

In this edition, I am going to address the choice you make at the FSA office before March 17 for 2025 corn and soybeans. The choice is mainly between Agriculture Risk Coverage (ARC)-County and Price Loss Coverage (PLC). These options are chosen for each of your FSA farm numbers by crop. If you don't contact the FSA office, then your choice from 2024 will continue for 2025. In the past few years, I have also talked about how you could not sign up for ARC-County and SCO crop insurance (Supplemental Coverage Option) on the same farm and how this rule should influence your ARC/PLC decision. This year, as I will show later on, SCO will likely not have any influence in your decision.

PLC simply pays a producer when the marketing year average price falls below the crop's reference price. For corn in 2025, that price is \$4.26/bushel. For soybeans, that price is \$9.66/bushel. The marketing year for this purpose for both corn and soybeans starts on September 1 and runs to August 31 of the following year. So the 2025 marketing year will start on September 1, 2025, and run until August 31, 2026. It basically attempts to capture the average price received by farmers during that time frame.

To give you some history, the marketing year average price for corn was \$3.56 in 2019, \$4.53 in 2020, \$6.00 in 2021, \$6.54 in 2022, \$4.55 in 2023 and so far, the 2024 marketing year is averaging \$4.25.

The marketing year average price for soybeans was \$8.57 in 2019, \$10.80 in 2020, \$13.30 in 2021, \$14.20 in 2022, \$12.40 in 2023 and so far, the 2024 marketing year is averaging \$10.20.

According to my historical analysis, there is a 52% chance that the marketing year average for corn will fall below \$4.26 for 2024 and a 36% chance that the marketing year average for soybeans will fall below \$9.66.

What about **ARC-County**? This option pays based on a combination of price and county yield. A benchmark revenue is computed for each county based on the trend-adjusted 5-year olympic average for county yield times the 5-year olympic average for marketing year price. The producer is paid up to 10% of the benchmark revenue if the actual county yield times marketing year price is below 86% of the benchmark revenue. Below is the 2025 ARC-County information for corn and soybeans in the main counties that I write in.

You can see that the yields are probably very representative of what should be expected in the counties shown. The benchmark price for soybeans of \$12.17 is way above the current 2024 marketing year price of \$10.20 and the benchmark corn price at \$5.03 is also higher than the current 2024 marketing year price for corn of \$4.25. When I run my model through it's paces, I can indeed see that the chances of ARC-County paying for 2025 are higher than they been during the last few years for both corn and soybeans. Also notice that the chances of triggering ARC-County are much higher than PLC for soybeans and about the same for corn.

2025 ARC-County Information for Corn

	ARC						% Chance of Triggering	
	County	Benchmark Price*	Benchmark Revenue	Revenue Guarantee	Change From 2024	10% Limit	ARC	PLC
Boone	217.13	\$5.03	1,092.16	939.26	46.37	109.22	54	52
Bureau	221.78	\$5.03	1,115.55	959.38	33.75	111.56	45	52
Dekalb	218.78	\$5.03	1,100.46	946.40	66.40	110.05	49	52
Kane	213.93	\$5.03	1,076.07	925.42	76.95	107.61	55	52
Lasalle	223.52	\$5.03	1,124.31	966.90	44.53	112.43	45	52
Lee	217.97	\$5.03	1,096.39	942.89	62.06	109.64	50	52
Mchenry	204.34	\$5.03	1,027.83	883.93	58.37	102.78	60	52
Ogle	220.96	\$5.03	1,111.43	955.83	51.43	111.14	45	52

*Based on 2019-2023 Olympic Averages

2025 ARC-County Information for Soybeans

	ARC						% Chance of Triggering	
	County	Benchmark Price*	Benchmark Revenue	Revenue Guarantee	Change From 2024	10% Limit	ARC	PLC
Boone	61.86	\$12.17	752.84	647.44	51.94	75.28	61	36
Bureau	68.69	\$12.17	835.96	718.92	62.31	83.60	57	36
Dekalb	64.73	\$12.17	787.76	677.48	58.16	78.78	56	36
Kane	60.35	\$12.17	734.46	631.64	46.27	73.45	59	36
Lasalle	66.53	\$12.17	809.67	696.32	66.87	80.97	59	36
Lee	65.35	\$12.17	795.31	683.97	61.31	79.53	56	36
Mchenry	58.57	\$12.17	712.80	613.01	50.50	71.28	65	36
Ogle	64.93	\$12.17	790.20	679.57	54.33	79.02	56	36

*Based on 2019-2023 Olympic averages

What does all of this mean for crop insurance? The information below shows how ARC-County and SCO compare in 2025. Please remember that the SCO expected price will not be set until March 1 and will be based on the daily average closing prices of December corn and November soybeans during the month of February.

2025 ARC-County versus SCO/ECO

	ARC			SCO/ECO			Difference
	County	Benchmark Price*	Benchmark Revenue	Expected Yield	Expected Price**	Expected Revenue	
Boone	217.13	5.03	1,092.16	215.1	\$4.57	983.01	(109.16)
Bureau	221.78	5.03	1,115.55	227.1	\$4.57	1037.85	(77.71)
Dekalb	218.78	5.03	1,100.46	220	\$4.57	1005.40	(95.06)
Kane	213.93	5.03	1,076.07	211.7	\$4.57	967.47	(108.60)
Lasalle	223.52	5.03	1,124.31	225.1	\$4.57	1028.71	(95.60)
Lee	217.97	5.03	1,096.39	216	\$4.57	987.12	(109.27)
Mchenry	204.34	5.03	1,027.83	198.3	\$4.57	906.23	(121.60)
Ogle	220.96	5.03	1,111.43	218.7	\$4.57	999.46	(111.97)

*Based on 2019-2023 Olympic Averages

**Based on February average of December CBOT contract.

2025 ARC-County versus SCO/ECO

	ARC			SCO/ECO			Difference
	County	Benchmark Price*	Benchmark Revenue	Expected Yield	Expected Price**	Expected Revenue	
Boone	61.86	12.17	752.84	62	\$10.47	649.14	(103.70)
Bureau	68.69	12.17	835.96	68.1	\$10.47	713.01	(122.95)
Dekalb	64.73	12.17	787.76	65.5	\$10.47	685.79	(101.98)
Kane	60.35	12.17	734.46	62.2	\$10.47	651.23	(83.23)
Lasalle	66.53	12.17	809.67	65.5	\$10.47	685.79	(123.89)
Lee	65.35	12.17	795.31	65.5	\$10.47	685.79	(109.52)
Mchenry	58.57	12.17	712.80	58.8	\$10.47	615.64	(97.16)
Ogle	64.93	12.17	790.20	66.2	\$10.47	693.11	(97.08)

*Based on 2019-2023 Olympic Averages

**Based on February average of November CBOT contract.

You can clearly see that ARC-County is a much better choice than SCO for 2025. However, because the ARC/PLC choice looks like a coin flip for corn, you could hedge your bets and choose PLC and buy SCO on corn. There is no reason to buy SCO on soybeans this year.

I will update this newsletter once we know more about where SCO prices will be.