

# Program Changes to ARC and PLC (Initial guesses)

I have included two files that will guide the discussion for the changes to the arc and plc payment calculations. Note that there are two changes

1. The reference price is changed to the effective reference price in both the ARC and PLC modules. The effective reference price equals:  
.85 x the Olympic average of the five previous prices (through out high and low price)  
The effective reference price is cupped (minimum) at the reference price and capped (maximum) at 1.15 times the reference price

2. A trend is added to the benchmark yield in ARC.

The code describes the changes.

<b>File</b>	<b>Modified</b>
File arc Modifications	Mar 16, 2019 by Gary Schnitke
File plc Modifications	Mar 16, 2019 by Gary Schnitke

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