PLANNING AHEAD WITH A NEW FARM BILL

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**JUNE WASDE REPORT --- CORN**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Planted Acres</td>
<td>89.8 M.</td>
<td>92.8 M.</td>
<td>89.1 M.</td>
</tr>
<tr>
<td>Ave. Yield</td>
<td>166.0</td>
<td>176.0</td>
<td>176.4</td>
</tr>
<tr>
<td>Production</td>
<td>13.68 B.</td>
<td>15.03 B.</td>
<td>14.42 B.</td>
</tr>
<tr>
<td>Total Usage</td>
<td>14.25 B.</td>
<td>14.675 B.</td>
<td>14.4 B.</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>1.675 B.</td>
<td>2.485 B.</td>
<td>2.195 B.</td>
</tr>
<tr>
<td>Est. Farm Price</td>
<td>$3.80</td>
<td>$3.30</td>
<td>$3.60</td>
</tr>
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</table>

**JUNE WASDE REPORT --- SOYBEANS**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Planted Acres</td>
<td>84.6 M.</td>
<td>84.6 M.</td>
<td>89.2 M.</td>
</tr>
<tr>
<td>Ave. Yield</td>
<td>49.5</td>
<td>49.5</td>
<td>51.6</td>
</tr>
<tr>
<td>Production</td>
<td>4.15 B.</td>
<td>4.15 B.</td>
<td>4.544 B.</td>
</tr>
<tr>
<td>Total Usage</td>
<td>4.195 B.</td>
<td>4.195 B.</td>
<td>3.929 B.</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>1.045 B.</td>
<td>970 M.</td>
<td>1.07 B.</td>
</tr>
<tr>
<td>Est. Farm Price</td>
<td>$8.25</td>
<td>$8.10</td>
<td>$8.50</td>
</tr>
</tbody>
</table>
## JUNE WASDE REPORT --- WHEAT

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Planted Acres</td>
<td>45.8 M.</td>
<td>45.8 M.</td>
<td>47.8 M.</td>
</tr>
<tr>
<td>Ave. Yield</td>
<td>48.7</td>
<td>48.6</td>
<td>47.6</td>
</tr>
<tr>
<td>Production</td>
<td>1.903 B.</td>
<td>1.897 B.</td>
<td>1.884 B.</td>
</tr>
<tr>
<td>Total Usage</td>
<td>900 M.</td>
<td>900 M.</td>
<td>950 M.</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>1.072 B.</td>
<td>1.141 B.</td>
<td>1.102 B.</td>
</tr>
<tr>
<td>Est. Farm Price</td>
<td>$5.10</td>
<td>$4.70</td>
<td>$5.20</td>
</tr>
</tbody>
</table>

### U.S. Corn and Soybean acres left to plant on June 2

*(millions; 1992 - 2019)*

(Data source: USDA)
Second Trade Mitigation Package for Farmers: $16 billion

- $14.5 billion Market Facilitation Program: USDA will pay farmers a county-based payment rate for their planted acreage in 2019. This compares to $8.5 billion paid out under last year’s MFP.

- $1.4 billion Food Purchase program: USDA will buy fruits, vegetables, processed foods, beef, pork, poultry and milk for food banks

- $100 million Trade Promotion Assistance, adding to $200 million given to agricultural groups to boost agricultural sales globally
2019 MARKET FACILITATION PROGRAM
(MFP Payments)

- Corn, Soybeans, Wheat & Other Crops eligible. (even Alfalfa Hay).
- MFP payments will be based on total planted crop acres in 2019. (As reported to FSA by July 15.)
- Prevented Planted acres will not be eligible for MFP payments. (This is not likely to change.)
- MFP payments will be per acre on a County payment rate. (Payment formula has not been announced yet.)
- Separate MFP payments for Hog and Dairy producers.
- 3 Rounds of payments (projected) ......
  > Late Summer 2019
  > November 2019
  > January 2020

2018-19 FEDERAL DISASTER BILL
(WHIP Payments)

