00	\$0.00	\$0.00			
\$5.55	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$0.00	\$0.00	\$0.00	\$0.00			
\$5.31	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$6.07	\$0.00	\$0.00	\$0.00			
\$5.08	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$24.93	\$0.00	\$0.00	\$0.00			
\$4.86	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$42.97	\$0.00	\$0.00	\$0.00			
\$4.65	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$0.00	\$0.00	\$0.00			
\$4.45	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$0.00	\$0.00	\$0.00			
\$4.26	\$0.00	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$6.97	\$0.00	\$0.00			
\$4.11	\$13.11	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$22.27	\$0.00	\$0.00			
\$3.97	\$25.35	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$36.55	\$0.00	\$0.00			
\$3.83	\$37.58	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$50.83	\$12.53	\$0.00			
\$3.70	\$48.94	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$27.09	\$0.00			
\$3.57	\$60.31	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$51.34	\$41.65	\$5.95			

What program should I choose?

- PLC payments will be made if the MYA price drops below \$4.26
- With an average yield (185 bushels),
 ARC-CO will not start paying until price
 falls to \$4.33
 - PLC payment will exceed ARC-CO payments at any yield level if MYA price drops below \$3.56
- ARC-CO maximum payment will be \$92.81 per acre in 2025

https://www.agmanager.info/agpolicy/2018-farm-bill/tradeoffbetween-20252026-arc-and-plc

AR	ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year											
State:	Kansas											
County:	Scott		Crop:	Co	rn	1	уре:	Irrigat	ed			
				ARC				PLC				
5 Yr. Olympic Avg. County Yield		Yield	-	184.51	Bushels	Program Yie	ld	131.9 B	ushels			
5 Yr. Olympic	c Avg. MYA Pı	rice		\$5.03		Eff. Reference	e Price	\$4.26				
Benchmark F	Revenue			\$928.09								
Guaranteed	Revenue			\$798.16	(PLC> ARC-C	O max @	\$3.56				
					Yie	eld						
		60	75	94	118	148	185	204	22			
	PLC											
MYA Price	Payment				ARC Pa	yment						
\$7.22	\$0.00	\$92.81	\$92.81	\$92.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.91	\$0.00	\$92.81	\$92.81	\$92.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.61	\$0.00	\$92.81	\$92.81	\$92.81	\$18.18	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.33	\$0.00	\$92.81	\$92.81	\$92.81	\$51.22	\$0.00	\$0.00	\$0.00	\$0.00			
\$6.06	\$0.00	\$92.81	\$92.81	\$92.81	\$83.08	\$0.00	\$0.00	\$0.00	\$0.00			
\$5.80	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$0.00	\$0.00	\$0.00	\$0.00			
\$5.55	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$0.00	\$0.00	\$0.00	\$0.00			
\$5.31	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$12.28	\$0.00	\$0.00	\$0.00			
\$5.08	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$46.32	\$0.00	\$0.00	\$0.00			
\$4.86	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$78.88	\$0.00	\$0.00	\$0.00			
\$4.65	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$0.00	\$0.00	\$0.00			
\$4.45	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$0.00	\$0.00	\$0.00			
\$4.26	\$0.00	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$10.06	\$0.00	\$0.00			
\$4.11	\$19.78	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$37.81	\$0.00	\$0.00			
\$3.97	\$38.24	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$63.71	\$0.00	\$0.00			
\$3.83	\$56.70	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$89.61	\$16.84	\$0.00			
\$3.70	\$73.84	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$43.36	\$0.00			
\$3.57	\$90.98	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$92.81	\$69.88	\$5.62			

Price Projections-Soybeans

As of Jan. 31st, 2025

	(Final)	(Estimated)	(Projected)
Soybeans	2023/2024	2024/2025	2025/2026
K-State Monthly Estimate	\$12.36	\$10.10	\$10.31
USDA WASDE Monthly Estimate	\$12.36	\$10.20	
FAPRI-MU (Baseline)	\$12.36	\$9.99	\$9.65
USDA ERS	\$12.36	\$9.85	

PLC Reference Price for Soybeans is \$9.66 for 2025

 $\frac{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-myaprices-arc-and-plc-commodity$



What program should I choose?

