



March 1, 2021

Burke County Ag News

Upcoming Trainings:

In person training at the Burke County Office Park (25 person limit) call the office to reserve your seat (706)554-2119.

- UPW - Mon. March 8 10:30 a.m. - 12 p.m.
- UPW - Tues. March 16 8:30 a.m. – 12 p.m.
- UPW - Wed. March 17 5:30 p.m. – 7 p.m.
- SE Strawberry School Webinar - March 18, April 20, July 29
- UPW - Fri. March 19 8:30 a.m. – 12 p.m.
- UPW - Tues. March 23 5:30 p.m. – 7 p.m.
- UPW - Thurs. March 25 5:30 p.m. – 7p.m.

Register at: <https://bit.ly/StrawberrySchool21>

Important Deadlines Related to USDA FSA Programs at <https://www.farmers.gov/>

- Deadline for Quality Loss Adjustment Program (QLA) is March 5th
- Deadline for enrollment for 2021 crop year for ARC and PLC is March 15th – Go ahead and make this decision now
- Several decisions on ARC/PLC decisions. My suggestions us to go to the link for the Texas A&M decision aid is <https://www.afpc.tamu.edu/tools/farm/farbill/2018/>

Did you suffer crop quality losses due to natural disasters that occurred in 2018 or 2019? USDA is implementing the Quality Loss Adjustment (QLA) Program to provide financial assistance to crop producers who experienced quality losses caused by qualifying disaster events. Incidences of where crops suffered quality losses due to qualifying drought, excessive moisture, flooding, hurricanes, snowstorms, tornados, typhoons, volcanic activity, or wildfires occurring in calendar years 2018 and /or 2019 are considered. The deadline is Friday March 5, 2021. Please look back on these years and conditions you experienced and don't miss out on possible financial assistance. Contact the USDA office (706)554-2109 to find out more.

2021 Seed Cotton (SC) ARC/PLC Quick Read and Decision Aid

Last week D. Don Shurley sent us a 2021 Seed Cotton ARC/PLC “Quick Read” Decision Aid Tool. You may want to take the time to click on the following link if you are looking for help with 2021 Seed Cotton sign up decisions:



2021ARCPLCv02242
021.xlsx

ARC or PLC Decisions Liu, Smith

Here is some information from a recent agent training:

1. [Texas A&M University ARC-CO/PLC Decision Aid Presentation](#)
2. [ARC-CO/PLC Decision Aid Video](#)



- [Coronavirus Food Assistance Program 2.0 - Additional Assistance and the Quality Loss Adjustment Program Presentation](#)
- Texas A&M decision aid is [2018 Farm Bill Decision Aid Tool](#)



ARC or PLC, Which one is Better?

- Deciding between the ARC and PLC is a farm by farm decision.
- Depends on:
 - Your farm's PLC payment yield
 - Your county's historical yield (past five years)
 - Historical marketing year average prices (past five years)
 - Current year's county yield
 - Current year's marketing year average price