- Federal funding for WHIP covers losses from 2018 hurricanes and wildfires, as well as 2019 flooding.
- Most likely will need to be a “Disaster Declared” County (or adjoining County) to be eligible.
  > Check with Local FSA office on County Disaster eligibility.
- Planted & Prevented Planted acres could potentially be eligible for WHIP payments.
  > Up to 90% of guarantee with Crop Insurance. (70% without Ins.)
  > There is payment factor applied to WHIP payments
  > WHIP payments for PP will likely be less than 90%.
- $3 billion total allocated for crop losses (including stored grain).
  > WHIP payments may need to be prorated.
- WHIP payments for 2019 crop losses will likely not occur until after the 2019 harvest is completed.
2018 Ag Risk Coverage (ARC-CO) Program

*** ARC-CO Program chosen for 95%+ of Midwest Corn & Soybean Base Acres.

*** ARC-CO data & 2018 County BM Yields available at:

www.fsa.usda.gov/arc-plc

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**Figure 1. Estimated 2018 ARC-CO County Payments for Corn, $ Per Base Acre ($3.55 MYA Price)**

For counties with irrigated and non-irrigated yields series, the above map shows the irrigated yields series. Sequester reduction of 6.1% taken into consideration when calculating payments.
Figure 2. Estimated 2018 ARC-CO County Payments for Soybeans, $ Per Base Acre ($8.60 MYA Price)

For counties with irrigated and non-irrigated yields series, the above map shows the irrigated yields series. Sequester reduction of 6.3% taken into consideration when calculating payments.

Figure 3. Estimated 2018 ARC-CO County Payments for Wheat, $ Per Base Acre ($5.55 MYA Price)

For counties with irrigated and non-irrigated yields series, the above map shows the irrigated yields series. Sequester reduction of 6.3% taken into consideration when calculating payments.
QUESTIONS

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FARM BILL TITLES

• I. Commodities
• II. Conservation
• III. Trade
• IV. Nutrition
• V. Credit
• VI. Rural Development
• VII. Research, Ext., Etc.
• VIII. Forestry
• IX. Energy
• X. Horticulture
• XI. Crop Insurance
• XII. Miscellaneous
FSA DIRECT & GUARANTEED LOANS (Credit Title)

- Direct Farm Ownership Loan (FO) limits increased to $600,000 (from $300,000).
- Guaranteed FO Loan limits increased to $1,750,000 (from $700,000).
- Direct Farm Operating Loan (OL) limits increased to $400,000 (from $300,000).
- Guaranteed OL Loan limits increased to $1,750,000 (from $700,000).

- FSA Loan availability will still depend on annual Federal funding allocations for the FSA Loan program.
No Major Changes to Crop Insurance

SCO Example

Dairy & Livestock Programs

- The Dairy Margin Coverage (DMC) program replaces the Dairy Margin Protection Program (MPP).
- Added provisions for management of pandemic livestock diseases.
DAIRY MARGIN COVERAGE (DMC)

DMC Program
- Coverage Level up to 95% of production history.
- Price coverage level from $4.00 to $9.50/cwt.
- Tier 1 coverage = 5 M. lbs. (approx. 200-250 cows)
  Addl. lbs. at $8.00/cwt.
- Est. Premium Amounts:
  - $4.00/cwt. = Free
  - $6.50/cwt. = $.04
  - $8.00/cwt. = $.10
  - $9.50/cwt. = $.15 ($11.25)

MPP Program
- Coverage Level 25% to 90% of production history.
- Price coverage level from $4.00 to $8.00/cwt.
- Tier 1 coverage = 4 M. lbs.
  No option for addl. Lbs.
- Est. Premium Amounts:
  - $4.50/cwt. = Free
  - $6.50/cwt. = $.04
  - $8.00/cwt. = $.142
  - $9.50/cwt. = N/A

* MN Rebate Premium Program

ARC-CO vs PLC Program
for 2019 & Beyond
Upgrades to ARC-CO & PLC Programs

- **Option to change the Farm Program Choice.**
  - Choose ARC-CO or PLC for 2019 and 2020 (2 years).
  - *Annual choice for 2021-2023.*

- **Changes to FSA and Benchmark Yields.**
  - Updated FSA program yields for 2020 (Ave. yields 2013-2017):
    - Corn & Soybeans = x.81; Wheat = x.90
  - Use of RMA yields rather than NASS yields for ARC-CO.
  - Use "trend-adjusted" yield data rather than olympic ave. yields.
  - “Plug Yields” will be 80% of ave. yields rather than 70%.