- PLC payments will be made if the MYA price drops below \$9.66
- With an average yield (38 bushels), ARC-CO will not start paying until price falls to \$10.47
- PLC payment will exceed ARC-CO payments at any yield level if MYA price drops below \$8.12
- ARC-CO maximum payment will be \$45.67 per acre in 2025

https://www.agmanager.info/agpolicy/2018-farm-bill/tradeoffbetween-20252026-arc-and-plc

Al	RC Payments v	rs. PLC Payn	nents Under	Different	Yields and I	Prices for 202	25/2026 Ma	rketing Yea	r
State:	Kansas								
County:	Cherokee		Crop:	Soyl	eans		Type:	Nonirri	gated
				ARC				PLC	
5 Yr. Olymp	ic Avg. County	Yield		37.53	Bushels	Program Yie	eld	29.7	Bushels
5 Yr. Olympi	ic Avg. MYA Pr	ice		\$12.17		Eff. Referen	ce Price	\$9.66	
Benchmark	Revenue			\$456.74					
Guaranteed	Revenue			\$392.80		PLC> ARC-C	CO max @	\$8.12	
					Yi	eld			
	•	12	15	19	24	30	38	42	
	PLC								
MYA Price	Payment				ARC Pa	ayment			
\$16.39	\$0.00	\$45.67	\$45.67	\$45.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0
\$15.68	\$0.00	\$45.67	\$45.67	\$45.67	\$16.48	\$0.00	\$0.00	\$0.00	\$0.0
\$15.00	\$0.00	\$45.67	\$45.67	\$45.67	\$32.80	\$0.00	\$0.00	\$0.00	\$0.0
\$14.35	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$0.00	\$0.00	\$0.00	\$0.0
\$13.73	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$0.00	\$0.00	\$0.00	\$0.0
\$13.14	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$0.00	\$0.00	\$0.00	\$0.0
\$12.57	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$15.70	\$0.00	\$0.00	\$0.0
\$12.03	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$31.90	\$0.00	\$0.00	\$0.0
\$11.51	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$0.00	\$0.00	\$0.0
\$11.01	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$0.00	\$0.00	\$0.0
\$10.54	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$0.00	\$0.00	\$0.0
\$10.09	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$9.38	\$0.00	\$0.0
\$9.66	\$0.00	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$25.72	\$0.00	\$0.0
\$9.32	\$10.11	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$38.64	\$1.36	\$0.0
\$8.99	\$19.91	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$15.22	\$0.0
\$8.68	\$29.13	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$28.24	\$0.0
\$8.38	\$38.05	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$40.84	\$7.3
\$8.09	\$46.67	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$45.67	\$20.6

Price Projections-Wheat

As of Jan. 31st, 2025

	(Final)	(Estimated)	(Projected)
Wheat	2023/2024	2024/2025	2025/2026
K-State Monthly Estimate	\$6.96	\$5.50	\$5.99
USDA WASDE Monthly Estimate	\$6.96	\$5.55	
FAPRI-MU (Baseline)	\$6.96	\$5.66	\$5.79
USDA ERS	\$6.96	\$5.54	

PLC Reference Price for Wheat is \$5.56 for 2025

 $\underline{\text{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-myaprices-arc-and-plc-commodity}$



What program should I choose?

- PLC payments will be made if the MYA price drops below \$5.56
- With an average yield (47 bushels), ARC-CO will not start paying until price falls to \$5.78
- PLC payment will exceed ARC-CO payments at any yield level if MYA price drops below \$4.76
- ARC-CO maximum payment will be \$31.42 per acre in 2025

https://www.agmanager.info/agpolicy/2018-farm-bill/tradeoffbetween-20252026-arc-and-plc

