

# Ag Policy Brief #2014-01

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## :: Price Loss Coverage :: Information Sheet ::

- Delivered by the Farm Service Agency
- Very similar to the Counter-Cyclical Program from the 2008 Farm Bill
- Have option to purchase Supplemental Coverage Option (SCO)
- Payment Limit = \$125,000 (total of all ARC, PLC, Marketing Loan, and Loan Deficiency Payment)
- Cotton is not eligible for PLC
- Conservation compliance required

### Payment:

$$\text{Payment} = (\text{Reference Price} - \text{minus maximum}) \times \text{times} \times \text{times} \times \text{times}$$

Reference Price  
 (a) National Market Year Average Price  
 or  
 (b) Marketing Loan Rate  
 Program Crop Farm Base Acres  
 Program Crop Farm Base Yield  
 85%

### Available Program Crop Reference Prices:

Corn = \$3.70 per bushel

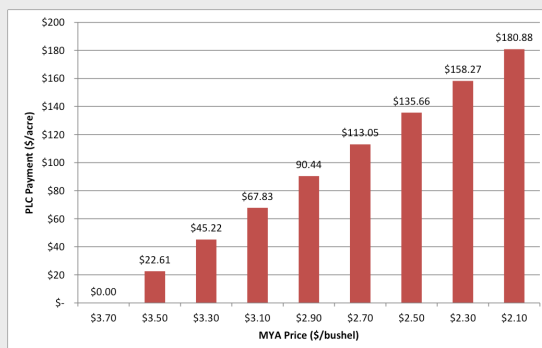
Peanuts = \$535 per ton

Rice (long- and medium grain) = \$14.00 per hundredweight

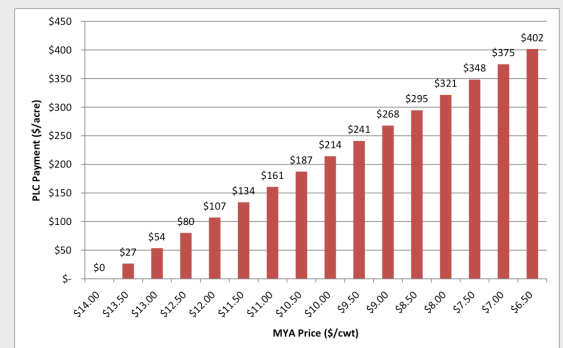
Grain Sorghum = \$3.95 per bushel

Soybeans = \$8.40 per bushel

Wheat = \$5.50 per bushel



PLC Corn Example<sup>+</sup>



PLC Rice Example<sup>+</sup>



PLC Soybean Example<sup>+</sup>

<sup>+</sup> These use a base yield of 6,300 lbs/ac (rice), 39 bu/ac (soybeans), and 133 bu/ac (corn). The values shown are payment estimates for a planted acre on an eligible base acre. Your values would change depending on your farm's base yield.