

**For:** State and County Offices

**Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC)  
Base Acre Reallocation and Yield Update Provisions**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Agricultural Act of 2014 (2014 Farm Bill) and pertinent regulations at 7 CFR Part 1412 authorize owners of a farm the 1-time opportunity to:

- retain all of the farm’s base acres, as of September 30, 2013, of each covered commodity
- reallocate base acres, excluding cotton base acres, on a farm based on the 4-year average P&CP acres for the 2009 through 2012 crop years

**Note:** An increase in **total** base acres on a farm is **not** allowed.

- retain a covered commodity’s counter-cyclical (CC) yield
- update the covered commodity CC yield using 90 percent of the farms 2008 through 2012 average yield per planted acre, **excluding** any year in which the covered commodity was not planted.

<b>Disposal Date</b>	<b>Distribution</b>
December 1, 2014	State Offices; State Offices relay to County Offices
9-26-14	<b>Page 1</b>

## Notice ARCPLC-12

### 1 Overview (Continued)

#### A Background (Continued)

Base acre and yield update decisions **must** be made by any current owner in the base reallocation and yield update period before the farm program election (PLC or ARC) is made by a farm's current producers. Program election will be discussed in other directives.

**Notes:** A "current owner" is the person or legal entity who meets the definition of landowner on the day that person or legal entity is signing any form or performing any action required of the owner. 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 of the owner.

On the day a base acre reallocation or yield update is made during the base reallocation period, any "current owner" may make the base acre reallocation.

FSA-211 may be used to complete the base reallocation decision or yield update on behalf of any current owner. FSA-211 **must** be marked "All Current and Future Programs" and "All Actions" to be used to make the base acre reallocation decision.

If a person or legal entity acquires ownership of a farm that has already had a base acre reallocation or yield update decision made by the current producers, FSA will provide the election status to that person or legal entity on request.

If none of a farm's current owner reallocate base acres or update yields in the base acre reallocation or yield update period, the farm and tract base acres and yields will remain as they were before the beginning of the reallocation or update period.

#### B Purpose

This notice provides:

- information and policy about base acre reallocation
- information about yield updates
- instructions for completing and an example of CCC-858 (Exhibit 1) related to the base reallocation or yield update decision.

## Notice ARCPLC-12

### 2 Base Acre Reallocation

#### A Policy

Notices ARCPLC-5 and ARCPLC-7 provided information about researching County Office files for missing acreage data. This data was to be loaded in the Acreage History software in preparation for an owner making the base reallocation decision.

Beginning **September 29, 2014**, any current owner on a farm may reallocate base acres and/or update yields on the farm.

The reallocation of base acres is based on the proportion of the 2009 through 2012 average of planted and considered planted (P&CP) acres or subsequently planted crop acreage of covered commodities to the total of P&CP acres or subsequently planted crop acreage of all covered commodities on the farm. Upland cotton is **not** involved in reallocation of covered commodities nor can a cotton CC yield be updated.

The following applies to base acre reallocation:

- upland cotton base acres are generic base acres under ARCPLC and **cannot** be reallocated
- in approved double-crop situations, both the initial covered commodity and the subsequent covered commodity are included in the reallocation calculation
- if subsequently planted crop acreage of a covered commodity was planted after an initial covered commodity and is **not** an approved double-cropping practice, the owner may select either the initial P&CP crop acreage or subsequently planted crop acreage in the reallocation calculation

**Note:** Subsequently planted crop acreage means planted acres of a covered commodity following an initial P&CP covered commodity.

- base acres are maintained at the tract level.

**Note:** To move the farm's base acre reallocation to the tract level, the following 2 options are allowed:

- cropland option
- owner designation option.

**Note:** Total base acres on a farm **cannot** increase above the amount of total base acres in effect on September 30, 2013. Farms with zero base acres will **not** have base acres calculated or reallocated.

The base acre reallocation will be made on CCC-858 (Exhibit 1).

2 **Base Acre Reallocation (Continued)**

**B Conflicting Base Acre Reallocation Requests**

If multiple CCC-858's are submitted containing conflicting base acre reallocation decisions, FSA will take **no** action on any of the CCC-858's. It is the owner's responsibility to make the base acre reallocation decision during the base reallocation period. If owners cannot resolve any dispute, they may have and arrive at a reallocation decision by the conclusion of the base acre reallocation period, then the farm will be deemed to have retained base acres as in effect on September 30, 2013.

If current owners arrive at a mutual decision to reallocate base acres by the end of the reallocation period, written evidence of that mutual agreement or resolution signed by all current owners must be provided to the County Office by the end of the base acre reallocation period. This written notification can be provided to FSA through CCC-858 reflecting the mutually agreed decision signed by all current owners during the base reallocation period.