AR	ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year								
State:	Kansas								
County:	Rooks		Crop:	Wh	eat	:	Туре:	Nonirri	gated
				ARC				PLC	
5 Yr. Olympi	c Avg. County	Yield	-	46.75	Bushels	Program Yie	ld	39.2	ushels
5 Yr. Olympi	c Avg. MYA Pr	ice		\$6.72		Eff. Referen	ce Price	\$5.56	
Benchmark F	Revenue			\$314.16					
Guaranteed	Revenue			\$270.18		PLC> ARC-C	O max @	\$4.76	
					Yie	eld			
		15	19	24	30	38	47	52	56
	PLC								
MYA Price	Payment				ARC Pa	yment			
\$9.44	\$0.00	\$31.42	\$31.42	\$31.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$9.03	\$0.00	\$31.42	\$31.42	\$31.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$8.64	\$0.00	\$31.42	\$31.42	\$31.42	\$10.98	\$0.00	\$0.00	\$0.00	\$0.00
\$8.27	\$0.00	\$31.42	\$31.42	\$31.42	\$22.08	\$0.00	\$0.00	\$0.00	\$0.00
\$7.91	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$0.00	\$0.00	\$0.00	\$0.00
\$7.57	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$0.00	\$0.00	\$0.00	\$0.00
\$7.24	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$0.00	\$0.00	\$0.00	\$0.00
\$6.93	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$6.84	\$0.00	\$0.00	\$0.00
\$6.63	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$18.24	\$0.00	\$0.00	\$0.00
\$6.34	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$29.26	\$0.00	\$0.00	\$0.00
\$6.07	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$0.00	\$0.00	\$0.00
\$5.81	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$0.00	\$0.00	\$0.00
\$5.56	\$0.00	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$8.86	\$0.00	\$0.00
\$5.37	\$7.45	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$17.79	\$0.00	\$0.00
\$5.18	\$14.90	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$26.72	\$0.82	\$0.00
\$5.00	\$21.97	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$10.18	\$0.00
\$4.83	\$28.63	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$19.02	\$0.00
\$4.66	\$35.30	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$31.42	\$27.86	\$9.22

Price Projections-Grain Sorghum

As of Jan. 31st, 2025

	(Final)	(Estimated)	(Projected)
Grain Sorghum	2023/2024	2024/2025	2025/2026
K-State Monthly Estimate	\$4.93	\$4.18	\$4.19
USDA WASDE Monthly Estimate	\$4.93	\$4.25	
FAPRI-MU (Baseline)	\$4.93	\$4.12	\$3.84

PLC Reference Price for Grain Sorghum is \$4.51 for 2025

 $\frac{http://www.agmanager.info/crop-insurance/risk-management-strategies/projections-and-sources-mya-prices-arc-and-plc-commodity$



ARC Payments vs. PLC Payments Under Different Yields and Prices for 2025/2026 Marketing Year What program Grain Sorghum County: Pratt Crop: Nonirrigated should I choose? ARC PLC 5 Yr. Olympic Avg. County Yield Program Yield 62.32 58.2 5 Yr. Olympic Avg. MYA Price Eff. Reference Price \$4.51 \$5.30 Benchmark Revenue price drops below \$4.51 Guaranteed Revenue \$284.06 PLC> ARC-CO max @ Yield 32 62 68 With an average yield (62 bushels), ARC-PLC CO will not start paying until price falls MYA Price Payment \$0.00 \$0.00 \$0.00 \$0.00 \$7.63 \$0.00 \$0.00 \$33.03 \$33.03 PLC payment will exceed ARC-CO \$6.99 \$0.00 \$33.03 \$33.03 \$33.03 \$4.46 \$0.00 \$0.00 \$0.00 \$0.00 \$16.46 \$0.00 \$0.00 \$6.69 \$0.00 \$33.03 \$33.03 \$33.03 \$0.00 \$0.00 payments at any yield level if MYA price \$0.00 \$33.03 \$33.03 \$33.03 \$28.06 \$0.00 \$0.00 \$0.00 drops below \$3.94 \$0.00 \$33.03 \$33.03 \$33.03 \$5.86 \$0.00 \$33.03 \$33.03 \$33.03 \$33.03 \$0.00 \$0.00 \$0.00 \$0.00 ARC-CO maximum payment will be \$5.61 \$0.00 \$33.03 \$33.03 \$33.03 \$33.03 \$3.56 \$0.00 \$0.00 \$0.00 \$0.00 \$33.03 \$15.56 \$0.00 \$0.00 \$5.37 \$33.03 \$33.03 \$33.03 \$0.00 \$33.03 per acre in 2025 \$33.03 \$33.03 \$33.03 \$33.03 \$27.06 \$4.92 \$0.00 \$33.03 \$33.03 \$33.03 \$33.03 \$33.03 \$0.00 \$0.00 \$0.00 \$4.71 \$0.00 \$33.03 \$33.03 \$33.03 \$33.03 \$33.03 \$0.00 \$0.00 \$0.00 \$4.51 \$0.00 \$33.03 \$33.03 \$33.03 \$33.03 \$33.03 \$4,44 \$0.00 \$0.00 \$4.35 \$9.31 \$33.03 \$33.03 https://www.agmanager.info/ag-\$4.20 \$18.03 \$33.03 \$33.03 \$33.03 \$33.03 \$33.03 \$23.66 policy/2018-farm-bill/tradeoff-\$4.05 \$26.76 \$33.03 \$33.03 \$33.03 \$33.03 \$33.03 \$32.96 \$8.66 \$0.00 \$3.91 \$34.90 \$33.03 \$33.03 \$33.03 \$33.03 \$33.03 \$33.03 \$18.18 \$0.00 between-20252026-arc-and-plc \$43.04 \$33.03 \$33.03 \$33.03 \$33.03 \$27.70

