

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Agriculture Risk Coverage and
Price Loss Coverage Program
1-ARCPLC**

Amendment 15

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Throughout this handbook, paragraphs were amended to note that generic and attributed base acres were applicable for the 2014 through 2017 crop years only.

Subparagraph 7 B has been amended to clarify when a farm is fully certified.

Part 10 has been added to provide policy for the:

- conversion of generic base acres to seed cotton base acres and/or other base acres
- yield update
- ARC-CO or PLC election for seed cotton.

Exhibit 9 has been added to provide completion instructions and an example of CCC-865.

Exhibit 16 has been amended to include HIP counties for seed cotton.

Amendment Transmittal

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1 Overview (Continued)

B ARC and PLC Purpose and Eligibility Comparison to DCP and ACRE (Continued)

A significant difference between the 2008 and 2014 Farm Bills is the **1-time** election between ARC and PLC that **must** irrevocably be made by **all current producers on a farm**. Under the 2008 Farm Bill, after an ACRE election was made on a farm, the decision was irrevocable from the year of election through the 2012 crop year, and an election for only the 2013 crop year was required for the 1-year extension of the 2008 Farm Bill. If ACRE was **not** elected in a crop year, the producers on the farm could elect ACRE in the later crop year. Under the 2014 Farm Bill, all current producers on farm are **required to affirmatively and unanimously** elect ARC or PLC during a single election period, and, if an election is **not** made, the farm will be ineligible for payments in the 2014 crop year and default to PLC for the 2015 through 2018 crop years. Farms with producers who do **not** make a valid election in the reallocation period announced in this rule will **not** be eligible for 2014 crop year payments.

Under the 2008 Farm Bill, producers were ineligible for payments under DCP and ACRE if the sum of base acres of covered commodities and peanuts on a farm was 10 acres or less. The 10-acre limitation did **not** apply to producers on a farm that was at least 50 percent owned by SDA farmer or rancher or a limited resource farmer or rancher. The 2014 Farm Bill, likewise, has a 10-acre limitation; however, producer payment eligibility on a farm having 10 or less base acres (including generic base acres) is no longer dependent on the ownership of the farm. Under ARCPLC, any SDA farmer or rancher or limited resource farmer or rancher producer remains eligible for ARCPLC payments on farms having 10 acres or less base acres.

***--Note:** Generic base acres are applicable for the 2014 through 2017 crop years only.--*

C Sources of Authority and Funding

Authority for ARC and PLC is the Agricultural Act of 2014 (Pub. L. 113-79) and 7 CFR Part 1412.

1 Overview (Continued)

D Related Handbooks

Related handbooks include:

- 1-APP for appeals
- 1-CM for common provisions
- 2-CP for acreage and compliance provisions and determinations
- 3-CM for procedure to update farm, tract, and crop data through a maintenance application
- 10-CM for farm reconstitutions
- 6-CP for HELC and WC provisions
- 7-CP for finality and equitable relief provisions
- 2-CRP for the Agricultural Resource Conservation Program
- 1-FI for issuing payments
- 3-FI for deposition remittances
- 58-FI for debts and claims
- 61-FI for prompt payment interest
- 62-FI for reporting data to IRS
- 63-FI for Financial Services Web Application
- 2-INFO for Freedom of Information Act
- 3-PL for web-based subsidiary files
- 5-PL for payment limitation and payment eligibility provisions.

5 Basic ARC and PLC Program Information

A Covered Commodities

[7 CFR 1412.3] **Covered commodity** means:

- wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts
- crops for which base acres have been established according to statute or regulation.

Notes: Upland cotton is **not** a covered commodity. What were upland cotton base acres on September 30, 2013, as adjusted, are generic base acres for ARC and PLC as of October 1, 2013.

--Generic base acres are only applicable for the 2014 through 2017 crop years.--

Covered commodities, including the following, are eligible for ARC and PLC Program benefits.

Covered Commodities			
Barley	Canola	Chickpeas, Large	Chickpeas, Small
Corn	Crambe	Flaxseed	Grain Sorghum
Lentils	Mustard	Oats	Peanuts
Peas, Dry	Rapeseed	Rice, Long Grain	Rice, Medium Grain
Safflower	*--Seed Cotton for 2018 only--*	Sesame	Soybeans
Sunflower Seed	Wheat		

5 Basic ARC and PLC Program Information (Continued)**B Base Acres**

[7 CFR 1412.3] **Base acres** mean, with respect to a covered commodity on a farm, the number of acres in effect under sections 1001 and 1301 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702, 8751), as adjusted pursuant to sections 1101, 1108, and 1302 of such Act (7 U.S.C. 8711, 8718, 8752), as in effect on September 30, 2013, subject to any reallocation, adjustment, or reduction under Subpart B of this part. The term ‘base acres’ includes any generic base acres planted to a covered commodity.

Base acres may be increased if CRP-1 applicable to the farm expires or is released by the Secretary. The adjustment in the base acres of a crop, if any, will be determined by the Secretary. With some exception for double-cropped acres, total base acres on a farm for all covered commodities and peanuts **cannot** exceed the amount equal to the currently available cropland minus the amount of that cropland which is any of the following:

- in CRP
- in WRP
- enrolled in a Federal conservation program for which payments are made in exchange for **not** producing an agricultural commodity on the acreage.

Note: Base acres, including generic base acres, can only be reduced on CCC-505.

6 Payments and Limitations (Continued)**B Advance ARC and PLC Payments**

There are no advance payments authorized for ARC and PLC.

C Final ARC and PLC Payments

Final ARCPLC payments will be made to eligible producers satisfying the ARC and PLC Program compliance, contract, and eligibility requirements on or after October 1 of the following year of the crop year after the MYA price has been determined for each specific covered commodity.

D Payment Limitations

[7 CFR 1412.51] **Limitation of payments.**

(a) The provisions of part 1400 of this chapter apply to this part. Payments under this part cannot exceed the amounts specified in part 1400 of this chapter.

(c) For all covered commodities other than peanuts, the total amount of ARCPLC payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year together with any marketing loan gains or loan deficiency payments for any and all commodities other than peanuts under subtitle B of title I of the 2014 Farm Bill cannot exceed \$125,000.

(d) For peanuts, the total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year together with any marketing loan gains or loan deficiency payments under subtitle B of title I of the 2014 Farm Bill for peanuts cannot exceed \$125,000.

6 Payments and Limitations (Continued)

E 10-Acre Rule Provision

A producer on a farm will **not** receive ARCPLC payments if the sum of the base acres including any generic base acres on the farm is 10 acres or less. The 10-acre rule provision will **not** apply to a SDA farmer or rancher or a limited resource farmer or rancher.

***--Note:** Generic base acres are only applicable for the 2014 through 2017 crop years.--*

F Refunds of Unearned Payments

A producer **must** refund any payment to CCC which exceeds the amount actually earned under the contract. Interest on such refunds will be assessed according to 58-FI.

Note: Interest only accrues from date of disbursement in cases where COC determines misrepresentation, scheme, or device.

G Sequestration Reduction

In general, sequestration entails the permanent cancellation of budgetary resources by a uniform percentage. This uniform percentage reduction is applied to all programs, projects, and activities within a budget account.

For ARC and PLC payments, a sequestration percentage will be applied to the payment amount determined after all reductions have been applied, including payment limitation provisions. The sequestration amount is reduced from the determined payment amount for the producer receiving the payment as the last step before sending the payment information to NPS. The sequestered amount is applied to the producer receiving the payment after payments have been attributed for payment limitation purposes.

Example: Corporation A, an entity receiving a payment on FSN 1, had a PLC payment that computed to be \$147,000. After the payment limitation was applied, the net payment was \$125,000. The payment was then sequestered at 6.8 percent. After the sequestration was applied, the payment that the entity received was \$116,500.

The sequestered amount is equal to the computed payment multiplied by the percentage as shown in the following table.

FOR contracts approved in FY...	THE sequestration will be...
2016	6.8 percent.
2017	6.9 percent.
2018	6.6 percent.

7 Contract Requirements

A Signing CCC-861, ARC-CO and PLC Contract and CCC-862, ARC-IC Contract

To participate on FSN's having valid elections (CCC-857), including default elections, for:

- ARC-CO and PLC, all the farm's producers sharing in contract base acres are required to designate shares and sign CCC-861 for each FSN enrolled
- ARC-IC, all producers sharing in any of the covered commodities planted on the ARC-IC elected FSN **must** sign CCC-862 for that FSN to be considered ARC-IC elected and enrolled

Note: Final payment shares will be determined by using the producer's share of all covered commodities certified on FSA-578 on each ARC-IC elected and enrolled FSN in the State.

Reminder: ARC and PLC are administered based on administrative county.

- *--a farm having generic base acres (2014 through 2017 crop years only), all producers--* sharing in any or all covered commodities planted or eligible subsequently planted crop acreage are **required** to sign CCC-861 to be eligible for ARC-CO and PLC payments on attributed base acres, or CCC-862, for each FSN enrolled for the contract to be approved.

B CCC-861, ARC-CO and PLC Contract and CCC-862, ARC-IC Contract Requirements

Producers signing CCC-861 and CCC-862 agree to:

- comply with HELC and WC provisions
- file a farm operating plan for payment limitation and actively engaged in farming for the ARC and PLC Program year participation, according to 5-PL
- devote acreage equal to the base acres to an agricultural or conserving use
- effectively control noxious weeds on the farm according to sound agricultural practices
- file an acreage report with respect to all crops and all cropland on the farm

*--**Note:** The farm is considered to have met the requirement of reporting all crops and cropland if the certified cropland on the farm is within the larger of 1 percent of the cropland on the farm or 0.5 acre.--*

- notify FSA when there is a transfer of or change of interest of a producer

Note: See paragraph 6 and 254 for payments and refunds for predecessors and successor.

- a certification of compliance with AGI provisions by the producer's persons and legal entities according to 7 CFR Part 1400.

7 Contract Requirements (Continued)

C Transfer of or Change in Farming Interest or Change in Base Acres

A transfer of or change in the interest of any producer or change in any base acres in a FY for *--a farm will result in cancellation of CCC-861 or CCC-862 for the FY, unless the producers succeeding to the acreage enter into CCC-861 or CCC-862 for the farm and agree to assume the CCC-861 or CCC-862 no later than September 30 of the program year.--*

8 Eligible Producers

A Background

The 2014 Farm Bill authorizes the Secretary to issue ARCPLC payments to eligible producers. A producer is defined by law as “an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.” The 2014 Farm Bill further requires the Secretary to “provide for the sharing of payments among the producers on a farm on a fair and equitable basis.”

B Individuals and Legal Entities Who Are Producers Eligible for Payment

The following individuals and legal entities may share in ARCPLC payments if the individual or legal entity is entitled to an ownership share of agricultural commodity or conserving use and is:

- an owner on an eligible farm who assumes all or part of the risk of producing a crop on base acres
- a producer, other than an owner, on an eligible farm with a share-rent arrangement or cash-lease agreement.

Note: An owner whose only interest is that the owner cash leases land to another is **not** a producer on that land and, therefore, is ineligible to share in ARCPLC payments for this land.

C Loss of Interest in Base Acres on a Farm

If a producer loses interest in the base acres on a farm, for ARC-CO, PLC, or planted acres on ARC-IC, the producer is **not** eligible to retain ARCPLC payments for those acres. Any payments issued to that producer or that were received by the producer on the acreage **must** be immediately refunded as required by paragraph 6.

Part 2 Base Acres

Section 1 Base Modifications

21 Definition and Limitation

A Definition of Base Acres

[7 CFR 1412.3] **Base acres** mean, with respect to a covered commodity on a farm, the number of acres in effect under sections 1001 and 1301 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702, 8751), as adjusted pursuant to sections 1101, 1108, and 1302 of such Act (7 U.S.C. 8711, 8718, 8752), as in effect on September 30, 2013, subject to any reallocation, adjustment, or reduction under Subpart B of this part. The term ‘base acres’ includes any generic base acres planted to a covered commodity.

Covered Commodities			
Barley	Canola	Chickpeas, Large	Chickpeas, Small
Corn	Crambe	Flaxseed	Grain Sorghum
Lentils	Mustard	Oats	Peanuts
Peas, Dry	Rapeseed	Rice, Long Grain	Rice, Long Medium
Safflower	*--Seed Cotton for 2018 only--*	Sesame	Soybeans
Sunflower Seed	Wheat		

B Adjustments to Base Acres

Base acres may be increased if CRP-1 applicable to the farm expires or is released by the Secretary. With some exception for double-cropped acres, total base acres on a farm for all covered commodities and peanuts **cannot** exceed the amount equal to the currently available DCP cropland minus the amount of that cropland which is any of the following:

- in CRP
- in WRP
- enrolled in a Federal conservation program for which payments are made in exchange for **not** producing an agricultural commodity on the acreage.

***--Note:** Base acres, including generic base acres for 2014 through 2017 crop years only,--* can only be reduced on CCC-505. If the farm is **not** over based but the tract is out of balance a CCC-517 may be used to redistribute the base.

21 Definition and Limitation (Continued)

--C Definition of Generic Base Acres (2014 through 2017 Crop Years Only)--

The 2014 Farm Bill removed upland cotton as a covered commodity for ARC or PLC.

Upland cotton base acres that were in existence as of September 30, 2013, became generic base acres for the purposes of ARC and PLC beginning October 1, 2013 (FY 2014).

Generic base acres mean acres that are treated, for the purposes of ARC and PLC, like other base acres, **except** that they **cannot** be reallocated. Like other base acres, generic base acres may be any of the following:

- planted to any crop including covered commodities, fruits, vegetables, minor oilseeds, or other crops
- receive payment for the acres planted to a covered commodity
- reduced for CRP participation
- reduced when taken out of agriculture production
- reduced on farms having more base acres than available DCP cropland.

Covered commodities with planted acreage, or eligible subsequently planted crop acreage, for which generic base acres have been attributed (attributed base acres) can effectively increase the covered commodity's base acres and payment acres in the year of planting, but only in the year of planting.

If generic base acres are planted or eligible subsequently planted crop acreage to a covered commodity, the covered commodity's planted or eligible subsequently planted crop acreage are attributed base acres that will be treated as base acres for that covered commodity for that crop year of ARCPLC payment calculations.

21 Definition and Limitation (Continued)**D Limitation on Base Acres**

The total of the following **must not** exceed the DCP cropland acreage on a farm, **except** to the extent there is an established double-cropping history on the farm as follows:

- *--all base acres on the farm, including generic base acres for 2014 through 2017 crop years only--*
- any cropland acreage enrolled in:
 - CRP
 - EWP
 - WBP
 - WRP
- any cropland acreage on the farm enrolled in any **Federal** conservation program for which payments are made in exchange for **not** producing an agricultural commodity.

Notes: Enrollment in State conservation programs has no impact on ARC, PLC, or CTAP payments.

Base acres can only be reduced on CCC-505. If the farm is **not** over based but the tract is out of balance a CCC-517 may be used to redistribute the base.

22 Base Acre Reductions

A Voluntary Permanent Base Acres Reduction

Owners may permanently reduce base acreage, including generic base acres, at any time. A reduction:

Note: Transition payment acres are equal to generic base acres. In the unlikely event that generic base acres are voluntarily reduced for reasons other than conservation or for reasons other than insufficient cropland, the County Office **must** contact DAFP through the State Office for guidance.

- **must** be recorded on CCC-505

Note: Complete and process CCC-505 according to paragraph 23.

- may be for a part or all of 1 or more crops' base acres

Note: Each crop's base acres and generic base acres are recorded at the tract level. Therefore, owners **must** designate the tract level reduction on CCC-505.

- is effective for the ARC and PLC Program year entered in CCC-505, item 4, when all applicable owners' signatures, including the signatures of owners having an undivided ownership interest, are obtained on CCC-505
- will **not** be reinstated after the reduction in base acres becomes effective.

Note: Reductions of base acres are permanent, when the base reduction was made for reasons other than CRP enrollment.

Exception: Base acres reduced because of cropland enrollment into CRP may be restored to the farm for a program year, if CRP-1 is voluntarily terminated, expired, or early released by the end of the CTAP application period or ARC and PLC enrollment period for that ARCPLC program year.

Notes: Participants **must** refund any overpayments caused by a reduction.

--Generic base acres are only applicable for 2014 through 2017 crop years.--

23 Completing CCC-505 (Continued)

A Instructions (Continued)

Item	Instruction	
4	Enter reason base acres are being reduced. If “other”, specify reason.	
5	Enter tract numbers where base acres will be reduced.	
6	For tract numbers in item 5, enter commodity for which base acres will be reduced. If it is generic base being reduced the commodity is generic and CTAP acres will also have to be adjusted.	
7	Enter tract level PLC yield for the commodity entered in item 6. Important: The tract level PLC yield may be different than the farm level PLC yield for the commodity.	
8	Enter tract level PLC yield for the commodity entered in item 6. Important: The tract level PLC yield may be different than the farm level PLC yield for the commodity.	
9	For tract numbers in item 5, enter total base acres for the commodity in item 6 before reduction.	
10	Enter total base acres for the commodity in item 6 to be reduced on tract numbers in item 5.	
11	For tract numbers in item 5, enter total base acres for the commodity in item 6 after reduction (column 9 minus column 10).	
12	Enter total number of base acres to be reduced for the farm number entered in item 2 (total of column 10).	
13	Enter total number of base acres on the farm number in item 2 before reduction.	
14	Enter total number of base acres on the farm number in item 2 after reduction (item 3 minus item 12).	
15A	Requestor, if other than owner, will sign.	
15B	IF...	THEN...
	the producer/applicant signing is not signing in the representative capacity	leave blank.
	anyone other than the producer/applicant is signing in a representative capacity	enter the title or relationship to the producer/applicant.
15C	Enter date signed.	

***--Note:** Generic base acres are only applicable for 2014 through 2017 crop years.--*

23 Completing CCC-505 (Continued)

A Instructions (Continued)

Item	Instruction	
16A and 17A	Owner or representative must sign. Only the affected owner must sign CCC-505.	
16B and 17B	IF...	THEN...
	the owner signing is not signing in the representative capacity	leave blank.
	anyone other than the owner is signing in a representative capacity	enter the title or relationship to the owner.
16C and 17C	Enter date signed.	
18	Enter remarks. If base acres are being reduced because of enrollment into: <ul style="list-style-type: none"> • CRP, enter CRP-1 number and CRP-1 effective date • GRP, enter: <ul style="list-style-type: none"> • CCC-920 number and beginning date of contract period for land enrolled under rental agreement • System 36 application number and date easement is filed for land enrolled under an easement. <p>Important: File copy of CCC-505 in the CTAP and/or ARC and PLC Program folder and CRP or GRP folder, as applicable.</p>	
19	COC will annotate if CCC-505 is approved or disapproved.	
20	Enter County Office name, address, and phone number.	
21	COC, or representative, must sign and date.	

26 Base Acre Reallocation Decision

A Base Acre Reallocation

Any current owner of a farm will have a 1-time opportunity from September 29, 2014, through April 7, 2015, to do either of the following:

- retain the farm's base acres as of September 30, 2013, as adjusted, **except** upland cotton (generic) base acres
- reallocate base acres, **excluding** upland cotton (generic) base acres, on a farm, based on the 4-year average P&CP acres for the 2009 through 2012 crop years. An increase in **total** base acres in effect on September 30, 2013, on a farm is **not** allowed according to the 2014 Farm Bill.

Note: Under **no** circumstances will reallocation of base acres of covered commodities on a farm result in any increase in total base acres on a farm.

If a decision to reallocate base acres is **not** made by a current owner by the end of the reallocation period, then the farm retains the base acres that were on the farm as of September 30, 2013.

See Exhibit 2 for definition of current owner.

***--Note:** Generic base acres are only applicable in the 2014 through 2017 crop years.--*

B Signature Requirements for Base Acre Reallocation

Any current owner will make the base acre reallocation decision. Any current owner on the farm may sign to reallocate the farm's base acres or retain the farm's 2013 base acres.

If a current owner reallocates base acres, that reallocation will apply to the farm **unless** the base acre reallocation is withdrawn, rescinded, or modified by any current owner on the farm in the base acre reallocation period.

Neither FSA nor CCC is under any obligation to notify owners on a farm if a base acre reallocation has been filed, rescinded, modified, or withdrawn during the base acre reallocation period. If a person or legal entity acquires ownership of a farm that has already had base acre reallocation decision made by an owner, FSA will provide the base acre reallocation information to that person or legal entity on request, but is under no obligation to notify new owners or new producers whether a base acre reallocation decision has previously been made on that particular farm.

26 Base Acre Reallocation Decision (Continued)

C Base Acre Reallocation Disputes

If any current owner submits a conflicting reallocation request or expresses disagreement with a reallocation filed, no reallocations will be approved for the farm unless all the current owners of the farm provide CCC with written evidence of the dispute resolution during the base acre reallocation period.

26.5 Invalid Reallocations and Yield Updates

A Reallocations and Yield Updates Found Invalid

Situations exist where the reallocation decision and/or a yield update was completed and the signatory on CCC-858 was a:

- power of attorney signing in a representative capacity for a “current” landowner and that power of attorney is no longer valid
- producer who was not a current owner.

*--As a result, the reallocation decision and/or yield update is invalid. Base acres and yields originally on the farm prior to the reallocation and/or yield update must be restored to the farm.

A manual election is then required on the farm’s original base acres using the policy in paragraph 181. A manual election not completed within 30 calendar days will result in the farm defaulting to PLC and no payments will be earned for 2014.

Note: MIDAS and FRS will be updated every year beginning in 2014.

B Exception to Determining the Election Invalid

If the criteria in subparagraph A is met, and as a result, a reallocation is invalid, a current owner may ratify the original reallocation. If the ratification occurs, the original election is valid and no further action is required.--*

42 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

A Policy (Continued)

Notes: When CAB's or previously reduced PFC acreage is included in an ARCPLC enrollment, or CTAP application, CAB's and PFC acreage become base acres or generic base acres.

See Exhibit 2 for the definition of voluntarily terminated.

FY 2015 base acre reinstatements **cannot** be added into FRMS until after the base acre reallocation, yield update, program election, and Farm Record update has been completed.

--Generic base acres are only applicable in the 2014 through 2017 crop years.--

B Limitation on Base Acres

The total base acres on a farm **must not** exceed DCP cropland according to paragraph 21.

Base acres reinstated under the previous CRP-1 **must not** be enrolled in ARCPLC **unless** the total DCP cropland for the farm is sufficient to support the additional base acres. Therefore, County Offices **must** determine the amount of previously reduced base acres that may be enrolled in ARCPLC.

Before enrolling base acres into ARCPLC acreage previously under CRP-1, a farm may be combined with another farm to increase the amount of DCP cropland to support the additional base acreage, if both of the following are met:

- all provisions of 10-CM for farm combinations are met
- the combination is completed before the final date to enroll the reinstated base acres.

C Timing of Adjustments and Payments

Participants who elect to voluntarily terminate CRP-1 or who have acres affected by early release before the CRP-1 expiration date:

- **must** choose to receive **either** of the following for FY in which CRP-1 was voluntarily terminated:
 - ARC and PLC payments
 - CRP payment, if applicable
- **cannot** receive ARCPLC payments together with CRP payments on the same acreage for the same FY.

Note: ARCPLC and CTAP can be paid on the same land; however, if CRP is paid on the land, the land **cannot** receive ARCPLC payments.

42 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

C Timing of Adjustments and Payments (Continued)

Adjustments to base acres on a farm because of CRP-1 that expires, is voluntarily terminated, or early released after September 30, 2013, and before October 1, 2018, may be made according to the following, if all other eligibility requirements are met.

IF CRP-1 expires, is voluntarily terminated or is early released...	THEN eligible farms may...	AND be paid full ARCPLC in FY...
before September 30, 2014	have base acres reinstated to the farm to be used for: <ul style="list-style-type: none"> • reallocation of base acres • election of ARC or PLC •*--enrollment into 2014 CCC-861 or CCC-862 	2014, subject to CCC-861, CCC-862, or CCC-957, if--* applicable.
September 30, 2014 through September 30, 2018	have base acres reinstated to the farm for the applicable year, 2015 through 2018, to be used for: <ul style="list-style-type: none"> • election of ARC or PLC, if new base acre commodity is added to the farm for the applicable year •*--enrollment into 2015 CCC-861 or CCC-862 for the applicable year <p>Note: FY 2015 base acre reinstatements cannot be added into FRMS until after the ARCPLC election process has been completed. CRP and ARCPLC payments cannot be paid on the same acres in the same program year. The deadline to make the choice of partial CRP payment or ARCPLC payment is the applicable contract enrollment deadline for the applicable year, or 30 calendar days after notification of base acre reinstatement option, no later than the end of the contract period for the applicable FY. If ARCPLC payment is chosen instead of CRP payment for that year, the base acres will be restored to the farm for that applicable year, and, if payment is triggered for that crop, ARCPLC payments will be issued accordingly.</p>	in which base acres are reinstated and subject to CC-861 or CCC-862.--*

42 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

F Example 3 (Continued)

On May 15, 2015, Joe Brown voluntarily terminated his CRP-1. Joe Brown will use 7 acres to build a house, out buildings, and a tennis court; and 3 acres will be returned to crop production. The voluntary termination from CRP was approved by the applicable CCC official. After the voluntary termination of CRP-1 is approved, and all other eligibility requirements are met, the County Office **must**:

- notify all producers and owners, in writing (Exhibit 8), that the 3.0 wheat base acres are available for enrollment into ARCPLC
- increase the base acres on FSN 989 to 3 base acres, if the producer enrolls the base acres into ARCPLC by the applicable ARCPLC enrollment deadline
- notate the 3 base acre reinstatement in CCC-505.

After the modifications to the applicable FY 2014 FRMS are completed, FSN 989 has:

- 3 acres cropland
- 3 base acres
- 0 CRP acres
- 2 wheat base acres reduced on CCC-505.

43 Restoring Base Acres for a New Covered Commodity**A Program Election for a Covered Commodity without an Election**

Base acres eligible to be restored after September 30, 2014, will be restored as they were reduced.

Example: If 10.00 acres of oat base were reduced from Farm 100, Tract 200 on a CCC-505 to be enrolled into the CRP program, the base acres will be restored to the farm/tract from which they were removed as oat base acres. These base acres are **not** eligible to be reallocated to a different crop. The base reallocation period ended on April 7, 2015.

In the example provided, if Farm 100 does not currently have a program election for oats because the farm has zero generic base acres and zero base acres of oats before the base restoration, **a program election must be made before the base restoration can be completed.** The owner and operator of the farm must be notified of the requirement for all current producer(s) to make a program election within 30 calendar days of the notification.

The program election for the new base acres eligible for base restoration will be recorded on a manual CCC-857 and must be manually recorded in MIDAS when the base acres are restored for the applicable program year. All current producers on the date of the program election must sign the manual CCC-857 agreeing to the program election. Failure of all current producers to make a program election within the 30 day time period will result in FSA applying a default PLC program election for the new crop effective 2015 through 2018.

Notes: If a default PLC program election occurs, the covered commodity is eligible for PLC payment if triggered in 2015 through 2018.

--Generic base acres are only applicable for 2014 through 2017 crop years.--

Part 3 PLC Yields

Section 1 PLC Yield Overview

61 General Information

A Yield Update Option

The 2014 Farm Bill allows any current owner of a farm a 1-time opportunity to retain or update the PLC yields for each covered commodity with base acres for the 2014 through 2018 covered commodity years. The decision to update a yield is made on a covered commodity-by-covered commodity basis as determined by a current owner on the farm.

Program payment yields under the 2014 Farm Bill are used **only** with PLC and are referred to as PLC yields for all farms for the 2014 through 2018 crop years.

Note: Direct payment yields will no longer be used by FSA for the ARC and PLC Program.

The PLC yield, under the 2014 Farm Bill, is either the farm's former CC yield for the covered commodity in effect on September 30, 2013, or the updated yield. The owner of the farm may choose to retain the former CC yield or update the yield on all applicable FSA farms, regardless of PLC, ARC-CO, or ARC-IC election. The retained or updated yield will only be used under PLC to calculate PLC payments for covered commodities on the farm.

Note: This is the first time since 1985 (for all covered commodities), 2002 (for covered commodities with updated base acres), or 2008 (for pulse crops) that owners are allowed to update payment yields.

The following is an example of direct and CC yields under the prior Farm Bill. Only the CC yields will be used under the ARC and PLC Program and **only** CC yields may be updated if requested by the farm owner.

*--

Crop	Base Acreage	Direct Yield	CC Yield
WHEAT	112.4	26	37
CORN	56.7	55	132
SOYBEANS	132.1	37	44

--*

See Exhibit 7 for examples of yield updates.

61 General Information (Continued)

B Yield Update Formula

The formula for updating the PLC yield for a covered commodity is calculated by multiplying 90 percent of the simple average of the yield per planted acre for the covered commodity for each of the 2008 through 2012 crop years, **excluding** any year in which the covered commodity was **not** planted.

A substitute yield is authorized if the farm's yield per planted acre in any year falls below 75 percent of the 2008 through 2012 simple county average yield per planted acre for the covered commodity.

Note: Substitute yield is the simple average of the yield per planted acre of covered commodity in each county multiplied by 75 percent. In other words, the 2008 through 2012 per acre planted yield will be averaged and substituted in any year where a farm's certified yield is below the substitute yield.

A substitute yield is also used for years the crop is planted and when yields either **cannot** be determined or are **not** available.

The yield update software will use the larger of the actual yield or the substitute yield when making the yield update calculation.

C Subsequent Crop Acres and PLC Yield Update

Initial planted covered commodity crop acreage and production are used to update PLC yields using the years 2008 through 2012. Acreage and production of a subsequently planted covered commodity crop are excluded for the purpose of yield updating. There is an exception to this rule, however, for situations involving a subsequent crop used in reallocation to create a new base acre for a covered commodity on the farm.

Subsequent covered commodity acres and yields from those acres may be used for PLC yield updating purposes, only in cases where base reallocation was taken, resulting in a new crop
--base being calculated, including a generic base for 2014 through 2017 only.--

In these situations, the following yield update options will apply:

- a new county average CC yield is assigned to the new crop base calculated through the selection of the subsequent crop and reallocation of base
- the yield for the new crop base can be updated using the certified yield from subsequent crop acreage only.

Note: In no other case will subsequent crop acres and production be used for yield updating purposes.

61 General Information (Continued)

***--C Subsequent Crop Acres and PLC Yield Update (Continued)**

Example: FSN 1 - 200 acres of cropland
200 acres of corn base

- The owner has selected base acre reallocation and yield update for the farm.
- Each year 2008 through 2012, the farm was planted entirely to corn (200 acres) as initial crop.
- In 2009, the farm was also planted to corn (200 acres) as initial crop. The corn (200 acres) flooded, and failed acreage credit was sought and approved for the planted corn acreage. The crop acreage planted to a replacement crop of soybeans (200 acres). The 200 acres of soybeans were reported as subsequent crop acreage.
- The producer selects soybeans as a subsequent crop (in 2009) for base reallocation purposes and requests to update yields, and a CC soybean yield is assigned to the farm.
- FSA will allow the producer to use the 2009 soybean yield (only year of soybeans) to update the PLC yield for soybeans.

D Disagreements Notification of Bases and Yields

FSA will issue a notification of base acres and yields following conclusion of the yield update period. The notification will be issued to the farm operator, owners, and producers of record. Regardless of who receives or does not receive the notification, it is considered notice to all persons regarding the base acres and yields of covered commodities on the farm.

Within 30 calendar days of receipt of the notification of bases and yields, a farm operator, owner, or producer on a farm can appeal to FSA in writing. According to 1-APP, the date an adverse decision is deemed received is the earlier of physical delivery by hand, actual stamped record of receipt on a transmitted document, or 7 calendar days following deposit for delivery by regular mail.

Notes: In this context, receipt of the notification by anyone will start the 30-calendar-day clock from which an appeal of errors in the notification can be requested.

Appeals of information contained on the notification is limited to the accuracy of information contained in the notification. Appeals of election, base reallocation, or yield are not permitted as FSA is not making a determination regarding those matters with the notification.--*

61 General Information (Continued)

E Action on Appeal of Yield

COC's may be requested to review an established PLC yield. These reviews will generally fall into either of the following 2 categories:

- a computation error of the yield certified by the owner of the farm
- the assigned yield is **not** representative of the yield on the farm.

If the review of the yield is a question of the:

- computation, COC will review the calculation of the yield to determine whether the yield was calculated correctly and notify the owner of the results of the review according to 1-APP
- yield **not** being representative of the yield on the farm, COC will use similar farms to establish PLC yields according to the following table when either of the following occur:
- a covered commodity had reallocated base acres and that covered commodity did **not** have base acres before the reallocation
- ***--a covered commodity is planted on generic base acres and that covered commodity did--*** **not** have base acres before reallocation.

Notes: Farms with base acres held by CRP CCC-505 reduction acres are considered to have base acres before reallocation.

Generic base acres are only applicable for 2014 through 2017 crop years.

Reviews must be recorded in the executive session minutes.

Step	Action
1	Use 3 farms with similar yield capability, including: <ul style="list-style-type: none"> • land • cultural practices, including irrigation capability
2	Establish a PLC yield based on the PLC yields for 3 similar farms. Note: The yield is based on the simple average of the 3 similar farm's PLC yield.
3	Request assistance from STC or STC representative if 3 similar farms are not available for the county. Assign the needed yields based on the STC or STC representative's information. The information must be based on similar farms in other counties if available. Assign zero yields, if applicable.
4	Record yields in MIDAS and FRMS according to 10-CM.
5	Document in executive session COC minutes all: <ul style="list-style-type: none"> • yields established using 3 similar farms • farms receiving the yields • farms used to establish the yields.

62 Yield Update Decision (Continued)

D Yield Update Revision and Deadline

Any current owner's decision to update a yield can be made through the end of the base and yield update period **April 7, 2015**, deadline.

If a request to update a yield is **not** filed by **April 7, 2015**, the former CC yield will be used as the farm's PLC yield for the 2014 through 2018 crop years.

63 Establishing PLC Yields

A Assigning Yields

PLC yields **must** be assigned when:

- a new covered commodity's base acres are established under the base acre reallocation process
- farms have planted 1 or more new covered commodities (no existing base acres) are planted on generic base acres.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

63 Establishing PLC Yields (Continued)

B Assigning Yields for Reallocated Base Acres

The PLC yield for covered commodities with planting history from 2009 through 2012, when new base acres are created during reallocation, will be updated with the county average CC yield.

