FSA
HANDBOOK

Agriculture Risk Coverage and Price Loss Coverage Program

To access the transmittal page click on the short reference.

For State and County Offices

SHORT REFERENCE

1-ARCPLC

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250.

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Agriculture Risk Coverage and Price Loss Coverage Program 1-ARCPLC	Amendment 5

Approved by: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

Subparagraph 5 A has been amended to correct the table of names of covered commodities.

Subparagraph 5 F has been amended to include the 2014 and 2015 ARC and PLC enrollment start and end dates.

Subparagraph 6 G has been amended to correct the 2015 and 2016 sequestration percentages.

Subparagraph 22 A has been amended to correct a reference.

Subparagraphs 22 C and D have been added to provide policy for CRP enrollment and converting base reductions to hundredths.

Subparagraph 42 A has been amended to clarify base acre restoration policy.

Subparagraph 101 B has been amended to provide the reference price for temperate Japonica rice.

Subparagraph 117 A has been amended to correct a column heading.

Subparagraphs 119 B and D have been amended to clarify calculation of HIP on non-generic base acre farms.

Subparagraph 131 F has been amended to provide the certification reporting requirement for ARC-IC.

Subparagraphs 181 E and F have been added to provide ARCPLC election correction policy.

Subparagraphs 204 C, 237 A, 240 A, 265 C, and 266 A have been amended to clarify the cash lease certification requirement.

A Reasons for Amendment (Continued)

Subparagraph 250 A has been amended to remove the reference to a FAX number.

Exhibit 2 has been amended to:

- provide the reference price for temperate Japonica rice
- add the definition of temperate Japonica rice.

Exhibit 18 has been added to provide the instructions and example of CCC-863.

Exhibit 19 has been added to provide a producer notification letter for collection of yield certifications from ARC-IC farms.

Page Control Chart		
TC	**Text**	**Exhibit**
5, 6	1-15 through 1-20 2-3, 2-4 2-4.5, 2-4.6 (add) 2-5, 2-6 2-53, 2-54 2-54.5, 2-54.6 (add) 4-1, 4-2 5-23, 5-24 5-33 through 5-36 5-47, 5-48 5-53, 5-54 7-3, 7-4 7-4.5, 7-4.6 (add) 7-17, 7-18 8-7 through 8-10 8-35, 8-36 8-71, 8-72 8-81 through 8-84 8-117, 8-118 8.5-13, 8.5-14 8.5-19, 8.5-20	1, pages 1, 2 page 3 2, pages 7-10 page 11 (add) 18, pages 1-4 (add) 19, page 1 (add)

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Part 1 Basic Information

1 Overview

A Objective of this Handbook

This handbook provides instructions for implementing the ARC and PLC Program authorized by the 2014 Farm Bill. Included in this handbook are instructions about the following:

- provisions for reallocating base acres and updating CC yields
- detailed provisions of ARC-CO, ARC-IC, and PLC
- election procedure for the ARC and PLC Program
- enrollment procedure for the ARC and PLC Program
- eligibility and compliance rules for participating in ARC and/or PLC.

B ARC and PLC Purpose and Eligibility Comparison to DCP and ACRE

--**Both the 2008 and 2014 Farm Bills include choices between a revenue-based program where the revenue target can move up and down with the market, and a price-based program where the reference price is fixed for the duration of the respective Farm Bill. In nearly all cases,**-- farms eligible for DCP and ACRE will be eligible producers for ARC and PLC.

ARC is a modified version of ACRE. Both ARC and ACRE establish revenue targets, **not *--**price targets. The revenue target for ARC-CO is based on county average yields and U.S.**--*** crop MYA prices *** * ***. A 5-year Olympic average is used for yields (removing high and low) of the previous 5 years under both ARC-CO and ACRE. ARC-CO uses a 5-year Olympic average (removing high and low) for price while ACRE used a 2-year average. This means that under ARC-CO, as with ACRE, the revenue target moves with the market (increasing when market revenue is increasing and decreasing when market revenue is decreasing).

The revenue target for *** * *** ARC-IC is based on average revenues at the farm level. The revenue target for ARC-IC is the farm's individual benchmark revenue based on the 5-year average of the annual benchmark revenues, **excluding** the years with the highest and lowest annual revenues, then averaging against all crops on the farm (paragraph 131). ARC, as ACRE, covers only part of the revenue target.

1 Overview (Continued)

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

Under ACRE, producers who elected ACRE agreed to a reduction in direct payments on the farm. The 2014 Farm Bill has **no** similar provision for reducing direct payments for ARC or PLC participants, because direct payments have been eliminated.

Under the 2008 Farm Bill, the yield for the State was used to determine the ACRE revenue target. Under the 2014 Farm Bill, the yield for the county is used for ARC-CO.

Under ACRE, producers agreed a reduction in a crop's loan rate for MAL's and LDP's. **No** similar loan rate reduction applies to producers on farms that elect ARC. Loan rates for commodities are the same regardless of election.

PLC is a modified version of the CC portion of DCP. PLC prices are set in the 2014 Farm Bill for the duration of the 2014 Farm Bill, similar to the former CC payment program. For PLC, these are called reference prices. Under the CC payment program, these were called target prices, but served the same purpose. Like the CC payment program, PLC makes payments based on historical base acres, although the base acres of covered commodities under the 2014 Farm Bill may differ based on the option owners have to reallocate base acres of covered commodities, upland cotton no longer being a covered commodity, and the introduction of generic base acres (that were upland cotton base acres under DCP, ACRE, and CTAP) for ARC and PLC.

--**Under ARC and PLC, generic base acres planted with covered commodities or eligible subsequently planted crop acreage will be recognized as attributed base acres of the covered commodity, without regard to the contract base acres of that covered commodity that may be on the farm. In other words, covered commodities with planted acreage or eligible subsequently planted crop 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.

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.

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.

1 Overview (Continued)

E Administration

[7 CFR 1412.2] (a) The program is administered under the general supervision of the Executive Vice-President, CCC, and will be carried out by Farm Service Agency (FSA) State and county committees (State and county committees).

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations of this part.

(c) The State committee may take any action required by the regulations of this part that the county committee has not taken. The State committee will also:

Correct, or require a county committee to correct, any action taken by such county committee that is not according to the regulations of this part; or

Require a county committee to withhold taking any action that is not according to this part.

(d) No provision or delegation to a State or county committee will preclude the Executive Vice President, or the Deputy Administrator, or a designee, from determining any question arising under the program or from reversing or modifying any determination made by a State or county committee.

(e) The Deputy Administrator has the authority to permit State and county committees to waive or modify deadlines (except statutory deadlines) and other non-statutory requirements, in cases where lateness or failure to meet such other requirements does not adversely affect operation of the program. Producers and participants have no right to a decision requesting an exception under this provision. The Deputy Administrator's refusal to consider wavier or modification cases or circumstances or a decision not to exercise this discretionary authority under this section will not be considered an adverse decision and is not appealable. Further, because participants have no right to a waiver or modification under this section, they likewise have no right to a decision on a request for waiver or modification, CCC's declination to consider a case under this section will not constitute a failure to act under any law or regulation.

(f) A representative of CCC may execute the FSA application form entitled "Application for Transition Assistance for Producers of Upland Cotton" only under the terms and conditions determined and announced by the Executive Vice President, CCC. Any application or contract that is not executed according to such terms and conditions, including any purported execution before or after the dates authorized by the Executive Vice President, CCC, is null and void and will not be considered to be an application or contract between CCC and the operator or any other producer on the farm.

2 DAFP, STC, and SED Responsibilities

A DAFP Responsibilities

DAFP will:

- issue internal operating guidelines and procedure to conduct the ARC and PLC Program and determine matters of general applicability
- determine any question arising under the ARC and PLC Program and may reverse or modify or require a STC or COC or other FSA official to reverse or modify any program decision determined to be inconsistent with regulations or this handbook
- establish deadlines **not** otherwise prescribed by statute or regulation
- at DAFP's sole discretion, determine if equitable relief or ARC and PLC Program exceptions are warranted
- choose whether to exercise discretion to waive or modify nonstatutory ARC and PLC Program deadlines
- respond to State Office requests for ARC and PLC Program guidance, requests for waivers, or requests for application of equitable relief or finality, as applicable.

B STC Responsibilities

STC will:

- direct administration of ARC and PLC
- ensure that State and County Offices follow ARC and PLC provisions
- require reviews at any time to ensure County Offices comply with requirements established by the National Office
- thoroughly document all actions and decisions in STC minutes
- handle appeals according to 1-APP.

2 DAFP, STC, and SED Responsibilities (Continued)

C SED Responsibilities

SED will:

- direct the administration of ARC and PLC
- ensure that State and County Offices follow ARC and PLC regulations and provisions
- ensure that County Office employees and COC's are adequately trained
- require County Offices to publicize ARC and PLC Program information and deadlines
- thoroughly document all STC actions and decisions in STC minutes
- make 7-CP determinations as necessary and as authorized
- ensure that County Offices adequately publicize ARC and PLC Program information by efficient means
- handle appeals and requests for appealability according to 1-APP.

3 DD Responsibilities

A Responsibilities

DD will:

- make certain that County Offices and COC are aware of ARC and PLC information and eligibility provisions
- ensure that County Offices publicize ARC and PLC by efficient means and that publication efforts are documented
- verify that ARC and PLC Program provisions are available for review and inspection in County Offices
- ensure that COC and County Office follow regulations and handbook procedure
- perform reviews of County Office procedures to ensure that County Offices are complying with the provisions of this handbook and regulations
- review County Office procedures to ensure that County Offices comply with requirements established by the State Office
- review all ARC-CO and PLC contracts and ARC-IC contracts disapproved by COC
- provide SED with a written report of all reviews
- review the Base Acreage and Yield Adjustment Report to identify unauthorized base and yield adjustments, when available.

3 DD Responsibilities (Continued)

B Printing Base Acreage and Yield Adjustment Report

Printing Base Acreage and Yield Adjustment Report.

DD's will print a current Base Acreage and Yield Adjustment Report according to *--a forthcoming 10-CM amendment. The Base Acreage and Yield Adjustment Report lists--* base acreage and payment yield adjustments made on farms during the date range selected for which the report was printed. Each adjustment on the Base Acreage and Yield Adjustment Report includes the following:

- farm number
- tract number
- crop name
- adjustment type
- adjustment reason
- date changed
- farm status.

C How to Review Adjustments

After preparing the Base Acreage and Yield Adjustment Report, DD's will review base acreage and yield adjustments according to the following.

Step	Action
1	Review all adjustments **not** included in the previous review.
2	Verify the following: • adjustments were authorized and approved according to procedure • amount of adjustment is correct • base acreage and/or yield are correct.
3	Verify that the frequency of each type of adjustment is reasonable considering: • type of adjustment • number of the same type of adjustments approved in other County Offices in the district.

3 DD Responsibilities (Continued)

C How to Review Adjustments (Continued)

After preparing the Base Acreage and Yield Adjustment Report, DD's will review base acreage and yield adjustments according to the following.

Step	Action
4	Verify that the total number of adjustments is reasonable.
5	If an excessive number of adjustments for corrections were made, ensure that the cause of the error is: • recognized • alleviated.
6	Considering the type of adjustment, verify that adjustments were made in a timely manner.
7	Ensure that: • all errors are corrected • procedure is uniformly interpreted.

D When to Review Adjustments

DD's will review current year base acreage and yield adjustments only once before issuing ARCPLC payments.

Note: The Base Acreage and Yield Adjustment Report may be run as often as necessary.

4 COC, CED, and PT Responsibilities

A COC Responsibilities

COC will:

- ensure CED and County Office follow the provisions of this handbook and regulations

- publicize details of ARC and PLC, including but **not** limited to, providing information about deadlines, signature requirements, payment calculation, payment limitation and payment eligibility provisions (acreage reporting, HEL and WC compliance, AGI compliance, and actively engaged in farming), details on ARC and PLC including the necessary ARC and PLC Program documents that producers **must** file by established deadlines To be eligible for payment. Publication efforts include, but are **not** limited to, posting information in County Offices and in any media that is economically or practicably feasible

  Notes: FSA will assist persons by providing information in a variety of different ways. However, because of limits on resources, publication efforts by FSA may or may **not** be by direct mail or on an individual producer basis. FSA satisfies its responsibility of publication by making broad program announcements (press releases, public internet sites, print and electronic media, Federal register documents, radio and television announcements) and in posting program information in USDA County Offices.

  The reality of limited resources has increased a participant's responsibility for being aware or making themselves aware of program information that is available in the public domain. FSA is **not** responsible for reaching out to every potential program participant with all program information. Participants **must** seek information on program details from FSA and **not** wait for FSA to write or communicate with them about ARC and PLC Program provisions.

- ensure that all producer eligibility and ARC and PLC Program determinations are according to this handbook

- make factual determinations of eligibility based on information provided by producers, this handbook, and pertinent regulations

4 COC, CED, and PT Responsibilities (Continued)

A COC Responsibilities (Continued)

- document producer ARC and PLC Program decisions and appeals in COC minutes and the producer's farm file, including referencing program procedure and all factors relevant to decisions

- notify producers of eligibility and extent of eligibility decisions in writing and, if an adverse decision is made, issue the decision in writing and afford applicable administrative rights of review according to 1-APP

- elect whether or **not** to redelegate authority to CED to approve ARC and PLC Program documents and contracts in routine cases.

Note: Routine cases include approval of successor-in-interest cases and late-file contracts through the same date by which COC is authorized to approve late-filed applications.

If redelegation is approved:

- CED's authority to act is the same as COC's authority

- the redelegation **must** be recorded in COC minutes

- any CED approved applications under the redelegated authority **must** be recorded in COC minutes as actions taken between COC meetings.

4 COC, CED, and PT Responsibilities (Continued)

B CED Responsibilities

CED will:

- ensure that County Office employees are trained and familiar with the provisions of this handbook and the ARC and PLC Program
- make certain that the provisions of this handbook are followed
- publicize ARC and PLC Program information and deadlines for the COC consistent with COC responsibilities
- immediately notify SED through DD and State Office of ARC and PLC Program administration problems including but **not** limited to software problems
- if redelegated authority by COC, act on completed applications and record actions taken under delegation in COC minutes
- **not** take any action or authorize taking any action that is **not** consistent with this handbook or ARC and PLC Program regulations
- respond to questions from producers, employees, and committee members regarding details of the ARC and PLC Program
- report to SED and the State Office program specialists, through DD, discrepancies and problems
- notify producers of determinations and handle appeals according to 1-APP.

4 COC, CED, and PT Responsibilities (Continued)

C CED Signature Deadline Monitoring Responsibilities

CED will ensure that ARC and PLC Program information and deadlines are publicized according to subparagraphs 7 A and 8 A and copies of publication efforts are maintained in appropriate file.

In addition to publicizing program information, CED's will ensure that:

- forms and applications are completed before being presented to producers sign the form or application
- blank forms are not presented to and signed by producers
- signature deadlines are carefully monitored for reconstituted farms, designating payment shares, and necessary supporting documentation, such as AD-1026, CCC-902's, and CCC-941.

Important: County Offices are encouraged to remind producers of deadlines; however, a failure to provide a reminder to any producer will **not** constitute or be construed to be misaction/misinformation.

Note: As allowed by time and resources, County Offices may attempt to contact producers in advance of critical deadlines by using reminder letters and/or telephone contacts. Those contacts or attempted contacts, if made, **must** be documented.

*** * ***

D PT Responsibilities

PT's will assist producers and process ARC and PLC Program documents necessary for administering ARC and PLC according to this handbook and FSA policy.

PT's assist producers by presenting them with forms, applications, and contracts necessary for ARC and PLC Program benefits or compliance. However, PT's are **not** responsible for the accuracy of any certifications made by producers on forms, applications, and contracts.

Note: Producers are responsible for the accuracy of information on any form, application, or contract the producer signs.

PT's will consult with CED, as necessary, when questions or problems arise.

5 Basic ARC and PLC Program Information

A Covered Commodities

[7 CFR 1412.3] <u>Covered commodity</u> 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.

  Note: 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.

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	Sesame	Soybeans	Sunflower Seed
Wheat			

5 Basic ARC and PLC Program Information (Continued)

B Base Acres

[7 CFR 1412.3] <u>Base acres</u> 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.

5 Basic ARC and PLC Program Information (Continued)

C Payment Acres

[7 CFR 1412.3] <u>Payment acres</u> mean:

(1) For the purpose of PLC and ARC when county coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for each covered commodity on a farm will be equal to 85 percent of the base acres for the covered commodity on the farm.

(2) In the case of ARC when individual coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for a farm will be equal to 65 percent of the base acres for all of the covered commodities on the farm.

D Payment Yield

[7 CFR 1412.3] <u>Payment yield</u> means for a farm for a covered commodity the yield established under subpart C of this part.

5 Basic ARC and PLC Program Information (Continued)

E Basic Summary Comparison of PLC, ARC-CO, and ARC-IC

The following table provides a basic comparison of PLC, ARC-CO, and ARC-IC.

PLC	ARC-CO	ARC-IC
Uses national MYA price plus the PLC yield established on the farm.	Uses MYA price plus county yield.	Uses MYA price plus the producer's yield from the farm.
Payments determined by individual crop of covered commodity base acres.	Payments determined by individual crop of covered commodity base acres.	Payments determined by all crops planted of covered commodities combined on the farm.
Payments made on 85 percent of base acres by crop base acreage.	Payments made on 85 percent of base acres by crop base acreage.	Payments made on 65 percent of total base acres.
Production report **not** required.	Production report **not** required.	Must report annual production of covered commodities.
May elect PLC or ARC-CO on the same farm on a covered commodity by covered commodity basis.	May elect ARC-CO or PLC on the same farm on a covered commodity by covered commodity basis.	Planted acres used to attribute base acres. ARC-IC election applies to entire farm and all 21 covered commodities.

F Deadlines

The following table lists some important deadlines.

Date	Event
2-CP	Acreage reporting date.
July 15, 2014	Final date to report 2013 production for 2013 ACRE farms.
September 29, 2014	Base acre reallocation and CC yield update signup begins.
April 7, 2015	Base acre reallocation and CC yield update signup ends.
November 17, 2014	ARC and PLC election period begins.
April 7, 2015	ARC and PLC election period ends.
***--**June 17, 2015	ARC and PLC enrollment begins for 2014 and 2015.
September 30, 2015	ARC and PLC enrollment ends for 2014 and 2015.
September 30, 2015	Certified yields for benchmark and actual year yields must be reported to FSA for 2014 crop year.**--***
December 1 through August 1 of each ARCPLC program year 2016 through 2018.	ARC and PLC enrollment period for each of the 2016 through 2018 ARCPLC program years.

6 Payments and Limitations

A ARC and PLC Payment Calculation

Subject to an annual $125,000 per person or legal entity limit for persons or legal entities ***--**"actively engaged" in farming, and assuming all other payment eligibility and average**--***
AGI compliance provisions are met, payments:

- for PLC, are equal to the product of multiplying 85 percent of the farm's specific crop base acres times the farm's specific PLC yield times the difference between the crop's ***--**reference price minus the effective price (larger of MYA or national loan rate) for the**--***
  crop times the producer's share on the approved contract

- for ARC-CO, are equal to the product of multiplying 85 percent of the farm's specific crop base acres times the difference between the specific crop's ARC-CO Guarantee minus the ARC-CO Actual crop year revenue, **not** to exceed 10 percent of the ARC-CO Benchmark Revenue, times the producer's share on the approved contract

- for ARC-IC, are equal to the product of multiplying 65 percent of the farm's **total** base acres times the difference between the ARC-IC Guarantee minus the ARC-IC Actual crop year revenue, **not** to exceed 10 percent of the ARC-IC Benchmark Revenue, times the producer's share certified on the crop acreage report, FSA-578, of covered commodities. The ARC-IC Guarantee and the ARC-IC Actual crop year revenue are based on a calculation of ALL covered commodities planted on all FSN's the producer has enrolled in ARC-IC within the State.

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.

6 Payments and Limitations (Continued)

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.

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.

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.

ARC and PLC are subject to sequestration. The following table displays sequestration percentages for ARC and PLC contracts.

FOR contracts obligated in FY…	THE sequestration will be…
2015 (2014 and 2015 contracts)	*--7.3 percent.
2016	6.8 percent.--*
2017	TBA.
2018	TBA.

7 Contract Requirements

A Signing ARC-CO and PLC Contract and 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 ARC-CO and PLC contract for each FSN enrolled

- ARC-IC, all producers sharing in any of the covered commodities planted on the ARC-IC elected FSN **must** sign an ARC-IC contract 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, all producers sharing in any or all covered commodities planted or eligible subsequently planted crop acreage are **required** to sign the ARC-CO and PLC contract to be eligible for ACR-CO and PLC payments on attributed base acres, or ARC-IC contract, for each FSN enrolled for the contract to be approved.**--***

B ARC-CO and PLC Contract and ARC-IC Contract Requirements

Producers signing ARC-CO and PLC contract and ARC-IC contract 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

- 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 ARC-CO and PLC contract and ARC-IC contract for FY, unless the producers succeeding to the acreage enter into ARC-CO and PLC contract and ARC-IC contract for the farm and agree to assume the ARC-CO and PLC contract and ARC-IC contract 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.

9 General Signature Requirements and Withdrawing or Terminating ARC-CO and PLC Contract and ARC-IC Contract

A Common Management Provisions

Follow 1-CM for policy concerning signatures.

B Withdrawing ARC-CO and PLC Contract and ARC-IC Contract During the Enrollment Period

***--**The end of the enrollment period for each ARCPLC program year:

- 2014 and 2015 is to be determined**--***
- 2016 through 2018, June 1 of each ARCPLC program year.

*** * ***

C Terminating ARC-CO and PLC Contract and ARC-IC Contract

ARC-CO and PLC contract and ARC-IC contract will be terminated if there is a transfer or change in the interest of any producer or change in any of the base acres on the farm occurring by:

- September 30, 2015, for each of the 2014 and 2015 program years
- September 30 of the program year for each of the 2016 and subsequent program years.

ARC-CO and PLC contract and ARC-IC contract may be canceled for violations and other reasons.

10-20 (Reserved)

Part 2 Base Acres

Section 1 Base Modifications

21 Definition and Limitation

A Definition of Base Acres

[7 CFR 1412.3] <u>Base acres</u> 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	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, 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

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
- 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.

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

22 Base Acre Reductions (Continued)

B Producer Requested Base Acres Reduction

The owners on the farm may request that the reduction of cropland and base acreage be immediately completed. In this situation, the following actions will be taken:

- adjust the cropland in farm maintenance according to 10-CM
- owners **must** complete CCC-505 to permanently reduce base acres and/or CCC-517 to redistribute base acres
- adjust the base acres in farm maintenance according to 10-CM
- revise contract according to this handbook
- request a refund of any overpayments.

*--C 2015 Program Year Base Reductions Because of CRP Enrollment

CCC-505 base reductions were required for **new** CRP-1's enrolled after June 9, 2014, under the 2014 Farm Bill that became effective in FY 2015.

County Offices:

- completed CCC-505 base reductions before CRP-1 approval

  Note: CCC-505 base acres were taken in tenths as required by 10-CM.

- required producers to select the commodity to reduce from the covered commodities with base acres established on the farm, **before any reallocation under ARCPLC**
- were directed to hold CCC-505 base reductions and **not** load them into FRS (2014) or MIDAS (2015) during the base reallocation period
- must load these CCC-505 reductions in 2015 MIDAS **before** enrolling the farm into ARCPLC according to the following table.

IF the covered commodity being reduced…	THEN the County Office shall…
currently exists on the tract/farm and remains large enough to cover the reduction	complete CCC-505 processes in MIDAS in the normal manner for program year 2015.

--*

22 Base Acre Reductions (Continued)

*--C 2015 Program Year Base Reductions Because of CRP Enrollment (Continued)

IF the covered commodity being reduced…	THEN the County Office shall…
currently exists on the tract/farm, but is not large enough to cover the reduction	contact the owner that completed CCC-505 to determine which additional covered commodity's base acres on the farm must be reduced if more than 1 base exists. If the producer does **not** respond within 30 calendar days, County Offices will prorate the base reduction acres across all base crops on the tract. In either situation, a new CCC-505 is required.
does **not** exist on the tract/farm	contact the owner that completed CCC-505 to determine which covered commodity's base acres on the farm shall be reduced if more than 1 base exists. If the producer does **not** respond within 30 calendar days, County Offices will prorate the base reduction acres across all base crops on the tract. In either situation, a new CCC-505 is required.

D 2015 Program Year Base Reductions Converting Tenths to Hundredths

Situations may arise where CCC-505 was completed and signed by the owner using tenths, but because of rounding issues, the new 2015 CRP-1 acres are recorded in hundredths. In these situations, County Offices may notate in CCC-505, item 17, remarks section the following.

"The base acres reduced on this CCC-505 are being corrected to_____. This correction moves the base reduction acres to "hundredths" to reflect the acres being enrolled in CRP." (*CO Initial and date*)

Example 1: The owner signed CCC-505 for a 10.1 soybean base acre reduction. CRP contract number 1550 was for 10.06 acres. The County Office will document in CCC-505, item 17 as follows.

> "The base acres reduced on this CCC-505 are being corrected to 10.06. This correction moves the base reduction acres to "hundredths" to reflect the acres being enrolled in CRP."

County Office employees will:

- initial and date CCC-505
- reduce 10.06 acres in MIDAS.--*

22 Base Acre Reductions (Continued)

*--D 2015 Program Year Base Reductions Converting Tenths to Hundredths (Continued)

Example 2: The owner signed CCC-505 for a 10.1 soybean base acre reduction. CRP contract number 1660 was for 10.14 acres. The County Office may document in CCC-505, item 17 that 10.14 acres were reduced for CRP contract number 1660 along with the effective date of CRP-1, although item 9 indicated 10.1 acres. The County Office will reduce 10.14 acres in MIDAS.

> "The base acres reduced on this CCC-505 are being corrected to 10.14. This correction moves the base reduction acres to "hundredths" to reflect the acres being enrolled in CRP."

County Office employees will:

- initial and date CCC-505
- reduce 10.14 acres in MIDAS.

Notes: This correction policy is only applicable when the base acreage being adjusted is within hundredths and **only** for CCC-505 completed for **new** 2015 CRP-1's that took effect in program year 2015. Prior year CCC-505's completed for CRP enrollment shall **not** be corrected or adjusted.

The owner is **not** required to sign a new CCC-505. County Offices can have the owner initial and date the base crop change on the existing CCC-505. County Offices will also follow the policy outlined in this subparagraph to correct the reduced acres from tenths to hundredths.**--***

23 Completing CCC-505

A Instructions

Owners may request a voluntary permanent reduction of base acres (including generic base acres) by completing CCC-505 according to the following.

Item	Instruction	
1	Enter State and county code where the farm is administratively located.	
2	Enter farm number where base acres will be reduced.	
3	**IF CCC-505 is…**	**THEN enter program year…**
	being prepared as a prerequisite for participation in CRP or GRP	• for CRP, equal to the effective date of CRP-1 **Note:** CCC-505 program year will equal FY CRP-1 becomes effective. **Example:** Producer completed and signed CCC-505 during CRP Signup 26. If the CRP offer is accepted: • CRP-1 will be effective October 1, 2008 • base acre reduction will be effective October 1, 2008 • CCC-505 program year is 2009. • for land enrolled in GRP under: • rental agreement, equal to date CCC-920 is approved by COC • easement equal to date GRP easement is filed.
	completed for reasons other than CRP or GRP participation	equal to FY CCC-505 is approved by COC.

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 direct payment yield for the commodity entered in item 6. **Important:** The tract level yield may be different than the farm level yield for the commodity.	
8	***--**Enter tract level PLC yield for the commodity entered in item 6.**--*** **Important:** The tract level yield may be different than the farm level 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.	

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:
	
	• CRP, enter CRP-1 number and CRP-1 effective date
	• GRP, enter:
	
	  • 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.
	
	Important: File copy of CCC-505 in the CTAP and/or ARC and PLC Program folder and CRP or GRP folder, as applicable.	

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.	

23 Completing CCC-505 (Continued)

B Processing CCC-505

Process CCC-505's according to the following.

Step	Action
1	Ensure that all base acres and reductions are listed.
2	Ensure that all affected owner signatures are present and properly executed.
3	If all applicable affected owners do **not** sign CCC-505, within 30 calendar days, COC will: • act on the request if a reduction is required to comply with CTAP, ARC, or PLC • disapprove, sign, and date, if a reduction is **not** required to comply with CTAP, ARC, or PLC. If all applicable signatures are obtained, COC or designee may approve CCC-505; however, approval is **not** necessary.
4	Reduce the base acres, including generic base acres, that exceed cropland in farm *****--maintenance according to 10-CM.--***** **Note:** Ensure that CCC-505 is properly executed before making these reductions or processing contract.
5	Date-stamp and retain CCC-505.
6	Corrections are permitted if acreage data on the farm is found to have changed during MIDAS or Farm Record updates. In cases where additional base acreage is required to be reduced because of rounding or other corrections, the additional base reduction because of CRP acreage can be added to the existing CCC-505 for the farm or tract.

Notes: CCC-505 (02-21-12) is required effective February 24, 2012. Before February 24, 2012, CCC-505 (02-05-09) is acceptable.

CCC-505 (01-22-13) is required effective February 5, 2013. Before February 5, 2013, CCC-505 (02-21-12) is acceptable.

CCC-505 (01-22-13) and subsequent CCC-505's are acceptable.

23 Completing CCC-505 (Continued)

C Example of CCC-505

*--The following is an example of CCC-505 (04-22-15).

This form is available electronically.

CCC-505 (04-22-15)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

1. STATE AND COUNTY CODE	2. FARM NO.	3. PROGRAM YEAR
30 043	1525	2015

VOLUNTARY PERMANENT BASE ACRE REDUCTION

4. REASON FOR REDUCTION OF BASE ACRES

☒ CRP Enrollment

☐ Other

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 Agriculture Act of 2014 (Pub. L. 113-79). The information will be used to process a request for a permanent reduction of the base acres established for identified crops. The information collected on the 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 an inability to process a request for a permanent reduction of the base acres established for identified crops.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Agriculture Act of 2012 (Pub. L. 113-79), Title 1, Subtitle F – Administration.

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.***

PART A - REQUEST

The undersigned requests a permanent reduction of the base acres established for the following crop(s) for the farm identified in Item 2 above.

5. TRACT NO.	6. COMMODITY	7. YIELD	8. BASE ACRES ON TRACT BEFORE REDUCTION	9. BASE ACRES ON TRACT TO BE REDUCED	10. BASE ACRES ON TRACT AFTER REDUCTION *(Column 8 MINUS Column 9)*
1621	Corn	127	42.30 -	4.30 =	38.00
10423	Soybeans	45	39.00 -	3.00 =	36.00
			-	=	
			-	=	

11. Total Base Acres to be Reduced *(Total of Column 9)* 7.3

12. Total Base Acres on Farm Before Reduction 81.30

13. Total Base Acres on Farm After Reduction *(Item 12 minus Item 11)* 74.00

14A. Requestor's Signature *(By)*	14B. Title/Relationship *(of the individual signing in the Representative Capacity)*	14C. Date *(MM-DD-YYYY)*
a producer		02/19/2015
15A. Owner's Signature *(By)*	**15B. Title/Relationship *(of the individual signing in the Representative Capacity)***	**15C. Date *(MM-DD-YYYY)***
a landowner		02/19/2015
16A. Owner's Signature *(By)*	**16B. Title/Relationship *(of the individual signing in the Representative Capacity)***	**16C. Date *(MM-DD-YYYY)***

17. REMARKS (If the base acres are being reduced because of cropland enrollment into CRP, enter the CRP-1 number and the effective date of CRP-1).
CRP #327 Effective Date 10/1/14

PART B- APPROVAL *(COUNTY OFFICE USE ONLY)*

18. REDUCTION IS:

APPROVED ☒ DISAPPROVED ☐

19. COUNTY FSA OFFICE NAME AND ADDRESS *(Including Zip Code)*
Jefferson County FSA
2 Whitehall Rd
Whitehall, MT 59759

20. COC'S SIGNATURE: a Ced

DATE *(MM-DD-YYYY)*: 02/19/2015

TELEPHONE NUMBER *(Area Code)*: 406-287-3260

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24 Base Acre Reallocation

A Notification to Owners and Operators

CCC provided owners and operators of record in 2014 with a summary of the P&CP of all covered commodities during the 2009 through 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** was included in this summary.

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, an owner's **not** receiving the summary from FSA, for whatever reason, will **not** have any bearing whether the owner can update records or exercise any of the owner's options. Owners and producers have the opportunity to update records during the reallocation period, provided that 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 reallocate base acres.

Updating 2009 through 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 through 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 FSA or CCC's rules governing the overpayment (7 CFR Parts 718 and 1403).

After records are updated, the owner has the opportunity to redistribute the farm's base acres based on a proration of each covered commodity's P&CP in crop years 2009 through 2012 to the total P&CP acres of all covered commodities during that time. The reallocation **cannot** increase the base acres on the farm.

24 Base Acre Reallocation (Continued)

B Base Acre Reallocation Decision

The 2014 Farm Bill authorizes any current owner of a farm the 1-time opportunity to either:

- retain all the farm's 2013 base acres, as of September 30, 2013, for each covered commodity, **excluding** 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.

  Note: An increase in **total** base acres in effect on September 30, 2013, on a farm is **not** allowed according to the 2014 Farm Bill.

If no reallocation decision is made during the reallocation period, the farm will retain the base acres on the farm as of September 30, 2013.

Note: The option to retain or reallocate base acres is an "all or nothing" proposition. Partial retention of bases or partial reallocation of bases is **not** permissible.

An owner **cannot** reallocate base acres to covered commodities that were **not** P&CP or subsequently planted crop acreage, to a covered commodity on the farm in 2009 through 2012 crop years, or in proportions other than proportions reflected in the actual history.

C Base Acre Reallocation Formula

The reallocation of base acres is based on the proportion of the 2009 through 2012 average of P&CP acres of covered commodities to the total of P&CP acres of all covered commodities on the farm, **excluding** upland cotton (generic) P&CP. Upland cotton (generic) base acres **cannot** be reallocated. If a subsequent covered commodity crop was planted after an initial covered commodity crop (P&CP), then a current owner may select either the initial crop (P&CP) or the subsequent as the crop to include in the reallocation calculation. In approved double crop situations, both the initial covered commodity crop (P&CP) and the subsequent covered commodity are included in the reallocation calculation.

25 Examples of Base Acre Reallocations

A Example of Base Acre Reallocation with No CRP

The following is an example of a base acre reallocation. The farm has acreage devoted to covered commodities in the 2009 through 2012 base period. Wheat was planted in 2009 and changed to a corn and soybean rotation in the years 2010 through 2012.

Farm Number:	**1234**
Farm Effective Cropland:	**300.00**

Crop	*2013 Base Acres*	*2009*	*2010*	*2011*	*2012*	*Average Planting*	*Reallocation Percentage*	*2014 Reallocated Base Acres*
Barley	**100.00**					0.00	0.00%	**0.00**
Canola						0.00	0.00%	**0.00**
Corn			300.00		300.00	150.00	50.00%	**150.00**
Crambe						0.00	0.00%	**0.00**
Dry Peas						0.00	0.00%	**0.00**
Flaxseed						0.00	0.00%	**0.00**
Grain Sorghum						0.00	0.00%	**0.00**
Large Chickpeas						0.00	0.00%	**0.00**
Lentils						0.00	0.00%	**0.00**
Mustard Seed						0.00	0.00%	**0.00**
Oats						0.00	0.00%	**0.00**
Peanuts						0.00	0.00%	**0.00**
Rapeseed						0.00	0.00%	**0.00**
Rice (Long Grain)						0.00	0.00%	**0.00**
Rice (Medium/Short Grain)						0.00	0.00%	**0.00**
Safflower						0.00	0.00%	**0.00**
Sesame Seed						0.00	0.00%	**0.00**
Small Chickpeas						0.00	0.00%	**0.00**
Soybeans				300.00		75.00	25.00%	**75.00**
Sunflower Seed (All)						0.00	0.00%	**0.00**
Wheat	**200.00**	300.00				75.00	25.00%	**75.00**
Upland Cotton (Generic)						0.00	0.00%	**0.00**
Totals	**300.00**	**300.00**	**300.00**	**300.00**	**300.00**	**300.00**	**100%**	**300.00**

DISCLAIMER: This tool was developed for you by FSA . The sole purpose of this tool is to provide a method for determining reallocated base acres . FSA does not endorse, guarantee, or otherwise make representations of any kind regarding any use of this tool.

The owner's base acre reallocation options are either of the following:

- retain 100 base acres of barley and 200 base acres of wheat
- reallocate base acres to 150 base acres of corn, 75 base acres of soybeans, and 75 base acres of wheat.

Note: The sum of the reallocated bases **must** equal 300 acres.

25 Examples of Base Acre Reallocations (Continued)

B Example of Base Acre Reallocation with CRP

This farm was fully enrolled in CRP until expiration in 2010. The CRP contracts protected 200 base acres of wheat and 100 base acres of barley. In 2011, 100 acres of expired CRP was planted to 100 acres of corn. In 2012, the remaining CRP contract expired and 200 acres of corn and 100 acres of soybeans were planted.

Farm Number:	123
Farm Effective Cropland:	300.00

ERASE PRINT

Crop	2013 Base Acres	2009	2010	2011	2012	Average Planting	Reallocation Percentage	2014 Reallocated Base Acres
Barley	100.00					0.00	0.00%	0.00
Canola						0.00	0.00%	0.00
Corn				100.00	200.00	75.00	75.00%	225.00
Crambe						0.00	0.00%	0.00
Dry Peas						0.00	0.00%	0.00
Flaxseed						0.00	0.00%	0.00
Grain Sorghum						0.00	0.00%	0.00
Large Chickpeas						0.00	0.00%	0.00
Lentils						0.00	0.00%	0.00
Mustard Seed						0.00	0.00%	0.00
Oats						0.00	0.00%	0.00
Peanuts						0.00	0.00%	0.00
Rapeseed						0.00	0.00%	0.00
Rice (Long Grain)						0.00	0.00%	0.00
Rice (Medium/Short Grain)						0.00	0.00%	0.00
Safflower						0.00	0.00%	0.00
Sesame Seed						0.00	0.00%	0.00
Small Chickpeas						0.00	0.00%	0.00
Soybeans					100.00	25.00	25.00%	75.00
Sunflower Seed (All)						0.00	0.00%	0.00
Wheat	200.00					0.00	0.00%	0.00
Upland Cotton (Generic)						0.00	0.00%	0.00
Totals	300.00	0.00	0.00	100.00	300.00	100.00	100%	300.00

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The owner's base acre reallocation options are either of the following:

- retain 100 base acres of barley and 200 base acres of wheat
- reallocate the farm to 225 base acres of corn and 75 base acres of soybean.

Note: The sum of the reallocated bases **must** equal 300 acres.

25 Examples of Base Acre Reallocations (Continued)

C Example of Base Acre Reallocation With Upland Cotton Acres Converted to Generic Base Acres

This farm has 100 base acres of grain sorghum, 100 base acres of wheat, and 100 base acres of upland cotton. The upland cotton base acres become generic base acres. Upland cotton plantings in the 2009 through 2012 base period are **not** used in the reallocation calculation. The farm had producers planting corn along with upland cotton and peanuts in rotation in the base period.

Farm Number:	34
Farm Effective Cropland:	300.00

ERASE

PRINT

Crop	*2013 Base Acres*	*2009*	*2010*	*2011*	*2012*	*Average Planting*	*Reallocation Percentage*	*2014 Reallocated Base Acres*
Barley						0.00	0.00%	**0.00**
Canola						0.00	0.00%	**0.00**
Corn		200.00		200.00		100.00	50.00%	**100.00**
Crambe						0.00	0.00%	**0.00**
Dry Peas						0.00	0.00%	**0.00**
Flaxseed						0.00	0.00%	**0.00**
Grain Sorghum	**100.00**					0.00	0.00%	**0.00**
Large Chickpeas						0.00	0.00%	**0.00**
Lentils						0.00	0.00%	**0.00**
Mustard Seed						0.00	0.00%	**0.00**
Oats						0.00	0.00%	**0.00**
Peanuts			200.00		200.00	100.00	50.00%	**100.00**
Rapeseed						0.00	0.00%	**0.00**
Rice (Long Grain)						0.00	0.00%	**0.00**
Rice (Medium/Short Grain)						0.00	0.00%	**0.00**
Safflower						0.00	0.00%	**0.00**
Sesame Seed						0.00	0.00%	**0.00**
Small Chickpeas						0.00	0.00%	**0.00**
Soybeans						0.00	0.00%	**0.00**
Sunflower Seed (All)						0.00	0.00%	**0.00**
Wheat	**100.00**					0.00	0.00%	**0.00**
Upland Cotton (Generic)	**100.00**	100.00	100.00	100.00	100.00	0.00	0.00%	**100.00**
Totals	**300.00**	**200.00**	**200.00**	**200.00**	**200.00**	**200.00**	**100%**	**300.00**

DISCLAIMER: This tool was developed for you by FSA . The sole purpose of this tool is to provide a method for determining reallocated base acres . FSA does not endorse, guarantee, or otherwise make representations of any kind regarding any use of this tool.

The owner's base acre reallocation options are either of the following:

- retain 100 base acres of grain sorghum, 100 base acres of wheat, and 100 generic base acres
- reallocate the farm to 100 corn base acres, 100 base acres of peanuts, and 100 generic base acres.

25 Examples of Base Acre Reallocations (Continued)

D Example of Base acre reallocation With Planted Acres Less Than Effective Cropland

This farm has 100 base acres of corn, 75 base acres of grain sorghum, 25 base acres of soybeans, and 100 base acres of wheat. The farm has been planting corn, grain sorghum, and soybeans. The total plantings each year do **not** equal the total base acres.

Farm Number:	**654**
Farm Effective Cropland:	**300.00**

ERASE PRINT

Crop	*2013 Base Acres*	*2009*	*2010*	*2011*	*2012*	*Average Planting*	*Reallocation Percentage*	*2014 Reallocated Base Acres*
Barley						0.00	0.00%	**0.00**
Canola						0.00	0.00%	**0.00**
Corn	**100.00**	55.00				13.75	30.56%	**91.67**
Crambe						0.00	0.00%	**0.00**
Dry Peas						0.00	0.00%	**0.00**
Flaxseed						0.00	0.00%	**0.00**
Grain Sorghum	**75.00**			75.00		18.75	41.67%	**125.00**
Large Chickpeas						0.00	0.00%	**0.00**
Lentils						0.00	0.00%	**0.00**
Mustard Seed						0.00	0.00%	**0.00**
Oats						0.00	0.00%	**0.00**
Peanuts						0.00	0.00%	**0.00**
Rapeseed						0.00	0.00%	**0.00**
Rice (Long Grain)						0.00	0.00%	**0.00**
Rice (Medium/Short Grain)						0.00	0.00%	**0.00**
Safflower						0.00	0.00%	**0.00**
Sesame Seed						0.00	0.00%	**0.00**
Small Chickpeas						0.00	0.00%	**0.00**
Soybeans	**25.00**		50.00			12.50	27.78%	**83.33**
Sunflower Seed (All)						0.00	0.00%	**0.00**
Wheat	**100.00**					0.00	0.00%	**0.00**
Upland Cotton (Generic)						0.00	0.00%	**0.00**
Totals	**300.00**	**55.00**	**50.00**	**75.00**	**0.00**	**45.00**	**100%**	**300.00**

DISCLAIMER: This tool was developed for you by FSA . The sole purpose of this tool is to provide a method for determining reallocated base acres . FSA does not endorse, guarantee, or otherwise make representations of any kind regarding any use of this tool.

The owner's base acre reallocation options are either of the following:

- option 1, retain 100 base acres of corn, 75 base acres of grain sorghum, 25 base acres of soybeans, and 100 base acres of wheat

- option 2, reallocate the farm to 91.67 base acres of corn, 125 base acres of grain sorghum, and 83.33 base acres of soybeans.

