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Estimated 2017 ARC-CO Payments

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The National Agricultural Statistical Service (NASS) released county yields for 2017 (released February 22 on NASS's [Quick Stats](#) website. With these NASS yields, fairly accurate estimates of 2017 Agricultural Risk Coverage at the county level (ARC-CO) payments can be made. We present U.S. maps showing estimated payments per base acre for corn, soybeans, and wheat. A table showing estimated payments per county in Illinois also is given.

Estimation Procedures

ARC-CO payments for 2017 will be made in October 2018. At this point, 2017 payments presented in this article are estimates. Actual payments will vary from those presented here for three reasons:

- Farm Service Agency (FSA) uses different yields than NASS when calculating ARC-CO payments. The NASS yield generally will be higher than the yield used by FSA. As a result, estimated payments presented here should be viewed as conservative. NASS does not make estimates of county yields for all counties in which ARC-CO are available. Where NASS data is not available, 2018 ARC-CO payment estimates are not presented in this article.
- Market Year Average (MYA) prices are not known because marketing years do not end until August for corn and soybeans and May for Wheat. MYA estimates are midpoints of [World Agricultural and Supply Demand Estimates \(WASDE\) made in February](#): \$3.30 per bushel for corn, \$9.30 per bushel for soybean, and \$4.60 per bushel for wheat. Higher prices will result in fewer counties receiving payments and lower payments in those counties receiving payments. Conversely, lower prices will result in more counties receiving payments and higher payments.
- Sequestration amounts may differ from those used here. The ARC-CO payments estimated here use the 6.8% sequestration reduction applied to the 2014, 2015, and 2016 payments.

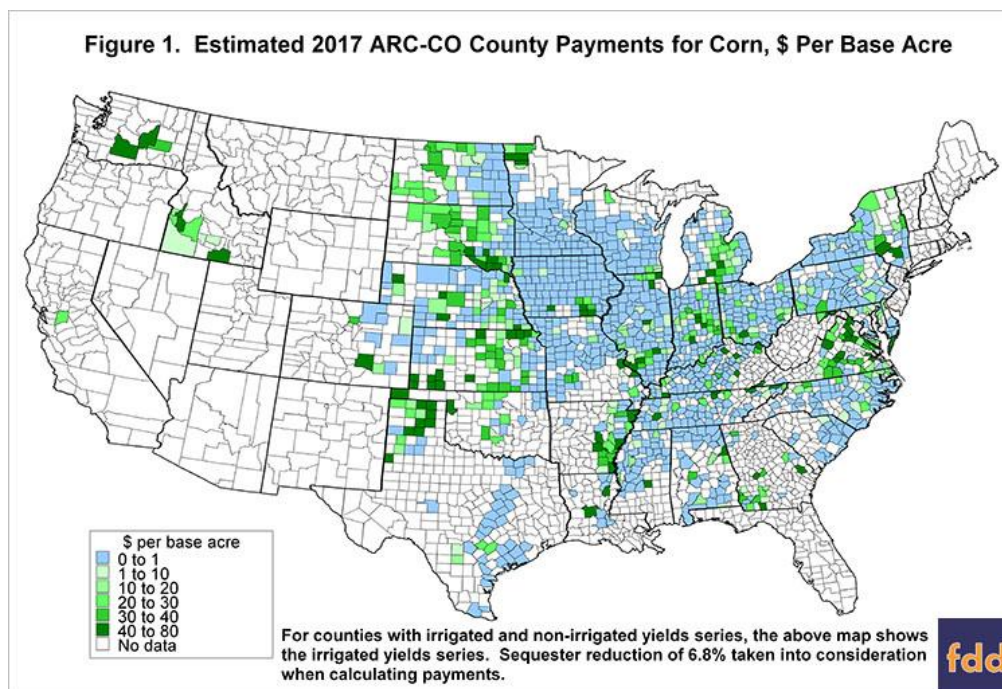
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ARC-CO is a revenue-based program where revenue equals the MYA price times the county yield. Variation in payments across counties occurs because of variations in county yields from benchmark yields. Those areas with county yields substantial above benchmark yields will have no ARC-CO payments. ARC-CO payments increase as the county yield falls relative to the benchmark yield, eventually reaching the cap equal to ten percent of benchmark revenue.

The following maps report payments on a per base acre basis. Payment acres are .85 of base acres and the .85 adjustment has been applied to payments presented in the following maps and table.

Corn

Geographical areas with many counties projected to receive 2017 ARC-CO payments include western North Dakota, South Dakota, Kansas, the panhandle of Texas, eastern Arkansas, central Indiana, western Ohio, central Michigan, eastern New York, and Virginia. Other counties sporadically located throughout the United States will receive payments as well (see Figure 1).