- **Potential to increase PLC Reference Prices.**
  - Reference prices will be the greater of ……
    - 5-year Olympic Ave. MYA price x .85 or Current Reference Price.
  - Max. increase is the current ref. price x 115%.

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### Increased Reference Prices 2019 - 2023

<table>
<thead>
<tr>
<th></th>
<th>Minimum Ref. Price (Current)</th>
<th>X 115% (Max.)</th>
<th>MYA Price X .85 (Est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$3.70</td>
<td>$4.26</td>
<td>$2.92</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$8.40</td>
<td>$9.66</td>
<td>$7.86</td>
</tr>
<tr>
<td>Wheat</td>
<td>$5.50</td>
<td>$6.33</td>
<td>$4.18</td>
</tr>
</tbody>
</table>
Upgrades to ARC-CO & PLC Programs

- **Other Farm Program Provisions.**
  - Crop base acres will remain the same for 2019-2023.
  - Crop base acres that have been in grass can be switched to CSP.
  - ARC-CO payments will be based on the physical location of the farm.

- **Payment Limits & Qualifications.**
  - Max. payment level will remain at $125,000 per individual or entity.
  - Expands “family members” --- nieces, nephews, cousins, etc.
  - Must still meet “actively engaged” requirements.
  - AGI max. is still $900,000.

- **Increase CCC National Loan Rates.**
  - Higher loan rates increase $$$ available through CCC Loans.
  - Higher loan rates decrease potential exposure for PLC payments, but increase the threshold price for LDP payments.

### Increased CCC National Loan Rates 2019 - 2023

<table>
<thead>
<tr>
<th></th>
<th>Current Loan Rate</th>
<th>New Loan Rate</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$1.95</td>
<td>$2.20</td>
<td>+ 13%</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$5.00</td>
<td>$6.20</td>
<td>+ 24%</td>
</tr>
<tr>
<td>Wheat</td>
<td>$2.94</td>
<td>$3.38</td>
<td>+ 15%</td>
</tr>
</tbody>
</table>
PLC Reference Prices and Payments for Corn & Soybeans

Reference Price

Corn = $3.70  Soybeans = $8.40

PLC Payment
Corn = $1.95  (New = $2.20)
Soybeans = $5.00  (New = $6.20)

Loan Rate
Loan Deficiency Payment (LDP)

2014-2018 Farm Program Election

- Lower BM Prices = Favor more PLC (2019-2020)
- 2019 Crop Yields are a “Wild Card”

Source: Farm Service Agency
### MYA Prices (2014 – 2018)

<table>
<thead>
<tr>
<th>Year</th>
<th>Corn</th>
<th>Soybeans</th>
<th>Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$3.70</td>
<td>$10.10</td>
<td>$5.99</td>
</tr>
<tr>
<td>2015</td>
<td>$3.61</td>
<td>$8.95</td>
<td>$4.89</td>
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<tr>
<td>2016</td>
<td>$3.36</td>
<td>$9.47</td>
<td>$3.89</td>
</tr>
<tr>
<td>2017</td>
<td>$3.36</td>
<td>$9.33</td>
<td>$4.72</td>
</tr>
<tr>
<td>2018 (est.)</td>
<td>$3.60</td>
<td>$8.50</td>
<td>$5.20</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Corn</th>
<th>Soybeans</th>
<th>Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.52</td>
<td>$9.25</td>
<td>$4.94</td>
</tr>
</tbody>
</table>

*(Prices are in dollars per bushel)*
The ARC-CO or PLC Decision

What do the falling Benchmark Prices mean for the ARC-CO or PLC Decision for 2019 and 2020?