**C Effect of Reallocation Decisions**

Reallocation of base acres 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 reallocation period, or there are multiple CCC-858's reflecting conflicting base acre reallocation decisions and the dispute is **not** resolved as described in subparagraph B. Base acre reallocation may also, at any time, be invalidated by FSA, if FSA determines the base acre reallocation to be invalid under pertinent regulations.

Neither FSA nor CCC is under any obligation to notify any owner on a farm if a base acre reallocation has been filed, rescinded, modified, or withdrawn.

If a person or legal entity acquires ownership of a farm that has already had a base acre reallocation made by the then current owner, FSA will provide the election status to that person or legal entity upon request.

If an owner's decision is **not** to reallocate base acres, the farm's and tract's base acres will remain as they were before the beginning of the reallocation period.

## Notice ARCPLC-12

### 2 Base Acre Reallocation (Continued)

#### D Base Acre Reallocation Options

There are 2 base acre reallocation options, as follows:

- the cropland option, that is the default base reallocation option, distributes the reallocated base acres to the tract level based on the percentage of effective DCP cropland on each tract
- the owner designation option:
  - distributes the reallocated base acres to the tract level, based on the owner's request
  - was intended to expedite using CCC-517 and 10-CM provisions to allow owners the ability to move base acres from tract to tract within a farm
  - may be chosen by the current owner instead of the cropland option.

**Note:** 10-CM may still be used to move base acres from tract to tract after the base acre reallocation and election process have completed.

#### E Examples of Base Acre Reallocation

**Example 1:** John and Sam own FSN 1121 on October 13, 2014. On October 13, 2014, Sam makes the base acre reallocation. As a current owner on the day he reallocates base acres, Sam is eligible to make the base acre reallocation.

**Example 2:** Sam owns FSN 1121 on October 13, 2014. On October 13, 2014, Sam makes the base acre reallocation. As the current owner, Sam is eligible to make the base acre reallocation.

On December 8, 2014, Sam sells the farm to John. As the current owner, John may change the base acre reallocation decision during the remainder of the base reallocation period or not take any action, thereby allowing the previously filed base reallocation to stand.

## Notice ARCPLC-12

### 3 Yield Update

#### A Policy

Owners of a farm also have the 1-time opportunity to update the yield for crops with base acres.

**Notes:** A yield in any of the 2008 through 2012 years that is less than 75 percent of the county average yield can be substituted in the calculation with a yield equal to 75 percent of the county average yield. This provision applies to low yields or yields that are missing or not available.

The retained or updated yield becomes the PLC yield, similar to CC yields in previous years, for the farm for the 2014 through 2018 crop years. Direct payment yields will no longer be used.

The PLC yield may be:

- retained or updated, on a covered commodity by covered commodity basis
- updated for each covered commodity on each farm, regardless of any decision to reallocate base acres or not, or the subsequent PLC, ARC-County Coverage (ARC-CO), or ARC-Individual Coverage (ARC-IC) election for the covered commodity or farm.

Any current owner of the farm can make the decision to retain or update the PLC yield for the covered commodity during the base and yield update period.

#### B Conflicting Yield Update Requests

If multiple CCC-858's are submitted containing conflicting yield update decisions, FSA will take **no** action on any of the CCC-858's. It is the owner's responsibility to make the yield update decision during the yield update period. If owners cannot resolve any dispute, they may have and arrive at a yield update decision by the conclusion of the yield update period, then the farm will be deemed to have retained the yield in effect on September 30, 2013.

If current owners arrive at a mutual decision to update yields by the end of the yield update period, written evidence of that mutual agreement or resolution signed by all current owners must be provided to the County Office by the end of the yield update period. This written notification can be provided to FSA through CCC-858 reflecting the mutually agreed decision signed by all current owners during the yield update period.

## Notice ARCPLC-12

### 3 Yield Update (Continued)

#### C Yield Update Decision

The following process will be used when owners decide to update yields for covered commodities.

Any current owner of a farm during the yield update period will:

- determine the covered commodities that will have yield updates

**Note:** The yield update decision could apply to historic or reallocated base acres.

- certify to the yields produced on planted acres of the covered commodity for each of the years the crop was planted, 2008 through 2012, for covered commodities that yield update is requested
- retain yield records used to certify the updated yields to provide to FSA for review, if requested by FSA.

### 4 Action

#### A County Office Action

County Office employees will:

- review the details of this notice to prepare for base reallocation and yield update decisions to be made in software according to Notice ARCPLC-11
- use this notice along with Notice ARCPLC-10 to allow an owner to update yields and reallocate base acres
- begin the reallocation process on **September 29, 2014**, if contacted by any farm owner.

#### B State Office Action

State Office employees shall:

- provide guidance as needed for employees in reallocating base acres and updating yields
- forward questions about the policy for updating yields and reallocating base acres to Brent Orr at **brent.orr@wdc.usda.gov**
- forward questions about the software for updating yields and reallocating base acres to Michael Walter at **michael.walter@wdc.usda.gov**.

