

Expected PLC Payment Rates for 2019 and 2020
August 5, 2020

The expected PLC payments for the 2019 year are listed in Table 1. These payments are based on the estimated Marketing Year Average Price (MYA Price), which is the national average price received by producers over the marketing year. As the marketing year is either over or close to being over, the estimates will not change much between now and the date for the final MYA Price. The finalized MYA Price for the 2019/20 year will be released in September for Corn and Soybeans, October for Seed Cotton and Rice, and August for Peanuts and Wheat. The Expected PLC Payment Rate is the higher of (Reference Price minus the Estimated 2019/20 MYA Price) or (zero). To find the estimated PLC payment per base acre, multiply the Expected PLC Payment Rate by the individual farm's PLC Yield, then multiply by the 85% payment reduction factor. Of the crops listed, only Soybeans are expected to not have a PLC payment for the 2019 year.

Table 1. Expected PLC Payment Rates for 2019-August 5, 2020

Commodity	Marketing Year	Dates for the Final 2019/20 MYA¹ Price	Unit	2019 Reference Price	Estimated 2019/20 MYA Price	Expected 2019 PLC Payment Rate
Corn	Sep. 1-Aug. 31	Sept. 30, 2020	bu	\$3.70	\$3.60	\$0.10
Soybeans	Sep. 1-Aug. 31	Sept. 30, 2020	bu	\$8.40	\$8.55	\$0.00
Seed cotton ²	Aug. 1-Jul. 31	Oct. 30, 2020	lb	\$0.3670	\$0.3034	\$0.0636
Rice (long grain)	Aug. 1-Jul. 31	Oct. 30, 2020	lb	\$0.1400	\$0.1200	\$0.02
Rice (med/short grain) ³	Aug. 1-Jul. 31	Oct. 30, 2020	lb	\$0.1400	\$0.1170	\$0.023
Peanuts	Aug. 1-Jul. 31	Aug. 28, 2020	lb	\$0.2675	\$0.2050	\$0.0625
Wheat	Jun. 1-May 31	Aug. 28, 2020	bu	\$5.50	\$4.58	\$0.92

¹MYA Price is the national average price received by producers over the marketing year.

²Seed cotton price is a weighted average of upland cotton and cottonseed prices. The marketing year is August 1, 2019 to July 31, 2020 for upland cotton and August 1, 2019 to February 28, 2020 for cottonseed.

³Medium/short grain excludes temperate japonica rice.



The expected PLC payments for the 2020 year listed in Table 2. The Estimated 2020/21 MYA Price is based on prices from the July USDA WASDE report. These numbers are subject to change significantly between now and next fall as conditions change. Similar to 2019, only Soybeans are expected to not have a PLC payment for the 2020 year. For all other crops, PLC payments are expected to either stay the same or increase compared to 2019. This is due to the lower prices expected in the 2020/21 marketing year.

Table 2. Projected PLC Payment Rates for 2020-August 5, 2020

Commodity	Marketing Year	Dates for the Final 2020/21 MYA ¹ Price	Unit	2020 Reference Price	Estimated 2020/21 MYA Price	Expected 2020 PLC Payment Rate
Corn	Sep. 1-Aug. 31	Sept. 2021	bu	\$3.70	\$3.35	\$0.35
Soybeans	Sep. 1-Aug. 31	Sept. 2021	bu	\$8.40	\$8.50	\$0.00
Seed cotton ²	Aug. 1-Jul. 31	Oct. 2021	lb	\$0.3670	\$0.2937	\$0.0733
Rice (long grain)	Aug. 1-Jul. 31	Oct. 2021	lb	\$0.1400	\$0.1160	\$0.024
Rice (med/short grain) ³	Aug. 1-Jul. 31	Oct. 2021	lb	\$0.1400	\$0.1150	\$0.025
Peanuts	Aug. 1-Jul. 31	Aug. 2021	lb	\$0.2675	\$0.2050	\$0.0625
Wheat	Jun. 1-May 31	August 2021	bu	\$5.50	\$4.60	\$0.90

¹MYA Price is the national average price received by producers over the marketing year.

²Seed cotton price is a weighted average of upland cotton and cottonseed prices. The marketing year is August 1, 2020 to July 31, 2021 for upland cotton and August 1, 2020 to February 28, 2021 for cottonseed.

³Medium/short grain excludes temperate japonica rice.

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