



**Decision
Innovation
Solutions**

2017 IOWA FARM BUREAU ECONOMIC SUMMIT

ARC-CO PAYMENTS

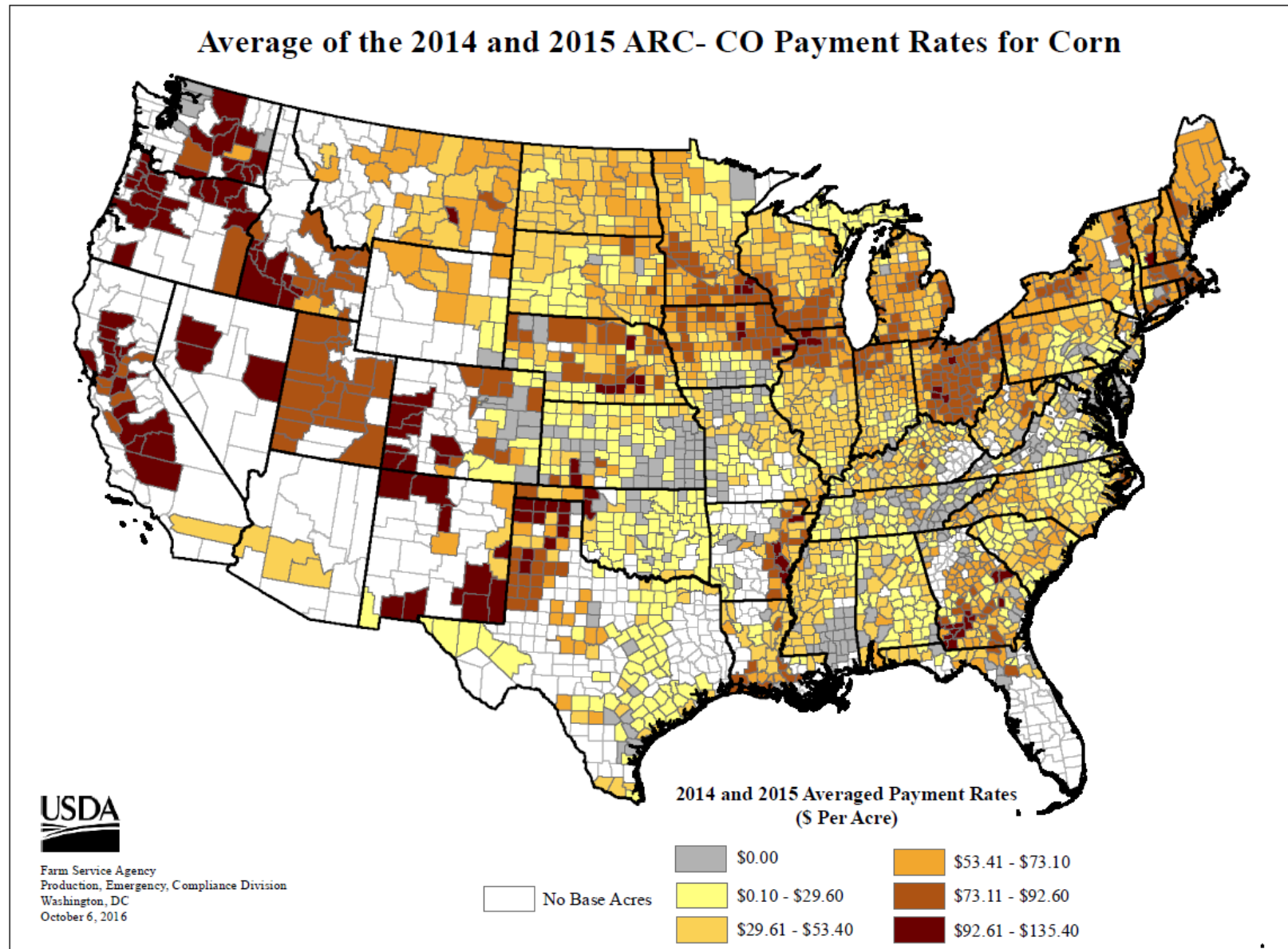
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Decision Innovation Solutions