**CCC-858, Base Reallocation and Yield Update Decision for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs**

**A Completing CCC-858**

Complete CCC-858 according to this table.

Item	Action
1	Prefilled with the effective dates of the base acre reallocation and yield update.
2A	Insert the applicable administrative County Office name and address.
2B	Insert the applicable administrative County Office’s telephone number (optional).
2C	Insert the 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.
6A	Check (✓) if an owner has chosen to maintain the base acres as in effect on September 30, 2013.
6A(1)	If item 6A is checked (✓), insert the name of all covered commodities that existed on the farm as of September 30, 2013.
6A(2)	Insert the number of base acres of the applicable covered commodity listed in item 6A(1).
6B	Check (✓) if an owner has chosen to reallocate base acres.
6B(1)	If item 6B is checked (✓), insert the name of all reallocated covered commodities on the farm.
6B(2)	Insert the number of base acres of the covered commodity listed in item 6B(1).
6C(1)	Check (✓) if an owner chooses the default “cropland” option to move the reallocated base acres to tracts on the farm.
6C(2)	Check (✓) if an owner chooses the “owner designation” option to move the reallocated base acres to tracts on the farm.
7A	List crops in (1) and applicable CC yields in (2) where an owner chose to maintain the existing CC yields on the farm.
7B	List crops in (1) and applicable updated yields in (2) where an owner chose to update the program payment yield on the farm according to Notice ARCPLC-10.
8	Insert the applicable owner’s name and address.
9A	A current owner or representative <b>must</b> sign.
9B	If: <ul style="list-style-type: none"> <li>• the current owner signing is <b>not</b> signing in the representative capacity, leave blank</li> <li>• 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.</li> </ul>
9C	Enter date signed.
10A	CCC representative receiving the CCC-858 <b>must</b> sign.
10B	Enter date received by the CCC representative.
11	Enter same FSN as in item 5.
12A	Enter same State code as in item 3.
12B	Enter same county code as in item 4.
12C	Enter same program years as in item 1.
13A	Enter applicable tract number for the farm identified in item 11.
13B	Enter applicable commodity with base acres that exist on the tract identified in 13A.
13C	Enter applicable base acres for the commodity identified in item 13B.
13D	Enter yield for the applicable commodity identified in item 13C.



CCC-858, Base Reallocation and Yield Update Decision for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs (Continued)

B Example of CCC-858

The following is an example of CCC-858.

This form is available electronically. <b>CCC-858</b> (09-23-14)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Program Years: <b>2014 through 2018</b>	
<p align="center"><b>BASE REALLOCATION AND YIELD UPDATE DECISION FOR AGRICULTURE RISK COVERAGE (ARC) AND PRICE LOSS COVERAGE (PLC) PROGRAMS</b></p>		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	
<p><b>NOTE:</b> 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.</p> <p>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. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p><b>THE BASE ACRE REALLOCATION AND YIELD UPDATE DECISION</b> is made by the undersigned current owner of the farm identified above. If FSA receives conflicting yield update or base acre reallocation requests from another current owner, all current owners will be required to resolve their dispute providing CCC with written evidence of the dispute resolution by the end of the yield update period or reallocation period.</p>					
<p align="center"><b>FARM BASE ACRE REALLOCATION</b></p>					
<input type="checkbox"/> 6A. I agree to maintain the farm's 2013 base acres on the following crops, excluding cotton acres		<input type="checkbox"/> 6B. I agree to reallocate base acres on the following crops, excluding cotton base acres, not to exceed the total base acres in effect on September 30, 2013 (see page 2 for tract designation, if applicable)		6C. Tract Reallocation Method <input type="checkbox"/> (1) Crop Land <input type="checkbox"/> (2) Owner Designation	
(1) Commodity	(2) Base Acres	(1) Commodity	(2) Base Acres		
<p align="center"><b>FARM YIELD UPDATE</b></p>					
7A. I agree to use the farm's 2013 Counter Cyclical (CC) yield for the PLC yield for the following crops.			7B. I agree to update the PLC yield for the following crops based on 90 percent of the farm's 2008 through 2012 average yield per planted acre, excluding any year(s) when no acreage was planted		
(1) Commodity	(2) CC Yield	(1) Commodity	(2) PLC Yield		
8. Owner's Name and Address (Including Zip Code)					
9A. Signature of Owner (By)		9B. Title/Relationship of the Individual Signing in the Representative Capacity		9C. Date (MM-DD-YYYY)	
10A. Signature of CCC Representative				10B. Date (MM-DD-YYYY)	
<p><small>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).</small></p> <p><small>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a>, 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 <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider and employer.</small></p>					