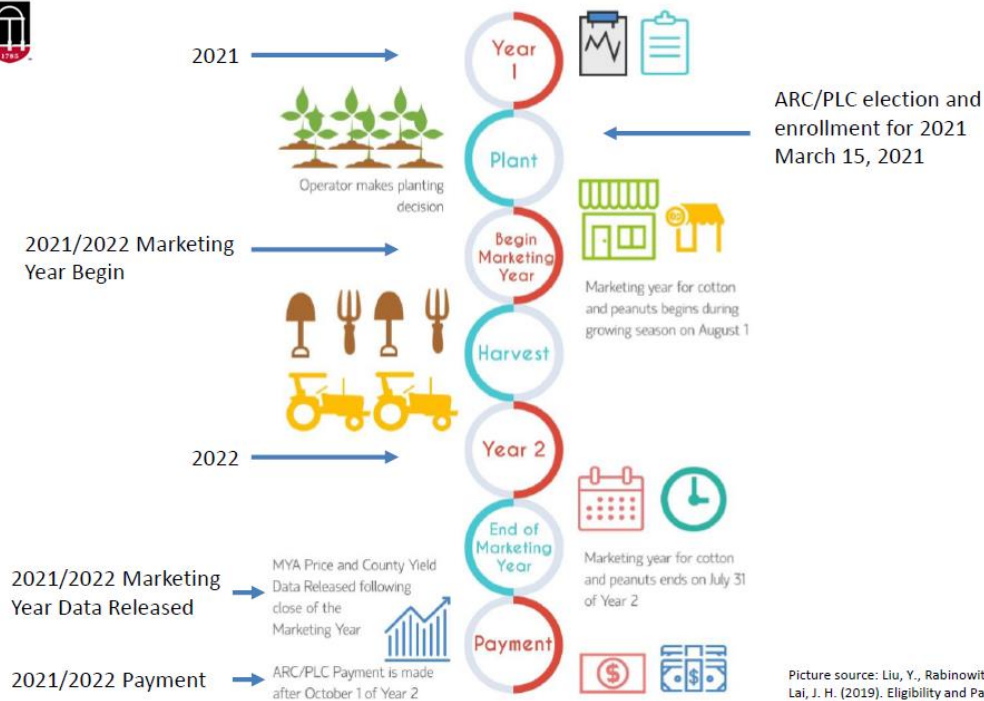


Figure 1. Two-Year Timeline for Key Dates of ARC and PLC Payments for Cotton and Peanut Farmers. Photo Credit: Dr. John Lai, University of Florida Institute of Food and Agricultural Sciences Food and Resource Economics Department.

Picture source: Liu, Y., Rabinowitz, A. N. & Lai, J. H. (2019). Eligibility and Payments under the 2018 Farm Bill PLC and ARC Programs. Department of Agricultural and Applied Economics, University of Georgia. Report No. AGECON-19-12PR. November 2019.



ARC – CO Program

$$\text{BENCHMARK County Revenue} = \frac{5\text{-Yr Olympic Average Yield Per Planted Acre}}{5\text{-Yr Olympic Average Market Price}}$$

$$\text{ARC Guarantee} = 86\% \times \text{Benchmark County Revenue}$$

$$\text{ACTUAL County Revenue} = \frac{\text{Actual County Yield Per Planted Acre}}{\text{Higher of Avg Market Price or Loan Rate}}$$

$$\text{ARC Payment}^* = \text{ARC Guarantee} - \text{Actual County Revenue}$$

*Or 10% of Benchmark Revenue, whichever is less

ARC payments are made on 85% of base acres.

If the Average Market Price for any given year is lower than the Effective Reference Price, the Effective Reference Price will be used to calculate the 5-Year Olympic Average Market Price.



PLC Payment Calculation

$$\text{PLC Payment Rate} = \text{Effective Reference Price} - \text{Higher of MYA}^1 \text{ Price or Loan Rate}$$

$$\text{Total PLC Payment} = \text{PLC Payment Rate} \times \text{PLC Payment Yield} \times 85\% \text{ of Base Acres}^2$$

¹MYA – Marketing Year Average

²Base Acres for a specific covered commodity



2021 Effective Reference Prices

Commodity	Reference Price
Wheat	\$5.50 Bushel
Corn	\$3.70 Bushel
Grain Sorghum	\$3.95 Bushel
Soybeans	\$8.40 Bushel
Peanuts	\$535 Ton
Seed Cotton	\$0.367 Pound



Implications for STAX



Beginning with the 2019 crop year, those who participate in PLC/ARC for the Seed Cotton Base Acres will be ineligible for STAX.

- Scenario: plant 160 acres of cotton on a farm with 80 acres of soybean base and 80 acres of peanut base.
- One Option: producer can purchase STAX on 160 acres of cotton and enroll all 160 acres of soybean/peanut base in ARC/PLC.

Please give us a call if you need helping reviewing any of the above information or links or stop by our office (706)554-2119.

Thank You,

Peyton Sapp, CEC
Burke County Extension