ARC-CO

- 91% of corn farms in the U.S. selected ARC-CO
- Iowa received 11% of total U.S. ARC-CO payments in 2015

State	2015 ARC-CO	% of US Total
Illinois	\$ 912,356,393	15%
Iowa	\$ 658,874,400	11%
Nebraska	\$ 638,779,374	11%
Indiana	\$ 534,896,196	9%
Minnesota	\$ 393,315,403	7%



Map includes all and non-irrigated yields. Maps is intended for Farm Service Agency (FSA) business purposes only. Map depicted only serves as a general reference map.

ARC-CO Corn Payments

<u>State</u>	<u>2014 Range</u>	<u>2015 Range</u>	<u>2014 Average</u>	<u>2015 Average</u>	<u>2014 % of counties with payment</u>	<u>2015 % of counties with payment</u>
Iowa	\$0 - \$99	\$0 - \$93	\$60	\$42	77%	84%
Illinois	\$0 - \$98	\$0 - \$100	\$18	\$74	37%	98%
Missouri	\$0 - \$63	\$0 - 92	\$3	\$41	9%	73%
Michigan	\$0 - \$99	\$0 - \$106	\$58	\$54	99%	82%
Kansas	\$0 - \$104	\$0 - \$104	\$26	\$20	52%	42%
Indiana	\$0- \$96	\$0 - \$96	\$26	\$73	59%	97%

ARC-CO Soybean Payments

<u>State</u>	<u>2014 Range</u>	<u>2015 Range</u>	<u>2014 Average</u>	<u>2015 Average</u>	<u>2014 % of counties with payment</u>	<u>2015 % of counties with payment</u>
Iowa	\$0 - \$65	\$0 - \$67	\$13	\$20	50%	66%
Illinois	\$0 - \$52	\$0 - \$68	\$1	\$29	7%	78%
Missouri	\$0 - \$42	\$0 - \$57	\$2	\$27	10%	74%
Michigan	\$0 - \$57	\$0 - \$55	\$26	\$27	71%	83%
Kansas	\$0 - \$73	\$0 - \$69	\$8	\$12	31%	38%
Indiana	\$0 - \$52	\$0 - \$72	\$1	\$40	4%	86%