Note: The sum of the reallocated base acres **must** equal 300 base acres, even though the yearly plantings did **not** equal the sum of the base acres.

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.

26 Base Acre Reallocation Decision (Continued)

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.

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.

27 Covered Commodities

A Covered Commodities Eligible for Base Acre Reallocation

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

- 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

***--27 Covered Commodities (Continued)**

A Covered Commodities Eligible for Base Acre Reallocation (Continued)

- oats
- peanuts
- peas, dry
- rapeseed
- rice long grain
- rice, medium grain (includes short grain and sweet)
- safflower
- sesame seed
- soybeans
- sunflower seed
- wheat.**--***

27 Covered Commodities (Continued)

B Intended Uses of Covered Commodities

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

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	• Garbanzo, Small Kabuli (GAS) • Garbanzo, Desi (GAD)--*	
Corn	• Amylose • Popcorn • Waxy • White • Yellow	FG, GR, SD
Crambe		*--GR, SD
Flaxseed	All	GR, OL, PR, SD
Grain Sorghum Sorghum, Dual Purpose	All	FG, GR, GZ, SD, SG
Lentils		DE, FG, GZ
Mustard Seed	All	GR, PR, SD--*
Peanuts	All	All
Peas, Dry	• 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	• MGR • SGR	
Soybeans	All	FG, FH, GR, SD
Sunflower Seed	All	*--FG, GR, PR, SD--*

27 Covered Commodities (Continued)

C Eligible Crop Status for Inclusion in Base Acre Reallocation

***--**A covered commodity is eligible for history purposes to be used in base acre reallocation 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 are crop status codes for the first character field on FSA-578 that are eligible for P&CP history credit to be used in base acre reallocation.

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/non-FAV 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/non-FAV 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).

D Cover Commodities Ineligible for P&CP History Credit

Covered commodities certified with the following intended uses are ineligible for P&CP history credit and will **not** be used for base acre reallocation:

- left standing
- cover only
- green manure.

*--28 Base Acre Corrections

A Overview

The 2014 Farm Bill permitted:

- farm owners the opportunity to reallocate base acres on a farm based on acreage reporting history (P&CP or subsequently planted crop acreage in 2009 through 2012) by April 7, 2015

- base acres to be adjusted when CRP acreage expired, is terminated, or was early released.

Note: The policy in this paragraph provides assistance to County Offices to make corrections when errors are found.

The base acre reallocation process required County Offices to manually research missing covered commodity acreage history for years 2009 through 2012 where the tract and/or farm was changed because of a reconstitution. Once the research was completed, County Offices were required to manually load the covered commodity acreage in the acreage history software so the base acre reallocation process could be performed accurately. Since the base acre reallocation process required manual research and software loading by County Offices, errors may have occurred.

CRP acreage that expired, is terminated, or was early released is allowed to have base acres restored, if applicable. County Offices may not have restored base reductions from expiring or terminated CRP contracts as required.

Note: This paragraph provides County Offices with guidance on making base acre corrections.

B Base Acre Correction Policy

Base acre corrections, **except** statutory restorations, limited to the adjustments shown in this subparagraph, may be approved by COC, with concurrence of a State Office representative.

The following are base acre corrections that may be approved:

- base acres that were **not** properly restored after CRP expired or were early terminated in a prior year

  Note: County Offices:

  - will complete these base restorations for the year in which the error is found

  - must **not** restore these base acres for a year before 2014--*

***--28 Base Acre Corrections (Continued)**

B Base Acre Correction Policy (Continued)

- will restore base acres to the tract and farm for program years 2014 and 2015 through the end of the ARCPLC enrollment period for 2014 and 2015. These base acres should have been restored before September 30, 2014. The applicable crop's base acres shall be restored to the tract and farm and is not eligible to be reallocated since the base acre reallocation period ended on April 7, 2015.

- base acre reallocation that was not properly calculated because of an error in loading missing acreage history into the acreage history software for years 2009 through 2012 where the covered commodity was planted or considered planted

  Note: County Offices will complete the "new" base acreage reallocation, because of an error, in the "Base Reallocation Tool" located on the ARCPLC web site. The base reallocation software in FSA Applications is not available because of the Farm Records Import/Export process. In these situations, the base acres on the tract and farm that are in error require correcting in 2014 FRS and 2015 MIDAS once the new base reallocation calculation is completed.

- base acres that were not loaded properly in FRS or MIDAS, as applicable.

Statutory allowed base adjustments are CRP base adjustments allowed under paragraph 42.

County Offices shall thoroughly review with COC and document in the COC Executive minutes all base acreage corrections completed according to this paragraph.

Note: Corrections made by COC shall be concurred to by a State Office representative. Owners are not required to sign a new CCC-858 for corrections in this paragraph.

C Base Acre Correction Notification Policy

Notification of base acre corrections to owners and operators on the farm is:

- **not** required if the base acre correction was performed before issuing the notice of base and yield and election

  Note: The notice of base and yield and election will contain appeal rights.

- required if corrections to base acres of covered commodities on the farm are made after issuing the notice of base and yield and election.

  Note: Appeal rights must be provided.**--***

29-40 (Reserved)

Section 2 Methods for Base Acre Reallocation

41 Base Acre Reallocation to Tracts on Farm

A Base Acre Reallocation

Base acres may be reallocated to the tracts of a farm in either of the following ways:

- **default method** where reallocation will be attributed to each tract on the farm based on its percentage of cropland and will remain on that tract unless a subsequent CCC-517 is initiated to reallocate the bases following provisions in 10-CM

- **designation method** where any current owner may reallocate base to any tract or tracts, if the tract or tracts have the cropland to support the base acres assigned.

Note: If the farm retains the base in effect September 30, 2013, and does **not** reallocate base acres, the only opportunity to redistribute base between tracts is through the CCC-517 process following provisions in 10-CM.

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 a base acre reallocation made by a current 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 filed on that particular farm.

B Documenting Base Acre Reallocations

Base acre reallocations must be documented on CCC-858 (Exhibit 7).

41 Base Acre Reallocation to Tracts on Farm (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 reallocation period.

If no resolution is reached during the reallocation period the bases acres in effect on the farm as of September 30, 2013 will be retained.

D Reallocation Deadline

***--**Base acre reallocations must be completed by **April 7, 2015**.

E Reallocation After ARC-CO, ARC-IC, or PLC Election

If CCC-858 is filed after CCC-857 has been filed, FSA will view the last CCC-857 filed in the election period as valid unless **any** of the following apply:

- FSA determines the election was invalid at the time of submission

- a current producer, as defined in paragraph 183, 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 the base reallocation or yield update filed after CCC-857 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.**--***

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

A Policy

The same land **cannot** be enrolled in ARCPLC and CRP at the same time and receive both ARCPLC and CRP payments on the same acres. However, if during the program or contract year CRP-1 expires, is voluntarily terminated, or is early released, and **before** the established application or enrollment deadline established for ARCPLC, producers may enroll the following acreage and applicable yields into ARCPLC, previously enrolled under CRP-1, as applicable:

- CAB's reduced from applicable CRP-15
- PFC acreage that was reduced on CCC-505 to be enrolled in CRP
- base acres that were reduced on CCC-505 to be enrolled in CRP.

Note: The CAB, PFC, or base acres that are reinstated to the farm are considered base acres.

Important: Only reinstated base acreage from CRP-1's that expire, are voluntarily terminated, or early released on or after September 30, 2013, are eligible to be enrolled into the applicable year's ARC-CO and PLC contract, ARC-IC contract, or CTAP application providing base acreage reinstatement, enrollment, or application are completed by the applicable enrollment or application deadline.

***--**If base acres were eligible to be restored **on or before September 30, 2014**, the reinstated base acres:

- shall be distributed to the tract previously enrolled in CRP or to the tract from which the base acres were removed

- may be used in the base reallocation process

- will receive a PLC yield equal to the tract level CC yield for this crop at the time the applicable acreage was removed

  Note: The owner will have the opportunity to update this yield according to paragraph 61, using the farm's actual yield per planted acre for the 2008 through 2012 crop years by the applicable deadline.

- if a CC yield was **not** assigned or **cannot** be found for the applicable crop on the farm, then the county average CC yield will be assigned for the applicable crop

- shall be subject to the program election made for the farm and/or crop by the election deadline according to Part 7.**--***

See 10-CM for updating FRMS.

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

A Policy (Continued)

If base acres were eligible to be restored **after September 30, 2014**, the
***--**reinstated base acres, when authorized, will be restored as the covered commodity that was reduced and may not be reallocated to any other crop:

Example: If 50 acres of oat base were reduced on CCC-505, these base acres will be restored as oat base acres.

- if the covered commodity to be restored has base acres that exist on the farm before the restoration, then:
  - restore the base acres to the applicable tract and farm
  - the covered commodity's election shall be the election that is in place for that covered commodity on the farm
  - the covered commodity will receive the PLC yield currently established for the crop on the farm

    Note: No further yield update is allowed.
- if the covered commodity to be restored does **not** have base acres that exist on the farm before the restoration, then:
  - restore the base acres to the applicable tract and farm once the current producers have completed a manual election for the applicable covered commodity

    Note: The election must be completed within 30 calendar days of notification. Failure to make the election within 30 calendar days shall result in the default election of PLC.

    Exception: Restored base acres on ARC-IC farms are not required to make an election.

    Note: As required in paragraph 187, a resulting farm from a parent farm that made a PLC or ARC-CO election cannot make an ARC-IC election.**--***

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

A Policy (Continued)

- ***--**the covered commodity will receive a PLC yield equal to the **higher of** the following:

  - CC yield for the crop at the time the applicable base acreage was reduced

  - county average CC yield for the applicable crop.

  Note: The owner will have the opportunity to update the yield according to paragraph 61, using the farm's actual yield per planted acre for the 2008 through 2012 crop years. The opportunity to update the yield must be completed during the 30-calendar-day notification period.**--***

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.

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: • reallocation of base acres • election of ARC or PLC • enrollment into 2014 ARC-CO and PLC contract or ARC-IC contract	2014, subject to ARC-CO and PLC contract, ARC-IC contract, or CTAP application, 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: • election of ARC or PLC, if new base acre commodity is added to the farm for the applicable year • enrollment into 2015 ARC-CO and PLC contract or ARC-IC contract for the applicable year **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.	in which base acres are reinstated and subject to ARC-CO and PLC contract, or ARC-IC contract.**--***

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

C Timing of Adjustments and Payments (Continued)

IF CRP-1 expires, is voluntarily terminated or is early released…	THEN eligible farms may...	AND be paid full ARCPLC * * * in FY...
September 30, 2014 through September 30, 2018 (Continued)	adjust base acres on the farm by enrolling eligible acreage after September 30 of FY in which CRP-1 is voluntarily terminated, but no later than the application or enrollment deadline **for the applicable following FY**.	in which base acres are reinstated and subject to ARC-CO and PLC contract or ARC-IC contract, if applicable.

Note: Eligible acreage **must** be included on ARC-CO and PLC contract or ARC-IC contract by the applicable ARCPLC enrollment deadline established for the applicable year to be eligible for ARCPLC.

D Example 1

Jane Smith enrolled 100 acres of cropland on FSN 56 in CRP during signup. CRP-1 became effective on October 1, 2014. Before enrollment of the 100 acres of cropland into CRP, FSN 56 had:

- 500 acres cropland
- 410 base acres, including generic base acres
- 0 CRP acres.

The total amount of base acres plus CRP acres **cannot** exceed the farm's cropland plus double-cropping history. Accordingly, Jane Smith executed CCC-505 to reduce the base acres (including generic base acres) on FSN 56 to 400 acres. After enrollment of the 100 acres of cropland into CRP, FSN 56 has:

- 500 acres cropland
- 400 base acres, including generic base acres
- 100 CRP acres
- 10 wheat base acres reduced on CCC-505.

Note: If upland cotton (generic) base acres are reduced, instead of wheat base acres, eligible upland cotton (generic) base acres for CTAP are reduced.

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

D Example 1 (Continued)

On September 1, 2015, Jane Smith voluntarily terminates 2.3 acres from CRP. The 2.3 acres will be used for a horse pasture. The voluntary termination of 2.3 acres from CRP was approved by the applicable CCC official. After the voluntary termination of the 2.3 acres of CRP is approved, and all other eligibility requirements are met, the County Office will:

- ***--**notify all producers and owners, in writing (Exhibit 8), that the 2.3 wheat base acres**--*** are available for enrollment into ARCPLC

- increase the base acres on FSN 56 to 402.3 *** * ***

- notate the 2.3 base acre reinstatement in the CCC-505 “Remarks” section.

After the modifications to FY 2015 FRMS have been completed, FSN 56 has:

- 500.0 acres cropland
- 402.3 base acres, including generic base acres
- 97.7 CRP acres
- 7.7 base acres reduced on CCC-505.

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

E Example 2

Mike Jones enrolled 100 acres of cropland on FSN 119 in CRP during signup. CRP-1 became effective on October 1, 2014. Before enrollment of the 100 acres of cropland into CRP, FSN 119 had:

- 500 acres cropland
- 410 base acres, including generic base acres
- 0 CRP acres.

Note: If upland cotton (generic) base acres are reduced, instead of wheat base acres, eligible upland cotton (generic) base acres for CTAP are reduced.

The total amount of base acres plus CRP acres **cannot** exceed the farm's cropland. Accordingly, Mike Jones executed CCC-505 to reduce the base acres on FSN 119 to 400 acres. After enrollment of the 100 acres of cropland into CRP, FSN 119 has:

- 500 acres cropland
- 400 base acres, including base acres
- 100 CRP acres
- 10 wheat base acres reduced on CCC-505.

On July 1, 2015, Mike Jones voluntarily terminates 2.3 acres from CRP. The 2.3 acres will be used to build a house and out buildings. The voluntary termination of 2.3 acres from CRP was approved by the applicable CCC official. Because a house and out buildings do **not** meet the requirements to be considered cropland, and the producer does **not** have enough available cropland, the County Office **must not** make any modifications to base acres or acres recorded on CCC-505 for FSN 119.

After modifications have been made to CRP-1, FSN 119 has:

- 497.7 acres cropland
- 400.0 base acres
- 97.7 CRP acres
- 10.0 wheat base acres reduced on CCC-505.

Note: If upland cotton (generic) base acres are reduced, instead of wheat base acres, eligible upland cotton (generic) base acres for CTAP are reduced.

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

F Example 3

Joe Brown enrolled 10 acres of cropland on FSN 989 in CRP during signup. CRP-1 became effective on October 1, 2014. Before enrollment of the 10 acres of cropland into CRP, FSN 989 had:

- 25 acres cropland
- 20 base acres
- 0 CRP acres.

The total amount of base acres plus CRP acres **cannot** exceed the farm's cropland. Accordingly, Joe Brown executed CCC-505 to reduce the base acres on FSN 989 to 15 acres. After enrollment of the 10 acres of cropland into CRP, FSN 989 has:

- 25 acres cropland
- 15 base acres
- 10 CRP base acres
- 5 wheat base acres reduced on CCC-505.

On May 1, 2015, Joe Brown sold 15 acres of non-CRP land. As a result of the land sale, FSN 989 has:

- 10 acres cropland
- 0 base acres
- 10 CRP acres
- 5 wheat base acres reduced on CCC-505.

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.

43-60 (Reserved)

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.

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 shall 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.

  Reviews shall be recorded in the executive session minutes.

Step	Action
1	Use 3 farms with similar yield capability, including: • 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: • yields established using 3 similar farms • farms receiving the yields • farms used to establish the yields.

61 General Information (Continued)

E Action on Appeal of Yield (Continued)

The STC representative shall review PLC yields and:

- concur, if yields are documented and justified
- require corrective action, if yields are **not** justified.

County Offices shall issue a revised notice after the STC representative has concurred that yields were established using 3 similar farms.

Note: PLC yields that were computed based on information certified by the landowner will not be adjusted using 3 similar farms.

62 Yield Update Decision

A Decision to Update or Retain CC Yield

The decision to update or retain the yield for covered commodities can be made on a covered commodity-by-covered commodity basis, as determined by the owner of the farm.

For covered commodities with base acres, the owner will have a choice of either of the following:

- keeping the covered commodity's existing CC yield
- update the CC yield according to subparagraph 61 B.

Note: The farm's PLC yield, after the update decision is completed, will be equal to or greater than the farm's CC yield, depending on the yield update decision made by the owner.

If the owner chooses **not** to update the PLC yields on the farm, or does **not** make the necessary updates before the base and yield update deadline, the farm's 2013 CC yields for each covered commodity will be carried forward as the farm's PLC yields for the 2014 through 2018 covered commodity years.

Owners have the option of updating yields regardless of PLC, ARC-CO, or ARC-IC election. However, if either a base reallocation or yield update, or both, is performed in the election period, any previously filed election is invalidated.

Example: A producer elects PLC for the wheat base and ARC-CO for the corn base. The producer may update the PLC yield for both wheat and corn on the farm.

The PLC yields are used in the payment calculation for PLC **only**. The 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.

ARC uses county level yields for ARC-CO or individual farms yields for ARC-IC, in the 5 years immediately preceding, for determining guarantees and payments, if applicable. The PLC yield that is based on 2008 through 2012 data is **not** used for ARC.

Note: Upland cotton is no longer a covered commodity. There is **no** need to establish PLC yields for upland cotton base acres.

62 Yield Update Decision (Continued)

B Irrigated and Nonirrigated Yields

The 2014 Farm Bill does **not** allow for establishing separate irrigated and nonirrigated payment yields for covered commodities in the ARC and PLC Program.

The PLC yield for a covered commodity that is from both irrigated and nonirrigated acreage will either be the farm's current CC yield, or an updated yield that is based on total production on the farm for the covered commodity, divided by the total irrigated and nonirrigated planted acres of the covered commodity on the farm for each applicable year, 2008 through 2012.

Note: Under ARC-CO, FSA will establish an irrigated and non-irrigated ARC-CO guarantee for counties that meet the irrigated acre criteria. However, separate irrigated and non-irrigated yields will **not** be required to be established at the farm level for this calculation.

C Update Decisions

The decision to update the farm yield for the covered commodity at the farm or tract level can be made by any current owner of the farm and does **not** require all owners to sign to the update.

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 **cannot** be agreed to by all the farm's current owners by the end of the yield update period, the farm's yield will default to the 2013 CC yield as listed in the Acreage History notification letter.

Any current owner of a farm in 2014 can make the decision to update yield. If a new owner acquires the farm before the yield update deadline, the yield update decision can be modified by the new owners or then current owners of the farm, provided the yield update period is still open.

Yield update decisions are made on a crop-by-crop basis and can be modified throughout the base and yield update process.

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.

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

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 (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.

64 Historical FSA Yields (Continued)

B 2002 and 2008 Direct and CC Yields (Continued)

- CC yield, to issue CC payments, if triggered, with CC yield was established by either:
  - assigning the direct payment yield for the crop as the CC yield
  - allowing the owner the option to partially update the CC yield on the farm when partial update of the CC yield was based on 1 of the following formulas and **only** when base option to fully update bases was selected on the farm:
    - 93.5 percent of the 1998 through 2001 weighted average yield of the crop
    - 70 percent partial yield update calculated using 70 percent of the difference between the 1998 through 2001 weighted average yield and the direct payment yield, with the result being added to the direct payment yield of the crop
- crop bases and yields for soybeans and minor oilseed crops allowed for establishing direct and CC yields for soybeans and minor oilseeds using policy as stated in this subparagraph.

The 2008 Farm Bill allowed for pulse crop base acres and yields established under the 2002 Farm Bill, according to this subparagraph, to be and used.

65 Certification of Yields

A Certified Yields

PLC yields can be updated on a covered commodity-by-covered commodity basis as determined by a current owner on the farm.

A current owner will certify to an actual yield for each covered commodity that was planted on the farm for each year, during the 2008 through 2012 crop years. The certified yield can be made at the farm *** * *** level. *** * ***

Note: The yield certification policy differs from yield certification policy used under the 2002 Farm Bill or the 2008 Farm Bill's ACRE program, where certified production records for each year were required. County Offices do **not** have the resources to accept production evidence for verification purposes as certifications are made.

Records supporting the certified yield are **not** required to be submitted to FSA for approval at the time of yield update 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 that are determined to have an invalid or incorrect certification of yield will have the yield corrected and overpayments **must** be refunded, if applicable. *** * *** More than 1 year of ARCPLC payments may be required to be refunded, if applicable.

65 Certification of Yields (Continued)

B Yield Policy

The certified PLC yield **must** represent the total harvested and/or appraised production divided by the planted acres of the covered commodity on the farm for each year and provided to the County Office under the following guidelines:

- certified yield data may be furnished by either the farm owner or operator
- the decision to retain or update the PLC yield is solely 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 operator or owner of the farm, 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.

65 Certification of Yields (Continued)

C Who Certifies Yields

--Yields will be provided to FSA, on CCC-859 (paragraph 91), by either the operator or-- owners of the farm 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 owner of the farm.

In cases where yields **cannot** either be determined or are **not** available, the yield for that acreage in that year will be substituted according substitute yield policy in subparagraph D.

Production data used to certify yields **must** be retained by the current owner of the farm making the certification if the record is selected for review by FSA.

Important: Regardless of how yield information is provided, it is a current owner who must choose whether to update the yield and provide a certification as to the yield authenticity.

D Substitute Yield

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

The substitute yield is calculated at 75 percent of the 2008 through 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 through 2012.

A substitute yield is **not** used in years of zero planting of the covered commodity during the 2008 through 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 when yields **cannot** either be determined or the yields are **not** available.

65 Certification of Yields (Continued)

E RMA and NAP Data

Owners are encouraged to use yield data that was 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.

The following are 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 through 2012 covered commodity years.

Note: The following examples reflect the same FSA farm and RMA unit structure.

Corn Yield Example: All years, 2008 through 2012, have yield data and may be used to certify to yields for use in the yield update calculation.

*--

REQUIRED Field Review __ Inspection __			Added Land/New Crop/Practice/Type/TMA ☐		
PROC NO./NAME &/OR # OF TREES/VINES			Map Area	T Yld 126.0	% Share 100
YEAR	PRODUCTION	ACRES	YIELD	YA YIELD	DESC
04	14,428.8	200.4	72.00		A
05	28,693.8	167.8	171.00		A
06	29,058.0	200.4	145.00		A
07	36,246.5	241.1	150.00		A
08	35,303.9	200.4	176.00		A
09	24,911.0	188.5	132.00		A
10	12,069.1	73.3	165.00		A
11	47,419.3	316.4	150.00		A
12	17,178.6	100.7	171.00		A
13L	49,122.4	315.5	156.00		A

--*

65 Certification of Yields (Continued)

E RMA and NAP Data

Wheat Yield Example: Only 2010 has yield data that may be used to certify to yields for usage in the yield update calculation. The years of 2008, 2009, 2011, and 2012 were zero planted acre years and are **not** used in the yield update calculation.

REQUIRED Field Review __ Inspection __			Added Land/New Crop/Practice/Type/TMA ☐		
PROC NO./NAME &/OR # OF TREES/VINES			Map Area	T Yld 55.0	% Share 100
YEAR	PRODUCTION	ACRES	YIELD	YA YIELD	DESC
87	2,448.0	48.0	51.00		A
89	4,028.0	76.0	53.00		A
90	5,398.4	96.4	56.00		A
91	6,060.0	101.0	60.00		A
92	3,465.0	55.0	63.00		A
93	7,332.0	156.0	47.00		A
95	6,068.0	151.7	40.00		A
97	5,928.0	156.0	38.00		A
99	3,990.0	70.0	57.00		A
10	2,463.4	27.4	90.00		A

F Yield Certification Form and Instructions

--See paragraph 91 for example CCC-859 and instructions.--

G Yield Update Software

The software used to update yields and instructions will be provided in 2-ARCPLC.

66 Modifications to Yield * * * Certifications

A Yield * * * Certification Modifications

COC's are authorized to approve a modification to a current owner's *** * *** yield certification. Approvals of such modifications are subject to the current owner providing verifiable or ***--**nonverifiable, but reliable records 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.

Modifications of the yield record in these situations **must** be:**--***

- documented on a copy of the original CCC-859
- initialed and dated by the current owner
- approved by COC.

***--**There is no deadline for modifications to yield certifications. Any payments generated should be made immediately. Any refunds should be collected immediately.

Notes: Modifications to yield (higher or lower) may have impact on ARCPLC payments.**--***

COC's should also consider referring the modifications of production to RMA under provisions of 4-RM, if warranted.

***--**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 the report of yield data from RMA, CIMS data, and 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 and used the report of yield data from RMA, FSA may accept the producer's certification unless COC determines the yield does not appear to 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 appear to be representative of the RMA data.**--***

66 Modifications to Yield * * * Certifications (Continued)

*--B Examples of Modifications to Yield Certifications

Example 1: A current owner certified yield data by the production reporting deadline, that the production from a crop of soybeans was 37 bushels per acre based on RMA records. Later, RMA modified the production because of quality--* adjustments and the net production was adjusted to 35 bushels per acre. COC may approve the adjustment in production on CCC-859, if the current owner submits acceptable records to substantiate the adjustment.

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.

Example 2: A current owner certified yield data by the production reporting deadline, that the production from a crop of wheat was 55 bu. per acre based on farm-stored measurement records. Later, the current owner sells the commodity and provides sales receipts for 59 bu. per acre. COC may approve the adjustment in production, if the current owner choosing to update the yield provides acceptable records to substantiate the adjustment.

Note: County Offices will consider a referral to RMA under provisions of 4-RM, if warranted.

*--C PLC Yield Correction Overview

Farm owners were provided an opportunity to update PLC yields on covered commodity base acres during the base acre reallocation/yield update period that ended April 7, 2015. The yield update period involved historical years 2008 through 2012. A farm owner certified the covered commodity yield on the farm for each year the crop was planted (2008 through 2012). Farm owners who did not request to update PLC yields on the farm retained the current CC yield that was associated with the farm as of September 30, 2013.

Note: PLC yield corrections under this paragraph do **not** apply to CC yields retained on the farm.

During the yield update period, there were policy changes and other issues that may have resulted in an owner incorrectly updating the PLC yield, or the owner may not have been able to use a policy change that occurred after the yield was certified. FSA may also determine that a yield certification was completed in error or loaded in error. As a result, corrections to certified PLC yields are permitted when an erroneous yield is found by either the owner or FSA.--*

66 Modifications to Yield * * * Certifications (Continued)

*--D PLC Yield Correction Policy

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
- new data (updated yields), such as STC-approved county average CC yields or yield update policy changes, were implemented by FSA, including and not limited to:
  - policy on hybrid seed and/or popcorn
  - policy on irrigated and/or nonirrigated yield data for hybrid seed and/or popcorn
- owner made an error when certifying a yield in any of the years the covered commodity was planted (2008 through 2012)
- yields were not loaded properly in the yield update software by FSA, FRMS, or MIDAS, as applicable.

Note: The PLC yield software is not available because of the Farm Records Import/Export process. In these situations, the County Office must use the "Yield Update Tool" located on the ARCPLC web site to recalculate yields found in error according to this paragraph.

Other yield corrections may be considered and require submission to STC or 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-858 for PLC yield corrections according to this paragraph.**--***

66 Modifications to Yield * * * Certifications (Continued)

*--E Yield Correction Notification Policy

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 and yield and election

  Note: The notice of base and yield and election will contain appeal rights.

- required if corrections to yields of covered commodities on the farm are performed after issuing the notice of base and yield and election.

  Note: Appeal rights must be provided.

F Effects of PLC Yield Corrections

A comparison of the corrected PLC yield to the certified PLC yield will be performed at the final approved PLC yield at the farm level, not at the tract level.

If the farm level corrected PLC yield in comparison to the certified PLC yield reveals a discrepancy where the County Office made an error or FSA policy changes occurred during the yield certification process resulting in an inaccurately certified yield by the owner:

- the PLC yield will be corrected for each year from 2014 and subsequent years

  Note: Tolerance is not applicable.

- COC is not required to make a good faith determination as FSA made the error

- any overpayment or underpayment will be processed for each applicable year a yield is corrected.

PLC yield corrections shall be documented in the COC minutes.

Example: A producer's approved PLC yield is 100 bu./acre for corn. The yield correction for each of the PLC update years (2008 through 2012) results in the new farm level PLC yield being calculated at 96 bu./acre.

The certified farm level PLC yield of 100 bu./acre will be corrected to 96 bu./acre. The County Office shall complete the correction for 2014 and subsequent years.**--***

66 Modifications to Yield * * * Certifications (Continued)

*--G PLC Yield Correction Adjustments

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

  Note: If COC determines:

  - "good faith" on behalf of the owner:

    - correct the final PLC yield at the farm level for 2014 and subsequent years
    - process any overpayments or underpayments for each year

  - "lack of good faith" on behalf of 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 2014 and subsequent years

      Note: If a CC yield did not exist for the crop on the farm, then the PLC yield shall be lower of the corrected PLC yield or the average county CC yield for the crop.

    - process any overpayments or underpayments for each year.

- COC's determination shall be documented in the executive minutes.

Note: See paragraph 247 to determine whether misrepresentation, inaccurate representation, scheme, or device has occurred.**--***

67 Hybrid Seed or Popcorn

A Yield Certification

A current owner on a farm having hybrid seed or popcorn may request to use:

- subparagraph B for hybrid seed
- subparagraph C for popcorn.

B Hybrid Seed Separate Methods

Owners may use any of the following separate methods to certify and update PLC yields for any covered commodities grown for hybrid seed for each crop year 2008 through 2012. If more than 1 method is applicable to the farm, the current owner may select the method to be used. If a current owner does **not** select a method, the farm's yield will remain unchanged from the CC yield.

IF...	**AND...**	**THEN the current owner may certify to the...**
both commercial crop acreage and hybrid seed acreage is grown on the farm	both the commercial and the hybrid seed acres are irrigated or nonirrigated	yield per planted acre from the commercial acreage to the hybrid seed acreage.
the producer and company entered into an agreement to use a commercial equivalent yield to calculate payments under the seed contract based on harvested commercial production	the producer has evidence that the calculation was based on actual harvested yields **Note:** Evidence may include the nomination form, election of field form, or other form showing actual harvested commercial production.	commercial equivalent production used for payment by the seed company, **not** to exceed 120 percent of the county average yield for the specific year the hybrid seed was grown, as determined by STC.
the entire county grows hybrid seed	neither of the previous 2 methods in this table apply	county average yield of an adjacent county for the specific year the hybrid seed was grown, as determined by STC.
neither of the previous 3 methods in this table apply		county average yield for the specific year the hybrid seed was grown, as determined by STC.

Note: In States where irrigated and non-irrigated yields exist for hybrid seed crops, commercial equivalents shall be limited by 120 percent of the applicable irrigated or non-irrigated county yield, as determined by STC. For counties that do **not** have a separate irrigated or non-irrigated county yield, STC's may (**not** required) establish separate irrigated or non-irrigated county yields for hybrid seed acres for certified yield updating purposes **only**. If separate irrigated and non-irrigated yields are **not** established, then the blended county average yield shall be used, **not** the PLC substitute yield.

67 Hybrid Seed or Popcorn (Continued)

*--C Popcorn Yield Certification Conversion Policy

A current owner on a farm having popcorn may request to use a conversion factor of 29.7 to convert pounds to bu. for the specific years the crop was grown, 2008 through 2012. This factor can only be used if a "commercial corn yield" from harvested acres is **not** available on the farm. If commercial corn was harvested on the farm, then the conversion factor shall **not** be used and the popcorn acres will be assigned the commercial corn yield associated with the farm. To convert popcorn yields (pounds) when an appropriate commercial corn yield is **not** available on the farm, divide the popcorn yield in pounds by 29.7 to obtain an equivalent commercial corn yield in bu.

Example: A 5,000 pound popcorn yield divided by 29.7 would be equivalent to 168 bu. field corn yield, rounded to the nearest bu.

Use the following table to determine when to use the commercial corn yield or the conversion factor.

IF there is…	**THEN…**
irrigated commercial corn on the farm	apply the same yield to the irrigated popcorn acres.
non-irrigated commercial corn on the farm	apply the same non-irrigated yield to non-irrigated popcorn acres.
no commercial corn on the farm	use the factor to determine the popcorn yield, regardless if the popcorn is irrigated or non-irrigated.
irrigated commercial corn on the farm only and there is non-irrigated popcorn on the farm **only**	use the factor to determine the popcorn yield.
non-irrigated commercial corn on the farm only and there is irrigated popcorn on the farm **only**	use the factor to determine the popcorn yield.

--*

68 Yield Update Examples

A Example 1

In this example, a producer planted peanuts in all 5 years of the yield period 2008 through 2012. The 2012 crop year yield is lower than the substitute yield (75 percent of the 2008 through 2012 county average yield). The substitute yield will be used.

The 5-year average yield on the farm is calculated at 3,506 lbs. per acre. The PLC yield is 90 percent of 3,506 lbs. per acre or 3,155 lbs. per acre.

The current owner may choose to keep the CC yield of 2,972 lbs. per acre or updated the yield to 3,155 lbs. per acre.

Farm 1	**Covered Commodity is Peanuts**					**CC Yield is 2,972 Lbs. Per Acre**		
	2008	**2009**	**2010**	**2011**	**2012**	**Total 1/**	**Average Yield 2/**	**PLC Yield at 90 Percent**
Covered Commodity Yield	3819	3557	3441	4111	~~2422~~	17,529	3506	3155 lbs. per acre
Substitute Yield at 75 Percent	~~2601~~	~~2601~~	~~2601~~	~~2601~~	2601			

1/ Total of 2008 through 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 (3819 + 3557 + 3441 + 4111 + 2601 = 17529 ÷ 5 = 3506)

Yield update decision is to update the peanut PLC yield to 3,155 lbs. per acre.

68 Yield Update Examples (Continued)

B Example 2

In this example, a producer planted corn in 3 years of the yield period 2008 through 2012. The 2012 crop year yield is lower than the substitute yield (75 percent of the 2008 through 2012 county average yield). The 2012 yield will be substituted.

Using the 3 years of yields from the years that the covered commodity was planted on the farm, the average yield is calculated at 136 bu. per acre. The PLC yield is 90 percent of 136 bu. per acre or 122 bu. per acre.

The current owner may choose to keep the CC yield of 112 bu. per acre or update the yield to 122 bu. per acre.

Farm 2	**Covered Commodity is Corn**					**CC Yield is 112 Bu. Per Acre**		
	2008	**2009**	**2010**	**2011**	**2012**	**Total 1/**	**Average Yield 2/**	**PLC Yield at 90 Percent**
Covered Commodity Yield	Zero Planted	Zero Planted	135	150	~~119~~	407	136	122 bu. per acre
Substitute Yield at 75 Percent	~~122~~	~~122~~	~~122~~	~~122~~	122			

1/ Total of 2010 through 2012 covered commodity year yields. 2008 and 2009 years are zero planted and **excluded** from the calculation.

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.

3-Year Average of Planted Acreage (135 + 150 + 122 = 407 ÷ 3 = 136)

Yield update decision is to update the corn PLC yield to 122 bu. per acre.

68 Yield Update Examples (Continued)

C Example 3

In this example, soybeans were planted in 4 of the 5 years, 2008 through 2012. In 2009, the current owner did **not** provide a yield certification because the farm was operated by a different producer who would **not** provide the yield records. Also, the 2012 crop year yield is lower than the substitute yield (75 percent of the 2008 through 2012 county average yield). Both the 2009 and the 2012 yields will be substituted.

Using the 4 years of yields from the years the covered commodity was planted on the farm, the average yield is calculated at 40 bu. per acre. The PLC yield is 90 percent of 40 bu. per acre or 36 bu. per acre.

The current owner may choose the current CC yield of 32 bu. per acre, or the calculated PLC yield of 36 bu. per acre.

Farm 3	**Covered Commodity is Soybeans**					**CC Yield is 32 Bu. Per Acre**		
	2008	**2009**	**2010**	**2011**	**2012**	**Total 1/**	**Average Yield 2/**	**PLC Yield at 90 Percent**
Covered Commodity Yield	Zero Planted	Planted No Production Evidence 0	47	51	~~26~~	158	40	36 bu. per acre
Substitute Yield at 75 Percent	~~30~~	30	~~30~~	~~30~~	30			

1/ Total of 2009 – 2012 covered commodity year yields. 2008 covered commodity year is zero planted and **excluded** from the calculation. 2009 and 2012 yields are substituted 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.

4-Year Average of Planted Acreage (30 + 47 + 51 + 30 = 158 ÷ 4 = 40)

Yield update decision is to update the soybean PLC yield to 36 bu. per acre.

68 Yield Update Examples (Continued)

D Example 4

In this example, a producer planted wheat in 1 year of the yield period 2008 through 2012. The yield for the 1 year of planting is greater than the substitute yield level (75 percent of the 2008 through 2012 county average yield).

Using 1 year of yield data from the 2010 crop year, when the wheat crop was planted on the farm, the average yield is calculated at 60 bu. per acre. The PLC yield is 90 percent of 60 bu. per acre or 54 bu. per acre.

The current owner may choose to keep the CC yield of 32 bu. per acre or update the yield to 54 bu. per acre.

Farm 4	**Covered Commodity is Wheat**					**CC Yield is 32 Bu. Per Acre**		
	2008	**2009**	**2010**	**2011**	**2012**	**Total 1/**	**Average Yield 2/**	**PLC Yield at 90 Percent**
Covered Commodity Yield	Zero Planted	Zero Planted	60	Zero Planted	Zero Planted	60	60	54 bu. per acre
Substitute Yield at 75 Percent	~~45~~	~~45~~	~~45~~	~~45~~	~~45~~			

1/ Total of the 2010 covered commodity average year yield. 2008, 2009, 2011, and 2012 years are zero planted and **excluded** from the calculation.

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.

1-Year Average of Planted Acreage (60 ÷ 1 = 60)

Yield update decision is to update the wheat PLC yield to 60 bu. per acre.

68 Yield Update Examples (Continued)

E Example 5

In this example, a producer planted corn in rotation on the farm, 2008, 2010, and 2012 during the period 2008 through 2012. The yield for the each of the 3 years was greater than the substitute yield level (75 percent of the 2008 through 2012 county average yield).

Using the 3 years of yields from the years that the covered commodity was planted on the farm, the average yield is calculated at 109 bu. per acre. The PLC yield is 90 percent of 109 bu. per acre or 98 bu. per acre.

The current owner may choose to keep the CC yield of 105 bu. per acre or the updated yield of 98 bu. per acre.

Farm 5	**Covered Commodity is Corn**					**CC Yield is 105 Bu. Per Acre**		
	2008	**2009**	**2010**	**2011**	**2012**	**Total 1/**	**Average Yield 2/**	**PLC Yield at 90 Percent**
Covered Commodity Yield	110	Zero Planted	105	Zero Planted	112	327	109	98 bu. per acre
Substitute Yield at 75 Percent	~~75~~	~~75~~	~~75~~	~~75~~	~~75~~			

1/ Total of 2008, 2010, and 2012 covered commodity year yields. 2009 and 2011 years are zero planted and **excluded** from the calculation.

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.

3-Year Average of Planted Acreage (110 + 105 + 112 = 327 ÷ 3 = 109)

Yield update decision is to retain the corn CC yield of 105 bu. per acre.

69-80 (Reserved)

Section 2 Certified Yield Compliance

81 Records of Production

A Production Certifications

Production certifications are required to be provided to FSA for the ARC and PLC Program in 2 instances:

- farm has ARC-IC elected that provides for the need of benchmark and current year production data

- farm has had the PLC yields updated and has been selected for review by FSA.

--**Certification of yield for PLC update purpose by a farm's current owner does **not** require**--
submitting production records to support the certified yield, unless selected by FSA for review.

B Acceptable Records

FSA **may** require producers who are participants in ARC-IC, or current owners who certify to yields under PLC yield update, the option to submit records of production to substantiate production or yield reported to FSA for the farm *** * ***.

Production records acceptable to CCC **may** include the following verifiable or nonverifiable, but reliable:

- production data previously reported to FSA on FSA-658's under the ACRE program

  Note: FSA-658's on file at FSA for the ACRE program for the farm will be made
  --**available to current year farm owners or operators for the purpose of yield**--
  update or ARC-IC production reporting on request.

- commercial receipts, settlement sheets, warehouse ledger sheets, pick records, or load summaries, if the eligible crop was sold or otherwise disposed of through commercial channels

81 Records of Production (Continued)

B Acceptable Records (Continued)

- nonverifiable documentary evidence determined to be reliable by FSA, such as
--contemporaneous measurements, truck scale tickets, pick records, grain yield monitors, and contemporaneous diaries, as necessary, to verify information provided-- by the producer, if the eligible crop was stored, sold, fed to livestock, or otherwise disposed of other than through commercial channels

- appraisal information from LA acceptable to CCC.

Note: FSA will **not** perform appraisals for ARCPLC purposes. However, FSA will generally accept appraisals performed for NAP or crop insurance purposes provided the appraisal is deemed an acceptable record of production for the farm *** * *** (or part of the farm, as applicable) as enrolled in ARCPLC.

C Verifiable Records

Verifiable records of production include contemporaneous records provided by the producer that may be verified by CCC through an independent source and can be used to substantiate the amount of production reported. Verifiable records **must**:

- be dated
- show disposition of the crop's production, including both quantity and price
- be seasonal or crop specific for crops that are produced more than once in a calendar yea
- be provided if production records are requested by FSA if they exist.

D Nonverifiable Records

If submitting production records is required and verifiable records are **not** available, the producer or owner **must** provide any other available documentation, including, but **not** limited to:

- copies of receipts
- ledgers of income corresponding to production
- income statements of deposit slips
- register tapes
- invoices for custom harvesting
- pick records.

Nonverifiable records are subject to review by FSA according to subparagraph E.

81 Records of Production (Continued)

E COC Responsibilities

COC will follow this table when reviewing production records for ARC-IC or when a farm has been selected for review of the PLC updated yield, as applicable.

Step	Action
1	Date-stamp hard copy records with County Office name.
2	Photocopy date-stamped production records submitted by the current owner or producer.
3	Place photocopied, date-stamped records in the producer's County Office file.
4	Return the original date-stamped production evidence to the current owner or producer. **Note:** The original date-stamped production evidence can **only** be returned to the producer **after** the photocopies have been made and placed in the current owner's or producer's farm file.
5	Review current owner's or producer's farm file for previously submitted production evidence. Ensure that the records have **not** been duplicated.
6	Ensure that the current owner or producer understands that the production records **must** be: • complete and represent the farm's *** * *** total harvested production • for the correct farm, *** * *** crop year, and acreage.
7	***--**Review **all** production records provided by the current owner or producer and farm, and determine whether the records support the current owner's or**--*** producer's certification or report of production. If the records: • support the current owner's or producer's certification for the farm *** * ***, but are **not** verifiable, follow step 8 • support the current owner's or producer's certification for the farm *** * ***, and are verifiable, the records are acceptable • do **not** support or agree with the current owner's or producer's farm *** * *** certification, advise the current owner's or producer the production records are **not** acceptable and will **not** be used. ***--Note:** The substitute yield for ARC-IC and PLC yield update will be used.**--*** **Note:** After copies of production records have been placed in the current owner's or producer's farm file in the County Office, they will **not** be removed or returned to the current owner or producer.

81 Records of Production (Continued)

E COC Responsibilities (Continued)

Step	Action	
8	Compare the current owner's or producer's **nonverifiable record of production** with either of the following: • neighboring owners or producers of the crop who have provided verifiable or reliable reports of production • the ARCPLC substitute yield.	
	IF…	**THEN…**
	similar levels of production were experienced on neighboring farms or the level of production is consistent with the ARCPLC substitute yield	the current owner's or producer's certification, supported by some record of production may be considered reliable and acceptable.
	records do **not** support the current owner's or producer's certification *** * ***	***--**COC shall assign the substitute yield for ARC-IC or PLC yield updates, as applicable.**--***

82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm

A Required Information

For commodities commercially sold, stored, or disposed of off the farm, evidence **must** show the following:

- owner's or producer's name
- crop year (may be certified or provided by producer)
- commodity
- class, if applicable
- buyer or storing facility
- transaction or delivery date

  Note: COC may consider production evidence acceptable if transaction or delivery dates are **not** shown, if **all** of the following apply:

  - the evidence is a summary provided by the buyer or warehouse
  - the crop year is indicated on the evidence
  - COC is satisfied that the evidence accurately represents the production from the farm for the applicable crop year.