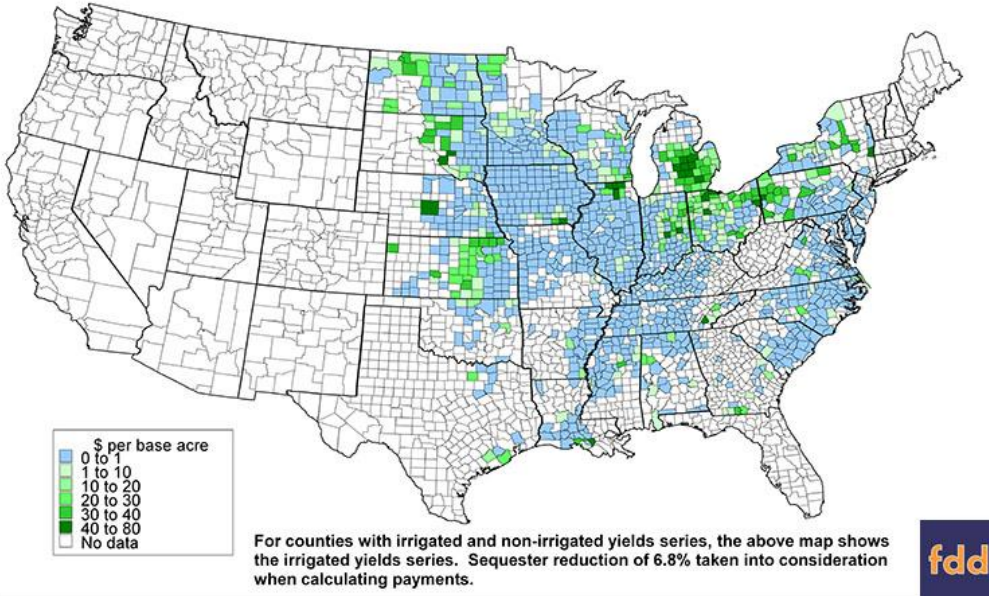
Fewer counties are receiving 2017 payments than in 2016 (see *farmdoc daily*, [October 6, 2017](#)). ARC-CO uses five-year Olympic averages in calculating benchmark prices and benchmark yields. By design, benchmark prices will decline in periods of low MYA prices. As a result, benchmark prices used to set guarantees for corn have been coming down, resulting in fewer payments. The 2016 benchmark price was \$4.79 compared to a \$3.95 price in 2017. Moreover, yields were above average over much of the United States in 2017.

Soybeans

Geographical areas where ARC-CO will make payments in many counties in 2017 include western North and South Dakota; central Kansas; border counties along the Wisconsin-Illinois border; eastern Indiana, western Ohio, and Michigan; and western Pennsylvania (see Figure 2).

Fewer counties are projected to receive payments in 2017 as compared to 2016. The benchmark price used in guarantee calculation is \$10.86 in 2017 as compared to \$11.86 in 2016. The lower benchmark price results in lower revenue guarantees in 2017. Moreover, yields were relatively high across much of the United States.

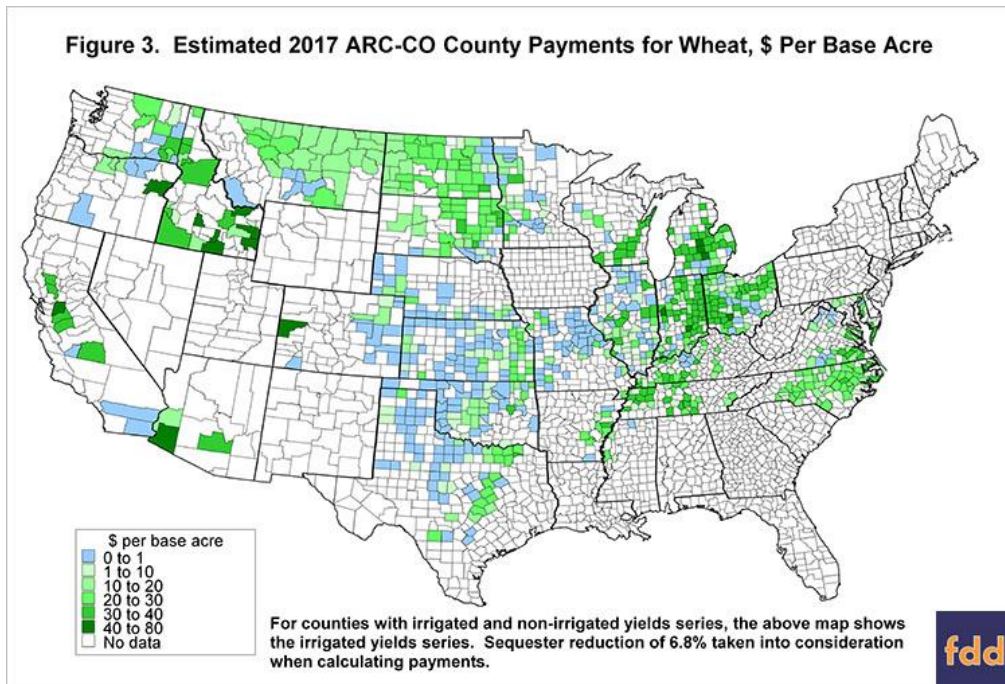
Figure 2. Estimated 2017 ARC-CO County Payments for Soybeans, \$ Per Base Acre



Wheat

Geographical areas having many counties receiving 2017 ARC-CO payments include Montana, North Dakota, South Dakota, eastern Kansas, Oklahoma, central Texas, Indiana, Ohio, Michigan, and Virginia (as Figure 3).