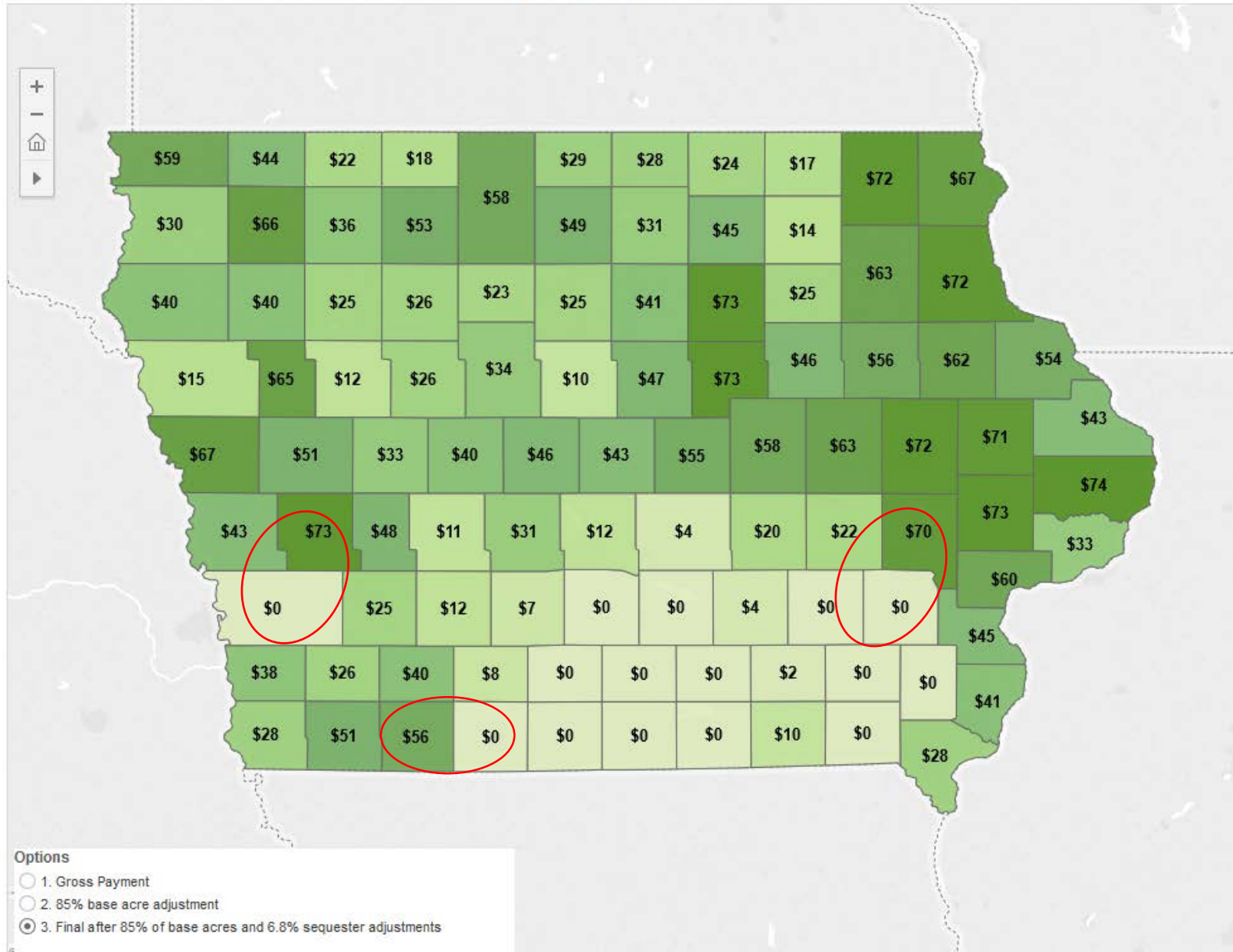
Year to Year differences

							<u>5-yr Benchmark Olympic Average</u>		<u>5-yr Benchmark Olympic</u>		<u>National</u>		<u>Payment</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Yield</u>	<u>Actual Yield</u>	<u>Avg. Price</u>	<u>Price</u>		<u>Rate</u>	
2014 - Cherokee	203	187	177	154	179		↓ 181	> 174	\$5.29	↓ \$3.70		\$76	
2015 - Cherokee		187	177	154	179	174		< 209	\$5.29			\$40	

							<u>5-yr Benchmark Olympic Average</u>		<u>5-yr Benchmark Olympic</u>		<u>National</u>		<u>Payment</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Yield</u>	<u>Actual Yield</u>	<u>Avg. Price</u>	<u>Price</u>		<u>Rate</u>	
2014 - Pottawattamie	194	164	164	129	179		↓ 169	> 146	\$5.29	↓ \$3.70		\$71	
2015 - Pottawattamie		164	164	129	179	146	↓ 158	< 203	\$5.29			\$0	