- net quantity (bu., pounds, or cwt., as applicable).

  Note: If the evidence indicates dockage and/or excessive moisture, and an adjustment is **not** shown on the evidence, County Offices will make the applicable adjustments according to the applicable 2-LP.

82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)

B Supporting Evidence

Production can be substantiated by the following documentation:

- LDP or MAL records

  Note: Loan quantities will be considered synonymous with LDP quantities, because producers may receive a loan or LDP, but **not** both, on eligible quantities.

- warehouse receipts
- delivery evidence
- warehouse ledgers
- sales evidence
- load summaries from warehouse, processor, or buyer
- settlement sheets
- scale tickets or weight slips with all required information
- computer-generated documents from a warehouse that contain required information
- gin records

82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)

B Supporting Evidence (Continued)

- RMA yield production records

  Notes: This includes certified yields within the APH database.

  In all cases when using RMA data, **always** use FSA acreage when calculating yields.

- RMA records of loss appraisals

  Note: This includes proof of loss forms generated by multi-peril insurance providers when indemnities are paid.

- measured quantities of farm-stored production according to paragraph 83

- measured quantities performed by uninterested third parties.

  Important: COC will carefully review all documents to ensure that duplicate records are **not** submitted for the same production. Additionally, COC will:

  - require additional evidence if COC has reason to:

    - question existing evidence
    - believe existing evidence does **not** represent correct production

  - limit combinations of production evidence according to subparagraph C.

82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)

C Ensuring That Evidence Is Not Duplicated

COC's will carefully review documents submitted, according to subparagraph B, to ensure that duplicate records have **not** been submitted for the same production. Additionally, COC's will **not** authorize either of the following combinations:

- farm-stored measurement records with **any other** form of supporting evidence
- loan and/or LDP records with **any other** form of supporting evidence.

Exception: Combinations may be authorized when production records clearly remove any probability of duplication. For example, a producer sells 10 loads of corn, with delivery dates from October 1 to October 15. FSA farm-stored measurement date for LDP is November 15.

*--83 Production That is Farm-Stored and/or Used for Seed, Silaged, Hayed, or Grazed

A Determining Acceptable Yield When Production Remains Farm Stored and/or Used for Seed, Silaged, Hayed, or Grazed

The following policy applies to determining production for covered commodities that are farm-stored and/or used for seed, silage, hayed or grazed.

WHEN production from covered commodities planted on the FSA farm…	**AND…**	**THEN the…**
is farm-stored and has **not** been sold or fed or used for seed	the grain was measured by FSA or crop insurance representative	producer may certify and the COC may accept the measured quantity. **Note:** Data may be obtained from RMA or NAP APH database records if applicable.
is farm-stored and has **not** been sold or fed or used for seed	was **not** measured	producer may certify, using contemporaneous records, and the COC may accept the yield per acre certified using subparagraph 81 E, step 8.

--*

***--83 Production That is Farm-Stored and/or Used for Seed, Silaged, Hayed, or Grazed (Continued)**

A Determining Acceptable Yield When Production Remains Farm Stored and/or Used for Seed, Silaged, Hayed, or Grazed (Continued)

WHEN production from covered commodities planted on the FSA farm…	**AND…**	**THEN the…**
is farm-stored and **has** been fed or used for seed	was **not** measured	producer may certify, using contemporaneous records, and the COC may accept the yield per acre certified using subparagraph 81 E, step 8.
is used for seed	producer provides written certification that: • disposition was by planting • production is **not** included in any other record • seeding rate • number of acres planted.	producer may certify and the COC may accept the yield certified using the subparagraph 81 E, step 8.
has 100 percent of the acreage taken for silage or hay	there are no records of silage or hay production per acre	producer may certify and COC may accept the substitute yield for ARC-IC or PLC yield update, as applicable, to the acreage
has 100 percent of the acreage taken for silage or hay	there are acceptable records of production	producer may certify and COC may accept the converted tons of silage or hay using the factors in paragraph 87. **Note:** If production has been converted for LDP and/or loan by RMA or NAP, then use that production.

***--83 Production That is Farm-Stored and/or Used for Seed, Silaged, Hayed, or Grazed (Continued)**

A Determining Acceptable Yield When Production Remains Farm Stored and/or Used for Seed, Silaged, Hayed, or Grazed (Continued)

WHEN production from covered commodities planted on the FSA farm…	**AND…**	**THEN the…**
has partial acreage of the crop taken for grain and partial acreage taken for silage, hay, or graze	does **not** have records of grain production available for any acres of the farm	producer may certify and COC shall assign the substitute yield for ARC-IC or PLC yield update, as applicable, to the acreage taken for silage, hayed or grazed.
has partial acreage of the crop taken for grain and partial acreage taken for silage, hay, or graze	does have records of grain production available on the portion of the acreage of the farm taken for grain	producer may certify and COC may accept the higher of either of the following: • actual yield or substitute yield from the acreage taken for grain applied to the acreage taken for silage, hay, or graze and use the grain yield • substitute yield for the farm.
has 100 percent of the acreage for the crop is taken for grazing	does **not** have an appraisal or other documentation showing production per acre for the crop	producer may certify and COC may accept the substitute yield for ARC-IC or PLC yield update, as applicable, to the acreage.

--*

84, 85 (Withdrawn--Amend. 2)

86 Determining Farm Yield When Owner's Update Was Not for Complete Farm

A Partial Yield Update

If an owner provides a yield update based only on a portion of the harvested acres of the crop on the whole farm, the procedure in this paragraph is applicable **only** to the specific acreage of a crop for which **both** of the following apply to a farm:

- acceptable production records on 1 or more fields *** * *** within the farm during the benchmark period for ARC-IC or the 2008 through 2012 years for yield update period **cannot** be obtained

- current owners and producers did **not** have an interest in the crop.

B No Interest in Part or All of the Acreage of a Crop

Owners of a farm may **not** be able to obtain production evidence from **former** producers on the farm's tract or field for all of the applicable crop years. The following process will be used to calculate the farm yield:

- ***--**assign production from the substitute yield for ARC-IC or PLC yield update, to the**--*** tract or field acreage from which production evidence is unavailable, provided existing FSA or crop insurance records clearly document the tract or field had planted acreage of the crop

- obtain production from acreage that the producer had control of and has production or yield data available

- total the assigned and actual production from all tracts and fields for the crop and divide by the total acres of the planted crop on the farm in the applicable year.

--**The substitute yield for ARC-IC or PLC yield will be applicable at the farm level, if the substitute yield on the farm is higher than the yield calculated in this subparagraph.**--

86 Determining Farm Yield When Owner's Update Was Not for Complete Farm (Continued)

*--C Partial Yield Update Example

The partial substitute yield can be used when the producer currently farms land, but did **not** farm the land in 1 or more of the 2008 thorough 2012 crop years.

Example: Producer added a quarter of land to his operation in 2012.

- He does **not** have production records in 2008 on 100 acres of wheat, because he did **not** farm those acres in 2008.

- He does have production records for the other 50 acres of wheat, because he farmed those acres in 2008.

Wheat plantings on the farm were as follows.

Year	2008	2009	2010	2011	2012
Acres	150.0	0.0	0.0	0.0	200.0

2008: 100 acres **x** 38 bushels (substitute yield) = 3,800 bu.
50 acres **x** 45 bushels (actual yield) = 2,250 bu.
150 acres = 6,050 bu.

6,050 bu. ÷ 150 acres = 40 bu. per acre **1**/

1/ Enter **40 bu.** on FSA-859 for 2008 year.**--***

*--87 Silage and Hay Production Evidence

A Policy

Silage or hay production (tonnage) that is a matter of record and meets paragraph 81 criteria may be converted to bu. using conversion factors in this subparagraph.

Note: If RMA has converted silage to bu., producers may certify, and COC's accept, RMA production (bu.) as converted.**--***

B Silage Production

Acceptable records of silage production **must** be converted from tons of silage to bu. of grain by multiplying the tonnage amount times the following factors:

- 6.47 for barley
- 7.94 for corn
- 5.51 for dry peas
- 3.114 cwt. for grain sorghum times 100 divided by 56
- 4.30 for lentils
- 4.08 for oats
- 6.00 for small chickpeas
- 5.00 for soybeans
- 6.99 for wheat.

Example: Farmer A sold a corn crop harvested as silage to XYZ Dairy. All production is weighed. XYZ Dairy purchased 739.5 tons of corn silage from Farmer A. The actual corn grain production for that year would be 5,872 bu. (739.5 tons x 7.94 bu. per ton = 5,872 bu.).

C Hay Production

--**Acceptable records of hay production must be converted to bu. by multiplying the tonnage by the following conversion factors:**--

- 18.49 for barley
- 8.89 for large chickpeas
- 17.14 for small chickpeas
- 22.69 for corn
- 15.74 for dry peas
- 8.89 cwt. for grain sorghum times 100 divided by 56
- 12.29 for lentils
- 11.66 for oats
- 14.20 for soybeans
- 19.97 for wheat.

*--87 Silage and Hay Production Evidence (Continued)

D Silage or Hay Measurements--*

Actual measurements to verify production for a particular year **must** have been taken **before** harvesting the next year's crop to document the year of production. Acceptable farm-stored forage measurements are measurements taken by the following:

- FSA employees, if done as part of an official measurement service
- FSA certified LA's
- Extension Service or USDA employees acting in an official capacity
- feed company consultants approved by COC
- private feed and forage consultants approved by COC
- RMA or reinsured company appraisers.

Note: Using sales receipts to document production eliminates the need for an on-farm hay or forage measurement.

--E COC Guidelines for Approving Silage or Hay Measurements--

COC's will review applicant's documents from feed and forage consultants and make approvals based on whether or **not** the documents meet the requirements of this part. It is evident that feed and forage consultants do **not** necessarily provide the same service to all customers.

88 Commingled Production

A Overview

The best available production records may include production that has been commingled between:

- farms and tracts
- years
- a combination of farms, tracts, and years.

COC is authorized to apportion commingled production according to this paragraph.

Note: COC will only apportion production that is represented by acceptable records, but **cannot** be identified with a specific farm or year.

B Basic Option, Planted Acres

If commingled production **cannot** be separated by year or by farm, COC will apportion production based on **planted** acres in each applicable year or each applicable farm. See subparagraph F for example.

Exception: COC **may** allow alternative methods to apportion production, as requested by owners or producers, according to subparagraph E.

C Commingled Years and Farms

If production is commingled between crop years and farms, COC will apportion the production to applicable **crop years before** apportioning production to farms.

88 Commingled Production (Continued)

D Alternative Methods of Apportioning

COC **must** be satisfied that apportioning production by any method, other than using **planted** acres, according to subparagraph B, results in yields comparable to other similar farms for the applicable years and farm.

Note: The alternative method requested by an owner of a farm **must** be documented on or attached to CCC-859. COC will limit apportioning based on **planted** acreage according to subparagraph B, if an alternative method results in questionable or inequitable yields between farms or crop years.

COC **may** allow the apportioning of acceptable production evidence, based on the following:

- harvested acres in each applicable year or each applicable farm
- crop insurance records for each year
- other available records COC determines can reasonably be used for apportioning, such as custom harvesting records, producer load summaries, or weight tickets.

Note: See subparagraphs B through G for examples of apportioning production based on alternative methods approved by COC.

88 Commingled Production (Continued)

E Apportion Based on Planted Acres Between Years

This example apportions acceptable production evidence between crop years based on planted acres, according to subparagraph B. A producer has the following farm information:

- settlement sheet for 10,000 bu. after the 2006 crop was harvested
- settlement sheet for 20,000 bu. after the 2007 harvest, but before any 2008 harvest
- planted acres were:
  - 90 acres in 2006
  - 110 acres in 2007
- the owner has **not** requested COC to consider an alternative method of apportioning, according to subparagraph E.

In this example, production **must** be prorated between the years, based on the harvested acres each year, as follows:

- total the harvested acres from each year (90 + 110 = 200)
- divide the harvested acres for each applicable year by the sum of harvested acres for all years, to determine a percentage of acres applicable to each year as follows:
  - (2006): 90 ÷ 200 = .4500
  - (2007): 110 ÷ 200 = .5500
- multiply the acreage percentage for each year times the commingled production:
  - 30,000 bu. x .45 = 13,500 bu. attributed to 2006
  - 30,000 bu. x .55 = 16,500 bu. attributed to 2007.

88 Commingled Production (Continued)

F Apportion Based on LDP Records Between Farms

In this example, the owner requested to apportion production evidence between farms for the 2005 crop year, based on LDP records for each respective farm.

Note: Although LDP quantities may be considered acceptable production evidence, the owner is requesting that commingled production on settlement sheets be apportioned based on the respective LDP quantities.

The owner has the following information:

- 6,000 bu. certified LDP, FSN 100
- 4,000 bu. certified LDP, FSN 200
- settlement sheet with commingled production totaling 10,150 bu.

In this example, COC may allow apportioning of the production on settlement sheets, based on the LDP quantities, as follows:

- total LDP quantities for the 2005 crop (6,000 + 4,000 = 10,000)

- divide LDP quantities for each respective FSN by the sum of LDP quantities for the 2005 crop year, to determine a percentage applicable to each FSN, as follows:

  - FSN 100 6,000 ÷ 10,000 = .6000 (4 decimal places)
  - FSN 200 4,000 ÷ 10,000 = .4000 (4 decimal places)

- multiply the commingled production on the settlement sheets times LDP percentage for each FSN, as follows (rounded to nearest whole bu. or pound):

  - 10,150 bu. x .6000 = 6,090 bu. attributed to FSN 100
  - 10,150 bu. x .4000 = 4,060 bu. attributed to FSN 200.

Note: COC will limit options according to subparagraph B, if an alternative method results in questionable or inequitable yields between farms or crop years.

88 Commingled Production (Continued)

G Apportion Based on RMA Records Between Farms

In this example, the owner requested to apportion production evidence between farms for the 2008 crop year, based on multi-peril crop insurance APH records.

Note: Certified quantities for APH purposes are considered to be acceptable production evidence and these quantities may be used to apportion commingled production evidence to the satisfaction of COC.

The owner has the following information:

- 20,000 bu. production certified on multi-peril units 1, 2, and 3 (FSN 100)
- 35,000 bu. production certified on multi-peril units 4, 5, and 6 (FSN 200)
- settlement sheets with commingled production totaling 54,650 bu.

In this example, COC may allow apportioning of the production on settlement sheets, based on the quantities certified for APH purposes, as follows:

- total APH quantities for the 2008 crop (20,000 + 35,000 = 55,000)

- divide APH quantities for each respective FSN by the sum of APH quantities for the 2008 crop year, to determine a percentage applicable to each FSN, as follows:

  - FSN 100 20,000 ÷ 55,000 = .3636 (4 decimal places)
  - FSN 200 35,000 ÷ 55,000 = .6364 (4 decimal places)

- multiply the commingled production on the settlement sheets times the APH quantity percentage for each FSN, as follows (rounded to nearest whole bu. or pound):

  - 54,650 bu. x .3636 = 19,871 bu. attributed to FSN 100
  - 54,650 bu. x .6364 = 34,779 bu. attributed to FSN 200.

Note: COC will limit options according to subparagraph B, if an alternative method results in questionable or inequitable yields between farms or crop years.

89 Multiple Producers on a Farm

A Production Using Crop Shares

If a producer's share of the total production and the producer's production are known, this data may be used to compute the farm's total production.

B Computing Production Using Crop Shares

Compute the farm's total production using the following example:

- the producer's share of the total production is .3333 and the producer's production records show he or she received 1,000 bu.

- COC may establish the farm's production at 3,000 bu. if the producer's share is a matter of record and the production evidence is acceptable.

*--90 ARCPLC Yield Review

A Introduction

The 2014 Farm Bill allows any owner of a farm an opportunity to update the CC yield for 1 or more covered commodities on the farm for PLC or to establish farm level benchmark and current year yields for farms that have elected ARC-IC.

The yields for PLC and ARC-IC are required to be certified as a yield per acre. The yield review process requires FSA to review the accuracy of the certified yields. This may require the review of the actual production records for the farm.

Note: As a general rule, yields certified for PLC or ARC-IC supported by the RMA yield data, are **not** subject to further review by COC, unless COC questions the data. The review of RMA yield data means **only** that County Offices verify RMA data was, in fact, used to certify farm yields.

It is the responsibility of the producers on the farm to retain and make available to COC, production records of the covered commodities being reviewed. This includes RMA yield data used by owner, only when COC questions the accuracy of the RMA data. The yield review process will be required annually through the 2018 crop year.

This section provides policy and procedure for conducting the certified yield reviews for:

- yields reported on the CCC-859 and/or CCC-858 for the PLC yield update process for the farm

- certified yields for ARC-IC benchmark and actual yield calculations as reported on the ARC-IC forthcoming "Yield Certification Form" for the farm.

B PLC Yields Exceeding PLC County Average Farm Level Yield

A report will be provided to identify farm level PLC yields that exceed the PLC county average yield for that specific crop by a user-specified percentage.

County Offices are **required** to run this report no later than **December 31** of each year to identify farms with Farm Level PLC yields exceeding **125 percent** of the PLC County Average Yield as calculated by FSA

Note: This report will include **all** farm PLC yields that exceed the PLC county average yield on farms that elected to update yields on more than 25 percent, after yield update is completed. Only the covered commodity yields from farms that completed a PLC yield update will be subject to COC review. PLC yields updated using RMA yield records are **not** subject to further COC review, unless COC questions the accuracy of the yield data. Retained CC Yields, now PLC Yields, during the yield update period are **not** subject to this review.**--***

***--90 ARCPLC Yield Review (Continued)**

C Selection of Farms - PLC Yields for Review

Farms with updated covered commodity PLC yields are subject to review based on the following:

- 2-CP, subparagraph 322 D

- any producer included on the 2015-2018 National Spot Check Review Register and subsequent year registers

  Note: This selection and review will occur annually.

- producers identified on the PLC Yields Exceeding the PLC County Average Yield Report as outlined in subparagraph 90 B

  Notes: COC will review this report no later than **December 31** of each year, and identify farms that shall have the covered commodity yields reviewed, as determined by STC.

  This report does **not** need to be reviewed annually because this PLC yield review requirement is a 1-time event.

D Selection of Farms - ARC-IC Benchmark and Actual Yields Review

Farms that are **enrolled** in ARC-IC are subject to spot-check based on the following:

- 2-CP, subparagraph 322 D

- any producer included on the 2015-2018 National Spot Check Review and subsequent year registers

  Notes: This selection and review will occur annually through 2018.

Annually, review 5 percent of enrolled ARC-IC farms, including farms identified on the National Spot Check Register for the applicable year.**--***

90 ARCPLC Yield Review (Continued)

E CED and County Office Responsibilities

County Office personnel shall:

- ensure the following for farms selected for yield review:

  - if yields were certified using RMA data, research the FSA Report of Yield Data, CIM's (RMA production reports), or other RMA data available to verify certified yields were, in fact, RMA yield data

  - ***--**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

    Notes: This review can be accomplished by reviewing the report of yield data from RMA, CIMS data, and 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 and used the report of yield data from RMA, FSA may accept the producer's certification unless COC determines the yield does not appear to 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 appear to be representative of the RMA data.

  - yields certified using data from FSA-658 in the ACRE program require no additional review or spot check**--***

  - if additional verification of RMA data is needed, contact the current producer and/or owner or operator who submitted the certified yield data on the farm to provide the additional RMA data to County Office for review

  - if RMA data was **not** used nor found to support yield certification at the farm level, contact the current producer and/or owner or operator who submitted the certified yield data on the farm to provide the production data used to certify the yields on the farm to the County Office

  - assist producers with decommingling production, assignment of partial plug yields, or assignment of similar farm yields, as applicable, to determine the accuracy of the yield certified

90 ARCPLC Yield Review (Continued)

E CED and County Office Responsibilities (Continued)

Note: This may include requesting the producer to help identify which RMA units or records were used to certify the yields on each respective farm.

- review farm-level yields selected for review with COC for determination
- provide farm-level yield review results to the applicable producers of farms reviewed
- correct farm-level yield, if applicable.

--Note:** Owners and operators are **not** required to be notified if the farm-level yield is not corrected because of tolerance.**--

F COC Responsibilities

The following are COC responsibilities:

- ensure reviews of covered commodity yields on farms are completed in a timely manner
- ensure that applicable producers of the farm are notified of the review and the findings

  Note: This requires notifying the owners and/or operators on the farm at the time the yields were provided or update.

- inform producers on the farm of their responsibility to provide documents to support yield certification when requested by COC
- as a general rule, yields certified for PLC or ARC-IC that are supported by the RMA yield data are **not** subject to further review by COC, **unless** COC questions the data
- ***--**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

  Notes: This review can be accomplished by reviewing the report of yield data from RMA, CIMS data, and 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 and used the report of yield data from RMA, FSA may accept the producer's certification unless COC determines the yield does not appear to reflect the actual yield for farms with similar growing conditions.**--***

90 ARCPLC Yield Review (Continued)

F COC Responsibilities (Continued)

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 appear to be representative of the RMA data.

- yields certified using data from CCC-658 in the ACRE program require no additional review or spot check.--*

Notes: RMA yield data would include the RMA yield reports outlined in APH yield reports that show each specific year's yield for the unit.

In cases where COC questions the accuracy of the certified yields, COC may require the actual production records be provided for review.

COC and County Office staff shall refer to the following table to complete the yield review process.

IF, on the Yield Certification form for PLC or ARC-IC, the producer indicated…	**THEN….**
"Yes", RMA records were used	review the following records: • farm-level yields certified for PLC or ARC-IC that are supported by the RMA yield data **Note:** They are **not** subject to further review by COC, unless requested by COC. • RMA yield data from the Report of Yield Data report offered by FSA • RMA production data as downloaded from the Comprehensive Information Management System • RMA production data from the producers crop insurance records • other production evidence provided, if requested, as outlined in this section.
"No", RMA records were **not** used	request that the current producer and/or the owner or operator that provided the certified yield provide records as outlined in this section.

Notes: On farms with both irrigated and non-irrigated production of a crop, the yield shall be calculated as a "blended" yield at the farm level.

If the evidence provided according to this table does **not** support the yield certification made by the owner/producer, COC may request additional information.

90 ARCPLC Yield Review (Continued)

G Production Evidence Not Available

There may be instances where production evidence is **not** available because of change in ownership or other circumstances beyond the current owner's control. In these cases, COC shall determine whether good faith applies. If good faith is determined, the following actions apply:

- for the final approved PLC yields at the farm level, the yield will be adjusted on the farm to the **higher** of the following:
  - CC yield that existed on the farm **before** the yield update

    --Note:** If a CC yield did not exist for the crop on the farm, then the PLC yield shall be equal to the county average CC yield for the crop.**--

  - recalculated yield using the substitute yield of 75 percent of the county average yield in the years for which production evidence is **not** available
- for ARC-IC yields at the farm level, the actual or applicable benchmark yield will be adjusted to the following:
  - actual yield will be set at the higher of:
    - 100 percent of the applicable year's ARC-CO yield
    - the actual yield
  - benchmark yields for each affected year will be set at:
    - the lower of 70 percent of the T-yield
    - the actual yield.

H Tolerance

The yield review may result in differences in certified versus verifiable yields at the farm level. The comparison of yield for tolerance purposes is made as follows:

- at the final approved PLC yield level for the farm
- for each applicable year's benchmark or current year yield for ARC-IC for the farm.

After review of the RMA data or production evidence provided, if applicable, COC will determine the final yield for the applicable covered commodity to determine whether the yield was certified correctly. In cases where FSA determines a different resulting yield than the yield accepted by FSA, a tolerance will apply to the calculation before corrective action will be required.

*--90 ARCPLC Yield Review (Continued)

H Tolerance (Continued)

For farms with differences in yields, a yield tolerance of up to 5 percent (over or under) of the applicable final yield will be applicable. A correction of yield is **not** permitted unless the tolerance has been exceeded.

Example: A producer's approved PLC yield is 40 bu. per acre for wheat. The review of the production records for each of the PLC update years 2008 through 2012 results in new farm-level yield being calculated at 39 bu. per acre.

The approved farm level PLC yield of 40 bu. per acre is within the established tolerance and no additional correction is needed on this farm. The PLC yield will remain at 40 bu. per acre for the farm.

I Yield Adjustments

If review of the production evidence reveals a discrepancy in the reported yield, determine if the difference between the actual yield and the certified yield is within the tolerance as outlined in subparagraph H as follows:

- if the difference is within the 5 percent tolerance, the yield is accepted as certified and no further adjustment is permitted

- if the difference exceeds the 5 percent tolerance, and **good faith is determined**, the farm-level yield will be adjusted as follows:

  - for PLC yields, the final approved PLC yield will be corrected in Farm Records for each year from 2014 to the current year

    Note: Any overpayments or underpayments shall be processed accordingly.

  - for ARC-IC benchmark and actual yields, correct the yield for each applicable year on the farm in the ARC-IC Benchmark software for both benchmark and actual yields

    Note: Any overpayments or underpayments shall be processed accordingly. If payments were determined through a spreadsheet, payments will need to be manually recalculated.**--***

*--90 ARCPLC Yield Review (Continued)

I Yield Adjustments (Continued)

- if the difference exceeds the 5 percent tolerance, and **good faith is not determined**, the farm-level yield will be adjusted as follows:

  - for PLC yields, the final approved PLC yield will be adjusted to CC yield that existed for that crop on the farm before the yield update

    Note: If a CC yield did not exist because the crop is a new cover commodity on the farm the PLC yield shall be the average county CC yield for that covered commodity.

  - for ARC-IC yields, the benchmark and actual yields will be adjusted to the following:

    - actual yield will be set at the higher of:

      - 100 percent of the applicable year's ARC-CO yield
      - the actual yield

    - benchmark yields for each affected year will be set at:

      - the lower of 70 percent of the T-yield
      - the actual yield.

J Appeal Rights

County Offices will notify applicable producers and owners of:

- COC's determined yield
- actions taken
- amount of refund or additional payment, if applicable
- appeal rights according to 1-APP.**--***

91 CCC-859

A Example of CCC-859

This form is available electronically.

CCC-859
(09-23-14)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

PRICE LOSS COVERAGE (PLC) YIELD WORKSHEET

1. Program Years: **2014 through 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

THE YIELD WORKSHEET is used to obtain yield information that may be used by a current owner who may choose to update the covered commodity yield as permitted under Section 1113 of Public Law 113-79 and 7 CFR Part 1412. The yields provided in this worksheet for the years the covered commodity was planted, 2008 through 2012, will be averaged using the simple average method excluding years of zero planting. Once the simple average yield of the covered commodity is calculated, any current owner on the farm may choose to update the farm's covered commodity CC yield on form CCC-858 during the yield update period.

Report the actual yields planted on the farm for each covered commodity planted for the years 2008 – 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) the commodity was not planted) yield reported on this form.

TOTAL FARM YIELD WORKSHEET

Complete this section ONLY for covered commodities that the owner may wish to report. ***If a 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",* ***3*** *for "on-farm storage",* ***4*** *for "livestock feed records",* ***5*** *for "FSA loan record",* ***6*** *for "FSA NAP record", or* ***7*** *for "other". Please enter the other record type in the remarks section on the form. 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 using CCC-858 during the yield update period.*

6. Farm Yields

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

7. Remarks

8A. Contact Person's Name | 8B. Contact Person's Telephone Number | 8C. Contact Person's Email Address

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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.*

91 CCC-859 (Continued)

B Instructions for Completing CCC-859

Complete CCC-859 according to this table:

Item	Instruction
2A	Enter FSA County Office name and address (optional).
2B	Enter FSA County Office phone and/or FAX numbers (optional).
3 and 4	Enter State and county code.
5	Enter FSN.
6	Complete this section to report a yield at the **farm level** only in the years the covered commodity was planted in 2008 through 2012. * * *
6A	Enter covered commodity name planted in the years 2008 through 2012.
6B	Enter actual yield resulting from planted acres of the applicable covered commodity for the years 2008 through 2012. **If** a covered commodity was **not planted** for the particular year **leave blank**.
6C	Enter certified yield's "Record Type". Enter "1" for RMA data, "2" for production sold/commercial storage, "3" for on-farm storage, "4" for livestock feed records, "5" for FSA loan record, "6" for FSA NAP record, or "7" for other. If "7", enter the other record type in the "Remarks" section.
7	Enter any remarks, if applicable.
8A	Enter person to contact about yields (optional).
8B	Enter contact person's phone and/or e-mail address (optional).
* * *	* * *

92-100 (Reserved)

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 **1/**	$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 **2/**	$14.00 per cwt.
Crambe	$20.15 per cwt.	***--**Rice, Temperate Japonica **3/**	$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).

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

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 1/	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 1/	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 **1/**	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.**--***

Note: 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.

Payment Calculation

Crop	Reference Price	Effective Price		PLC Payment Rate
		MYA Price 1/	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 1/	Payment Rate	PLC Yield	PLC Payment
Soybeans	100	85	$0.00	11 bu.	$0
Corn	200 2/	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.

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 1/	Payment Rate	PLC Yield	PLC Payment
Wheat	137.50 2/	85	$0.50	30 bu.	$1753
Corn	131.25 2/	85	$0.00	80 bu.	$0
Grain Sorghum	131.25 2/	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.

--Note:** 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.**--

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** t to exceed 10 percent of the benchmark producer revenue.

112-115 (Reserved)

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.

Note: 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.

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.

ARC-CO producer payment is equal to 85 percent of the specific covered commodity base acres, times the calculated ARC-CO payment rate, times the producers share as reported on ARC-CO and PLC contract or ARC-IC contract. Again, 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 agriculture 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.

116 ARC-CO (Continued)

B ARC-CO Benchmark Yield Calculation (Continued)

An ARC-CO benchmark yield is the average historical county yield. It is **required** in each county for each covered commodity with base acres on a participating farm. The ARC-CO benchmark yield is used to determine the ARC-CO benchmark revenue for each covered commodity. The ARC-CO benchmark yield is determined by multiplying the average county historical yield per planted acre for the covered commodities in the county for the most recent 5 crop years, **excluding** each of the crop years with the highest and lowest county yields.

IF the benchmark revenue yield is being calculated for…	**THEN the 5 most recent crop years are…**
crop year 2014	2009 through 2013.
crop year 2015	2010 through 2014.
crop year 2016	2011 through 2015.
crop year 2017	2012 through 2016.
crop year 2018	2013 through 2017.

Average historical county yields used in the 5-year Olympic average calculation will be obtained from NASS yield data on a covered commodity basis in each county. Producers are **not** required to submit production evidence since county yields are used for each covered commodity in ARC-CO.

For each covered commodity planted on a farm having an ARC-CO contract, the yield of each of the 5 most recent years will be the **higher** of either of the following:

- average historical county yield per planted acre, determined by NASS and provided to the National Office, per covered commodity, per county, per State

- ARC substitute yield per covered commodity, per county, per State.

116 ARC-CO (Continued)

C Benchmark Yield Calculation Example

The following is an example benchmark yield calculation using the 5-year Olympic average for crop year 2014.

Corn	2009	2010	2011	2012	2013	5-Year Olympic Average Yield
County Yield **1**/	184	163	183	~~112~~	155	167
ARC Substitute Yield **2**/	~~119~~	~~119~~	~~119~~	119	~~119~~	

1/ Average historical County yield is the yield per planted acre in the respective county as reported to NASS.

*--**2**/ ARC substitute yield is based on data T-yield data used by RMA or NAP.--*

D ARC-CO Benchmark Price Calculation

An ARC-CO benchmark price is **required** for each covered commodity to determine the benchmark revenue for each covered commodity. The ARC-CO benchmark price is determined by multiplying the higher of MYA price or the reference price for the covered commodity on the farm for the most recent 5 crop years, **excluding** each of the crop years with the highest and lowest prices. These prices are national prices and are **not** specific to an individual county.

For each covered commodity planted on a farm having an ARC-CO contract, the price of each of the 5 most recent years will be the **higher of** either of the following:

- MYA price determined by NASS and provided to the national office per covered commodity.
- reference price set by statute for the covered commodity.

116 ARC-CO (Continued)

E Benchmark Price Calculation Example

The following is an example benchmark price calculation using the 5-year Olympic average for crop year 2014.

Corn	2009	2010	2011	2012	2013	5-Year Olympic Average Price
MYA Price **1/**	~~$3.55~~	$5.18	$6.22	$6.89	$4.50	$5.30
Reference Price **1/**	$3.70	~~$3.70~~	~~$3.70~~	~~$3.70~~	~~$3.70~~	

1/ MYA price and reference price are defined in Exhibit 2.

F ARC-CO Benchmark Revenue

[7 CFR 1412.3] Benchmark revenue for ARC-CO is calculated as 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.

The ARC-CO benchmark revenue is calculated by multiplying the 5-year Olympic average yield for the specific covered commodity times the 5-year Olympic average price for the specific covered commodity base acres.

116 ARC-CO (Continued)

G ARC-CO Benchmark Revenue Calculation Example

The following is an example of an ARC-CO benchmark revenue calculation using the 5-year Olympic average for crop year 2014.

Corn	**2009**	**2010**	**2011**	**2012**	**2013**	**5-Year Olympic Average Yield 1/**
Average Historical County Yield	184	163	183	~~112~~	155	167 bu.
ARC Substitute Yield	~~119~~	~~119~~	~~119~~	119	~~119~~	
Corn	**2009**	**2010**	**2011**	**2012**	**2013**	**5-Year Olympic Average Price 2/**
MYA Price	~~$3.55~~	$5.18	$6.22	$6.89	$4.50	$5.30
Reference Price	$3.70	~~$3.70~~	~~$3.70~~	~~$3.70~~	~~$3.70~~	
ARC-CO Benchmark Revenue for Corn						
167 bu.	$5.30			$885.10 3/		

1/ The 5-year Olympic average yield is calculated according to subparagraph B.

2/ The 5-year Olympic average price is calculated according to subparagraph D.

3/ ARC-CO benchmark revenue is calculated by multiplying the 5-year Olympic average yield times the 5-year Olympic average price.

H ARC-CO Maximum Payment Rate

The payment rate for ARC-CO is limited to 10 percent of the ARC-CO benchmark revenue. To calculate the ARC-CO maximum payment rate of ARC-CO payment cap, multiply the ARC-CO benchmark revenue, calculated in subparagraphs F and G, times 10 percent.

I ARC-CO Maximum Payment Rate Calculation Example

The following is an example of an ARC-CO maximum payment rate or ARCO-CO payment cap calculation.

ARC-CO Benchmark Revenue	**Percentage**	**ARC-CO Maximum Payment Rate or ARC-CO Payment Cap**
$885.10	10	$88.51

116 ARC-CO (Continued)

J ARC-CO Guarantee

[7 CFR 1412.3] ARC guarantee is calculated for a crop year for a covered commodity, and is equal to 86 percent of the benchmark revenue for ARC-CO and 86 percent of the benchmark revenue for ARC-IC, as defined in this part.

The ARC-CO guarantee is calculated by multiplying the ARC-CO benchmark revenue times 86 percent.

K ARC-CO Guarantee Calculation Example

The following is an example of an ARC-CO guarantee calculation.

ARC-CO Benchmark Revenue	Percentage	ARC-CO Guarantee
$885.10	86	$761.19

L ARC-CO Actual Crop Revenue

[7 CFR 1412.3] Actual crop revenue is calculated as follows for:

(1) 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.

The ARC-CO actual crop revenue is calculated by multiplying the actual average county yield for the covered commodity times the higher of either of the following:

- MYA price for the covered commodity
- national loan rate for the covered commodity.

The actual average county yield is determined by NASS and is the **county** average yield for the crop year for the specific covered commodity.

116 ARC-CO (Continued)

M ARC-CO Actual Crop Revenue Calculation Example

The following is an example of an ARC-CO actual crop revenue calculation.

Crop	Actual Average County Yield	MYA Price	National Loan Rate	ARC-CO Actual Crop Revenue
Corn	180 bu.	$3.90	~~$1.95~~	$702

N ARC-CO Payment Rate Calculation

The ARC-CO payment rate is calculated by subtracting the ARC-CO actual crop revenue from the ARC-CO guarantee. Any positive number is the revenue shortfall for the county. If the ARC-CO payment calculates to a negative number or zero, then an ARC-CO payment is **not** earned for the applicable commodity.

After the calculation is complete, the product is compared to the ARC-CO maximum payment rate. The smaller of the ARC-CO maximum payment rate or the shortfall is the ARC-CO payment rate for the crop and the county, as follows.

ARC-CO Guarantee	ARC-CO Actual Crop Revenue	ARC-CO Revenue Shortfall
$761.19	$702	$59.19 per acre

ARC-CO Revenue Shortfall	ARC-CO Maximum Payment Rate	ARC-CO Payment Rate
$59.19	$88.51	$59.19

116 ARC-CO (Continued)

O ARC-CO Payment Calculation

[7 CFR 1412.53] (a) Provided all provisions of this part including but not limited to ARC-CO election and enrollment have been satisfied for each of the 2014 through 2018 contract years, CCC 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) 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.

The ARC-CO producer payment is equal to 85 percent of the specific covered commodity base acres, times the calculated ARC-CO payment rate, times the producers share as reported ***--**on CCC-861.**--***

117 ARC-CO Payment Calculation Example

A ARC-CO Farm Payment Calculation Example

The following is an example of an ARC-CO farm payment calculation.

Corn Base Acres	Payment Percentage	Share From *--CCC-861--*	ARC-CO Payment Rate	Producer Payment
100	85	100 Percent	$59.19	$5,031

Payments are issued when the ARC-CO actual year revenue is less than the ARC-CO guarantee.

Payments are made using the farm's contract base acres and do **not** require the actual planting of a covered commodity crop.

B Farm Example

The following table provides farm information used for this ARC-CO example. Joe Doe from Anytown, Anystate, has 100 percent interest in this farm and all base acres on this farm are enrolled in ARC-CO.

Crop	Base Acres	Planted Acres
Corn	100.00	110.00
Grain Sorghum	0.00	165.00
Soybeans	100.00	25.00
Wheat	100.00	0.00
Total	300.00	300.00

117 ARC-CO Payment Calculation Example (Continued)

C ARC-CO Payment Calculation

The following table provides an example of how the 2014 ARC-CO selected price is calculated, based on the ARC MYA and references prices that are calculated using yield and price data collected during the 5-year period from 2009 through 2013.

	2009	2010	2011	2012	2013
Wheat					
Yield **1**/	44	51	65	~~31~~	46
ARC Substitute Yield **2**/	~~32~~	~~32~~	~~32~~	32	~~32~~
MYA Price **3**/	$6.78	~~$4.87~~	$5.70	$7.24	$7.77
Reference Price **4**/	~~$5.50~~	$5.50	~~$5.50~~	~~$5.50~~	~~$5.50~~
Corn					
Yield **1**/	125	100	165	110	95
ARC Substitute Yield **2**/	~~84~~	~~84~~	~~84~~	~~84~~	~~84~~
MYA Price **3**/	~~$3.55~~	$5.18	$6.22	$6.89	$4.50
Reference Price **4**/	$3.70	~~$3.70~~	~~$3.70~~	~~$3.70~~	~~$3.70~~
Soybeans					
Yield **1**/	38	41	29	48	33
ARC Substitute Yield **2**/	~~29~~	~~29~~	~~29~~	~~29~~	~~29~~
MYA Price **3**/	$9.59	$11.30	$12.50	$14.40	$12.95
Reference Price **4**/	~~$8.40~~	~~$8.40~~	~~$8.40~~	~~$8.40~~	~~$8.40~~
Grain Sorghum					
Yield **1**/	90	~~40~~	75	80	99
ARC Substitute Yield **2**/	~~60~~	60	~~60~~	~~60~~	~~60~~
MYA Price **3**/	~~$3.22~~	$5.02	$5.99	$6.33	$4.25
Reference Price **4**/	$3.95	~~$3.95~~	~~$3.95~~	~~$3.95~~	~~$3.95~~

1/ The actual historical county yield for the year specified.

2/ ARC substitute yield that is 70 percent of the RMA-established T-yield for the county. The selected yield is the higher of the actual county yield or the ARC substitute yield.

3/ Hypothetical MYA price.

4/ Reference price.

The selected price is the **higher** of the MYA or reference price.

117 ARC-CO Payment Calculation Example (Continued)

D ARC-CO Guarantee

The following illustrates:

- ARC-CO benchmark revenue
- 10 percent of the ARC-CO benchmark revenue
- ARC-CO guarantee.

Crop	Average Benchmark Yield	Average Benchmark Price	ARC-CO Benchmark Revenue	10 Percent of ARC-CO Benchmark Revenue	ARC-CO Guarantee
Corn	111.67	$ 5.30	$591.85	$59.19	$508.99
Grain Sorghum	81.67	$ 5.09	$415.70	$41.57	$357.50
Soybeans	37.33	$12.25	$457.29	$45.73	$393.27
Wheat	47.00	$ 6.57	$308.79	$30.88	$265.56

1/ The ARC-CO benchmark revenue equals the average historical county yield times the average benchmark price.

E ARC-CO Actual Revenue

The following illustrates how the ARC-CO actual revenue is calculated.

Crop	County Actual Per Acre Yield	2014 MYA Price 1/	National Average Loan Rate	Actual Revenue 2/
Corn	140	$5.25	~~$1.95~~	$735.00
Grain Sorghum	63	$4.98	~~$1.95~~	$313.74
Soybeans	27	$8.50	~~$5.00~~	$229.50
Wheat	29	$6.80	~~$2.94~~	$197.20

1/ Hypothetical MYA price. 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.

2/ 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.

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 1/	10 Percent of Benchmark Revenue 2/	ARC-CO Payment Rate 3/
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

Note: 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.**--***

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

C ARC-CO Payment Calculation

The following table provides examples of how the 2014 ARC-CO benchmark revenue and the 2014 ARC-CO guarantee are calculated, based on the ARC MYA and reference prices that are calculated using yield and price data collected during the 5-year period from 2009 through 2013.

	2009	2010	2011	2012	2013
Corn					
Yield **1**/	125	100	165	110	95
ARC Substitute Yield **2**/	~~84~~	~~84~~	~~84~~	~~84~~	~~84~~
MYA Price **3**/	~~$3.55~~	$5.18	$6.22	$6.89	$4.50
Reference Price **4**/	$3.70	~~$3.70~~	~~$3.70~~	~~$3.70~~	~~$3.70~~
Wheat					
Yield **1**/	44	51	65	~~31~~	46
ARC Substitute Yield **2**/	~~32~~	~~32~~	~~32~~	32	~~32~~
MYA Price **3**/	$6.78	~~$4.87~~	$5.70	$7.24	$7.77
Reference Price **4**/	~~$5.50~~	$5.50	~~$5.50~~	~~$5.50~~	~~$5.50~~

1/ Actual county yield for the year specified.

2/ ARC substitute yield that is 70 percent of the RMA-established T-yield for the county. The selected yield is the higher of the actual county yield or the ARC substitute yield.

3/ Hypothetical MYA price.

4/ Reference price.

The selected price is the higher of the MYA price or the reference price.--*

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

D ARC-CO Guarantee

The following table calculates the:

- ARC-CO benchmark revenue
- 10 percent of the ARC-CO benchmark revenue
- ARC-CO guarantee.

Crop	Average Benchmark Yield	Average Benchmark Price	ARC-CO Benchmark Revenue 1/	10 Percent of ARC-CO Benchmark Revenue	ARC-CO Guarantee
Corn	111.67	$5.30	$591.85	$59.19	$508.99
Wheat	47.00	$6.57	$308.79	$30.88	$265.56

1/ The ARC-CO benchmark revenue equals the average benchmark yield times the average benchmark price.