Conclusions and Implications

- Selecting ARC or PLC for 2025 is not a straightforward decision
 - How low will prices go in 2025/2026?
 - PLC = better price protection
 - ARC = more likely? (especially for dryland crops), BUT
 - · Payment hits the maximum pretty quickly
 - Will you hit the \$125,000 (or \$250,000) payment limit anyway?
 - Do you want to use SCO? Cannot if you are enrolled in ARC



2025 Crop Insurance Decisions

Overview of high coverage policies

 Supplemental Coverage Option (SCO) & Enhanced Coverage Option (ECO)

High coverage policies under low profit margins

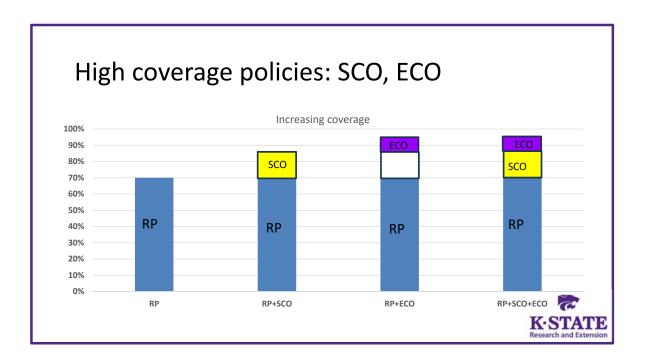
SCO/PLC vs ARC

- Potential payouts in 2025
- New decision tool

K-STATE
Research and Extension

High Coverage Policies





Summary

- County-based trigger*, payout when county yields released
- SCO increases underlying YP or RP coverage to 86%, cannot be used with ARC
- ECO (Enhanced Coverage Option)
 - 2 coverage choices: 86 to 90% **OR** 86 to 95%
 - Can be used with YP, RP, ARC, SCO
 - Cannot be used with ARP or AYP



Key Tradeoffs



Three cautions

- 1. High coverage policies increase premium costs
- 2. Payouts are not triggered by farm-level losses and are paid out later
- 3. Long term perspective can go a few years without a payout



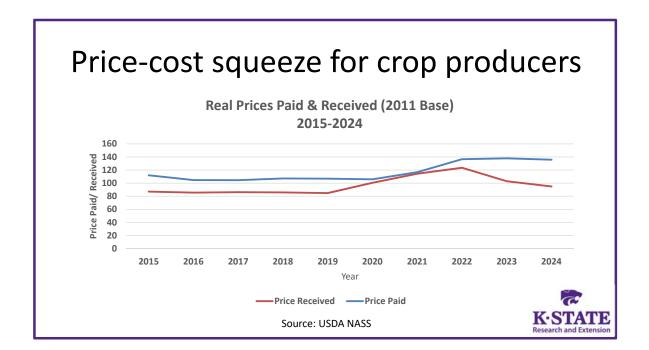
Three potential benefits

- 1. More frequent payouts, larger payouts in years when underlying policy triggers
- 2. Often more affordable than comparable 80% or 85% RP policy (especially in Kansas)
- 3. Protect a larger share of potential profit or breakeven revenue *before* planting begins



Protecting profit or breakeven revenue in 2025





Approaches to crop insurance decision

- Premium focused
 - 1. Minimize cost
 - 2. Maximize Federal government share or dollar amount
 - 3. Combination of (1) and (2)
- Revenue focused
 - 1. Profit/breakeven goals
 - 2. Repay loans, etc.