County to County differences: 2015 Corn

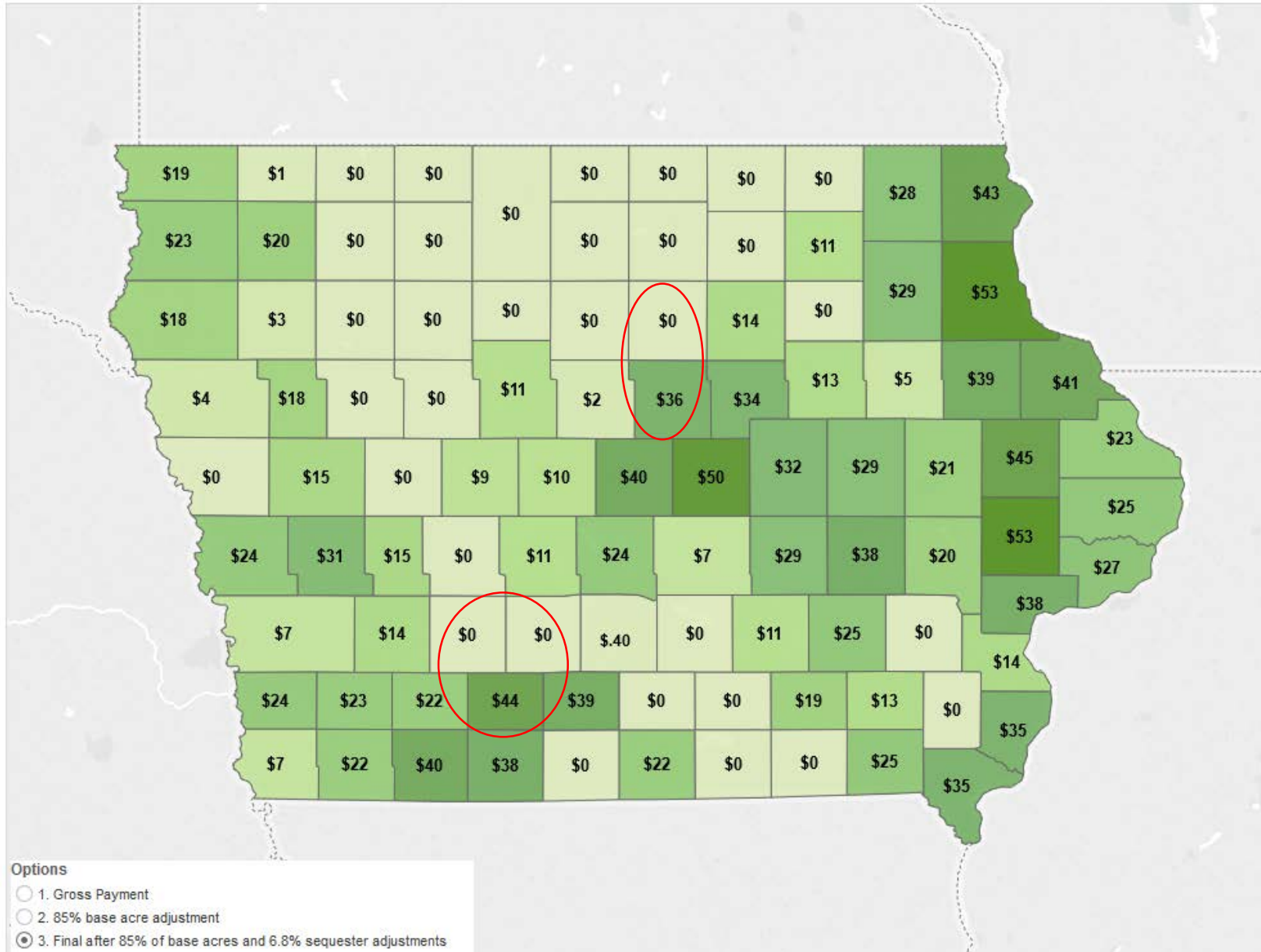
2015 Iowa Corn ARC-CO Payments



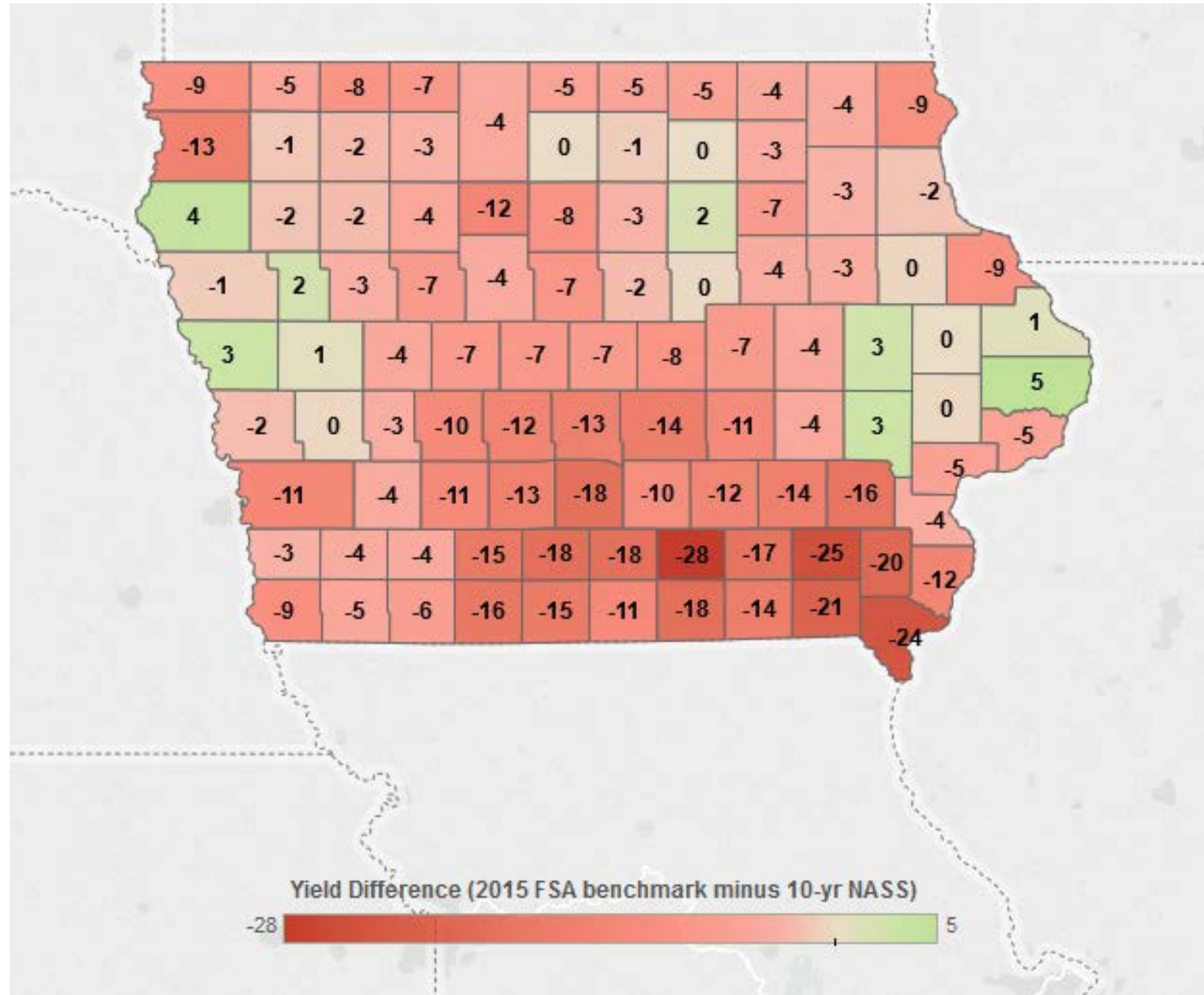
- Options
- 1. Gross Payment
 - 2. 85% base acre adjustment
 - 3. Final after 85% of base acres and 6.8% sequester adjustments

County to County differences: 2015 Soybeans

2015 Iowa Soybean ARC-CO Payments



2015 5-yr Olympic average minus 10-yr average yield



Yield Example:

5-yr Olympic average vs. 10-yr simple average

	<u>5-yr Olympic average</u>	<u>10-yr simple average</u>	<u>Difference</u>
Adams County	146	150	-4
Linn County	171	168	3
Plymouth County	173	169	4
Warren County	125	143	-18

Farm Bureau recommendations for 2018 Farm Bill

- Allow farmers to select the higher of the five-year Olympic average yield or the 10-year simple average yield in the ARC-CO program.
 - This change will smooth out large county to county differences in ARC-CO payments.
- Increase the reference price used as the floor for the ARC-CO program by 5% for corn and soybeans.
- ARC-CO payments based on the county the land is physically located.

2016 ESTIMATED MYA price to trigger ARC-CO corn payment