E ARC-CO Actual Crop Revenue

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

Crop	County Actual Per Acre Yield	2014 MYA Price 1/	National Average Loan Rate	Actual Crop Revenue 2/
Corn	140	$5.25	~~$1.95~~	$735.00
Wheat	29	$6.80	~~$2.94~~	$197.20

1/ Hypothetical MYA price. 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.

2/ 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.--*

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

F ARC-CO Payment Rate Calculation

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 1/	10 Percent of Benchmark Revenue 2/	ARC-CO Payment Rate 3/
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

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 **1/**	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.**--***

*--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	Determine HIP for a covered commodity in an approved irrigated/non-irrigated county on a farm: • 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.**--***

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)	This calculation is completed for **each** covered commodity on a farm that: • 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. 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.
3	If the applicable covered commodity triggers a payment for the crop and county identified in step 1, then HIP: • will be multiplied by the base acres of the applicable covered commodity **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. • subtracted from 1.0000 will be multiplied by the base acres of the applicable covered commodity. **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.
4	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.

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 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.

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.

120 ARC-CO Farm Payment Calculation Example (Continued)

B Example

FSN 1 has the following data. This county meets the threshold to have separate irrigated and non-irrigated acreage for corn.

Crop	HIP	Base Acres	Planted Acres
Corn	79 percent	100.0	110.0 irrigated
Totals		100.0	110.0 irrigated

Note: For ARC-CO, there is no requirement to plant a covered commodity to receive a payment.

C ARC-CO Data for Subparagraph B Example

Given the following yield and price data collected during the 5-year period from 2009 through 2013, this table displays the calculation for the 2014 ARC-CO benchmark period.

	2009	2010	2011	2012	2013
Corn Irrigated					
Yield **1/**	220	215	~~201~~	~~195~~	228
ARC Substitute Yield **2/**	~~210~~	~~210~~	210	210	~~210~~
MYA Price **3/**	~~$3.55~~	$5.18	$6.22	$6.89	$4.50
Reference Price **4/**	$3.70	~~$3.70~~	~~$3.70~~	~~$3.70~~	~~$3.70~~
Corn Non-Irrigated					
Yield **1/**	125	100	~~165~~	110	~~95~~
ARC Substitute Yield **2/**	~~84~~	~~84~~	~~84~~	~~84~~	~~84~~
MYA Price **3/**	~~$3.55~~	$5.18	$6.22	$6.89	$4.50
Reference Price **4/**	$3.70	~~$3.70~~	~~$3.70~~	~~$3.70~~	~~$3.70~~

1/ The actual yield for the county for the year specified.
2/ 70 percent of the RMA-established T-yield for the county.
3/ Hypothetical MYA price.
4/ Reference price is statutory.

D ARC-CO Average Historical Benchmark Yield for Subparagraph C Example

The average historical benchmark yield is computed by calculating the 5-year Olympic average of the yield data in the ARC-CO data table in subparagraph C.

Crop	Selected Yields 1/			Average
Corn Irrigated	220	215	210	215
Corn Non-Irrigated	125	100	110	112

1/ Selected yields from ARC-CO data in subparagraph C, **excluding** the high and low yield.

***--120 ARC-CO Farm Payment Calculation Example (Continued)**

E ARC-CO Average Historical Benchmark Price for Subparagraph C Example

The average historical benchmark price is computed by calculating the 5-year Olympic average of the price data.

Crop	Selected Prices 1/			Average
Corn	$5.18	$6.22	$4.50	$5.30

1/ Selected prices from ARC-CO data in subparagraph C, **excluding** the high and low price.

F ARC-CO Benchmark and Guarantee for Subparagraph C Example

The following table calculates the:

- ARC-CO benchmark revenue
- 10 percent of the ARC-CO benchmark revenue
- ARC-CO guarantee.

Crop	Average Benchmark Yield	Average Benchmark Price	ARC-CO Benchmark Revenue 1/	10 Percent of ARC-CO Benchmark Revenue	ARC-CO Guarantee 2/
Corn Irrigated	215	$5.30	$1,139.50	$113.95	$979.97
Corn Non-Irrigated	112	$5.30	$593.60	$59.36	$510.50

1/ ARC-CO benchmark revenue equals the average benchmark yield times the average benchmark price.

2/ ARC-CO guarantee is ARC-CO benchmark revenue times 86 percent.**--***

***--120 ARC-CO Farm Payment Calculation Example (Continued)**

G ARC-CO Actual Revenue for Subparagraph C Example

The following table provides an example of how ARC-CO actual revenue is calculated.

Crop	County Actual Per Acre Yield	2014 MYA Price 1/	National Average Loan Rate	Actual Revenue 2/
Corn Irrigated	230	$5.25	~~$1.95~~	$1,207.50
Corn Non-Irrigated	72	$5.25	~~$1.95~~	$378.00

1/ Hypothetical MYA price.
2/ County yield times higher of 2014 price or national average loan rate.

H ARC-CO Payment Rate Calculation for Subparagraph C Example

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

Crop	ARC-CO Guarantee	ARC-CO Actual Revenue	Shortfall, If Any 1/	10 Percent of Benchmark Revenue	ARC-CO Payment Rate 2/
Corn Irrigated	$979.97	$1,207.50	$0.00	$113.95	$0.00
Corn Non-Irrigated	$510.50	$378.00	$132.50	$59.36	$59.36

1/ ARC-CO guarantee minus ARC-CO actual revenue (**must** be a positive number to receive payment).

2/ Smaller of shortfall or 10 percent of ARC-CO benchmark revenue.**--***

***--120 ARC-CO Farm Payment Calculation Example (Continued)**

I ARC-CO Farm Payment Calculation

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

Crop	Base Acres	HIP	Payment Percentage	Payment Rate	ARC-CO Payment 1/
Corn Irrigated	100.00	79 percent	85	$0.00	$0.00
Corn Non-Irrigated	100.00	21 percent	85	$59.36	$1,059.58
Total Payment					$1,059.58

1/ Irrigated corn did **not** trigger a payment. An ARC-CO payment is made on non-irrigated corn, even though a corresponding payment was **not** triggered on irrigated corn. The irrigated corn payment does **not** offset the non-irrigated corn payment.**--***

121-130 (Reserved)

Section 3 Using ARC-IC

131 ARC-IC

A ARC-IC Features

ARC-IC provides shallow loss revenue coverage at the farm level and is calculated separately for each producer who shares in a covered commodity in the current year.

ARC-IC is similar to ARC-CO, **except** for the following:

- production for the farm **must** be reported initially for the 5 benchmark years previous to the current year and be updated annually thereafter
- the ARC-IC farms **must** be enrolled in the annual contract to be included in the ARC-IC benchmark and current year revenue and payment calculations
- payments are based on the farm's actual yields instead of county yields
- irrigated and nonirrigated covered commodity yields will be blended for the crop for both benchmark and actual yield calculations
- 1 or more covered commodities **must** be planted on the farm in the current year for an ARC-IC payment rate to be calculated for the farm and producer

--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 on the farm.**--

- producers on an ARC-IC farm who do **not** share in at least 1 covered commodity (that is planted) are **not** entitled to the ARC-IC payment
- if an ARC-IC payment rate is calculated for the farm, the ARC-IC payment is based on the total of all covered commodity crop bases on the farm rather than individual base acres of each covered commodity of the farm
- a separate payment rate is calculated for each producer who shares covered commodities on ARC-IC enrolled farms and is used for payment for each ARC-IC enrolled farm in which the producer has an share interest
- it is possible for a producer on 2 or more ARC-IC enrolled farms to receive an ARC-IC payment rate (used for all farms) and the other producers who have share interest in the covered commodities on the same farms **not** receive a payment.

131 ARC-IC (Continued)

A ARC-IC Features (Continued)

ARC-IC revenue loss payments calculate when the current year revenue for all covered commodities planted on the ARC-IC farm falls below 86 percent of the ARC-IC benchmark.

The payment rate for the ARC-IC farm is capped at 10 percent of the ARC-IC farm's benchmark revenue.

Like ARC-CO and PLC, crop insurance and linkage are **not** required for ARC-IC eligibility. Nor do crop insurance indemnities count as revenue for ARC-IC.

Note: Prevented planted acres are included in ARC-IC calculations when 100 percent of the intended planted covered commodities are approved for prevented planting by FSA on the farm.

--**An ARC-IC payment rate calculated for a producer who shares in at least 1 covered commodity planted on a farm enrolled in ARC-IC is only eligible to be paid on the ARC-IC farm where a covered commodity was planted on the farm. Farms enrolled in ARC-IC that have **no** covered commodities planted on the farm are **not** eligible for an ARC-IC payment.**--

B ARC-IC Farm for a Producer

All ARC-IC farms in the State in which the producer is enrolled for the current ARCPLC program year are included in a single ARC-IC revenue calculation to determine an ARC-IC payment rate or the producer.

Note: ARC-IC farms that are **not** enrolled in the current year are **excluded** from all ARC-IC calculations, including benchmark, guarantee, and current year revenue.

131 ARC-IC (Continued)

C ARC-IC Farm Benchmark Revenue

[7 CFR 1412.3] 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:

(i) 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

(ii) 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.

(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 planted acres on such farms to a covered commodity and the total planted acres 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 will be a weighted average of the benchmark revenue for those multiple farms. In the context of this term and definition, the term "planted" does not include eligible subsequently planted crop acreage.--*

131 ARC-IC (Continued)

C ARC-IC Farm Benchmark Revenue (Continued)

The ARC-IC farm's benchmark is calculated only on covered commodities that were planted in the current year on the ARC-IC farm. The ARC-IC benchmark is calculated using the 5-year Olympic average of a farm's annual benchmark revenue (the higher of the farm's actual yield for the year or plug and/or substitute yield times the higher of MYA or reference price) **excluding** the high and low annual revenues for each applicable covered commodity.

The ARC-IC farm's guarantee equals 86 percent of the farm's benchmark.

Both the ARC-IC benchmark and actual revenues are weighted across all farms based on planted acres of each covered commodity in the current year on ARC IC farms that the producer has elected and enrolled into ARC-IC.

A separate ARC-IC payment rate, if triggered, is calculated for each producer who shares in the covered commodity.

Note: For irrigated and nonirrigated covered commodities under ARC-IC calculations, the total farm revenues will be based on all covered commodity acreage regardless of planting practice. Irrigated and nonirrigated covered commodities will have blended yields and revenues calculated across ARC-IC farms for both benchmark and actual yields.

131 ARC-IC (Continued)

D ARC-IC Actual Crop Revenue

[7 CFR 1412.3] Actual crop revenue is calculated as follows for:

(2) ARC-IC, for a producer on a farm for a crop year, which 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 in which the producer has an interest for which the producer enrolled: the sum of the results of the following calculation for each covered commodity on the farm:

(i) The total production of the covered commodity for all farms in the State in which the producer has an interest; times

(ii) The higher of either the MYA price or national loan rate for the covered commodity; divided by

(iii) The producer's share of the planted acres of the covered commodity in the State.

Actual revenue is computed using the farm's actual yield times the higher of the MYA price or national loan rate for the covered commodity.

E ARC-IC Guarantee

[7 CFR 1412.3] ARC guarantee is calculated for a crop year for a covered commodity, and is equal to 86 percent of the benchmark revenue for ARC-CO and 86 percent of the benchmark revenue for ARC-IC, as defined in this part.

131 ARC-IC (Continued)

--F ARC-IC Yield Certifications--

[7 CFR 1412.66(c)] As a condition of producer payment eligibility for all ARC-IC payments under this part, all producers of all covered commodities on enrolled ARC-IC elected farms must accurately submit a report of production by the acreage reporting date for the crop in the year immediately following the crop year of the reported crop acreage for all the covered commodities elected and enrolled in ARC-IC. The report is due for each covered commodity for which an acreage report greater than zero planted acres was filed for the farm according to paragraph (a) of this section. The report of production for all of such covered commodity or covered commodities can be submitted by any of the producers of the covered commodity or covered commodities on the farm, the farm operator, or an owner on the farm. The absence of the required production report of any covered commodity being filed on an enrolled ARC-IC elected farm will cause all of the producers who share in any of the covered commodities on that farm to be ineligible for payment on that farm and on any other ARC-IC elected and enrolled farm in the State for the crop year for which the production report was not filed or is missing. At the discretion of CCC, the report of production must be accompanied by documentation acceptable to CCC. The report must include the date harvest was completed. Records of production acceptable to CCC may include those specified in:

(1) Commercial receipts, settlement sheets, warehouse ledger sheets, or load summaries of the crop that was sold or otherwise disposed of through commercial channels provided the records are reliable or verifiable as determined by CCC; and

(2) Such documentary evidence such as contemporaneous measurements, truck scale tickets, and contemporaneous diaries, as is necessary in order to verify the information provided if the crop has been fed to livestock or otherwise disposed of other than through commercial channels, provided the records are reliable or verifiable as determined by CCC. If the crop will be disposed of through retail sales, such as roadside stands, u-pick, etc. and the producer will not be able to certify acceptable records of production, the producer must request an appraisal of the crop acreage prior to harvest.

131 ARC-IC (Continued)

--F ARC-IC Yield Certifications (Continued)--

Producers of an ARC-IC farm **must** certify the yield of covered commodities to establish benchmark and current year revenues.

In the initial year of ARC-IC participation, the certified yield of covered commodities for the farm will be **required** to be submitted for each year of the benchmark (2009 through 2013) and the current year (2014). Each year thereafter, the producer must annually report the certified yield of covered commodities planted on the farm.

***--**To certify production for benchmark yield, the following substitute yields are used.

IF the crop was…	**THEN…**
planted in the benchmark year	the larger of the certified yield or 70 percent of T-yield is substituted.
not planted in the benchmark year	100 percent of the ARC-CO yield for each applicable year is substituted.

The ARC-IC substitute yields are found at **http://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index**. To access the:

- 70 percent of T-yield, select the report titled, “70% of FSA T-Yields”
- 100 percent of ARC-CO yield, select the report titled, “ARC-CO County Yields for 2009-2013”.

Note: To certify production for the current year, substitute yields are **not** used.

See:

- Exhibit 18 to complete CCC-863
- Exhibit 19 for an example letter requesting yield certifications from producers on ARC-IC farms.**--***

Substitute yields are available for the benchmark years throughout the 2014 through 2018 crop years.

131 ARC-IC (Continued)

G ARC-IC Certified Yield Reporting Deadline

Certified yields for benchmark and actual year yields must be completed by July 15th of the subsequent crop year.

Note: For 2014, certification of benchmark and actual year yield deadline is September 30, 2015.

--**COC may accept as timely filed any signature after the applicable deadline listed in this**--
subparagraph, if the yield is certified before the issuance of any ARC-IC payment and COC approves the signature.

H ARC-IC Producer Payment

[7 CFR 1412.53(b)] Provided all provisions of this part including but not limited to ARC-IC election and enrollment have been satisfied for each of the 2014 through 2018 contract years, CCC 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 in ARC-IC, the ARC-IC benchmark revenue for that producer used in the payment calculation will be a weighted average of the benchmark revenue for those multiple farms.

Payment acres for each producer are equal to 65 percent of the total base acres of all covered commodities on ARC-IC farms times the producer's calculated payment rate for ARC-IC.

The payment rate for the producer is their share of the difference between the farm guarantee and the actual farm crop revenue for the covered commodity weighted across all enrolled ARC-IC farms.

Payment shares are driven from the shares of the covered commodities planted and reported on FSA-578.

The ARC-IC payment rate **cannot** exceed 10 percent of the farm's ARC-IC benchmark revenue.

The payment rate for the producer, if triggered, will be the same payment rate per acre for all participating ARC-IC farm's in which the producer has an interest.

131 ARC-IC (Continued)

I ARC-IC Payment Example

Producer A is owner and operator of FSN 1 and has 100 percent interest in the total base acres of 100 acres that consists of 60 corn base acres and 40 soybean base acres. This is the only farm that ARC-IC is elected and enrolled by the producer. The producer plants the entire farm to wheat.

ARC-IC Calculation Component	Amount
ARC-IC benchmark revenue.	$250
ARC-IC guarantee ($250 x 86 percent).	$215
ARC-IC actual revenue.	$205
Shortfall (ARC-IC guarantee minus ARC-IC actual revenue).	$ 10
10 percent of ARC-IC benchmark.	$ 25
Smaller of shortfall or 10 percent of ARC-IC benchmark.	$ 10
2014 base acres.	100
ARC-IC payment percentage.	65
ARC-IC payment (rate x base acres x payment percentage x share).	$650

132 ARC-IC Farm Benchmark and Guarantee

A ARC-IC Benchmark Farm Yield Calculation

ARC-IC benchmark farm yield means, **except** as otherwise provided, for a covered commodity, the actual yield per **planted** acre (for initial planted crop and approved double-cropped) or ARC-IC assigned or substitute yield for the farm for each of the 5 most recent crop years.

IF the benchmark farm yield is being calculated for…	**THEN the 5 most recent crop years are…**
2014	2009 through 2013.
2015	2010 through 2014.
2016	2011 through 2015.
2017	2012 through 2016.
2018	2013 through 2017.

--**Benchmark farm yields are **required** to be established the first year a farm elects and**--
enrolls in ARC-IC, and is updated each year with the actual production on the farm from planted acres, with a substitute yield inserted, if applicable.

An ARC-IC crop followed by the same ARC-IC crop with a different intended use is **not** considered double-cropping. The initial intended use is considered ARC-IC and is the crop and intended use for which a benchmark farm yield **must** be established.

For the purposes of this paragraph, the most recent 5 crop years for the 2014 crop year are crop years are 2009 through 2013, even if the farm has no production or yield records for any of these years. Yields **must** be established in each of the 5 crop years of the benchmark, for the covered commodity planted in the current year, whether or **not** the covered commodity
--**was planted in the benchmark years. If the benchmark year did **not** have planted acres, assign 100 percent of the ARC-CO yield for that year or years in the benchmark.**--

In subsequent years, the yields that make up the benchmark will be substituted if the acreage was planted and the yield fell below 70 percent of T-yield or a yield will be assigned at county average for each year the crop was **not** planted in the benchmark.

132 ARC-IC Farm Benchmark and Guarantee (Continued)

B ARC-IC Benchmark Yields

The farm benchmark yields for planted covered commodities will be calculated as the yield in the crop year by using the production of a covered commodity on the ARC-IC farm divided by the covered commodity's total planted acres (initial acres or approved double-cropping acres **only**) for a crop year on the ARC-IC farm.

Note: For crops that have both irrigated and nonirrigated acres in the year, the actual year yield for both benchmark and current year yields will be a blended yield.

C ARC-IC Assigned Yields

An assigned yield will be placed in the benchmark years in cases where the covered commodity was **not** planted on the farm in that year.

--**The assigned yield will be based on the 100 percent of the ARC-CO yield for the county**-- for the covered commodity. The yields will be based on NASS data or be determined by STC.

D Example of ARC-IC Benchmark Farm Yield Calculation Using Assigned Yields

In 2015, the enrolled ARC-IC farm has 200 base acres, as follows:

- 100 base acres of wheat
- 100 base acres of soybean.

The entire farm is planted to canola. This is the first time the producer has planted canola on this farm.

The farm ARC-IC benchmark yield for canola will be based on 5 years of assigned yields at ***--**100 percent of the ARC-CO yields.**--***

132 ARC-IC Farm Benchmark and Guarantee (Continued)

E ARC-IC Substitute Yields

--**ARC-IC substitute yields are computed by using RMA or NAP T-yield data from RMA or FSA data. ARC-IC substitute yields can be found at **http://www.fsa.usda.gov/arc-plc**.**--

For each year of the benchmark, and in years the covered commodity was planted, the larger of the following will be used for the benchmark yield for the applicable year:

- certified yield for the covered commodity
- ARC-IC substitute yield.

Note: In years the covered commodity was **not** planted the yield will be assigned at ***--**100 percent of the ARC-CO yield.**--***

The substitute yield in the administrative county of the applicable ARC-IC farm will be used.

In some situations, the ARC-IC substitute yields will be blank for certain years for counties, because yields were **not** calculated for these crops by RMA or FSA. If producers need an ARC-IC substitute yield for a county's missing year, STC will establish a yield and submit the yield to the National Office.

*** * ***

132 ARC-IC Farm Benchmark and Guarantee (Continued)

G ARC-IC Production Records

Producers who participate in ARC-IC are **required** to provide the harvested yield of planted covered commodities for each year of benchmark and current year period.

The yields will consist of producer certification of yields. Producers will be **required** to submit the production evidence to COC on request for review.

RMA production and yield data are encouraged to be used.

H ARC-IC Benchmark Farm Prices

The prices used to calculate the ARC-IC benchmark farm revenue are the larger of:

- MYA price for each covered commodity that was planted in the current year and makes up the ARC-IC farm benchmark
- reference price for the crop listed in paragraph 101.

I ARC-IC Producer Guarantee

The ARC-IC producer guarantee is the total producer ARC-IC benchmark farm revenue, as weighted, times 86 percent.

To receive an ARC-IC payment, the current year revenues for all covered commodities planted on across all ARC-IC enrolled farms for the producer **must** fall below the ARC-IC producer guarantee.

132 ARC-IC Farm Benchmark and Guarantee (Continued)

J Example of the ARC-IC Benchmark Farm Revenue Calculation

--**The following is an example of how the ARC-IC benchmark farm revenue is calculated.**--

ARC-IC Corn (Benchmark Yield and Revenue)			
Price (Higher of MYA or Reference Price)		**Yield 1/**	**Revenue**
MYA	**Reference Price**		
~~$3.55~~	$3.70	180	$666.00 per acre
$5.18	~~$3.70~~	194	$1,004.92 per acre
$6.22	~~$3.70~~	191	~~$1,188.02 per acre~~
$6.89	~~$3.70~~	113	$778.57 per acre
$4.50	~~$3.70~~	131	~~$589.50 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue			$816.50 per acre

1/ 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.

I Example of the ARC-IC Producer Guarantee Calculation

Example of an ARC-IC farm with 1 crop planted with only 1 producer.

Crop	Percent Planted Across All Farms	Benchmark Revenue	Weighted Benchmark	Producer Guarantee (86 Percent of Benchmark)
Corn	100 Percent	$816.50	$816.50	$702.19

Example of an ARC-IC farm with 2 crops planted with only 1 producer.

Crop	Percent Planted Across All Farms	Benchmark Revenue	Weighted Benchmark	Producer Guarantee (86 Percent of Benchmark)
Corn	60 Percent	$816.50	$489.90	$421.31
Oats	40 Percent	$427.50	$171.00	$147.06
Totals			$660.90	$568.37

133 ARC-IC Actual Revenue

A Purpose

The actual crop revenue is needed to determine if the revenue shortfall in the current year is below the ARC-IC guarantee thus a payment may be earned. The actual crop revenue is determined by multiplying the producer's share of production from all covered commodities planted on all ARC-IC enrolled farms times the higher of either the applicable MYA or national loan rate times the producer's share of planted acres of covered commodities in the State.

B Example of the ARC-IC Producer's Actual Crop Revenue

Example of an ARC-IC farm with 1 crop planted with only 1 producer.

Crop	Actual Yield	MYA Price 1/	Acres	Revenue	Revenue Per Acre	Producer Share of Crop	Producer Revenue
Corn	147 bu. per acre	$4.49 per bu.	127.6	$84,216	$660	100 Percent	$660

Example of an ARC-IC farm with 2 crops planted with only 1 producer.
*--

Crop	Actual Yield	MYA Price 1/	Acres	Revenue	Revenue Per Acre	Producer Share of Crop	Producer Revenue
Corn	147 bu. per acre	$4.49 per bu.	127.60	$84,220		100 Percent	
Oats	59 bu. per acre	$3.40 per bu.	99.00	$19,859		100 Percent	
Totals			226.60	$104,079	$459.31	100 Percent	$459.31

--*

1/ In this example, the MYA price is **higher** the national loan rate.

134 ARC-IC Producer Payment

A ARC-IC Producer Payment Policy

--ARC-IC revenue loss payments are made to the enrolled ARC-IC farm when the current-- year revenue for all covered commodities planted on the ARC-IC farm falls below 86 Percent of the ARC-IC guarantee.

ARC-IC payments are capped at 10 percent of the ARC-IC farm benchmark revenue.

B Example of the ARC-IC Producer's Actual Crop Revenue

ARC-IC payments are calculated according to the following example. Data for the calculation comes from paragraph 133.

*--Benchmark	Guarantee	Actual Revenue Per Acre	Producer Revenue Loss or Shortfall 1/
$816.50--*	$702.19	$660	$42.19

1/ Payment rate is the lesser of the calculated payment rate ($42.19 per acre) **or** 10 percent of the farm benchmark revenue (cap) that would be $816.50 x 10 percent = $81.65 per acre.

Total Base Acres	65 Percent of Total Base Acres	Share From FSA-578	Producer Revenue Loss	Producer Payment
126.5	82.2	100 Percent	$42.19	$3,468

135 ARC-IC Crops and Acreage

A Planted Acres of Covered Commodities Required

To be eligible for an ARC-IC payment on an ARC-IC elected and enrolled farm, covered commodity acreage **must** be **planted** in the current year on the ARC-IC enrolled farms. Only initial planted and approved double-cropped reported covered commodities are considered planted for ARC and PLC Program purposes.

Exception: Prevent plant acres are **not** included in either benchmark or current year calculations. An ARC-IC farm that is enrolled and has 100 percent prevented planting of covered commodities will be used in the ARC-IC loss calculation for the producer.

B Crops Eligible for ARC-IC Payments

The following covered commodities are eligible for ARC-IC payments:

- 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

135 ARC-IC Crops and Acreage (Continued)

B Crops Eligible for ARC-IC Payments (Continued)

- lentils
- mustard seed
- oats
- peanuts
- peas, dry
- rapeseed
- rice, long grain
- rice, medium grain (includes short grain rice)
- safflower
- sesame seed
- soybeans
- sunflower seed
- wheat.

135 ARC-IC Crops and Acreage (Continued)

C Intended Uses of ARC-IC Crops

The following provides eligible intended uses for covered commodities participating in ARC-IC. Initial crops are those used for ARC-IC.

Crop Name	Type Name	Intended Use
Barley	All	FG, GR, GS, GZ, SD
Canola	All	*--GR, PR, SD--*
Chickpeas, Large	Garbanzo, Large Kabuli *--(GAR)	DE, FG, PR, FH, SD
Chickpeas, Small	• Garbanzo, Small Kabuli (GAS) • Garbanzo, Desi (GAD)--*	
Corn	• White • Yellow • Amylose • Popcorn • Waxy	FG, GR, SD
Crambe		*--GR, SD
Flaxseed	All	GR, OL, PR, SD
Grain Sorghum	All	FG, GR, SD, SG
Lentils		DE, FG, GZ
Mustard Seed	All	GR, PR, SD--*
Oats	All	FG, GR, GS, GZ, SD
Peanuts	All	All
Peas, Dry	• Austrian • Green • Umatilla • Wrinkled • Yellow	DE, FG, GZ, SD
Rapeseed		*--FG, FH, GR, GZ, PR,--* SD
Rice, Long Grain	LGR	
Rice, Medium Grain and Sweet	• MGR • SGR	
Safflower		FG, FH, GZ, SD
Sesame Seed		FG, FH, GZ, SD
Sorghum, Dual Purpose	All	FG, GR, SD, SG
Soybeans	All	FG, FH, GR, SD
Sunflower Seed	All	*--FG, GR, PR, SD--*
Wheat	All	FG, GR, GS, GZ, SD

135 ARC-IC Crops and Acreage (Continued)

D Eligible ARC-IC Crop Status

For all situations in any crop year, **excluding** double-cropping, the initial covered commodity *** * ***, as defined in Exhibit 2, is the **only** crop eligible to be used in the calculation of ARC-IC payments.

*** * ***

For double-cropping situations in any crop year, the second crop is also an eligible ARC-IC crop as long as the second crop meets the double-cropping definition according to 2-CP.

The following are crop status codes for the first character field on FSA-578 that are eligible ARC-IC.

Code	Description
I	Initial, the first covered commodity 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, non-FAV, followed by covered commodity or vice versa. Meets double-cropping definition.
M	Noncovered commodity, non-FAV, followed by a covered commodity or vice versa. Does **not** meet the double-cropping definition. The replacement covered commodity is eligible subsequently planted crop acreage, as defined in Exhibit 2.

--Note:** Only initially planted covered commodities are eligible for ARC-IC. In cases where the initially planted covered commodity intended for green manure, left standing, or cover only is destroyed and planted to a covered commodity intended for grain, the covered commodity intended for grain shall be considered the initially planted crop. Follow 2-CP to revise FSA-578 from green manure, left standing, or cover only to the covered commodity for grain.**--

136 ARC-IC Payment Shares

A Shares of ARC-IC Payments

[7 CFR 1412.66(f)] Shares of planted or eligible subsequently planted crop acreage of covered commodities on generic base acres will be determined based on the attribution in §1412.45 and shares recorded on the report of acreage filed in accordance with §1412.66.

Shares of ARC-IC payments will be 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 an ARC or PLC Program contract has to do both of the following to be eligible for their share of a payment:

(1) Unless otherwise already enrolled on the ARC or PLC Program contract, sign the ARC or PLC Program contract during the contract period; and

(2) Have the producer's share recorded on the report of acreage filed as required by part 718 of this title and §1412.66 of this part.

Eligible ARC-IC producers will receive payment **only** when they have enrolled with an interest in the planted acreage of covered commodities on 1 or more ARC-IC enrolled farms.

Shares reported on FSA-578 will be used to determine producers that are eligible to claim shares for ARC-IC payments, if applicable. However, **only** producers who sign ARC-IC contracts will be issued payments.

The payment shares under ARC-IC differ greatly from ARC-CO or PLC, in that producers (including owners) whose **only** interest in the farm consist of interests in nonprogram crop or idle acreage are **not** permitted to receive an ARC-IC payment on the farm.

136 ARC-IC Payment Shares (Continued)

B Example

FSN 1 has 300 acres of cropland.

- The farm consists of 150 acres of total base acres, 75 acres of peanuts and 75 acres of soybean base acres.

- In 2014, the:

  - owner of the farm has 100 percent share of 150 acres of grassland that is cropland for his cattle as reported on FSA-578

  - operator or other producer of the farm has 100 percent interest in 150 acres of tillable cropland on the farm and plants the 150 acres to corn. He pays appropriate cash rent to the owner of the farm, as reported on FSA-578.

- The owner previously received 100 percent of the direct and CC payment on the farm under the 2008 Farm Bill. The farm was **not** in ACRE under the 2008 Farm Bill.

The farm has been elected and enrolled into ARC-IC for the 2014 Farm Bill. The 2014 ARC-IC payment calculation will be based on corn benchmark, guarantee, and current year revenue. The payment will be issued 100 percent to the operator or other producer of the farm. The owner of the farm will **not** receive an ARC-IC payment because the owner has no share interest in covered commodity acreage reported planted on the farm in 2014.

137 ARC-IC Calculation at the Producer Level

A ARC-IC Payment Calculation

The ARC-IC payment is calculated at the producer level. Each producer sharing ARC-IC enrolled farms will have a payment rate calculated. The producers ARC-IC payment will be determined based on the their interest in the ARC-IC enrolled farms in the State and will have benchmark, guarantees and current year revenues weighted across all ARC-IC enrolled farms the producer has an interest.

B ARC-IC Producer Payment Rate

The ARC-IC producer payment rate will be calculated for each producer sharing in covered commodities on enrolled ARC-IC farms, if applicable. The producer's share is calculated share interest across all enrolled ARC-IC farms in which the producer has an interest.

Producers who share in covered commodities on enrolled ARC-IC farms may have different payment rates established.

The payment rate for the producer, if triggered, will be the same payment rate per acre for all participating farms for which the producer has an interest.

137 ARC-IC Calculation at the Producer Level (Continued)

C ARC-IC Multiple Producer and Farm Calculation

To demonstrate the calculation of ARC-IC, the concept of filling producer buckets may be beneficial. The following example:

- provides for an operator bucket with 2 enrolled ARC-IC farms and an owner bucket with only 1 enrolled ARC-IC farm
- illustrates how different producers with some common farms may have different payment rates.

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
920	Corn	51.80 Percent	$816.50	$422.95	
1032	Corn	40.70 Percent	$828.88	$337.31	
1032	Soybeans	7.50 Percent	$572.14	$42.91	
			Totals	$803.17	$690.73

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
920	Corn	$83,925.60	100 Percent	$83,925.60	127.16	
1032	Corn	$72,000.00	50 Percent	$36,000.00	50.00	
1032	Soybeans	$8,784.00	50 Percent	$4,392.00	9.20	
Totals				$124,317.60	186.36	$667.08

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$690.73	$667.08	$23.65
Maximum Pay Rate is 10 Percent of Farm Benchmark Revenue = $80.32		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
920	126.50	82.20	100 Percent	$23.65	$1,944
1032	113.00	73.50	50 Percent	$23.65	$869

137 ARC-IC Calculation at the Producer Level (Continued)

C ARC-IC Multiple Producer and Farm Calculation (Continued)

Owner Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
1032	Corn	84.50 Percent	$828.88	$700.40	
1032	Soybeans	15.50 Percent	$572.13	$88.68	
			Totals	$789.08	$678.61

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
1032	Corn	$72,000.00	50 Percent	$36,000.00	50.00	
1032	Soybeans	$8,784.00	50 Percent	$4,392.00	9.20	
Totals				$40,392.00	59.20	$682.30

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$678.61	$682.30	$0.00

Maximum Pay Rate is 10 Percent of Farm Benchmark Revenue = $78.91					
Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
1032	113.00	73.5	50 Percent	$0.00	$0.00

138 ARC-IC Payment Rate Cap

A ARC-IC Payment Cap

The ARC-IC payment rate for a producer **cannot** exceed 10 percent of the producer's ARC-IC weighted farm benchmark revenue.

B Example

Producer A has a weighted ARC-IC farm benchmark of $500 per acre. The producer's ARC-IC weighted guarantee is $430 per acre. In 2014, Producer A's weighted revenue per acre of all covered commodities planted on ARC-IC crops is $365 per acre. The ARC-IC loss per acre is $65 per acre ($430 - $365 = $65 per acre). The ARC-IC 10 percent cap is $50 per acre ($500 ARC-IC benchmark x 10 percent). The ARC-IC payment rate per acre for Producer A is limited to the cap of $50 per acre.

Note: In this example, the ARC-IC payment rate per acre is limited to the 10 percent of weighted benchmark revenue.

139 ARC-IC Contracts

A ARC-IC Participant Contract Requirements

Participants enrolling under ARC-IC contract agree to accurately:

- record shares of planted acres of covered commodities reported on FSA-578 so that producers on the farm receive ARC-IC payments that are fair and equitable, as determined by COC

- submit a report of production for the farm and tract no later than the crop acreage reporting date for the crop, according to 2-CP, in the year immediately following the crop year of the reported crop acreage, for each covered commodity or peanuts for which an acreage report of planted acres greater than zero acres was filed.

Note: Zero production reports are acceptable.

B Acceptable Records of Production

At FSA's discretion, documentation may be requested to substantiate a production certification. Records of production acceptable to FSA may include those specified in:

- crop insurance and NAP records that may include loss records or take actual yield from the APH database

- commercial receipts, settlement sheets, warehouse ledger sheets, or load summaries of the crop that was sold or otherwise disposed of through commercial channels, provided the records are reliable or verifiable as determined by FSA

- documentary evidence, such as contemporaneous measurements, truck scale tickets, and contemporaneous diaries, as necessary to verify the information provided, if the crop has been fed to livestock or otherwise disposed of other than through commercial channels, if the records are reliable or verifiable as determined by FSA

- loan and LDP records.

139 ARC-IC Contracts (Continued)

C Yield Basis

For each covered commodity and peanuts planted on a farm having a valid ARC-IC contract for the current year, the yield of each of the 5 most recent years will be the higher of either of the following:

- ARC-IC substitute yield that is 70 percent of T-Yield
- actual farm yield per planted acre determined by dividing the total actual production on the farm by the farm's total planted acres
- ARC-IC assigned yield when the crop was **not** planted in the benchmark year

--**(100 percent of ARC-CO yield).**--

In subsequent years, the higher of the farm's actual yield or ARC-IC substitute yield will be used to compute the benchmark farm yield.

Exception: Farms that have zero planted acres (that is prevented planted or managerial ***--**decision) will receive the ARC-IC assigned yield (100 percent of ARC-CO**--*** yield).

140 (Reserved)

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

A Example 1

The following example was computed using the following information:

- 1 farm enrolled in ARC-IC with 1 producer
- FSN 920 with operator having 100 percent share and owner having 0 percent share.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
127.16	66.10	60.40	127.16	0.00

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

FSN 920 – ARC-IC - Corn (Benchmark Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	180	$666.00 per acre
2010	$5.18	~~$3.70~~	194	$1004.92 per acre
2011	$6.22	~~$3.70~~	191	~~$1188.02 per acre~~
2012	$6.89	~~$3.70~~	113	$778.57 per acre
2013	$4.50	~~$3.70~~	131	~~$589.50 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue				$816.50 per acre

1/ In this example, the substitute yield was 105 bu. (150 bu. x 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

Data for the Farm Benchmark Yield and Revenue
Benchmark farm revenue **must** be calculated for every covered commodity planted on 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: • price used is the higher of MYA or reference price • yield used is the higher of the actual or substitute yield. In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. The revenues are calculated and using an Olympic average to derive the farm benchmark revenue.

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

A Example 1 (Continued)

FSN 920 ARC-IC Soybean (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield**	**Revenue**
	MYA	**Reference Price**		
2009	$9.59	~~$8.40~~	0	$00.00 per acre
2010	$11.30	~~$8.40~~	0	$00.00 per acre
2011	$12.50	~~$8.40~~	0	$00.00 per acre
2012	$14.40	~~$8.40~~	0	$00.00 per acre
2013	$12.70	~~$8.40~~	0	$00.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$00.00 per acre

Notes: The inclusion of the zero calculation for soybeans was shown in this example to demonstrate that, even though soybean base acres existed on the farm, no revenue calculations are made because there are zero acres of soybeans planted on this farm in the applicable year.

Zero calculations will **not** be made in subsequent examples.

FSN 920 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	165 bu. per acre	$4.49 per bu.	127.6	$84,216
			Total Revenue		$84,216

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

Data for the Actual Crop Revenue Calculation
Actual crop revenue **must** be calculated for every covered commodity planted on ARC-IC farm in the current ARCPLC program year for the current year. The basic calculation for actual crop revenue is a price times a yield. For ARC-IC, the: • price used is the higher of MYA price or the national loan rate • yield used is the actual yield.

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

A Example 1 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
920	Corn	100 Percent	$816.50	$816.50	
			Totals	$816.50	$702.19

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
920	Corn	$84,216.00	100 Percent	$84,216.00	127.16	
Totals				$84,216.00	127.16	$660.00

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$702.19	$660.00	$42.19
Maximum Pay Rate is 10 Percent of Farm Benchmark Revenue = $81.65		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
920	126.50	82.20	100 Percent	$42.19	$3,468

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss. The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In ***--**this instance, only 1 covered commodity is planted on the farm and only 1 farm is enrolled into ARC-IC for this producer.**--*** The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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

B Example 2

The following example will be computed using the following information:

- 1 farm enrolled in ARC-IC with 1 producer
- FSN 2566 with operator having 100 percent share and owner having 0 percent share.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
149.45	74.70	74.80	49.50	100.00

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

FSN 2566 ARC-IC Corn (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**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

1/ In this example, the substitute yield was 105 bu. (150 bu. x 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

FSN 2566 ARC-IC Soybean (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	$9.59	~~$8.40~~	55	$527.45 per acre
2010	$11.30	~~$8.40~~	43	~~$485.90 per acre~~
2011	$12.50	~~$8.40~~	62	~~$775.00 per acre~~
2012	$14.40	~~$8.40~~	40	$576.00 per acre
2013	$12.70	~~$8.40~~	50	$635.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$579.48 per acre

1/ In this example, the substitute yield was 30 bu. (43 bu. 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)

B Example 2 (Continued)

Data for the Farm Benchmark Yield and Revenue
Benchmark farm revenue **must** be calculated for every covered commodity planted on 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: • price used is the higher of MYA or reference price • yield used is the higher of the actual or substitute yield. In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. The revenues are calculated and using an Olympic average to derive the farm benchmark revenue. In this example, 2 covered commodities were planted on the ARC-IC farm; therefore, the revenue was calculated for each crop. This revenue will be weighted for the farm in a step in a following table.

FSN 2566 – Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	140 bu. per acre	$4.00 per bu.	49.5	$27,720
	Soybeans	40 bu. per acre	$12.00 per bu.	100.00	$48,000
			Total Revenue		$75,720

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

Data for the Actual Crop Revenue Calculation
Actual crop revenue **must** be calculated for every covered commodity planted on ARC-IC farm in the current ARCPLC program year for the current year. The basic calculation for actual crop revenue is a price times a yield. For ARC-IC, the: • price used is the higher of MYA price or the national loan rate • yield used is the actual yield. In this example, 2 crops are planted on the ARC-IC farm; therefore, 2 revenues are calculated then summed to generate the actual crop revenue for the ARC-IC farm.

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

B Example 2 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
2566	Corn	33.00	$881.43	$290.87	
2566	Soybeans	67.00	$579.48	$388.25	
			Totals	$679.12	$584.04

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
2566	Corn	$27,720	100 Percent	$27,720	49.50	
2566	Soybeans	$48,000	100 Percent	$48,000	100.00	
Totals				$75,720	149.50	$506.49

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$584.04	$506.49	$77.55
Maximum Pay Rate is 10 Percent of Weighted Farm Benchmark Revenue = $67.91		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
2566	149.50	97.20	100 Percent	$67.91	$6,601

Data for This Table

Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In ***--**this instance, 2 covered commodities were planted.**--***

The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State.

After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated.

The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue.

The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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

C Example 3

The following example with 2 farms enrolled in ARC-IC will be computed using the following information:

- FSN 920, operator has 100 percent share and owner has 0 percent share

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
127.16	66.10	60.40	127.16	0.00

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

- FSN 1032, operator has 50 percent share and owner 50 percent share.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
118.34	59.20	53.80	100.00	18.30

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

FSN 920 ARC-IC Corn (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	180	$666.00 per acre
2010	$5.18	~~$3.70~~	194	$1004.92 per acre
2011	$6.22	~~$3.70~~	191	~~$1188.02 per acre~~
2012	$6.89	~~$3.70~~	113	$778.57 per acre
2013	$4.50	~~$3.70~~	131	~~$589.50 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue				$816.50 per acre

1/ In this example, the substitute yield was 105 bu. (150 bu. 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)

C Example 3 (Continued)

FSN 1032 ARC-IC Corn (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	195	~~$721.50 per acre~~
2010	$5.18	~~$3.70~~	164	$849.52 per acre
2011	$6.22	~~$3.70~~	146	$908.12 per acre
2012	$6.89	~~$3.70~~	150	~~$1033.50 per acre~~
2013	$4.50	~~$3.70~~	162	$729.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$828.88 per acre

1/ In this example, the substitute yield was 105 bu. (150 bu. x 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

FSN 1032 ARC-IC Soybean (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	$9.59	~~$8.40~~	61	$584.99 per acre
2010	$11.30	~~$8.40~~	42	~~$474.60 per acre~~
2011	$12.50	~~$8.40~~	60	~~$750.00 per acre~~
2012	$14.40	~~$8.40~~	38	$547.20 per acre
2013	$12.70	~~$8.40~~	46	$584.20 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$572.33 per acre

--1/** In this example, the substitute yield was 27 bu. (38 bu. x 70 percent) for each year and**-- was **not** used in the farm's ARC-IC benchmark calculation.