What revenue does a producer need to cover their costs and what is the role of crop insurance?





Profit margins - 2025

Example: NE KS non-irrigated corn, 145 bushels per acre at \$4.28 per bushel, expected revenue of \$621/acre

	\$ per acre	Share of revenue
Direct expenses	\$433	72%
Fixed expenses	\$192	40%
Total expenses	\$620	101%



Profit margins - 2025

Example: SC KS non-irrigated soy, 40 bushels per acre at \$9.80 per bushel, expected revenue of \$392/acre

	\$ per acre	Share of revenue
Direct expenses	\$227	58%
Fixed expenses	\$96	24%
Total expenses	\$323	82%

https://agmanager.info/farm-budgets/updated-2024-farm-management-guides-irrigated-and non-irrigated-crops, soybean prices updated to \$9.80/bu to account for recent changes



Profit margins - 2025

Example: SW KS non-irrigated milo, 85 bushels per acre at \$4.20 per bushel, expected revenue of \$357/acre

	\$ per acre	Share of revenue
Direct expenses	\$235	66%
Fixed expenses	\$118	33%
Total expenses	\$353	99%

K-STATE Research and Extension

Profit margins - 2025

Example: NW KS irrigated corn, 240 bushels per acre at \$4.28 per bushel, expected revenue of \$1027/acre

	\$ per acre	Share of revenue
Direct expenses	\$551	50%
Fixed expenses	\$510	48%
Total expenses	\$620	97%

https://agmanager.info/farm-budgets/updated-2024-farm-management-guides-irrigated-and-non-irrigated-crops, corn prices updated to \$4.28/bu to account for recent changes



Profit margins - 2025

Example: SC KS non-irrigated wheat (rotation), 62 bushels per acre at \$5.62 per bushel, expected revenue of \$348/acre

	\$ per acre	Share of revenue
Direct expenses	\$197	57%
Fixed expenses	\$97	28%
Total expenses	\$294	84%

https://agmanager.info/farm-budgets/updated-2024-farm-management-guides-irrigated-and-non-irrigated-crops



High likelihood of tight profit margins again in 2025

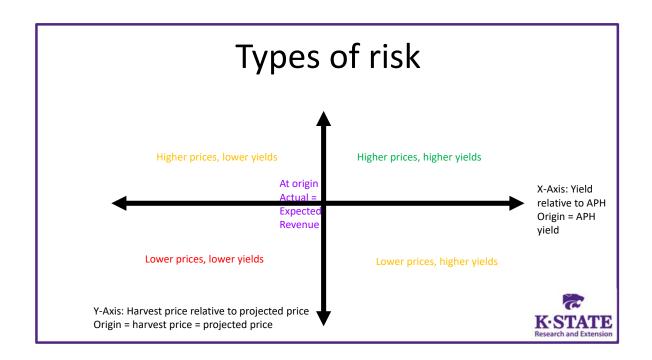




Reduce costs

Protect breakeven revenue





County level, KS, 1990-2020

	Irrigated corn	Dryland Corn
Actual revenue < 0.75 X Expected	9%	26%
Actual revenue < 0.75 X Expected, with HPO only	1.7%	1.7%
Revenue higher than expected	28%	46%
Shallow loss: Yields decrease + prices increase	6.1%	3.2%
Shallow loss: Yields decrease + prices decrease	20%	7.7%
Shallow loss: Yields increase, prices decrease	35%	15%

https://agmanager.info/crop-insurance/risk-management-strategies/crop-insurance-2022-projected-prices-update-and-analysis



Protection under different outcomes

Lower yield and higher price than expected

No insurance or other payouts triggered. This is a good year with better than average yields and prices higher at harvest than planting.

Lower yield and lower price than expected

Higher yield and lower price than expected

Protection under different outcomes

Lower yield and higher price than expected

Higher yield and price than expected

Lower yield and lower price than expected

Higher yield and lower price than expected

This is a typical situation for a year with generally high yields and/or supply nationwide driving down prices. Assuming sufficiently high yields, PLC provides the most protection here. ARC and SCO will only pay out if there is a deep drop in prices and small increase in yields.