In instances where there is **not** a county average CC yield, STC will establish or adjust a county acreage CC yield, as follows:

- use the average CC yield from contiguous counties
- use the State average CC yield for the covered commodity
- when there is neither a contiguous county nor State yield available, a CC yield from a neighboring State may be used.

Note: STC may adjust the assigned CC yield, if soil production, terrain, climate conditions, or other factors do not support the county average or STC average CC yield.

After the PLC yield has been established, that yield may be updated, as determined by the owner of the farm using certified yield data for the 2008 through 2012 crop years providing the crop was planted during that time period.

--C Assigned Yields for Generic Base Acres (2014 through 2017 Crop Years Only)--

PLC yield may be needed if a covered commodity is planted on generic base acres and that covered commodity has no PLC yield. Initially, this yield will be established with the county average CC yield according to instructions in subparagraph 63 B.

After the PLC yield has been established, that yield may be updated, as determined by a current owner of the farm, using certified yield data for the 2008 through 2012 crop years, if the crop was planted during the 2008 through 2012 crop years. Yields may also be adjusted, as determined by COC, using the farm's location, productivity, farming practices, and land capabilities as determined by COC. The yield update option for the current owner, in this instance, **must** be performed by the end of the contract year. A current owner's failure to update a yield under this subparagraph, by the end of the specific contract year, will be viewed as a decision to **not** update the yield.

63 Establishing PLC Yields (Continued)***--C Assigned Yields for Generic Base Acres (2014 through 2017 Crop Years Only)
(Continued)--***

Yields may be established on farms with generic base acres. Assigning yields for generic base acres occurs when new covered commodities are planted on generic base acres during the 2014 through 2018 contract years. PLC yield that is assigned to a covered commodity because of planting on generic base acres in the 2014 through 2018 crop years **cannot** be revised or updated in a subsequent year, if established previously.

D Yield Certification at the Farm Level

The PLC payment yield, as determined by the farm owner, may be certified on the FSA farm level.

The farm level yield for each covered commodity will then be moved down to the tract level for each tract with base acres of the covered commodity. If there is more than 1 tract on the farm, then all tracts with covered commodity crop base acres will have the same yield on the initial farm record.

Note: If yields are **not** updated on the farm, the current CC yield will remain on the tract of the farm.

64 Historical FSA Yields

A Yields on FSA Farms

FSA's current FRMS contains the following 2 yields for each covered commodity with 2014 crop base acres:

- direct payment yield
- CC yield.

Example: Under the 2014 Farm Bill, **only 1 yield** will be used for each applicable the crop base. The CC yield or updated yield will become the PLC yield and will be used in making PLC payments, if PLC is elected for the crop.

Crop	Base Acres	Direct Payment Yield	CC Yield
Wheat	100	30 bu.	30 bu.
Corn	100	89 bu.	114 bu.

B 2002 and 2008 Direct and CC Yields

The 2002 Farm Bill authorized creating the following:

- direct payment yield for crops with base acres to issue direct payments

Note: The direct payment yield was renamed from the previous farm bill's PFC payment yield. These yields have been unchanged since 1985.

Part 4 PLC

101 PLC Overview

A PLC General Information

PLC provides price protection to producers who have a share of crop acreage and a risk in producing covered commodities on base acres in years where the prices for those commodities fall below the published reference prices for those commodities.

B Covered Commodity Reference Prices

The following table provides a list of covered commodities and the applicable reference prices for those commodities.

Crop	Reference Prices	Crop	Reference Prices
Barley <u>1/</u>	\$4.95 per bu.	Oats	\$2.40 per bu.
Canola	\$20.15 per cwt.	Peanuts	\$535.00 per ton
Chickpeas, Large (Garbanzo Bean, Kabuli)	\$21.54 per cwt.	Rapeseed	\$20.15 per cwt.
Chickpeas, Small (Garbanzo Bean, Desi)	\$19.04 per cwt.	Rice, Long Grain	\$14.00 per cwt.
Corn	\$3.70 per bu.	Rice, Medium Grain <u>2/</u>	\$14.00 per cwt.
Crambe	\$20.15 per cwt.	*--Rice, Temperate Japonica <u>3/</u>	\$16.10 per cwt.--*
Dry Peas	\$11.00 per cwt.	Safflower	\$20.15 per cwt.
Flaxseed	\$11.28 per bu.	Sesame Seed	\$20.15 per cwt.
Grain Sorghum	\$3.95 per bu.	Soybeans	\$8.40 per bu.
Lentils	\$19.97 per cwt.	Sunflower	\$20.15 per cwt.
Mustard	\$20.15 per cwt.	Wheat	\$5.50 per bu.

1/ Barley price is based on the price of “all barley”. Previously the price was based on the “feed barley” price.

*--2/ Medium and short grain rice grown outside of California.

3/ Medium and short grain rice grown in California.--*

Note: These reference prices are set for 2014 through 2018 and will **not** change from year to year.

101 PLC Overview (Continued)

C Policy

PLC payments are authorized for a covered commodity when the effective price for the commodity is less than the reference price of the commodity as published in subparagraph B.

The **effective price** for a covered commodity is determined by the **higher** of the following:

- MYA price that is the national average market price received by producers during the 12-month marketing year for the covered commodity as determined by the Secretary
- national average loan rate for MAL for the covered commodity in effect for the applicable marketing year.

The **payment rate** for a covered commodity is the difference between the reference price and effective price (as determined in this subparagraph). If the difference between the reference price and the effective price is determined to be zero or negative, **no** payment will be issued.

The **payment amount** for a covered commodity is determined by multiplying the following:

- payment rate as determined in this subparagraph; times
- payment yield (PLC yield) for the applicable covered commodity; times
- payment acres (85 percent of the applicable covered commodity's base acres).

Notes: PLC Payments are **not** dependent on the planting of the applicable covered commodity **except** for generic base acres as described in subparagraph 21 C.

--Generic base acres are only applicable in the 2014 through 2017 crop years.--

Payments will be made as soon as practical after October 1 in the year following the applicable marketing year for the covered commodity.

102 Examples

A Example 1

This example was computed using the following information.

Farm 2100

Crop	Base Acres	Planted Acres	PLC Yield
Wheat	100	0	30 bu.
Corn	100	110	80 bu.
Alfalfa	0	165	N/A
Total	200	275	

Note: Alfalfa is a planted crop on this farm; however, it is **not** a covered commodity so will **not** be considered in the payment calculation.

Payment Rate Calculation

Crop	Reference Price	Effective Price		PLC Payment Rate
		MYA Price <u>1/</u>	Loan Rate	
Wheat	\$5.50	\$5.00	\$2.94	\$0.50
Corn	\$3.70	\$4.00	\$1.95	\$0.00

1/ MYA prices are hypothetical in this example.

In this example, the MYA price is **higher** than the loan rate, so the MYA price becomes the effective price.

For wheat, the PLC payment rate has been calculated as \$0.50 (\$5.50 reference price minus the \$5 effective price).

For corn, the PLC payment rate has been calculated as \$0.00, because the effective price of \$4 is greater than the reference price of \$3.70.

Payment Rate Calculation

Crop	Base Acres	Payment Percentage <u>1/</u>	Payment Rate	PLC Yield	PLC Payment
Wheat	100	85	\$0.50	30 bu.	\$1275
Corn	100	85	\$0.00	80 bu.	\$0

1/ PLC payment acres are 85 percent of the farm's base acres for the covered commodity.

In this example, a payment triggered for wheat, even though no wheat had been planted in the applicable crop year. PLC payments are **not** dependent on the planting of the covered commodity.

102 Examples (Continued)

B Example 2

This example was computed using the following information, including generic base acres.

Farm 1400

Crop	Base Acres	Planted Acres	PLC Yield
Corn	100	333	58 bu.
Soybeans	100	0	11 bu.
Upland Cotton	0 <u>1/</u>	50	N/A
Generic	100	--	--
Total	300	383	

1/ Upland cotton is no longer a covered commodity; therefore, all upland cotton base acres became generic base acres for the ARC and PLC Program.

The payment in this example was calculated using a total of 200 base acres of corn (100 contract base acres of corn plus 100 attributed base acres of corn through planting of corn on generic base acres) and 100 acres of soybean base. The generic base acres of the farm were attributed as corn base acres with P&CP.

Notes: Upland cotton is a planted crop on this farm; however, it is **no** longer a covered commodity so will **not** be considered in the payment calculation.

--Generic base acres are applicable in crop years 2014 through 2017 only.--

Payment Calculation

Crop	Reference Price	Effective Price		PLC Payment Rate
		MYA Price <u>1/</u>	Loan Rate	
Soybeans	\$8.40	\$10.50	\$5.00	\$0.00
Corn	\$3.70	\$4.00	\$1.95	\$0.00

1/ MYA prices are hypothetical in this example.

In this example, the MYA price is **higher** than the loan rate, so the MYA price becomes the effective price.

For soybeans, the PLC payment rate has been calculated as \$0.00 because the effective price of \$10.50 is higher than the reference price of \$8.40.

For corn, the PLC payment rate has been calculated as \$0.00 because the effective price of \$4 is greater than the reference price of \$3.70.

102 Examples (Continued)

B Example 2 (Continued)

Payment Calculation

Crop	Base Acres	Payment Percentage <u>1/</u>	Payment Rate	PLC Yield	PLC Payment
Soybeans	100	85	\$0.00	11 bu.	\$0
Corn	200 <u>2/</u>	85	\$0.00	58 bu.	\$0

1/ PLC payment acres are 85 percent of the farm's base acres for the covered commodity.

2/ Includes 100 acres of generic base.

In this example, this farm does **not** qualify for a payment.

C Example 3

This example was computed using the following information, including generic base acres.

Farm 3200

Crop	Base Acres	Planted Acres	PLC Yield
Corn	100	125	58 bu.
Wheat	100	150	30 bu.
Grain Sorghum	100	125	32 bu.
Generic	100	--	--
Total	300	400	

The generic base on this farm will be attributed as follows:

- 125 acres of corn planted **divided by** 400 total covered commodities planted on the farm **times** 100 acres of generic base acres = 31.25 acres of generic base attributed to corn
- 150 acres of wheat planted **divided by** 400 total covered commodities planted on the farm **times** 100 acres of generic base acres = 37.5 acres of generic base attributed to wheat
- 125 acres of grain sorghum planted **divided by** 400 total covered commodities planted on the farm **times** 100 acres of generic base acres = 31.25 acres of generic base attributed to grain sorghum.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

102 Examples (Continued)

C Example 3 (Continued)

--The payment in this example is calculated using a total of 131.25 acres of corn (100 contract base acres of corn plus 31.25 attributed base acres of corn planted from generic base acres), 137.5 acres of wheat (100 contract base acres of wheat plus 37.5 attributed base acres of wheat planted from generic base acres) and 131.25 acres of grain sorghum (100 contract base acres of grain sorghum base acres plus 31.25 attributed base acres of grain sorghum planted from generic base acres).--

Payment rate calculation.

Crop	Reference Price	Effective Price		PLC Payment Rate
		MYA Price	Loan Rate	
Wheat	\$5.50	\$5.00	\$2.94	\$0.50
Corn	\$3.70	\$4.00	\$1.95	\$0.00
Grain Sorghum	\$3.95	\$3.75	\$1.95	\$0.20

1/ MYA prices are hypothetical in this example.

In this example, the MYA price is **higher** than the loan rate, so the MYA price becomes the effective price for each of the 3 covered commodities.

For wheat, the PLC payment rate has been calculated as \$0.50 (\$5.50 reference price minus \$5 effective price).

For corn, the PLC payment rate has been calculated as \$0.00 because the effective price of \$4 is greater than the reference price of \$3.70.

For grain sorghum, the PLC payment rate has been calculated as \$0.20 (\$3.95 reference price minus \$3.75 effective price).

Payment Rate Calculation

Crop	Base Acres	Payment Percentage <u>1/</u>	Payment Rate	PLC Yield	PLC Payment
Wheat	137.50 <u>2/</u>	85	\$0.50	30 bu.	\$1753
Corn	131.25 <u>2/</u>	85	\$0.00	80 bu.	\$0
Grain Sorghum	131.25 <u>2/</u>	85	\$0.20	32 bu.	\$714

1/ PLC payment acres are 85 percent of the farm's base acres for the covered commodity.

2/ Includes generic base acres.

In this example, the farm would receive a payment for wheat and grain sorghum with a total payment of \$2467 for the farm.

103-110 (Reserved)

Part 5 ARC

Section 1 ARC and Features

111 ARC Overview

A ARC Program Background

ARC is a revenue-based program that is designed to cover a portion of a farmer's out-of-pocket loss (referred to as "shallow loss") when crop revenues fall below benchmark revenue levels, with the benchmark revenue based on either county level historic revenue (ARC-CO) or the individual farm's historic revenue (ARC-IC). Current producers may elect ARC-CO as an alternative to PLC on a covered commodity by covered commodity basis, or ARC-IC for all the covered commodities and the whole farm. For both PLC and ARC-CO, the payment calculation is based on base acres including any base acres attributed to a covered commodity from generic base acres based on planted or eligible subsequently planted crop acreage.

Notes: Eligible subsequently planted crop acreage is planted acres of a covered commodity that are a replacement crop to any crop other than a planted covered commodity. Eligible subsequently planted crop acreage is included as payment acres, if the crop acreage is planted to a covered commodity as a replacement crop after the failure or prevented planting of any crop other than a covered commodity, or after the approved prevented planting of a covered commodity. Eligible subsequently planted crop acreage is used to determine payment acres and attribution of generic base acres.

--Generic base acres are applicable for the 2014 through 2017 crop years only.--

Farm Bill 2014, Section 1117 (Pub. L. 113-79), authorizes ARC-CO and ARC-IC as alternatives to PLC. After ARC-CO or ARC-IC is elected on CCC-857 by all current producers with an interest in the cropland on a farm, it is irrevocable for the effective period of election (2014) through the 2018 crop year. An election **must** be made on CCC-857 for 2014 by April 7, 2015. If an election was **not** made by April 7, 2015, then the farm was deemed to have PLC election apply beginning with the 2015 crop year and no payments earned for the 2014 crop year.

IF an election by all producers on the farm was...	THEN the election was...
made by April 7, 2015	irrevocably effective for 2014, 2015, 2016, 2017, and 2018 crop years.
not made by April 7, 2015	automatic and irrevocably effective for 2015, 2016, 2017, and 2018 crop years.

Election will be made on CCC-857.

Notes: An election may be withdrawn according to paragraph 181.

Another tenant that is a producer on noncropland acres only is **not** required to sign CCC-857.

A producer with interest in CRP **only** is **not** required to sign CCC-857.

111 ARC Overview (Continued)

B Comparing ARC-CO and ARC-IC

PLC offers price protection coverage, **not** yield loss coverage. If the effective price (higher of MYA or national loan rate) for a covered commodity for the specific year is less than the reference price set by statute, a payment is earned.

ARC offers revenue loss coverage for selected covered commodities on the farm. ARC has 2 alternatives from which producers **must** elect, if they want to participate, as follows.

- ARC-CO provides revenue loss coverage at the **county level** for selected covered commodities on a farm. ARC-CO is **not** dependent on planting of the covered commodity.
 - ARC-IC provides revenue loss coverage at the **farm level** for all acreage devoted to covered commodities across all of the producer's ARC-IC farms enrolled. ARC-IC requires planting of covered commodities, because the planted covered commodities are used in the ARC-IC revenue calculation.
- *--Exception:** ARC-IC enrolled farms can use approved prevented planted acres when 100 percent of the intended planted acres of covered commodities are approved for prevented planting by FSA.--*

111 ARC Overview (Continued)

B Comparing ARC-CO and ARC-IC (Continued)

The following compares features of ARC-CO and ARC-IC.

ARC-CO Election	ARC-IC Election
Current producers elect ARC-CO or PLC according to crop base acres on the farm.	Current producers elect ARC-IC for all crop base acres on the farm, not each specific crop.
Payments are issued on a percentage of base acres plus plantings of covered commodities on generic base. No requirement to plant a covered commodity.	Payments are issued on percent of total base acres on the farm. Payments are calculated using the plantings of covered commodities on the farm. No payment earned if no covered commodities are planted on the farm.
WHEN the actual crop revenue is...	WHEN the actual crop revenue is...
Actual Average County Yield times Higher of MYA Price or National Loan Rate	sum of (Production of Each Covered Commodity) times Higher of MYA Price or National Loan Rate
...is less than the ARC county guarantee...	...is less than the ARC producer guarantee...
86 percent times Benchmark County Revenue 5-year Olympic average of the higher of MYA price or the reference price times 5-year Olympic average of the higher of historical county yield or 70 percent of the county T-Yield	86 percent times Benchmark County Revenue 5-Year Olympic average of annual benchmark revenues for each covered commodity for each ARC-IC enrolled farm, excluding the high and low annual revenues (each commodity's annual revenue is averaged across all farms, weighted by plantings)
...then payment is equal to:	...then payment is equal to:
85 percent of the sum of: base acres of the covered commodity on the farm and generic base acres planted to the covered commodity times crop revenue shortfall calculated in this column, not to exceed 10 percent of the benchmark county revenue.	65 percent of the sum of: bases acres of covered commodities on the farm plus generic base acres on the farm, planted to covered commodities times farm revenue shortfall calculated in this column, not to exceed 10 percent of the benchmark producer revenue.

--Note: Generic base acres are applicable for the 2014 through 2017 crop years only.--

112-115 (Reserved)

Section 2 Using ARC-CO

116 ARC-CO

A ARC-CO Features

ARC-CO is revenue-based at the county level, designed to cover a portion of a producer's out-of-pocket loss (referred to as "shallow loss") when crop revenues of covered commodities fall below benchmark revenue levels, with the benchmark revenue based on county level historic yields of covered commodities. Current producers may elect ARC-CO, as an alternative to PLC, on a covered commodity-by-covered commodity basis on the farm, or ARC-IC for all the covered commodities on the whole farm. For both PLC and ARC-CO, the payment calculation is based on base acres of the specific crop, including any base acres attributed to a covered commodity from generic base acres based on planted crop acreage or eligible subsequently planted crop acreage. ARC-CO payments are calculated on 85 percent of the specific base acres and is limited to 10 percent of the benchmark county revenue calculate for the specific year.

Notes: Prevented planting acres are **not** included in ARC-CO calculations that include the benchmark, guaranteed, and actual year revenue for the covered commodity.

Eligible subsequently planted crop acreage is planted acres of a covered commodity that are a replacement crop to any crop other than a planted covered commodity. Eligible subsequently planted crop acreage is included as payment acres, if the crop acreage is planted to a covered commodity as a replacement crop after the failure or prevented planting of any crop other than a covered commodity, or after the approved prevented planting of a covered commodity. Eligible subsequently planted crop acreage is used to determine payment acres and attribution of generic base acres.

ARC-CO payments are triggered when the actual county crop revenue is less than the ARC-CO guarantee calculated for the covered commodity base acres for the year.

Notes: Generic base acres will be attributed to covered commodities planted on the farm and payments will be calculated according to covered commodities planted on generic base acres, as if they were base acres, **not** to exceed the total generic base acres on the farm. If multiple covered commodities are planted on the farm, then the planted covered commodities will be prorated into the total generic base acres on the farm when calculating an ARC-CO payment.

--Generic base acres are applicable for the 2014 through 2017 crop years only.--

116 ARC-CO (Continued)

A ARC-CO Features (Continued)

Participation in ARC-CO does **not** require production reports because benchmark revenues and actual revenues are computed using county yield data, **not** individual producer and/or farm yield data.

ARC-CO payments are **not** dependent on the planting of covered commodities on the farm.

Prevented planting acres are not included in ARC-CO revenue calculations.

Similar to ARC-IC and PLC, eligibility for ARC-CO payments is based on the administrative county of the elected and enrolled farm, **not** physical location of the land.

*--An ARC-CO payment is equal to 85 percent of the specific covered commodity's base acres, times the calculated ARC-CO payment rate. Producers are **not** required to plant the covered commodity; however, producers **must** have a share of crop acreage and share in the risk of producing an agricultural commodity on the farm to receive a share of an ARC-CO payment.--*

B ARC-CO Benchmark Yield

[7 CFR 1412.3] Average historical county yield means the 5-year Olympic average of actual average county yields for the most recent 5 years (substituting 70 percent of the county transitional yield as defined in this part in each year where the actual average county yield is less than 70 percent of the county transitional yield). Separate irrigated and non-irrigated yields will be established in a county having a sufficient number of farms with P&CP acreage history of a covered commodity in 2009 through 2012, as determined by FSA. These separate yields will only be established where at least an average of 25 percent of a covered commodity's P&CP acreage was irrigated in 2009 through 2012 and at least an average of 25 percent of the same covered commodity's P&CP acreage in that county was non-irrigated in 2009 through 2012.

117 ARC-CO Payment Calculation Example (Continued)

F ARC-CO Payment Rate Calculation

The following illustrates how the ARC-CO payment rate is calculated.

Crop	ARC-CO Guarantee	ARC-CO Actual Revenue	Shortfall, If Any <u>1/</u>	10 Percent of Benchmark Revenue <u>2/</u>	ARC-CO Payment Rate <u>3/</u>
Corn	\$508.99	\$735.00	\$ 0.00	\$59.19	\$ 0.00
Grain Sorghum	\$357.50	\$313.74	\$ 43.76	\$41.57	\$41.57
Soybeans	\$393.27	\$229.50	\$163.77	\$45.73	\$45.73
Wheat	\$265.56	\$197.20	\$ 68.36	\$30.88	\$30.88

- 1/ ARC-CO guarantee minus ARC-CO actual revenue (**must** be a positive number to receive payment).
- 2/ 10 percent of benchmark revenue is computed according to subparagraph G. The price used to complete the actual revenue calculation is the higher of the 2014 MYA price or the national average loan rate. In this example, the 2014 MYA price is higher for every crop.
- 3/ The actual revenue is computed by multiplying the county actual per acre yield times the higher of the 2014 MYA price or the national average loan rate.

G ARC-CO Farm Payment Calculation

The following illustrates how the ARC-CO payment is calculated.

Crop	Base Acres	Payment Percentage	Payment Rate	ARC-CO Payment
Corn	100.00	85	\$ 0.00	\$ 0.00
Grain Sorghum	0.00	85	\$41.57	\$ 0.00
Soybeans	100.00	85	\$45.73	\$3,887.05
Wheat	100.00	85	\$30.88	\$2,624.80

- Corn did **not** trigger a payment.
- Grain sorghum was planted and triggered a payment; however, there are zero grain sorghum base acres; therefore, an ARC-CO payment **cannot** be made for the covered commodity.
- Soybeans triggered a payment, even though only 25 acres were planted.
- Wheat triggered a payment, even though wheat was **not** planted on the farm.

118 ARC-CO Farm Payment Calculation Example With Generic Base Acres

A Farm Example With Covered Commodity Planted Farm With Generic Base Acres

The following example will be computed with 1 farm where generic base acres exist on the farm and a covered commodity was planted.

Note: Under ARC-CO, a covered commodity **must** be planted on the farm for generic base acres to be included in ARC-CO. Generic base acres are attributed to the covered commodities planted on the farm. If the total acres planted of all covered commodities exceed the generic base acres on the farm, then the generic base acres are prorated to all covered commodities planted, **not** to exceed the total generic base.

B Farm Example

The following is an example of a farm with covered commodity planted farm with generic base acres.

Crop	Base Acres	Planted Acres
Corn	50	0
Generic	100	Not applicable.
Wheat	55	75
Total	205	75

Notes: In this example, only 75 acres of the 100 acres of generic base acres will be attributed to wheat. The remaining 25.0 acres of generic base acres will remain **not** attributed for program purposes.

--Generic base acres are applicable for 2014 through 2017 crop years only.--

***--118 ARC-CO Farm Payment Calculation Example With Generic Base Acres (2014-2017)
(Continued)**

F ARC-CO Payment Rate Calculation (2014-2017)--*

The following table provides an example of how the ARC-CO payment rate is calculated.

Crop	ARC-CO Guarantee	ARC-CO Actual Crop Revenue	Shortfall, If Any <u>1/</u>	10 Percent of Benchmark Revenue <u>2/</u>	ARC-CO Payment Rate <u>3/</u>
Corn	\$508.99	\$735.00	\$0.00	\$59.19	\$0.00
Wheat	\$265.56	\$197.20	\$68.36	\$30.88	\$30.88

- 1/ ARC-CO guarantee minus ARC-CO actual revenue (**must** be a positive number to receive payment).
- 2/ 10 percent of benchmark revenue is computed. The price used to complete the actual revenue calculation is the higher of the 2014 MYA price or the national average loan rate. In this example, the 2014 MYA price is higher for every crop.
- 3/ Actual revenue is computed by multiplying the county actual per acre yield times the higher of the 2014 MYA price or the national average loan rate.

--G ARC-CO Farm Payment Calculation (2014-2017)--

The following table provides an example of how the ARC-CO payment is calculated.

Crop	Base Acres	Payment Percentage	Payment Rate	ARC-CO Payment
Corn	50	85	\$0.00	\$0
Wheat	130 <u>1/</u>	85	\$30.88	\$3,412

- Corn did **not** trigger a payment.
- Wheat triggered a payment.

1/ **(55 + 75 = 130)** 75 acres of wheat were planted on the farm and attributed to the wheat base acres for ARC-CO payment calculation purposes because of generic base acres on the farm. Total generic base acres on the farm equal 100; however, because only 75 acres of wheat were planted, only 75 generic base acres were attributed. The remaining 25 generic base acres will remain **not** be attributed for ARC-CO payment calculation purposes.

***--Note:** Generic and attributed base acres are applicable for 2014 through 2017 crop years only.--*

--119 Using Irrigated and Non-Irrigated Yields in ARC-CO*A Designating Crops and Counties with Separate Irrigated and Non-irrigated Benchmark Revenues, Guarantees, and Actual Revenues**

If a county has **both** of the following, then separate irrigated and non-irrigated benchmark revenues, guarantees, and actual revenues will be maintained:

- a sufficient number of farms with P&CP acreage history of a covered commodity
- at least 25 percent of a covered commodity's P&CP is irrigated and non-irrigated.

The counties and crops that carry separate irrigated and non-irrigated benchmark revenues, guarantees, and actual revenues are listed in Exhibit 16.

Note: Using irrigated and non-irrigated data has **no** bearing on PLC and ARC-IC. PLC uses the PLC yield that, if updated, was computed using a certification that came from both irrigated and non-irrigated acres. ARC-IC requires the certification of **all** the production from ARC-IC whether it is irrigated or non-irrigated.--*

119 Using Irrigated and Non-Irrigated Yields in ARC-CO (Continued)

B Principle for Using Irrigated and Non-Irrigated Benchmark Revenues, Guarantees, and Actual Revenues

As required by the 2014 Farm Bill, separate irrigated and non-irrigated benchmark revenues, guarantees, and actual revenues will be used to calculate ARC-CO payments for qualifying counties.

Only the counties and farms that meet the irrigated and non-irrigated criteria established by the Secretary will have a HIP payment factor calculated for the applicable covered commodity on the farm elected and enrolled in ARC-CO.

Notes: For non-generic base acre farms that did **not** plant the covered commodity (including subsequently planted crop acreage) in the 2009 through 2012 crop years or there is **no** irrigated acreage planted of the crop will have a **zero** HIP calculated for that crop. These farms will only be eligible for the ARC-CO payment if there is a non-irrigated revenue loss for the county. All base acres of the crop will be paid at the non-irrigated payment rate.

The HIP payment factor will remain with the farm and covered commodity for the 2014 through 2018 crop years and will not change.

To separate the irrigated and non-irrigated benchmark revenues, guarantees, and actual revenues, the following step-by-step process **must** be completed.

Step	Process
1	Identify the list of counties and crops (Exhibit 16).
2	<p>Determine HIP for a covered commodity in an approved irrigated/non-irrigated county on a farm:</p> <ul style="list-style-type: none"> • without generic base acres by dividing the 2009 through 2012 P&CP irrigated acres (including subsequently planted crop acreage) of that crop on the farm by the total 2009 through 2012 P&CP of the total irrigated and non-irrigated P&CP (including subsequently planted crop acreage) for that same crop • with generic base acres and the applicable crop was grown on the farm from 2009 through 2012 by dividing the 2009 through 2012 P&CP irrigated acres (including subsequently planted crop acreage) of that crop on the farm by the total 2009 through 2012 P&CP of the total irrigated and non-irrigated P&CP (including subsequently planted crop acreage) for that same crop • with generic base acres and the applicable crop was not grown on the farm from 2009 through 2012 by dividing the 2009 through 2012 P&CP irrigated acres (including subsequently planted crop acreage) of upland cotton on the farm by the total 2009 through 2012 P&CP of the total irrigated and non-irrigated P&CP (including subsequently planted crop acreage) for upland cotton.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

119 Using Irrigated and Non-Irrigated Yields in ARC-CO (Continued)

B Principle for Using Irrigated and Non-Irrigated Benchmark Revenues, Guarantees, and Actual Crop Revenues (Continued)

Step	Process
2 (Cntd)	<p>This calculation is completed for each covered commodity on a farm that:</p> <ul style="list-style-type: none"> • is administratively located in a county identified in step 1 • contains base acres of the covered commodity identified in step 1 • is participating in ARC-CO. <p>HIP is used to determine the number of base acres that are used in the irrigated calculation and the number of base acres that are used in the non-irrigated calculation. This value will be stored in Farm Records and does not change.</p>
3	<p>If the applicable covered commodity triggers a payment for the crop and county identified in step 1, then HIP:</p> <ul style="list-style-type: none"> • will be multiplied by the base acres of the applicable covered commodity <p>Note: This amount of base acreage will be used in a separate payment calculation using irrigated benchmark revenues, guarantees, and actual revenues to determine an irrigated payment.</p> <ul style="list-style-type: none"> • subtracted from 1.0000 will be multiplied by the base acres of the applicable covered commodity. <p>Note: This amount of the base acreage will be used in a separate payment calculation using non-irrigated benchmark revenues, guarantees, and actual revenues to determine a non-irrigated payment.</p>
4	<p>Irrigated and non-irrigated covered commodity payments do not offset each other. Each irrigated and non-irrigated covered commodity payment will be made as if each was a separate covered commodity.</p>

HIP means the percentage of the covered commodity that was irrigated (P&CP, including *--subsequently planted crop acreage) divided by the total acreage of the covered commodity (P&CP, including subsequently planted crop acreage) between the years 2009 through--* 2012 on the farm.

Note: HIP subtracted from 1.0000 will be the non-irrigated portion of the applicable covered commodity base acres. In cases where, during the 2009 through 2012 period, there was no irrigated acreage planted for the covered commodity on the farm, HIP for the covered commodity on the farm will be 0 and the non-irrigated payment factor will be 100 percent (1.0000 - 0 HIP = 1.0000 or 100 percent non-irrigated).

119 Using Irrigated and Non-Irrigated Yields in ARC-CO (Continued)

C HIP Policy

The initial HIP will be prefilled with available data from CARS from 2009 through 2012. Situations exist where HIP does **not** reflect the actual percentage of irrigated covered commodities on the farm over the 4 year period, 2009 through 2012. The situation arises when tracts on farms have been reconstituted. Because of the tract reconstitution, a manual HIP **must** be calculated and entered into Farm Records by a County Office employee.

County Office employees may manually calculate HIP at the request of the producer according to subparagraph B, step 2, and enter HIP into the appropriate Farm Records software.

D HIP on Farms Transferred From Non-HIP County to a HIP County

When a farm is administratively transferred from a non-HIP county to a HIP county and 1 or more of the covered commodities on the farm elected ARC-CO, a HIP must be determined. County Offices must follow the policy in this paragraph by establishing a HIP for the farm when the transfer is approved. HIP will be determined based on the farm structure as it exists in the transferring county in the year the transfer is approved, and before any reconstitutions associated with the transfer. HIP is determined using the IR & NI acreage reported for the years 2009 through 2012.

Example 1: FSN 100 is made up of Tract 1 and Tract 2, and is currently administered in a non-HIP county. Tract 2 will be transferred to a HIP eligible county. HIP will be determined using the IR and NI acreage reported for the years 2009 through 2012 for FSN 100 (both Tract 1 and Tract 2).

Example 2: FSN 200 is made up of Tract 3 and is currently administered in a non-HIP county. Tract 3 will be transferred to a HIP eligible county and combined with Tract 4 as one farm after the transfer. HIP will be determined using the IR and NI acreage reported for the years 2009 through 2012 for FSN 200 (Tract 3). When Tract 3 is transferred and combined with Tract 4, a new HIP will be determined for the resulting farm using the weighted method.

E Calculating HIP on Generic Base Acre Farms

Situations exist where a covered commodity identified in subparagraph B, step 1 is attributed base acres because that covered commodity is planted on generic base acres and there is no history of that covered commodity being planted on the farm between the years 2009 through 2012.

In those situations, HIP will be calculated as the total upland cotton that was irrigated (P&CP), including subsequently planted crop acreage, divided by the total upland cotton acreage, both irrigated and non-irrigated (P&CP), including subsequently planted crop acreage, between the years 2009 through 2012.

In these situations, HIP will have to be manually calculated and entered as the automated system **cannot** recognize this specific exception.

***--Note:** Generic and attributed base acres are applicable for 2014 through 2017 crop years only.--*

120 ARC-CO Farm Payment Calculation Example**A Overview**

Counties and covered commodities that meet the threshold of having at least 25 percent of the acres irrigated and 25 percent of the acres non-irrigated between 2009 and 2012 (Exhibit 16) have been designated counties that have both irrigated and non-irrigated yields under ARC-CO. In these counties, a farm's ARC-CO payments will be calculated using HIP applied to the base acres of the applicable covered commodity. HIP will be calculated by summing up the irrigated P&CP acres for the crop from 2009 through 2012 and dividing that by the total, both irrigated and non-irrigated, acres P&CP for that crop. HIP is fixed for the life of the Farm Bill. For example, if 30 percent of the historical corn P&CP acres on the farm were irrigated, HIP would be 30 percent. If the farm had a 200 acre corn base, the historical irrigated base acres would be 60 acres (30 percent of 200 acres).

The historical irrigated base acres of the applicable covered commodity uses the benchmark revenue, guarantee, and actual revenue calculation for ARC-CO based on county irrigated yields. The remaining base acres on the farm of the applicable covered commodity will use benchmark revenue, guarantee, and actual revenue calculation for ARC-CO based on non-irrigated yields. The irrigated base acres for a crop and the non-irrigated base acres remain fixed through 2018 and are treated as 2 separate crops.