Data for the Farm Benchmark Yield and Revenue
Benchmark farm revenue **must** be calculated for every covered commodity planted on 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: • price used is the higher of MYA or reference price • yield used is the higher of the actual or substitute yield. In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. The revenues are calculated and using an Olympic average to derive the farm benchmark revenue. In this example, 2 covered commodities are planted on one ARC-IC farm, and 1 covered commodity is planted on another ARC-IC farm; therefore, the revenue was calculated for each crop on each ARC-IC farm. This revenue will be weighted for the farm in a step in a following table.

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

C Example 3 (Continued)

FSN – 920 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	165 bu. per acre	$4 per bu.	127.60	$83,925.60
			Total Revenue		$83,925.60

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

FSN – 1032 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	180 bu. per acre	$4 per bu.	180.00	$72,000.00
	Soybeans	40 bu. per acre	$12 per bu.	18.30	$8,784.00
			Total Revenue		$80,784.00

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

Data for the Actual Crop Revenue Calculation

Actual crop revenue **must** be calculated for every covered commodity planted on ARC-IC farm in the current ARCPLC program year for the current year. The basic calculation for actual crop revenue is a price times a yield. For ARC-IC, the:

- price used is the higher of MYA price or the national loan rate
- yield used is the actual yield.

In this example, 2 covered commodities are planted on one ARC-IC farm and 1 covered commodity is planted on the other ARC-IC where this producer has an interest.

Note: On FSN 1032, the 2 revenues are calculated then summed to generate the actual crop revenue for that ARC-IC farm.

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

C Example 3 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
920	Corn	68.23	$816.50	$557.10	
1032	Corn	26.83	$828.88	$222.39	
1032	Soybeans	4.94	$572.13	$28.26	
			Totals	$807.75	$694.67

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
920	Corn	$83,925.60	100 Percent	$83,925.60	127.16	
1032	Corn	$72,000.00	50 Percent	$36,000.00	50.00	
1032	Soybeans	$8,784.00	50 Percent	$4,392.00	9.20	
Totals				$124,317.60	186.36	$667.08

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$694.67	$667.08	$27.59
Maximum Pay Rate is 10 Percent of Weighted Farm Benchmark Revenue = $80.78		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
920	126.50	82.20	100 Percent	$27.59	$2,267
1032	113.00	73.5	50 Percent	$27.59	$1,014

Data for This Table

Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, ***--**2 covered commodities were planted on the 2 farms.**--***

The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State.

After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated.

The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue.

The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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

C Example 3 (Continued)

Owner Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
1032	Corn	84.50	$828.88	$700.40	
1032	Soybeans	15.50	$572.13	$88.68	
			Totals	$789.08	$678.61

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
1032	Corn	$72,000.00	50 Percent	$36,000.00	50.00	
1032	Soybeans	$8,784.00	50 Percent	$4,392.00	9.20	
Totals				$40,392.00	59.20	$682.30

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$678.61	$682.30	$0.00

Maximum Pay Rate is 10 Percent of Weighted Farm Benchmark Revenue = $78.91					
Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
1032	113.00	73.5	50 Percent	$0.00	$0

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss. The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In ***--**this instance, 2 covered commodities were planted on 1 farm.**--*** The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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

D Example 4

The following example will be computed with 2 farms enrolled in ARC-IC using the following information:

- FSN 111, operator has 100 percent share and owner has 0 percent share

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
127.16	66.10	60.40	127.16	0.00

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

•*--FSN 222, operator has 100 percent share of corn planted and owner has 100 percent share of soybeans planted.--*

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
118.34	59.20	53.80	100.00	18.30

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

* * *

Data for These Tables
• The cropland and the base acres elements are taken from FRMS. • The planted acres are taken from FSA-578. • On FSN 222, the operator has 85 percent of the covered commodities planted and the owner has 15 percent of the covered commodities planted. This percentage is needed in the payment calculation for each producer.

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

D Example 4 (Continued)

FSN 111 ARC-IC Corn (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	180	$666.00 per acre
2010	$5.18	~~$3.70~~	194	$1004.92 per acre
2011	$6.22	~~$3.70~~	191	~~$1188.02 per acre~~
2012	$6.89	~~$3.70~~	113	$778.57 per acre
2013	$4.50	~~$3.70~~	131	~~$589.50 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue				$816.50 per acre

1/ In this example, the substitute yield was 105 bu. (150 bu. x 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

FSN 222 ARC-IC Corn (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	195	~~$721.50 per acre~~
2010	$5.18	~~$3.70~~	164	$849.52 per acre
2011	$6.22	~~$3.70~~	146	$908.12 per acre
2012	$6.89	~~$3.70~~	150	~~$1033.50 per acre~~
2013	$4.50	~~$3.70~~	162	$729.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$828.88 per acre

1/ In this example, the substitute yield was 105 bu. (150 bu. 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)

D Example 4 (Continued)

FSN 222 ARC-IC Soybean (Benchmark Yield and Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	$9.59	~~$8.40~~	61	$584.99 per acre
2010	$11.30	~~$8.40~~	42	~~$474.60 per acre~~
2011	$12.50	~~$8.40~~	60	~~$750.00 per acre~~
2012	$14.40	~~$8.40~~	38	$547.20 per acre
2013	$12.70	~~$8.40~~	46	$584.20 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$572.33 per acre

1/ In this example, the substitute yield was 105 bu. (150 bu. x 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

Data for the Farm Benchmark Yield and Revenue
Benchmark farm revenue **must** be calculated for every covered commodity planted on 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: • price used is the higher of MYA or reference price • yield used is the higher of the actual or substitute yield. In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. The revenues are calculated and using an Olympic average to derive the farm benchmark revenue. In this example, 2 covered commodities are planted on one ARC-IC farm, and 1 covered commodity is planted on another ARC-IC farm; therefore, the revenue was calculated for each crop on each ARC-IC farm. This revenue will be weighted for the farm in a step in a following table.

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

D Example 4 (Continued)

FSN – 111 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	165 bu. per acre	$4 per bu.	127.16	$83,925.60
			Total Revenue		$83,925.60

FSN – 222 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	180 bu. per acre	$4 per bu.	180.00	$72,000.00
	Soybeans	40 bu. per acre	$12 per bu.	18.30	$8,784.00
			Total Revenue		$80,784.00

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

Data for the Actual Crop Revenue Calculation

Actual crop revenue **must** be calculated for every covered commodity planted on ARC-IC farm in the current ARCPLC program year for the current year. The basic calculation for actual crop revenue is a price times a yield. For ARC-IC, the:

- price used is the higher of MYA price or the national loan rate
- yield used is the actual yield.

In this example, 2 covered commodities are planted on one ARC-IC farm and 1 covered commodity is planted on the other ARC-IC where this producer has an interest.

Note: On FSN 222, the 2 revenues are calculated then summed to generate the actual crop revenue for that ARC-IC farm.

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

D Example 4 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
111	Corn	55.98	$816.50	$457.08	
222	Corn	44.02	$828.88	$364.87	
			Totals	$821.95	$706.88

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
111	Corn	$83,925.60	100 Percent	$83,925.60	127.16	
222	Corn	$72,000.00	100 Percent	$72,000.00	100.00	
Totals				$155,925.60	227.16	$686.41

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$706.88	$686.41	$20.47

Maximum Pay Rate is 10 Percent of Weighted Farm Benchmark Revenue = $82.20					
Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
111	126.50	82.20	100 Percent	$20.47	$1,683
222	113.00	73.5	85 Percent	$20.47	$1,277

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss. The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, ***--**only 1 covered commodity was planted on the 2 farms.**--*** The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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

D Example 4 (Continued)

Owner Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
222	Soybeans	100.00	$572.13	$572.13	
			Totals	$572.13	$492.03

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
222	Soybeans	$8,784.00	100 Percent	$8,784.00	18.30	
Totals				$8,784.00	18.30	$480.00

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$492.03	$480.00	$12.03

Maximum Pay Rate is 10 Percent of Weighted Farm Benchmark Revenue = $57.21

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
222	113.00	73.5	15 Percent	$12.03	$133

Data for This Table

Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, only 1 covered commodity is planted.

The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State.

After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated.

The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue.

The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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

*--E Example 5

The following example will be computed where one ARC-IC farm has been approved by FSA for 100 percent prevented planted acres of covered commodities, thereby meeting the prevent plant exception, and one ARC-IC farm has planted acres of covered commodities with some acres of covered commodities approved as prevented planted acres. Both farms have elected and are enrolled in ARC-IC:

- FSN 111, operator 100 percent share, owner 0 percent share (cash rent)
- 100 percent of the farm was approved for prevented from planting all intended planted covered commodities by FSA
- farm meets the prevented planting exception
- 250 acres of corn and 250 acres of soybeans are approved for prevent planting and will be used in ARC-IC benchmark and actual year revenue calculations
- zero production will be used to calculate current year revenue.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
600	200	350	0	0
			250 prevented planted	250 prevented planted

1/ Cropland and base acre elements are from FRMS.
2/ Planted and prevented planted acres are from FSA-578.--*

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

*--E Example 5 (Continued)

FSN 222, operator/owner 100 percent share:

- 50 percent of the farm was approved for prevented from planting 425 acres of soybeans
- farm does **not** meet the prevented planting exception
- 425 acres of corn was planted on the farm and only those acres will be used in the ARC-IC calculation on this farm
- only production from the planted corn acres will be used to calculate current year revenue.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
1000	350	500	425	0
				425 prevented planted

1/ Cropland and base acre elements are from FRMS.
2/ Planted and prevented planted acres are from FSA-578.

Note: The prevented planted exception under ARC-IC was not met on FSN222; therefore, only the planted corn acres are used for ARC-IC calculation.--*

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

*--E Example 5 (Continued)

FSN 111 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	110	~~$407.00 per acre~~
2010	$5.18	~~$3.70~~	130	$673.40 per acre
2011	$6.22	~~$3.70~~	100	$622.00 per acre
2012	$6.89	~~$3.70~~	140	~~$964.60 per acre~~
2013	$4.50	~~$3.70~~	120	$540.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$611.80 per acre

1/ In this example, the substitute yield is 96 bu. (137 **x** 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

FSN 111 - ARC-IC - Soybean (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	$9.59	~~$8.40~~	28	~~$268.52 per acre~~
2010	$11.30	~~$8.40~~	40	$452.00 per acre
2011	$12.50	~~$8.40~~	30	$375.00 per acre
2012	$14.40	~~$8.40~~	45	~~$648.00 per acre~~
2013	$12.70	~~$8.40~~	35	$444.50 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$423.83 per acre

1/ In this example, the substitute yield is 21 bu. (30 **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)

*--E Example 5 (Continued)

FSN 222 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	115	~~$425.50 per acre~~
2010	$5.18	~~$3.70~~	135	$699.30 per acre
2011	$6.22	~~$3.70~~	120	$746.40 per acre
2012	$6.89	~~$3.70~~	150	~~$1033.50 per acre~~
2013	$4.50	~~$3.70~~	140	$630.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$691.90 per acre

1/ In this example, the substitute yield is 96 bu. (137 **x** 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

Data for the Farm Benchmark Yield/Revenue
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 • 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. **Note:** In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. The revenues are calculated using a 5-year Olympic average to derive the farm benchmark revenue. In this example, 2 covered commodities are approved prevented planted on FSN 111 and 1 covered commodity is planted on FSN 222, thus the revenue was calculated for each crop on each FSN. Because FSN 111 was totally approved prevented planted, this FSN used the approved prevented planted crops to compute the revenue. These revenues will be weighted for each farm in a following step.

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

*--E Example 5 (Continued)

FSN - 111 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	0 bu. per acre	$3.65 per bu.	250	$0
	Soybeans	0 bu. per acre	$10.20 per bu.	250	$0
			Total Revenue		$0
FSN - 222 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	160 bu. per acre	$3.65 per bu.	425	$248,200
			Total Revenue		$248,200

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

Data for the Actual Crop Revenue Calculation
Actual crop revenue **must** be calculated for every covered commodity planted on all ARC-IC farms 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 • price used is the higher of the marketing year average price or the national loan rate • yield used is the actual yield. In this example, 2 covered commodities are approved prevented planted on FSN 111 and 1 covered commodity is planted on FSN 222 where this producer has an interest. FSN 111 has approved prevented planted acres with zero production; therefore, revenue is calculated at $0 per acre.

--*

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

*--E Example 5 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
111	Corn	27.03	$611.80	$165.37	
111	Soybeans	27.03	$423.83	$114.56	
222	Corn	45.94	$691.90	$317.93	
			Totals	$597.86	$514.16

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
111	Corn	$0	100 percent	$0	250.00	
111	Soybeans	$0	100 percent	$0	250.00	
222	Corn	$248,200.00	100 percent	$248,200.00	425.00	
Totals				$248,200.00	925.00	$268.32

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$514.16	$268.32	$245.84
Maximum Pay Rate: 10 percent of Weighted Farm Benchmark Revenue = $59.79		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share (FSA-578)**	**Payment Rate**	**Payment**
111	550.00	357.50	100 percent	$59.79	$21,374.93
222	850.00	552.50	100 percent	$59.79	$33,033.98

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

--*

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

*--E Example 5 (Continued)

Data for This Table (Continued)
The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, FSN 111 is 100 percent prevented planted for all covered commodities and FSN 222 has a covered commodity planted on these farms, a weight is assigned to each covered commodity on each farm based on the percentage of covered commodities planted (or considered planted on FSN 111, because 100 percent of all covered commodities were approved prevented planted) across all ARC-IC farms where this operator has an interest. For FSN 111, the 100 percent of prevent plant acres of corn and soybeans result in zero revenue. FSN 222 and its revenue is included with FSN 111 to calculate a revenue loss on the combined ARC-IC farms of 111 and 222 for Operator A's calculation. The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment rate can be calculated for the producer. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of producer benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment. In this example, FSN 111 is considered to have planted corn and soybean acres in 2014, for ARC-IC calculation purposes.

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

*--F Example 6

The following example will be computed with 2 farms enrolled in ARC-IC. The producer planted a covered commodity on FSN 222; however; FSN 333 was entirely planted to alfalfa (noncovered commodity).

Note: For ARC-IC payment purposes, only enrolled farms with planted covered commodities are eligible for ARC-IC payment; therefore, FSN 333 is **not** an eligible ARC-IC farm, because **no** covered commodities were planted on FSN 333, only alfalfa.

FSN 222, operator has 100 percent share of corn planted on the farm.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/
127.16	66.10	60.40	127.16

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

FSN 333, operator has 100 percent share of alfalfa planted on the farm.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Covered Commodity Planted Acres 2/
118.34	59.20	53.80	0

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

Note: No covered commodities are planted on this farm.

FSN 222 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	Price (Higher of MYA or Reference Price)		Yield 1/	Revenue
	MYA	Reference Price		
2009	~~$3.55~~	$3.70	180	$666.00 per acre
2010	$5.18	~~$3.70~~	194	$1004.92 per acre
2011	$6.22	~~$3.70~~	191	~~$1188.02 per acre~~
2012	$6.89	~~$3.70~~	113	$778.57 per acre
2013	$4.50	~~$3.70~~	131	~~$589.50 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue				$816.50 per acre
1/ 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.				

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

*--F Example 6 (Continued)

Data for the Farm Benchmark Yield/Revenue
Benchmark farm revenue **must** be calculated for every covered commodity planted on each ARC-IC farm 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 where covered commodities are planted. If no covered commodities are planted on a farm enrolled in ARC-IC, then a benchmark farm revenue would **not** be calculated for that farm. For ARC-IC, the: • 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. In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. The revenues are calculated as a 5-year Olympic average to derive the farm benchmark revenue. In this example. • **FSN 222:** One covered commodity planted (Corn) with 100 percent share to the operator. Benchmark revenues, guarantees, and actual revenues will be calculated for ARC-IC. • **FSN 333:** No covered commodity was planted on the ARC-IC farm, thus no benchmark revenue, guarantee or actual revenue will be calculated for this farm.

--*

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

*--F Example 6 (Continued)

FSN - 222 Actual Crop Revenue Calculation			
Actual Yield	**MYA Price 1/**	**Acres**	**Revenue**
165 bu. per acre	$4.00 per bu.	127.60	$83,925.60
		Total Revenue	$83,925.60

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

Data for the Actual Crop Revenue Calculation
Actual crop revenue **must** be calculated for every covered commodity planted on all ARC-IC farms 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 • price used is the higher of the marketing year average price or the national loan rate • yield used is the actual yield. In this example, 1 covered commodities was planted on one ARC-IC farm (FSN 222) and no covered commodities is planted on the other ARC-IC (FSN 333) where this producer has an interest. **Note:** FSN 333 did **not** have an Actual Crop Revenue calculated since the entire farm was planted to Alfalfa.

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

*--F Example 6 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
222	Corn	100.00	$816.50	$816.50	
			Totals	$816.50	$702.19

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
222	Corn	$83,925.60	100 percent	$83,925.60	127.16	
Totals				$83,925.60	127.16	$660.00

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$702.19	$660.00	$42.19
Maximum Pay Rate is 10 percent of Weighted Farm Benchmark Revenue = $81.65		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share From FSA-578**	**Payment Rate**	**Payment**
222	126.50	82.20	100 percent	$42.19	$3,468
333	113.00	73.50	100 percent	$0.00	$0.00

Data for This Table

Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, since 1 covered commodity is planted on 1 farm enrolled in ARC-IC, a weight of 100 percent was assigned to that covered commodity for the Operator's bucket.

The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. Again, since 1 covered commodity is planted on 1 farm enrolled in ARC-IC, a weight of 100 percent was assigned to that covered commodity for the Operator's bucket.

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

*--F Example 6 (Continued)

Data for This Table (Continued)
After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment. **Note: FSN 333 is not eligible farm an ARC-IC payment since covered commodities were not planted on the farm.**

G Example 7

The following example will be computed with 2 farms enrolled in ARC-IC, with 1 of the 2 farms having 10. 0 total base acres or less. In this example, neither the operator nor the producer is SDA or LR.

FSN 120, operator 100 percent share, owner 0 percent share (cash rent).

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
127.16	66.10	60.40	127.16	0.00

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

FSN 932, operator 50 percent share, owner 50 percent share.

Cropland 1/	Corn Base Acres 1/	2014 Corn Planted Acres 2/	2014 Soybean Planted Acres 2/
118.34	9.2	100.00	18.30

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.--*

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

*--G Example 7 (Continued)

FSN 120 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	180	$666.00 per acre
2010	$5.18	~~$3.70~~	194	$1004.92 per acre
2011	$6.22	~~$3.70~~	191	~~$1188.02 per acre~~
2012	$6.89	~~$3.70~~	113	$778.57 per acre
2013	$4.50	~~$3.70~~	131	~~$589.50 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue				$816.50 per acre
1/ 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.				

FSN 932 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	195	~~$721.50 per acre~~
2010	$5.18	~~$3.70~~	164	$849.52 per acre
2011	$6.22	~~$3.70~~	146	$908.12 per acre
2012	$6.89	~~$3.70~~	150	~~$1033.50 per acre~~
2013	$4.50	~~$3.70~~	162	$729.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$828.88 per acre
1/ 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.				

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

*--G Example 7 (Continued)

FSN 932 - ARC-IC - Soybean (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	$9.59	~~$8.40~~	61	$584.99 per acre
2010	$11.30	~~$8.40~~	42	~~$474.60 per acre~~
2011	$12.50	~~$8.40~~	60	~~$750.00 per acre~~
2012	$14.40	~~$8.40~~	38	$547.20 per acre
2013	$12.70	~~$8.40~~	46	$584.20 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$572.33 per acre

1/ In this example, the substitute yield is 21 bu. (30 **x** 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.

Data for the Farm Benchmark Yield/Revenue

Benchmark farm revenue **must** be calculated for every covered commodity planted on 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

- 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.

Note: In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used.

The revenues are calculated a 5-year Olympic average to derive the farm benchmark revenue.

In this example, 2 covered commodities are planted on one ARC-IC farm and 1 covered commodity is planted on another ARC-IC farm, thus the revenue was calculated for each crop on each ARC-IC farm. This revenue will be weighted for the farm in a following step.

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

*--G Example 7 (Continued)

FSN - 120 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	165 bu. per acre	$4.00 per bu.	127.60	$83,925.60
			Total Revenue		$83,925.60

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

FSN - 932 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2014	Corn	180 bu. per acre	$4.00 per bu.	180.00	$72,000.00
	Soybeans	40 bu. per acre	$12.00 per bu.	18.30	$8,784.00
			Total Revenue		$80,784.00

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

Data for the Actual Crop Revenue Calculation

Actual crop revenue **must** be calculated for every covered commodity planted on all ARC-IC farms 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

- price used is the higher of the marketing year average price or the national loan rate
- yield used is the actual yield.

In this example, 2 covered commodities are planted on one ARC-IC farm and 1 covered commodity is planted on the other ARC-IC where this producer has an interest.

Note: On FSN 932, the 2 revenues are calculated then summed to generate the actual crop revenue for that ARC-IC farm.

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

*--G Example 7 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
120	Corn	68.23	$816.50	$557.10	
932	Corn	26.83	$828.88	$222.39	
932	Soybeans	4.94	$572.13	$28.26	
			Totals	$807.75	$694.67

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
120	Corn	$83,925.60	100 percent	$83,925.60	127.16	
932	Corn	$72,000.00	50 percent	$36,000.00	50.00	
932	Soybeans	$8,784.00	50 percent	$4,392.00	9.20	
Totals				$124,317.60	186.36	$667.08

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$694.67	$667.08	$27.59
Maximum Pay Rate: 10 percent of Weighted Farm Benchmark Revenue = $80.78		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share (FSA-578)**	**Payment Rate**	**Payment**
120	126.50	82.20	100 percent	$27.59	$2,267
932	9.2	6.0	50 percent	$27.59	$0 **1/**

1/ Farms with 10 acres or **less** Total Base Acres are **not** eligible for payment **unless** the producer meets the definition of SDA or LR to receive payment.

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

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

*--G Example 7 (Continued)

Data for This Table (Continued)
The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, because 2 covered commodities are planted on 2 farms enrolled in ARC-IC, a weight is assigned to each covered commodity based on the percentage of covered commodities planted across all ARC-IC farms where this operator has an interest. The actual revenue calculation calculates the producer's share of the actual revenue to consider for ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue, **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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

*--G Example 7 (Continued)

Owner Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
932	Corn	84.50	$828.88	$700.40	
932	Soybeans	15.50	$572.13	$88.68	
			Totals	$789.08	$678.61

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
932	Corn	$72,000.00	50 percent	$36,000.00	50.00	
932	Soybeans	$8,784.00	50 percent	$4,392.00	9.20	
Totals				$40,392.00	59.20	$682.30

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$678.61	$682.30	$0.00

Maximum Pay Rate: 10 percent of Weighted Farm Benchmark Revenue = $78.91

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share (FSA-578)**	**Payment Rate**	**Payment**
932	9.2	6.0	50 percent	$0.00	$0 **1/**

1/ Farms with 10 acres or **less** Total Base Acres are **not** eligible for payment **unless** the producer meets the definition of SDA or LR to receive payment.

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

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

*--G Example 7 (Continued)

Data for This Table (Continued)
The weighted benchmark revenue and guarantee calculation weight the owner's revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, the owner only has an interest in 1 enrolled ARC-IC farm with 1 covered commodity planted. The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

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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 are on the farm.

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

Note: 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.

Cropland 1/	Soybean Base Acres 1/	Generic Base Acres 2/	2014 Corn Planted Acres 3/	2014 Alfalfa Planted Acres 3/
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 1/**	**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
1/ 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.				

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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
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 • 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. **Note:** In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. 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.

FSN 66 - Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**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
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 • price used is the higher of the marketing year average price or the national loan rate • yield used is the actual yield. 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.

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

*--H Example 8 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
66	Corn	100.00	$881.43	$881.43	
			Totals	$881.43	$758.03

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
66	Corn	$32,670	100 percent	$32,670	49.50	
Totals				$32,670	49.50	$660.00

Payment Calculation					
ARC Guarantee		**Actual Crop Revenue**		**Shortfall**	
$758.03		$660.00		$98.03	
Maximum Pay Rate: 10 percent of Weighted Farm Benchmark Revenue = $88.14					
Farm	**Total Base Acres 1/**	**65 Percent of Total Base Acres**	**Share (FSA-578)**	**Payment Rate**	**Payment**
66	124.20	50.15	100 percent	$88.14	$4,420

1/ Total base acres calculated as (74.70 Soybean Base + 49.50 Generic Base).

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

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

*--H Example 8 (Continued)

Data for This Table (Continued)
The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, 1 covered commodity was planted, as such, 100 percent was the producer's assigned weighted average. The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on the farm enrolled in ARC-IC times 65 percent of the total base acres on the farm times the payment rate to compute a payment. **Note:** Covered commodities planted on a farm with generic base acres are attributed to generic base acres when determining total base acres on the farm. In this example, because 49.50 acres of corn (covered commodity) were planted on the farm, 49.50 acres are attributed to generic 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.

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

*--I Example 9

The following example will be computed using the following information:

- 1 farm enrolled in ARC-IC with 2 covered commodities planted on the farm in 2015.

  Note: The 2014 farm benchmark for corn was moved forward to 2015, because only corn was planted on the farm in 2014 and corn was planted in 2015.

- operator has 100 percent share interest in covered commodities for 2015.

In 2015, FSN 120, operator has 100 percent share, owner has 0 percent share.

Cropland 1/	Corn Base Acres 1/	Soybean Base Acres 1/	2015 Corn Planted Acres 2/	2015 Wheat Planted Acres 2/
127.16	66.10	60.40	100.00	27.16

1/ Cropland and base acre elements are from FRMS.
2/ Planted acres are from FSA-578.

2014 - FSN 120 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2009	~~$3.55~~	$3.70	180	$666.00 per acre
2010	$5.18	~~$3.70~~	194	$1004.92 per acre
2011	$6.22	~~$3.70~~	191	~~$1188.02 per acre~~
2012	$6.89	~~$3.70~~	113	$778.57 per acre
2013	$4.50	~~$3.70~~	131	~~$589.50 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue				$816.50 per acre
1/ 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.				

Data for the This Table
2014 corn farm benchmark revenue calculation. 2010, 2011, 2012, and 2013 corn revenues will be moved forward to the 2015 corn farm benchmark revenue calculation.

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

*--I Example 9 (Continued)

2015 - FSN 120 - ARC-IC - Corn (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2010	$5.18	~~$3.70~~	194	$1004.92 per acre
2011	$6.22	~~$3.70~~	191	~~$1188.02 per acre~~
2012	$6.89	~~$3.70~~	113	$778.57 per acre
2013	$4.50	~~$3.70~~	131	~~$589.50 per acre~~
2014	$4.00	~~$3.70~~	165	$660.00 per acre
5-Year Olympic Average of Benchmark Farm Revenue				$814.50 per acre
1/ 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.				

2015 - FSN 120 - ARC-IC - Wheat (Benchmark Yield/Revenue)				
Year	**Price (Higher of MYA or Reference Price)**		**Yield 1/**	**Revenue**
	MYA	**Reference Price**		
2010	$5.70	~~$5.50~~	58	$330.60 per acre
2011	$7.24	~~$5.50~~	36	~~$260.64 per acre~~
2012	$7.77	~~$5.50~~	54	$419.58 per acre
2013	$6.87	~~$5.50~~	66	$453.42 per acre
2014	$6.00	~~$5.50~~	78	~~$468.00 per acre~~
5-Year Olympic Average of Benchmark Farm Revenue				$401.20 per acre
1/ In this example, the substitute yield is 28 bu. (40 **x** 70 percent) for each year and was **not** used in the farm's ARC-IC benchmark calculation.				

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

*--I Example 9 (Continued)

Data for the Farm Benchmark Yield/Revenue
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: • 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. **Note:** In years where the applicable covered commodity was **not** planted, an assigned yield of 100 percent of the county average yield is used. The revenues are calculated on a 5-year Olympic average to derive the farm benchmark revenue. In this example, 2 covered commodities are planted on one ARC-IC farm. Because corn was planted on the ARC-IC farm in 2014 and again in 2015, the corn farm benchmark revenue data (2010, 2011, 2012, and 2013) from 2014 will roll forward to 2015. The 2014 year corn actual crop revenue will be added to complete the 2015 corn farm benchmark revenue. The farm was not planted to wheat in 2014; therefore, the 2014 benchmark yield was assigned at 100 percent of the ARC-CO yield for wheat for 2014. This revenue will be weighted for the farm in a following step.

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

*--I Example 9 (Continued)

2015 - FSN - 120 Actual Crop Revenue Calculation					
Year	**Crop**	**Actual Yield**	**MYA Price 1/**	**Acres**	**Revenue**
2015	Corn	160 bu. per acre	$3.50 per bu.	100.00	$56,000.00
2015	Wheat	51 bu. per acre	$5.50 per bu.	27.16	$7,618.38
			Total Revenue		$63,618.38

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

Data for the Actual Crop Revenue Calculation
Actual revenue **must** be calculated for every covered commodity planted on all ARC-IC farms 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 • price used is the higher of the marketing year average price or the national loan rate • yield used is the actual yield. In this example, 2 covered commodities are planted on one ARC-IC farm where this producer has an interest.

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

*--I Example 9 (Continued)

Operator Bucket					
Weighted Benchmark Revenue and Guarantee Calculation					
Farm	**Crop**	**Percent Planted Across All Farms**	**Farm Benchmark Revenue**	**Weighted Farm Benchmark Revenue**	**Guarantee (86 Percent)**
120	Corn	78.64	$814.50	$640.52	
120	Wheat	21.36	$401.20	$85.70	
			Totals	$726.22	$624.55

Actual Revenue Calculation						
Farm	**Crop**	**Farm Level Revenue**	**Producer Share of Crop**	**Producer Share of Revenue**	**Producer Share of Acres**	**Producer Revenue**
120	Corn	$56,000.00	100 percent	$56,000.00	100.00	
120	Wheat	$7618.38	100 percent	$7618.38	27.16	
Totals				$63,618.38	127.16	$500.30

Payment Calculation		
ARC Guarantee	**Actual Crop Revenue**	**Shortfall**
$624.55	$500.30	$124.25
Maximum Pay Rate: 10 percent of Weighted Farm Benchmark Revenue = $72.62		

Farm	**Total Base Acres**	**65 Percent of Total Base Acres**	**Share (FSA-578)**	**Payment Rate**	**Payment**
120	126.50	82.20	100 percent	$72.62	$5,969.36

Data for This Table
Producer payments are made when participating in ARC-IC. After the benchmark farm revenue and actual crop revenue are established for the farm, the producer's share **must** be determined to meet the requirement that a producer's interest across all enrolled ARC-IC farms in a State **must** be considered to calculate any revenue loss.

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

I Example 9 (Continued)

Data for This Table (Continued)
The weighted benchmark revenue and guarantee calculation weight the producers revenue based on the applicable covered commodity's acreage to all covered commodities planted on the farm. In this instance, because 2 covered commodities are planted on 1 farm enrolled in ARC-IC, a weight is assigned to each covered commodity based on the percentage of covered commodities planted across all ARC-IC farms where this operator has an interest. The actual revenue calculation calculates the producer's share of the actual revenue to consider for the ARC-IC farm for the State. After the weighted benchmark revenue, the guarantee, and the actual crop revenue are known, a payment can be calculated. The payment rate is the difference between the ARC guarantee and the actual crop revenue **not** to exceed 10 percent of farm benchmark revenue. The payment is then calculated by multiplying the producer's share of covered commodities planted on each farm enrolled in ARC-IC farms 65 percent times the payment rate to compute a payment.

*--142 ARC-IC Benchmark and Actual Year Yield Corrections

A ARC-IC Yield Correction Overview

Producers who elected and enrolled into ARC-IC on a farm were required to certify farm level yields for the years the covered commodity was planted during the 5-year benchmark period. Producers were also required to certify the current year yield for the ARC-IC revenue to be calculated. During this process, producers may have inadvertently certified to an incorrect yield (and it was discovered at a later date). This paragraph provides County Offices with policy for correcting certified yields for both the ARC-IC benchmark and current year.

B ARC-IC Yield Correction Policy

County Offices will follow the provisions of this paragraph when correcting both the ARC-IC benchmark yield and/or the current year yield where the producer or FSA finds an erroneous ARC-IC yield calculation.**--***

***--142 ARC-IC Benchmark and Actual Year Yield Corrections (Continued)**

B ARC-IC Yield Correction Policy (Continued)

The following are ARC-IC yield corrections that may be approved by COC:

- producer notifies the County Office that a yield certified for the ARC-IC farm is in error from what was originally reported

  Note: The incorrect certified yield can be within the benchmark period and/or current year.

- a mathematical error was found in calculating ARC-IC yields, both benchmark and current year

- benchmark yields or current year yields were not loaded properly in software by FSA, as applicable.

County Offices will thoroughly document the yield corrections and review the yields with COC. COC's determination will be documented in the COC Executive minutes and reviewed by DD for concurrence.

C ARC-IC Yield Correction Notification Policy

Notification of yield corrections for both benchmark and actual year yields must be sent to the farm operator and all owners of the farm.

Note: Appeal rights must be provided.

D Effects of ARC-IC Yield Corrections

A comparison of the corrected yield to the certified yield will be performed at the farm level for both the benchmark yield and current year yield.

In cases where FSA determines a corrected benchmark or current year yield is different from the yield originally certified by the producer, the yields must be corrected for the applicable year (any year in the benchmark or the actual year).

Example: A producer's approved final benchmark yield is 40 bu./acre for wheat. The yield correction occurred for 1 of the 5 years within the benchmark. The corrected benchmark farm level yield is being calculated at 39 bu./acre.

The approved farm level benchmark yield of 40 bu./acre must be corrected to 39 bu./acre.**--***

***--142 ARC-IC Benchmark and Actual Year Yield Corrections (Continued)**

E ARC-IC Benchmark and/or Current Year Yield Correction Adjustments

If the corrected benchmark and/or actual year yield in comparison to the certified benchmark and/or actual year yield reveals a discrepancy where the County Office made an error or FSA policy changes occurred during the yield certification process resulting in an inaccurately certified yield by the owner:

- the benchmark and/or actual year yield will be corrected for each year from 2014 and subsequent years

  Note: Tolerance is not applicable.

- COC is not required to make a good faith determination as FSA made the error

- any overpayment or underpayment will be processed for each applicable year a yield is corrected.

Benchmark and/or actual year yield corrections shall be documented in the COC minutes.

Note: See paragraph 247 to determine whether misrepresentation, inaccurate representation, scheme, or device has occurred.

F ARC-IC Benchmark and/or Actual Year Yield Adjustments

If the benchmark and/or actual year yield in comparison to the certified benchmark and/or actual year yield reveals a discrepancy where the owner made an error during the certification period:

- COC must determine whether the owner acted in good faith when providing the certified yield

  Note: If COC determines:

  - "good faith" on behalf of the owner:

    - correct the benchmark and/or actual year yield at the farm level for 2014 and subsequent years

    - process any overpayments or underpayments for each year**--***

***--142 ARC-IC Benchmark and Actual Year Yield Corrections (Continued)**

F ARC-IC Benchmark and/or Actual Year Yield Adjustments (Continued)

- "lack of good faith" on behalf of the owner:
  - correct the benchmark yield to the lower of either of the following:
    - actual yield for the applicable year in the benchmark period
    - 70 percent T-yield for the applicable crop in that county
  - correct the actual year yield to the higher of the following:
    - actual yield for the applicable year
    - county yield for the applicable crop and county
  - process any overpayments or underpayments for each year.
- COC's determination shall be documented in the executive minutes.**--***

143-160 (Reserved)

Part 6 (Reserved)

161-180 (Reserved)

Part 7 ARC or PLC Election

181 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 ARC-CO or PLC on a covered commodity-by-covered-commodity basis on the farm; or

(2) ARC-IC for all covered commodities on the farm.

(c) The election will be based on the 2014 farm structure (including any reconstitutions of farms that were initiated by August 1, 2014).

(d) Valid elections specified in paragraphs (a) and (b) of this section by current producers will apply to the 2014 farm structure and 2014 producers on the farm. The valid election will also 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.

The 2014 Farm Bill authorizes a 1-time **irrevocable** election to obtain ARC or PLC.

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 on a covered commodity-by-covered commodity basis on the farm or ARC-IC for all covered commodities and 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 a previous (2014), current, and subsequent crop years (2015 through 2018) of the 2014 Farm Bill.

181 Election (Continued)

B Election Irrevocability

Unless rescinded or terminated according subparagraph 182 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 for the 2014 through 2018 crop years.

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-857 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 each
--**and **all** program years 2014 through 2018. All ARC and PLC payments that were issued to any producers on a farm, based on an election later determined by COC to be invalid, must be refunded with interest.**--

Election is **not** enrollment. Producers **must** enroll farms each contract year to make themselves eligible for benefits.

181 Election (Continued)

C Processing Elections (Continued)

See subparagraph 41 E if CCC-858 is filed after CCC-857 has been filed.

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, 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 Decision

[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-857 on file for the farm during the election period that ended April 7, 2015, 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-857 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.

181 Election (Continued)

D Failure of All Current Producers to Make Election Decision (Continued)

- 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.

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 Farm Bill.

Example: On March 1, 2015, Producer B (2014 operator) completes CCC-857.

On June 15, 2015, Producer S (2015 operator) makes 2015 acreage report on the farm, indicating he had the farm under lease on February 1, 2015.

Producer S does not object to the election made by Producer B.

The election made by Producer B remains in effect through 2018.

*--E 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 ended April 7, 2015. During the election process, errors may have occurred where the election submitted by current producers on CCC-857 does **not** match the election entered in 2014 FRS and 2015 MIDAS, 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-857 during the election period does not represent what currently appears in 2014 FRS and 2015 MIDAS

- 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 per crop for ARC-CO and/or PLC or ARC-IC for the farm in 2014 FRS and 2015 MIDAS.--*

181 Election (Continued)

*--E Election Correction Policy Where FSA Made an Error (Continued)

Note: Corrections made by COC must be reviewed by a State Office representative. Current producers are **not** required to sign a new CCC-857 for corrections made according to this paragraph. This is **not** a new opportunity for election.

Scenario 1:

An owner on the farm selected to reallocate base acres on CCC-858 on a farm. The retained bases were barley, corn, oats, and wheat. The owner choose to reallocate base acres to corn and wheat. CCC-858 shows this and was signed on March 27, 2015.

On March 30, 2015, the current producers on the farm completed CCC-857. CCC-857 incorrectly showed the retained bases and the current producers made a program election of barley ARC-CO, corn ARC-CO, oats ARC-CO, and wheat ARC-CO.

Corrective Action:

The County Office must correct 2014 farm records and 2015 MIDAS to show the correct corn and wheat base acreage according to CCC-858. The oat and barley base should be reduced to zero.

The producers made a program election for corn and wheat; therefore, no further action is needed on CCC-857. Corn and wheat will remain in ARC-CO.

Scenario 2:

An owner on the farm reallocated base acres on CCC-858 on a farm. The retained base acres were corn and wheat. The owner choose to reallocate base acres to corn and soybeans. CCC-858 shows this and was signed on March 27, 2015.

On March 30, 2015, the current producers on the farm completed CCC-857. CCC-857 incorrectly showed the retained bases and the current producers made a program election of corn ARC-CO and wheat ARC-CO.**--***

181 Election (Continued)

***--E Election Correction Policy Where FSA Made an Error (Continued)**

Corrective Action:

The County Office must manually complete CCC-857 for the farm and notify the current producers on the farm that a program election must be made for soybeans within 30 calendar days of notification. If the current producers do not make a program election for soybeans, the crop and farm will default to PLC and the farm will not receive 2014 payments.

Once CCC-857 is received for soybeans, County Offices must correct 2014 farm records and 2015 MIDAS to show the correct corn and soybean base acreage according to CCC-858. The wheat base should be reduced to zero.

The producers made a program election for corn; therefore, corn will remain in ARC-CO if the producers complete the election for soybeans as stated in this subparagraph. If the current producers do not complete the election on soybeans, the farm will be viewed as not having any valid election. The soybean program election will be entered in 2014 farm records and 2015 MIDAS as indicated on the manual CCC-857.

F 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.**--***

182 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.

182 Election Period (Continued)

A Time of Election (Continued)

(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.

(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.

Current producers on farms with base acres have the opportunity to elect ARC or PLC that will be in effect for the 2014 thorough 2018 crop years.

--**The election period was **November 17, 2014, through April 7, 2015**. The election **must** have been made by all current producers during the election period on CCC-857.**--

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 viewed 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 **April 7, 2015**.**--***

183 Completing Election

A Who Must Sign

All current producers on a farm at the time of ARC or PLC election **must** sign CCC-857 making an election as described in paragraph 181. An election **not** having all required signatures of producers on a farm filed with FSA by **April 7, 2015**, would **not** have been ***--**considered valid. See subparagraph 181 D.**--***

B Receiving Election in the County Office

As stated in subparagraph 182 A, the election is completed on CCC-857. The ARC or PLC election is a decision by all current producers on a farm on the day CCC-857 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-857 when received in the County Office.

The employee receiving CCC-857 will sign and date indicating that CCC-857 was received in the County Office. The act of receiving CCC-857 does **not** require delegation by COC or redelegation by CED.

184 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.

B Determining the Current Producer

Producers on the farm are responsible for making the determination of who are the current producers on the farm.

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.

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.

186 Election Not Made (Continued)

B COC and STC Action on Elections Not Made or Incomplete

[7 CFR 1412.72(f)] 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.

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-857's signed by anyone after the election period has passed, **regardless** of the reason the individual or ***--**entity did **not** request to elect ARC or PLC by the April 7, 2015, election period deadline

- forward to DAFP any recommendation of approval or relief for anyone who filed**--***CCC-857 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-857's at any time. However, FSA is **not** required to issue a determination on CCC-857's. CCC-857's will be viewed as either valid or invalid. In addition to other reasons CCC-857 may later be determined invalid by FSA, CCC-857's submitted after the election period ends is invalid.

STC's and COC's will follow this subparagraph for all CCC-857's submitted after the election period ends. No letter of determination will be issued to producers who choose to submit CCC-857's after the end of the election period.

186 Election Not Made (Continued)

C Communicating To Those Submitting CCC-857 After The Election Period Ends

FSA will acknowledge receipt of CCC-857's submitted after the end of the election period with a communication stating the following.

Dear [*Enter names of all those signing CCC-857 submitted after the end of the election period.*]

This letter acknowledges receipt of a request to elect ARC or PLC under a form CCC-857, Agricultural Risk Coverage (ARC) or Price Loss Coverage (PLC) Program 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

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.

188 ARC and PLC Program Election Examples (Continued)

C Example 3, Election Decision

Farm 3 has base acres of:

- corn
- soybeans
- wheat.

All current producers decide ARC-IC is the best option for the life of the 2014 Farm Bill; therefore, ARC-IC is elected for the farm. This decision is **not** at the covered commodity level because ARC-IC is a "whole farm" election.

D Example 4, Determining Current Producer

Farm 4 has base acres of:

- corn
- soybeans
- wheat.

The current producers **must** be determined. Farm owner is Bob and the farm operator is Bill who has a 2-year cash lease.

The current producer is Bill. **Only** Bill makes the election of the life of the 2014 Farm Bill.

188 ARC and PLC Program Election Examples (Continued)

E Example 5, Determining Current Producer

Farm 5 has base acres of:

- corn
- soybeans
- wheat.

The current producers **must** be determined. Farm owners are Fred and Karen, and the farm operator is Bill. Bill cash leases Fred's land and share leases Karen's land.

The current producers are Bill and Karen. **Only** Bill and Karen make the election for the life of the 2014 Farm Bill.

F Example 6, Determining Current Producer

Farm 6 has base acres of:

- barley
- grain sorghum
- small chickpeas.

The current producers **must** be determined. Farm owners are Fred and Karen, farm operator is Bill, and the tenant is Shelia. Bill cash leases Fred and Karen's land. Shelia subleases 50 acres from Bill to plant alfalfa.

The current producers are Bill and Shelia. **Only** Bill and Shelia make the election for the life of the 2014 Farm Bill.

188 ARC and PLC Program Election Examples (Continued)

G Example 7, Determining Current Producer

Farm 7 has base acres of:

- corn
- wheat.