Protection under different outcomes

Lower yield and higher price than expected

Higher yield and price than expected

Lower yield and lower price than expected

Higher yield and lower price than expected

This is a difficult year. Unless yield and price declines are very small, ARC and SCO are both likely to trigger. PLC will trigger if the price decline is sufficiently large.



Protection under different outcomes

Lower yield and higher price than expected

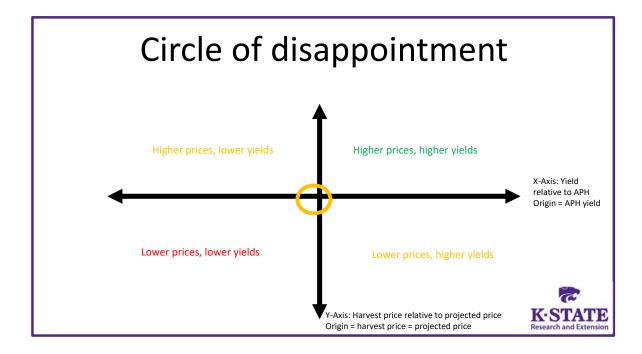
This outcome could happen due to widespread drought leading to price increases. PLC will not trigger. Due to HPO, SCO typically provides more protection than ARC under this outcome.

Higher yield and price than expected

Lower yield and lower price than expected

Higher yield and lower price than expected





Circle of even more disappointment Higher prices, lower yields Higher prices, higher yields X-Axis: Yield relative to APH Origin = APH yield Lower prices, lower yields Y-Axis: Harvest price relative to projected price Origin = harvest price = projected price Research and Extension

3 harvest outcomes: 75% RP

- Crop insurance harvest revenue is 86% of expected revenue
 - Circle of disappointment
- Harvest revenue is 75% of expected
 - Circle of even more disappointment
- Harvest revenue is 65% of expected
 - Circle of even more disappointment
- · With higher RP coverage levels, similar logic applies to ECO



ECO and hedging

Price declines alone will rarely trigger a 70-75% RP payout 2024 corn

\$4.66 projected price

\$4.16 harvest price (pending/in discovery)

11% decline

Prices declines are much more likely to trigger high coverage policies

For counties with average yields, 2024 95% ECO corn policies are likely to make a payout this year

Some overlap, but

ECO deductible

ECO may not pay out when yields are hi9her than average



New tool: forward looking comparison

ARC, PLC and SCO guarantee and payouts on a per planted acre basis

When your "base acre crop" is different from planted crop, directly compare ARC vs PLC directly

Uses

Limited base acres

Want to see actual \$ amount of protection

Compare ARC benchmark yield to RMA expected yield

Compare protection when MYA price and harvest price are different

Understand relative shallow vs deep loss protection



ARC vs PLC vs SCO

ARC, PLC, and SCO RISK PROTECTION COMPARISON TOOL - 2025

(1) Farm Location and Size (2) FSA Farm		(2) FSA Farm/ARC and	PLC information	(3) Crop Insurance Revenue Protection Policy (HPO) Information		
State:	Kansas	Base Acres Crop	Corn	Planted/Insured Crop:	Corn	
County:	Nemaha	Base Acres	130	Insured Crop Practice	Non-Irrigated	
Planted Acres	150	ARC/PLC Practice	Nonirrigated	Insured Crop Type	Grain	
		PLC Program Yield	119	Farm APH Yield	145	
		ARC Benchmark Yield	184	Coverage Level	0.75	
		ARC Benchmark Price	\$5.03	Projected Price	\$4.68	
		PLC Effective Reference Pri	\$4.26	SCO Premium per acre (optiona	\$11.00	
		MYA Price	\$4.00	Expected County Yield	158	
		Actual County Yield (FSA)	158	Harvest Price	\$4.00	
				Actual County Yield (RMA)	158	

https://agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool



ARC vs PLC vs SCO

A. Liability / Maximum Payouts B. Payouts based on potential price and yield outcomes Per Planted Per Planted Per Farm Acre Per Farm Acre \$74.65 \$11,197 \$64.31 \$9,647 SCO Net Payout -\$7.42 -\$1,113 \$9,647 ARC **ARC Payout** \$64.31 \$170.35 \$25,552 **PLC Payout** \$21.50 PLC \$3,225 (Note - the PLC maximum payment would occur when MYA price drop below loan rates. This has a low probability of happening.)