141 ARC-IC Examples of Weighted Benchmark, Guarantee, Acres, Shares, Buckets, and Producer Payment Rate (Continued)

H Example 8

For the following example, 1 farm enrolled in ARC-IC, with 1 producer, and there are generic base acres on the farm.

FSN 66, operator 100 percent share, owner 0 percent share.

Notes: Covered commodities planted on a farm with generic base acres are attributed to generic base acres when determining total base acres on the farm for ARC-IC payment purposes.

--Generic and attributed base acres are applicable for 2014 through 2017 crop years only.--

Cropland <u>1/</u>	Soybean Base Acres <u>1/</u>	Generic Base Acres <u>2/</u>	2014 Corn Planted Acres <u>3/</u>	2014 Alfalfa Planted Acres <u>3/</u>
149.45	74.70	65.00	49.50	100.00

1/ Cropland and base acre elements are from FRMS.

2/ Because 49.50 acres of corn (covered commodity) were planted on the farm, 49.50 acres are attributed to corn base acres and used in the total base acre calculation. The remaining 15.50 acres of generic base acres will **not** be included in the ARC-IC payment calculation.

3/ Planted acres are from FSA-578.

FSN 66 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	Price (Higher of MYA or Reference Price)		Yield <u>1/</u>	Revenue
	MYA	Reference Price		
2009	\$3.55	\$3.70	171	\$632.70 per acre
2010	\$5.18	\$3.70	180	\$932.40 per acre
2011	\$6.22	\$3.70	179	\$1113.38 per acre
2012	\$6.89	\$3.70	142	\$978.38 per acre
2013	\$4.50	\$3.70	163	\$733.50 per acre
5-Year Olympic Average of Benchmark Farm Revenue				\$816.50 per acre
<u>1/</u> In this example, the substitute yield is 105 bu. (150 x 70 percent) for each year and was not used in the farm's ARC-IC benchmark calculation.				

141 ARC-IC Examples of Weighted Benchmark, Guarantee, Acres, Shares, Buckets, and Producer Payment Rate (Continued)

*--H Example 8 (Continued)

Data for the Farm Benchmark Yield/Revenue	
<p>Benchmark farm revenue must be calculated for every covered commodity planted on the ARC-IC in the current crop year for the previous 5 years. The basic calculation for a benchmark revenue is a price times a yield. Each FSA FSN has this revenue calculation. For ARC-IC, the</p> <ul style="list-style-type: none"> price used is the higher of the marketing year average price or the reference price. yield used is the higher of the actual yield or the substitute yield. <p>Note: In years where the applicable covered commodity was not planted, an assigned yield of 100 percent of the county average yield is used.</p> <p>The revenues are calculated using a 5-year Olympic average to derive the farm benchmark revenue. In this example, 1 covered commodity was planted on the ARC-IC farm, thus the revenue was calculated for that crop.</p>	

FSN 66 - Actual Crop Revenue Calculation					
Year	Crop	Actual Yield	MYA Price <u>1/</u>	Acres	Revenue
2014	Corn	165 bu. per acre	\$4.00 per bu.	49.50	\$32,670
Total Revenue					\$32,670

1/ MYA price is higher than the national average loan rate.

Data for the Actual Crop Revenue Calculation	
<p>Actual crop revenue must be calculated for every covered commodity planted on the ARC-IC farm in the current program year for the current year. The basic calculation for actual crop revenue is a price times a yield. For ARC-IC, the</p> <ul style="list-style-type: none"> price used is the higher of the marketing year average price or the national loan rate yield used is the actual yield. <p>In this example, 1 crop was planted on the ARC-IC farm, thus 1 revenue is calculated to generate the actual crop revenue for the ARC-IC farm.</p>	

--*

185 Election Options

A ARC or PLC

As discussed in paragraph 181, the current producers on a farm, with an interest in the farm's cropland, have a 1-time opportunity to collectively, unanimously, and irrevocably elect 1 of the following:

- ARC-IC for all 21 covered commodities and the farm for crop years 2014 through 2018
- ARC-CO or PLC on a covered commodity-by-covered commodity basis on the farm.

B Election Options and Description

The following table summarizes election options along with a description.

Election Decision	Description
ARC-IC	If all current producers on a farm elect ARC-IC, then that election is for all 21 covered commodities and for the farm. No further election decision (on a covered commodity-by-covered commodity basis) is required because ARC-IC is a “whole farm” and “all covered commodities” election.
ARC-CO or PLC (Generic base acre farms.)	Only applicable if all current producers on a farm have not elected ARC-IC. ARC-CO and/or PLC election decision must be made by all current producers on a farm and for each and all of the 21 covered commodities on a covered commodity-by-covered commodity basis, regardless of whether the farm has base acres of the covered commodity.
ARC-CO or PLC (Nongeneric base acre farms.)	Only applicable if all the current producers on a farm have not elected ARC-IC. ARC-CO and/or PLC election decision must be made by all current producers on the farm and is on a covered commodity-by-covered commodity basis. The election decision will only be made for each and all of the covered commodities on the farm having base acres.

*--**Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

186 Election Not Made

A [7 CFR 1412.74] Failure to make election.

(a) If all current producers on a farm do not make a unanimous election during the period specified in §1412.72, that farm will not have a valid election and any producer on the farm is not eligible for 2014 ARC or PLC enrollment or payments.

(b) If a valid election is not made for a farm, FSA will not make any payments with respect to the farm for the 2014 crop year and the producers on the farm will default to a PLC election for all covered commodities on the farm for the 2015 through 2018 crop years.

*--Current producers on farms who, for whatever reason, did **not** file an ARC or PLC election by April 7, 2015:

- rendered the farm and all covered commodities and producers **ineligible** to receive any 2014 payment under the ARC and PLC Program
- caused the farm to be deemed as having a PLC election apply to all 21 covered--* commodities on the farm for the 2015 through 2018 crop years.

187 Impact of Transfers of Land, Successions-in-Interest, Reconstitutions, and CCC-505's for CRP

A Transfers, Succession-in-Interest, and Reconstitutions

[7 CFR 1412.73] Reconstitutions of farms and election.

(a) If a new producer or new owner gains an interest in a farm after the filing of a valid election on that farm during the election period, that new producer or new owner, whether or not known to FSA or the other producers or owners on the farm, will be subject to any previously submitted valid election under §§1412.71 and 1412.72 unless that new producer or new owner modifies, rescinds, or terminates the election as a producer or owner as specified in §1412.72(c) during the remaining time in the election period.

(b) Any reconstitution request initiated after August 1, 2014, will not be made until after the end of the election period specified in §1412.72. Following the close of the election period in §1412.72, a valid election on any farm cannot be changed by any reconstitution. This means that valid elected farms can only be combined with farms having an identical election for each and every covered commodity on the farm regardless of whether there are any base acres for any and all covered commodities on the farm. Reconstitutions will not be permitted to alter a valid election or the default election that may apply to a farm.

A valid election is unaffected by subsequent changes in:

- producers on the farm
- the constitution of the farm or tracts on the farm.

If a change to a farm's constitution occurs, a copy of the parent farm's valid election **must** be placed in each resulting farm's folder.

Follow 10-CM for reconstitutions. Farms can **only** be combined with farms having identical *--elections for crops requiring election.--*

B CCC-505 Reductions for CRP

Farms exist that have **both** of the following for a specific covered commodity:

- CCC-505 reductions for CRP that reduced the base acres to zero
- no planting history of that covered commodity from 2009 through 2012.

In these situations, the ARC or PLC election of that specific covered commodity will **not** be made until the program year that the base acres are restored to the farm when CRP-1 is voluntarily terminated, expires, or is early released.

188 ARC and PLC Program Election Examples**A Example 1, Election Decision**

Farm 1 has base acres of:

- corn
- soybeans
- wheat.

All current producers decide ARC-CO or PLC is the best option for the life of the 2014 Farm Bill; therefore, the election decision for the farm is:

- corn, ARC-CO or PLC
- soybeans, ARC-CO or PLC
- wheat, ARC-CO or PLC.

B Example 2, Election Decision

Farm 2 has base acres of:

- corn
- soybeans
- wheat
- generic.

All current producers decide ARC-CO or PLC is the best option for the life of the 2014 Farm Bill; therefore, all current producers **must** elect ARC-CO or PLC for all 21 covered commodities.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

188 ARC and PLC Program Election Examples (Continued)***--L Example 11, Reconstitutions**

Farm 100 has base acres and elections of:

- 50.00 base acres of corn with an ARC-CO election
- 100.00 base acres of wheat with an ARC-CO election
- 100.00 base acres of canola with a PLC election.

A reconstitution request is received to divide Farm 100 into 2 farms as the landowner sold one tract from the farm. The tract that was sold consists of 500.00 grazing acres, zero cropland, and zero base acres.

The resulting farms are as follows:

- Farm 200 with base acres and election of:
 - 50.00 base acres of corn with an ARC-CO election
 - 100.00 base acres of wheat with an ARC-CO election
 - 100.00 base acres of canola with a PLC election
- Farm 201 with base acres and election of:
 - 0.00 base acres of corn with an ARC-CO election
 - 0.00 base acres of wheat with an ARC-CO election
 - 0.00 base acres of canola with a PLC election.

Note: Program elections made on a parent farm will follow to the resulting farms even if base acres of the applicable covered commodity do **not** exist.--*

A Instructions for CCC-857

The following are instructions for completing CCC-857.

Item	Instructions	
1	Auto-filled with program years 2014 through 2018.	
2A	Enter administrative County Office name and address.	
2B	Enter administrative County Office's phone number (optional).	
2C	Enter administrative County Office's FAX number (optional).	
3	Enter administrative County Office's State code.	
4	Enter administrative County Office's county code.	
5	Enter applicable farm's FSN.	
6	If the current producers on the farm elect ARC-IC, check (✓).	
7	IF the current producers on the farm do not elect ARC-IC in item 6 and the farm...	THEN the current producers must elect ARC-CO or PLC for...
	does not have generic base acres	any covered commodity with base acres on the farm.
	has generic base acres	each and all of the 21 covered commodities.
8A	Enter a current producer's name and address.	
8B	For current producer listed in item 8A, enter that producer's e-mail address (optional)	
8C	For current producer listed in item 8A, enter the producer's phone number (optional).	
8D	Current producer listed in item 8A shall sign.	
8E	If the person who signed on behalf of the current producer in item 8A signed in a representative capacity, enter the title of the person who signed in a representative capacity.	
8F	Enter date the person signed in item 8A.	
9A	Enter name of CCC representative that received CCC-857 from the current producers.	
9B	Enter date the person in item 9A signed CCC-857.	
10	Enter remarks (optional).	
11A	Enter same number as recorded in item 5.	
11B	Enter same number as recorded in item 3.	
11C	Enter same number as recorded in item 4.	
11D	Enter same numbers as recorded in item 1	
12A	Enter a current producer's name and address.	
12B	For each current producer listed in item 12A, enter that producer's e-mail address (optional)	
12C	For each current producer listed in item 12A, enter the producer's phone number (optional).	
12D	Each current producer listed in item 12A must sign.	
12E	If anyone that signed for a current producer signed in item 12A in a representative capacity, enter the title of the person who signed in a representative capacity.	
12F	Enter date the person signed in item 12A.	

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

Part 8 ARCPLC Enrollment**Section 1 General Information****201 General Rules for ARCPLC Enrollment****A Introduction**

The 2014 Farm Bill allows producers an opportunity to annually enroll, consistent with the farm's program election, in the ARC-CO, PLC, or ARC-IC programs. Although election of ARC-CO, PLC, or ARC-IC is irrevocable for the entire 5 years 2014 through 2018, the decision to enroll the farm in an annual program must be made for each program year by the applicable producers on the farm to receive ARC-CO, PLC, or ARC-IC payments.

The contracts to participate for each of the 2014 and 2015 crop years will be required to be filed separately with enrollment periods for each of the 2014 and 2015 program years running concurrently.

For the subsequent contract years (2016 through 2018), annual contract enrollment periods will be held each year by a deadline set for each specific year.

This section will provide instructions for completing CCC-861 or CCC-862 for the 2014 through 2018 years.

202 Enrollment Dates for ARC and PLC Programs**A Enrollment Dates**

Enrollment under CCC-861 or CCC-862 will be held annually, as follows:

- 2014 and 2015 enrollment periods are held concurrently and began June 17, 2015, and ended September 30, 2015
- 2016 enrollment period began December 1, 2015, and ends August 1, 2016
- *--2017 enrollment period began November 1, 2016, and ended August 1, 2017
- 2018 enrollment period began on November 1, 2017, and ends on September 28, 2018.--*

202 Enrollment Dates for ARC and PLC Programs (Continued)

B Enrolling Base Acres on a Farm

Producers who annually enroll a farm under an CCC-861 or CCC-862 **must** enroll all base acres on the farm.

For CCC-861, all producers having a share in the base acres must sign the contract by the end of the ARCPLC enrollment period, or the enrollment is **not** complete.

Notes: For ARC-CO and PLC contract farms having generic base acres, all producers, having a share in the covered commodities planted on the farm or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity, must sign CCC-861 for that reported FSA-578 share interest in the planted covered commodity to be potentially eligible for payment.

--Generic and attributed base acres are applicable for 2014 through 2017 crop years only.--

For ARC-IC contracts, all producers, having a share in the covered commodities planted on the farm and eligible subsequently planted crop acreage that is a replacement crop after the approved prevented planting of a covered commodity, must sign the contract by the end of the enrollment period or the enrollment is **not** complete. This enrollment includes any share interest in covered commodities planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on the farm.

C ARC-CO and PLC Contract Enrollments and Exception

All producers having more than a zero share of contract base acres must sign CCC-861 by the end of the enrollment period. CCC-861's that are **not** signed by all producers having more than a zero share of contract base acres by the enrollment deadline are incomplete and will **not** be considered submitted to FSA or CCC for any purpose and will **not** be acted on or approved.

Exception: An exception applies to ARC-CO and PLC offers of enrollment. In those instances where COC is satisfied that there is no dispute of shares or other disagreement between producers, ARC-CO and PLC offers of enrollment can be approved, with State Office representative concurrence, to permit payment to only those eligible producers who did enroll and without regard to those shares that do **not** have signatures. This exception applies only if, in the sole judgment and discretion of FSA, FSA is satisfied that those producers who did sign for a share of contract base acres and/or covered commodities that attribute generic base acres ensure compliance with all contract provisions and requirements. Additionally, this exception is **not** applicable to ARC-IC enrollments.

When using this exception, County Offices will ensure that the producer's shares, signature type, and enrollment date are blank in CCC-861 software.

209 Overview of CCC-861 and CCC-862 Addendum to Appendix

A Applicability of Addendum to Appendix

Producers who sign CCC-861-A:

- acknowledge receiving CCC-861 and CCC-862 Appendix and the Addendum to the Appendix
- agree to abide by the terms of CCC-861 and CCC-862 Appendix and Addendum to the Appendix.

CCC-861 and CCC-862 Appendix is available from the FFAS Employees Forms/Publications Online Website at
<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

--CCC-861 and CCC-862 Appendix (06-02-15) will be used for crop years 2014 through 2017 and 2018 for farms without seed cotton base acres.--

The CCC-861 and CCC-862 Addendum to Appendix (02-10-16):

- will be used for the 2014 and 2015 contract years
- is available from the FFAS Employees Forms/Publications Online Website at
<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

Producers who sign CCC-861-A acknowledge receipt of CCC-861 and CCC-862 Addendum to Appendix. CCC-861 and CCC-862 Addendum to Appendix will be provided by 1 of the following methods:

- providing the producer a copy of CCC-861 and CCC-862 Addendum to Appendix
- providing the producer the web site link to CCC-861 and CCC-862 Appendix at
<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>
- e-mailing the producer a copy of CCC-861 and CCC-862 Addendum to Appendix.

209 Overview of CCC-861 and CCC-862 Addendum to Appendix (Continued)

B Example of CCC-861 and CCC-862 Addendum to Appendix

This form is available electronically.
CCC-861 and CCC-862 Addendum to Appendix
 (02-10-16)

U.S. DEPARTMENT OF AGRICULTURE
 Commodity Credit Corporation

2014 – 2015 CROP YEAR

ADDENDUM TO APPENDIX TO CCC-861, PRICE LOSS COVERAGE (PLC) and AGRICULTURE RISK COVERAGE WITH COUNTY OPTION (ARC-CO) PROGRAM CONTRACT AND CCC-862, AGRICULTURE RISK COVERAGE WITH INDIVIDUAL OPTION (ARC-IC) PROGRAM CONTRACT

1 ADDENDUM PURPOSE AND REQUEST FOR WAIVER – ACKNOWLEDGEMENT OF PARTICIPANTS

The participants signing CCC-861-A, Request for Waiver of Administrative County - ARC-CO Eligibility, acknowledge that the provisions of form CCC-861 and CCC-862 Appendix, 2014 – 2018 Crop Year Appendix To CCC-861, Price Loss Coverage (PLC) and Agriculture Risk Coverage With County Option (ARC-CO) Program Contract And CCC-862, Agriculture Risk Coverage With Individual Option (ARC-IC) Program Contract, hereinafter referred to as Appendix, apply, except as stated in this addendum. Pursuant to 7 CFR §1412.2, the Farm Service Agency (FSA) and Commodity Credit Corporation (CCC) are offering enrolled 2014 and 2015 participants the opportunity to voluntarily seek a waiver of 2E (this is an exception to 2E of the CCC-861 and CCC-862 Appendix (06-02-15)) with regard to using a farm's administrative county to determine the farm's ARC-CO benchmark and actual revenue for a covered commodity.

Producers enrolled on 2014 or 2015 farms having a valid ARC-CO election for one or more covered commodities may sign CCC-861-A in the waiver period to request to have the ARC-CO eligibility for a covered commodity on a farm determined, for either 2014, 2015, or both crop years, as applicable, based on weighted benchmark revenue and actual revenue for base acres (including attributed base acres) on tracts of the farm. Each tract of land in a farm has a specific amount of base acres (and attributed base acres) recorded. Further, each tract of a farm has been designated by FSA as having a specific physical location county.¹ Under the terms of this waiver, the tracts will each have a weighted by base acres benchmark and actual revenue determined which will then be summarized to the farm level to determine if the enrolled farm's ARC-CO actual crop revenue for the covered commodity was less than the ARC-CO guarantee. In this case, all ARC-CO revenue of the covered commodity on each tract and the corresponding ARC-CO guarantee for the covered commodity on each tract will be included in the summary for determining if the farm's ARC-CO revenue (from all tracts) was less than the farm's ARC-CO guarantee (from all tracts). The decision of enrolled producers to seek a waiver of administrative county for crop year 2014, 2015 or both, as applicable, is irrevocable, and requires all the enrolled farm's producers to unanimously agree to the waiver request within the waiver period. In the event that all the farm's enrolled producers do not agree and sign CCC-861-A for 2014, 2015, or both years, the calculation of ARC-CO payments will be based on administrative county and the originally approved contract, regulations, and acknowledged received Appendix. Any enrolled producer on a farm can, during the waiver period, withdraw their request for waiver for the enrolled farm in which they have an interest and such withdrawal will revoke and nullify the waiver request for all producers on that farm. Any overpayments that result following the producers seeking this waiver for crop year 2014, 2015, or both must be refunded to CCC.

2 TERMS OF THIS ADDENDUM

This addendum sets forth terms and conditions of a request for waiver by all enrolled participants on a farm, as applicable, to have the extent of ARC-CO eligibility for the ARC-CO elected covered commodities on that farm determined for crop year 2014, 2015 or both, as may be applicable, based on the FSA designated tract's physical location and base acres (including attributed base acres) without regard to the farm's administrative county (this is an exception to 2E of the CCC-861 and CCC-862 Appendix (06-02-15)). All participants on the CCC-861 who enrolled must sign form CCC-861-A seeking this waiver and alternative for crop year 2014, 2015 or both years on form CCC-861-A will not be processed by FSA for CCC for any of the farm's enrolled participants for that contract year.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

¹ A tract of land, defined at 7 CFR §718.2, may actually contain land in more than one physical location county; however, FSA records have recorded that tract in only one physical location county. If a waiver is sought, base acres recorded for the tract designated with a specifically named single county in farm records will have the benchmark and actual revenue computed based on the base acres on that tract in that designated single named county and without regard to any land of the tract that may actually exist in another physical location county. All of the tract's benchmark and actual revenue, weighted for the tract's base acres, will be summarized to the farm level.

* * *

--216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)*C Example 1 (Continued)**

Although the landowner does **not** actually receive 40 percent of the crop produced, this lease will be considered a cash lease because another rental amount is based on a guaranteed sum or minimum amount.

D Example 2

In this example, the combination or flex lease agreement specifies that there is a base, or minimum, cash-rent amount that **must** be paid, but the landowner receives a share of the gross revenue in excess of the base value. The rental amount is based on the following variables:

- base, or minimum, cash-rent amount is \$100 per acre
- additional rent is 50 percent of the gross revenue in excess of \$250 per acre
- yield of 52 bu. per acre
- price of \$6.50 per bu.

Although the landowner does **not** actually receive 50 percent of the crop produced, this lease **must** be considered a combination lease, or cash lease, because the lease agreement includes a guaranteed amount and an additional amount based on a share of the crop proceeds.

E Example 3

In this example, the combination or flex lease agreement specifies that the cash rent is based on a fixed number of bu.; however, the price is based on the value that will be set on a future date, but it is **not** based on the actual price received by the producer. The rental amount is based on the following variables:

- fixed number of bu. is 55 bu. per acre
- actual price is the price at the local elevator on December 1.

Note: This lease will be considered a cash lease.

F Cash Bonus Payments

Questions have been raised about how cash bonus payments to landowners impact ARC and PLC program eligibility. Tenants entering into agreements with landowners for the contract period may be considering paying landowners a bonus payment because of higher than expected yields or increased market prices. The bonus payment to a landowner, in itself, is **not** a violation of ARC and PLC program regulations and remains a cash-rent lease.--*

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

G Eligibility to Receive Payment

Each eligible producer on a farm will have the opportunity to enroll in an ARC and PLC program contract. The type of farm lease and the terms of the lease will define the appropriate sharing of payments.

The following table defines the general eligibility to receive payment on a farm.

Situation	Eligible to Receive Payment?	
	Lessor	Lessee
Landowner cash leases entire farm to lessee.	No, because the farm has been cash-leased to another. Landowner has no ownership share of any crop.	Yes, if all other eligibility requirements are met.
Landowner leases grazing or haying rights or privileges on base acres to another, but land itself is not leased.	Yes, if all other eligibility requirements are met, because the land itself has not been leased, only the right to graze or hay has been leased.	No, the lessee is not leasing land. The lessee is only leasing the right to graze or hay.
Landowner cash leases all base acres, and lessee grazes or hays the land.	No, because all base acres have been cash-leased to the lessee.	Yes, if all other eligibility requirements are met, because the lessee has leased the land, not just grazing or haying rights. The fact that the lessee uses the land for grazing or haying is not relevant.
Landowner share leases all base acres to lessee.	Yes, if all other eligibility requirements are met. However, neither the lessor nor the lessee may receive 100 percent of ARC and PLC program payments.	Yes, if all other eligibility requirements are met. However, neither the lessor nor the lessee may receive 100 percent of ARC and PLC program payments.
Landowner leases (cash or share lease) only nonbase acres to lessee.	Landowner may be eligible to receive ARC and PLC program payments depending on lease arrangements for base acres on the farm.	No, because the lessee leases only nonbase acres. See subparagraph B. Exception: For ARC-IC and generic base acre farms, producers having a share of the crop with risk in planted or eligible subsequently planted crop acreage must share in the base acres. Shares of reported acres are on FSA-578.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

G Eligibility to Receive Payment (Continued)

Notes: Only producers sharing in covered commodities planted on farms with generic base acres are eligible to receive payment on generic base acres.

See paragraph 307 if a crop subject to a commercial grower contract is grown on base acres.

COC will review grazing and haying leases to determine fair treatment of tenants and sharecroppers.

--Generic base acres are applicable for 2014 through 2017 crop years only.--

H Lease Expiration and Eligibility

The time period for lease arrangements vary significantly by different regions and by different crops.

If crops are produced on base acres:

- to be eligible to receive payments, persons **must** have an entitlement to an ownership share of the crop and that person **must** share in the risk of production of those crops
- all persons who have an entitlement to an owner's share of the crop and who share in the risk of production of crops on base acres **must** share in the payments.

An annual crop year lease may have a beginning date in one FY and an ending date in another FY. However, because the lease is an annual lease for 1 crop year, it will **not** be used to claim payments in more than 1 crop year. A producer is only eligible for payments applicable for that 1 crop year if the lease is for only 12 months.

I Supportive and Necessary Contractual Documents

Supportive and necessary contractual documents **must** be in the FSA office before approving CCC-861 or CCC-862.

The following may be considered acceptable supportive and necessary contractual documents even if received after the end of the enrollment period:

- signatures from landowners signing to zero shares
- copy of the cash lease agreement
- for 2016 and subsequent years, a written statement (or documentation, such as a copy of a negotiated lease payment or check) by the landowner(s) or their representative stating the land is cash-leased to the producers. The statement must be reviewed by COC.

Reminders: COC's will **not** approve CCC-861 or CCC-862 until the provisions of the subparagraph are met. See subparagraph 204 B for an exception.

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

J Documents Required for Payment Issuance

The following are **required** before payments can be issued to a producer with a share greater than zero of base acres (contract base acres and attributed base acres):

- approved CCC-861 or CCC-862
- AD-1026 for the producer
- CCC-902 determination (CCC-903) for the producer
- CCC-941 for the person or legal entity
- *--completely reported and certified FSA-578 for all cropland on the farm--*
- any other document necessary for a person or legal entity or producer to be eligible for payment.

Notes: See 2-CP for acreage reporting requirements. FSA-578 for all cropland acres on a farm is **required**.

There is no deadline for filing eligibility forms under ARCPLC. However, payments will **not** be issued to a person or legal entity that has not provided all required documents and until the person's or legal entity's or producer's eligibility forms are *--certified or approved.--*

217 Division of Payment Guidelines and Example

A Division of Payment Guidelines

There are various factors that may influence the proper division of payments. In reviewing CCC-861, CCC-862, or FSA-578 division of payment and shares, COC's should consider the following:

- past history on a farm
- *--whether the producers claiming a share have control of sufficient cropland or DCP cropland, and an entitlement to a crop share interest to support the claimed payment share on CCC-861, CCC-862, or FSA-578

Note: In cases where a farm's base acres are greater than the farm's cropland or where the FSA-578 shares on FSA-578 reported land are not sufficient to substantiate question of control of all the base acres on the farm, the persons or legal entities claiming a share of base acres on CCC-861 or CCC-862 must provide documentation that they have control over land necessary to cover enrolled base acres.--*

217 Division of Payment Guidelines and Example (Continued)

A Division of Payment Guidelines (Continued)

Examples: A farm has 55.0 base acres on a farm with 50.0 acres of cropland and 250 acres of DCP cropland. The producer and landowner both signed the CCC-861 attesting to the producer's claimed share of 100 percent share of the 55.0 base acres. In this case, FSA can accept the producer's and owner's statement of shares on CCC-861 that the producer has control of sufficient land to cover the base acres on the farm.

A farm has 55.0 base acres on a farm with 50.0 acres of cropland and 250.0 acres of DCP cropland. In this case, the producer is the only one signing the CCC-861 claiming 100 percent share interest on the farm and the producer claims 100 percent interest in the cropland reported to FSA-578. The file contains a lease showing the producer leased 50.0 acres of cropland. In this case, the producer has not shown or provided documentation that the producer controls sufficient land to cover the producers claimed share of base acres on the farm.

- the level of risk in the production of the crop being grown
- whether the shares provide equitable treatment to all of the producers on the farm.

Important: For ARC-IC and generic base acres, final payment shares will be determined by using the producer's share of all covered commodities certified on FSA-578 on each enrolled FSN in the State. County Offices must **not** enter acreage certifications using default shares from CCC-861 or CCC-862, if the default share interest does **not** reflect the actual producer crop share of the covered commodity on the farm.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

B Example

A landowner has leased his or her farm for a half share of the crop (inputs were divided equally) for the years 2010 through 2013, and the acreage was shared equally by the landowner and tenant. 700 acres of winter wheat are planted each year and 700 acres are summer fallowed.

The landowner and tenant agree to the following shares and have signed CCC-861 for 2014.

	Landowner	Tenant
Wheat	100 percent	0 percent

The landowner is leasing only the 700 acres planted to wheat to the tenant for a 50 percent share of the crop. The landowner will operate the 700 acres of summer fallow.

COC will **not** approve this contract because of the past history of the farming operation. Shares do **not** have to be divided equally, but should be consistent with the farm's present operation status.

218 Missing Signatures

A Incomplete Enrollments With a Share Greater Than Zero

If a producer with a share greater than zero of contract base acres has **not** signed CCC-861 or CCC-862, follow subparagraph 202 C after September 30, 2015, for the 2014 and 2015 contract years and for each of the 2016 and subsequent contract years (September 30 of the applicable program year).

Note: See paragraph 203 for late-filed enrollment provisions.

If a person or legal entity has an FSA-578 share of a covered commodity and the person or legal entity wants to make themselves potentially eligible for ARC-IC payments under an ARC-IC contract, or the farm has generic base acres and the person or legal entity wants to make themselves potentially eligible for payments on base acres under any ARC-CO and PLC contracts or ARC-IC contracts, the individual or entity **must** sign CCC-861 or CCC-862, as applicable, by September 30, 2015, for each of the 2014 and 2015 crop years, and for each of the 2016 and subsequent contract years (September 30 of the contract year).

A producer who has a share of contract base acres on a farm enrolled under ARC-CO and PLC contract or of covered commodities reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on a farm enrolled under an ARC-IC contract, who does not enroll during the contract period, will not be eligible for payment consideration, nor will any other producer be eligible for that share of the payment. Additionally, if the ARC-IC contract does not contain signatures of all the producers who share in covered commodities reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on the farm, the ARC-IC contract enrollment is **not** considered complete.

B Incomplete Enrollments of Persons With an Interest, But a Zero Share

Any CCC-861 or CCC-862 contract with missing signatures of producers with an interest, but a zero share of base acres or any covered commodities, may be acted on and approved if the provisions of paragraph 265 are met.

Notes: There is no deadline to submit missing signatures substantiating a zero share that are provided according to this subparagraph.

--Generic base acres are applicable for 2014 through 2017 crop years only.--

219 Succession-in-Interest (Continued)**A Basic Rule (Continued)**

- change in producers sharing in covered commodities as reported on FSA-578 for all farms with generic base acres and for ARC-IC farms.

Notes: Successors are **not** eligible for payments in any FY in which they do **not** meet the provisions of paragraphs 237 and 240.

See paragraphs 243 and 244 if a participant who is entitled to a payment is declared dead, incompetent, or missing.

--Generic base acres are applicable for 2014 through 2017 crop years only.--

B Farm Reconstitutions or Transfers

This provision applies **only** if a contract for the parent farm (through reconstitution or farm transfer) was filed by the applicable contract filing deadline for the year, and FSA-155 or FSA-179 is completed by August 1 of the applicable year.

C Deadline for Notification of Succession

After CCC-861 or CCC-862 has been approved, the farm operator, producer, owner, or participant **must** inform COC of changes in interest by:

- August 1 of the applicable year if the change requires a reconstitution
- September 30 (September 30, 2015, for the 2014 and 2015 contract years) if the change does **not** require a reconstitution.

Note: It is important that producers understand that if a revised CCC-861 or CCC-862 is generated, all necessary signatures **must** be entered on the revised CCC-861 or CCC-862 or the farm will **not** be considered enrolled. Producers should **not** wait until the end of an enrollment or contract period to report changes. Failure to report changes timely **and** enter all necessary signatures is a responsibility of all ARC or PLC participants. It is **not** FSA's responsibility to obtain signatures.

If a change occurs requiring a succession to CCC-861 or CCC-862, but a new CCC-861 or CCC-862 is **not** completed and signed by all producers sharing in the revised CCC-861 or CCC-862 by the end of the contract period, none of the predecessors or potential successors is eligible for the applicable year payments on the farm.

219 Succession-in-Interest (Continued)**D Signatures on Succession ARC-CO and PLC Contract**

*--Participants having an interest in CCC-861 impacted by a succession-in-interest, only if that specific participant's share changed, **must** sign a succession CCC-861 no later than September 30 of the applicable year. For 2014 and 2015 contracts, the final date for successors to sign is September 30, 2015.

Note: See paragraph 203 for late-filed enrollment provisions.

Before approving the succession CCC-861, COC's will ensure that all shares represented on CCC-861 have a valid signature on the contract.

Attach a copy of the original CCC-861 to the succession-in-interest CCC-861 contract.

Reminder: The succession CCC-861 and PLC contract will **not** be considered for enrollment **unless** required participants sign the contract.

E Signatures on Succession on ARC-IC Contract

Participants having an interest in an ARC-IC contract impacted by a succession-in-interest **must** sign a succession CCC-862 no later than September 30 of the applicable year. For 2014 and 2015 ARC-IC contracts, the deadline for the successor to sign is September 30, 2015.

Note: See paragraph 203 for late-filed enrollment provisions.

Before approving the succession CCC-862 if FSA-578 has been filed, COC's will ensure that all producers sharing in covered commodities reported on FSA-578 have a valid signature on CCC-862. If FSA-578 has not yet been filed, the succession ARC-IC contract can be approved. However, if upon filing FSA-578 it is revealed that CCC-862 is incomplete with regard to enrollment, the enrollment is invalid.

Attach a copy of the original CCC-862 to the succession CCC-862.

Reminder: The succession CCC-862 will **not** be considered for enrollment **unless** required participants sign the CCC-862.--*

223 Division of Payment Disputes

A Policy

It is the responsibility of producers to:

- determine shares on CCC-861 and FSA-578
- submit all necessary signatures or supportive and necessary contractual documentation by deadlines.

Note: While FSA may assist producers, FSA is **not** responsible for determining what correct shares should be or for ensuring that producers meet ARC and PLC program requirements.

COC's must **not** be involved in, settle division of payment disputes, or act on disputed share for CCC-861.

Shares for ARC-IC and generic base acres are determined from FSA-578 and **cannot** be disputed.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

B Payment Share Disputes

Payment shares are considered in dispute when there is a disagreement on contract base acre shares. A disagreement is evident by having a conflicting CCC-861 on file.