Corn Example I (2019 – 2020)
Est. Payment per Base Acre --- Ave. Yield Year (BM)
(190 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th>MYA Price (Final Yield)</th>
<th>ARC-CO (190 BM Yield) ($3.70 BM Price)</th>
<th>PLC (160 FSA Yield) ($3.70 Ref. Price)</th>
<th>PLC Adv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.70+ (190 Bu./A)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>$3.50 (190 Bu./A)</td>
<td>0</td>
<td>$27.20</td>
<td>+ $27.20</td>
</tr>
<tr>
<td>$3.30 (190 Bu./A)</td>
<td>0</td>
<td>$54.40</td>
<td>+ $54.40</td>
</tr>
<tr>
<td>$3.10 (190 Bu./A)</td>
<td>$13.24</td>
<td>$81.60</td>
<td>+ $68.36</td>
</tr>
</tbody>
</table>

(Max. = $59.76) (Max. = $204.00)
## Corn Example II (2019 – 2020)
Est. Payment per Base Acre --- **Low Yield Year (10+% Drop)**
(190 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th>MYA Price</th>
<th>ARC-CO</th>
<th>PLC</th>
<th>PLC Adv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>($3.70BM Price)</td>
<td>(190 BM Yield)</td>
<td>(160 FSA Yield)</td>
<td></td>
</tr>
<tr>
<td>$3.70+</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(170 Bu./A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3.50</td>
<td>$8.14</td>
<td>$27.20</td>
<td>+ $19.06</td>
</tr>
<tr>
<td>(170 Bu./A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3.30</td>
<td>$37.04</td>
<td>$54.40</td>
<td>+ $17.36</td>
</tr>
<tr>
<td>(170 Bu./A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3.10</td>
<td>$59.76</td>
<td>$81.60</td>
<td>+ $21.84</td>
</tr>
<tr>
<td>(170 Bu./A)</td>
<td>(Max. = $59.76)</td>
<td>(Max. = $204.00)</td>
<td></td>
</tr>
</tbody>
</table>

## Corn Example III (2019 – 2020)
Est. Payment per Base Acre --- **Really Low Yield Year (20+% Drop)**
(190 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th>MYA Price</th>
<th>ARC-CO</th>
<th>PLC</th>
<th>PLC Adv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>($3.70BM Price)</td>
<td>(190 BM Yield)</td>
<td>(160 FSA Yield)</td>
<td></td>
</tr>
<tr>
<td>$3.80</td>
<td>$29.39</td>
<td>0</td>
<td>&lt;$29.39&gt;</td>
</tr>
<tr>
<td>(150 Bu./A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3.70</td>
<td>$42.14</td>
<td>0</td>
<td>&lt;$42.14&gt;</td>
</tr>
<tr>
<td>(150 Bu./A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3.50</td>
<td>$59.76</td>
<td>$27.20</td>
<td>&lt;$32.56&gt;</td>
</tr>
<tr>
<td>(150 Bu./A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3.30</td>
<td>$59.76</td>
<td>$54.40</td>
<td>&lt;$5.36&gt;</td>
</tr>
<tr>
<td>(150 Bu./A)</td>
<td>(Max. = $59.76)</td>
<td>(Max. = $204.00)</td>
<td></td>
</tr>
</tbody>
</table>
Reasons to choose PLC for Corn ......

• Think the final MYA price will be below $3.70/Bu.
  (MYA price has been $3.70 or lower from 2014-17.)
  (2018 MYA Price projected at $3.60/Bu. (as of 6-01-19.)
  (2019 MYA Price estimated at $3.80/Bu. (as of 6-01-19)

• Have high FSA program yields.

• Feel County Ave. yields will be near or above BM yields.

• Want price protection from $3.70/Bu. to $2.20/Bu.

Reasons to choose ARC-CO for Corn ......