The current producers **must** be determined. Farm owners are Fred and Karen and farm operator is Bill who share leases from both Fred and Karen. Fred, Karen, and Bill shall make the farm election.

H Example 7, Determining Current Producer

***--**Fred and Karen sold the farm to Sam, for which Bill is the farm operator and a producer, **before** April 7, 2015. Bill and Sam could have done either of the following:

- taken no action and maintain the existing election
- completed another election **by April 7, 2015**.**--***

Note: FSA is under **no** obligation to provide election information to Sam, **unless** requested by Sam.

I Example 8, Determining Current Producer

***--**Becky and Adrian owned the farm and cash leased the entire farm to Christopher. Christopher's lease ran from March 1, 2014, through February 28, 2015. Christopher made an election on January 15, 2015. Becky and Adrian terminated Christopher's lease per State law and cash leased the entire farm to Kim. Kim's lease runs from March 1, 2015, through February 29, 2016. Kim could have done either of the following:

- taken no action and maintain the existing election
- completed another election **before April 7, 2015**.**--***

Note: FSA is under **no** obligation to provide election information to Kim, **unless** requested.

188 ARC and PLC Program Election Examples (Continued)

J Example 9, Reconstitutions

Farm 8 has base acres and elections of:

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

--**A reconstitution request, to divide Farm 8 that has 2 tracts into 2 farms, is received in the**--
County Office. Farm 8 is divided into the following 2 farms:

- Farm 9 (Tract 1) with the following base acres and elections:
  - corn, ARC-CO
  - soybeans, PLC
  - wheat, PLC
- Farm 10 (Tract 2) with the following base acres and elections:
  - corn, ARC-CO
  - soybeans, PLC
  - wheat, PLC.

Note: The election follows to each resulting farm *** * ***.

188 ARC and PLC Program Election Examples (Continued)

K Example 10, Reconstitutions

A request to combine Farm 11 and 12 is received in the County Office.

- Farm 11 (Tract 3) with the following base acres and elections:
  - soybeans, ARC-CO
  - wheat, PLC
  - corn, ARC-CO
- Farm 12 (Tract 4) with the following base acres and elections:
  - soybeans, PLC
  - wheat, PLC
  - corn, ARC-CO.

Farm 11 and 12 **cannot** be combined because the election of soybeans on Farm 11 does **not** match the election of soybeans on Farm 12. Farms can **only** be combined with farms having the identical elections.

189 CCC-857

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.	

189 CCC-857 (Continued)

B Example of CCC-857

The following is an example of CCC-857.

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-857
(10-31-14)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

AGRICULTURE RISK COVERAGE (ARC) AND PRICE LOSS COVERAGE (PLC) PROGRAM ELECTION

1. Program Years: **2014 through 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

THIS ELECTION must be 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 with the 2014 crop year, under the terms of 7 CFR Part 1412. If an ARC or PLC election is not made, the election shall default to PLC for all covered commodities on the farm, starting with the 2015 crop year, and the farm is not eligible for any 2014 ARC or PLC payments. 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 and 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 annually enroll the farm in the ARC or PLC program in order to receive ARC or PLC benefits for that crop year;(4) they must comply with the regulations at 7 CFR Part 1412; and (5) that ARC or PLC benefits are 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 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. Annual enrollment in the ARC or PLC program is a separate action from this election and must be performed each crop year.

6. ARC-IC Election

☐ Individual Agriculture Risk Coverage *(ARC-IC)*

This election, if made, is applicable for the farm and all covered commodities. Program elections, by crop, in Item 7 cannot be made if ARC-IC is elected for the farm.

7. Election for PLC and ARC-CO *(Check only **ONE** box per crop, if no selection was made in Item 6.)*

Crop	PLC	ARC-CO	N/A	Crop	PLC	ARC-CO	N/A	Crop	PLC	ARC-CO	N/A
Barley	☐	☐	☐	Grain Sorghum	☐	☐	☐	Rice, Long Grain	☐	☐	☐
Canola	☐	☐	☐	Lentils	☐	☐	☐	Rice, Medium Grain	☐	☐	☐
Corn	☐	☐	☐	Mustard Seed	☐	☐	☐	Safflower	☐	☐	☐
Crambe	☐	☐	☐	Oats	☐	☐	☐	Sesame Seed	☐	☐	☐
Flaxseed	☐	☐	☐	Peanuts	☐	☐	☐	Soybeans	☐	☐	☐
Garbanzo, Large	☐	☐	☐	Peas, Dry	☐	☐	☐	Sunflower Seed	☐	☐	☐
Garbanzo, Small	☐	☐	☐	Rapeseed	☐	☐	☐	Wheat	☐	☐	☐

8A. Producer's Name and Address *(Including Zip Code)*

8B. Email Address

8C. Telephone Number *(Including Area Code)*

8D. Signature of Producer (By)

8E. Title/Relationship of the Individual Signing in the Representative Capacity

8F. Date (MM-DD-YYYY)

FOR FSA USE ONLY

9A. Signature of CCC Representative

9B. Date (MM-DD-YYYY)

10. Remarks

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).

*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.*

189 CCC-857 (Continued)

B Example of CCC-857 (Continued)

CCC-857 (10-31-14) Page 2 of 2

11A. Farm Number	11B. State Code	11C. County Code	11D. Program Year 2014 - 2018

PRODUCER'S INFORMATION

12A. Producer's Name and Address *(Including Zip Code)*	12B. Email Address 12C. Telephone Number *(Including Area Code)*	
12D. Signature of Producer (By)	12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address *(Including Zip Code)*	12B. Email Address 12C. Telephone Number *(Including Area Code)*	
12D. Signature of Producer (By)	12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address *(Including Zip Code)*	12B. Email Address 12C. Telephone Number *(Including Area Code)*	
12D. Signature of Producer (By)	12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address *(Including Zip Code)*	12B. Email Address 12C. Telephone Number *(Including Area Code)*	
12D. Signature of Producer (By)	12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address *(Including Zip Code)*	12B. Email Address 12C. Telephone Number *(Including Area Code)*	
12D. Signature of Producer (By)	12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)

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 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.*

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 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.***

190-200 (Reserved)

*--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 ARC-CO and PLC contracts or ARC-IC contracts for the 2014 through 2018 years.

202 Enrollment Dates for ARC and PLC Programs

A Enrollment Dates

Enrollment under an ARC-CO and PLC contract or ARC-IC contract will be held annually, as follows:

- 2014 and 2015 enrollment periods are held concurrently and begin June 17, 2015, and end September 30, 2015

- 2016, 2017, and 2018 enrollment periods each will begin December 1 and end August 1 of each respective contract year (2016, 2017, and 2018, as applicable).**--***

*--202 Enrollment Dates for ARC and PLC Programs (Continued)

B Enrolling Base Acres on a Farm

Producers who annually enroll a farm under an ARC-CO and PLC contract or ARC-IC contract **must** enroll all base acres on the farm.

For ARC-CO and PLC contracts, 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.

Note: 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 the ARC-CO and PLC contract for that reported FSA-578 share interest in the planted covered commodity to be potentially eligible for payment.

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 the ARC-CO and PLC contracts by the end of the enrollment period. ARC-CO and PLC contracts 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 shall ensure that the producer's shares, signature type, and enrollment date are blank in CCC-861 software.**--***

*--202 Enrollment Dates for ARC and PLC Programs (Continued)

D Timeline for Enrollment

The following table provides the timeline for 2014 and 2015 ARC and PLC enrollment.

FY 2015				FY 2016							
June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
IF enrollments for 2014 or 2015 occur from…							**THEN contract approval authority is…**		**AND authority to load software is…**		
June 17 through September 30, 2015							COC or CED, if delegated		County Office.		

The following table and legend provide the timeline for 2016 through 2018 ARC and PLC enrollment.

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
IF 2016 through 2018 enrollments occur in the contract year from…					**THEN contract approval authority is…**				**AND authority to load software is…**		
December 1 through August 1					COC or CED, if delegated				County Office.		
August 2 through August 31											
September 1 through September 30					STC or DD, if delegated				State Office or DD, if delegated.		

203 Late-Filed Contracts

A Late-Filed ARC-CO and PLC Contracts or ARC-IC Contracts

The ARC-CO and PLC contract or ARC-IC contract enrollment deadline for FY's 2016 through 2018 is August 1 (September 30, 2015, for FY's 2014 and 2015) of the applicable contract year.

- DAFP has authorized a late-filed ARC-CO and PLC contract or ARC-IC contract enrollment period through August 31st of each applicable contract year, with the exception of September 30, 2015, for the 2014 and 2015 crop years. COC's have been delegated authority by DAFP to approve late-filed contracts that are completed by producers through the August 31st deadline.

- STC's are delegated by DAFP, ARC and PLC programmatic relief authority and equitable relief authority under the misaction/misinformation provisions to approve ARC-CO and PLC contracts or ARC-IC contracts satisfying all other ARC and PLC program requirements that are submitted from September 1 through September 30 of the applicable contract year for the years 2016 through 2018.**--***

***--203 Late-Filed Contracts (Continued)**

B Prohibition on Enrollments After Contract Year Ends

The contract period for ARC-CO and PLC contracts or ARC-IC contracts ends September 30 of the applicable program year. Enrollment for each of the 2014 and 2015 contract years will be held concurrently beginning June 17, 2015, through September 30, 2015.

Because FSA is conducting 2014 and 2015 enrollment concurrently, it is important that operators and producers understand the need to enroll each year separately.

Offers and attempts to enroll farms in each of the 2016, 2017, and 2018 contract years after September 30 of a contract year will **not** be considered by COC or STC. Offers to enroll in 2016, 2017, and 2018 after the end of the contract period will be considered ineligible offers **not** eligible for approval or disapproval by COC. FSA can make a factual determination as to whether or not enrollment occurred by the end of the contract period; however, under no circumstances will equitable relief provisions apply or be applied to cause FSA to bind CCC into contracts for a contract period that has already elapsed or passed.

Note: Except as otherwise stated in regulations and this handbook for the 2014 and 2015 contract years, FSA is **not** authorized on behalf of CCC to enter into contracts after the contract period has ended.

For each of the 2016, 2017, and 2018 contract years, when offers of enrollment are filed after the end of the contract period, the reviewing authority must **not:**

- consider or render any sort of adverse decision or relief decision on ARC-CO and PLC contracts or ARC-IC contracts if the contract was signed by anyone after the applicable contract year had ended, **regardless** of the reason the person or legal entity signed after the contract period passed

- forward any recommendation of approval or relief for anyone who offered to enroll a contract after the contract period passed

- provide any right of appeal or appealability to anyone making an inquiry about enrollment after the contract period has passed.**--***

***--203 Late-Filed Contracts (Continued)**

B Prohibition on Enrollments After Contract Year Ends (Continued)

Notes: Producers have a right of review or appeal **only** on adverse decisions and **only** where there are legitimate disputes of fact. See 1-APP. FSA is unable to exercise any sort of discretion to obligate CCC to contracts that were offered to CCC for enrollment after the end of a contract period.

Any right of appeal is limited to FSA's decision that the offer of enrollment was **not** received by FSA by the end of the contract period. Under **no** circumstances will FSA discuss enrolling farms after the end of a contract period, nor will FSA exercise any discretion of relief for these offers. FSA's authority to retroactively contract is limited to the 2014 and 2015 contract years as specified in regulations and this handbook.

Actions permitted by a reviewing authority when ARC-CO and PLC contract or ARC-IC contract is received after September 30 (or September 30, 2015, for 2014 and 2015 contracts) of the contract year, include the following:

- file the original ARC-CO and PLC contract or ARC-IC contract with producers' signatures in the farm file

- **do not** act on, approve, or disapprove ARC-CO and PLC contracts or ARC-IC contracts for the previous contract year

- send a letter advising producers attempting to enroll after the end of the contract period that ARC-CO and PLC contracts or ARC-IC contracts will **not** be processed by FSA. See subparagraph C.

County Offices will **not** discourage any producer from signing ARC-CO and PLC contract or ARC-IC contract at any time. However, FSA is **not** required to issue an approval or disapproval determination on ARC-CO and PLC contract or ARC-IC contract submitted after the contract year ends. STC's and COC's **must** follow this subparagraph for **all** ARC-CO and PLC contracts or ARC-IC contracts submitted after the contract year expires.

Except as discussed in regulations and this handbook for the 2014 and 2015 contract years, no letter of determination of approval or disapproval will be issued to producers who choose to submit ARC-CO and PLC contracts or ARC-IC contracts after the end of a contract year. This is true regardless of the reason or reasons the offer of enrollment was submitted after the end of the contract year. For these situations, County Offices will follow subparagraph C.**--***

***--203 Late-Filed Contracts (Continued)**

C Communication to Producers Submitting ARC-CO and PLC Contract or ARC-IC Contract After the 2016, 2017, or 2018 Contract Period, as Applicable, Has Ended

FSA offices will follow this paragraph in acknowledging offers to enroll in a 2016, 2017, or 2018 contract year after the end of each applicable contract period. Do **not** use this letter for 2014 or 2015 offers on enrollment. FSA will acknowledge receipt of ARC-CO and PLC contract or ARC-IC contract submitted after the end of the contract period with a communication stating the following.

Note: Offices will not deviate from the language in the "set" part of the following text. The italicized portion and portions within brackets must be modified for the specific farms and producers.

Dear [*Enter names of all those signing ARC-CO and PLC contract or ARC-IC contract submitted after September 30 of a contract period.*]

This letter acknowledges receipt of an offer to enter into a contract with the Commodity Credit Corporation under a form [*enter* ARC-CO and PLC contract or ARC-IC contract*, as applicable*]. You submitted the request to enroll after the end of the contract period.

7 CFR § 1412.41 specifies that enrollment is **not** allowed after September 30 of FY in which the ARC and PLC Program payments are requested.

The Farm Service Agency (FSA) appreciates your interest. Your offer to enroll after the end of the contract period will be kept on file; however, FSA **cannot** process the offer because there is no contract period remaining for enrollment.

Thank you again for your interest.

Sincerely,

County Executive Director

Note: FSA's stating that the offer of enrollment **cannot** be processed is **not** an ARC and PLC program approval or disapproval decision and, therefore, it is **not** appealable. It is merely communicating that the offer cannot be processed. Any subsequent administrative review, if performed, is limited to whether or not FSA's communication is accurate or not.**--***

*--204 ARC-CO and PLC Contract or ARC-IC Contract

A ARC-CO and PLC Contract or ARC-IC Contract Provisions

The following provisions apply to farms that did not have a valid election of ARC-CO and PLC or ARC-IC for 2014.

If a farm did **not** have a valid election, the farm and all producers on that farm are **not** eligible for a 2014 payment. All covered commodities are defaulted to the PLC program, with payment eligibility beginning in 2015. Producers will be permitted to enroll farms not having valid elections even though there will be no payments issued for 2014. The fact producers on such an enrolled and unelected farm are ineligible for 2014 payments is not an adverse decision for any enrolled producer on that farm. It is the function of the statute.

The following provisions apply to ARC-CO and PLC contracts or ARC-IC contracts for 2014 through 2018.

The regular scheduled enrollment period will end on August 1 of each FY. However, because of the timing of the rollout of the programs (enrollment for the 2014 and 2015 contract years), eligible producers must execute and submit an ARC and PLC contract or ARC-IC contract by:

- September 30, 2015, for each of the 2014 and 2015 FY contracts
- August 1 of the applicable year for each of the 2016, 2017, and 2018 FY contracts.

B COC Actions

COC will:

- only consider and act on an ARC-CO and PLC contract or ARC-IC contract that is enrolled in the ARC-CO and PLC or ARC-IC program, as applicable, according to this paragraph

- neither approve nor disapprove the ARC-CO and PLC contracts or ARC-IC contracts that do **not** have signatures of all producers sharing in base acres on the farm

  Note: Contracts not having all the signatures of all producers are considered incomplete and, if not signed by the end of the enrollment period, are considered withdrawn.

  Exceptions: ARC-CO and PLC contracts or ARC-IC contracts with signatures from producers having zero shares may be acted on provided the provisions of paragraph 265 are met.

  See subparagraph 202 C for other exceptions.**--***

204 ARC-CO and PLC Contract or ARC-IC Contract (Continued)

B COC Actions (Continued)

- **not** consider or recommend equitable relief under any provision for an ARC-CO and PLC contract or ARC-IC contract that is **not** completely enrolled.

Note: The failure of a producer to sign an ARC-CO and PLC contract or ARC-IC contract is **not** a compliance discrepancy or failure to fully comply.

C Cash Lease Signature Requirements

COC will determine whether a lease is a cash lease according to paragraph 216. If the lease is a cash lease, COC's will **require** any of the following if the landowner or landlord receives a zero share of the crop:

- written lease, rental arrangement, or other document signed by the landowner or landlord that proves that the producer has cash-leased the land for FY

  Notes: Keep a copy of the document in the County Office folder.

  If the farm is a multiple ownership farm, and none of the tracts owned by the landowner or controlled by the landlord have cropland on them, the signature of that landowner or landlord or proof of cash-lease provisions do **not** apply.

- the landowner's or landlord's signature on ARC-CO and PLC contract or ARC-IC contract to zero share.

  Note: When both spouses are joint owners of a farm and proof of a cash lease is **not** provided, the signature of 1 spouse is sufficient for a zero share, **unless** the spouse has notified FSA in writing that the other spouse may **not** sign for both.

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 from the zero share landowners on the farm in a prior year who:

- ***--**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.**--***

204 ARC-CO and PLC Contract or ARC-IC Contract (Continued)

C Cash Lease Signature Requirements (Continued)

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 were 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.

D Partial Enrollments

[7 CFR 1412.41(a)(4)] Eligible producers who choose to enter into a contract with FSA must enroll all base acres on the farm. Enrollment of fewer than all base acres on the farm is not allowed.

E Withdrawing Enrollment

[7 CFR 1412.41(b)] Eligible producers may withdraw from a contract at any time by August 1 of the applicable contract year provided all producer signatories to the contract, including FSA, agree to the withdrawal in writing.

See paragraph 203 for late-filed enrollment provisions. Late-filed enrollment provisions similarly apply to withdrawals of enrollment.

F Expiring ARC-CO and PLC Contract or ARC-IC Contract

The 2014 contract year is the **only** year that passed **before** the start of 2014 enrollment. The contract expiration provisions that apply to 2014 contracts will also apply to 2015 contracts, **without** regard to the 2014 or 2015 contract years already having passed or lapsed before the established enrollment deadline of September 30, 2015.

Example: FY's 2014 and 2015 ARC-CO and PLC contracts or ARC-IC contracts timely entered into with CCC have a contract period that ends on September 30, 2015.

Except as provided for enrollment changed in the designated enrollment period that ends for 2014 and 2015 contracts (September 30, 2015), no changes can be made to ARC-CO and PLC contract or ARC-IC contract after the end of a contract period.

205 Reconstitution of ARC-CO, PLC, and ARC-IC Farms

A Reconstitution of Enrolled Farms

Farms enrolled during the prescribed annual enrollment period that are subsequently reconstituted are no longer considered to be enrolled.

Farms resulting from a reconstitution are **not** deemed to have enrolled into the ARC-CO and PLC contract or ARC-IC contract and may **not** earn benefits associated with the ARC and PLC programs, **unless** the resulting farm is timely enrolled in ARC-CO and PLC contract or ARC-IC contract.

205 Reconstitution of ARC-CO, PLC, and ARC-IC Farms (Continued)

A Reconstitution of Enrolled Farms (Continued)

The validity of an ARC or PLC election is **not** impacted by reconstitution. Valid ARC and PLC elections will continue to be recognized following reconstitution. The resulting farms will have the ARC or PLC election that is consistent with the parent farm or farms.

B Authorized Reconstitutions

Subject to the provisions of subparagraph A, the following reconstitutions are allowed for each 2015 and subsequent program year, if FSA-155 or FSA-179 is initiated **by** August 1 of the effective FY:

- divisions of all farms
- farm combinations in limited situations
- completed farm transfers.

Note: Combinations of ARC-CO and PLC parent farms with other ARC-CO and PLC parent farms can only be approved if there are no conflicting elections or HIP between parent farms.

An ARC-CO and PLC parent farm can never be combined with an ARC-IC parent farm or vice versa.

A parent farm that has zero base acres and has no election can be combined with any parent farm that has elected an ARC-CO and PLC or ARC-IC program. Examples include, but are not limited to:

- noncropland farm
- cropland farm with zero base acres
- CRP farm with base acres reduced to zero.

Operators, producers, and owners **must** understand that when farms are combined, the resulting farm and its election that applied to the parent farms of the reconstitution will continue to apply to child farms following any subsequent division of that farm, even if the division is in the same year.

Example: Farm 1 has a valid election of ARC-CO for corn and grain sorghum. The farm has no other contract base acres of other covered commodities, nor does it have generic base acres. The operator of Farm 1 requests to combine Farm 1 with Farm 3, which has an election of ARC-CO for corn, no base acres of grain sorghum, and PLC elected for wheat. Farm 3 has no other contract base acres of covered commodities, nor does it have generic base acres. Farms 1 and 3 can be combined as there are no conflicting elections; however, the resulting farm (and child farms if split from that farm later) will have ARC-CO election apply corn and grain sorghum and PLC for wheat.

*--205 Reconstitution of ARC-CO, PLC, and ARC-IC Farms (Continued)

C Enrollment Following Reconstitutions

Child farms resulting from reconstitutions of previous farms involved in a reconstitution that had 1 or more parent farms enrolled before the reconstitution must be enrolled by August 1 of the contract period or 30 calendar days following the issuance of the notification completion of the reconstitution. Child farms resulting from reconstitutions of 1 or more parent farms that were enrolled in 2015 must be enrolled by September 30, 2015, or 30 calendar days following issuance of the notification completion of the reconstitution.

206 Base Restoration Because of CRP

A Farms With CRP-1's

Farms with CRP-1's that expire, are voluntarily terminated, or are early released after September 30, 2013, and **before** the enrollment deadline established for the ARC and PLC program year, may enter into or increase the base acres on the ARC-CO and PLC contract or ARC-IC contract to the extent:

- PFC or DCP acreage was reduced on CCC-505
- base acres were reduced on CCC-505.

B Adjustments to Base Acres

See paragraph 42 for adjustments to base acres and yields because of CRP-1 that expires, is voluntarily terminated, or is early released. See 10-CM for updating FRMS.--*

207-215 (Reserved)

***--Section 2 Division of Payments**

216 At Risk, Shares, and Cash Leases for ARC and PLC

A Review of Leases [7 CFR 1412.54(e)]

A lease will be considered to be a cash lease for FSA program purposes if the lease provides for:

- only a guaranteed cash payment for a specified amount, or a fixed quantity of the crop

  Example: Pounds or bushels per acre.

- a guaranteed amount and a share of the crop or crop proceeds. The agreement will be considered a cash lease.

Note: If the lease is a cash lease, the landlord is **not** eligible for payments.

The leasing of grazing or haying privileges or rights is not considered cash-leasing of land. The landlord is the crop producer who is at risk of crop loss, and the livestock owner is a purchaser of the grazed forage or hay. Grazing or haying rights are situations where land is not specifically leased for a per acre dollar amount for the crop year; rather, the landlord leases to a livestock owner the privilege or right to graze or hay while the crop grower and landlord retains control of the land during the crop year.

A lease will be considered a share lease if it contains provisions that require the payment of rent on the basis of the amount of crop produced or the proceeds derived from the crop, or the interest this producer would have had if the crop had been produced, or combination thereof.

Notes: Lease terms and FSA's view about whether a lease is cash or share impact a decision about who **must** sign ARC-CO and PLC contract or ARC-IC contract.

There are no requirements in the ARC and PLC program or ARC-IC program that specify that leases conform to any reasonableness test. These matters could impact other decisions, such as payment limitation or eligibility provisions.**--***

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

B Current Regulations About Division of Payment Shares

The following table summarizes regulations about lease types applicable for ARC and PLC program purposes.

Type of Lease	Definition

Cash	Cash lease means a guaranteed sum, certain cash payment, or fixed quantity of the crop.
	
	Example: Cash, pounds, or bu. per acre.
	
	A fixed or standing commodity payment is the payment a tenant or operator provides a landlord for using the land and the landlord's reduced risk on the crop, including the following:
	
	• a fixed amount of production, such as 10,000 bu. or pounds
	• an amount of production per acre, such as 40 bu. or pounds per acre
	• a guaranteed amount and share of the crop or crop proceeds
	• both of the following:
	
	  • guaranteed amount, such as a fixed dollar amount of quantity
	  • share of the crop proceeds.
	
	Note: Combination and flex leases are considered cash leases for the ARC and PLC program.

Share	Share lease means provisions that require any of the following: • payment of rent based on the amount of crop produced where both parties share in the risk of the crop produced • proceeds derived from the crop • interest the producer would have had if the crop had been produced.

C Example 1

In this example, the combination or flex lease agreement specifies that the rent is based on a share of the gross revenue of the crop proceeds. The rental amount is equal to $142.80 per acre based on the following variables:

- rent equal to 40 percent of the gross crop value
- guaranteed minimum yield of 170 bu. per acre
- actual price of $2.10 per bu.**--***

*--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.

--*

*--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.

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 ARC-CO and PLC contract or ARC-IC contract.

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
- written statement by the producer or their representative stating the land is cash-leased.

Reminders: COC's will **not** approve ARC-CO and PLC contracts or ARC-IC contracts until the signature from the landowner or a copy of the cash lease is received. 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 ARC-CO and PLC contract or ARC-IC contract
- AD-1026 for the producer
- CCC-902 determination (CCC-903) for the producer
- CCC-941 for the person or legal entity
- complete FSA-578 for the farm and all producers 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 completed.

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 ARC-CO and PLC contract, ARC-IC contract, 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 and an entitlement to a crop share interest to support the claimed payment share on ARC-CO and PLC contract, ARC-IC contract, or FSA-578

*--217 Division of Payment Guidelines and Example (Continued)

A Division of Payment Guidelines (Continued)

- 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 the ARC-CO and PLC contract or ARC-IC contract, if the default share interest does **not** reflect the actual producer crop share of the covered commodity on the farm.

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 ARC-CO and PLC contract 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 ARC-CO and PLC contract or ARC-IC contract, 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 payments or ARC-IC payments, the individual or entity **must** sign ARC-CO and PLC contract or ARC-IC contract, 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

ARC-CO and PLC contract or ARC-IC 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.

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

***--218 Missing Signatures (Continued)**

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

If anyone who has an interest, but a zero share of contract base acres or, for ARC-IC, covered commodities reported planted on the farm, fails to satisfy the provisions of this paragraph and/or paragraph 265, COC will take no action on ARC-CO and PLC contract or ARC-IC contract. ARC-CO and PLC contract or ARC-IC contract will be considered incomplete and require no action or decision from FSA. FSA does not act on, approve, or disapprove partial offers of enrollment.

C Cash-Rent Ownership With Missing Signatures

If all producers with a share greater than zero sign CCC-861 or CCC-862, COC may approve the contact if all of the following apply:

- owners representing a majority of the undivided ownership interests of the farm sign the contract

  Note: Majority interest is greater than 50 percent of the collective undivided interest owners' share.

- shares are acceptable to COC

- documentation indicates the signatories expended a reasonable effort to obtain missing signatures.

Note: Payments may be earned on each resulting farm for which all necessary signatures are obtained by September 30 of the applicable FY (September 30, 2015, for the 2014 and 2015 crop years).

Exception: If a majority of the zero share owners, as determined by COC, sign the ARC-CO and PLC contract, the farm may be approved for payment for producers having a share. The ARC-IC contract, however, must have signatures of all producers who share in covered commodities reported planted on the farm. The ARC-IC contract not having signatures of all producers sharing in reported planted covered commodities on the farm cannot be approved and will be considererd a partial enrollment.**--***

***--218 Missing Signatures (Continued)**

D Fractionated Property - Ownership Land

Contracts contain fractionated ownership where a demininus share of the cropland acreage on the farm cannot be determined.

COC may approve ARC-CO and PLC contract or ARC-IC contract with 100 percent share of all base acres providing COC determines that 1 or all of the following are met:

- past history on a farm
- whether the producers claiming a share have control of sufficient cropland and an entitlement to a crop share interest to support the claimed payment share on ARC-CO and PLC contract, ARC-IC contract, or FSA-578
- 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.

E Heir Property - Ownership Land

COC will follow provisions of 1-CM for contracts containing land owned by a deceased producer or estate of the deceased producer who does not have an heir or representative and is cash-leased. These contracts may be approved if COC determines that provisions of 1-CM and this handbook have been met.

219 Succession-in-Interest

A Basic Rule

After ARC-CO and PLC contract or ARC-IC contract is approved, any of the following changes may occur and be considered a basis for a succession-in-interest:

- transfer or change in the interest of a producer on the farm
- sale of land
- foreclosure, bankruptcy, or involuntary loss of the farm
- change in participant shares of contract base acres to reflect changes in shares originally approved on ARC-CO and PLC contract**--***

***--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.

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 ARC-CO and PLC contract or ARC-IC contract 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 ARC-CO and PLC contract or ARC-IC contract is generated, all necessary signatures **must** be entered on the revised ARC-CO and PLC contract or ARC-IC contract 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 the ARC-CO and PLC contract or ARC-IC contract participants. It is **not** FSA's responsibility to obtain signatures.

If a change occurs requiring a succession to ARC-CO and PLC contract or ARC-IC contract, but a new ARC-CO and PLC contract or ARC-IC contract is **not** completed and signed by all producers sharing in the revised ARC-CO and PLC contract or ARC-IC contract 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 ARC-CO and PLC contract impacted by a succession-in-interest, only if that specific participant's share changed, **must** sign a succession ARC-CO and PLC contract 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 ARC-CO and PLC contract, COC's will ensure that all shares represented on ARC-CO and PLC contract have a valid signature on ARC-CO and PLC contract.

Attach a copy of the original ARC-CO and PLC contract to the succession-in-interest ARC-CO and PLC contract.

Reminder: The succession ARC-CO and PLC contract will **not** be considered for enrollment **unless** required participants sign the ARC-CO and PLC 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 ARC-IC contract 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 ARC-IC contract 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 an ARC-IC contract. 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 the ARC-IC contract is incomplete with regard to enrollment, the enrollment is invalid.

Attach a copy of the original ARC-IC contract to the succession ARC-IC contract.

Reminder: The succession ARC-IC contract will **not** be considered for enrollment **unless** required participants sign the ARC-IC contract.**--***

*--220 Examples of Succession-in-Interest for ARC-CO and PLC

A Example Basic Farm Data

Unless otherwise noted, assume the following are applicable for each of the examples in this paragraph:

- FSN 10
- 125 acres of farmland
- 100 acres of DCP cropland
- 100 contract base acres.

B Example 1

Producer A, owner and operator of FSN 10, planted 100 acres of wheat for harvest. In April, the wheat failed. In May, Producer A cash-leased FSN 10 to Producer B. Producer B planted 100 acres of grain sorghum.

Producer B has obtained a share interest in the contract acreage effective with Producer B's date of lease.

Producers A and B **must** come to an agreement about dividing the contract base acre shares. See paragraphs 223 and 237.

Note: In this example, both Producers A and B could claim a share interest in the contract based on the time each had this interest or other factors. COC will **not** involve itself in helping Producers A and B arrive at a distribution of shares. See paragraph 223.

C Example 2

Producer A, owner and operator, planted 100 acres of wheat for harvest in November. In April, the wheat failed. In May, Producer A share-leased 50 acres of FSN 10 to Producer B. Producer B planted 50 acres of grain sorghum. Producers A and B are sharing in the crop.

Both Producers A and B are entitled to share in the payments for the farm.

Producers A and B **must** come to an agreement about dividing the contract base acre shares. See paragraphs 223 and 237.

Note: In this example, both Producers A and B could claim a share interest based on the time each had this interest or other factors. COC will **not** involve itself in helping Producers A and B arrive at a distribution of shares. See paragraph 223.--*

*--220 Examples of Succession-in-Interest for ARC-CO and PLC (Continued)

D Example 3

Producer A, owner and operator, planted no crops. In March, Producer A cash-leased all of FSN 10 to Producer B for the crop year. Producer B did **not** plant a crop.

The fact that Producer B did **not** plant a crop is **not** the determining factor. Producer A cash-leased the farm to Producer B for the crop year and a crop could have been planted and harvested for the year. Therefore, Producer B would meet the definition of a producer on the farm for the crop year. Producer B is entitled to 100 percent of the shares on the farm. Producer A cannot receive the payment on this farm.

E Example 4

Producer A, owner and operator, planted and harvested wheat for grain. Wheat harvest is completed in May. Producer A voluntarily leaves the farm after the completion of the wheat harvest. Producer B cash-leased the farm effective August 1 of the applicable year. Producer B may or may **not** plant a crop. It is, however, possible to plant a crop and harvest it in the crop year.

Producers A and B **must** come to an agreement about dividing the contract base acre shares. See paragraphs 223 and 237.

221 Example of Succession-in-Interest for ARC-IC

A Example Basic Farm Data

Unless otherwise noted, assume the following are applicable for the example in this paragraph:

- FSN 10
- 125 acres of farmland
- 100 acres of DCP cropland
- 100 contract base acres.

B Example

Producer A, owner and operator of FSN 10, enrolled in ARC-IC and reported 50 acres of wheat on FSA-578. In June, Producer A cash-leased a portion of FSN 10 to Producer B. Producer B reported 50 acres of sunflowers on FSA-578. Producer B must enter into the ARC-IC contract for FSN 10 by September 30 of the applicable contract year.

ARC-IC payment shares will be based on the shares of covered commodities planted as reported on FSA-578.**--***

*--222 Tenant Share-Cropper Rules

A Rules

CCC **must** provide adequate safeguards to protect the interests of tenants and sharecroppers. COC's will use the following to determine whether ARC-CO and PLC contract or ARC-IC contract shares meet ARC and PLC program requirements.

- COC must **not** approve ARC-CO and PLC contract or ARC-IC contract payment shares if COC determines any of the following apply:
  - a landowner or operator denies tenants and sharecroppers an opportunity to participate, if the tenant or sharecropper would have shared in the crop planted on base acreage
  - a State court determines a person violated State law about farm and agricultural property lease provisions
  - a landowner or operator adopts a scheme or device to deprive tenants or sharecroppers of payments that tenants or sharecroppers would otherwise be entitled to receive under the ARC and PLC program.
- To assist COC's in determining whether producers meet landlord and tenant provisions, COC's will:
  - on an annual basis, determine customary crop share rental rates for all crops produced in the county, **excluding** FAV crops
  - establish a parameter for the county using the lowest owner crop share percentage for any crop in the county as the low end of the parameter, and the highest owner crop share percentage for any crop as the high end of the parameter, **excluding** FAV shares when establishing the parameter
  - review landlord payment shares for the farm to see whether they are less than the lowest or exceed the highest customary crop share rental rates for any crop in the county.

    Note: Payment share divisions that do **not** fall within the aforementioned parameters may nonetheless be justifiable and do **not** necessarily reflect unfair treatment of tenants and sharecroppers.**--***

***--222 Tenant Share-Cropper Rules (Continued)**

A Rules (Continued)

Example: COC determines landlord share rental rates for all crops, other than FAV, range from .3333 to .5000. Therefore, COC will review landlord payment shares to see whether the landlord shares are less than .3333 or greater than .5000. All landlord shares for any crop outside these parameters **must** be thoroughly documented in the COC minutes.

- If a landowner or operator reduces the number of tenants from the preceding year, the landlord or operator may still earn the current year's ARC and PLC program payment, if the reason for the reduction is any of the following:
  - the landlord or operator purchased the farm for the current year
  - the tenant's lease expired or was legally terminated, and tenant has no further rights to the farm
  - a producer leaves the farm voluntarily.

B Contract Intimidation

Do **not** approve ARC-CO and PLC contract or ARC-IC contract if there exists, between the operator or landlord and any tenant or sharecropper, any lease, contract, agreement, or understanding required or unfairly exacted by the operator or landlord, entered into in anticipation of participating in the ARC and PLC program that does any of the following:

- forces tenants or sharecroppers to pay the landlord or operator any ARC and PLC program payment earned by the tenant or sharecropper
- changes the status of tenants or sharecroppers to deprive tenants or sharecroppers of any payment or right otherwise received
- unfairly requires a reduction in the size of the tenant or sharecropper producer share.

COC will use information obtained from tenants and sharecroppers. Do **not** accept the following statements from the landowner or operator at face value without supporting documentation:

- tenants left the farm voluntarily and, therefore, do **not** need to be replaced
- tenants requested assignment to a smaller share of the total farm acreage.**--***

*--223 Division of Payment Disputes

A Policy

It is the responsibility of producers to:

- determine shares on ARC-CO and PLC contract 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 ARC-CO and PLC contract.

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

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 conflicting ARC-CO and PLC contracts on file.

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

Any ARC-CO and PLC contract **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 is **not** allowed. FSA is under no obligation to contact producers about missing signatures. ARC-CO and PLC contracts 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 the ARC-CO and PLC contract 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 ARC-CO and PLC contract for a farm agrees on shares and there is no conflicting ARC-CO and PLC contract 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…
ARC-CO and PLC contract containing signatures of all producers claiming a share of the contract has been approved and is subsequently challenged by another ARC-CO and PLC contract containing signatures of all producers claiming a share	• 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 **Notes:** Send 1 letter to all parties concerning this action and copy all parties to this action. 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. • 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.
conflicting ARC-CO and PLC contracts show that there is a dispute of shares and the contract has **not** yet been approved	• all interested producers that COC will **not** approve any contract for the farm until the dispute is settled **Notes:** To the extent possible, send the 1 same letter and copy all parties asserting shares, operators, landowners, etc., with this notification. 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. • 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.

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***--223 Division of Payment Disputes (Continued)**

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

Approval of ARC-CO and PLC contract 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 ARC-CO and PLC contracts), ARC-CO and PLC contracts may be approved and payments issued accordingly, **only** if ARC-CO and PLC contract was filed by September 30 of the applicable FY (or by September 30, 2015, for 2014 or 2015 ARC-CO and PLC contracts) 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.

ARC-CO and PLC contracts 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, ARC-CO and PLC contract 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

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.**--***

*--224 Division of Payment Dispute Examples

A Example Basic Farm Data

The following are examples and should **not** be construed to be actual situations or rules. The examples are intended to illustrate potential disputes and remedies.

Unless otherwise noted, assume the following are applicable for each of the examples in this paragraph:

- 200 acres of cropland
- 100 contract base acres enrolled in ARC-CO and PLC contract
- participated in the prior FY.

B Example 1

For FY 2014, landowner cash leases the entire farm to Producer A. Producer A enrolls the farm in ARC-CO or PLC claiming 100 percent of the FY 2014 payment. The landowner disputes Producer A's share and signs another ARC-CO and PLC contract for FY 2014 claiming 100 percent of the payment. The County Office generates ARC-CO and PLC contract for FY 2014, 1 with 100 percent share to the landowner and another with 100 percent share to Producer A.

Under the ARC and PLC program, the landowner who cash leases an entire farm **cannot** receive a share of the payment for any covered commodity. The landowner's dispute of payment shares is contrary to the lease agreement and regulations governing the ARC and PLC program. COC will approve the FY 2014 ARC-CO and PLC contract for Producer A and issue payments accordingly. The landowner's ARC-CO and PLC contract will be disapproved, and the landowner will be notified of appeal rights according to 1-APP. Producer A will be:

- copied with the adverse decision to the landowner
- noticed on all appeals as a third party.**--***

***--224 Division of Payment Dispute Examples (Continued)**

C Example 2

Producer A share rents from Landowner B. Producer A enrolls the farm in PLC claiming 75 percent of the FY 2014 payment. Landowner B disputes Producer A's share and enters into PLC for FY 2014 claiming 33 percent of the payment. At the request of Producer A and Landowner B, the County Office generated one PLC contract with 75 percent share of the payment to Producer A and 25 percent to Landowner B. A second PLC contract will be generated with 67 percent share of the payment to Producer A and 33 percent to Landowner B.

FY 2014 PLC payment shares are in dispute. Producer A and Landowner B will be informed that COC will **not** render any determination before the dispute is resolved. See paragraph 223. Producer A and Landowner B **must** resolve the share dispute **before** issuing any payments.

Note: If share disputes are **not** resolved, PLC payments, if triggered, will **not** be made.**--***

225-234 (Reserved)

*--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 ARC-CO and PLC contracts or ARC-IC contracts. 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 either of the following:

- their inclusion in SDA or limited resource group
- propriety of the owner seeking an exception.

Any farm having any amount of base acres can be enrolled. 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.**--***

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.**--***

*--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. **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.

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*--238 Overview of CCC-861 (Continued)

B Instructions for Completing CCC-861 (Continued)

Item	Instruction
12C	Enter the telephone number for the producer in item 12A (optional). **Note:** This will be prefilled if generated in ARCPLC software.
13	Enter each covered commodity that has base acres on the farm in item 4. **Note:** This will be prefilled if generated in ARCPLC software.
14	Enter the percentage interest of ARCPLC payments that the producer in item 12A has in the covered commodity in item 13. **Note:** This percentage is not applicable to attributed acre acres.
15A	The producer must check (✓) either box to refuse: • all ARC-CO payments • all PLC payments. **Note:** If no payments are refused, no entry is required.
15B	The producer refusing the payment must initial. If no payments are refused, no entry is required.
15C	The producer refusing the payment must enter the date the payment was refused. If no payments are refused, no entry is required.
16A	The producer identified in item 12A must sign.
16B	If the individual signing in item 16A is signing in a representative capacity for the participant, a title/relationship must be listed. If the individual in item 16A is the signatory, then no entry is required.
16C	Enter the date the shareholder or person signing in a representative capacity signs CCC-861.
17A	The CCC representative or delegated representative must sign indicating approval of CCC-861.
17B	Enter the date the CCC representative signs item 17A.
18	Enter any applicable remarks.
19	An optional entry used to track employee updates of producer information by adding the employee's initials and date.

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*--238 Overview of CCC-861 (Continued)

C Example of CCC-861

The following is an example of CCC-861.

This form is available electronically. *(See Page 3 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-861 (03-27-15)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

AGRICULTURAL RISK COVERAGE – COUNTY OPTION (ARC-CO) AND PRICE LOSS COVERAGE (PLC) CONTRACT

1. Program Year:		
2. State Code	3. County Code	4. Farm Number
5A. County FSA Office Name and Address		
5B. County Office Telephone Number *(Including Area Code)*	5C. County Office Fax Number *(Including Area Code)*	

THIS ANNUAL ARC-CO AND PLC CONTRACT is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers on the farm identified in Item 4. Upon approval, this farm and the producers on the farm are enrolled in ARC-CO and/or PLC for the program year identified above in Item 1. All producers with a share in base acres and/or a share of covered commodities planted that attribute generic base acres must sign this contract by the announced enrollment deadline of the applicable program year in order to participate and make themselves potentially eligible to receive payments for the applicable program year.

The terms and conditions of the ARC-CO and PLC contract are contained in the CCC-861 and CCC-862 Appendix and the regulations at 7 CFR Part 1412. By signing this contract producers: (1) acknowledge receipt and agree to abide by the terms of the CCC-861 and CCC-862 Appendix ; (2) agree to comply with the terms and conditions of the program and those governing payment limitation and eligibility and adjusted gross income limitation provisions; (3) agree that the terms and benefits of this program are subject to changes in law; and (4) certify that all the information contained on this form, whether or not personally entered by the producer, is true, correct, and accurate.

NOTES: PLC yields in item 10 are only used in the payment calculation of covered commodities that have elected PLC. Generic base acres are reflected below. If the farm has generic base acres, any producers sharing in covered commodities planted and attributing generic base acres must sign this contract or that share of attributed base acre will not be paid.