Note: Successions-in-interest are **not** considered payment disputes. See paragraph 219 for successions-in-interest.

Any CCC-861's **not** having all signatures of producers, with a share greater than zero in contract base acres, will **not** be approved or disapproved. Partial enrollments of farms are **not** allowed. FSA is under no obligation to contact producers about missing signatures. CCC-861's missing required signatures are considered incomplete and will **not** be approved or disapproved by FSA.

223 Division of Payment Disputes (Continued)

C Determining Disputes

There are some cases where it is obvious that payment shares are **not** in dispute. To determine whether a payment share dispute exists, COC's **must**:

- determine whether available documentation supports who shares in payments on the farm
- determine whether the documentation supports claimed payment shares
- review lease agreements and use them as a guide in determining who shares in the payments on a farm and what the correct payment shares should be, unless the lease agreement is in conflict with other provisions of this handbook

Exception: If landowner or landlord cash rents an entire farm to another for an entire *--crop year, COC can determine to approve CCC-861 signed by the--* cash-rent tenant.

- review past history to determine how payments were shared in previous years

Note: There could be good reasons why previous year shares no longer apply.

- compare previous year's rental agreement to the current year's rental agreement to determine whether rental rates are similar or have changed for the type of acreage being rented.

Disputes may exist when the available evidence does **not** support claimed payment shares.

Disputes generally do **not** exist when:

-- everyone signing CCC-861 for a farm agrees on shares and there is no conflicting CCC-861 also containing all required signatures--

- it is obvious that the available evidence supports who should share in payments
- all provisions of this handbook are met.

223 Division of Payment Disputes (Continued)

D Documenting a Dispute

If it is determined there is a disputed ARC-CO and PLC contract, COC will follow these instructions.

IF...	THEN notify...
<p>*--CCC-861 containing signatures of all producers claiming a share of the contract has been approved and is subsequently challenged by another CCC-861 containing--* signatures of all producers claiming a share</p>	<ul style="list-style-type: none"> all producers on the approved contract that COC's approval of the contract is withdrawn because of the dispute and will remain in a disputed status until documentation is provided to COC resolving the dispute all producers on the previously approved contract, and on the challenging contract, that there is a dispute of shares and that COC will not approve any contract for the farm until the dispute is settled <p>Notes: Send 1 letter to all parties concerning this action and copy all parties to this action.</p> <p>COC notification that it will not act on or approve any contract, where there is a dispute of shares, is not an adverse decision giving rise to any sort of appeal or appealability review. Appeals or appealability reviews only occur if COC renders a decision to approve or disapprove a contract.</p> <ul style="list-style-type: none"> producers on all contracts that they are responsible for resolving the dispute of shares and obtaining all necessary signatures of contract participants by the end of the enrollment period.
<p>*--conflicting CCC-861 show--* that there is a dispute of shares and the contract has not yet been approved</p>	<ul style="list-style-type: none"> all interested producers that COC will not approve any contract for the farm until the dispute is settled <p>Notes: To the extent possible, send the 1 same letter and copy all parties asserting shares, operators, landowners, etc., with this notification.</p> <p>COC notification that it will not act on or approve any contract, where there is a dispute of shares, will not be considered an adverse decision giving rise to any sort of appeal or appealability review. Appeal or appealability reviews only occur if COC renders a decision to approve or disapprove the contract.</p> <ul style="list-style-type: none"> producers on all contracts that they are responsible for resolving the dispute of shares and obtaining all necessary signatures of contract participants by the end of the enrollment period.

223 Division of Payment Disputes (Continued)

E Payment When Disputes Are Resolved for ARC-CO and PLC

Approval of CCC-861 will be handled the same as for contracts not having a dispute for cases of disputes resolved by the end of the enrollment period.

If a dispute is resolved after September 30 of the applicable FY (or after September 30, 2015, for 2014 or 2015 CCC-861), CCC-861 may be approved and payments issued accordingly, **only** if CCC-861 was filed by September 30 of the applicable FY (or by September 30, 2015, for 2014 or 2015 CCC-861) with payment shares and signatures for all producers sharing in the contract base acres.

Disputing parties requesting payment must have payment shares greater than zero to receive payment. Approved ARC-CO and/or PLC contract payment shares will be limited to not more than the payment shares requested on the disputed contract.

Example: Producers A and B both file 2016 CCC-861 requesting 100 percent of the farm's payment timely. After September 30, 2016, Producers A and B agree to shares of 50 percent each. COC may approve the contract for payment to Producers A and B.

CCC-861's will **not** be approved **unless** all producers sharing in the contract base acres have signed the ARC-CO and PLC contract. If there is a dispute that is preventing 1 or more producers from signing, producers are responsible for ensuring that, as a condition of contract eligibility, CCC-861 with all necessary signatures of producers with shares entered is submitted to FSA no later than:

- September 30, 2015, for 2014 and 2015 offers of enrollment
- for 2016, 2017, and 2018 contract years:
 - August 1 of the applicable year to be considered timely enrolled
 - the late-filed enrollment period ending according to paragraph 203
 - the end of the contract period to be considered at all.

In no case will a contract **not** containing all required and necessary producer signatures be considered for any purpose or determination. COC will render no determination or action on contracts **not** having all necessary signatures and supportive and necessary contractual documents. FSA cannot approve enrollments of parts of farms.

Note: See subparagraph 202 C for exceptions.

F Payment Disputes for ARC-IC and Generic Base Acre Farms (2014 through 2017)

Shares for ARC-IC and generic base acres that attribute base acres of covered commodities are generated from FSA-578. Producers who cannot come to an agreement with regard to shares of covered commodities reported planted on farms having generic base acres or ARC-IC farms must resolve their dispute before FSA will approve the contract for CCC.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

Section 3 Contract Requirements

235 10-Acre Farm Rule Exception

A Signatures of Owners Certifying SDA or Limited Resource Farmers or Ranchers on ARC-CO and PLC Contract or ARC-IC Contract

The 2014 Farm Bill **prohibits** ARC or PLC payments to a producer on a farm if the sum of the base acres on the farm is 10.00 acres or less, **including any generic base acres**, unless the producer receiving a share on the farm is SDA or limited resource farmer or rancher.

Producers receiving a share of the base acres, which certify on CCC-860 they meet the SDA or limited resource farmer or rancher exception, may receive payment on completed CCC-861 or CCC-862. Producers who do not meet the SDA or limited resource farmer or rancher exception are **not** eligible to receive ARC or PLC payments on enrolled farms where total base acres are 10.00 acres or less.

Note: State and County Offices will **not** provide guidance to a producer about their inclusion in SDA or limited resource group.

Any farm having any amount of base acres can be enrolled and approved. Payment eligibility on farms having 10.00 acres or less base acres, **including generic base acres**, is limited to SDA or limited resource farmer or rancher as a condition of payment eligibility. As an eligibility condition, the certification may be updated at any time before payment.

1-CM requires CCC-860 to be completed by producers requesting eligibility consideration based on the applicable certification. The certification is for the producer claiming a share on CCC-861 or CCC-862, not members of the producer.

Any person or legal entity seeking payment as a producer on a farm enrolled with 10.00 base acres or less **must** have a valid CCC-860 on file **before** payment will be issued.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

236 ARC-CO and PLC Contract Enrollment Requirements

A Enrolling Base Acres on a Farm With ARC-CO and PLC Contract

Producers who enroll a farm into an ARC-CO and PLC contract **must** enroll **all** base acres on the farm. If a farm is enrolled, there are **no** unenrolled base acres.

B Prohibited Enrollments

Enrolling only a portion of the farm's contract base acres is **not** permitted.

237 ARC-CO and PLC Division of Payment Shares

A ARC-CO and PLC Payment Sharing [7 CFR 1412.54]

Each eligible producer on a farm may enroll annually on CCC-861, as applicable, and receive payments determined to be fair and equitable as agreed to by all the producers on the farm and approved by COC.

Each person or legal entity leasing a farm that enrolls on CCC-861 is required to provide 1 of the following:

- copy of their written lease to COC
- complete written description of the terms and conditions of any oral agreement or lease
- owner's or landlord's signature affirming a zero share on the contract.

Instead of the criteria in this subparagraph for zero share signatures of landowners on the farm, if the farm was cash-leased, and the lease is in the second year or later, no signature is required for the zero share landowners on the farm that in a prior year:

- --signed CCC-509, CCC-861, CCC-862, or CCC-957 to zero share
- provided a written document to support a zero share; for example, CCC-510 or CCC-855.

By signing CCC-861 or CCC-862, the producer is certifying that the cash lease arrangement with the landowner meets the criteria in this paragraph. Because the producer's signature is a certification, documentation supporting the lease is **not** required in the current year's farm folder.

COC always has the right to verify cash lease certifications.--*

Note: This provision may be used by each landowner on the farm with zero share whose share has not changed from the previous year, even though the farm may have been affected by a reconstitution where 1 or more landowners are either added or removed from the farm. In this case, only new owners added must either sign for zero share or the producer must provide a copy of the lease.

--237 ARC-CO and PLC Division of Payment Shares (Continued)*A ARC-CO and PLC Payment Sharing [7 CFR 1412.54] (Continued)**

CCC will approve CCC-861 for enrollment and the division of payment when CCC is satisfied and determines that all of the following apply:

- landlords, tenants, and sharecroppers sign CCC-861 and agree to the payment shares shown on CCC-861
- interests of tenants and sharecroppers are being protected
- payment shares shown on CCC-861 do **not** circumvent either the provisions of 7 CFR 1412.54 or the provisions of part 1400 of this chapter.

B Who Must Share in the ARC-CO and PLC Contract

Individuals or entities who are producers with an interest in contract base acres **must** have a share on CCC-861. Individuals and entities may share in payments if the individual or entity is entitled to a crop or commodity ownership share of a crop and is:

- an owner on an eligible farm who meets the definition of producer on either contract base acres or planted acres of a covered commodity on a farm
- a producer, other than an owner, on contract base acres or planted acres of a covered commodity on a farm enrolled on CCC-861.

Note: A landowner or landlord who leases land to another producer is **not** eligible for payment.

A producer on a farm with an interest in only nonbase acres will **not** share on the contract base acres of CCC-861.--*

237 ARC-CO and PLC Division of Payment Shares (Continued)

C Generic Base Farms Exception

Individuals or entities planting a covered commodity (or having eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on a farm enrolled on CCC-861 on a farm that has generic base acres share in the program payments equal to their share of the covered commodity reported planted on FSA-578. Individuals or entities requesting ARC and PLC program payments **must** sign CCC-861. Individuals or entities not having a share of a planted covered commodity on FSA-578 are **not** eligible to receive a payment from attributed generic acres.

Important: Any planted covered commodity or eligible subsequently planted crop acreage on a farm with generic base acres will be attributed as base acres on a prorata basis and eligible for an ARC-CO or PLC payment.

A producer on a farm with:

- **no** share interest in planted covered commodities or eligible subsequently planted crop acreage reported on FSA-578 is **not** entitled to a share on generic base acres that attribute base acres
- a share interest in planted covered commodities or eligible subsequently planted crop acreage reported on FSA-578 is entitled to a share on generic base acres that attribute base acres. If the producer of the reported planted covered commodity or eligible subsequently planted crop acreage does **not** sign CCC-861, that producer's share will **not** be paid to that producer or any other producer on the farm.

***--Note:** Generic base acres are applicable for 2014 through 2017 crop years only.--*

--238 Overview of CCC-861*A CCC-861**

CCC-861 includes the following for each covered commodity on the farm:

- base acres
- producer payment shares for contract base acres
- signatures of the producer and CCC representative.

CCC-861 is available at

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

The March 27, 2015, version of CCC-861 is acceptable for each contract year.

CCC-861 will also reflect those potentially eligible for payments on attributed base acres even though the producer may not have a share of contract base acres. See paragraphs 216 and 265.

B Instructions for Completing CCC-861

Complete CCC-861 according to the following.

Item	Instruction
1	Enter the applicable program year. Note: This will be prefilled if generated in ARCPLC software.
2	Enter the State code for FSN in item 4. Note: This will be prefilled if generated in ARCPLC software.
3	Enter the county code for FSN in item 4. Note: This will be prefilled if generated in ARCPLC software.
4	Enter the applicable FSN. Note: This will be prefilled if generated in ARCPLC software.

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238 Overview of CCC-861 (Continued)

B Instructions for Completing CCC-861 (Continued)

Item	Instructions
5A	Enter the County Office name and address of FSN in item 4. Note: This will be prefilled if generated in ARCPLC software.
5B	Enter the telephone number of the County Office identified in item 5A (optional). Note: This will be prefilled if generated in ARCPLC software.
5C	Enter the FAX number of the County Office identified in item 5A (optional). Note: This will be prefilled if generated in ARCPLC software.
6	Enter the covered commodity that has base acres on the farm in item 4. Note: This will be prefilled if generated in ARCPLC software.
7	Enter the program elected for the covered commodity in item 6.
8	Enter the number of base acres of the covered commodity in item 6. Note: This will be prefilled if generated in ARCPLC software.
9	Enter 85 percent of the base acres in item 8 for the covered commodity identified in item 6. This amount may be calculated by multiplying the number of base acres in item 8 times 85 percent. This percentage is used for calculating ARC-CO and PLC payment acres. Note: This will be prefilled if generated in ARCPLC software.
10	Enter the PLC payment yield for the crop in item 6. Not applicable for 2018. Note: This will be prefilled if generated in ARCPLC software.
11	*--Enter the generic base acres for the farm, if applicable.--* Note: This will be prefilled if generated in ARCPLC software.
12A	Enter the name and address of the farm operator, owner, or other tenant for the farm identified in item 4. Note: This will be prefilled if generated in ARCPLC software.
12B	Manually enter the e-mail address for the producer in item 12A (optional). Note: This entry is a collection of e-mail data only . For FSA to use the e-mail address as a means for communication, AD-2047 must be completed according to 1-CM.

238 Overview of CCC-861 (Continued)**D CCC-861 and CCC-862 Appendix**

CCC-861 and CCC-862 Appendix contains the terms and conditions of CCC-861. By signing CCC-861, participants:

- acknowledge receiving CCC-861 and CCC-862 Appendix
- agree to abide by the terms of CCC-861 and CCC-862 Appendix.

CCC-861 and CCC-862 Appendix is available in paragraph 242 and from the FFAS Employees Forms/Publications Online Website at

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

*--CCC-861 and CCC-862 Appendix (06-02-15) will be used for crop years 2014 through 2017 and 2018 for farms without seed cotton base acres.

CCC-861 and CCC-862 Appendix (70-27-18) will be used for all farms with seed cotton base acres and may be used for farms that do not have seed cotton base acres.--*

239 ARC-IC Enrollment and Contract Requirements

A Enrolling Contract Base Acres on a Farm

Producers who enroll a farm on CCC-862 **must** enroll **all** base acres on the farm and plant covered commodities on the farm to be included in the ARC-IC revenue calculation. If a farm is enrolled, there are **no** unenrolled base acres.

Notes: In this context, the term “**all** base acres” includes generic base acres. Any planted covered commodity or eligible subsequently planted covered commodity on a farm with generic base acres will be attributed as base acres and eligible for an ARC-IC payment.

--Generic base acres are applicable for 2014 through 2017 crop years only.--

B Ineligible ARC-IC Farms

Producers enrolling a farm on CCC-862 where a covered commodity is not planted on the farm will **not** be eligible for an ARC-IC payment on that farm.

240 ARC-IC Division of Payment Policy

A ARC-IC Payment Sharing [7 CFR 1412.54]

Each eligible producer on a farm may enroll annually on CCC-862, as applicable, and receive payments determined to be fair and equitable as reported on FSA-578.

Each person or legal entity leasing a farm that enrolls in ARC-IC is required to provide 1 of the following:

- copy of their written lease to COC
- complete written description of the terms and conditions of any oral agreement or lease
- owner's or landlord's signature affirming a zero share on the contract.

Instead of the criteria in this subparagraph for zero share signatures of landowners on the farm, if the farm was cash-leased, and the lease is in the second year or later, no signature is required for the zero share landowners on the farm that in a prior year:

- signed CCC-509, CCC-861, CCC-862, or CCC-957 to zero share
- provided a written document to support a zero share; for example, CCC-510 or CCC-855.

By signing CCC-861 or CCC-862, the producer is certifying that the cash lease arrangement with the landowner meets the criteria in this paragraph. Because the producer's signature is a certification, documentation supporting the lease is **not** required in the current year's farm folder.

COC always has the right to verify cash lease certifications.

241 Overview of CCC-862 (Continued)

B Instructions for Completing CCC-862 (Continued)

Item	Instructions
5A	Enter the County Office name and address of FSN in item 4. Note: This will be prefilled if generated in ARCPLC software.
5B	Enter the telephone number of the County Office identified in item 5A (optional). Note: This will be prefilled if generated in ARCPLC software.
5C	Enter the FAX number of the County Office identified in item 5A (optional). Note: This will be prefilled if generated in ARCPLC software.
6	Enter the covered commodity that has base acres on the farm in item 4. Note: This will be prefilled if generated in ARCPLC software.
7	Enter the number of base acres of the covered commodity in item 6. Note: This will be prefilled if generated in ARCPLC software.
8	Enter 65 percent of the base acres in item 7 for the covered commodity identified in item 6. This amount may be calculated by multiplying the number of base acres in item 7 times 65 percent. This percentage is used for calculating ARC-IC payment acres. Note: This will be prefilled if generated in ARCPLC software.
9	*--Enter the generic base acres for the farm, if applicable. Not applicable for 2018.--* Note: This will be prefilled if generated in ARCPLC software.
10A	Enter the name and address of the farm operator, owner, or other tenant for the farm identified in item 4. Note: This will be prefilled if generated in ARCPLC software.
10B	Manually enter the e-mail address for the producer in item 10A (optional). Note: This entry is a collection of e-mail data only . For FSA to use the e-mail address as a means for communication, AD-2047 must be completed according to 1-CM.

*--241 Overview of CCC-862 (Continued)

B Instructions for Completing CCC-862 (Continued)

Item	Instruction
10C	Enter the telephone number for the producer in item 10A (optional). Note: This will be prefilled if generated in ARCPLC software.
11A	The producer must check (✓) the box to refuse all ARC-IC payments. Note: If no payments are refused, no entry is required.
11B	The producer refusing the payment must initial. If no payments are refused, no entry is required.
11C	The producer refusing the payment must enter the date the payment was refused. If no payments are refused, no entry is required.
12A	The producer identified in item 10A must sign.
12B	If the individual signing in item 12A is signing in a representative capacity for the participant, a title/relationship must be listed. If the individual in item 12A is the signatory, then no entry is required.
12C	Enter the date the shareholder or person signing in a representative capacity signs CCC-862.
13A	The CCC representative or delegated representative must sign indicating approval of CCC-862.
13B	Enter the date the CCC representative signs item 13A.
14	Enter any applicable remarks.
15	An optional entry used to track employee updates of producer information by adding the employee's initials and date.

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*--241 Overview of CCC-862 (Continued)

C Example of CCC-862 (Continued)

CCC-862 (03-27-15)	Page 3 of 3
<p>NOTE: <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1412, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program.</i></p> <p><i>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).</i></p> <p><i>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p>	
<p><i>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).</i></p> <p><i>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.</i></p>	

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241 Overview of CCC-862 (Continued)**D CCC-861 and CCC-862 Appendix**

CCC-861 and CCC-862 Appendix contains the terms and conditions of CCC-862. By signing CCC-862, participants:

- acknowledge receiving CCC-861 and CCC-862 Appendix
- agree to abide by the terms of CCC-861 and CCC-862 Appendix.

CCC-861 and CCC-862 Appendix is available in paragraph 242 and from the FFAS Employees Forms/Publications Online Website at

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

CCC-861 and CCC-862 Appendix (06-02-15) will be used for crop years 2014
*--through 2017 and 2018 for farms without seed cotton base acres.

CCC-861 and CCC-862 Appendix (07-27-18) will be used for all farms with seed cotton base acres and may be used for farms that do not have seed cotton base acres.--*

242 CCC-861 and CCC-862 Appendix

A Example of CCC-861 and CCC-862 Appendix

The following is an example of CCC-861 and CCC-862 Appendix.

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This form is available electronically.
CCC-861 and CCC-862 Appendix
 (07-27-18)

U.S. DEPARTMENT OF AGRICULTURE
 Commodity Credit Corporation (CCC)
 Farm Service Agency (FSA)

2018 CROP YEAR
APPENDIX TO CCC-861, PRICE LOSS COVERAGE (PLC) and AGRICULTURE RISK COVERAGE
WITH COUNTY OPTION (ARC-CO) PROGRAM CONTRACT AND CCC-862, AGRICULTURE RISK
COVERAGE WITH INDIVIDUAL OPTION (ARC-IC) PROGRAM CONTRACT

1 PURPOSE AND CHANGES IN LAW

This appendix sets forth terms and conditions of the Price Loss Coverage (PLC) and Agriculture Risk Coverage County Option (ARC-CO) Program Contract (CCC-861) and Agriculture Risk Coverage Individual Option (ARC-IC) Program Contract (CCC-862). For the purposes of this appendix, the term "program contract" means either the PLC and ARC-CO Program Contract or ARC-IC Program Contract or both, as may be applicable. A person or legal entity who signs a program contract agrees to follow the terms and conditions contained in this CCC-861 and CCC-862 Appendix, and acknowledges the applicability of Federal regulations applicable to the contract including those at 7 CFR Parts 12, 718, 1400, and 1412. It is understood and agreed by the participants signing the program contract to which this appendix is referenced that benefits under the program contract are subject to changes in law and applicable regulations.

It is understood and agreed that producers on a farm may participate in the program only by enrolling in a contract that is consistent with the election previously made for the farm and covered commodities of that farm. Election is not enrollment and the election that applies to a farm and the covered commodities of a farm applies without regard to whether or not producers choose to enroll the farm or not. Enrollment is required each and every contract year.

A PLC and ARC-CO Contract allows for a PLC payment to eligible participants on a farm with respect to covered commodities for which a PLC election applies and where PLC yield and base acres are established when the effective price for a covered commodity in a crop year is less than the reference price for the PLC enrolled covered commodity for that crop year. The PLC and ARC-CO Contract allows for an ARC-CO payment after the end of the applicable marketing year for the covered commodity to the eligible producers on an enrolled farm for a covered commodity in each crop year if all the following apply: (a) there are base acres of the covered commodity, (b) the covered commodity was so elected and farm enrolled, and (c) the enrolled farm's ARC-CO actual crop revenue was less than the ARC-CO guarantee. Payment of PLC or ARC-CO will be as soon as practical, as determined by the Deputy Administrator, after October 1 following the end of the 12-month marketing year for the covered commodity as applicable. The ARC-IC Contract allows for an ARC-IC payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the farm if the farm was so elected and enrolled in ARC-IC and the ARC-IC actual crop revenue for that farm and the producer is less than the ARC-IC guarantee.

The final enrollment date is September 28, 2018.

2 DEFINITIONS

A 2014 Farm Bill means the Agricultural Act of 2014 (Pub. L. 113-79).

B 2014 Farm Structure means the farm as it was constituted as of September 30, 2014.

C Actual average county yield means the yield calculated as the production of a covered commodity in the county divided by the commodity's total planted acres for a crop year in the county, as determined by FSA. For wheat, corn, grain sorghum, barley and oats, planted acres are defined as harvested acres plus unharvested acres. Separate irrigated and non-irrigated yields are established in a county having a sufficient number of farms with planted and considered planted (P&CP) acreage history of a covered commodity in 2009 through 2012, as determined by FSA. These separate yields will only be established where at least an average of 25 percent of a covered commodity's P&CP acreage was irrigated in 2009 through 2012 and at least an average of 25 percent of the same covered commodity's P&CP acreage in that county was non-irrigated in 2009 through 2012.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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CCC-861 and CCC-862 Appendix (07-27-18)

Page 2 of 13

D Actual Crop Revenue means revenue calculated as follows for:

- ARC-CO, for a crop year of a covered commodity: The actual average county yield per planted acre of the covered commodity times the higher of either the market year average (MYA) price of the covered commodity or the national average loan rate for the covered commodity.
- ARC-IC, for a producer on each elected and enrolled farm for a crop year, is based on the producer's enrolled share of planted acres of all covered commodities on all farms for which ARC-IC has been elected and enrolled in that year and in which the producer has an interest: the sum of the results of the following calculation for each covered commodity on the farm:
 - (1) The total production of the covered commodity for all enrolled farms in the State in which the producer has an interest; times
 - (2) The higher of either the MYA price or national loan rate for the covered commodity; divided by
 - (3) The producer's share of the planted acres of the covered commodity in the State.

E Administrative County means the county specified at 7 CFR § 718.8. For ARC and PLC, assistance is based on the administrative county of the farm.**F ARC-CO** means the Agriculture Risk Coverage elected with the county option.**G ARC Guarantee** means for a crop year for a covered commodity, 86 percent of the benchmark revenue for ARC-CO and ARC-IC, as is applicable, and as specified in 7 CFR part 1412.**H ARC-IC** means the Agriculture Risk Coverage elected with the individual option.**I ARC-IC Farm** means the calculation resulting from the sum of the producer's interests in all of the producer's farms having an ARC-IC election and enrollment in the State for the applicable year.**J Average historical county yield** means the 5-year average of actual average county yields for the most recent 5 years, excluding each of the crop years with the highest and lowest yields and substituting 70 percent of the county transitional yield as defined in this part in each year where the actual average county yield is less than 70 percent of the county transitional yield.**K Base Acres** means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B, subject to any reallocation, adjustment, or reduction. The term "base acres" includes any unassigned generic base acres.**L Benchmark Revenue for ARC-CO** means the result of calculating the product obtained by multiplying the average historical county yield times the MYA price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices and substituting the reference price in each year where the MYA price is less than the reference price.**M Benchmark Revenue for ARC-IC** means a producer's share of all covered commodities planted on all farms in the State for which individual ARC has been elected and enrolled and in which the producer has an interest. FSA will calculate the benchmark revenue for ARC-IC using the following three steps, based on the producer's planted commodities:

- (1) For each covered commodity for each of the most recent 5 crop years:
 - (a) Yield per planted acre (substituting 70 percent of the county transitional yield in each year where the yield per planted acre is less than 70 percent of the county transitional yield); times
 - (b) The MYA price (substituting the reference price in each year where the MYA price is less than the reference price).

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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- (2) For each covered commodity, the average of the revenues determined under paragraph (1) of this definition for the most recent 5 crop years, excluding each of the crop years with the highest and lowest revenues; and
- (3) For each of the 2014 through 2018 crop years, the benchmark revenue for the ARC-IC farm is the sum of the amounts determined under paragraph (2) of this definition for all covered commodities on such farms, adjusted to reflect the ratio between the total number of P&CP acres and eligible subsequently planted crop acreage on such farms to a covered commodity and the total P&CP acres and eligible subsequently planted crop acreage of all covered commodities planted on such farms. If a producer has an interest in multiple farms that have enrolled in ARC-IC, the ARC-IC benchmark revenue for that producer is a weighted average of the benchmark revenue for those multiple farms.

- N Contract Period** means the compliance period specified for the contract for the particular program year, as designated on the program contract. References to the “contract” period refer to the compliance period for the particular program year. The compliance period for the each program year is October 1 through September 30. For example, for the 2014 contract (and therefore for the 2014 program), the contract period is the compliance period for the 2014 program year that begins on October 1, 2013 and ends on September 30, 2014.
- O County coverage** means agriculture risk coverage (ARC-CO) elected under subpart D of this part with the county option.
- P Covered Commodity** means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, seed cotton, pulse crops, soybeans, other oilseeds, and peanuts.
- Q Crop year** means the relevant contract year. For example, the 2014 crop year for corn is the year that runs from October 1, 2013, through September 30, 2014, and payments for that year refer to payments made under contracts with the year that runs during those dates.
- R Current owner** means the person or legal entity meeting the definition of owner in 7 CFR part 718 on the day that person or legal entity is signing any form or performing any action required under 7 CFR part 1412. For example, if a signature of a “current owner” is required, the person or legal entity must be an owner on the day the person or legal entity is signing the form or performing the action required.
- S Current producer** means the person or legal entity meeting the definition of producer in 7 CFR part 718 on the day that person or legal entity is signing any form or performing any action required under 7 CFR part 1412. For example, if a signature of a “current producer” is required, the person or legal entity must be a producer on the day the person or legal entity is signing the form or performing the action required.
- T Deputy Administrator** means the Deputy Administrator for Farm Programs (DAFP), or a designee.
- U Effective price means** the higher of the—
- National average market price received by producers during the 12-month marketing year for the covered commodity (also known as the MYA price), as determined by FSA; or
 - National average loan rate as defined in this part for the covered commodity in effect for the crop year, which is the same as the loan rate for a marketing assistance loan for the commodity for that crop year.
- V Farm structure** means the constitution of the farm. References to “farm structure” can be by date or crop year. When references to farm structure are by crop year, that means the farm as was last constituted as specified in 7 CFR part 718 subpart C in that crop year. The constitution of the farm is the farm and tracts and land within that farm and tracts as specified in 7 CFR part 718.
- W Generic base acres** means the number of base acres for upland cotton in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B, subject to any adjustment or reduction under 7 CFR part 1412. For 2018, Generic base acres are subject to allocation in §1412.25.
- X Individual coverage** means ARC (ARC-IC) elected for all covered commodities and the farm with the individual option.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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- Y Limited resource farmer or rancher** means a farmer or rancher who is both of the following:
- (1) A person whose direct or indirect gross farm sales do not exceed \$176,800 (2014 program year) in each of the 2 calendar years that precede the most immediately preceding complete taxable year before the relevant program year that corresponds to the relevant program year (for example, for the 2014 program year, the two years would be 2011 and 2012), adjusted upwards in later years for any general inflation; and
 - (2) A person whose total household income was at or below the national poverty level for a family of four in each of the same two previous years referenced in paragraph (1) of this definition. (Limited resource farmer or rancher status can be determined using a Web site available through the Limited Resource Farmer and Rancher Online Self Determination Tool through National Resource and Conservation Service at <http://www.lrfstool.sc.egov.usda.gov>.)
- Z Marketing year** means the 12-month period beginning in the calendar year the crop is normally harvested as follows:
- (1) Barley, oats, and wheat: June 1 through May 31;
 - (2) Canola, flax and rapeseed, lentils, and dry edible peas: July 1 through June 30;
 - (3) Peanuts, seed cotton, and rice: August 1 through July 31; and
 - (4) Corn, grain sorghum, soybeans, sunflowers, safflower, mustard, crambe, sesame, and chickpeas: September 1 through August 31.
- AA Market year average (MYA) price** means the national average price received by producers during the 12-month marketing year, as determined by FSA for the relevant crop of the covered commodity.
- AB Medium grain rice** means medium grain rice and includes short grain rice, temperate japonica rice, and sweet rice.
- AC National average loan rate** means the loan rate established for a crop year of the covered commodity as specified in 7 CFR part 1421.
- AD Other oilseed** means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.
- AE Owner** means one who has legal ownership of farmland, including:
- (1) Any agency of the Federal Government, however, such agency shall not be eligible to receive any payment pursuant to such contract;
 - (2) One who is buying farmland under a contract for deed;
 - (3) One who has a life-estate in the property; or
 - (4) For purposes of enrolling a farm:
 - (a) One who has purchased a farm in a foreclosure proceeding; and
 - (i) The redemption period has not passed; and
 - (ii) The original owner has not redeemed the property.
 - (b) One who meets the provisions of this definition is entitled to receive benefits in accordance with an agency program to the extent the owner complies with all program requirements.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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- (5) One who is an heir to property but cannot provide legal documentation to confirm ownership of the property, if such heir certifies to the ownership of the property and the certification is considered acceptable, as determined by the Deputy Administrator. Upon a false or inaccurate certification the Deputy Administrator may impose liability on the certifying party for additional cost that results—however such a certification may be taken by the Deputy Administrator as a bar to other claims where there has been a failure of other persons claiming an interest in the property to act promptly to protect or declare their interest or where the current public records do not accurately set out the current ownership of the farm.

AF Payment acres mean:

- (1) For the purpose of ARC-CO and PLC, subject to planting flexibility provisions as specified in §1412.46, the payment acres for each covered commodity on a farm are equal to 85 percent of the base acres for the covered commodity on the farm.
- (2) For the purpose of ARC-IC, subject to planting flexibility provisions as specified in §1412.46, the payment acres for a farm are equal to 65 percent of the base acres for all of the covered commodities on the farm.

AG Payment yield means for a covered commodity, the yield established according to 7 CFR part 1412, subpart C.**AH Planted and considered planted (P&CP)** means with respect to an acreage amount, the sum of the planted and prevented planted acres on the farm approved by the FSA county committee for a crop. P&CP is limited to initially planted or prevented planted crop acreage, except for crops planted in an FSA approved double-cropping sequence. Subsequently planted crop acreage and replacement crop acreage are not included as P&CP.**AI Price Loss Coverage (or PLC)** means coverage provided under 7 CFR part 1412, subpart D.**AJ Producer** means an owner, operator, landlord, tenant, or sharecropper who is both entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced and who shares in the risk of producing that crop. In determining whether a grower using hybrid seed, under contract, to produce a covered commodity is eligible for a payment to which the contract applies, FSA will not consider the contract with the seed producer and allow the payment to the grower of the hybrid seed. The preceding sentence only applies, however, if the grower of the hybrid seed would, but for the contract, be eligible to be considered a producer of the crop.**AK Pulse Crop** means dry peas, lentils, small chickpeas, and large chickpeas.**AL Replacement crop** means the planting or approved prevented planting of any crop for harvest following the failure of planted crop acreage or prevented planted acreage of a covered commodity not in a recognized double-cropping sequence (as specified in this section). Replacement crops cannot generate payments unless the replacement crop acreage meets the definition of eligible subsequently planted crop acreage.**AM Seed cotton** means unginned upland cotton that includes both lint and seed.**AN Socially disadvantaged farmer or rancher** means a farmer or rancher who is a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. Socially disadvantaged groups include the following and no others unless approved in writing by the Deputy Administrator:

- (1) American Indians or Alaskan Natives,
- (2) Asians or Asian-Americans,
- (3) Blacks or African-Americans,
- (4) Hispanics or Hispanic-Americans,
- (5) Native Hawaiians or other Pacific Islanders, and
- (6) Women.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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- AO Subsequently planted crop acreage** means planted acres of a covered commodity following an initial P&CP covered commodity. Subsequently planted crop acreage can be used for base reallocation for ARC and PLC under subpart B
- AP Temperate japonica rice** means rice that is grown in high altitudes or temperate regions of high latitudes with cooler climate conditions, in the Western United States, as determined by CCC, for the purpose of the—
- (1) Reallocation of base acres
 - (2) Establishment of a reference price of 115 percent times the established reference price of medium grain rice and determining temperate japonica rice's own effective price; and
 - (3) Determination of the actual crop revenue and ARC guarantee.
- AQ Unassigned generic base acres** means the number of acres resulting from the allocation of generic base acres where no ARC or PLC payments are generated or earned.
- AR Upland cotton** means cotton that is produced in the United States from other than pure strain varieties of the Barbados species, any hybrid thereof, or any other variety of cotton in which one or more of these varieties predominate. In other words, it means any cotton that is not extra long staple cotton.