Figure 3. Estimated 2017 ARC-CO County Payments for Wheat, \$ Per Base Acre



Similar to corn and soybeans, fewer counties are projected to receive payments in 2017 as compared to 2016. The 2017 benchmark price is \$6.12 per bushel compared to \$6.70 per bushel in 2016. The lower benchmark price resulted in lower revenue guarantees in 2017.

Illinois Payments

Estimated corn, soybeans, and wheat payments for Illinois counties are shown in Table 1. Corn payments will occur in some northern counties. Also, there is a band of counties in southeast Illinois that

will receive corn payments. Some northern Illinois counties are projected to receive soybean payments. ARC-CO is projected to make payments for wheat in most counties for which NASS county yields are available.

Table 1. Estimated 2017 ARC-CO Payments per Base Acre in Illinois¹

Soy- Corn Beans Wheat			Soy- Corn Beans Wheat			Soy- Corn Beans Wheat					
Adams	0	0	NA	Hardin	NA	NA	NA	Morgan	17	0	0
Alexander	0	1	NA	Henderson	0	0	NA	Moultrie	0	0	NA
Bond	0	0	NA	Henry	0	0	NA	Ogle	0	24	0
Boone	24	47	0	Iroquois	0	0	0	Peoria	0	0	NA
Brown	0	0	0	Jackson	0	0	NA	Perry	35	0	NA
Bureau	0	0	0	Jasper	0	0	NA	Piatt	12	0	NA
Calhoun	38	0	24	Jefferson	28	9	NA	Pike	0	0	8
Carroll	0	0	NA	Jersey	27	0	14	Pope	NA	0	NA
Cass	14	0	31	Jo Daviess	0	2	NA	Pulaski	0	0	NA
Champaign	0	0	38	Johnson	0	0	NA	Putnam	0	9	NA
Christian	0	0	NA	Kane	54	24	0	Randolph	42	0	0
Clark	0	0	3	Kankakee	0	0	NA	Richland	12	0	0
Clay	45	9	0	Kendall	0	0	0	Rock Island	0	0	NA
Clinton	17	0	6	Knox	0	0	0	St. Clair	7	0	6
Coles	0	0	NA	Lake	44	NA	NA	Saline	0	0	15
Cook	NA	NA	NA	LaSalle	0	0	0	Sangamon	0	0	33
Crawford	0	0	1	Lawrence	2	0	13	Schuyler	0	0	NA
Cumberland	1	2	0	Lee	0	0	11	Scott	0	0	NA
DeKalb	0	46	0	Livingston	0	0	1	Shelby	0	0	9
De Witt	45	0	NA	Logan	0	0	32	Stark	0	0	NA
Douglas	6	0	0	McDonough	0	0	NA	Stephenson	0	0	0
DuPage	NA	NA	NA	McHenry	22	46	NA	Tazewell	0	0	0
Edgar	0	0	29	McLean	0	0	0	Union	0	0	0
Edwards	0	0	0	Macon	2	0	NA	Vermilion	1	0	38
Effingham	0	0	0	Macoupin	0	0	13	Wabash	0	0	0
Fayette	0	0	3	Madison	1	0	32	Warren	0	0	NA
Ford	0	0	NA	Marion	36	9	29	Washington	46	0	5
Franklin	0	0	3	Marshall	0	0	NA	Wayne	0	0	NA
Fulton	0	0	7	Mason	NA	NA	NA	White	0	0	26
Gallatin	0	0	NA	Massac	0	NA	0	Whiteside	0	0	NA
Greene	0	0	NA	Menard	0	0	NA	Will	0	0	34
Grundy	0	0	NA	Mercer	0	0	NA	Williamson	0	0	NA
Hamilton	0	0	0	Monroe	48	1	32	Winnebago	23	46	8
Hancock	0	0	0	Montgomery	0	0	10	Woodford	4	2	NA

¹ These payments are for a bases acre of the crop. They have been adjusted for a sequester equal to 6.8%.

NA indicates that NASS did not release a yield for that county.

Summary

Because final yields and prices are not yet known, actual ARC-CO payments can vary from estimates shown in this article. ARC-CO will make payment in fewer counties for 2017 production. In many cases, payments will be lower as well.

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