6. Commodity	7. Program Elected	8. Base Acres	9. 85% of Base Acres	10. PLC Yield	6. Commodity	7. Program Elected	8. Base Acres	9. 85% of Base Acres	10. PLC Yield
11. Generic Base Acres (if any)									

12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity	14. Payment Share
12B. Email Address				
12C. Telephone No.:				

15A. Refused Payment Information: ☐ All ARC-CO Payments are Refused ☐ All PLC Payments are Refused	15B. Producer's Initials
	15C. Date Initialed *(MM-DD-YYYY)*

16A. Producer's Signature (By)	16B. Title/Relationship of the Individual Signing in the Representative Capacity	16C. Date *(MM-DD-YYYY)*

FOR FSA USE ONLY

17A. Signature of CCC Representative	17B. Date *(MM-DD-YYYY)*
18. Remarks	
19. Employee 's Initials:	

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*--238 Overview of CCC-861 (Continued)

C Example of CCC-861 (Continued)

CCC-861 (03-27-15) Page 2 of 3

1. Program Year	2. State Code	3. County Code	4. Farm Number

CONTINUATION OF OWNER'S OR PRODUCER'S CROP INFORMATION ***(From Page 1)***

12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity	14. Payment Share
12B. Email Address				
12C. Telephone No. :				

15A. Refused Payment Information:	15B. Producer's Initials
☐ All ARC-CO Payments are Refused ☐ All PLC Payments are Refused	15C. Date Initialed *(MM-DD-YYYY)*

16A. Producer's Signature (By)	16B. Title/Relationship of the Individual Signing in the Representative Capacity	16C. Date *(MM-DD-YYYY)*

12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity	14. Payment Share
12B. Email Address				
12C. Telephone No. :				

15A. Refused Payment Information:	15B. Producer's Initials
☐ All ARC-CO Payments are Refused ☐ All PLC Payments are Refused	15C. Date Initialed *(MM-DD-YYYY)*

16A. Producer's Signature (By)	16B. Title/Relationship of the Individual Signing in the Representative Capacity	16C. Date *(MM-DD-YYYY)*

12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity	14. Payment Share
12B. Email Address				
12C. Telephone No. :				

15A. Refused Payment Information:	15B. Producer's Initials
☐ All ARC-CO Payments are Refused ☐ All PLC Payments are Refused	15C. Date Initialed *(MM-DD-YYYY)*

16A. Producer's Signature (By)	16B. Title/Relationship of the Individual Signing in the Representative Capacity	16C. Date *(MM-DD-YYYY)*

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*--238 Overview of CCC-861 (Continued)

C Example of CCC-861 (Continued)

CCC-861 (03-27-15) Page 3 of 3

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 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.*

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 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.***

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).

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.*

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***--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 2018.**--***

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.

Note: 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.

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.**--***

240 ARC-IC Division of Payment Policy (Continued)

A ARC-IC Payment Sharing [7 CFR 1412.54] (Continued)

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.

CCC will approve CCC-862 for enrollment when CCC is satisfied and determines that both of the following apply:

- interests of tenants and sharecroppers are being protected
- producers are **not** circumventing either the provisions of 7 CFR 1412.54 or the provisions of part 1400 of this chapter.

B Who Must Share in the ARC-IC Contract

Individuals and entities may earn payments if the individual or entity is entitled to a crop or commodity ownership share of a covered commodity reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on FSA-578 and is:

- an owner on an eligible farm who meets the definition of producer on planted acres of a covered commodity on a farm
- a producer, other than an owner, with planted acres of a covered commodity on a farm enrolled on CCC-862.

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

A producer on a farm with no interest in covered commodities as reported on FSA-578 will **not** share in ARC-IC payments on that farm.

*--241 Overview of CCC-862

A CCC-862

CCC-862 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-862 is available at
http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp.

The March 27, 2015, version of CCC-862 is acceptable for each contract year.

CCC-862 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-862

Complete CCC-862 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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***--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. **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.

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*--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

The following is an example of CCC-862.

This form is available electronically. *(See Page 3 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-862 (03-27-15)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

AGRICULTURAL RISK COVERAGE – INDIVIDUAL OPTION (ARC-IC) CONTRACT

1. Program Year:
2. State Code
3. County Code
4. Farm Number
5A. County FSA Office Name and Address *(Including Zip Code)*
5B. County Office Telephone Number *(Including Area Code)*
5C. County Office Fax Number *(Including Area Code)*

THIS ANNUAL ARC-IC CONTRACT is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers on the farm identified in Item 4. Upon approval, this farm and the producers on the farm are enrolled in ARC-IC for the program year identified in Item 1. All producers with a share in covered commodities planted on the farm must execute this contract by the announced enrollment date of the applicable program year in order to participate and make themselves potentially eligible to receive payments.

The terms and conditions of the ARC-IC contract are contained in the CCC-861 and CCC-862 Appendix and the regulations at 7 CFR Part 1412. By signing this contract producers: (1) acknowledge receipt and agree to abide by the terms of the CCC-861 and CCC-862 Appendix ; (2) agree to comply with the terms and conditions of the program and those governing payment limitation and eligibility and adjusted gross income limitation provisions; (3) agree that the terms and benefits of this program are subject to changes in law; and (4) certify that all the information contained on this form, whether or not personally entered by the producer, is true, correct, and accurate.

NOTE: Generic base acres are reflected below. If the farm has generic base acres, any producers sharing in covered commodities planted and attributing generic base acres must sign this contract or that share of attributed base acre will not be paid.

6. Commodity	7. Base Acres	8. 65% of Base Acres	6. Commodity	7. Base Acres	8. 65% of Base Acres	6. Commodity	7. Base Acres	8. 65% of Base Acres

9. Generic Base Acres (if any)	

10A. Producer's Name and Address *(Including Zip Code)*	10A. Producer's Name and Address *(Including Zip Code)*
10B. Email Address	10B. Email Address
10C. Telephone No. *(Include Area Code)*:	10C. Telephone No. *(Include Area Code)*:
11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*	11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*
12A. Producer's Signature (By)	12A. Producer's Signature (By)
12B. Title/Relationship of the Individual Signing in the Representative Capacity	12B. Title/Relationship of the Individual Signing in the Representative Capacity
12C. Date (MM-DD-YYYY)	12C. Date (MM-DD-YYYY)

FOR FSA USE ONLY

13A. Signature of CCC Representative
13B. Date *(MM-DD-YYYY)*
14. Remarks
15. Employee 's Initials:

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

C Example of CCC-862 (Continued)

CCC-862 (03-27-15) Page 2 of 3

1. Program Year	2. State Code	3. County Code	4. Farm Number

CONTINUATION OF PRODUCER'S CROP INFORMATION ***(From Page 1)***

10A. Producer's Name and Address *(Including Zip Code)*	10A. Producer's Name and Address *(Including Zip Code)*
10B. Email Address	10B. Email Address
10C. Telephone No. *(Include Area Code):*	10C. Telephone No. *(Include Area Code):*
11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*	11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*
12A. Producer's Signature (By)	12A. Producer's Signature (By)
12B. Title/Relationship of the Individual Signing in the Representative Capacity	12B. Title/Relationship of the Individual Signing in the Representative Capacity
12C. Date (MM-DD-YYYY)	12C. Date (MM-DD-YYYY)
10A. Producer's Name and Address *(Including Zip Code)*	10A. Producer's Name and Address *(Including Zip Code)*
10B. Email Address	10B. Email Address
10C. Telephone No. *(Include Area Code):*	10C. Telephone No. *(Include Area Code):*
11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*	11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*
12A. Producer's Signature (By)	12A. Producer's Signature (By)
12B. Title/Relationship of the Individual Signing in the Representative Capacity	12B. Title/Relationship of the Individual Signing in the Representative Capacity
12C. Date (MM-DD-YYYY)	12C. Date (MM-DD-YYYY)
10A. Producer's Name and Address *(Including Zip Code)*	10A. Producer's Name and Address *(Including Zip Code)*
10B. Email Address	10B. Email Address
10C. Telephone No. *(Include Area Code):*	10C. Telephone No. *(Include Area Code):*
11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*	11A. Refused Payment Information: ☐ All ARC-IC Payments are Refused; 11B. Producer's Initials; 11C. Date Initialed *(MM-DD-YYYY)*
12A. Producer's Signature (By)	12A. Producer's Signature (By)
12B. Title/Relationship of the Individual Signing in the Representative Capacity	12B. Title/Relationship of the Individual Signing in the Representative Capacity
12C. Date (MM-DD-YYYY)	12C. Date (MM-DD-YYYY)

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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

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 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.*

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 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.***

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).

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.*

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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 2018.**--***

*--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.

This form is available electronically.
CCC-861 and CCC-862 Appendix *(See Page 13 for Paperwork Reduction Act Statements).*
(06-02-15)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

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

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.

Producers have through the enrollment deadline to timely file a program contract for that program year. The enrollment deadline for both the 2014 and 2015 program years will be determined and announced by FSA. For each of the 2016 through 2018 program years, the enrollment deadline is August 1 of each program year.

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)

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. Unless specifically stated otherwise, the term “base acres” includes any generic base acres when planted to a covered commodity or any eligible subsequently planted crop acreage.

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)

(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 planted acres on such farms to a covered commodity and the total planted acres 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. For the purposes of this subparagraph, the term "planted" does not include eligible subsequently planted crop acreage.

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 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, 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 **Double-cropping** means for covered commodities, notwithstanding the meaning in 7 CFR Part 1412, subparts D and E for fruits and vegetables, the planting of a covered commodity for harvest in a crop year, in cycle with another covered commodity on the same acres for harvest in the same crop year in counties that have been determined to be areas where there is determined to be substantial, successful, and long-term double cropping of the crop and where the producer has followed customary production techniques and planting deadlines as determined by CCC (that is, using techniques and deadlines used by the majority of farmers in the region to double crop the particular crops involved). In a county determined capable of supporting such double-cropping of the covered commodities, as determined by CCC, both an initial crop and a subsequent crop will be considered planted or prevented planted acres for the purpose of this part. Notwithstanding any of the provisions of 7 CFR Part 718, in those instances where the subsequently planted or approved prevented planted covered commodity cannot be recognized as double-cropped acreage under this definition, the subsequently planted crop acreage will not be considered planted or prevented planted unless the subsequently planted crop acreage is planted as a replacement crop after the prevented planted acreage of a covered commodity.

V **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.

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

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

W **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 subsequently planted crop acreage is planted to a covered commodity as a replacement crop after the failure or prevented planting of any crop that is not a covered commodity or is planted after the approved prevented planting of a covered commodity. Eligible subsequently planted crop acreage is used only with respect to generic base acres for the purposes of determining payment acres and attribution of generic base acres.

X **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.

Y **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. Generic base acres are always the same amount as upland cotton base acres.

Z **Individual coverage** means ARC (ARC-IC) elected for all covered commodities and the farm with the individual option.

AA **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.lrftool.sc.egov.usda.gov.)

AB **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 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.

AC **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.

AD **Medium grain rice** means medium grain rice and includes short grain rice, temperate japonica rice, and sweet rice.

AE **National average loan rate** means the loan rate established for a crop year of the covered commodity as specified in 7 CFR Part 1421.

AF **Other oilseed** means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.

AG **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;

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

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

(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.

(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.

AH **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.

AI **Payment yield** means for a covered commodity, the yield established according to 7 CFR Part 1412, subpart C.

AJ **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.

AK **Price Loss Coverage (or PLC)** means coverage provided under 7 CFR Part 1412, subpart D.

AL **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.

AM **Pulse Crop** means dry peas, lentils, small chickpeas, and large chickpeas.

AN **Replacement crop** means the planting or approved prevented planting of any crop for harvest following the failure of planted crop 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.

AO **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,

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

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

(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.

AP **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

AQ **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.

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 planted or eligible subsequently planted crop acreage of covered commodities on generic base acres is determined based on the attribution in 7 CFR §1412.45 and shares recorded on the report of acreage filed in accordance with §1412.66. 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 through the enrollment deadline to timely file a program contract for that program year. The enrollment deadline for both the 2014 and 2015 program years will be determined and announced by FSA . For each of the 2016 through 2018 program years, the enrollment deadline is August 1 of each 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 and 2015 program years only, 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.

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

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

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 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:

(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 Payments will be terminated for a producer or owner whose interest in the crops or land on the farm is transferred during the contract period, in which case each such producer or owner will repay payments received for the contract year 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, all producers on the contract must refund to CCC payments received for the contract year in which the succession occurred, plus interest, 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, or as a result of adding pulse crop bases to 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)

CCC-861 and CCC-862 Appendix (06-02-15) Page 8 of 13

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.

S FSA representatives may enter the farm to determine if the producers are in compliance with this contract.

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

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

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 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 including base acres attributed from generic base acres on a farm, 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.

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:

(1) 15 percent of the base acres of a farm enrolled in ARC or PLC using county coverage; or

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

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

(2) 35 percent of the base acres of a farm enrolled in ARC using individual coverage.

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.

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.

5 PLC PAYMENTS

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:

(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.

B The effective price for a covered commodity is equal to the higher of the:

(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.

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

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:

(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 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.

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

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

CCC-861 and CCC-862 Appendix (06-02-15) Page 11 of 13

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.

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.

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

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

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)

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; and

(N) Large chickpeas, $21.54 per hundredweight.

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

NOTE: *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 appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.*

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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 shall 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.**--***

*--243 Participants Declared Deceased, Incompetent, or Missing for Contract Years 2015 Through 2018

A Basic Rule

Individuals declared deceased, incompetent, or missing, but who met or meet the definition of a producer for the contract period, are eligible for payments if payments become available and a completed CCC-861 or CCC-862 submitted by August 1 of the applicable year (September 30, 2015, for the 2014 and 2015 contract year) was approved. However, if payment is **not** to be issued to the participant, FSA-325 **must** be completed according to this paragraph. The eligible payment will be issued under the deceased producer's ID number even if FSA-325 is completed. This situation is **not** considered a succession and CCC-861 or CCC-862 **must not** be altered.

B Contract and Payment Options for Deceased Producers

Following are the contract options for deceased producers before the end of the contract period:

- pay deceased producer

  Note: The deceased producer was the producer on the farm during the contract period.

- pay deceased producer ID number using a requested FSA-325

  Note: FSA-325 **may** be completed, according to 1-CM, by the individual or entity requesting payments **earned** by a deceased producer. Payments will be issued to the individual or entity requesting payment using the deceased producer's ID number. A revised CCC-861 or CCC-862 will **not** be completed when payments are issued under the deceased, incompetent, or missing participant's ID number.

- complete a successor contract before the end of the contract period.

  Notes: If the estate or heir is determined to be the producer on the farm, that estate or heir must succeed to the interest of the deceased producer before the end of the contract period.

  CCC-861 or CCC-862 must **not** be revised to show the estate ID number after September 30 of the applicable year.**--***

*--244 Deceased Producers for 2014 and 2015 Program Years

A 2014 and 2015 Deceased Producers and Dissolved Entities

Authority to sign contracts, applications, and other documents on behalf of deceased, missing, or incompetent producers may vary according to State law. If an eligible producer is now deceased or a dissolved entity, then an authorized representative of the deceased producer or dissolved entity may sign CCC-861 or CCC-862 provided that the authorized representative has authority to enter into a contract for the deceased producer or dissolved entity.

Important: Persons and legal entities must sign contracts by deadlines without regard to the date the persons or legal entities obtain proof of authority to sign. Proof of authority to sign **must** be on file in the County Office before contract approval. See 1-CM, paragraph 779. Proof of authority includes any of the following:

- court order
- letter from Secretary of State
- document approved by OGC Regional Attorney.

Use FSA-325 **only** when it is requested that ARC or PLC payments earned by a deceased producer are issued in a name other than that of the deceased producer.

ARC or PLC payments shall be issued to the respective qualified claimant's names using the deceased producer's TIN.

The State Office will consult with the OGC Regional Attorney on the following types of cases:

- documentation submitted does not clearly establish authority to enter into a contract or application on behalf of the deceased individual, closed estate, or dissolved entity

- requesting issuance of ARC or PLC payments to heirs of a deceased individual without documentation provided that establishes authority to enter into a contract or application on behalf of the deceased individual.**--***

*--244 Deceased Producers for 2014 and 2015 Program Years (Continued)

A 2014 and 2015 Deceased Producers and Dissolved Entities (Continued)

If ARC or PLC contract involving a deceased individual or closed estate is determined to have been signed by an authorized individual:

- payments shall be issued using TIN of the eligible individual or the individual's estate, as applicable

- payments may be issued in the names of the heirs, based on OGC's determination, according to 1-CM.

If a producer is a general partnership or joint venture that was dissolved, **all** members of the general partnership or joint venture at the time of dissolution, or their representatives, must sign the contract and associated forms.

Note: Only 1 contract will be submitted for the partnership or joint venture; however, all members must sign the applicable contract.

245 Approving CCC-861

A CCC-861 Approval

CCC-861 may be approved if **all** of the following are met:

- all producers sharing in contract base acres on the farm:

  - agree to the payment shares
  - sign CCC-861

- owner signature requirements for cash-rented land, according to paragraph 218, are met

- COC determines that:

  - shares do **not** circumvent payment limitation rules

  - interest of tenants, sharecroppers, and landowners are protected according to paragraph 222--*

*--245 Approving CCC-861 (Continued)

A CCC-861 Approval (Continued)

- payment shares:
  - are **not** in dispute
  - meet division of payment guidelines according to paragraph 237.

Note: See paragraph 218 for guidance about missing signatures on CCC-861.

Approve CCC-861 after all the conditions in this subparagraph are met. CED's, with delegated authority from COC, can approve CCC-861. Redelegation of authority **must** be documented in the COC minutes **before** CED approves CCC-861.

If a change, such as a change in FRMS, removes the approval date for CCC-861 that was approved electronically, the approving official may use the current date as the approval date on CCC-861. The change that removed the approval date may require the producer or County Office to take additional action on CCC-861 before approval.

B CCC-861 Disapproval

If, for any FY, COC determines that an owner or operator does **not** meet the terms and conditions of the ARC and PLC program, COC will:

- **not** approve CCC-861 for the applicable FY
- obtain DD concurrence according to paragraph 3
- notify the owner, operator, and all other persons signing CCC-861 of the disapproval
- document COC findings in the COC minutes
- provide applicable appeal rights.

Note: A decision by COC **not** to act or render a decision on CCC-861 is **not** an adverse decision giving rise to any appeal or appealability review.

C Revising CCC-861

Revisions to CCC-861 must **not** be made after:

- September 30, 2015, for FY 2014 and 2015 contracts
- September 30 of the applicable year for FY 2016 and subsequent years.**--***

*--245 Approving CCC-861 (Continued)

D Processing Revised CCC-861

If it is necessary to revise shares on an approved CCC-861 before the conclusion of the applicable contract period, follow these steps.

Step	Action
1	Use automated procedures in the forthcoming 2-ARCPLC to remove the COC approval date when producer signature requirements have **not** been met.
2	Use the automated procedure in the forthcoming 2-ARCPLC to process share revisions.
3	Print a revised CCC-861 and obtain signatures for producers revising shares.
4	On the revised CCC-861, ENTER "**See Attached**" in CCC-861, item 16A for producers whose shares were **not** affected by a transfer or change in interest of land.
5	Attach the revised CCC-861 to the original CCC-861.

COC will approve shares on the revised CCC-861.

Note: The approval date **must** reflect the date COC approves the revised CCC-861.

246 Approving CCC-862

A CCC-862 Approval

CCC-862 may be approved if **all** of the following are met:

- all producers sharing in covered commodities planted on the farm sign CCC-862
- owner signature requirements for cash-rented land, according to paragraph 218, are met
- COC determines that:
  - shares do **not** circumvent payment limitation rules
  - interest of tenants, sharecroppers, and landowners are protected according to paragraph 222
  - payment shares, as reported on FSA-578:
    - are **not** in dispute
    - meet division of payment guidelines according to paragraph 237.

Note: See paragraph 218 for guidance about missing signatures on CCC-862.--*

*--246 Approving CCC-862 (Continued)

A CCC-862 Approval (Continued)

Approve CCC-862 after all the conditions in this subparagraph are met. CED's, with delegated authority from COC, have the authority to approve CCC-862. Redelegation of authority **must** be documented in the COC minutes **before** CED approves CCC-862.

If CCC-862 is approved before FSA-578 certification and a dispute is subsequently discovered, COC will disapprove CCC-862 and notify all parties.

If a change, such as a change in FRMS, removes the approval date for CCC-862 that was approved electronically, the approving official may use the current date as the approval date on CCC-862. The change that removed the approval date may require the producer or County Office to take additional action on CCC-862 before approval.

B CCC-862 Disapproval

If, for any FY, COC determines that a producer does **not** meet the terms and conditions of the ARC program, COC will:

- **not** approve CCC-862 for the applicable FY
- obtain DD concurrence according to paragraph 3
- notify the producers signing CCC-862 of the disapproval
- document COC findings in the COC minutes
- provide applicable appeal rights.

C Revising CCC-862

Revisions to CCC-862 must **not** be made after:

- September 30, 2015, for FY 2014 and 2015 contracts
- September 30 of the applicable year for FY 2016 and subsequent years.**--***

*--246 Approving CCC-862 (Continued)

D Processing Revised CCC-862

If it is necessary to revise an approved CCC-862 before the conclusion of the applicable contract period, follow these steps.

Step	Action
1	Use automated procedures in the forthcoming 2-ARCPLC to remove the COC approval date when producer signature requirements have **not** been met.
2	Use the automated procedure in the forthcoming 2-ARCPLC to process revisions.
3	Print a revised CCC-862 and obtain signatures for producers who have not yet signed.
4	On the revised CCC-862, ENTER "**See Attached**" in CCC-862, item 12A for producers who previously signed CCC-862.
5	Attach the revised CCC-862 to the original CCC-862.

COC will approve the revised CCC-862.

Note: The approval date **must** reflect the date COC approves the revised CCC-862.

247 Inaccurate Representation and Misrepresentations and Scheme or Device

A Inaccurate Representation

Persons and legal entities are required to report and certify to program matters accurately. However, from time to time, errors in reporting or certification are detected, which may impact eligibility or extent of eligibility.

If an error was made by a person or legal entity that did not meet the requirements of ARC or PLC, but the person or legal entity made a good faith effort to fully comply, equitable relief provisions in 7-CP may be considered.

Program benefits and eligibility determinations must be based on the most accurate information available. Persons and legal entities are responsible for refunding any program benefits that were paid based on incorrect information.**--***

***--247 Inaccurate Representation and Misrepresentations and Scheme or Device (Continued)**

B Misrepresentations and Scheme or Device

COC's are given the discretion and authority to determine when an inaccurate representation or certification rises to the level of misrepresentation, scheme, or device.

A person or legal entity is ineligible to receive payments and will have the person's or legal entity's interest in all CCC-861's and CCC-862's canceled if it is determined that this person or legal entity has done any of the following:

- adopted any scheme or device to defeat the purpose of ARC or PLC
- made any fraudulent representation under ARC or PLC
- misrepresented any fact affecting an ARC, PLC, or payment limitation eligibility (including actively engaged in farming) person determination
- violated or been determined ineligible under 7 CFR 1400.5.

IF COC determines…	**THEN…**
a person or legal entity erroneously represented any fact affecting a determination to be made by CCC under CCC-861 or CCC-862	ARC and PLC payments will **not** be allowed on the farm with respect to the payment shares of that person or legal entity.
that the misrepresentation was intentional or fraudulent, or if the person or legal entity knowingly adopted any scheme or device to defeat the purposes of CCC-861 or CCC-862	the person or legal entity: • forfeits all rights to ARC and PLC payments on each farm in which the person or legal entity has an interest • must refund to CCC all payments received by the person or legal entity during the period of the violation, plus interest computed from the date of payment disbursement.

All persons and legal entities sharing in ARC and PLC payments on CCC-861 and CCC-862 are jointly and severally liable for any refunds determined according to subparagraph A, and CCC will establish claims for the full amount of the refund against each person or legal entity according to 7 CFR Part 1403. A signatory to CCC-861 or CCC-862 who does not receive any share of payments (a person or legal entity signing for a zero share) is **not** liable for the repayment of this refund.**--***

*--248 CCC-861 and CCC-862 Modification After End of Contract Period

A Introduction

The final date for participants to provide all necessary signatures for producers with an interest in CCC-861 and CCC-862 is August 1 (September 30, 2015, for FY 2014 and FY 2015) of the applicable FY.

Revisions to CCC-861 and CCC-862 will **not** be made after the conclusion of the contract period for the applicable FY.

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

The forthcoming 2-ARCPLC will provide procedure for updating producer signature and enrollment date information in FRMS.

B Updates Affecting Enrollment Date

The enrollment date is automatically removed when any of the following changes are made to data in FRMS:

- operator is changed
- other tenant with an interest in CCC-861 or CCC-862 is removed from the farm
- owner is added to a tract associated with the farm
- base acres are modified
- PLC payment yields are modified
- election is modified according to 10-CM
- out-of-balance condition is created because of changes to effective DCP cropland
- CCC-861 contract base acre shares are revised.

Updates to FRMS for any of these reasons constitute a modification of existing CCC-861 and CCC-862; therefore, the enrollment date is automatically removed from FRMS when the update occurs.--*

*--248 CCC-861 and CCC-862 Modification After End of Contract Period (Continued)

C State Office Review Process

The All Farms With Enrollment Date Modifications After End of Contract Period Report will be available to State Office specialists to identify all CCC-861's and CCC-862's with an enrollment date that was updated during the previous month. This report is available to State and National Office users **only**. See the forthcoming 2-ARCPLC for instructions for printing the report.

Reminder: The enrollment date can be entered into the ARCPLC software at any time; however, if the enrollment date for the contract is after September 30 of the applicable contract year, the enrollment date **must** be recorded by the State Office. See paragraph 249 for additional information about situations where enrollment of the farm could occur after the conclusion of the contract period.

State Offices may review the All Farms With Enrollment Date Modifications After End of Contract Period Report detailing where the enrollment date has been updated during the previous month. State Offices may:

- conduct a review of farms listed on the monthly report to ensure that ARC and PLC program policy has been administered properly

- take corrective action, if applicable, with County Offices if contracts were updated in error.

Note: SED's may delegate the review to DD's.

249 Updating Producer Signature and Enrollment Dates After the End of Contract Period

A Introduction

County Offices will ensure that all information recorded in ARCPLC contract software accurately reflects signature, enrollment, and approval date information. See the forthcoming 2-ARCPLC for additional information about how data will be entered in ARCPLC contract software.

If a valid signature of a producer with an interest in CCC-861 or CCC-862 or enrollment information is actually **received** after the conclusion of the contract period of the applicable year, ARCPLC contract software is designed to prevent County Office users from updating that information.**--***

*--249 Updating Producer Signature and Enrollment Dates After the End of Contract Period (Continued)

A Introduction (Continued)

If a valid signature of a landowner with zero share or cash lease is actually **received** after the conclusion of the contract period of the applicable year, ARCPLC contract software is designed to prevent County Office users from updating that information.

Example: Landowner signed a 2016 CCC-861 to zero shares on October 13, 2016. ARCPLC contract software will **not** allow a zero share signature after September 30, 2016, to be entered as a producer signature date. The signature and enrollment dates must be updated by the State Office.

Note: An exception will be provided for the 2014 and 2015 contract years.

B Situations That Warrant Producer Signature or Enrollment Dates After the Conclusion of the Contract Period

The enrollment date in ARCPLC contract software is determined by the **later** of the following:

- date the last required signature was obtained on CCC-861 and CCC-862
- date the cash lease is provided to the County Office.

Note: Use the later of the signature date or postmark/date stamp of when the contract is received in the County Office according to 1-CM.

The following is considered supporting documentation and can be submitted anytime:

- landowner signing CCC-861 or CCC-862 to zero shares
- copy of a cash lease agreement.

Some cases require State Office intervention so ARCPLC contract software can be updated to accurately reflect when the signature was obtained and/or when CCC-861 or CCC-862 was enrolled.

ARCPLC contract software validations do **not** allow County Office users to enter a producer signature date after the conclusion of the contract period, including zero share signatures.**--***

*--249 Updating Producer Signature and Enrollment Dates After the End of Contract Period (Continued)

C County Office Action

For situations described in subparagraph B, County Offices will:

- **not** manipulate ARCPLC contract software by entering invalid signature, enrollment, or approval dates

- submit a copy of the completed CCC-861 or CCC-862 and cash lease documentation, if applicable, to the State Office with a cover memorandum requesting that ARCPLC contract software be updated with either or both of the following:

  - landowner's signature date
  - enrollment date.

D State Office Action

After verifying that the situation warrants intervention based on supporting documentation, State Office program specialists will update the signature and/or enrollment date according to the forthcoming 2-ARCPLC.

250 Web-Based ARCPLC State Office Administrative Access

A Requesting Web-Based ARCPLC State Office Administrative Access

State Offices may request State Office administrative access be granted to State Office users or DD's. The State Office program specialist in charge of the ARC and PLC program will:

- select the employees who will have State Office administrative access to ARC and PLC
- submit the following information to SLR:

  - State Office name
  - employee's first and last name
  - employee's job title
  - employee's USDA eAuthentication user ID.--*

250 Web-Based ARCPLC State Office Administrative Access (Continued)

A Requesting Web-Based ARCPLC State Office Administrative Access (Continued)

SLR's will do either of the following:

- disapprove and return the request to the State Office specialist in charge of ARCPLC

- ***--**approve the request and e-mail to Alison Groenwoldt, PECD, to **alison.groenwoldt@wdc.usda.gov**.

  Note: The subject of the e-mail should be "Requesting ARCPLC State Office**--*** Administrative Access".

SLR's shall contact Alison Groenwoldt, PECD, by e-mail to **alison.groenwoldt@wdc.usda.gov** with any questions or concerns.

B Changing or Terminating User Roles With ARCPLC State Office Administrative Access

If a user needs to be changed, use the process in subparagraph A. The request will include the user information to be added and the user information to be removed.

C Adding DD's as State Users

In many States, DD's are **not** State users in ERSR. For the administrative access granted according to subparagraph B to be valid, each DD **must** be given access by adding OIP Office Code "**All Counties**" to each user's profile in ERSR.

To obtain access, FSA-13-A **must** be submitted to SLR.

Important: FSA-13-A **must** be completed to obtain access.

After FSA-13-A is approved, SLR will:

- access ERSR

- find and click on the employee's name

- CLICK "**Extensible Authorization System (EAS)**"

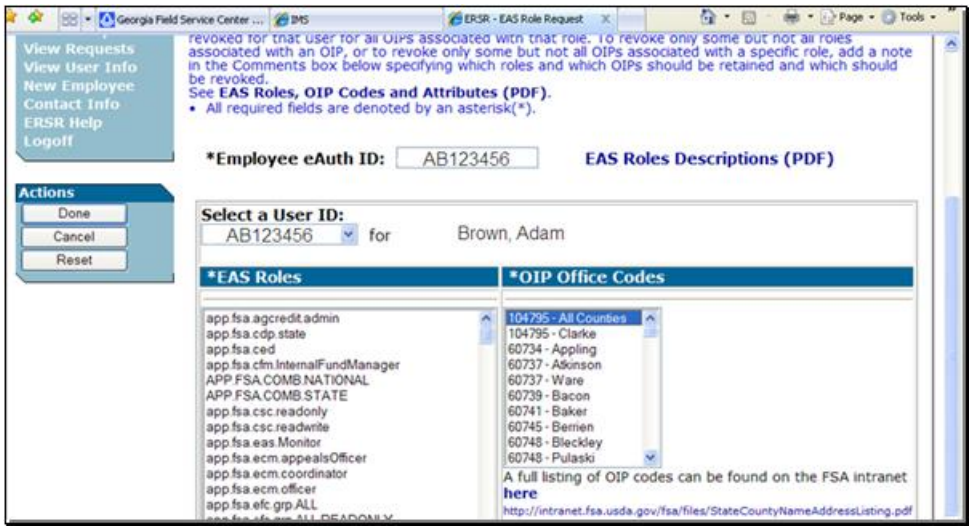
*--250 Web-Based ARCPLC State Office Administrative Access (Continued)

C Adding DD's as State Users (Continued)

- enter the employee's eAuthentication ID and highlight OIP Office Code "**All Counties**" as displayed in the following example

- CLICK "**Done**"

- CLICK "**Submit**".



D Updating Enrollment and Approval Dates on CCC-861 and CCC-862

ARCPLC State Office administrative access users will update the enrollment and approval date for any reason specified in paragraph 249 or if a:

- successor-in-interest CCC-861 or CCC-862 was properly executed according to paragraph 219

- timely requested reconstitution was completed according to paragraph 205

- late-filed CCC-861 or CCC-862 was approved according to paragraph 203.

The user updating the enrollment and approval date will be satisfied that CCC-861 or CCC-862 was enrolled within program guidelines.--*

*--251 ARC and PLC Relief

A Background

Questions have risen on the applicability of finality and relief that may be requested by COC on ARC and PLC. The following information is being provided to assist the understanding of finality and relief as it relates to ARC and PLC. This guidance should be used to supplement preparing finality and relief cases according to 7-CP.

Participants have the right to challenge, to FSA or NAD, if FSA has its facts right with regard to a given program determination or extent of producer eligibility decision, or whether FSA correctly applied the rules of a program to that set of facts to arrive at a correct program eligibility, extent of eligibility, or producer compliance decision. The need to consider relief may occur when there has been some unintended or inequitable result in light of an error or oversight, by the producer or by FSA.

Relief provisions **cannot** be used to obtain results not otherwise attainable by producers who satisfy or meet every compliance provision or ARC and PLC program requirement. Relief is not a means of obtaining a review of the program, program's rules, or some means of seeking a different program.

B Determining the Need for Relief

There **must** be a decision on an ARC and PLC program matter, eligibility, or extent of eligibility at issue **before** deciding whether there is cause to consider relief. Reviewing authorities will not contemplate relief for hypothetical situations.

Examples: If COC wants to seek relief for a late-filed contract, the late-filed ARC-CO and PLC contract or ARC-IC contract **must** first be completed, signed, and submitted to FSA for action **before** FSA can make a determination. Without an ARC-CO and PLC contract or ARC-IC contract submitted timely or otherwise, a request for relief is hypothetical as to what FSA would do in the event there was a contract completed and submitted. In this instance, there is no FSA decision (or relief consideration) required or due.

Producer A visits the County Office in November 2016, asking the status of their 2015 contract enrollment on a farm. FSA PT finds that Producer A did **not** enroll the farm for 2015. Producer A wants to meet with COC to discuss why they should be allowed to enroll in 2015.**--***

***--251 ARC and PLC Relief (Continued)**

B Determining the Need for Relief (Continued)

Result: Unless Producer A signs ARC-CO and PLC contract or ARC-IC contract for 2015, and that ARC-CO and PLC contract or ARC-IC contract is signed by **all** others who might share ARC-CO and PLC contract or ARC-IC contract, Producer A is **not** entitled to either a decision on ARC-CO and PLC contract, ARC-IC contract, or relief consideration. When Producer A submits ARC-CO and PLC contract or ARC-IC contract with all signatures, timely or **not**, FSA will process that ARC-CO and PLC contract or ARC-IC contract according to this handbook, which may or may **not** result in consideration of relief.

Relief is **not** intended to be used to review the equity of ARC and PLC program rules. When something **not** otherwise anticipated by prescribed program rules occurs, relief under 1 or more of the forms of relief (misinformation/misaction, failure to fully comply, or programmatic relief) may be considered by FSA or NAD.

252 Types of Relief That Are Applicable to the ARC and PLC Program

A Availability

The following types of relief apply to the ARC and PLC program:

- finality
- programmatic equitable relief
- equitable relief from ineligibility, extent of eligibility, or noncompliance with program provisions under misinformation/misaction
- equitable relief from ineligibility, extent of eligibility, or noncompliance under failure to fully comply
- base restoration.

B Finality

Regulations governing finality (commonly known as the "finality rule") are at 7 CFR 718.306. Instructions for finality are in 7-CP, Part 2.

Finality rule applicability may appear to have the same effect as relief; that is, under the finality rule a participant may be permitted to keep payments that were disbursed in error, through no fault of the participant. However, finality is **not** equitable relief.**--***

***--252 Types of Relief That Are Applicable to the ARC and PLC Program (Continued)**

B Finality (Continued)

The key test for application of finality is whether the participant (**not** FSA) had any reason to know the FSA decision was in error. Additionally, finality applies only to decisions of STC's and COC's, and employees of STC's and COC's. The finality rule does **not** apply to decisions by National Office employees, RMA, reinsured companies, or SED's. Further, if it is applicable, the finality rule only pertains to whether or not FSA can recover an erroneous payment that was issued as a result of an erroneous decision. FSA will still correct incorrect decisions or errors and not affirmatively issue erroneous payments.

C Equitable Relief Under Misinformation/Misaction

Claims for equitable relief under misinformation/misaction sometimes occur when producers fail to enroll timely. FSA can only assist participants with enrollment. FSA employees **cannot** enroll a farm for a participant. Participants are responsible for enrolling their farms and they are personally aware whether they have or have not yet enrolled. In fact, the participant usually is best suited to know what he or she has and has not done. FSA **cannot** enroll for producers. Additionally, the deadline for enrollment is publicized in the public domain and forums, such as GovDelivery, newsletters, Internet, press announcements, etc. Therefore, a participant is deemed to have reasonable knowledge of deadlines established for enrollment as well as actual knowledge about their own actions or whether they personally enrolled or **not**.

Example: A common theme is, "I asked the FSA employee if there was anything else I needed to sign", and the employee said "no".

While a person may interpret an FSA employee saying "no" to the question on whether there is anything else required as a communication from FSA that the person has already enrolled, the test under misinformation/misaction is whether there was any incorrect ARC and PLC program information or advice conveyed directly to the participant by FSA, and whether the participant had any reason to know that the information was incorrect.

In the example, FSA did **not** say or convey any incorrect information by answering "no". Additionally, in the example, it appears the participant relied on the participant's own understanding of the information conveyed. If the FSA employee had incorrectly stated that the participant had up to 3 weeks later to sign up, this communication might be considered a basis for a valid misinformation/misaction claim or request, provided the participant had no reason to question that advice or information and acted, to their own detriment and reliance, on incorrect information, such as signing up within 3 weeks of the deadline.**--***

***--252 Types of Relief That Are Applicable to the ARC and PLC Program (Continued)**

D Equitable Relief Under Failure to Fully Comply

Failing to enroll or sign up on time is **not** a compliance violation or failure to fully comply. Compliance or performance violations can only occur with producers who are on enrolled farms and who are already subject to compliance or performance requirements.

Example: An enrolled farm may have to accurately report acreage and production. A spot check review indicates that the farm erred in reporting production (overstated or understated). The participant reported acreage timely and accurately and producers strived to report production accurately.

The error in reported production does **not** appear to be intentional and is **not** large enough to cause suspicion of ARC and PLC program malfeasance. However, determined production **must** be used. Even though the producer failed to accurately report production, allowing the farm to continue to receive benefits using determined production is an acceptable form of relief under a failure to fully comply.

E Programmatic Equitable Relief

In individual circumstances or cases, under 7 CFR 1412.2, DAFP has the authority to allow STC's and COC's to waive or modify deadlines, **except** statutory deadlines and basic contract law provisions, such as the end of a contract period, and other nonstatutory requirements where DAFP determines the lateness or failure to meet the requirement **not** adverse to the operation of the ARC and PLC program. The regulations specify that producers have no right to seek an exception under this relief provision. At FSA's discretion, FSA may (but does **not** have to) consider a request for programmatic equitable relief.

Example: An individual was involved in an automobile accident and suffered short-term memory loss that was documented by a physician. When COC disapproved ARC-CO and PLC contract or ARC-IC contract as being late-filed, COC recognized what it believed were extenuating circumstances and recommended that relief be granted to approve the late-filed enrollment. In turn, STC referred the case to DAFP for consideration.

Result: DAFP approved the case because it was determined that circumstances warranted that action and the relief approved did **not** give the producer any unfair advantage over others who met the ARC and PLC program requirements.**--***

***--252 Types of Relief That Are Applicable to the ARC and PLC Program (Continued)**

E Programmatic Equitable Relief (Continued)

Example: FSA learns of a producer who had an interest in base acres on a farm, but did **not** sign the ARC or PLC contract and did **not** receive a share of the ARC or PLC payment.

Result: Depending on when the error was first discovered and why, and assuming no other factors, such as misinformation or misaction on the part of FSA, DAFP may, at its discretion, grant ARC and PLC program relief to producers on ARC-CO and PLC contract or ARC-IC contract as follows.

- Allow timely entered signatures of producers to retain and continue to receive payments based on corrected shares, if it can be determined that producers who did timely sign did **not** intentionally misrepresent themselves.

  Note: In instances where a person or legal entity has **not** signed ARC-CO and PLC contract or ARC-IC contract, that person or legal entity is **not** entitled to any sort of FSA decision, eligibility decision, or relief decision, and that person or legal entity has no standing to contest or challenge any decision of FSA, because the person or legal entity has made no application or requested a decision from FSA. See 1-APP, paragraph 10.

- If it can be determined that there was no intentional misrepresentation by any of the producers, provided there was a timely submitted ARC-CO and PLC contract or ARC-IC contract, allow producers to sign a corrected ARC-CO and PLC contract or ARC-IC contract by the end of the contract period with correct shares and have payments recomputed.**--***

253-262 (Reserved)

*--Part 8.5 Generic Base Acres

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.**--***

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

C Policy

Generic base acres on a farm are attributed to a covered commodity by a formula specifically laid out in the 2014 Farm Bill. The formula for attribution is as follows.

- If a single covered commodity/eligible subsequently planted crop (for example, corn) is planted on the farm and these acres exceed the generic base acres on the farm, the generic base acres are attributed to that covered commodity in an amount equal to the total number of generic base acres on the farm.

- If multiple covered commodities or eligible subsequently planted crop acreage are planted and the total number of these acres exceeds the generic base acres on the farm, the generic base acres will be attributed to each of the covered commodities planted or eligible subsequently planted on the farm on a pro rata basis to reflect the ratio of:

  - planted covered commodity and eligible subsequently planted crop acreage on the farm

  - total planted covered commodity and eligible subsequently planted crop acreage on the farm.

- If the total number of planted covered commodity and eligible subsequently planted crop acreage on the farm does not exceed the generic base acres on the farm, the planted covered commodity and eligible subsequently planted crop acreage are attributed to those covered commodities.

D Examples

Example 1 – Single Covered Commodity Planted in Excess of Generic Base Acres.

For FSN 10, the farm consists of:

- 300.00 acres cropland
- 100.00 contract base acres of corn
- 100.00 contract base acres of wheat
- 100.00 generic base acres.

Planted acres are 250.00 acres of corn.

Attributed base acres are 100.00 base acres of corn. Corn is the only commodity planted.**--***

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

D Examples (Continued)

Total base acres on the farm are now:

- 200.00 base acres of corn (100.00 contract base acres plus 100.00 attributed base acres)
- 100.00 base acres of wheat.

In this example, 50.00 acres of cropland are left idle or planted to a noncovered commodity.

Example 2 – Multiple Covered Commodities Planted on Farm in Excess of Generic Base Acres.

For FSN 30, the farm consists of:

- 400.00 acres cropland
- 100.00 contract base acres of corn
- 100.00 contract base acres of wheat
- 100.00 generic base acres.

Planted acres are:

- 200.00 acres of corn
- 50.00 acres of grain sorghum
- 50.00 acres of soybeans
- 100.00 acres of cotton.

Generic base acres are attributed to the covered commodities as follows.

Step	Policy	Calculation
1	Total the planted covered commodities and eligible subsequently planted crop acreage.	200.00 acres of corn
		50.00 acres of grain sorghum
		50.00 acres of soybeans
		300.00 total planted acres
2	Divide the total of each planted covered commodity and eligible subsequently planted crop acreage by the results of step 1.	200.00 ÷ 300.00 = .6667 for corn
		50.00 ÷ 300.00 = .1667 for grain sorghum
		50.00 ÷ 300.00 = .1666 for soybeans
3	Multiple the result of step 2 for each crop times the number of generic base acres. This step will be the number of attributed base acres for each crop.	.6667 x 100.00 = 66.67 attributed corn base acres
		.1667 x 100.00 = 16.67 attributed grain sorghum base acres
		.1666 x 100.00 = 16.66 attributed soybean base acres

--*

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

D Examples (Continued)

Base acres on the farm are now:

- 166.67 base acres of corn
- 100.00 base acres of wheat
- 16.67 base acres of grain sorghum
- 16.66 base acres of soybeans.