3 PROGRAM CONTRACT

Each person or legal entity signing a CCC-861 or CCC-862 has acknowledged receipt of this appendix. Each person and legal entity signing the CCC-861 or CCC-862 understands and agrees that;

- A** Only a “producer”, as defined in part 2 of this appendix, is entitled to earn payments. Shares of PLC and ARC-CO Program Contract are determined based on the shares of the covered commodity base acres entered on the PLC and ARC-CO Program Contract. Shares of ARC-IC Program Contract payments are determined based on the shares recorded on the report of acreage filed as specified in §1412.66. Further, each eligible producer having a share of planted or eligible subsequently planted crop acreage of covered commodities on a farm enrolled under a program contract to which this appendix applies has to do both of the following to be eligible for their share of a payment:
- (1) Unless otherwise already enrolled on the program contract, sign the program contract during the contract period; and
 - (2) Have the producer's share recorded on the report of acreage filed as required by 7 CFR part 718 and 7 CFR §1412.66.
- B** A farm is limited in the number of payment acres as specified in part 2 of this appendix;
- C** The payment share for a person or legal entity asserting themselves as a producer may not exceed the person's or legal entity's applicable producer interest in a covered commodity or base acres as is applicable under this appendix and 7 CFR part 1412.
- D** Producers have until the enrollment deadline to timely file a program contract for that program year. Annual enrollment is required to earn payments in the applicable year.
- E** Except as provided in 7 CFR §1412.41 for the 2014 program year only or as determined necessary by CCC, requests for enrollment received after the end of a contract period will not be acted on or processed by FSA. FSA cannot contract on behalf of CCC after the end of the contract period.
- F** Contracts will not be approved unless all producers sharing in program contract acreage with more than a zero share have timely submitted all applicable signatures on the program contract and documentation necessary for FSA to make such approval, as determined by the Deputy Administrator. For those producers with an interest but

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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a zero share of program contract acreage (including, but not limited to, an owner cash renting owned land to a tenant), the program contract will not be approved before all producers have signed the program contract or furnished supportive and necessary contractual documents (such as cash leases in lieu of signing for a zero share).

A program contract not having all requisite signatures of producers having more than a zero share of contract acreage on or before the enrollment deadline are deemed incomplete and will not be considered submitted to FSA for any purpose and will not be acted on or approved. For ARC-IC Program Contracts there are no exceptions to this provision. Additionally, program contracts enrolled by a producer by the date specified in paragraph (a)(2)(i) of 7 CFR §1412.41 that were not signed by other producers are deemed withdrawn and will not be approved. An exception to this applies to PLC and ARC-CO Program Contract offers of enrollment. In those instances, at the discretion of the Deputy Administrator and where no dispute of shares or other disagreement between producers is evident or suspected, PLC and ARC-CO Program Contract offers of enrollment can be approved only for those eligible producers who did enroll and without regard to program contract shares that do not have signatures. This exception will be made only if, in the sole judgment and discretion of FSA, FSA is satisfied that those producers who did sign in accordance with this section ensure compliance with all contract provisions and requirements of this part. Producers have no right to payment on any farm that is not enrolled in the ARC or PLC Program Contract and they are not entitled to a decision to authorize the exception for PLC and ARC-CO Program Contract enrollments as discussed above, as that is discretionary.

- G** Neither CCC nor FSA are responsible for ensuring that producers annually enroll their farm. Producers on a farm are solely responsible for ensuring that enrollment occurs.
- H** Eligible producers who choose to enter into a program contract with FSA must enroll all base acres on the farm. Enrollment of fewer than all base acres on the farm is not allowed.
- I** All contracts expire on September 30 of the fiscal year of the contract unless, before that date in the same program year, the contract is:
 - (1) Withdrawn in accordance with 7 CFR §1412.41(b);
 - (2) Terminated in accordance with 7 CFR §§ 1412.41(d) or (e); or
 - (3) Terminated at an earlier date by mutual consent of all parties, including FSA.
- J** A program contract becomes effective when signed by an authorized representative of FSA; however, the contract period is from October 1 through September 30 for each program year irrespective of when the contract is signed by the FSA representative or the person applying for benefits. Producers signing the program contract are representing compliance with the terms and conditions of the program contract appendix and federal regulations for the entire contract period.
- K** At any time through September 30 of a program year, the contract may be terminated upon written agreement of all producers eligible for payment under the contract.
- L** An obligation will be terminated for a producer or owner whose interest in the crops or land on the farm is transferred during the contract period, and will not be entitled to earn payments with respect to the farm for that contract period. The transferee may assume the obligation of the contract if the transferee is otherwise eligible to participate in the program by entering into a revised contract during the period of time prescribed by FSA. In the event a succession-in-interest occurs and the contract obligation is not assumed timely for the contract year, and the farm will not be considered enrolled.
- M** Changes in the farming operation that may affect any program determination after the program contract is signed, including, but not limited to, ownership changes, producer changes, or changes in the crop share arrangements on the farm, must be reported to FSA by all applicable producers signing a revised program contract to reflect the changes no later than September 30 of the contract year. The failure of producers to timely report changes and file a revised program contract may result in the loss of payments for all producers on the farm for the crop year covered by the program contract. In such event, all producers on the program contract must refund to CCC payments received for the crop year, plus interest, and the farm is considered not enrolled.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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- N** A completed farm reconstitution which divides or combines farms will result in the termination of the initial program contract and, with respect to the base acreage assigned by the Secretary to the resulting farms of that reconstitution, the farm producers must enroll the base acres by signing a new program contract for the resulting farm(s) by the later of the final signup date, or 30 days after notification of the bases and yields for the resulting farm(s). A program contract not having all requisite signatures of producers on or before the final signup date, or 30 days after notification of the base acres and yields of the resulting farm, will not be considered submitted to FSA for any purpose and will not be acted on or approved. Those program contracts not enrolled by a producer on or before the final signup date, or 30 days after notification of the base acres and yields of the resulting farm will be deemed withdrawn and will not be approved. Producers on a farm are solely responsible for ensuring that enrollment occurs. In addition, after the enrollment deadline, neither the combination of an enrolled farm with any farm not enrolled nor the combination of farms with a conflicting election is allowed. The failure of producers and owners to timely enroll the base acres may result in the loss of payments for all producers on the original or new farm for the crop year. The provisions of this section of the appendix that allow for a new program contract after the normal signup date in the case of a reconstitution only apply to program contracts for the program year in which the reconstitution was requested.
- O** Each crop year producers are required to timely file in the manner prescribed by FSA with the FSA County Committee the following and agree to meet any other certification or filing requirements, as may be required by FSA, if not already on file:
- (1) A certification of the acreage of all cropland on the farm in accordance with 7 CFR Part 718; and
 - (2) A farm operating plan in accordance with 7 CFR Part 1400; and
 - (3) A certification of compliance with the highly erodible land and wetland conservation provisions set forth in 7 CFR Part 12; and
 - (4) A certification of compliance with the average adjusted gross income provisions in accordance with 7 CFR Part 1400 (together with any waivers as may be deemed needed by FSA to verify income with the Internal Revenue Service); and
 - (5) A report of production on the farm according to 7 CFR §1412.66, if enrolled in ARC-IC.
- P** Violations of the highly erodible land and wetland conservation provisions of 7 CFR Part 12 may result, at FSA's discretion, in termination of the payments with respect to each producer in violation (or considered in violation) or a reduction in the program contract payment. Upon termination, each producer shall forfeit all rights to receive program contract payments on each farm in which the producer has an interest and must refund to CCC all program contract payments received by such producer during the period of violation, plus interest. A producer considered in violation of those provisions may also lose other benefits.
- Q** The payment limitation provisions of 7 CFR Part 1400 relating to payment limits and payment eligibility requirements apply to payments under this contract as indicated by relevant regulations. For all covered commodities other than peanuts, the total amount of ARC and PLC payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year together with any marketing loan gains or loan deficiency payments for any and all commodities other than peanuts under subtitle B of title I of the 2014 Farm Bill cannot exceed \$125,000. For peanuts, the total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year together with any marketing loan gains or loan deficiency payments under subtitle B of title I of the 2014 Farm Bill for peanuts cannot exceed \$125,000. Also, as permitted by 7 CFR Part 1403 payments to a producer can be setoff commensurately to the extent that persons with a direct or indirect ownership interest have a past due or collectable obligation to the United States or one of its agencies. Each producer determined by FSA to have adopted a scheme or device designed to evade, or which has the effect of evading such regulations, must refund any contract payment, marketing loan gain, or loan deficiency payment and any other applicable payment received on all farms in which such producer has an interest and shall be ineligible for such payments for the following contract year. Further, no payment may be allowed which is prohibited by any applicable regulation or statute.
- R** The regulations at 7 CFR Parts 12, 718, 1400, and 1412 are incorporated by reference as part of this program contract.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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- S** FSA representatives may enter the farm to determine if the producers are in compliance with this contract.
- T** Program contract participants agree to effectively control noxious weeds and otherwise maintain the land on the farm in accordance with sound agricultural practices; and use the land on the farm for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use.
- U** Payments are subject to the availability of funds, compliance with all applicable laws and statutory changes and to limits on payments as may be provided for in the program regulations. It is specifically understood that any payments under this appendix and the program to which it applies are subject to statutory and regulatory changes including those that occur after the signing of the program contract. Payments may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be required, FSA will provide notice about the required percent of payment reduction that applies to the payments.
- V** A producer on a farm is not eligible to receive ARC or PLC payments if the sum of the base acres including any unassigned generic base acres on the farm is 10 acres or less. The 10-acre limitation does not apply to a socially disadvantaged farmer or rancher or a limited resource farmer or rancher as specified in part 2 of this appendix.
- W** Calculations provided for in this appendix are made by FSA farm serial number, as provided for in the program contract and each FSA farm serial number from which a producer or producer seeks payments must have a separate program contract submitted and approved on file. There will only be one program contract from any farm serial number for any program year – that is, all producers on the farm serial number must for each program year, submit for approval by FSA for CCC a single, new program contract.
- X** If there is a discrepancy between terms of the program contract, the appendix, or any current or subsequent statutory or regulatory provisions, the statutory or regulatory language will apply.
- Y** Producers are not required to purchase crop insurance or participate in the Noninsured Crop Disaster Assistance Program (NAP) in order to participate in ARC or PLC.
- Z** In a case where a producer has failed to sign a program contract by the enrollment deadline or end of the contract period established for enrollment and participation for the producer's reported share of planted acres or eligible subsequently planted crop acreage of covered commodities on a farm enrolled as specified in this part, that producer's share will not be considered for payment and will not generate any payment to the producer or to any other producer on the farm.
- AA** If a farm is cash leased, that is the landowner receives a zero share of covered commodities planted on the farm or a zero share of any base acres, and the producers on the farm cash leased the entire farm in the immediately preceding year, then the tenant(s) who enter a producer signature on CCC-861 or CCC-862 is deemed to have satisfied program requirements of landowner(s) signing to a zero share of CCC-861 or CCC-862. The provision of this paragraph of part 3 of this appendix is contingent upon FSA being satisfied that the producers signing the contract have the interest alleged on the contract and there are no undisclosed facts or circumstances that would require the application of a more restrictive rule regarding approval of the contract. FSA may require affirmation of the shares entered on a contract if FSA is not satisfied that the shares are as represented. If at any time FSA is not satisfied with shares or if there is any dispute between parties, FSA can elect not to approve the contract or disapprove the already approved contract.
- AB** Persons or legal entities who have signed program forms for which a signature certification is made for any purpose under 7 CFR part 1412 must retain records substantiating the certification or signature for 3 years after effective program year the person or legal entity signed the program document.

4 PLANTING FLEXIBILITY

- A** Any crop may be planted and harvested on base acres except as set out below. Any crop may be planted on cropland in excess of the base acres on a farm.
- B** Base acres may be hayed or grazed at any time.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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	<p>C Except as specified below in paragraph D below, the planting or harvesting of perennial or harvesting of non-perennial fruits, vegetables (except mung beans and covered commodities), or wild rice, as determined by CCC, results in an acre for acre payment reduction when such crop or crops are planted and or harvested, as applicable, on more than:</p> <ol style="list-style-type: none"> (1) 15 percent of the base acres of a farm enrolled in PLC or ARC using county coverage plus any unassigned generic base acres; or (2) 35 percent of the base acres of a farm enrolled in ARC using individual coverage, plus any unassigned generic base acres. <p>D Notwithstanding the provisions of paragraph C above, perennial fruits, vegetables, and wild rice may be planted or harvested on base acres of a farm and non-perennial fruits, vegetables, and wild rice may be harvested on base acres of a farm if a producer double-crops fruits, vegetables, or wild rice with a covered commodity in any region described in paragraph E below, in which case payment acres will not be reduced for the planting or harvesting of the fruit, vegetable, or wild rice.</p> <p>E Double-cropping for purposes of this section means planting for harvest non-perennial fruits, vegetables, or wild rice on the same acres in cycle with a planted covered commodity harvested for grain in a 12-month period under normal growing conditions for the region and being able to repeat the same cycle in the following 12-month period. The counties listed in 7 CFR §1412.46(e) have been determined to be regions having a history of double-cropping covered commodities or peanuts with fruits, vegetables, or wild rice.</p>
5	PLC PAYMENTS
	<p>A Provided all provisions of the PLC and ARC-CO Contract and 7 CFR part 1412 including but not limited to election have been satisfied for each of the 2014 through 2018 contract years, a PLC payment will be made to eligible participants on a farm enrolled in PLC with respect to covered commodities for which a PLC yield and base acres are established:</p> <ol style="list-style-type: none"> (1) When the effective price for a covered commodity in a crop year is less than the reference price for the PLC enrolled covered commodity for that crop year as specified in this part; and (2) As soon as practical, as determined by the Deputy Administrator, after October 1 following the end of the 12-month marketing year for the covered commodity as applicable. <p>B The effective price for a covered commodity is equal to the higher of the:</p> <ol style="list-style-type: none"> (1) MYA price received by producers during the 12-month marketing year for the crop year of the covered commodity, as determined by FSA, or (2) National loan rate for a marketing assistance loan for the covered commodity for such crop year. <p>C The payment rate used to calculate PLC payments with respect to a covered commodity for which PLC yields and base acres are attributed to the covered commodity on a farm enrolled in a PLC and ARC-CO Contract is the reference price of the covered commodity minus the effective price of the covered commodity for the applicable crop year</p> <p>D When PLC payments are triggered in accordance with section 5 A of this appendix, subject to the limitation in 7 CFR §1412.51 and in 7 CFR part 1400, the PLC payment to be paid to producers on a farm enrolled in a contract with respect to a covered commodity for which a PLC yield and base acres are attributed is equal to the product of:</p> <ol style="list-style-type: none"> (1) The payment rate determined in accordance with paragraph C of this section of the appendix, multiplied by (2) The relevant payment acres of the covered commodity, as applicable, minus any payment acre reduction in accordance with part 4 of this appendix, multiplied by (3) The PLC payment yield for the covered commodity on the farm enrolled in a PLC contract as determined in

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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accordance with 7 CFR §1412.31, minus

(4) Any reduction calculated in accordance with 7 CFR part 1412, subpart F.

- E A producer must refund to CCC any payment which exceeds the amount actually earned under the PLC and ARC-CO Contract, including the refund of unearned payments for a crop year resulting from another owner or producer assuming an interest in the base acres for the crop year. Interest on such refunds will be assessed in accordance with 7 CFR Part 1403 and will accrue from the date of disbursement.

6 ARC PAYMENTS

- A Provided all provisions of program contract and 7 CFR part 1412 have been satisfied for each of the 2014 through 2018 contract years, FSA will issue, as applicable and consistent with the election and enrollment:

- (1) An ARC-CO payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity to the producers on a farm for a covered commodity in each crop year if the farm was enrolled in ARC-CO and the ARC-CO actual crop revenue was less than the ARC-CO guarantee.
- (2) The payment is equal to the result of multiplying the payment acres for the covered commodity times the difference between the actual crop revenue and the ARC-CO guarantee not to exceed 10 percent of the ARC-CO benchmark revenue.

- B Provided all provisions of the ARC-IC Program Contract and 7 CFR part 1412 have been satisfied for each of the 2014 through 2018 contract years, FSA will issue, as applicable and consistent with the election and enrollment:

- (1) An ARC-IC payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the farm if the farm was enrolled in ARC-IC and the ARC-IC actual crop revenue for that farm is less than the ARC-IC guarantee.
- (2) Payment is equal to the result of multiplying the payment acres for the covered commodities times the difference between actual crop revenue and the ARC-IC guarantee, not to exceed 10 percent of benchmark revenue for ARC-IC.

- C If a producer has an interest in multiple farms that have enrolled under an ARC-IC Program Contract, the ARC-IC benchmark revenue for that producer used in the payment calculation is a weighted average of the benchmark revenue for those multiple farms.

- D The effective price and guarantee for temperate japonica rice is based on the price that all medium and short grain (including glutinous) rice receives in California. The effective price and guarantee for medium grain rice outside California is based on the price that all medium and short grain rice receives outside California.

8 OTHER PAYMENT PROVISIONS

- A A producer who declines to receive payments by indicating such on the program contract may subsequently decide to receive payments, provided that the producer signs a revised program contract or otherwise notifies the FSA County Committee in writing by the end of the contract period for that same contract and program year.
- B Payments will not be earned by any producer on a program contract, unless payment shares are properly designated and all producers sign the program contract in accordance with 7 CFR part 1412. In cases where a payment share dispute exists, payments will not be earned by producers involved in the dispute on the farm unless the payment share in dispute is resolved by agreement of the parties and documented in writing to the satisfaction of the FSA County Committee by the end of the contract period for the program year, and the agreed upon payment shares are compliant with program regulations and provisions.
- C Any payment or portion thereof due any producer is made by CCC without regard to any question of title under State law, and without regard to any claim or lien against the crop, or proceeds there from, which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to producers or their assignees.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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CCC-861 and CCC-862 Appendix (07-27-18)

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- D** Payments can be denied to any signatory who FSA determines has violated State law provisions that affect a tenant's right to lease agricultural land, or any person (including a subsequent tenant) who would profit by such a violation.
- E** Interest on any refund due CCC accrues from the date of disbursement by CCC.
- F** All payments are subject to the limits in this appendix or elsewhere that may apply and all payments are subject to changes in statutory and regulatory provisions (including any and all new statutory or regulatory provisions) irrespective of whether those amendments and provisions or changes occurred after the signing of this contract.
- G** A person or legal entity is ineligible for payments if the person's or legal entity's adjusted gross income (AGI) for the applicable compliance program year is in excess of \$900,000. If a person with an indirect interest in a legal entity has AGI in excess of \$900,000, the payments subject to AGI compliance provisions to the legal entity will be reduced as calculated based on the percent interest of the person in the legal entity receiving the payment. AGI is calculated based on the average income for the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the relevant years used to calculate AGI for 2014 are the 2010, 2011, and 2012 tax years. For 2015, the relevant years are the 2011, 2012, and 2013 tax years.

9 LOSS OF BENEFITS

- A** If FSA determines a person or legal entity erroneously represented any fact affecting a determination made by FSA under this program contract, payments will not be allowed on the farm with respect to the payment shares of that person or legal entity. If FSA determines that the misrepresentation was intentional or fraudulent, or if the person or legal entity knowingly adopted any scheme or device which tends to defeat the purposes of the program contract, the person or legal entity forfeits all rights to payments on each farm in which the person or legal entity has an interest and must refund to FSA all payments received by the person or legal entity during the period of the violation, plus interest. Schemes and devices and other actions to evade payment limitations can lead to ineligibility for payments for 2014 as well, under the provisions of 7 U.S.C. 1308-2. Also, under those same statutory provisions, the filing of false documents or, to the extent provided by regulation, other serious actions can lead to a five year disqualification for payments. In addition, any scheme or device to increase the amount of the payment under a program contract will, irrespective of whether it is related to a maximum payment limitation or not, be grounds for denying payment under the program contract involved or for demanding repayment if payment has already been made.
- B** All producers sharing in program contract payments are jointly and severally liable for any refunds determined pursuant to section 9 A of this appendix and FSA will establish claims for the full amount of the refund against each producer in accordance with 7 CFR Part 1403 and this appendix. A signatory to the contract who does not receive any share of the contract payments will not be liable for the repayment of such refund.
- C** The provisions of this section are in addition to any liability which may be incurred under various criminal and civil statutes, including, but not limited to, 7 U.S.C. 1308-2, 15 U.S.C. 714m, 18 U.S.C. 286, 287, 371, 641, 1001; and 31 U.S.C. 3729.

10 MODIFICATIONS

FSA reserves the right to correct all errors in entering data on a program contract and the results of computations made pursuant thereto and to modify this agreement and appendix to reflect statutory and regulatory changes (including new statutory and regulatory provisions) in the program, including changes in program payments and program eligibilities. In the event of such modifications, producers are allowed to withdraw from the program contract, in which case all payments received under the program contract, if made, must be refunded with interest from the date the funds were disbursed. FSA also reserves the right to require refunds of payments as the result of determinations made in accordance with the maximum payment limitations in the regulations at 7 CFR Part 1400.

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242 CCC-861 and CCC-862 Appendix (Continued)

A Example of CCC-861 and CCC-862 Appendix (Continued)

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CCC-861 and CCC-862 Appendix (07-27-18)

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11 REFERENCE PRICES

The reference price is as follows for the following covered commodities:

- (A) Wheat, \$5.50 per bushel;
- (B) Corn, \$3.70 per bushel;
- (C) Grain sorghum, \$3.95 per bushel;
- (D) Barley, \$4.95 per bushel;
- (E) Oats, \$2.40 per bushel;
- (F) Long grain rice, \$14.00 per hundredweight;
- (G) Medium grain rice, \$14.00 per hundredweight;
- (H) Soybeans, \$8.40 per bushel;
- (I) Other oilseeds, \$20.15 per hundredweight;
- (J) Peanuts, \$535.00 per ton;
- (K) Dry peas, \$11.00 per hundredweight;
- (L) Lentils, \$19.97 per hundredweight;
- (M) Small chickpeas, \$19.04 per hundredweight;
- (N) Large chickpeas, \$21.54 per hundredweight;
- (O) Seed cotton, \$0.367 per pound.

12 PROJECTED PRICES AND OTHER RELEVANT MATERIAL

Additional information referenced by this appendix regarding the programs, including, but not limited to average and projected prices and market year average prices and national loan rates can be found at:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=arpl&topic=landing>

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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242 CCC-861 and CCC-862 Appendix (Continued)**B Distributing CCC-861 and CCC-862 Appendix**

Producers who enroll on CCC-861 or CCC-862 acknowledge receipt of CCC-861 and CCC-862 Appendix.

--CCC-861 and CCC-862 Appendix will be provided by 1 of the following methods:--

- providing the producer a copy of CCC-861 and CCC-862 Appendix
- providing the producer the web site link to CCC-861 and CCC-862 Appendix at **<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>**
- e-mailing the producer a copy of CCC-861 and CCC-862 Appendix.

Part 8.5 Generic Base Acres

--As generic and attributed base acres are applicable to the 2014 through 2017 crop years, this part is not applicable for crop year 2018.--

263 Attribution of Base Acres

A Overview

Covered commodities with planted acreage for which generic base acres have been attributed can effectively increase the covered commodity's base acres and payment acres in the year of planting, **but only in the year of planting**. If generic base acres are planted to a covered commodity (or eligible subsequently planted crop acreage to a covered commodity following the approved prevented planting of a covered commodity), the covered commodity's planted crop acreage (or eligible subsequently planted crop acreage) will be treated as base acres for that covered commodity for that crop year of ARC and PLC payment calculations.

Shares of the attributed generic base acres will be determined based on the planted or eligible subsequently planted crop acreage of covered commodities as reported on FSA-578.

Covered commodities that are statutorily prevented from being attributed to generic base acres include either of the following:

- initially prevented planted crop acreage
- a covered commodity planted behind another planted covered commodity that is not planted in a double-cropping sequence.

Shares of contract base acres on the farm for:

- ARC-CO or PLC will be determined based on the shares on CCC-861
- ARC-IC will be determined based on the covered commodities planted as recorded on FSA-578.

B Definitions

Attributed base acres mean the number of acres derived from the proration of generic base acres according to the formula in 7 CFR 1412.45. The number of attributed base acres cannot exceed the number of generic base acres on the farm; however, attributed base acres can be less than the number of generic base acres if the total number of planted acres of covered commodities or eligible subsequently planted crop acreage is less than the number of generic base acres.

--263 Attribution of Base Acres (Continued)*B Definitions (Continued)**

Base acres mean the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR Part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. Unless specifically stated otherwise, the term “base acres” includes any generic base acres that attribute base acres of a covered commodity when planted to a covered commodity or are eligible subsequently planted crop acreage.

Contract base acres mean the number of covered commodity specific base acres in effect on September 30, 2013, as defined in the regulations in 7 CFR Part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. Contract base acres do not include generic base acres that attribute base acres when planted to:

- covered commodity
- eligible subsequently planted crop acreage.

Eligible subsequently planted crop acreage means planted acres of a covered commodity that are a replacement crop to any crop other than a planted covered commodity. Eligible subsequently planted crop acreage is included as payment acres if the crop acreage is planted to a covered commodity as a replacement crop after the failure or prevented planting of any crop other than a covered commodity. Eligible subsequently planted crop acreage is used only in the case of generic base acres to determine payment acres and attribution of generic base acres.

Generic base acres mean the number of base acres for upland cotton in effect on September 30, 2013, as defined in the regulations in 7 CFR Part 1412, subpart B that were in effect on that date, subject to any adjustment or reduction under this part. Generic base acres are always the same amount as upland cotton base acres. Any adjustment in generic base acres on a farm will necessarily result in an adjustment in upland cotton base acres on the farm.--*

--287 FAV/WR Planting Limitations (Continued)--

C Determining Available Acres for FAV Planting (Continued)

*--

Step	Action	
1	IF the farm is enrolled in...	THEN determine the farm's nonpayment acres by doing the following...
	PLC or ARC-CO	Step
		Action
		A Determine effective DCP cropland on the farm.
		B Determine number of double-cropped acres on the farm according to Farm Records.
		C Add result of step A and step B.
	ACR-IC	D Determine payment acres by taking the total base acres, including attributed generic base acres for the farm times 85 percent.
		E Subtract result of step D from the result of step C.
		Step
		Action
		A Determine effective DCP cropland on the farm.
		B Determine number of double-cropped acres on the farm according to Farm Records.
		C Add result of step A and step B.
		D Determine payment acres by taking the total base acres, including attributed generic base acres for the farm times 65 percent.
		E Subtract result of step D from the result of step C.
2	<p>Subtract the result of step 1 (either PLC/ARC-CO or ARC-IC, as applicable) from the total acres of FAV/WR planted on the farm.</p> <p>Important: The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm's CCC-861 or CCC-862.</p> <p>Note: Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See 1-ARCPLC, subparagraph 288 C.</p> <p>If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is not considered a FAV. See 1-ARCPLC, paragraph 290.</p>	

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287 FAV/WR Planting Limitations (Continued)

C Determining Available Acres for FAV Planting (Continued)

Step	Action	
3	IF the result of step 2 is...	THEN...
	equal to or less than zero	<ul style="list-style-type: none"> FAV/WR are not planted on payment acres an acre-for-acre reduction does not apply to the farm. <p>Note: In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>
	Greater than zero	<ul style="list-style-type: none"> FAV/WR are planted on payment acres an acre-for-acre reduction applies to the farm based on the result of step 2 apply the acre-for-acre reduction to the farm according to 4-CP. <p>Note: For ARC-CO and PLC, the acre-for-acre reduction will be attributed to each of the covered commodities on the farm having payment acres on a pro rata basis to reflect the ratio of the payment acres of the covered commodity on the farm to the total payment acres of all covered commodities on the farm.</p> <p>For ARC-IC, the acre-for-acre reduction will be attributed to the total payment acres on the farm as the payment acres are determined solely by multiplying the 65 percent of the base acres and/or attributed generic acres of the farm.</p>

***--D Generic Base Acres for 2018**

Since generic and allocated base acres are applicable for 2014 through 2017, see Part 10 for instruction on FAV's and seed cotton base acres.--*

307 Commodities Grown Under Contract on Base Acres (Continued)

D COC Approval of Payment Shares

COC will approve the ARC and PLC Program payment shares if all other eligibility requirements are met and both of the following apply:

- producers with a designated payment share meet the definition of producer on all of base acres on the farm that payment is being requested
- payment shares are established according to this paragraph and criteria in Part 6.

Notes: All producers on the farm **must** sign CCC-861 or CCC-862 designating payment shares to be eligible for payment. Producers who do **not** sign CCC-861 or CCC-862 will be ineligible for payment for their share of CCC-861 or CCC-862.

If after filing FSA-578 it is determined that producers who do **not** appear on CCC-861 or CCC-862 have certified to having a share interest in a covered commodity, those producers **must** sign CCC-861 or CCC-862 for their share of that covered commodity to be eligible for payment consideration. If the producer does **not** sign CCC-861 or CCC-862, then that share interest will **not** be paid to anyone.

Farm enrolled in ARC-IC and any enrolled ARC-CO and PLC farms with generic base acres will have payment shares determined based on FSA-578; therefore, it is important that producers understand the importance of enrolling their interest in covered commodities planted on farms.

--Generic base acres are applicable for 2014 – 2017 crop years only.--

308 Handling Minor Children and Bankruptcies**A Eligibility of Minor Child**

--A minor is eligible to participate in the ARC and PLC Programs. Follow 1-CM for policy about signatures of minors.--

* * *

B If Bankruptcy Occurs Before ARC-CO and PLC Contract or ARC-IC Contract Approval

COC will follow this table when a producer files for bankruptcy **before** ARC-CO and PLC contract or ARC-IC contract approval.

Step	Action
1	Contact the OGC regional attorney through the State Office for guidance.
2	Approve CCC-861 or CCC-862 if both of the following apply: <ul style="list-style-type: none"> OGC regional attorney authorizes CCC-861 or CCC-862 approval producer submitted CCC-861 or CCC-862 by enrollment deadline.
3	See 1-CM for producer signature requirements.

C If Bankruptcy Occurs After ARC-CO and PLC Contract and ARC-IC Contract Approval

When bankruptcy occurs after CCC-861 or CCC-862 approval, contact the OGC regional attorney through the State Office for instructions and guidance.

***--Part 10 Allocating and Updating Seed Cotton Base Acres,
Updating Yields, and Election**

Section 1 Introduction

400 General Information

A Background

BBA authorizes:

- seed cotton as a covered commodity effective for the 2018 crop year
- owners of a farm with generic base acres and recent history of covered commodities, a 1-time opportunity to do either of the following with generic base acres:
 - convert 80 to 100 percent of the generic base acres on a farm, as of September 30, 2013, to seed cotton base acres, depending on the plantings of covered commodities and/or upland cotton on the farm
 - allocate generic base acres on a farm, as of September 30, 2013, based on the 4-year average P&CP acres in the 2009-2012 crop years. The allocation is permitted among base acres of covered commodities on the farm, which includes seed cotton. An increase in total base acres on the farm as of September 30, 2013, is **not** allowed.

Note: Allocation of generic base acres is based on the proportion of 2009-2012 average P&CP acres of covered commodities, including upland cotton, to the total of P&CP acres of all covered commodities on the farm.

Farms without history of a P&CP covered commodity in 2009-2016 will convert generic base acres on the farm to unassigned crop base for which no payments will be made.

BBA also provides a 1-time opportunity to update the upland cotton yield under the 2008 Farm Bill for use as payment yields under PLC for seed cotton. The initial yield for seed cotton will be the counter-cyclical yield of upland cotton under the 2008 Farm Bill multiplied by 2.4. The seed cotton yield may be updated based on 90 percent of the farm's 2008-2012 average yield per planted acre multiplied by 2.4, excluding any year when no acreage was planted to upland cotton. All farms are eligible to update the PLC yield on seed cotton base acres. However, PLC yields are only used to determine payment amounts for the PLC program.

As a result of adding seed cotton as a covered commodity, an election will be required by the current producer(s) on the farm to choose between ARC-CO and PLC. This election will be made for seed cotton only. All other covered commodities on farms with generic base acres made an election according to the 2014 Farm Bill. According to the 2014 Farm Bill, that election is permanent for the life of the 2014 Farm Bill. Farms that have previously elected ARC-IC will remain in ARC-IC with the additional base acres after the allocation described in this part.

***--400 General Information (Continued)**

A Background (Continued)

After completing the generic base acre allocation, yield update, and election, the producers on each farm may then enroll the farm in ARC or PLC for the 2018 year.--*

B Farm Eligibility

Farms with generic base acres only are allowed the opportunity to allocate base acres and update PLC yields. No other covered commodities will be used to either:

- compute seed cotton base acres
- allocate base acres based on the 4-year average P&CP acres in the 2009-2012 crop years.

At least .01 acres of the farm in the years 2009-2016 **must** have been planted or prevented planted to a covered commodity, including upland cotton, to be allowed the opportunity to allocate base acres and update PLC yields.

In addition to this requirement, if a farm had a CRP contract enrolled during the years 2009-2016, and as a result of the enrollment in CRP, base acres were required to be reduced, that farm is considered to have met the requirement that a covered commodity was planted or prevented planted on the farm from 2009-2016. Farms that have a CRP contract enrolled and do not have a base acre reduction are ineligible to allocate generic base acres or update PLC yields.