• Think the final MYA price will be near $3.70/Bu. or above.
  (MYA price has been $3.70 or lower from 2014-17.)
  (2018 MYA Price projected at $3.60/Bu. (as of 6-01-19.)
  (2019 MYA Price estimated at $3.80/Bu. (as of 6-01-19)

• County has high BM yield relative to FSA farm yields.

• Feel 2019 County Ave. yields will be over 10% below BM yields.

• Not worried about price protection.
### Soybean Example I (2019 – 2020)
Est. Payment per Base Acre --- Ave. Yield Year (BM)
(55 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$8.40+ (55 Bu./A)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>$8.25 (55 Bu./A)</td>
<td>0</td>
<td>$6.12</td>
<td>+ $6.12</td>
</tr>
<tr>
<td>$8.00 (55 Bu./A)</td>
<td>0</td>
<td>$16.32</td>
<td>+ $16.32</td>
</tr>
<tr>
<td>$7.80 (55 Bu./A)</td>
<td>$7.25 (Max. = $43.25)</td>
<td>$24.48 (Max. = $89.76)</td>
<td>+ $17.23</td>
</tr>
</tbody>
</table>

### Soybean Example II (2019 – 2020)
Est. Payment per Base Acre --- Low Yield Year (10% Drop)
(55 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$8.40 (50 Bu./A)</td>
<td>$14.90</td>
<td>0</td>
<td>$&lt;14.90&gt;</td>
</tr>
<tr>
<td>$8.25 (50 Bu./A)</td>
<td>$21.28</td>
<td>$6.12</td>
<td>$&lt;15.16&gt;</td>
</tr>
<tr>
<td>$8.00 (50 Bu./A)</td>
<td>$31.90</td>
<td>$16.32</td>
<td>$&lt;15.58&gt;</td>
</tr>
<tr>
<td>$7.80 (50 Bu./A)</td>
<td>$40.40 (Max. = $43.25)</td>
<td>$24.48 (Max. = $89.76)</td>
<td>$&lt;15.92&gt;</td>
</tr>
</tbody>
</table>
### Soybean Example III (2019 – 2020)

Est. Payment per Base Acre --- **Really Low Yield (20% Drop)**
(55 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th>MYA Price (Final Yield)</th>
<th>ARC-CO (55 BM Yield)</th>
<th>PLC (48 FSA Yield)</th>
<th>PLC Adv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.00 (45 Bu./A)</td>
<td>$27.65</td>
<td>0</td>
<td>&lt;$27.65&gt;</td>
</tr>
<tr>
<td>$8.80 (45 Bu./A)</td>
<td>$35.30</td>
<td>0</td>
<td>&lt;$35.30&gt;</td>
</tr>
<tr>
<td>$8.60 (45 Bu./A)</td>
<td>$42.95</td>
<td>0</td>
<td>&lt;$42.95&gt;</td>
</tr>
<tr>
<td>$8.40 (45 Bu./A)</td>
<td>$43.25</td>
<td>0</td>
<td>&lt;$43.25&gt;</td>
</tr>
</tbody>
</table>

($7.34/Bu.)
(Max. = $89.76)

### Reasons to choose PLC for Soybeans ……

- **Think the final MYA price will be below $8.40/Bu.**
  (MYA price has been above $8.40 from 2014-17.)
  (2018 MYA Price projected at $8.50/Bu. (as of 6-01-19.)
  (2019 MYA Price estimated at $8.25/Bu. (as of 6-01-19)

- **Have high FSA program yields.**

- **Feel County Ave. yields will be near or above BM yields.**

- **Want price protection from $8.40/Bu. to $6.20/Bu.**
Reasons to choose ARC-CO for Soybeans ……

• Think the final MYA price will be near $8.40/Bu. or above.
  (MYA price has been above $8.40 from 2014-17.)
  (2018 MYA Price projected at $8.50/Bu. (as of 6-01-19.)
  (2019 MYA Price estimated at $8.25/Bu. (as of 6-01-19)

• County has high BM yields relative to FSA farm yields.

• Feel 2019 County Ave. yields will be below BM yields.