ARC VS PLC

		County Yield							
		60	75	94	118	147	184	202	221
	PLC								
MYA Price	Payment			ARC	Pavment pe	r Planted A	lcre		
\$7.22	\$0.00	\$64.31	\$64.31	\$64.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$6.91	\$0.00	\$64.31	\$64.31	\$64.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$6.61	\$0.00	\$64.31	\$64.31	\$64.31	\$11.24	\$0.00	\$0.00	\$0.00	\$0.00
\$6.33	\$0.00	\$64.31	\$64.31	\$64.31	\$34.19	\$0.00	\$0.00	\$0.00	\$0.00
\$6.06	\$0.00	\$64.31	\$64.31	\$64.31	\$56.32	\$0.00	\$0.00	\$0.00	\$0.00
\$5.80	\$0.00	\$64.31	\$64.31	\$64.31	\$64.31	\$0.00	\$0.00	\$0.00	\$0.00
\$5.55	\$0.00	\$64.31	\$64.31	\$64.31	\$64.31	\$0.00	\$0.00	\$0.00	\$0.00
\$5.31	\$0.00	\$64.31	\$64.31	\$64.31	\$64.31	\$10.83	\$0.00	\$0.00	\$0.00
\$5.08	\$0.00	\$64.31	\$64.31	\$64.31	\$64.31	\$34.32	\$0.00	\$0.00	\$0.00
\$4.86	\$0.00	\$64.31	\$64.31	\$64.31	\$64.31	\$56.78	\$0.00	\$n nn	\$n nn
\$4.65	\$0.0	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$0.00	\$0.00	\$0.00
\$4.45	\$0.0	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$0.00	\$0.00	\$0.00
\$4.26	\$0.0	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$8.56	\$0.00	\$0.00
\$4.11	\$12.4	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$27.73	\$0.00	\$0.00
\$3.97	\$23.9	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$45.63	\$0.00	\$0.00
\$3.83	\$35.5	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$63.52	\$15.63	\$0.00
\$3.70	\$46.3	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$33.87	\$0.00
\$3.57	\$57.0	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$64.31	\$52.11	\$4.99

https://agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool



SCO + PLC

		County Yield							
RMA Harvest / MYA Price	PLC Payment per Planted Acre	60	75	94	118	147	184	202	221
\$7.22	\$0.00	\$104.16	\$104.16	\$104.16	\$104.16	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$6.91	\$0.00	\$99.21	\$99.21	\$99.21	\$99.21	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$6.61	\$0.00	\$94.43	\$94.43	\$94.43	\$94.43	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$6.33	\$0.00	\$89.96	\$89.96	\$89.96	\$89.96	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$6.06	\$0.00	\$85.66	\$85.66	\$85.66	\$85.66	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$5.80	\$0.00	\$81.51	\$81.51	\$81.51	\$81.51	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$5.55	\$0.00	\$77.52	\$77.52	\$77.52	\$77.52	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$5.31	\$0.00	\$73.69	\$73.69	\$73.69	\$73.69	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$5.08	\$0.00	\$70.03	\$70.03	\$70.03	\$70.03	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$4.86	\$0.00	000.00	400.00	*****	*****	(611.00)	MAN AND	(C++ 00)	1000 00
\$4.65	\$0.00	\$63.65	\$63.65	\$63.65	\$63.65	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$4.45	\$0.00	\$63.65	\$63.65	\$63.65	\$63.65	(\$11.00)	(\$11.00)	(\$11.00)	(\$11.00
\$4.26	\$0.00	\$63.65	\$63.65	\$63.65	\$63.65	(\$3.91)	(\$11.00)	(\$11.00)	(\$11.00
\$4.11	\$12.41	\$63.65	\$63.65	\$63.65	\$63.65	\$16.40	(\$11.00)	(\$11.00)	(\$11.00
\$3.97	\$23.98	\$63,65	\$63.65	\$63.65	\$63.65	\$35.36	(\$11.00)	(\$11.00)	(\$11.00
\$3.83	\$35.56	\$63,65	\$63.65	\$63,65	\$63.65	\$54.24	(\$11.00)	(\$11.00)	(\$11.00
\$3.70	\$46.31	\$63.65	\$63.65	\$63.65	\$63.65	\$63.65	(\$11.00)	(\$11.00)	[\$11.00
\$3.57	\$57.06	\$63.65	\$63.65	\$63.65	\$63.65	\$63.65	(\$11.00)	(\$11.00)	(\$11.00

https://agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool



SCO + PLC vs ARC



https://agmanager.info/crop-insurance/crop-insurance-papers-and-information/advanced-arc-plc-sco-tradeoff-tool



Recap: High coverage polices and ARC/PLC decision



Many producers likely decide ARC vs PLC separately/ahead of insurance decisions

Key exceptions to consider – limited base or revenue targets



Producer that want to protect a large share of expected revenue may want to explore ARC + ECO



Ad hoc payments?