C Completing Allocation, Yield Update, Election, and Enrollment

The allocation of generic base acres, yield update, election and enrollment should be completed by September 28, 2018. If the farm has not completed the allocation, yield update, election and enrollment by September 28, 2018, then the automated process will not update MIDAS and Farm Records which will require the County Office to update 2018 in Farm Records and 2019 in MIDAS manually.--*

401-410 (Reserved)

*--Section 2 Generic Base Acre Allocation

411 General Information

A Eligible Farms for Allocation of Generic Base Acres

A recent history of planting any covered commodity is required for farms to be eligible for generic allocation. The farm **must** have been planted or have approved prevented planted acres to any covered commodity, including upland cotton, at any time during the 2009-2016 crop years.

In addition to this requirement, if a farm had a CRP contract enrolled during the years 2009-2016, and as a result of the enrollment in CRP, base acres were required to be reduced, that farm is considered to have met the requirement that a covered commodity was planted or prevented planted on the farm from 2009-2016. Farms that have a CRP contract enrolled and do not have a base acre reduction are ineligible to allocate generic base acres or update PLC yields.

Situations may arise when upland cotton was planted on a farm in 2014-2016 and no covered commodity was planted on the farm from 2009-2013. In those cases, that farm is considered to have met the requirement that a covered commodity was planted or prevented planted from 2009-2016.

B Notification to Owners and Operators

Producers may review the 2009-2012 planting history on eligible farms with generic base acres to ensure the planting history is complete. CCC provided owners and operators of record in 2018 with a summary of the P&CP of all covered commodities, including upland cotton, during the 2008-2012 crop years, as reported to FSA on acreage reports filed with the agency in each of those years. Acreage **not** reported to FSA by producers was **not** included in this summary.

Note: The 2008 year was provided for assistance to the producers in computing a yield.

Any owner or producer of a farm may, at any time, visit FSA and request a copy of the summary of the P&CP history. Therefore, if an owner does **not** receive the summary from FSA for any reason, that will **not** have any bearing on whether the owner can update records or exercise any owner options. Owners and producers may update records during the allocation period if there are crop insurance records or other verifiable documentation available to support those updates. See 2-CP for further information.

Note: Although a producer may update records, only a current owner on a farm may actually allocate generic base acres.--*

--411 General Information (Continued)*B Notification to Owners and Operators (Continued)**

Updating 2009-2012 P&CP records can adversely impact other FSA or CCC programs that were conducted in those years based on those records, **before** any update. If an update to a farm's P&CP for 2009-2012 causes any payment under another FSA or CCC program to become unearned, the overpayment **must** be refunded to FSA or CCC according to the rules for that program, and according to FSA or CCC's rules governing the overpayment (7 CFR Parts 718 and 1403).

C Eligible Farms for Allocation of Generic Base Acres

After planting history records are updated, an owner has a 1-time opportunity to allocate the farm's generic base acres according to the following options:

Option 1: Convert generic base acres to seed cotton base acres to the higher of the following:

- 80 percent of the generic base acres on the farm
- the average of P&CP upland cotton acres on the farm in crop years 2009-2012, not to exceed the total generic base acres on the farm.

Note: Any remaining unallocated generic base acres will become unassigned generic base acres. Unassigned generic base acres are derived from generic base acres and no ARC or PLC payments are generated or earned.

Option 2: Allocate generic base acres in proportion to the 4-year average P&CP of covered commodities, including upland cotton, in crop years 2009-2012, to the total P&CP acres of all covered commodities planted on the farm.

An increase in total base acres on the farm, as of September 30, 2013, is not allowed.

Farms without P&CP history of covered commodities, including upland cotton or a CRP contract with base acre reduction during the 2009-2016 crop years, are not eligible for generic base allocation. All generic base acres shall be converted to unassigned generic base acres for which no payments may be made.

If a current owner fails to allocate generic base acres on an eligible farm during the allocation period, the generic acres will be allocated to seed cotton base under Option 1.--*

--411 General Information (Continued)*D Conversion of Generic Base Acres to Seed Cotton Base Acres**

If a current owner chooses to convert generic base acres to seed cotton base acres, or if a decision is not made, generic base acres will be converted to seed cotton base acres based on the higher of:

- 80 percent of the generic base acres on the farm
- the average of P&CP upland cotton acres on the farm in crop years 2009-2012, not to exceed the total generic base acres on the farm.

E Eligible Farms for Allocation of Generic Base Acres

The allocation of generic base acres is based on the proportion of the 2009-2012 average P&CP acres of covered commodities to the total P&CP acres of all covered commodities on the farm, including upland cotton P&CP.

If a subsequent covered commodity crop was planted after an initial covered commodity crop, then a current owner may select either the initial crop or the subsequent crop to include in the allocation calculation. In approved double crop situations, both the initial covered commodity crop and the subsequent covered commodity are included in the allocation calculation.--*

*--411 General Information (Continued)

F Example 1

The following is an example of a generic base acre allocation on a farm with contract base acres of corn, soybeans and wheat. The farm has acreage planted to corn, soybeans and upland cotton in all years of the 2009-2012 base period.

FSN	Crop	Base Acres	Planting History 2009	Planting History 2010	Planting History 2011	Planting History 2012
1234	Upland Cotton		300.00	420.00	630.00	480.00
	Corn	75.00	240.00	220.00	160.00	220.00
	Soybeans	75.00	460.00	360.00	210.00	300.00
	Wheat	50.00	0.00	0.00	0.00	0.00
	Generic	800.00				

Instructions: Enter information in the yellow cells

Farm Number:	1234
Generic Base:	800.00



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Planted Crop	Planted and Considered Planted (P&CP) Acres				Higher of 80% of Generic Base or Simple Ave Upland Cotton P&CP Acres	Unassigned Base
	2009	2010	2011	2012		
Upland Cotton	300.00	420.00	630.00	480.00	640.00	160.00

Covered Commodity	2018 Farm Base Acres	Planted and Considered Planted (P&CP) Acres				Historical Simple Ave P&CP Acres	Allocation Percentage	Allocated Farm Base Acres	Total Farm Base Acres
		2009	2010	2011	2012				
Barley									
Canola									
Corn	75.00	240.00	220.00	160.00	220.00	210.00	21.00%	168.00	243.00
Crambe									
Dry Peas									
Flaxseed									
Grain Sorghum									
Large Chickpeas									
Lentils									
Mustard Seed									
Oats									
Peanuts									
Rapeseed									
Rice (Long Grain)									
Rice (Medium/Short Grain)									
Safflower									
Seed Cotton		300.00	420.00	630.00	480.00	457.50	45.75%	366.00	366.00
Sesame Seed									
Small Chickpeas									
Soybeans	75.00	460.00	360.00	210.00	300.00	332.50	33.25%	266.00	341.00
Sunflower Seed (All)									
Wheat	50.00								50.00
Totals	200.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	100.00%	800.00	1,000.00
Note: Total base acres may not exceed the cropland on the farm, except for approved double-cropping practices.									
Remarks:									

--*

--411 General Information (Continued)*F Example 1 (Continued)**

Result Under Option 1, a farm may receive the higher of either 80 percent of the generic base acres or the average of P&CP acres of upland cotton. In this example, 80 percent of the farm's generic base acres is 640.00, and the average of P&CP upland cotton acres is 457.50. The higher result is 640.00 seed cotton base acres with 160.00 acres becoming unassigned generic base acres.

Result Under Option 2, the allocation of generic base acres is 168.0 corn base acres, 366.0 seed cotton base acres, and 266.0 soybean base acres, with zero unassigned generic base acres.

Covered Commodity	Option 1	Option 2
Corn	75.00	243.00
Seed Cotton	640.00	366.00
Soybeans	75.00	341.00
Wheat	50.00	50.00
Unassigned Generic Base Acres	160.00	0.00

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*--411 General Information (Continued)

G Example 2

In this example, the farm has only generic base and there was only upland cotton planted on the farm 2009-2012. In each year the planted acres of upland cotton is less than the generic base acres.

FSN	Crop	Base Acres	Planting History 2009	Planting History 2010	Planting History 2011	Planting History 2012
5678	Upland Cotton		200.00	250.00	450.00	300.00
	Generic	700.00				

Instructions: Enter information in the yellow cells

Farm Number:	5678
Generic Base:	700.00



PRINT

Planted Crop	Planted and Considered Planted (P&CP) Acres				Higher of 80% of Generic Base or Simple Ave Upland Cotton P&CP Acres	Unassigned Base
	2009	2010	2011	2012		
Upland Cotton	200.00	250.00	450.00	300.00	560.00	140.00

Covered Commodity	2018 Farm Base Acres	Planted and Considered Planted (P&CP) Acres				Historical Simple Ave P&CP Acres	Allocation Percentage	Allocated Farm Base Acres	Total Farm Base Acres
		2009	2010	2011	2012				
Barley									
Canola									
Corn									
Cranberry									
Dry Peas									
Flaxseed									
Grain Sorghum									
Large Chickpeas									
Lentils									
Mustard Seed									
Oats									
Peanuts									
Rapeseed									
Rice (Long Grain)									
Rice (Medium/Short Grain)									
Safflower									
Seed Cotton		200.00	250.00	450.00	300.00	300.00	100.00%	700.00	700.00
Sesame Seed									
Small Chickpeas									
Soybeans									
Sunflower Seed (All)									
Wheat									
Totals		200.00	250.00	450.00	300.00	300.00	100.00%	700.00	700.00

Note: Total base acres may not exceed the cropland on the farm, except for approved double-cropping practices.

Remarks:	
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*--411 General Information (Continued)

G Example 2 (Continued)

Result Under Option 1, a farm may receive the higher of either 80 percent of the generic base acres or the average of P&CP acres of upland cotton. In this example, 80 percent of the farm's generic base is 560.00, and the average of P&CP upland cotton is 300.00 acres. The higher result is 560.00 seed cotton base acres with 140.00 acres becoming unassigned generic base acres.

Result Under Option 2, the allocation of generic base acres is 700.00 seed cotton base acres with zero unassigned generic base acres.

Covered Commodity	Option 1	Option 2
Seed Cotton	560.00	700.00
Unassigned Generic Base Acres	140.00	0.00

412 Generic Base Acre Allocation Decision**A Generic Base Acre Allocation**

Any current owner of a farm will have a 1-time opportunity to do either of the following:

Option 1: Allocate the farm's generic base acres to seed cotton base acres by choosing the higher of either 80 percent of generic base acres or the simple average of planted acres of upland cotton from 2009-2012, not to exceed the generic base acres on the farm. Any remaining unallocated generic base acres will become unassigned generic base acres which are ineligible to earn or generate payments under ARC or PLC.

Option 2: Allocate the generic base acres on a farm, based on the 4-year average P&CP acres of all covered commodities (including upland cotton) for the 2009-2012 crop years. An increase in **total** base acres on a farm is **not** allowed.

If a decision to allocate generic base acres is **not** made by a current owner by the end of the allocation period, then the generic base acres will be allocated according to Option 1.

B Signature Requirements for Generic Base Acre Allocation

Any current owner may make the generic base acre allocation decision. Any current owner on the farm may sign CCC-865 to allocate the farm's generic base acres.

If a current owner allocates generic base acres, that allocation will apply to the farm **unless** the generic base acre allocation is withdrawn, rescinded, or modified by any current owner on the farm in the generic base acre allocation period.--*

***--412 Generic Base Acre Allocation Decision (Continued)**

B Signature Requirements for Generic Base Acre Allocation (Continued)

Neither FSA nor CCC is under any obligation to notify farm owners if a generic base acre allocation has been filed, rescinded, modified, or withdrawn during the generic base acre allocation period. If a person or legal entity acquires ownership of a farm that has already had generic base acre allocation decision made by an owner, FSA will provide the generic base acre allocation information to that person or legal entity on request, but is under no obligation to notify new owners or new producers if a generic base acre allocation decision has previously been made on that particular farm.

413 Invalid Generic Base Acre Allocations

A Generic Base Acre Allocations Found Invalid

Situations exist where the generic base allocation decision was completed and the signatory on CCC-865 was a person:

- signing in a representative capacity for a current landowner with an invalid power of attorney or signature authority
- who was not a current owner.

As a result, the generic base acre allocation decision is invalid. Generic base acres on the farm will default to allocation according to the provisions in Option 1, outlined in paragraph 412.

B Exception to Determining the Election Invalid

If the criteria in subparagraph A is met, and as a result, an allocation is invalid, a current owner may ratify the original allocation. If the ratification occurs, the original election is valid and no further action is required.

C Generic Base Acre Allocation Disputes

If any current owner submits a conflicting generic base acre allocation request or expresses disagreement with a generic base acre allocation filed, no generic base acre allocations will be approved for the farm unless all the current owners of the farm provide CCC with written evidence of the dispute resolution during the generic base acre allocation period.--*

***--414 Covered Commodities**

A Covered Commodities Eligible for Generic Base Acre Allocation

The following covered commodities are eligible to receive history credit to use for generic base acre allocation:

- barley
- canola
- chickpeas, large
 - Garbanzo - Kabuli (large chickpea) (GAR)
- chickpeas, small
 - Garbanzo - Kabuli (small chickpea) (GAS)
 - Garbanzo - Desi (small chickpea) (GAD)
- corn
- crambe
- flaxseed
- grain sorghum
- lentils
- mustard seed
- oats
- peanuts
- peas, dry
- rapeseed
- rice, long grain
- rice, medium grain (includes short grain and sweet)
- safflower
- sesame seed
- soybeans
- sunflower seed
- upland cotton
- wheat.--*

*--414 Covered Commodities (Continued)

B Intended Uses of Covered Commodities

The following table provides eligible intended uses for covered commodities that are eligible to be used for history credit in generic base acre allocation.

Crop Name	Type Name	Intended Use
Barley Oats Wheat	All	FG, GR, GS, GZ, SD
Canola	All	GR, PR, SD
Chickpeas, Large	Garbanzo, Large Kabuli (GAR)	DE, FG, PR, FH, SD
Chickpeas, Small	<ul style="list-style-type: none"> • Garbanzo, Small Kabuli (GAS) • Garbanzo, Desi (GAD) 	
Corn	<ul style="list-style-type: none"> • Amylose • Popcorn • Waxy • White • Yellow 	FG, GR, SD
Crambe		GR, SD
Flaxseed	All	GR, OL, PR, SD
Grain Sorghum Sorghum, Dual	All	FG, GR, GZ, SD, SG
Lentils		DE, FG, GZ
Mustard Seed	All	GR, PR, SD
Peanuts	All	All
Peas, Dry	<ul style="list-style-type: none"> • Austrian • Green • Umatilla • Wrinkled • Yellow 	DE, FG, GZ, SD
Rapeseed Safflower Sesame Seed		FG, FH, GR, GZ, PR, SD
Rice, Long Grain	LGR	
Rice, Medium Grain and Sweet	<ul style="list-style-type: none"> • MGR • SGR 	
Soybeans	All	FG, FH, GR, SD
Sunflower Seed	All	FG, GR, PR, SD
Upland Cotton		

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--414 Covered Commodities (Continued)*C Eligible Crop Status Codes for Inclusion in Base Acre Reallocation**

A covered commodity is eligible for history purposes to be used in generic base acre allocation when planted or considered planted in tandem with a noncovered commodity. For double-cropping situations, the second crop is eligible for history purposes only when the second crop meets the double-cropping definition according to 2-CP.

The following table provides crop status codes for the first character field on FSA-578 that are eligible for P&CP history credit to be used in generic base acre allocation.

Code	Description
I	Initial. The first crop planted on the acreage.
D	Covered commodity followed by a different covered commodity. Meets double-cropping definition.
E	Covered commodity followed by FAV/WR or vice versa. Meets double-cropping definition.
G	Noncovered commodity/nonFAV followed by a covered commodity or vice versa. Meets double-cropping definition.
K	Covered commodity followed by FAV/WR or vice versa. Does not meet double-cropping definition.
M	Noncovered commodity/nonFAV followed by a covered commodity or vice versa. Does not meet double-cropping definition.

In addition, if a covered commodity was planted after another covered commodity that was failed or prevented (unapproved double-cropping situations), the subsequently planted covered commodity may be considered for P&CP credit only if the initially planted crop is **not** considered for P&CP credit (“J” code).

415 FAV/WR Planting Limitations on Farms with Unassigned Generic Base Acres**A Determining Available Acres for FAV Planting**

County Offices must determine whether FAV/WR is planted on payment acres enrolled in ARC or PLC according to the following table.

Note: FAV/WR acres must always first be attributed to nonpayment acres before any are attributed to payment acres.--*

***--415 FAV/WR Planting Limitations on Farms with Unassigned Generic Base Acres
(Continued)**

A Determining Available Acres for FAV Planting (Continued)

Important: Payment acre shares are determined for:

- ARC-CO and PLC, based on the individuals or entities who are producers with a crop share interest on base acres

Note: Producers planting FAV/WR on base acres **must** have a payment share interest on the ARC/PLC contract.

- ARC-IC, based on each producer's share interest in covered commodities planted on the farm, as reported or determined on FSA-578.

Note: Producers, including owners, that have no share interest in the covered commodity on an enrolled ARC-IC farm, will **not** receive an ARC-IC payment for the ARC-IC farm.

Step	Action	
1	IF the farm is enrolled in...	THEN determine the farm's nonpayment acres by doing the following...
	PLC or ARC-CO	Step
		Action
		A Determine effective DCP cropland on the farm.
		B Determine number of double-cropped acres on the farm according to Farm Records.
		C Determine number of unassigned generic base acres on the farm according to Farm Records.
		D Add result of step A, step B, and step C.
		E Determine payment acres by taking the total base acres, minus unassigned generic base acres, multiplied by 85 percent.
		F Subtract result of step E from the result of step D.
	ACR-IC	Step
		Action
		A Determine effective DCP cropland on the farm.
		B Determine number of double-cropped acres on the farm according to Farm Records.
		C Determine number of unassigned generic base acres on the farm according to Farm Records.
		D Add result of step A, step B, and step C.
		E Determine payment acres by taking the total base acres, minus unassigned generic base acres, multiplied by 65 percent.
		F Subtract result of step E from the result of step D.

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***--415 FAV/WR Planting Limitations on Farms with Unassigned Generic Base Acres
(Continued)**

A Determining Available Acres for FAV Planting (Continued)

Step	Action
2	<p>Subtract the result of step 1 (either PLC/ARC-CO or ARC-IC, as applicable) from the total acres of FAV/WR planted on the farm.</p> <p>Important: The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm's CCC-861 or CCC-862.</p> <p>Note: Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See 1-ACRPLC, subparagraph 288 C.</p> <p>If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is not considered a FAV. See 1-ACRPLC, paragraph 00.</p>
IF the result of step 2 is...	THEN...
equal to or less than zero	<ul style="list-style-type: none"> FAV/WR are not planted on payment acres an acre-for-acre reduction does not apply to the farm. <p>Note: In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>
greater than zero	<ul style="list-style-type: none"> FAV/WR are planted on payment acres an acre-for-acre reduction applies to the farm based on the result of step 2 apply the acre-for-acre reduction to the farm according to 4-CP. <p>Note: For ARC-CO and PLC, the acre-for-acre reduction will be attributed to each of the covered commodities on the farm having payment acres on a pro rata basis to reflect the ratio of the payment acres of the covered commodity on the farm to the total payment acres of all covered commodities on the farm.</p> <p>For ARC-IC, the acre-for-acre reduction will be attributed to the total payment acres on the farm as the payment acres are determined solely by multiplying the base acres, minus any unassigned generic base acres,</p>

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416-440 (Reserved)

***--Section 3 PLC Yields for Newly Allocated Covered Commodities**

441 General Information

A Newly Allocated Covered Commodity Yield Update Option

The BBA allows any current farm owner a 1-time opportunity to retain or update the PLC yield for newly allocated covered commodities, which includes seed cotton, effective for 2018. The decision to update or retain a yield is determined by a current farm owner.

A newly allocated covered commodity will be either seed cotton and/or a covered commodity that was allocated base acres using option 2 in the generic base acre allocation. To be able to update a PLC yield, the covered commodity must **not** currently have a PLC yield. If a covered commodity currently has a PLC yield, that covered commodity is not eligible to update that PLC yield. It is expected that most covered commodities that could be allocated generic base acres also were attributed generic base acres under the 2014 Farm Bill and, therefore, have a PLC yield established.

Similar to the PLC yield for other covered commodities established under the 2014 Farm Bill, the newly allocated covered commodity payment yield under the BBA is used **only** with PLC, and is referred to as the PLC yield for all farms for the 2018 crop year.

Note: Direct and/or CC upland cotton payment yields are no longer used by FSA for the ARC and PLC Programs.

The BBA provides farm owners a 1-time opportunity to update the farm's PLC payment yield for all **newly allocated covered commodities** with 1 of the following options:

Option 1, Seed Cotton:

- retain the CC yield for upland cotton, as listed in Farm Records as of September 30, 2013, multiplied by 2.4
- update the upland cotton yield to 90 percent of a simple average of upland cotton yield per planted acre on the farm for each of the 2008-2012 crop years, excluding any year in which upland cotton was not planted, multiplied by 2.4.

Option 2, Other Allocated Covered Commodities Where a PLC Yield Does Not Exist:

- the county average CC yield for the crop(s)
- update the yield to 90 percent of a simple average yield per planted acre on the farm for each of the 2008-2012 crop years, excluding any year in which the crop was not planted.--*

*--441 General Information (Continued)

A Newly Allocated Covered Commodity Yield Update Option (Continued)

The following is an example of direct and CC yields under the 2008 Farm Bill. Only the CC yields will be used under PLC and **only** CC yields may be updated if requested by the farm owner.

Crop	Base Acreage	Direct Yield	CC Yield
UPLAND COTTON	46.0	536	536
CORN	86.9	54	54
GRAIN SORGHUM	10.2	42	42

B Newly Allocated Covered Commodity Yield Update Formula

The formula for updating a **seed cotton** PLC yield is calculated by multiplying 90 percent of the simple average of lint pounds per planted acre of upland cotton for each of the 2008-2012 crop years, **excluding** any year in which upland cotton was **not** planted, multiplied by 2.4. This calculated yield becomes the seed cotton PLC yield for the farm.

A substitute yield is authorized if the farm's yield per planted acre in any year falls below 75 percent of the 2008-2012 simple county average yield per planted acre for upland cotton.

Note: The substitute yield is the simple average of lint pounds per planted acre of upland cotton in each county, multiplied by 75 percent. In other words, the 2008-2012 per acre planted yield will be averaged and substituted in any year a farm's certified upland cotton yield is below the substitute yield.

A substitute yield is also used for years upland cotton is planted but a yield either **cannot** be determined or is **not** available.

The formula for updating the PLC yields for other **newly allocated covered commodities** is calculated by multiplying 90 percent of the simple average of the yield per planted acre for the crop for each of the 2008-2012 crop years, **excluding** any year in which the crop was not planted.

A substitute yield is also authorized if the farm's yield per planted acre in any year falls below 75 percent of the 2008-2012 simple county average yield per planted acre for the applicable newly allocated covered commodity.

The yield update software will use the larger of the actual yield or the substitute yield when making the yield update calculation.

Note: Covered commodity bases and yields established during the initial reallocation and yield update period in 2015 are **not** allowed to complete a yield update during this allocation period.--*

*--441 General Information (Continued)

C Subsequent Crop Acres and PLC Yield Update for Newly Allocated Covered Commodities

Initial planted acreage and production, now including upland cotton, are used to update the PLC yield using the years 2008-2012. Acreage and production of a subsequently planted covered commodity crop are excluded for yield updating. There is an **exception to this rule** for situations involving a subsequent crop used in this allocation process that creates new base acres of a covered commodity on the farm.

Subsequent covered commodity acres and yields from those acres may be used for PLC yield updating purposes only in cases where base allocation, Option 2, was taken, resulting in a new covered commodity being established.

In these situations, the following yield update options will apply:

- establish the yield using the county average CC yield for the crop where a PLC yield does not exist
- update the yield using certified yield data from the subsequent crop acreage only for the years 2008-2012, multiplied by 90 percent

Note: In no other case will subsequent crop acres and production data be used for yield updating purposes.

Example: FSN 1 - 200 acres of cropland
200 generic base acres

- the owner chose to allocate generic base acres using Option 2, and yield update for the farm
- each year 2008-2012, except for 2009, the farm was planted entirely to corn (200 acres) as initial crop
- in 2009, the farm was planted to wheat (200 acres) as initial crop. The wheat (200 acres) flooded, and failed acreage credit was sought and approved for the planted wheat acreage. The crop acreage was planted to a replacement crop of peanuts (200 acres). The 200 acres of peanuts were reported as subsequent crop acreage.

The owner chooses the subsequent peanuts (in 2009) for allocation purposes and requests to update the yield. FSA will allow the producer to update the peanut yield using 90 percent of the 2009 peanut yield (only year of peanuts between 2008-2012) or the assigned county average CC yield, whichever is higher.

Note: A peanut PLC yield was not set for the farm as peanuts did not attribute base acres in 2009.--*

--441 General Information (Continued)*D Irrigated and Non-irrigated PLC Yields for Newly Allocated Covered Commodities**

The 2014 Farm Bill and the BBA do **not** allow for establishing separate irrigated and non-irrigated payment PLC yields for covered commodities in ARC and PLC.

The PLC yield for **seed cotton** from both irrigated and non-irrigated acreage will either be the farm's 2013 CC yield, multiplied by 2.4, or an updated yield that is based on total production of upland cotton on the farm, divided by the total irrigated and non-irrigated planted acres of upland cotton on the farm for each applicable year, 2008-2012, multiplied by 90 percent, multiplied by 2.4.

The PLC yield for all other **newly allocated covered commodities** from both irrigated and non-irrigated acreage will be either the assigned county average CC yield, or an updated yield based on total production of the covered commodity on the farm, divided by the total irrigated and non-irrigated planted acres of the covered commodity on the farm for each applicable year, 2008-2012, multiplied by 90 percent.

442 Yield Update Decision for Newly Allocated Covered Commodities**A Decision to Update or Retain CC Yield for Newly Allocated Covered Commodities**

The decision to update or retain the yield for newly allocated covered commodities is determined by the farm owner.

For **seed cotton**, the owner will have a choice of either of the following:

- retain the 2013 upland cotton CC yield, multiplied by 2.4
- update the yield by computing the simple average lint pounds of P&CP upland cotton on the farm for the years 2008-2012, multiplied by 90 percent, multiplied by 2.4.

If the owner chooses **not** to update the seed cotton yield on the farm, or does **not** make the necessary updates before the yield update deadline, the farm's 2013 CC yield for upland cotton, multiplied by 2.4, will be carried forward as the farm's PLC yield for seed cotton for 2018.

For other **newly allocated covered commodities**, the owner may choose either of the following:

- the county average CC yield for the crop(s)
- update the yield to 90 percent of a simple average yield per planted acre on the farm for each of the 2008-2012 crop years, excluding any year in which the crop was not planted.--*

--442 Yield Update Decision for Newly Allocated Covered Commodities (Continued)*A Decision to Update or Retain CC Yield for Newly Allocated Covered Commodities (Continued)**

Owners have the option of updating a yield on a newly allocated covered commodity regardless of PLC, ARC-CO, or ARC-IC election.

Example: A producer elects PLC for new seed cotton base and has a previous ARC-CO election for corn completed with implementation of the 2014 Farm Bill. The producer may update the PLC yield for seed cotton, however the PLC yield for corn **cannot** be updated since the owner had that option previously in 2015.

Note: The PLC yields are used in the payment calculation for PLC **only**. PLC yields are **not** used in the ARC calculations; however, all updated PLC yields, including PLC yields for covered commodities for which ARC was elected, will be maintained on the farm by FSA for future program purposes.

B Yield Update Decisions for All Newly Allocated Covered Commodities

The decision to update the farm yield for newly allocated covered commodities can be made by any current farm owner and does **not** require the signatures of all owners. The yield update decision by any current owner will remain as filed, **unless** 1 or more of the other farm's current owners files a written notice with FSA expressing disagreement with a yield update. The notice of disagreement **must** be filed with COC **no** later than the end of the yield update period.

If FSA receives a written notice of current owner disagreement of the yield update, COC will invalidate the original yield update decision and wait for all the farm's current owners' resolution. If a subsequent unanimous decision of the yield update for newly allocated covered commodities **cannot** be agreed to by all the farm's current owners by the end of the yield update period, the farm's seed cotton yield will default to the 2013 CC yield, multiplied by 2.4. For all other newly allocated covered commodities where a PLC yield does not exist, the PLC yield will be the average CC yield for the applicable covered commodity.

If a new owner acquires the farm before the yield update deadline, the yield update decision can be modified by any new current owners of the farm, provided the yield update period is still open.

C Yield Update Revision and Deadline for Newly Allocated Covered Commodities

Any current owner's decision to update a seed cotton yield and/or other newly allocated covered commodities can be made through the end of the allocation and yield update period deadline.--*

--442 Yield Update Decision for Newly Allocated Covered Commodities (Continued)*C Yield Update Revision and Deadline for Newly Allocated Covered Commodities (Continued)**

If a request to update a yield is **not** filed by the yield update deadline, the 2013 CC yield, multiplied by 2.4, will be used as the farm's seed cotton PLC yield for the 2018 crop year. For all other newly allocated covered commodities, the average county CC yield will be assigned.

443 Establishing PLC Yields for Newly Allocated Covered Commodities**A Assigning Yields for Newly Allocated Covered Commodities**

PLC yields must be assigned when a newly established covered commodity is established under the base acre allocation process and the covered commodity does not have a PLC yield already established for the farm.

The PLC yield for an allocated covered commodity with planting history from 2009-2012, where a PLC yield does not exist, will be established beginning with the county average CC yield.

In instances where there is **not** a county average CC yield, STC will establish or adjust a county acreage CC yield, as follows:

- use the average CC yield from contiguous counties
- use the State average CC yield for the covered commodity
- when there is neither a contiguous county nor State yield available, a CC yield from a neighboring State may be used.

Note: STC may adjust the assigned CC yield, if soil production, terrain, climate conditions, or other factors do not support the county average or STC average CC yield.

After the PLC yield has been established, that yield may be updated, as determined by the farm owner using certified yield data for the 2008-2012 crop years, providing the crop was planted during that time period.

444 Certification of Yields for Newly Allocated Covered Commodities**A Certified Yields for Newly Allocated Covered Commodities**

PLC yields can be updated on a covered commodity-by-covered commodity that now includes seed cotton and newly allocated covered commodities, determined under Option 2 of the allocation process, where a PLC yield did previously exist, as determined by a current farm owner.--*

--444 Certification of Yields for Newly Allocated Covered Commodities (Continued)*A Certified Yields for Newly Allocated Covered Commodities (Continued)**

Any current producer may certify to an actual yield for each applicable covered commodity that was planted on the farm for each of the 2008-2012 crop years. The yield certification will be made at the farm level.

Records supporting the certified yield are **not** required to be submitted to FSA for approval at the time of yield certification. However, certified yields are subject to FSA review. A current owner who certifies to a farm yield is **required** to retain the records used to certify to the applicable crop yields through the 2018 crop year. Farms selected for yield review, and farms that are determined to have an invalid or incorrect certification of yield, will have the yield corrected and overpayments **must** be refunded, if applicable.

B Certified Yield Policy for Newly Allocated Covered Commodities

The certified PLC yield **must** represent the total harvested and/or appraised production divided by the planted acres of upland cotton and/or newly allocated covered commodities on the farm for each year 2008-2012 and provided to the County Office under the following guidelines:

- certified yield data may be provided by either the farm owner or operator
- the decision to retain or update the PLC yield belongs solely to the current owners and can be made by any current owner of the farm in the yield update period
- the certified PLC yield **must** be supported by acceptable production evidence, if requested by FSA, anytime through the 2018 crop year
- FSA-658's from the ACRE program will be provided to the farm operator or owner, by request, and may be used by a current owner to certify PLC yields on the farm
- use of RMA production or yield data is encouraged when certifying to yields for yield update purposes
- RMA yields may include yields used in either the indemnification process or the yearly certified yield included in the APH yield database
- the RMA APH yield **cannot** be used since it is a 4- to 10-year average of actual and or adjusted yields in the APH database
- copies of production evidence used to certify to the covered commodity yields will **not** be required or accepted by FSA at the time of yield certification, but **must** be available on request by FSA through the 2018 crop year.

Note: Provided FSA is satisfied the yield data is for farm yields supported by RMA, yield data will be considered to have met the review criteria, because these yields have already been reviewed or have been subject to review by RMA.--*

*--444 Certification of Yields for Newly Allocated Covered Commodities (Continued)

C RMA and NAP Data for Newly Allocated Covered Commodities

Owners are encouraged to use the yield data used by RMA to establish and update the RMA and NAP APH database for certification of yields for ARCPLC. The NAP APH yield information at FSA will be made available on request.

Upland Cotton RMA APH Example:

The following table shows examples of RMA yield data that can be used to assist in the yield certification process. The following yield data is from a Production and Yield Report used by multi-peril crop insurance companies. The column titled "Yield" can be used by the producer to certify to yields for the 2008-2012 covered commodity years.

Note: The following table reflects the same FSA farm and RMA unit structure.

All years, 2008-2012, have yield data and may be used to certify to yields for use in the yield update calculation.

Unit 2018 - State - County - Cotton Line # 1							
Plan: RP - Cov. Level - 70%							
FSA Farm/Tract/Field:				Insured Share:			
Farm Name:				Block:			
Practice / Type: Non-Irrigated(003) / No Type Specified(997)							
Other Entities:				Insurability:			
Legal Description:							
Do Not Apply YC? <input type="checkbox"/>							
New Producer? <input type="checkbox"/> Added Land P/T/N/? <input type="checkbox"/> Add YA? <input type="checkbox"/> SCO? <input type="checkbox"/> STAX? <input type="checkbox"/>							
Year	Production	RecType^	Acres	Yield	SRF	Solid Yield	APH
2008	34,910		49.80	701 A	1.00	701 A	701
2009	240,874		229.00	1,052 A	1.00	1052 A	1,052
2010	112,058		108.30	1,035 A	1.00	1035 A	1,035
2011	37,217		46.10	807 A	1.00	807 A	807
2012	145,305		116.10	1,252 A	1.00	1252 A	1,252
2013	217,620		237.90	915 A	1.00	915 A	915
2014	118,871		120.80	984 A	1.00	984 A	984
2015	40,961		117.60	348 A	1.00	348 A	379*
2016	75,320		170.60	442 A	1.00	442 A	442
Year	Production	RecType	Acres	Yield	SRF	Solid Yield	
2017			113.92		1.00		

D Substitute Yield for Newly Allocated Covered Commodities

A substitute yield may be used in the 2008-2012 period, if the farm's yield per planted acre for any year 2008-2012, falls below 75 percent of the 2008-2012 simple county average yield per planted acre for upland cotton and/or newly allocated covered commodity.--*

--444 Certification of Yields for Newly Allocated Covered Commodities (Continued)*D Substitute Yield for Newly Allocated Covered Commodities (Continued)**

The substitute yield is calculated at 75 percent of the 2008-2012 county average yield. The same substitute yield, as calculated, will be used for each of the 5 years in the yield update period.