• Not worried about price protection.

Wheat Example I (2019 – 2020)
Est. Payment per Base Acre --- Ave. Yield Year (BM)
(60 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th>MYA Price (Final Yield)</th>
<th>ARC-CO (60 BM Yield) ($5.50 BM Price)</th>
<th>PLC (50 FSA Yield) ($5.50 Ref. Price)</th>
<th>PLC Adv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.30 (60 Bu./A)</td>
<td>0</td>
<td>$8.50</td>
<td>+ $8.50</td>
</tr>
<tr>
<td>$5.10 (60 Bu./A)</td>
<td>0</td>
<td>$17.00</td>
<td>+ $17.00</td>
</tr>
<tr>
<td>$4.90 (60 Bu./A)</td>
<td>0</td>
<td>$25.50</td>
<td>+ $25.50</td>
</tr>
<tr>
<td>$4.70 (60 Bu./A)</td>
<td>$1.80 (Max. = $28.05)</td>
<td>$34.00 (Max. = $90.10)</td>
<td>+ $32.20</td>
</tr>
</tbody>
</table>
### Wheat Example II (2019 – 2020)

**Est. Payment per Base Acre --- Low Yield Year (10 Bu./A Drop)**

(60 Bu./A. BM Yield)

<table>
<thead>
<tr>
<th>MYA Price (Final Yield)</th>
<th>ARC-CO (60 BM Yield $5.50 BM Price)</th>
<th>PLC (50 FSA Yield $5.50 Ref. Price)</th>
<th>PLC Adv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.30 (50 Bu./A)</td>
<td>$15.98</td>
<td>$8.50</td>
<td>&lt;$7.48&gt;</td>
</tr>
<tr>
<td>$5.10 (50 Bu./A)</td>
<td>$24.48</td>
<td>$17.00</td>
<td>&lt;$7.48&gt;</td>
</tr>
<tr>
<td>$4.90 (50 Bu./A)</td>
<td>$28.05</td>
<td>$25.50</td>
<td>&lt;$2.55&gt;</td>
</tr>
<tr>
<td>$4.70 (50 Bu./A)</td>
<td>$28.05 (Max. = $28.05)</td>
<td>$34.00 (Max. = $90.10)</td>
<td>+ $5.95</td>
</tr>
</tbody>
</table>

### Reasons to choose PLC for Wheat ……

- **Think the final MYA price will be below $5.50/Bu.**
  (MYA price has been below $5.50 from 2015-17.)
  (2018 MYA Price projected at $5.20/Bu. (as of 6-01-19.)
  (2019 MYA Price estimated at $5.10/Bu. (as of 6-01-19)

- **Have high FSA program yields.**

- **Feel County Ave. yields will be near or above BM yields.**

- **Want price protection from $5.50/Bu. to $3.38/Bu.**
Reasons to choose ARC-CO for Wheat ……

- Think the final MYA price will be near $5.50/Bu. or above.
  (MYA price has been below $5.50 from 2015-17.)
  (2018 MYA Price projected at $5.20/Bu. (as of 6-01-19.)
  (2019 MYA Price estimated at $5.10/Bu. (as of 6-01-19)

- County has high BM yields relative to FSA farm yields.

- Feel 2019 County Ave. yields will be somewhat below BM yields.

- Not worried about price protection.

What About the ARC-IC Farm Program Choice?

- Utilizes “Individual” farm data for all crops.
  (Entire Farm Unit must use the “Individual” option.)

- Benchmark Revenue = 5-Year “Olympic” Ave.
  (Ind. Yield x Nat. Ave. Price for all crops each year.)

- Payments triggered once the actual revenue falls 14% below the benchmark revenue.
  (Actual Ind. Yield x Nat. Ave. Price totaled for all crops.)

- Payments occur from 86-76% of Revenue (10%).

- Payment Factor --- Individual = 65% of Base Acres.
  (ARC-CO Payment Factor is 85% of Base Acres.)
QUESTIONS ?

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Thank You !!!
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