High coverage policies: the bottom line



SCO or ECO may be attractive for producers who want to protect their breakeven revenue or profit margin *before planting* and are willing to pay additional premium for this



Take a long-term perspective, consider all high coverage policies



Consider operation vs county yield trends



Resources: SCO and ECO Payout Calculator

National level

Estimates SCO and ECO payouts under different scenarios

Includes YP and RP-HPE

https://agmanager.info/cropinsurance/crop-insurance-papers-andinformation/2025-supplementalcoverage-option-sco-and

State:	Kullada
County:	Nemaha
Commodity:	Soybeans
Practice:	Nfac (Non-Irrigated)
Type:	No Type Specified
Final County Yield	45
Harvest Price	\$9.50
Final Revenue Amount	\$427.50
Expected County Yield	50.6
Projected Price	\$10.50
Expected (County) Revenue Amount	\$531.30
Underlying Crop Insurance Coverage level	75%
Farm APH	51
SCO Coverage by Law	86%
Supplemental Ins. Coverage Range	11%
SCO Revenue Protection County Payment Rate	0.503
SCO Revenue Protection-HPE County Payment Rate	0.503
SCO Yield Protection County Payment Rate	-0.267
SCO Protection (RP)	\$58.91
SCO Protection (RP-HPE)	\$58.91
SCO Protection (YP)	\$58.91
SCO Revenue Protection Payment	\$29.63
SCO Revenue Protection-HPE Payment	\$29.63

SCO Yield Protection Payment



Resources: KS Crop Insurance maps

Interactive map tool, historic yields back to 1990 and expected

Historic likelihood of ECO and SCO indemnities

Loss experience for select Kansas counties

https://agmanager.info/cropinsurance/kansas-crop-insurancemaps



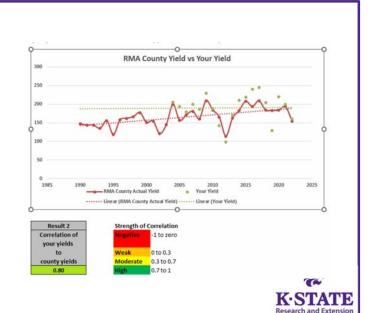


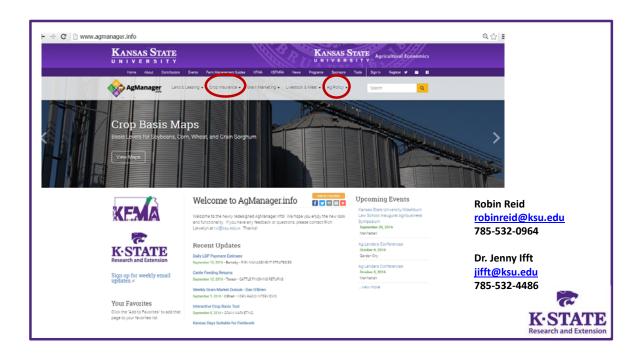
Resources: KS county yield correlation tool

Spreadsheet based tool on AgManager.info

Producer can enter yields back to 1990 to analyze correlation with RMA county yields

https://agmanager.info/cropinsurance/crop-insurance-papers-andinformation/kansas-yield-correlationtool





Related Resources

Historic KS ARC, PLC, and SCO Payouts:

https://agmanager.info/events/risk-and-profitconference/previous-conference-proceedings/2023-risk-and-profitconference/7

Economic Assistance Payments

https://agmanager.info/ag-policy/2025-economic-assistance

Managing Ad Hoc Payments

https://agmanager.info/news/recent-videos/farm-and-agribusiness-management-ad-hoc-era-webinar-slides-and-recording