Note: There is 1 substitute yield per covered commodity per county that will be used in all years 2008-2012.

A substitute yield is **not** used in years of zero planting of upland cotton and/or newly allocated covered commodities during the 2008-2012 crop years. According to the 2014 Farm Bill, zero planting years of a covered commodity are **excluded** in the PLC yield calculation.

A substitute yield is used for years the crop is planted and yields **cannot** be determined or are **not** available.

Substitute yields are available at https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index.

E Yield Certification at the Farm Level for Newly Allocated Covered Commodities

In the PLC yield update process, yields will be certified at the farm level. The farm level yield for each newly allocated covered commodity, including seed cotton, will then be moved down to the tract level for each tract with base acres of the covered commodity. If there is more than 1 tract on the farm, then all tracts with covered commodity crop base acres will have the same yield on the initial farm record where the base exists.

F Who Certifies Yields for Newly Allocated Covered Commodity

Yields will be provided on CCC-864, by either the farm operator or owners and can include yield data from the current or previous producers on the farm. The actual decision to update the yield is made by a current farm owner.

In cases where yields **cannot** be determined or are **not** available, the yield for that acreage in that year will be substituted according to the substitute yield policy in subparagraph D. Production data used to certify yields **must** be retained by the current farm owner making the certification if the record is selected for review by FSA.

Important: Regardless of how yield information is provided, the current owner must choose whether to update the yield and provide a certification as to the yield authenticity on CCC-865.--*

*--444 Certification of Yields for Newly Allocated Covered Commodities (Continued)

G Completing CCC-864

The following table provides guidance for completing CCC-864.

Item	Instruction
2A	Enter County Office name and address (optional).
2B	Enter County Office telephone number (optional).
2C	Enter County Office FAX number (optional).
3 and 4	Enter State and county codes.
5	Enter FSA farm number.
6	Complete this section to report a yield at the farm level only in the years the covered commodity was planted in 2008-2012.
6A	Enter the covered commodity name planted in the years 2008-2012.
6B	Enter the actual yield resulting from planted acres of the applicable covered commodity for the years 2008-2012. If a covered commodity was not planted for the particular year, leave blank.
6C	Enter the certified yield's "Record Type". Enter 1 of the following: <ul style="list-style-type: none"> • "1" for RMA Data • "2" for production sold/commercial storage including gin receipts • "3" for FSA loan record • "4" for FSA NAP record • "5" for other. Note: Enter the other record type in item 7, "Remarks".
7	Enter any remarks, if applicable.
8A	Enter person to contact concerning yields (optional).
8B	Enter contact person's telephone number (optional).
8C	Enter contact person's e-mail address (optional).

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*--444 Certification of Yields for Newly Allocated Covered Commodities (Continued)

H Example of CCC-864

The following is an example of CCC-864.

This form is available electronically.

CCC-864 (05-07-18)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Program Years: 2018	
SEED COTTON & NEWLY ALLOCATED COVERED COMMODITY PRICE LOSS COVERAGE (PLC) YIELD WORKSHEET		2A. County FSA Office Name and Address (Including Zip Code)			
		2B. County FSA Office Telephone Number (Including Area Code)		2C. County FSA Office FAX Number (Including Area Code)	
		3. State Code	4. County Code	5. Farm Number	

The Yield Worksheet is used to obtain yield information that may be used by a current owner who may choose to update the upland cotton CC yield as permitted under 7 U.S.C. § 9013, as amended by The Bipartisan Budget Act of 2018. The yield provided in this worksheet for the years that upland cotton was planted, 2008 through 2012, will be averaged using the simple average method excluding years of zero planting. Once the simple average yield of upland cotton is calculated, any current owner on the farm may choose to update the upland cotton yield during the yield update period. This Yield Worksheet will also be used to obtain yield information by a current owner to update "Allocated" covered commodities where a current PLC yield has not been established.

Seed Cotton: Report the actual yield per planted acre on the farm in lint pounds of upland cotton in the years 2008 through 2012. The higher of either the actual yield or 75% of the County Average (Substitute Yield) will be used for each year. If the owner chooses to update the yield, then the farm yield will be 90% of the simple average (excluding the year(s) upland cotton was not planted) yield on the farm times 2.4.

Newly Allocated Covered Commodities: Report the actual yield per planted acre of the covered commodity in the years 2008 through 2012. The higher of the actual yield or 75% of the County Average (Substitute Yield) will be used for each year. If the owner chooses to update the yield, then the farm yield will be 90% of the simple average (excluding the year(s) the covered commodity was not planted on the farm) yield on the farm. Covered Commodities that had base acres before this allocation are not eligible for yield update.

TOTAL FARM YIELD WORKSHEET

Complete this form only for upland cotton and/or newly allocated covered commodities if an owner chooses to update the yield. If upland cotton or a newly allocated covered commodity was not planted for a particular year, then leave that year blank. Enter the source of the data used to support the yield in item 6C. Rec Type: 1 for "RMA Data", 2 for "production sold/commercial storage including gin receipts", 3 for "FSA loan record", 4 for "FSA NAP record", or 5 for "other". Please enter the other record type in Remarks, Item 7. This is only a worksheet. It is **NOT** the yield update. This form may be used by any current owner of the farm if the current owner decides to update a yield during the yield update period.

6A. Commodity	2008		2009		2010		2011		2012	
	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type
Upland Cotton										

7. Remarks

8A. Contact Person's Name	8B. Contact Person's Telephone Number	8C. Contact Person's Email Address
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In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-5339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (800) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intel@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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--444 Certification of Yields for Newly Allocated Covered Commodities (Continued)*I Yield Update Software**

The instructions for software used to update yields will be provided in 2-ARCPLC.

445 Yield Update Examples for Newly Allocated Covered Commodities**A Example 1**

In this example, a producer planted upland cotton in all 5 years of the yield period 2008-2012. The 2012 crop year yield is lower than the substitute yield (75 percent of the 2008-2012 county average yield). The substitute yield will be used for 2012.

The 5-year average yield on the farm is calculated at 1,215 lbs. per acre. The seed cotton PLC yield is 90 percent of 1,215 lbs. per acre, multiplied by 2.4, equaling **2,625 lbs.** per acre.

The current owner may choose to keep the CC yield, multiplied by 2.4, of 1,286 lbs. per acre, or update the yield to 2,625 lbs. per acre.

Farm 1	Upland Cotton Covered Commodity - Seed Cotton					CC Yield is 536 Lbs. Per Acre Seed Cotton Yield 1286 Lbs. (536 X 2.4)		
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield at 90 Percent, times 2.4
Covered Commodity Yield	1210	1356	1450	1310	650	6076	1215	2625 lbs. per acre
Substitute Yield at 75 Percent	750	750	750	750	750			
1/ Total of 2008-2012 covered commodity year yields. 2/ Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity. 5-Year Average of Planted Acreage (1210 + 1256 + 1450 + 1310 + 750 = 6076 ÷ 5 = 1215)								
Yield update decision is to update the seed cotton PLC yield to 2,625 lbs. per acre.								

--*

--445 Yield Update Examples for Newly Allocated Covered Commodities (Continued)*B Example 2**

In this example, a producer planted upland cotton in 3 years of the yield period 2008-2012. No crop year yield was lower than the substitute yield (75 percent of the 2008-2012 county average yield). The substitute yield was not used.

The 3-year average yield on the farm is calculated at 1,140 lbs. per acre. The seed cotton PLC yield is 90 percent of 1,140 lbs. per acre, multiplied by 2.4, equaling **2462 lbs.** per acre.

The current owner may choose to keep the CC yield, multiplied by 2.4, of 1,512 lbs. per acre, or update the yield to 2,462 lbs. per acre.

Farm 1	Upland Cotton					CC Yield is 630 Lbs. Per Acre		
	Covered Commodity - Seed Cotton					Seed Cotton Yield 1512 Lbs. (630 X 2.4)		
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield at 90 Percent, times 2.4
Covered Commodity Yield	Zero Plant	1120	Zero Plant	1205	1095	3420	1140	2462 lbs. per acre
Substitute Yield at 75 Percent	750	750	750	750	750			
1/ Total of 2008-2012 covered commodity year yields. 2/ Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity. 5-Year Average of Planted Acreage (1120 + 1205 + 1095 = 3420 ÷ 3 = 1140)								
Yield update decision is to update the seed cotton PLC yield to 2,462 lbs. per acre.								

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--445 Yield Update Examples for Newly Allocated Covered Commodities (Continued)*C Example 3**

In this example, a producer planted upland cotton in all 5 years of the yield period 2008-2012. There was no year where the yield was lower than the substitute yield (75 percent of the 2008-2012 county average yield). The substitute yield was not used.

The 5-year average yield on the farm is calculated at 1,142 lbs. per acre. The seed cotton PLC yield is 90 percent of 1,142 lbs. per acre, multiplied by 2.4, equaling **2,467 lbs.** per acre.

The current owner may choose to keep the CC yield, multiplied by 2.4, of 1,286 lbs. per acre, or update the yield to 2,467 lbs. per acre.

Farm 1	Upland Cotton					CC Yield is 536 Lbs. Per Acre		
	Covered Commodity - Seed Cotton					Seed Cotton Yield 1286 Lbs. (536 X 2.4)		
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield at 90 Percent, times 2.4
Covered Commodity Yield	908	1140	1230	1020	1410	5708	1142	2467 lbs. per acre
Substitute Yield at 75 Percent	750	750	750	750	750			
1/ Total of 2008-2012 covered commodity year yields. 2/ Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity. 5-Year Average of Planted Acreage (908 + 1140 + 1230 + 1020 + 1410 = 5708 ÷ 5 = 1142)								
Yield update decision is to update the seed cotton PLC yield to 2,467 lbs. per acre.								

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--445 Yield Update Examples for Newly Allocated Covered Commodities (Continued)*D Example 4**

In this example, a producer planted upland cotton in all 5 years of the yield period 2008-2012. The 2012 crop year yield is lower than the substitute yield (75 percent of the 2008-2012 county average yield). The substitute yield will be used.

The 5-year average yield on the farm is calculated at 1,215 lbs. per acre. The seed cotton PLC yield is 90 percent of 1,215 lbs. per acre, multiplied by 2.4, equaling **2,625 lbs.** per acre.

The current owner may choose to keep the CC yield, multiplied by 2.4, of 1,286 lbs. per acre, or update the yield to 2,625 lbs. per acre.

Farm 1	Upland Cotton					CC Yield is 536 Lbs. Per Acre		
	Covered Commodity - Seed Cotton					Seed Cotton Yield 1286 Lbs. (536 X 2.4)		
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield at 90 Percent, times 2.4
Covered Commodity Yield	1210	1356	1450	1310	650	6076	1215	2625 lbs. per acre
Substitute Yield at 75 Percent	750	750	750	750	750			
1/ Total of 2008-2012 covered commodity year yields. 2/ Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity. 5-Year Average of Planted Acreage (1210 + 1256 + 1450 + 1310 + 750 = 6076 ÷ 5 = 1215)								
Yield update decision is to update the seed cotton PLC yield to 2,625 lbs. per acre.								

446 Modifications to Yield Certifications for Newly Allocated Covered Commodities**A Yield Certification Modifications for Newly Allocated Covered Commodities**

COC's are authorized to approve a modification to a current owner's yield certification. Approvals of these modifications are subject to the current owner providing reliable records, verifiable or nonverifiable, that clearly indicate the yield is different than originally certified. A modification of a yield certification may also be identified using RMA records provided by the current owner and may be used as evidence to support a modification of the previously certified production.--*

***--446 Modifications to Yield Certifications for Newly Allocated Covered Commodities
(Continued)**

**A Yield Certification Modifications for Newly Allocated Covered Commodities
(Continued)**

Modifications of the yield record in these situations **must** be:

- documented on a copy of the original CCC-864
- initialed and dated by the current owner
- approved by COC.

There is no deadline for modifications to yield certifications. Any payments generated shall be made immediately. Any refunds shall be collected immediately.

When completing an ARCPLC review (spot check) or correcting a yield and RMA data was used by the producer to certify the yield, the County Office is not to request any documentation, such as production evidence. This review can be accomplished by reviewing CIMS data, and/or producer-provided RMA data. In all cases, it should be verified that RMA data exists. The exact yield number certified is not required to match because of differences in farm and unit structure between FSA and RMA.

Further, if the producer certified a yield using RMA data, FSA may accept the producer's certification unless COC determines the yield does not reflect the actual yield for farms with similar growing conditions.

It is important to remember that RMA units and FSA FSN's do not match in the majority of cases; therefore, blended RMA yields may have been used to arrive at the certified FSN yield. COC will not request a producer's documentation if the certified yields are representative of the RMA data.

B Example of Modification to Yield Certification for Newly Allocated Covered Commodity

A current owner certified yield data by the production reporting deadline, that the production from upland cotton was 1035 lint lbs. per acre based on RMA records. Later, RMA modified the production because of adjustments and the net production was adjusted to 1100 lint lbs. per acre. COC may approve the adjustment in production on CCC-864, if the current owner submits acceptable records to substantiate the adjustment. The Seed Cotton PLC yield would then be adjusted from 2484 lbs. (1035 lint lbs. multiplied by 2.4) to 2640 lbs. (1100 lint lbs. multiplied by 2.4) since upland cotton is not the covered commodity.

Note: An operator or producer may assist a current owner with a yield update; however, it is the current owner who updated a yield that is responsible for the update and evidence needed to substantiate the update.--*

***--446 Modifications to Yield Certifications for Newly Allocated Covered Commodities
(Continued)**

C PLC Yield Correction Overview for Newly Allocated Covered Commodities

Current farm owners are provided an opportunity to update PLC yields on newly allocated covered commodity base acres during the base acre allocation/yield update period that ends September 28, 2018.

The yield update period involved historical years 2008-2012. A farm owner certified the covered commodity yield on the farm for each year the crop was planted (2008-2012). Farm owners who did not request to update PLC yields on the farm for seed cotton retained the current CC yield that was associated with the farm as of September 30, 2013, multiplied by 2.4. For all other newly allocated covered commodities, the county average CC yield was assigned.

D PLC Yield Correction Policy for Newly Allocated Covered Commodities

County Offices will use the policies set forth in this paragraph to correct PLC yields on a farm when the owner or FSA has found an erroneous yield.

The following are PLC yield corrections that may be approved by COC:

- a mathematical error was found in calculating the PLC yield
- the owner made an error when certifying a yield in any of the years the covered commodity was planted (2008-2012)
- the yields were not loaded properly in the yield update software by FSA, FRMS, or MIDAS, as applicable.

Other yield corrections may be considered and will require submission to STC or its designee for review and concurrence.

County Offices will thoroughly document the yield correction and review the yield data with COC. COC's determination will be documented in the COC Executive minutes and reviewed by DD for concurrence.

Note: Owners are not required to sign a new CCC-865 for PLC yield corrections according to this paragraph.--*

***--446 Modifications to Yield Certifications for Newly Allocated Covered Commodities
(Continued)**

E Yield Correction Notification Policy for Newly Allocated Covered Commodities

Notification of yield corrections to owners and operators on the farm:

- is **not** required if the yield correction was performed before issuing the notice of base acres, yield, and election

Note: The notice of base and yield and election will contain appeal rights.

- is required if corrections to yields of covered commodities on the farm are performed after issuing the notice of base acre, yield, and election.

Note: Appeal rights must be provided.

F Effects of PLC Yield Corrections for Newly Allocated Covered Commodities

A comparison of the corrected PLC yield to the certified PLC yield will be performed on the final approved PLC yield at the farm level, not at the tract level.

If there is a discrepancy in comparing the farm level corrected PLC yield and the certified PLC yield that results in an inaccurately certified yield by the owner, either because of County Office error or FSA policy changes during the yield certification process, then:

- the PLC yield will be corrected for 2018.

Note: Tolerance is not applicable.

- COC is not required to make a good faith determination if FSA made the error
- any overpayment or underpayment will be processed for each applicable year a yield is corrected.

PLC yield corrections must be documented in the COC minutes.

Example: A producer's approved PLC yield is 2,484 lbs. for seed cotton. The yield correction for each of the PLC update years (2008-2012) results in the new farm level PLC yield being calculated at 2,365 lbs. for seed cotton.

The certified farm level PLC yield of 2,484 lbs. of seed cotton will be corrected to 2,365 lbs. The County Office will complete the correction for 2018.--*

***--446 Modifications to Yield Certifications for Newly Allocated Covered Commodities
(Continued)**

G PLC Yield Correction Adjustments for Newly Allocated Covered Commodities

If the farm level corrected PLC yield in comparison to the certified PLC yield reveals a discrepancy where the owner made an error during the yield update period:

- COC must determine whether the owner acted in good faith when providing the certified yield during the yield update period

Notes: If COC determines “good faith” for the owner:

- the final PLC yield at the farm level for 2018 will be corrected
- any overpayments or underpayments will be processed.

If COC determines “lack of good faith” for the owner:

- correct the final PLC yield to the CC yield that existed for the crop on the farm before the yield update period for 2018

Note: If a CC yield did not exist for the crop on the farm, then the PLC yield must be the lower of the corrected PLC yield or the average county CC yield for the crop.

- any overpayments or underpayments will be processed.
- COC’s determination will be documented in the executive minutes.

Note: See paragraph 247 to determine whether misrepresentation, inaccurate representation, scheme, or device has occurred.--*

446-460 (Reserved)

*--Section 4 Seed Cotton Election

461 Election

A Overview

[7 CFR 1412.71] Election of ARC or PLC

(a) All of the current producers on a farm must make a one-time election that is both:

(1) Unanimous, and

(2) Irrevocable.

(b) The election by current producers is to obtain—

(1) Either PLC or ARC-CO on a covered commodity-by-covered-commodity basis on the farm; or

(2) ARC-IC for all covered commodities on the farm.

(c) In general, a valid election will apply to any subsequent year parent to the farm reconstitution as well as farms resulting from the parent farm as specified in §1412.73. Neither the requesting of a farm reconstitution nor the reconstitution of any farm will impact either the requirement that all current producers on a farm must make the unanimous irrevocable election in the defined election period or the valid election that was previously made by those current producers.

(d) Beginning with the 2018 crop year, a valid election is required for all current producers on a farm where seed cotton is added as a covered commodity, as specified in §1412.25, unless the farm contains a valid ARC-IC election. A valid ARC-IC election on a farm is for all covered commodities and will include the added covered commodity of seed cotton. This election is for seed cotton only. All other covered commodities on a farm with seed cotton base acres have an election on file and will be bound by that election. The election by all current producer is to obtain:

(1) PLC for seed cotton base acres, or

(2) ARC-CO for seed cotton base acres.

The BBA authorizes a 1-time **irrevocable** election to obtain ARC-CO or PLC for seed cotton.

Note: The remaining 21 covered commodities previously made an irrevocable election during implementation of the 2014 Farm Bill; therefore, only seed cotton will make an election.--*

--461 Election (Continued)*A Overview (Continued)**

When considering who can make an election on a farm, an important distinction is recognizing the current producers on a farm. It is the current producers who **must** make the election decision between PLC and ARC-CO for seed cotton on the farm.

Using the term “current producer” is new and unique to the ARC and PLC Program; however, using the term “current producer” is necessary to accomplish an election decision that encompasses the 2018 and subsequent year’s farm structure of the 2014 Farm Bill as amended by the BBA.

B Election Irrevocability

Unless rescinded or terminated according subparagraph 462 B, or otherwise determined to be invalid by FSA, the election made by **all** the current producers on a farm **cannot** be revoked, terminated, or modified and will remain valid through 2018 crop year.

C Processing Elections

[7 CFR 1412.71]

(e) FSA will process elections from current producers on a farm based on the election as submitted. For example, if the current producers of a farm attest that they are all or the only current producers on the farm and FSA later learns that there was another current producer at the time of election who did not agree to the election, the election is invalid. If at any time FSA determines that an election fails to satisfy the requirements of this subpart because it did not include the unanimous agreement of all current producers on the farm at the time of election, the election will immediately be invalid. This is not a compliance provision. Only valid elections by all current producers will be recognized and used by CCC. All ARC and PLC payments that were issued to any producers on a farm based on an election later determined by CCC to be invalid, for whatever reason, regardless of whether those producers who were issued unearned payments personally made or participated in the invalid election, must be refunded with interest.

(f) Election is separate from enrollment; producers on farms that have validly completed an election by the current producers in the prescribed election period must still annually enroll as specified in subpart D for PLC and ARC payments, as applicable.

FSA’s acceptance and processing of CCC-865 does **not** signify approval of the election nor does it mean FSA has determined the election to be valid. At any time following the processing of an election, FSA can determine the election invalid if it is invalid. If FSA determines an election is invalid, the election will be viewed as invalid for the farm for the 2018 program year.

Election is **not** enrollment. Producers **must** enroll farms each contract year to make themselves eligible for benefits.--*

*--461 Election (Continued)

C Processing Elections (Continued)

FSA is under no obligation to notify current producers, current owners, producers or owners, or new producers or owners of whether a valid election exists or is in place, whether any current producer has rescinded or terminated an election, or whether a previously filed election has been invalidated. FSA will respond to inquiries about the status of election of a farm by any current producer or current owner on a farm, including a producer or owner who gains a producer or owner interest on the farm during the election period.

County Offices will process elections from current producers on a farm based on the election filed.

D Failure of All Current Producers to Make Election Decisions

[7 CFR 1412.71]

- (e) **FSA will process elections from current producers on a farm based on the election as submitted. For example, if the current producers of a farm attest that they are all or the only current producers on the farm and FSA later learns that there was another current producer at the time of election who did not agree to the election, the election is invalid. If at any time FSA determines that an election fails to satisfy the requirements of this subpart because it did not include the unanimous agreement of all current producers on the farm at the time of election, the election will immediately be invalid. This is not a compliance provision. Only valid elections by all current producers will be recognized and used by CCC. All ARC and PLC payments that were issued to any producers on a farm based on an election later determined by CCC to be invalid, for whatever reason, regardless of whether those producers who were issued unearned payments personally made or participated in the invalid election, must be refunded with interest.**

CCC-865 on file for the farm during the election period that ends on September 28, 2018, is valid unless FSA determines the election is invalid. FSA may consider an election invalid if 1 of the following occurs:

- current producer notifies FSA in writing, within 30 calendar days of the date FSA issues the notice of base acres, yields, and election for the farm, that a base reallocation or yield update filed after CCC-865 was filed would have changed the election decision

Note: The election will be invalid and will be considered as an election **not** made as described in paragraph 186. No opportunity will be given to file a new election.

- current producer notifies FSA in writing, within 30 calendar days of the date FSA issues the notice of base acres, yields, and election for the farm, that they disagree with the election made.--*

--461 Election (Continued)*E Failure of All Current Producers to Make Election Decisions (Continued)**

Notes: The election will be invalid and will be considered as an election **not** made as described in paragraph 186.

If no current producer files a dispute over the election made for the farm, the election for the farm that was made is considered final and will apply to that farm for the life of the 2014 Farm Bill.

F Election Correction Policy Where FSA Made an Error

Current producers on the farm were allowed to make an ARCPLC election during the election period that ends on September 28, 2018. During the election process, errors may have occurred where the election submitted by current producers on CCC-865 does **not** match the election entered in MIDAS and/or FRS, nor does it match the election provided to producers on the final base, yield, and election notifications issued.

County Offices will follow the policy outlined in this paragraph for completing and documenting election corrections:

- documentary evidence must be on file in the farm folder that validates the election submitted by the producer on CCC-865 during the election period does not represent what currently appears in MIDAS and/or FRS
- COC will review the evidence in the farm folder and thoroughly document the County Office error in the COC Executive minutes as to the correct election submitted by current producers on the farm
- upon COC approval, the County Office will correct the election for seed cotton for ARC-CO and/or PLC, or ARC-IC, for the farm in MIDAS and/or FRS.

Note: Corrections made by COC must be reviewed by a State Office representative. Current producers are **not** required to sign a new CCC-865 for corrections made according to this paragraph. This is **not** a new opportunity for election.

G Election Correction Notification Policy

Notification to all owners and operators of the program election correction on the farm is required using the base and yield notification letter that contains appeal rights.--*

--462 Election Period*A Time of Election**

[7 CFR 1412.72] Election period.

- (a) The election period will be conducted in a defined period as announced by FSA. During the election period, all current producers on a farm must unanimously make the irrevocable election as described in §1412.71 to preserve the payment eligibility of all producers on the farm for 2014 and determine whether the default election (PLC) or elected option (either a combination of ARC-CO and PLC or ARC-IC) will apply to the farm.**
- (b) If an election is submitted by all current producers on a farm as specified in §1412.71 and paragraph (a) of this section, that election will be recognized as valid for the farm in all 2014 through 2018 crop years unless any of the following occur:**
 - (1) The election is rescinded or terminated by any current producer on the farm in accordance with paragraph (c) of this section during the election period;**
 - (2) The valid election is modified and replaced by another valid election by all current producers during the election period;**
 - (3) A subsequent valid election by all current producers is made with FSA during the election period; or**
 - (4) FSA determines the election at the time it was made was invalid for any reason.**
- (c) At any time during the election period, a current producer can rescind or terminate an election by providing written notice to FSA during the election period. The written notice to rescind or terminate must be physically received by FSA for CCC during the election period in order to be recognized. Immediately following receipt of such notice to rescind or terminate, the farm will be viewed as not having any effective valid election (in other words, no valid election will be determined to exist—even if there was another previous election in effect before the election that is rescinded, or terminated as specified in with this paragraph).**
- (d) FSA is under no obligation to notify producers, owners, current producers, or current owners on a farm that an election has been rescinded or terminated. Current producers of a farm are solely responsible for filing a valid election during the election period or in whatever time remains in an election period following the rescission or termination of an election.**
- (e) FSA is under no obligation to notify current producers, current owners, producers, or owners or new producers or owners of whether or not a valid election exists or is in place or whether any current producer has rescinded or terminated an election. However, FSA will respond to inquiries regarding the status of election of a farm by any current producer or current owner on a farm including a producer or owner who gains a producer or owner interest on the farm during the election period.--***

--462 Election Period (Continued)*A Time of Election (Continued)**

- (f) The election period and final day in that election period in which current producers can unanimously and irrevocably elect are not a compliance requirement or provision. The requirement of an election is mandated in the 2014 Farm Bill and as such is not subject to any of the equitable relief provisions of 7 CFR part 718, subpart D. Further, because the requirement of a unanimous irrevocable election and ramifications for not having a valid election are specified in the 2014 Farm Bill, FSA will not consider any equitable relief. There are no late-file provisions for election.

Current producers on farms with base acres have the opportunity to elect ARC or PLC that will be in effect for the 2018 crop year for seed cotton only.

The election period is **July 28, 2018 through September 28, 2018**. The election **must** have been made by all current producers during the election period on CCC-865.

B Rescinding or Terminating an Election

[7 CFR 1412.72]

- (c) At any time during the election period, a current producer can rescind or terminate an election by providing written notice to FSA during the election period. The written notice to rescind or terminate must be physically received by FSA for CCC during the election period in order to be recognized. Immediately following receipt of such notice to rescind or terminate, the farm will be viewed as not having any effective valid election (in other words, no valid election will be determined to exist—even if there was another previous election in effect before the election that is rescinded, or terminated as specified in with this paragraph).

Immediately following receipt of the written notice to rescind or terminate an election during the election period, the farm will be considered as **not** having any valid election made (in other words, no election exists, even if there was another previous election in effect before the election that is rescinded or terminated as specified in with this subparagraph). Elections, including subsequent elections following rescission or revocation of a previous election, could have been made only by all current producers on the farm by **September 30, 2018**.

463 Completing Election**A Who Must Sign**

All current producers on a farm at the time of ARC or PLC election **must** sign CCC-865 making an election as described in paragraph 461. An election **not** having all required signatures of producers on a farm filed with FSA by **September 28, 2018**, would **not** have been considered valid. See subparagraph 461 D.--*

--463 Completing Election (Continued)*B Receiving Election in the County Office**

As stated in subparagraph 462 A, the election is completed on CCC-865. The ARC or PLC election is a decision by all current producers on a farm on the day CCC-865 is signed or is date-stamped as received in the County Office.

COC will **not** make a decision on the validity or completion of CCC-865 when received in the County Office.

The employee receiving CCC-865 will sign and date indicating that CCC-865 was received in the County Office. The act of receiving CCC-865 does **not** require delegation by COC or redelegation by CED.

464 Current Producer**A Definitions**

Current producer means the person or legal entity meeting the definition of producer in 7 CFR Part 718 on the day that person or legal entity is signing any form or performing any action required.

Producer means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

Note: A producer on non-cropland acres only, or has an interest in CRP only, is no required to make the election.

B Determining the Current Producer

Producers on the farm are responsible for making the determination of who are the current producers on the farm.

465 Election Options**A ARC-CO or PLC**

As stated in paragraph 461, the current producers on a farm with an interest in the farm's cropland have a 1-time opportunity to collectively, unanimously, and irrevocably elect 1 of the following:

- ARC-CO for seed cotton for the 2018 year
- PLC for seed cotton for the 2018 crop year.

Note: ARC-IC will not be elected as the farm election for ARC-IC occurred during the implementation of the 2014 Farm Bill.--*

*--465 Election Options (Continued)

B Election Options and Description

The following table summarizes election options for seed cotton along with a description.

Election Decision	Description
ARC-IC	Current producers on a farm will not elect ARC-IC. The election of ARC-IC occurred during implementation of the 2014 Farm Bill.
ARC-CO	Only applicable if ARC-IC was not elected during implementation of the 2014 Farm Bill. ARC-CO election decision must be made by all current producers on a farm for seed cotton.
PLC	Only applicable if ARC-IC was not elected during implementation of the 2014 Farm Bill. PLC election decision must be made by all current producers on a farm for seed cotton.

466 Election Not Made**A [7 CFR 1412.74] Failure to Make Election**

- (c) If a valid election is not made for seed cotton base acres on a farm, the producers of seed cotton base acres on the farm will default to a PLC election for the 2018 crop year.

Current producers on farms who, for any reason, did **not** file an ARC-CO or PLC election by September 28, 2018, caused the farm to be considered as having a PLC election for seed cotton for the 2018 crop year.

B COC and STC Action on Elections Not Made or Incomplete

[7 CFR 1412.72(f)] Failure to Make Election. The election period and final day in that election period in which current producers can unanimously and irrevocably elect are not a compliance requirement or provision. The requirement of an election is mandated in the 2014 Farm Bill and as such is not subject to any of the equitable relief provisions of 7 CFR part 718, subpart D. Further, because the requirement of a unanimous irrevocable election and ramifications for not having a valid election are specified in the 2014 Farm Bill, FSA will not consider any equitable relief. There are no late-file provisions for election.--*

--466 Election Not Made (Continued)*B COC and STC Action on Elections Not Made or Incomplete (Continued)**

COC or STC will take no action any ARC or PLC election that is **not** timely filed or is incomplete. Accordingly, with regard to CCC-857's, FSA Offices, STC's, and/or COC's must **not** do any of the following:

- consider or make any sort of adverse decision or relief decision on CCC-865's signed by anyone after the election period has passed, **regardless** of the reason the individual or entity did **not** request to elect ARC-CO or PLC by the September 28, 2018, election period deadline
- forward to DAFP any recommendation of approval or relief for anyone who filed CCC-865 after the election period closed
- provide any right of appeal or appealability to anyone making an inquiry about election or the election period.

Notes: County Offices will **not** discourage any producer from signing CCC-865's at any time. However, FSA is **not** required to issue a determination on CCC-865's. CCC-865's will be viewed as either valid or invalid. In addition to other reasons, CCC-865 may later be determined invalid by FSA, and CCC-865's submitted after the election period ends are invalid.

STC's and COC's will follow this subparagraph for all CCC-865's submitted after the election period ends. No letter of determination will be issued to producers who choose to submit CCC-865's after the end of the election period.--*

--466 Election Not Made (Continued)*C Communicating to Those Submitting CCC-865's After the Election Period Ends**

FSA will acknowledge receipt of CCC-865's submitted after the end of the election period with a communication stating the following:

Dear [*Enter names of all those signing CCC-865 submitted after the end of the election period.*]

This letter acknowledges receipt of a request to elect ARC or PLC under a form CCC-865, Seed Cotton Base Acre Allocation, Yield Update, and Election.

You submitted the request to elect after the end of the election period.

7 CFR § 1412.72(f) specifies that election is **not** allowed after the end of the election period.

The Farm Service Agency (FSA) appreciates your interest. Your request to elect after the end of the election period will be kept on file; however, FSA **cannot** process the election because of the limitations set forth in the Agriculture Act of 2014 (the 2014 Farm Bill).

Thank you again for your interest.
Sincerely,

County Executive Director

--*

--467 ARC-CO and PLC Program Election Examples*A Example 1, Election Decision**

After allocation of generic base acres, farm 1 has base acres of:

- corn
- soybeans
- seed cotton.

The following elections were made with the implementation of the 2014 Farm Bill:

- corn, ARC-CO
- soybeans, ARC-CO.

All current producers decide PLC is the best option for seed cotton for crop year 2018, therefore the recorded elections for the farm are:

- corn, ARC-CO
- soybeans, ARC-CO
- seed cotton, PLC.

B Example 2, Election Decision

After allocation of generic base acres, farm 2 has base acres of:

- rice
- corn.

The following elections were made with the implementation of the 2014 Farm Bill:

- rice, PLC
- soybeans, ARC-CO.

Since seed cotton did not receive an allocation of base acres, no election will be made.

C Example 3, Election Decision

After allocation of generic base acres, farm 3 has base acres of:

- corn
- seed cotton
- soybeans.

The farm elected ARC-IC with the implementation of the 2014 Farm Bill; therefore, there is no election decision to be made on this farm.--*

--467 ARC-CO and PLC Program Election Examples (Continued)*D Example 4, Determining Current Producer**

Farm 4 has base acres of:

- seed cotton
- soybeans
- wheat.

The current producers **must** be determined. Farm owner is Tim and the farm operator is William who has a 2-year cash lease.

