

Checklist for Smarter ARC/PLC and Base Acres Decisions



The rules changed. The math got harder. And the questions around ARC and PLC are not easy to answer.

Talk through this checklist with your agent before locking in choices.

BASE ACRE UPDATES

Base acre allocation summaries are available now as of June 1.

The purpose of the allocation summary is to resolve any remaining subsequent acre questions and show how new base acres may be allocated by crop. For many farms, no action is needed.

Owners have until August 31, 2026, to review, resolve any subsequent acre issues, or opt out of additional base acres. Final acre counts remain subject to USDA's 30-million-acre cap and any pro-rata adjustment. ARC/PLC election period still expected to begin in September.

WHAT'S NEW

Lots of major changes rolled out with the OBBB Act. Three stand out.

- **The Higher-Of Rule for CY25** Farmers receive the higher payment of ARC or PLC, regardless of their election. *One time rule, CY25 only.*
- **USDA adding 30M new base acres** First update since 2018.
 - If national demand exceeds 30MM acres, a pro-rated reduction applies.
- **SCO + ARC can NOW be taken together.** Means you can elect ARC or PLC regardless of your crop insurance coverage, unless you took STAX for cotton, which is not eligible for either.

WHAT TO DO FIRST

STEP 1 – Review current 2025 base acres.

If you don't have your '25 acres, request these forms from the FSA office:

- FSA-156EZ (includes historical irrigated % – HIP) — *available now*
- CCC-866 (includes producer share %) — *not currently available from FSA; use FSA-156EZ as a proxy*

STEP 2 – Review base acre allocation summary.

Review any subsequent acre questions and confirm proposed crop allocations.

What are subsequent acres? Historical planted or prevented planted acres that FSA needs to assign to a specific covered commodity before final base acre allocations are complete — for example, prevent plant winter wheat later planted to corn requires choosing one crop of record.

Note: This process determines how new base acres are divided among crops. Final allocated acres remain subject to USDA's national pro-rata adjustment.

STEP 3 – Consider the impact of critical program details on projected payouts.

Review payment limitations – \$155,000 a year per person or per legal entity, HIP and producer share (%).

STEP 4 – Make 2026 ARC/PLC decision.

Stress test potential ARC vs. PLC payments based on expected price and yield for CY26.

STEP 5 – File ARC/PLC decision with FSA.

STEP 6 – Understand your true 2026 coverage.

With elections finalized, create a coverage report showing ARC/PLC + crop insurance side by side—lenders want this.

TWO PROGRAMS. DIFFERENT TRIGGERS.

ARC (Agriculture Risk Coverage) **Strongly consider if you have yield concerns*

Pays when crop revenue drops below a guaranteed level—factoring in both price and yield. Two options: ARC-County, most common election, uses county-level yields; ARC-Individual uses the farmer's actual yields across all covered commodities. Payments trigger on 85% of base acres (ARC-CO) or 65% (ARC-IC).

PLC (Price Loss Coverage) **Strongly consider if you only have price concerns*

Pays when the national Market Year Average (MYA) price falls below the effective reference price—price only, no yield component. Payments trigger on 85% of base acres.



Know your projected ARC/PLC payments. Run CY25 and CY26 to better manage cash flow.