The current producer is Bill. **Only** William makes the election for seed cotton and the remaining portion of the 2014 Farm Bill.

E Example 5, Determining Current Producer

After allocation of generic base acres, farm 5 has base acres of:

- grain sorghum
- seed cotton
- soybeans.

The current producers **must** be determined. Farm owners are Fred and Karen, the farm operator is Bill, and the tenant is Shelia. Bill and Shelia cash lease Fred and Karen's land. Bill has 100 percent interest in upland cotton and Shelia has 100 percent interest in the grain sorghum and soybeans.

The current producers are Bill and Shelia. **Only** Bill and Shelia make the election for seed cotton and the remaining portion of the 2014 Farm Bill.--*

Section 5 Seed Cotton Enrollment

481 Enrollment

A Enrollment Policy

Follow Part 8 for guidance on enrollment of farms for crop year 2018.

B Enrollment of Farms in 2018

Enrollment of seed cotton farms will begin on July 30, 2018 and will end at a date to be announced later.

481 HIP for Seed Cotton

A Using Irrigated and Non-Irrigated Yields in ARC-CO

Follow paragraph 119 for guidance on HIP policy for seed cotton in designated HIP counties. Designated HIP counties are displayed in Exhibit 16.

B Establishing HIP for Seed Cotton

Step	Process
1	Identify the list of counties (Exhibit 16).
2	Determine HIP for seed cotton in an approved irrigated/non-irrigated county on a farm by dividing the 2009 through 2012 P&CP irrigated acres (including subsequently planted crop acreage) of upland cotton on the farm by the total 2009 through 2012 P&CP of the total irrigated and non-irrigated P&CP (including subsequently planted crop acreage) for upland cotton.
3	<p>If seed cotton triggers a payment for the county identified in step 1, then HIP:</p> <ul style="list-style-type: none"> • will be multiplied by the seed cotton base acres <p>Note: This amount of base acreage will be used in a separate payment calculation using irrigated benchmark revenues, guarantees, and actual revenues to determine an irrigated payment.</p> <ul style="list-style-type: none"> • Subtracted from 1.0000 will be multiplied by the seed cotton base acres <p>Note: This amount of base acreage will be used in a separate payment calculation using non-irrigated benchmark revenues, guarantees, and actual revenues to determine an irrigated payment.</p>
4	Irrigated and non-irrigated seed cotton payments do not offset each other. Each irrigated and non-irrigated covered commodity payment will be made as if it was a separate covered commodity.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (Includes Form AD-1026 Appendix)		4, 216, 285
AD-1153	Application for Long-Term Contracted Assistance Through the _____ Program		283
AD-2047	Customer Data Worksheet Request for Business Partner Record Change		238, 241
CCC-505	Voluntary Permanent Base Acre Reduction	23	Text, Ex. 2
CCC-509	Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		204, 237, 240, 265-267
CCC-510	Cash Rent Certification Statement		204, 237, 240, 265-267
CCC-517	Tract Redistribution Form		21, 22, 41
CCC-855	Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (LFP) Lease Agreement Certification Statement		204, 237, 240, 265-267
CCC-857	Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program Election	189	Text
CCC-858	Base Reallocation and Yield Update Decision for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program	Ex. 7	28, 41, 66, 181
CCC-859	Price Loss Coverage (PLC) Yield Worksheet	91	65, 66, 83, 87
CCC-860	Socially Disadvantage, Limited Resource and Beginning Farmer or Rancher Certification		235
CCC-861	Agricultural Risk Coverage - County Option (ARC-CO) and Price Loss Coverage (PLC) Contract	238	116, 117, Parts 8 and 8.5, Part 9, 310
CCC-861-A	Request for Waiver of Administrative County Method of Determining Agricultural Risk Coverage - County Option (ARC-CO) Eligibility	208	207, 209, 244
CCC-862	Agricultural Risk Coverage - Individual Option (ARC-IC) Contract	241	Parts 8 and 8.5, Part 9, 310

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-861 and CCC-862 Appendix	Appendix to CCC-861, Price Loss Coverage (PLC) and Agriculture Risk Coverage With County Option (ARC-CO) Program Contract and CCC-862, Agriculture Risk Coverage With Individual Option (ARC-IC) Program Contract	242	238, 241, 267, 203
CCC-861 and CCC-862 Addendum to Appendix	Addendum to Appendix to CCC-861, Price Loss Coverage (PLC) and Agriculture Risk Coverage With County Option (ARC-CO) Program Contract and CCC-862, Agriculture Risk Coverage With Individual Option (ARC-IC) Program Contract	209	207, 208
CCC-863	Agriculture Risk Coverage - Individual (ARC-IC) Yield Certification	Ex. 18	131
CCC-865	Seed Cotton Base Acre Allocation, Yield Update, and Election		411
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		4, 216
CCC-920	Grassland Reserve Program Contract		23, 283
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information - Agricultural Act of 2014		4, 216
CCC-957	Cotton Transition Assistance Program (CTAP) Application		204, 237, 240, 265-267
CRP-1	Conservation Reserve Program Contract		5, 21-23, 42, 187, 206, 281-283
CRP-2	Conservation Reserve Program Worksheet		283
CRP-2C	Conservation Reserve Program Worksheet (For Continuous Signup)		283
CRP-15 <u>1</u> /	Agreement for Reduction of Bases, Allotments, and Quotas		42, 281
FSA-13-A	Data Security Access Authorization Form		250
FSA-155	Request for Farm Reconstitution		205, 219
FSA-156EZ	Abbreviated 156 Farm Record		282, 283
FSA-179	Transfer of Farm Records Between Counties		205, 219
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		243, 244

1/ CRP-15 is obsolete.

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)**Forms (Continued)**

FSA-578	Report of Acreage		Text, Ex. 2
FSA-658	Record of Production and Yield		65, 81, 90
FSA-850	Environmental Screening Worksheet	Ex. 25	294
FSA-910	Wetland Reserve Program Projected DCP Base Reduction Worksheet	Ex. 21	282

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

Approved Abbreviations	Term	Reference
2002 Farm Bill	Farm Security and Rural Investment Act of 2002	64, 65
2008 Farm Bill	Food, Conservation, and Energy Act of 2008 (Pub. L. 110 246)	1, 64, 136
2014 Farm Bill	Agricultural Act of 2014, Title 1 (Pub. L. 113-79)	Text, Ex. 2
ARC	agriculture risk coverage	Text, Ex. 2
ARC-CO	agriculture risk coverage – county	Text, Ex. 2
ARC-IC	agriculture risk coverage – individual	Text, Ex. 2, 18, 19
BBA	Bipartisan Budget Act of 2018	Part 10
CARS	Crop Acreage Reporting System	119
CC	counter-cyclical	Text, Ex. 7
CIMS	Comprehensive Information Management System	66, 90
CTAP	Cotton Transition Assistance Program	1, 21-23, 42, 284
ERSR	electronic repository for security request	250
FRMS	Farm Records Management System	42, 64, 66, 141, 206, 245, 246, 248, 282
FRS	Farm Records System	22, 28, 181
HIP	historical irrigated percentage	119, 120, 205, Ex. 2
MYA	marketing year average	Text, Ex. 2
OIP	office information profile	250
P&CP	planted and considered planted	24, 26-28, 102, 116, 119, 120, Ex. 2
PFC	production flexibility contract	42, 64, 206, 281
PLC	price loss coverage	Text, Ex. 2
SLR	Security Liaison Representative	250
T-yield	transitional yield	Text, Ex. 2
WR	wild rice	Text

Redelegations of Authority

COC may redelegate authority to approve CCC-505's, CCC-861, CCC-861-A, and CCC-862 to CED, in routine cases. Redlegation must be documented in COC minutes.

SED's are delegated the authority to approve programmatic relief when one or more producers on a farm do not have control of adequate DCP cropland to support the requested payment share of base acres on enrolled ARC/PLC farms.

Definitions of Terms Used in This Handbook (Continued)

ARC-IC Farm

ARC-IC farm means the producer's interests in all of the producer's farms having an ARC-IC election and enrollment in the State.

ARC-IC Payment Rate Cap

ARC-IC payment rate cap means the ARC-IC payment rate that is capped at 10 percent of the ARC-IC farm's weighted benchmark revenue.

ARC-IC Payment Shares

ARC-IC payment shares mean the payment shares for ARC-IC that are based on each producer's share interest in covered commodities planted on the enrolled ARC-IC farms, as reported on FSA-578. Producers, including owners that have no share interest in the covered commodity planted on enrolled ARC-IC farm, will **not** receive an ARC-IC payment for the ARC-IC farms.

Assigned Yield

Assigned yield means, for benchmark revenue, 100 percent of the county average yield.

Note: Yield is assigned when to establish benchmark revenue for a covered commodity that covered commodity has zero planted acres in the 5 years of the benchmark period.

Attributed Base Acres

Attributed base acres mean the number of acres derived from the proration of generic base acres according to the formula in 7 CFR 1412.45. The number of attributed base acres cannot exceed the number of generic base acres on the farm; however, attributed base acres can be less than the number of generic base acres if the total number of planted acres of covered commodities or eligible subsequently planted crop acreage is less than the number of generic base acres.

***--Note:** Attributed base acres are not applicable for 2018.--*

Average Historical County Yield

Average historical county yield means the 5-year Olympic average of actual average county yields for the most recent 5 years (substituting 70 percent of the county T-yield as defined in this part in each year where the actual average county yield is less than 70 percent of the county T-yield).

Note: Separate irrigated and non-irrigated yields will be established in a county having a sufficient number of farms with P&CP acreage history of a covered commodity in 2009 through 2012, as determined by FSA. These separate yields will only be established where at least an average of 25 percent of a covered commodity's P&CP acreage was irrigated in 2009 through 2012 and at least an average of 25 percent of the same covered commodity's P&CP acreage in that county was non-irrigated in 2009 through 2012.

Definitions of Terms Used in This Handbook (Continued)

Base Acres

Base acres mean the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR Part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. Unless specifically stated otherwise, the term “base acres” includes any generic base acres that attribute base acres of a covered commodity when planted to a covered commodity or are eligible subsequently planted crop acreage.

***--Note:** Generic and Attributed base acres are not applicable for 2018.--*

Benchmark Revenue for ARC-CO

Benchmark revenue for ARC-CO means the product obtained by multiplying the average historical county yield excluding each of the crop years with the highest and lowest yields times the MYA price excluding each of the crop years with the highest and lowest prices for the most recent 5 crop years.

Benchmark Revenue for ARC-IC

Benchmark revenue for ARC-IC means a producer’s share of all covered commodities planted on all farms in the State for which individual ARC has been elected and enrolled and in which the producer has an interest.

FSA will calculate the benchmark revenue for ARC-IC using the following 3 steps, based on the producer’s planted commodities.

Step	Action
1	For each covered commodity for each of the most recent 5 crop years, the: <ul style="list-style-type: none"> • yield per planted acre (substituting 70 percent of the county T-yield in each year where the yield per planted acre is less than 70 percent of the county T-yield); times • MYA price for the most recent 5 crop years.
2	For each covered commodity, the average of the revenues determined under step 1 for the most recent 5 crop years, excluding each of the crop years with the highest and lowest revenues.
3	For each of the 2014 through 2018 crop years, the benchmark revenue for the ARC-IC farm is the sum of the amounts determined under step 2 for all covered commodities planted on such farms, adjusted to reflect the ratio between the total number of planted acres on such farms to a covered commodity and the total planted acres of all covered commodities on such farms. If a producer has an interest in multiple farms that have enrolled in ARC-IC, the ARC-IC benchmark revenue for that producer will be a weighted average of the benchmark revenue for those multiple farms.

Definitions of Terms Used in This Handbook (Continued)

Eligible Crops

Eligible crops mean, for:

- ARC-CO, each specific covered commodity with base acres on the farm

Note: Producers are **not** required to plant the covered commodity on the farm to be eligible for an ARC-CO payment on the farm.

- ARC-IC enrolled farms, **only** covered commodity acreage planted.

Note: Eligible crops are used in the ARC-IC farm calculation. Production and revenue from nonparticipating ARC-IC farms and from nonprogram crop production and revenue are **not** included in the ARC-IC benchmark, guarantee, or payment calculations.

Eligible Producers

Eligible producer means an owner of a farm with an ownership share of a crop, or a producer other than the owner on a farm with a share of a crop, who assumes all or part of the risk of producing a crop on the farm.

Note: Cash rent owners are **not** eligible producers for payments.

Eligible Subsequently Planted Crop Acreage

Eligible subsequently planted crop acreage means planted acres of a covered commodity that are a replacement crop to any crop other than a planted covered commodity. Eligible subsequently planted crop acreage is included as payment acres if the crop acreage is planted to a covered commodity as a replacement crop after the failure or prevented planting of any crop other than a covered commodity. Eligible subsequently planted crop acreage is used only in the case of generic base acres to determine payment acres and attribution of generic base acres.

***--Note:** Generic and attributed base acres are not applicable for 2018.--*

Farm Structure

Farm structure means the constitution of the farm. References to “farm structure” can be by date or crop year. When references to farm structure are by crop year, that means the farm as was last constituted as specified in 7 CFR Part 718 subpart C in that crop year.

Generic Base Acres

***--Generic base acres** mean the number of base acres for upland cotton in effect on September 30, 2013, as defined in the regulations in 7 CFR Part 1412, subpart B that were in effect on that date, subject to any adjustment or reduction under this part. Generic base acres are always the same amount as upland cotton base acres. Any adjustment in generic base acres on a farm will necessarily result in an adjustment in upland cotton base acres on the farm. Generic base acres are applicable for 2014 through 2017 crop years only.--*

***--CCC-865, Seed Cotton Base Acre Allocation, Yield Update, and Election**

A Completing CCC-865

Complete CCC-865 according to this table.

Item	Action
1	Prefilled with the 2018 program year.
2A	Insert applicable administrative County Office name and address.
2B	Insert applicable administrative County Office's telephone number (optional).
2C	Insert applicable administrative County Office's FAX number (optional).
3	Insert the State code for the applicable farm in item 5.
4	Insert the county code for the applicable farm in item 5.
5	Insert the applicable FSN.
6	Insert the number of generic base acres on the farm in item 5.
A current owner will select either 7A or 7B:	
7A	Select this option if the current owner(s) of the farm wish to allocate generic base acres to seed cotton at the greater of 80 percent of the generic base acres on the farm or the 2009 – 2012 average P&CP of upland cotton.
7B	Select this option if the current owner(s) of the farm wish to allocate the generic base acres on the farm to the average P&CP of covered commodities on the farm during 2009 – 2012.
A current owner will select either 8A or 8B:	
8A	Select this option if the current owner(s) of the farm wish to keep the CC yield on the farm multiplied by 2.4 as the PLC yield.
8B	Select this option if the current owner(s) of the farm wish to update the PLC yield for applicable crops based on 90 percent of the 2008 through 2012 average yield per planted acre, excluding any year the crop was not planted.
9	Insert the applicable owner's name and address.
10A	A current owner or representative must sign.
10B	If: <ul style="list-style-type: none"> the current owner signing is not signing in the representative capacity, leave blank anyone other than the current owner is signing in a representative capacity for the current owner, enter the title or relationship of the person signing on the current owner's behalf.
10C	Enter the date the current owner signed.
11A	CCC representative receiving CCC-865 must sign.
11B	Enter date CCC representative received CCC-865.
12A	Insert applicable FSN.
12B	Insert the State code for the applicable farm in item 5.
12C	Insert the county code for the applicable farm in item 5.
12D	Prefilled with the 2018 program year.

--*

***--CCC-865, Seed Cotton Base Acre Allocation, Yield Update, and Election (Continued)**

A Completing CCC-865 (Continued)

Item	Action
13	For seed cotton, all current producer(s) will elect either PLC or ARC-CO. If seed cotton base acres are allocated to the farm and there is no election, the default election is PLC. N/A is selected if there is no seed cotton base acres after allocation.
14A	Insert the applicable producer's name and address.
14B	Insert the applicable producer's email address (optional)
14C	Insert the applicable producer's telephone number (optional)
14D	A current producer or representative must sign.
14E	<p>If:</p> <ul style="list-style-type: none"> the current producer signing is not signing in the representative capacity, leave blank anyone other than the current producer is signing in a representative capacity for the current producer, enter the title or relationship of the person signing on the current producer's behalf.
14F	Enter date the current producer signed.
15A	CCC representative receiving CCC-865 must sign.
15B	Enter date CCC representative received CCC-865.
16	Enter remarks as appropriate.

--*

*--CCC-865, Seed Cotton Base Acre Allocation, Yield Update, and Election (Continued)

B Example of CCC-865

The following is an example of CCC-865.

This form is available electronically.			
CCC-865 (06-19-18)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
SEED COTTON BASE ACRE ALLOCATION, YIELD UPDATE, AND ELECTION			
1. Program Years: 2018 2A. County FSA Office Name and Address (Including Zip Code)			
2B. County FSA Office Telephone Number (Including Area Code)		2C. County FSA Office FAX Number (Including Area Code)	
3. State Code	4. County Code	5. Farm Number	6. Generic Base Acres
NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1412, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Bipartisan Budget Act (Pub. L. 115-123). The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information may result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.			
THE BASE ACRE ALLOCATION AND/OR YIELD UPDATE DECISION is made by the undersigned current owner of the farm identified above. If FSA receives conflicting yield update or base acre allocation requests from another current owner of the same farm, all current owners on such farm will be required to resolve their dispute providing CCC with written evidence of the dispute resolution by the end of the yield update/allocation period. In the event the yield update is not resolved, the seed cotton yield will not be updated. In the event the farm has a recent history of covered commodities (including seed cotton) and the owners have not resolved a dispute regarding allocation or have failed to make an allocation, the generic base acres on the farm, pursuant to 7 U.S.C. 9014(b)(4)(E), will be allocated to seed cotton base acres in a quantity equal to the greater of either 80 percent of the generic base acres on the farm or the average number of seed cotton acres planted or prevented from being planted on the farm during the 2009 through 2012 crop years (not to exceed the total generic base acres on the farm).			
GENERIC BASE ACRE ALLOCATION FOR A FARM WITH RECENT HISTORY OF COVERED COMMODITIES			
<input type="checkbox"/> 7A. Option 1: I agree to allocate the generic base acres in Item 6 on the farm in Item 5 to seed cotton base acres in a quantity equal to the greater of 80% of the generic base acres or the 2009 – 2012 average P&CP of upland cotton.		<input type="checkbox"/> 7B. Option 2: I agree to allocate the generic base acres in Item 6 on the farm in Item 5 to the average P&CP of covered commodities on the farm during the 2009 – 2012.	
(1) Commodity	(2) Base Acres	(1) Commodity	(2) Base Acres
Seed Cotton			
Unassigned Base Acres			
Total		Total	
FARM YIELD UPDATE			
8A. I agree to retain the 2013 upland cotton Counter Cyclical (CC) yield on the farm in Item 5 as the PLC yield..		8B. I agree to update the PLC yield for the following crops based on 90 percent of the 2008 through 2012 average yield per planted acre on the farm in Item 5, excluding any year(s) when no acreage was planted.	
(1) Commodity	(2) PLC Yield	(1) Commodity	(2) PLC Yield
Seed Cotton (CC yield ____ x 2.4)		Seed Cotton (Lbs of lint cotton/acre ____ x 2.4)	
9. Owner's Name and Address (Including Zip Code)			
10A. Signature of Owner (By)		10B. Title/Relationship of the Individual Signing in the Representative Capacity	10C. Date (MM-DD-YYYY)
11A. Signature of CCC Representative		11B. Date (MM-DD-YYYY)	
<small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender. </small>			

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*--CCC-865, Seed Cotton Base Acre Allocation, Yield Update, and Election (Continued)

B Example of CCC-865 (Continued)

CCC-865 (06-19-18)		Page 2 of 2									
12A. Farm Number	12B. State Code	12C. County Code	12D. Program Year 2018								
FARM ELECTION											
<p>THIS ELECTION must be unanimously made by all CURRENT PRODUCERS on the farm, and must occur by the end of the election period announced by FSA to be effective for this farm beginning for the 2018 crop year, under the terms of 7 CFR Part 1412. If an ARC or PLC election is not made or is not made by the election deadline, the election for seed cotton shall default to PLC on the farm for the 2018 crop year. If the farm currently has an ARC-IC election, the farm will remain in ARC-IC. All current producers on the farm must sign this election, and by doing so, unanimously agree and acknowledge that: (1) this election is irrevocable for the covered commodities on the farm, or any resulting farm(s) of a reconstitution; (2) this farm may not be combined with any other farm that has base acres and does not have the same program election applicable for each and all covered commodities on all farms intended to be combined; (3) even though they may have made an election, they must enroll the farm in the 2018 ARC or PLC program in order to receive ARC or PLC income support; (4) they must comply with the regulations at 7 CFR Part 1412; and (5) that ARC or PLC income support is subject to change based upon changes to law. In addition, by signing this form, all current producers on the farm certify as to the accuracy of the election information set out on this form. FSA's acceptance of this signed form and use of the form does not equate to FSA's approval of the election. If FSA later determines this election was invalid under 7 CFR Part 1412, the elections on this form will not apply to the farm. Enrollment in the ARC or PLC program is a separate action from this election and must be performed to participate in the ARC or PLC program.</p>											
<p>13. Election for PLC and ARC-CO (Check only ONE box. If the farm is enrolled in ARC-IC, check N/A.)</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><u>Crop</u></td> <td style="text-align: center;"><u>PLC</u></td> <td style="text-align: center;"><u>ARC-CO</u></td> <td style="text-align: center;"><u>N/A</u></td> </tr> <tr> <td style="text-align: center;">Seed Cotton</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>				<u>Crop</u>	<u>PLC</u>	<u>ARC-CO</u>	<u>N/A</u>	Seed Cotton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Crop</u>	<u>PLC</u>	<u>ARC-CO</u>	<u>N/A</u>								
Seed Cotton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
PRODUCER'S INFORMATION											
14A. Producer's Name and Address (Including Zip Code)		14B. Email Address									
14D. Signature of Producer (By)		14E. Title/Relationship of the Individual Signing in the Representative Capacity									
14A. Producer's Name and Address (Including Zip Code)		14B. Email Address									
14D. Signature of Producer (By)		14E. Title/Relationship of the Individual Signing in the Representative Capacity									
14A. Producer's Name and Address (Including Zip Code)		14B. Email Address									
14D. Signature of Producer (By)		14E. Title/Relationship of the Individual Signing in the Representative Capacity									
14A. Producer's Name and Address (Including Zip Code)		14B. Email Address									
14D. Signature of Producer (By)		14E. Title/Relationship of the Individual Signing in the Representative Capacity									
14A. Producer's Name and Address (Including Zip Code)		14B. Email Address									
14D. Signature of Producer (By)		14E. Title/Relationship of the Individual Signing in the Representative Capacity									
FOR FSA USE ONLY											
15A. Signature of CCC Representative			15B. Date (MM-DD-YYYY)								
16. Remarks											

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***--CCC-865, Seed Cotton Base Acre Allocation, Yield Update, and Election (Continued)**

B CCC-865 (Continued)

CCC-865 (06-19-18)		Page _____ of _____	
11A. Farm Number	11B. State Code	11C. County Code	11D. Program Year 2018
CONTINUATION OF PRODUCER'S INFORMATION			
13A. Producer's Name and Address <i>(Including Zip Code)</i>		13B. Email Address	
		13C. Telephone Number <i>(Including Area Code)</i>	
13D. Signature of Producer (By)	13E. Title/Relationship of the Individual Signing in the Representative Capacity		13F. Date (MM-DD-YYYY)
13A. Producer's Name and Address <i>(Including Zip Code)</i>		13B. Email Address	
		13C. Telephone Number <i>(Including Area Code)</i>	
13D. Signature of Producer (By)	13E. Title/Relationship of the Individual Signing in the Representative Capacity		13F. Date (MM-DD-YYYY)
13A. Producer's Name and Address <i>(Including Zip Code)</i>		13B. Email Address	
		13C. Telephone Number <i>(Including Area Code)</i>	
13D. Signature of Producer (By)	13E. Title/Relationship of the Individual Signing in the Representative Capacity		13F. Date (MM-DD-YYYY)
13A. Producer's Name and Address <i>(Including Zip Code)</i>		13B. Email Address	
		13C. Telephone Number <i>(Including Area Code)</i>	
13D. Signature of Producer (By)	13E. Title/Relationship of the Individual Signing in the Representative Capacity		13F. Date (MM-DD-YYYY)
13A. Producer's Name and Address <i>(Including Zip Code)</i>		13B. Email Address	
		13C. Telephone Number <i>(Including Area Code)</i>	
13D. Signature of Producer (By)	13E. Title/Relationship of the Individual Signing in the Representative Capacity		13F. Date (MM-DD-YYYY)
13A. Producer's Name and Address <i>(Including Zip Code)</i>		13B. Email Address	
		13C. Telephone Number <i>(Including Area Code)</i>	
13D. Signature of Producer (By)	13E. Title/Relationship of the Individual Signing in the Representative Capacity		13F. Date (MM-DD-YYYY)

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Counties With Irrigated and Non-Irrigated ARC-CO Yields

***--A HIP Counties for all Covered Commodities Except Seed Cotton**

The following counties covered commodities (except seed cotton) carry separate irrigated and--* non-irrigated benchmark revenues, guarantees, and actual revenues.

State	County	FIPS Code	Crop	Crop	Crop	Crop
Alabama	Barbour	01005	Corn			
	Bullock	01011	Peanuts			
	Butler	01013	Peanuts			
	Elmore	01051	Corn			
	Fayette	01057	Peanuts			
	Lamar	01075	Wheat			
	Lowndes	01085	Corn			
	Tallapoosa	01123	Corn			
Arkansas	Ashley	05003	Sorghum			
	Chicot	05017	Sorghum	Soybeans		
	Clark	05019	Corn			
	Clay	05021	Sorghum			
	Conway	05029	Corn	Soybeans		
	Craighead	05031	Sorghum			
	Crawford	05033	Corn			
	Crittenden	05035	Sorghum	Soybeans		
	Desha	05041	Sorghum			
	Faulkner	05045	Corn	Soybeans		
	Greene	05055	Sorghum	Soybeans		
	Independence	05063	Corn	Soybeans		
	Jackson	05067	Sorghum			
	Jefferson	05069	Sorghum			
	Lafayette	05073	Corn	Soybeans		
	Lee	05077	Sorghum	Soybeans		
	Lincoln	05079	Sorghum			
	Little River	05081	Corn			
	Mississippi	05093	Wheat	Sorghum	Soybeans	
	Monroe	05095	Sorghum			
	Perry	05105	Soybeans			
	Phillips	05107	Sorghum	Soybeans		
	Poinsett	05111	Sorghum			
	Pope	05115	Corn	Soybeans		
	Prairie	05117	Sorghum			
	Pulaski	05119	Sorghum	Soybeans		
	Randolph	05121	Sorghum			
	St. Francis	05123	Sorghum	Soybeans		
	White	05145	Soybeans			
	Woodruff	05147	Sorghum			
	Yell	05149	Corn	Soybeans		

Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)

A HIP Counties for all Covered Commodities Except Seed Cotton (Continued)

State	County	FIPS Code	Crop	Crop	Crop	Crop
California	Alameda	06001	Wheat			
	Butte	06007	Wheat			
	Fresno	06019	Wheat			
	Glenn	06021	Barley	Oats	Wheat	
	Kern	06029	Barley	Oats	Safflower	
	Kings	06031	Barley			
	Lassen	06035	Wheat			
	Madera	06039	Barley	Oats		
	Merced	06047	Barley	Safflower		
	Placer	06061	Wheat			
	Riverside	06065	Barley	Oats		
	Sacramento	06067	Oats			
	San Joaquin	06077	Barley			
	Shasta	06089	Wheat			
	Solano	06095	Oats	Wheat		
	Tehama	06103	Oats	Wheat		
	Tulare	06107	Barley	Oats		
	Yolo	06113	Barley			
Colorado	Adams	08001	Barley	Corn		
	Baca	08009	Corn	Oats	Sunflowers	
	Bent	08011	Sorghum	Wheat		
	Boulder	08013	Oats	Sunflowers	Wheat	
	Broomfield	08014	Corn			
	Cheyenne	08017	Corn			
	Crowley	08025	Sorghum	Wheat		
	Dolores	08033	Oats			
	El Paso	08041	Oats	Wheat		
	Kit Carson	08063	Corn	Oats	Sunflowers	
	La Plata	08067	Oats			
	Larimer	08069	Wheat			
	Las Animas	08071	Wheat			
	Logan	08075	Corn	Oats		
	Moffat	08081	Oats			
	Montezuma	08083	Sunflowers	Wheat		
	Morgan	08087	Barley	Oats	Sunflowers	
	Phillips	08095	Corn	Sunflowers		
	Prowers	08099	Sorghum	Sunflowers		
	Pueblo	08101	Wheat			

Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)

B HIP Counties for Seed Cotton

The following counties carry separate irrigated and non-irrigated benchmark revenues, guarantees, and actual revenues for seed cotton.

State	County	FIPS Code	Crop
Alabama	Lowndes	01085	Seed Cotton
	St. Clair	01115	Seed Cotton
	Tallapoosa	01123	Seed Cotton
Arkansas	Miller	05091	Seed Cotton
	Mississippi	05093	Seed Cotton
California	Merced	06047	Seed Cotton
Florida	Alachua	12001	Seed Cotton
	Columbia	12023	Seed Cotton
	Gadsden	12039	Seed Cotton
	Hamilton	12047	Seed Cotton
	Jefferson	12065	Seed Cotton
	Lafayette	12067	Seed Cotton
	Suwannee	12121	Seed Cotton

Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)

B HIP Counties for Seed Cotton (Continued)

State	County	FIPS Code	Crop
Georgia	Atkinson	13003	Seed Cotton
	Baker	13007	Seed Cotton
	Ben Hill	13017	Seed Cotton
	Berrien	13019	Seed Cotton
	Bleckley	13023	Seed Cotton
	Burke	13033	Seed Cotton
	Calhoun	13037	Seed Cotton
	Clay	13061	Seed Cotton
	Colquitt	13071	Seed Cotton
	Cook	13075	Seed Cotton
	Crisp	13081	Seed Cotton
	Dodge	13091	Seed Cotton
	Dougherty	13095	Seed Cotton
	Early	13099	Seed Cotton
	Houston	13153	Seed Cotton
	Irwin	13155	Seed Cotton
	Jefferson	13163	Seed Cotton
	Lamar	13171	Seed Cotton
	Lanier	13173	Seed Cotton
	Lee	13177	Seed Cotton
	Macon	13193	Seed Cotton
	Miller	13201	Seed Cotton
	Mitchell	13205	Seed Cotton
	Pulaski	13235	Seed Cotton
	Randolph	13243	Seed Cotton
	Schley	13249	Seed Cotton
	Screven	13251	Seed Cotton
	Stewart	13259	Seed Cotton
	Sumter	13261	Seed Cotton
	Telfair	13271	Seed Cotton
	Terrell	13273	Seed Cotton
	Tift	13277	Seed Cotton
	Toombs	13279	Seed Cotton
	Treutlen	13283	Seed Cotton
	Turner	13287	Seed Cotton
	Twiggs	13289	Seed Cotton
	Washington	13303	Seed Cotton
	Webster	13307	Seed Cotton
	Wheeler	13309	Seed Cotton
	Wilcox	13315	Seed Cotton
	Worth	13321	Seed Cotton

Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)

B HIP Counties for Seed Cotton (Continued)

State	County	FIPS Code	Crop
Kansas	Barber	20007	Seed Cotton
	Ford	20057	Seed Cotton
	Kiowa	20097	Seed Cotton
	Pratt	20151	Seed Cotton
	Reno	20155	Seed Cotton
	Stevens	20189	Seed Cotton
Louisiana	Caddo	22017	Seed Cotton
	Caldwell	22021	Seed Cotton
	East Carroll	22035	Seed Cotton
	Franklin	22041	Seed Cotton
	Madison	22065	Seed Cotton
	Natchitoches	22069	Seed Cotton
	Ouachita	22073	Seed Cotton
Mississippi	Quitman	28119	Seed Cotton
Missouri	Mississippi	29133	Seed Cotton
	Pemiscot	29155	Seed Cotton
	Scott	29201	Seed Cotton
Oklahoma	Beckham	40009	Seed Cotton
	Blaine	40011	Seed Cotton
	Caddo	40015	Seed Cotton
	Greer	40055	Seed Cotton
	Jackson	40065	Seed Cotton
	Kay	40071	Seed Cotton
South Carolina	Calhoun	45017	Seed Cotton
	Saluda	45081	Seed Cotton
Texas	Andrews	48003	Seed Cotton
	Atascosa	48013	Seed Cotton
	Bailey	48017	Seed Cotton
	Baylor	48023	Seed Cotton
	Bexar	48029	Seed Cotton
	Brazos	48041	Seed Cotton
	Briscoe	48045	Seed Cotton
	Burleson	48051	Seed Cotton
	Cameron	48061	Seed Cotton
	Carson	48065	Seed Cotton
	Cochran	48079	Seed Cotton

Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)

B HIP Counties for Seed Cotton (Continued)

State	County	FIPS Code	Crop
Texas	Collingsworth	48087	Seed Cotton
	Crosby	48107	Seed Cotton
	Deaf Smith	48117	Seed Cotton
	Dimmit	48127	Seed Cotton
	Donley	48129	Seed Cotton
	Eastland	48133	Seed Cotton
	Erath	48143	Seed Cotton
	Floyd	48153	Seed Cotton
	Gaines	48165	Seed Cotton
	Hardeman	48197	Seed Cotton
	Hemphill	48211	Seed Cotton
	Hidalgo	48215	Seed Cotton
	Hockley	48219	Seed Cotton
	Kinney	48271	Seed Cotton
	Knox	48275	Seed Cotton
	Lamb	48279	Seed Cotton
	LaSalle	48283	Seed Cotton
	Lubbock	48303	Seed Cotton
	Lynn	48305	Seed Cotton
	Medina	48325	Seed Cotton
	Midland	48329	Seed Cotton
	Randall	48381	Seed Cotton
	Reagan	48383	Seed Cotton
	Swisher	48437	Seed Cotton
	Terry	48445	Seed Cotton
	Upton	48461	Seed Cotton
	Wheeler	48483	Seed Cotton
	Wilson	48493	Seed Cotton
	Yoakum	48501	Seed Cotton
	Zavala	48507	Seed Cotton

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