Notes: Wheat contract acres did **not** increase because no wheat was planted, therefore, it received no attributed base acres.

The planting of cotton had no effect on attribution as cotton is **not** a covered commodity.

Example 3 – Multiple Covered Commodities Planted Below the Number of Generic Base Acres.

For FSN 10, the farm consists of:

- 300.00 acres cropland
- 100.00 contract base acres of corn
- 100.00 contract base acres of wheat
- 100.00 generic base acres.

Planted acres are:

- 50.00 acres of corn
- 25.00 acres of soybeans.

Attributed base acres are:

- 50.00 base acres of corn
- 25.00 base acres of soybeans.**--***

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

D Examples (Continued)

The calculation was not necessary as the number of planted covered commodities and eligible subsequently planted crop acreage are less than the number of generic base acres.

Total base acres on the farm are now:

- 150.00 base acres of corn (100.00 contract base acres plus 50.00 attributed base acres)
- 25.00 base acres of soybeans (all from attribution)
- 100.00 base acres of wheat.

Note: 25.00 generic base acres were **not** attributed because there were insufficient planted acres to support the attribution.

Example 4 – Multiple Covered Commodities Planted on Farm in Excess of Generic Base Acres, Including Eligible Subsequently Planted Crop Acreage.

For FSN 30, the farm consists of:

- 400.00 acres of cropland
- 100.00 contract base acres of corn
- 100.00 contract base acres of wheat
- 100.00 generic base acres.

Planted acres are:

- 200.00 acres of corn
- 50.00 acres of grain sorghum
- 50.00 acres of soybeans
- 100.00 acres of failed cotton followed by 100.00 acres of grain sorghum.**--***

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

D Examples (Continued)

Generic base acres are attributed to the covered commodities as follows.

Step	Policy	Calculation
1	Total the planted covered commodities and eligible subsequently planted crop acreage.	200.00 acres of corn
		150.00 acres of grain sorghum
		50.00 acres of soybeans
		400.00 total planted acres
2	Divide the total of each planted covered commodity and eligible subsequently planted crop acreage by the results of step 1.	200.00 ÷ 400.00 = .5000 for corn
		150.00 ÷ 400.00 = .3750 for grain sorghum
		50.00 ÷ 300.00 = .1250 for soybeans
3	Multiple the result of step 2 for each crop times the number of generic base acres. This step will be the number of attributed base acres for each crop.	.5000 x 100.00 = 50.00 attributed corn base acres
		.3750 x 100.00 = 37.50 attributed grain sorghum base acres
		.1250 x 100.00 = 12.50 attributed soybean base acres

Base acres on the farm are now:

- 150.00 base acres of corn
- 100.00 base acres of wheat
- 37.50 base acres of grain sorghum
- 12.50 base acres of soybeans.

Notes: Wheat contract acres did **not** increase because no wheat was planted, therefore, it received no attributed base acres.

The planting of cotton had no effect on attribution as cotton is **not** a covered commodity.

Grain sorghum planted following failed cotton is eligible subsequently planted crop acreage.**--***

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

D Examples (Continued)

Example 5 – Single Covered Commodity Planted in Excess of Generic Base Acres.

For FSN 10, the farm consists of 100.00 generic base acres.

Planted acres are 250.00 acres of approved prevented planted corn followed by 250.00 acres of rice.

Attributed base acres are 100.00 base acres.

Total base acres on the farm are now 100.00 rice base acres.

Notes: Prevented planted crops are **not** included in the attribution of generic base acres.

Rice following approved prevented planted corn is eligible subsequently planted crop acreage and will attribute generic base acres.

264 Covered Commodities

A Covered Commodities Eligible for Generic Base Acre Reallocation

The following covered commodities may be attributed to generic base acres when planted to a covered commodity or eligible subsequently planted crop acreage:

- barley
- canola
- chickpeas, large:
  - Garbanzo - Kabuli (large chickpea) (GAR)
- chickpeas, small
  - Garbanzo - Kabuli (small chickpea) (GAS)
  - Garbanzo - Desi (small chickpea) (GAD)
- corn
- crambe--*****

***--264 Covered Commodities (Continued)**

A Covered Commodities Eligible for Generic Base Acre Reallocation (Continued)

- 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
- wheat.**--***

***--264 Covered Commodities (Continued)**

B Intended Uses of Covered Commodities

The following table provides eligible intended uses for covered commodities that are planted to a covered commodity or eligible subsequently planted crop acreage for generic base acre attribution.

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, FH, PR, SD
Chickpeas, Small	• Garbanzo, Small Kabuli (GAS) • Garbanzo, Desi (GAD)	
Corn	• White • Yellow • Amylose • Popcorn • Waxy	FG, GR, SD
Crambe		GR, SD
Flaxseed	All	GR, OL, PR, SD
Grain Sorghum Sorghum, Dual Purpose	All	FG, GR, SD, SG
Lentils		DE, FG, GZ
Mustard Seed	All	GR, PR, SD
Peanuts	All	All
Peas, Dry	• 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	• MGR • SGR	
Soybeans	All	FG, FH, GR, SD
Sunflower Seed	All	FG, GR, PR SD

--*

***--264 Covered Commodities (Continued)**

C Eligible Crop Status for Inclusion in Base Acre Reallocation

For all situations in any crop year, excluding double-cropping, a covered commodity planted to a covered commodity or eligible subsequently planted crop acreage is eligible for attribution to generic base acres, regardless of when the covered commodity was planted in the crop year.

For double-cropping situations in any crop year, the second crop, if that crop is a planted covered commodity or eligible subsequently planted crop acreage, is eligible for generic base acre attribution if the rotation meets the double-cropping definition according to 2-CP.

The following are crop status codes for the first character field on FSA-578 that are planted covered commodity or eligible subsequently planted crop acreage for generic base acre attribution.

Note: Prevented planted covered commodities are ineligible to be used for generic base acre attribution.

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 or wild rice or vice versa – meets double-cropping definition.
G	Noncovered commodity/non-FAV followed by a covered commodity or vice versa – meets double-cropping definition.
J	Covered commodity followed by a covered commodity – does **not** meet double-cropping definition.
K	Covered commodity followed by FAV or wild rice or vice versa – does **not** meet double-cropping definition.
M	Noncovered commodity/non-FAV followed by a covered commodity or vice versa – does **not** meet double-cropping definition.

Notes: If a covered commodity was planted after another covered commodity that was approved as failed acreage (unapproved double-cropping situations), the subsequently planted covered commodity is **not** eligible for generic base acre attribution (first covered commodity – "IF" then second covered commodity – "J" code).

If a covered commodity was planted after another covered commodity that was approved as approved prevented planted (unapproved double-cropping situations), the subsequently planted covered commodity **is eligible** for generic base acre attribution (first covered commodity –"IP" then second covered commodity – "J" code).**--***

***--264 Covered Commodities (Continued)**

D Cover Commodities Ineligible for Generic Base Acre Attribution

Covered commodities certified with the following intended uses are ineligible for generic base acre attribution:

- left standing
- cover only
- green manure.

265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC

A ARC-CO and PLC Contract Enrollments and Exception

All producers having more than a zero share of contract base acres or planted acres of a covered commodity or eligible subsequently planted crop acreage certified on FSA-578 must sign the ARC-CO and PLC contract by the end of the enrollment period. ARC-CO and PLC contracts that are **not** signed by all producers having more than a zero share of contract base acres are incomplete and will **not** be considered submitted to FSA or CCC for any purpose and will **not** be acted on or approved. When a producer's only claimed share of payment is by attributed base acres (and not contract base acres), CCC-861 can be approved without that producer's signature. However, if that producer fails to sign CCC-861 by the enrollment deadline or end of contract period (September 30, 2015, for 2014 and 2015 contract years), that producer share will **not** be paid to the producer or any other producer on the farm or contract.

Exception: An exception to approving CCC-861 with incomplete enrollment of contract base acres applies to ARC-CO and PLC offers of enrollment. In those instances where COC is satisfied there is no dispute of shares or other disagreement between producers is evident or suspected, 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 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 for a share of contract base acres ensure compliance with all contract provisions and requirements. This exception does **not** apply to ARC-IC enrollments.**--***

265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)

B Incomplete Enrollments With a Share Greater Than Zero

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

A producer who has a share of base acres on a farm enrolled under ARC-CO and PLC contract or 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.

C ARC-CO and PLC Contracts With Generic Base Acres

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.

*--265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)

C ARC-CO and PLC Contracts With Generic Base Acres (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.

D Who Must Share in the ARC-CO and PLC Contract With Generic Base Acres

Individuals or entities planting a covered commodity on a farm enrolled on CCC-861 and the farm has generic base acres shall share in the program payments equal to their share of the covered commodity reported planted or eligible subsequently planted crop acreage 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 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.**--***

*--265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)

D Who Must Share in the ARC-CO and PLC Contract With Generic Base Acres (Continued)

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 CCC-861.

E Examples of Who Must Share in the ARC-CO and PLC Contract With Generic Base Acres

Example 1

For FSN 10, the farm consists of:

- 300.00 acres cropland
- 100.00 contract base acres of corn
- 100.00 contract base acres of wheat
- 100.00 generic base acres.

On December 1, 2015, for the 2016 contract year, Producers A and B enroll FSN 10 on CCC-861 with the following shares of contract base acres:

- Corn – 100 percent – Producer A
- Wheat – 100 percent – Producer B.

Note: Generic base acres are **not** enrolled with shares. Shares of generic base acres are derived directly from FSA-578.**--***

*--265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)

E Examples of Who Must Share in the ARC-CO and PLC Contract With Generic Base Acres (Continued)

The following are planted acres recorded on FSA-578.

Producer	Planted Acres
Producer A	• 50.00 acres of corn • 100.00 acres of cotton
Producer B	• 50.00 acres of soybeans • 100.00 acres of alfalfa

Attributed base acres are:

- 50.00 base acres of corn
- 50.00 base acres of soybeans.

Base acres on the farm are now as follows.

Producer	Crop	Share
Producer A	• 100.00 contract acres of corn • 50.00 attributed base acres of corn	Producer A has 100 percent share of corn base acres.
Producer B	• 100.00 contract acres of wheat • 50.00 attributed base acres of soybeans	Producer B has 100 percent share of wheat base acres and soybean base acres.

Example 2

For FSN 10, the farm consists of:

- 1000.00 acres cropland
- 500.00 contract base acres of rice
- 500.00 generic base acres.**--***

*--265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)

E Examples of Who Must Share in the ARC-CO and PLC Contract With Generic Base Acres (Continued)

On January 15, 2015, for the 2016 contract year, Producer A enrolls FSN 10 on CCC-861 with the following shares of contract base acres:

- Rice – 100 percent – Producer A.

Note: Generic base acres are **not** enrolled with shares. Shares of generic base acres are derived directly from FSA-578.

The following are planted acres recorded on FSA-578.

Producer	Planted Acres
Producer A	500.00 acres of rice
Producer B	500.00 acres of peanuts

Attributed base acres are:

- 250.00 base acres of rice
- 250.00 base acres of peanuts.

Base acres on the farm are now as follows.

Producer	Crop	Share
Producer A	• 500.00 contract acres of rice • 250.00 attributed base acres of rice	Producer A has 100 percent share of rice base acres.
Producer B	250.00 attributed base acres of peanuts	Producer B has 100 percent share of peanuts base acres.

Required Action: A successor CCC-861 must be requested because Producers A and B control 500.00 acres of cropland each and Producer A has base acres totaling 750.00. Without the successor CCC-861, the sum of the base acres exceeds the amount of cropland under the control of Producer A and CCC-861 is invalid.--*

*--265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)

E Examples of Who Must Share in the ARC-CO and PLC Contract With Generic Base Acres (Continued)

Example 3

For FSN 50, the farm consists of:

- 1000.00 acres cropland
- 500.00 generic base acres.

The following are recorded on FSA-578.

Producer	Planted Acres
Luke	500.00 acres of peanuts
BH	500.00 acres of pasture

Attributed base acres are 500.00 base acres of peanuts.

Base acres on the farm are now as follows.

Producer	Crop	Share
Luke	500.00 attributed base acres of peanuts	Luke has 100 percent share of peanut base acres.

Action: Luke may enroll the farm receiving 100 percent share of the peanut base acres.

Notes: In years past, because BH controlled 500.00 acres of land, BH could have received 100 percent of the cotton direct payment. Because attributed base acres are attributed to the producers with an interest in the planted covered commodity, BH cannot receive any share of the payment on this farm.

Generic base acres are not enrolled with shares. Share of generic base acres are derived directly from FSA-578.--*

266 Enrollment and Contract Requirements With Generic Base Acres for ARC-IC

A ARC-IC Contracts

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.**--***

Exception: This provision is **not** applicable if there has been a change to ownership, persons sharing on payment acres, or reconstitution on the farm since the previous FY.

CCC will approve CCC-862 for enrollment when CCC is satisfied and determines that all of the following apply:

- interests of tenants and sharecroppers are being protected

- producers are **not** circumventing either the provisions of 7 CFR 1412.54 or the provisions of part 1400 of this chapter.

*--266 Enrollment and Contract Requirements With Generic Base Acres for ARC-IC (Continued)

B Who Must Share in the ARC-IC Contract

Individuals and entities may earn payments if the individual or entity is entitled to a crop or commodity ownership share of a crop as reported on FSA-578 and is:

- an owner on an eligible farm who meets the definition of producer on planted acres of a covered commodity on a farm

- a producer, other than an owner, with planted acres of a covered commodity on a farm enrolled on CCC-862.

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

A producer on a farm with no interest in covered commodities as reported on FSA-578 will **not** share in ARC-IC payments on that farm.

C Example of Who Must Share in the ARC-IC Contract With Generic Base Acres

For FSN 10, the farm consists of:

- 300.00 acres cropland
- 100.00 contract base acres of corn
- 100.00 contract base acres of wheat
- 100.00 generic base acres.

On December 1, 2015, for the 2016 contract year, Producers A and B enroll FSN 10 on CCC-862.

Note: ARC-IC farms are **not** enrolled with shares.

The following are planted acres recorded on FSA-578.

Producer	Planted Acres
Producer A	• 50.00 acres of corn • 100.00 acres of cotton
Producer B	• 50.00 acres of soybeans • 100.00 acres of alfalfa

--*

*--266 Enrollment and Contract Requirements With Generic Base Acres for ARC-IC (Continued)

C Example of Who Must Share in the ARC-IC Contract With Generic Base Acres (Continued)

Attributed base acres are:

- 50.00 base acres of corn
- 50.00 base acres of soybeans.

Base acres on the farm are now:

- 150.00 base acres of corn (100.00 contract base acres plus 50.00 attributed base acres)
- 100.00 base acres of wheat
- 50.00 base acres of soybeans (50.00 attributed base acres).

Note: Benchmark, guarantee, and revenue will be calculated only on corn and soybeans according to paragraph 132.**--***

267-280 (Reserved)

Part 9 Eligibility and Compliance Rules

Section 1 Farm Eligibility

281 General Information

A Contract Period Compliance

Participants may receive payments with respect to the farm, if the participants agree to comply with ARC and PLC Program requirements.

B Farm Eligibility

A farm is eligible to participate in ARC or PLC if either of the following applies:

- the farm has base acres calculated for the farm
- the land on the farm was enrolled in CRP-1 that expired, was voluntarily terminated, or early released after September 30, 2013, and either of the following applies:
  - CRP-15 was protecting crop acreage bases
  - CCC-505 was used to reduce PFC acres or base acres, as applicable.

Note: Restored base acres are **not** eligible for reallocation unless they are restored before the deadline to reallocate base acres.

C Farms with 10 Base Acres or Less

Producers on farms with 10 base acres or less are **not** eligible for payments for that farm unless the producer certifies that they are a SDA or limited resource farmer or rancher.

Example: FSN 1600 has 9 base acres and is enrolled in PLC.

Linda has a 5 percent share and has certified to being a limited resource, SDA farmer or rancher.

Jeff has 10 percent share and has certified to being a limited resource, SDA farmer or rancher.

Andrew has a 85 percent share and has **not** certified to being a limited resource, SDA farmer or rancher.

Linda and Jeff's share of this farm will be paid, but Andrew's will **not**.

282 Eligible and Ineligible Land Uses for Base Acres

A Cropland and DCP Cropland Requirement

Land enrolled under ARC-CO and PLC contract or ARC-IC contract **must** be used for an agricultural or related activity for the applicable FY, and **not** for a nonagricultural, commercial, or industrial use.

DCP cropland and effective DCP cropland will be determined and updated according to ***--**10-CM for ARC and PLC Program purposes, including base determinations.

If land use changes in subsequent years:

- the land use will be updated according to 10-CM--*****
- base reductions will be processed using CCC-505, as applicable, according to subparagraph D.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

B Eligible Uses

A quantity of land equal to the total base acres for the farm **must** be used for an agricultural or conserving use. The following provides examples of land uses that are considered agricultural or related and nonagricultural.

Land uses considered **agricultural** include the following:	Land uses considered **nonagricultural** include the following:
• land meeting DCP cropland definition • sod • farm ponds • aquaculture ponds • nursery acreage devoted to in-ground plants • wildlife habitats • pasture • acreage used to raise domesticated game for restaurants • trees planted for harvest, conservation purposes, recreational uses, or BCAP • temporary hoop houses for nursery agriculture • temporary nonagricultural uses, such as parking for a field day, etc.	• golf courses and other recreational facilities • land used for commercial development, buildings, or parking lots • strip mines • permanent structures, including those for agricultural uses • land subdivided and developed for multiple residential units or other nonfarming uses if the size of tracts and density of the subdivision is such that the land is unlikely to return to the previous agricultural use.

Note: COC's will submit questionable uses to DAFP, through the State Office, for determinations.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

C Eligible Land

Base acres **cannot** exceed effective DCP cropland **except** for established double-cropping. In addition to meeting other eligibility requirements, a farm, **before** enrollment, **must** have effective DCP cropland available on the farm greater than or equal to the total base acres for ***--**the farm. See 10-CM for the definition of DCP cropland.

D Converting to Nonagricultural Use

DCP cropland converted to nonagricultural use:

- **must** be removed from cropland and DCP cropland according to 10-CM**--***
- is **not** eligible as base acres from the date of conversion.

When conversion of DCP cropland to nonagricultural use results in base acres exceeding effective DCP cropland for the farm, farm owners, the operator, and ARC-CO and PLC contract or ARC-IC contract participants have the following available options.

IF the conversion occurred…	**THEN within 30 calendar days of the conversion…**
before September 30 of FY in which the conversion occurred	all owners **must** do either of the following: • complete CCC-505 to permanently reduce applicable base acres • withdraw the farm from ARC-CO and PLC contract or ARC-IC contract. Failure to reduce applicable base acres or withdraw the farm from ARC-CO and PLC contract and ARC-IC contract will result in COC terminating ARC-CO and PLC contract or ARC-IC contract. Producers **cannot** withdraw after ARC-CO and PLC contract or ARC-IC contract has expired (September 30 of the applicable FY). If there are less than 30 calendar days remaining before September 30 of FY at the time of the conversion, base acres may be left unchanged for that FY. Base reductions **must** be made before any enrollment in the immediately subsequent FY.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

D Converting to Nonagricultural Use (Continued)

IF the conversion occurred…	THEN within 30 calendar days of the conversion…
after September 30 of FY in which the conversion occurred	all: • owners **must** complete CCC-505 to permanently reduce applicable base acres effective for FY the conversion occurred • producers **must** refund any unearned payments made, plus interest. If owners fail to reduce applicable base acres, COC will permanently reduce applicable base acres, and conduct a thorough review of the situation to determine whether the case involves misrepresentation and/or a scheme or device that defeats the purpose of the ARC and PLC Program. See subparagraph 335 A for additional information. **Note:** Because ARC-CO and PLC contract or ARC-IC contract in effect when the conversion occurred has expired, producers do **not** have the option to withdraw from ARC-CO and PLC contract and ARC-IC contract, nor can COC terminate the expired ARC-CO and PLC contract or ARC-IC contract.

Important: Reduction in base acres or withdrawal of farm from ARC-CO and PLC contract or ARC-IC contract may result in unearned ARC or PLC payments. All unearned payments **must** be refunded.

Example 1: A farm with 200 acres of DCP cropland and 200 base acres is enrolled in FY 2015 PLC. On August 1, 2015, COC discovers 10 acres on the farm had been converted to a nonagricultural building site on May 4, 2015. COC will notify the owner and operator they **must** do either of the following within 30 calendar days:

- withdraw the farm from the FY 2015 ARC-CO and PLC contract or ARC-IC contract, and refund any payments made for the farm
- owner **must** permanently reduce base acres by 10 acres, and refund any unearned payments made.

If the producers do **not** elect either of the options within 30 calendar days, COC will terminate ARC-CO and PLC contract or ARC-IC contract and request refund of any payments made.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

D Converting to Nonagricultural Use (Continued)

Example 2: A farm with 200 acres of DCP cropland and 200 base acres was enrolled in FY 2015 PLC and is also enrolled in FY 2016 PLC. All FY 2015 PLC payments have been made for the farm. COC discovers 10 acres on the farm were converted to a nonagricultural building site on August 4, 2015. COC will notify the owner and operator they **must** permanently reduce base acres by 10 acres, and refund the unearned FY 2015 payments made.

If the producers do **not** permanently reduce applicable base acres within 30 calendar days, COC will:

- permanently reduce 10 base acres
- terminate the FY 2016 ARC-CO and PLC contract or ARC-IC contract
- request refund of any unearned payments made for FY 2015 and FY 2016.

E Land Enrolled in WBP

Land enrolled in WBP will **not** be enrolled in the ARC and PLC Program. County Offices ***--**will record land enrolled in WBP according to 10-CM.

All land enrolled in WBP may **not** be cropland. County Offices will ensure land enrolled in WBP is recorded according to 10-CM.**--***

Important: Enrolling land into WBP may require the permanent reduction of base acres. Base acres must **not** exceed effective DCP cropland plus double-cropped acres.

Note: Subparagraph I does **not** apply to land enrolled in WBP.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

F Land Enrolled in WRP

There are 2 separate statutory provisions affecting producers enrolling land in WRP.

- The statutory provisions of the Agricultural Act of 2014 (Pub. L. 113-79), Section 1112(c) **requires** a reduction of base acres, if the sum of the base acres for a farm, together with the following acreage, exceeds the actual cropland for the farm, including the following:
  - any acreage on the farm enrolled in CRP or WRP
  - any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for **not** producing an agricultural commodity on the acreage.
- WRP provisions **require** that, in some situations, owners and operators of land subject to WRP conservation easements agree to the permanent retirement of any existing base acres for the land.

NRCS has a policy requiring producers to complete CCC-505 when offering land for enrollment in WRP. NRCS will provide FSA Offices with a copy of CCC-505 when WRP easement is recorded. However, base acre reduction is **not** effective until NRCS notifies FSA that WRP easement has been recorded.

FSA County Offices **must** ensure that the provisions of **both of the statutory provisions** specified are met for producers enrolling land in WRP to ensure that USDA is **not** compensating producers for the value of the base acres retired under WRP and issuing farm ARC and PLC Program payments on the same acreage. However, a coordinated effort is **required** with NRCS with certain responsibilities applying to each Agency.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

F Land Enrolled in WRP (Continued)

NRCS requires producers to complete CCC-505 when the producer offers land for enrollment in WRP. FSA County Offices are **not** responsible for, **and must not assist** producers in, completing CCC-505 for land being offered in WRP. However when requested, FSA County Offices will provide producers with a copy of FSA-156EZ with information about the number of base acres applicable to the farm or farms, as follows:

- a **blank** FSA-910 with instructions (Exhibit 21)
- a **blank** CCC-505
- aerial maps for the applicable farm or farms.

Although NRCS is responsible for notifying FSA when WRP easements are closed, producers bear responsibility for notifying FSA of changes that affect the ARC and PLC Program eligibility. This handbook specifies that changes in the farming operation that may affect any determination after ARC-CO and PLC contract or ARC-IC contract is signed will be reported to CCC by all applicable producers by signing a revised ARC-CO and PLC contract or ARC-IC contract to reflect the change no later than September 30 of the applicable year.

Reminder: Although producers have up until the end of the contract period to report changes, if the changes cause or require the need for additional signatures or documents, the additional signatures or documents **must** be submitted by the end of the contract period. Accordingly, producers should **not** wait until September 30 to report changes.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

F Land Enrolled in WRP (Continued)

After the WRP easement is **closed**, NRCS will provide documentation about the WRP agreement, including CCC-505, to the applicable FSA County Office. FSA County Offices will follow the provisions of this table.

Note: If adequate documentation is **not** provided by NRCS to determine base acre reductions, acres on cropland, and acres on noncropland, FSA County Offices will immediately contact the applicable NRCS Office to obtain the documentation necessary to update FSA records.

Step	Action
1	***--Immediately** update FRMS according to 10-CM to record the number of acres enrolled in WRP that are on DCP cropland. See 10-CM for additional information. **Note:** Acres enrolled in WRP that are on non-DCP cropland must **not** be included in the FRMS, "WRP" field.
2	• **Immediately** update FRMS according to 10-CM to reduce the base acres as--* specified on CCC-505 **received from NRCS** for FY in which the WRP easement was recorded or WRP cost-share restoration agreement is approved. CCC-505 includes the number of base acres that will be retired, even if the number of base acres being retired is zero. **Note:** Producers may have elected to reduce base acres to increase the value of the WRP appraisal for a WRP easement. FSA County Offices will reduce the base acres as specified on CCC-505. In some cases, there may be excess acreage on the farm that may **not** require base reduction, but the acreage will be reduced as specified on CCC-505 because those acres were designated for retirement through the WRP easement. • Notify all producers on the farm that a revised ARC-CO and PLC contract or ARC-IC contract that reflects the reduced base acres **must** be filed by: • June 1, if the reduction occurs **before** June 1 of the applicable year • September 30, if the reduction occurs **after** June 1 of the applicable year. **Note:** This step is required; however, an additional reduction may be required as determined in steps 3 through 5. County Offices **must** ensure that all steps in this table are followed.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

F Land Enrolled in WRP (Continued)

Step	Action
3	After steps 1 and 2 have been completed, County Offices will determine whether the number of base acres exceeds the effective DCP cropland plus double-cropped acreage according to paragraph 2874. If the base acres still exceed the effective DCP cropland plus double-cropped acreage, then: • an additional reduction to base acres is required • ARC-CO and PLC contract and ARC-IC contract for the applicable FY **cannot** be enrolled until the reduction of the base acres is completed • County Offices **must** follow the provisions of step 4.
4	If an additional base acre reduction is required according to step 3, County Offices will: • notify the owners of the farm that an additional reduction of base acres is required within 30 calendar days • notify all producers on the farm that a revised ARC-CO and PLC contract or ARC-IC contract **must** be filed, by September 30 of the applicable year, that reflects the reduced base acres •***--**ensure that all provisions of 10-CM are met for updating FRMS and notifying**--*** applicable producers of the revision to the farm records. **Note:** For farms enrolled by June 1 of the applicable year, signatures on revised ARC-CO and PLC contract and ARC-IC contract **must** be received no later than September 30 of the applicable FY.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

F Land Enrolled in WRP (Continued)

Step	Action
5	If CCC-505 is **not** filed by the owners of the farm within 30 calendar days according to step 4: • COC will initiate CCC-505 reducing the base acreage according to 3-CM • COC must **not** approve a revised ARC-CO and PLC contract or ARC-IC contract **unless** all signature requirements are met by June 1 of the applicable FY **Note:** For farms enrolled by June 1, signatures on revised ARC-CO and PLC contract or ARC-IC contract **must** be received no later than September 30 of the applicable FY. • County Office will notify the producers associated with the farm of the COC determination of the reduction of base acres •***--**County Office **must** ensure that all provisions of 10-CM are met for updating**--*** FRMS and notifying applicable producers of the revision to the farm records.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

G Land Under EWP Flood Plain Easements

Land under the EWP Flood Plain Easement is **not** eligible to be enrolled in the ARC and PLC Program beginning on the date the EWP Flood Plain Easement is filed.

Exception: Cropland under EWP Flood Plain Easement may be eligible for the ARC and PLC Program in the FY the EWP Flood Plain Easement is filed, if **both** of the following are met:

- written documentation from NRCS is submitted that allows the acreage to be planted to an annual crop for harvest in the FY the easement is filed

  Note: Depending on the date the easement is filed, the applicable NRCS manual may **not** allow planting an annual crop in FY the easement is filed.

  Important: Neither haying nor grazing is considered planting an annual crop.

- all other requirements to enroll the acreage in the ARC and PLC Program are met.

Note: Even though there may appear to be no advantage, regardless of whether land is eligible for enrollment or not, producers still may make an ARC and PLC Program election for this farm or land.

Cropland acreage under EWP Flood Plain Easement **must** be recorded according to ***--**10-CM. The date EWP Flood Plain Easement acreage is recorded in FRMS is dependent**--*** on the following:

- date EWP Flood Plain Easement is filed
- whether NRCS allows the planting an annual crop for harvest in FY.

All land under EWP Flood Plain Easement may **not** be cropland. County Offices **must** ensure land under EWP Flood Plain Easement is recorded according to 3-CM.

Important: Placing land under EWP Flood Plain Easement may require the permanent reduction of base acres. Base acres **not** exceed effective DCP cropland plus double-cropped acres.

Note: Subparagraph I does **not** apply to land under EWP Flood Plain Easements.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

H Land Under Federal Conservation Programs or Restrictive Easements Other Than WBP, WRP, or EWP Flood Plain Easements

Land under a Federal restrictive easement or agreement that prohibits **all** of the following will **not** be enrolled in the ARC and PLC Program:

- annual planting of a crop for harvest as grain or lint
- haying
- grazing.

Note: See subparagraph I for easements and agreements that allow haying and/or grazing.

Land under a restrictive easement or agreement is ineligible for the ARC and PLC Program beginning in the FY the cropping, haying, and grazing restrictions are effective.

Cropland acreage under a restrictive easement or agreement will be recorded according to ***--**10-CM.**--***

Important: Land under a Federal restrictive easement or agreement may require the permanent reduction of base acres. Base acres will **not** exceed effective DCP cropland plus double-cropped acres.

Placing land under a restrictive easement or agreement may result in a refund of payments received by the applicable producers.

Example 1: Land is placed under an easement that prohibits all cropping, haying, and grazing of the acreage. The restrictions prohibiting cropping, haying, and grazing are effective beginning the date the easement is filed.

The easement is filed on November 4, 2014. The land under easement is ineligible for ARC or PLC beginning FY 2015.

After the land under easement is **not** eligible for ARC or PLC, the County Office **must**:

- ***--**record the cropland acreage under easement according to 10-CM**--***
- require a reduction in base acres, if applicable
- request a refund of ARC and PLC Program payments, if applicable.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

H Land Under Federal Conservation Programs or Restrictive Easements Other Than WBP, WRP, or EWP Flood Plain Easements (Continued)

Example 2: Land is placed under a restrictive easement that prohibits all cropping, haying, and grazing of the acreage. The restrictions prohibiting cropping, haying, and grazing are effective when the producer signs the applicable agreement.

Notes: The agreement is generally signed **before** an easement is filed.

Submit questionable cases about agreement to the State Office or National Office for review if necessary.

The agreement is signed on July 1, 2015. The easement is filed on November 4, 2015. The land under easement is ineligible for the ARC and PLC Program beginning FY 2015.

After the land under easement is **not** eligible for the ARC and PLC Program, the County Office will:

- ***--**record the cropland acreage under easement according to 10-CM**--***
- require a reduction in base acres, if applicable
- request a refund of ARC and PLC Program payments, if applicable.

I Haying and Grazing of Cropland Under a Federal Conservation Program or Restrictive Easement Except WRP, WBP, and EWP Flood Plain Easements

Land under either of the following may be eligible for ARC or PLC provided the easement or agreement, as applicable, allows haying and/or grazing of the acreage on an annual basis under normal circumstances:

- easements **other than** WRP, WBP, or EWP
- conservation programs.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

I Haying and Grazing of Cropland Under a Federal Conservation Program or Restrictive Easement Except WBP, WRP, and EWP Flood Plain Easements (Continued)

For the purposes of this paragraph, normal circumstances mean allow haying and/or grazing on an annual basis, including situations where haying and/or grazing is limited to a specific time period of the year.

Important: The following haying and/or grazing provisions are **not** considered normal circumstances:

- limited only to when emergency conditions exist
- **not** allowed on an annual basis.

Example 1: Land is placed under an easement that prohibits all cropping and all haying. However, the easement allows grazing of the acreage every third year of the life of the easement.

The easement terms do **not** allow grazing on an annual basis; therefore, the land is **not** eligible for ARC or PLC.

Example 2: Land is placed under an easement that prohibits all cropping. The easement prohibits haying and grazing of the acreage, **except** in emergency situations, as determined by the easement terms. Accordingly, the land is **not** eligible for ARC or PLC.

Example 3: Land is placed under an easement that prohibits all cropping. The easement prohibits haying and grazing of the acreage **except** for the time period of August 1 through September 30 of each year.

The easement terms allow haying or grazing **except** for specific time period; therefore, the land is eligible for ARC or PLC, provided **all** other requirements are met.

Land enrolled in CRP or GRP is **not** eligible to be enrolled in ARC or PLC. See subparagraph J. Land under CRP easement or practice lifespan requirements is **not** eligible to be enrolled in ARC or PLC. See subparagraph K.

282 Eligible and Ineligible Land Uses for Base Acres (Continued)

J Land Enrolled in CRP or GRP

Land enrolled in CRP or GRP is **not** eligible to be enrolled in the ARC and PLC Program.

Enrollment of land into CRP or GRP may require:

- reduction of base acres

  Note: See paragraph 284.

- refund of ARC and PLC Program payments, if applicable.

Note: Subparagraph I does **not** apply to land under CRP or GRP.

K Land Under CRP Easement or Practice Lifespan Requirement

Land under CRP easement or practice lifespan requirement:

- is **not** eligible to be enrolled in ARC or PLC
- ***--**will be maintained in FRMS according to 10-CM.**--***

For CRP Signups 10, 11, and 12, participants that enrolled land in CRP to be devoted to certain CRP practices agreed to place the land under 1 of the following:

- 15- or 30-year easement
- 15- or 30-year practice lifespan requirement.

The terms and conditions of the CRP easement and practice lifespan requirements continue:

- after CRP-1 expires, for the life of the easement or practice lifespan
- the prohibition of cropping, haying, and grazing the acreage.

Note: Subparagraph I does **not** apply to land under CRP easement or practice lifespan requirement.

283 Acre Reductions for CRP, GRP, or WRP Enrollment

A General Rule

The sum of the following will **not** exceed DCP cropland on the farm, **except** to the extent there is an established double-cropped history on the farm:

- all base acres
- cropland enrolled in:
  - CRP
  - EWP
  - WBP
  - WRP
- cropland or DCP cropland enrolled in GRP
- cropland enrolled in any conservation program for which payments are made in exchange for **not** producing an agricultural commodity.

B When to Determine Reduction Acres for CRP and GRP

County Offices will calculate the number of acres on a farm that may be enrolled in CRP or GRP, without requiring a reduction to base acres, at the time the producer submits AD-1153, CRP-2, or CRP-2C.

When the producer determines to reduce base acres on a farm because of enrolling in CRP or GRP, the producer **must** complete CCC-505 at the time the acres are being offered for CRP or GRP.

Note: Producers may elect to modify the number of acres to be offered for CRP or GRP, instead of reducing base acres on the farm.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

C When to Determine Reduction Acres for WRP

County Offices will follow the provisions in paragraph 282 immediately when notified by NRCS that the WRP easement is closed or the cost-share restoration agreement is approved.

Reminder: There are 2 separate statutory provisions affecting producers enrolling land in WRP and County Offices will ensure that base acres are reduced, if necessary, to satisfy both provisions.

D Determining Reduction Acres

County Offices will use the following to determine whether enrolling land into:

- CRP or GRP will require a reduction in any of the following:
  - base acres
  - number of acres offered for CRP
  - number of acres offered for GRP
- WRP will require a reduction in base acres according to 2014 Farm Bill statutory provisions.

Step	Action
1	Print FSA-156EZ for farm on which the acres are being offered for enrollment into ***--**CRP, GRP, or WRP. See 10-CM to print FSA-156EZ.**--***
2	From FSA-156EZ, determine the number of double-cropped base acres by subtracting total base acreage from effective DCP cropland acres.
3	Add: • effective DCP cropland from FSA-156EZ, plus • result of step 2. **Note:** If the result of step 2 is negative, use the effective DCP cropland.
4	From FSA-156EZ, determine the total base acres for the farm.
5	Subtract result of step 3 from result of step 4.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

D Determining Reduction Acres (Continued)

Step	Action		
6	**IF the result of step 5 is…**	**AND the program is…**	**THEN…**
	negative		• 1 or more tracts on the farm are out-of-balance •*--correct out-of-balance tracts according to 10-CM--* and return to step 1.
	zero	CRP or GRP	no cropland or DCP cropland acres on the farm can be enrolled into CRP or GRP **unless** base acres are reduced in an amount equal to the number of acres offered for CRP or GRP. An additional reduction may be required if the farm has double-cropped acreage included in the base acres. See *--10-CM for additional information on updating--* acreage information * * *. **Note:** Land that does **not** meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following: • total cropland on the farm • total DCP cropland on the farm • base acres.
		WRP	no cropland or DCP cropland acres on the farm can be devoted to WRP **unless** base acres are reduced by the number of acres being recorded for the WRP easement or cost-share restoration agreement. An additional reduction may be required if the farm has double-cropped acreage *--included in the base acres. See 10-CM for additional--* information on updating acreage information * * *.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

D Determining Reduction Acres (Continued)

Step	Action		
6 (Cntd)	**IF the result of step 5 is…**	**AND the program is…**	**THEN…**
	greater than zero	CRP or GRP	• cropland acres or DCP cropland acres in an amount equal to the result of step 5 may be enrolled in CRP or GRP without a reduction to base acres on the farm • cropland acres or DCP cropland acres in an amount exceeding the result of step 5 may **not** be enrolled in CRP or GRP without a corresponding reduction in base acres on the farm. **Note:** Land that does **not** meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following: • total cropland on the farm • total DCP cropland on the farm • base acres.
		WRP	• cropland acres or DCP cropland acres in an amount equal to the result of step 5 may be devoted to WRP without reduction to base acres on the farm **Note:** NRCS may require the producer to file CCC-505 to reduce the base acres. See paragraph 282. • cropland acres or DCP cropland acres in an amount exceeding the result of step 5 **cannot** be devoted to WRP **unless** base acres are reduced on the farm.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

E Producer Options

When enrollment in CRP or GRP will result in a reduction of base acres on the farm, the owner will, at the time AD-1153, CRP-2, or CRP-2C is submitted, elect 1 of the following:

- reduce the number of acres offered for CRP or GRP to an amount that results in no reduction to base acres
- execute CCC-505 to reduce applicable number of base acres on the farm
- reduce a combination of the number of acres offered for CRP or GRP and the number of base acres on the farm.

Notes: When CCC-505 is executed because of land offered for enrollment in CRP or GRP, base acres must **not** be reduced until:

- applicable CRP-1 becomes effective
- CCC-920 is approved.

If acres offered for CRP or GRP are **not** accepted in CRP or GRP, applicable base acres will **not** be reduced.

Example 1: FSN 1 consists of the following:

- 100 acres effective DCP cropland
- 100 acres cropland
- 0 double-cropped acres
- 90 base acres.

Owner of FSN 1 offers 15 cropland acres for enrollment in CRP during general signup. The number of cropland acres that may be enrolled in CRP on FSN 1 without requiring a reduction to base acres is 10 acres (100 + 0 – 90 = 10). Therefore, the owner **must** elect 1 of the following at the time CRP-2 is submitted:

- reduce the number of cropland acres offered for CRP by at least 5 acres
- execute CCC-505 to reduce base acres by at least 5 acres
- reduce a combination of the number of acres offered for CRP and the number of base acres by a total of 5 acres.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

E Producer Options (Continued)

Example 2: FSN 200 consists of the following:

- 100 acres effective DCP cropland
- 75 cropland acres
- 25 double-cropped acres
- 125 base acres.

Owner of FSN 200 offers 15 cropland acres for enrollment in CRP during general signup. The number of cropland acres that may be enrolled in CRP on FSN 200 without requiring a reduction to base acres is 0 acres (100 + 25 – 125 = 0). Therefore, the owner **must** elect 1 of the following at the time CRP-2 is submitted:

- **not** offer any cropland acres for enrollment in CRP

- execute CCC-505 to reduce base acres by at least 15 acres

- reduce a combination of the number of acres offered for CRP and the number of base acres by a total of 15 acres.

Example 3: FSN 50 consists of the following:

- 60 acres effective DCP cropland
- 50 acres cropland
- 0 double-cropped acres
- 50 base acres.

Owner of FSN 50 offers 20 cropland acres for enrollment in GRP. The number of cropland acres that may be enrolled in GRP on FSN 50 without requiring a reduction to base acres is 10 acres (60 + 0 – 50 = 10). Therefore, the owner **must** elect 1 of the following at the time AD-1153 is submitted:

- reduce the number of acres offered for GRP by at least 10 acres

- execute CCC-505 to reduce base acres by at least 10 acres

- reduce a combination of the number of acres offered for GRP and the number of base acres by a total of 10 acres.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

E Producer Options (Continued)

Example 4: FSN 300 consists of the following:

- 60 acres effective DCP cropland
- 50 acres cropland
- 0 double-cropped acres
- 50 base acres.

Owner of FSN 300 offers 10 acres of DCP cropland that does **not** meet the definition of cropland for enrollment in GRP. The number of acres of DCP cropland acres that may be enrolled in GRP on FSN 300 without requiring a reduction to base acres is 10 acres (60 + 0 – 50 = 10). Therefore, the owner is **not** required to reduce either base acres or the number of acres offered to enroll in GRP.

Example 5: FSN 400 consists of the following:

- 60 acres effective DCP cropland
- 60 acres cropland
- 0 double-cropped acres
- 60 base acres.

Owner of FSN 400 offers 40 noncropland and/or non-DCP cropland acres for enrollment in GRP. The number of DCP cropland acres that may be enrolled in GRP on FSN 400 without requiring a reduction to base acres is 0 acres (60 + 0 – 60 = 0). However, the acres offered for enrollment in GRP are noncropland and/or non-DCP cropland acres. Therefore, the owner is **not** required to reduce either base acres or the number of acres offered to enroll in GRP.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

F When to Complete CCC-505 to Reduce Base Acres

When the producer elects to reduce base acres because of enrollment in CRP or GRP, the producer will complete CCC-505 at the time the acres are offered for CRP or GRP.

If the producer elects to retire base acres for enrollment in WRP, the producer will provide CCC-505 to NRCS. NRCS will provide CCC-505 to FSA when the easement is closed.

Reminder: Even if the producer files CCC-505 with NRCS, FSA is still required to ensure that benefits are **not** issued to the producer for both programs. County Offices will follow the provisions of paragraph 282 to ensure that base acres are reduced properly.

G Effective Date of Base Acre Reduction for CRP

Base acre reductions required because of CRP participation will become effective for the same FY the corresponding CRP-1 becomes effective.

The ARC and PLC Program year entered on CCC-505 will be the ARC and PLC Program year in which the corresponding CRP-1 becomes effective. The County Office will file copy of CCC-505 in **both** the applicable ARCPLC and CRP folders, when base acres are reduced *****--according to 10-CM because of CRP participation.--*****

Example: Cropland was offered for enrollment in CRP on May 5, 2015. CRP-1 was effective October 1, 2015. CCC-505 to reduce base acres was signed by all owners at the time CRP-1 was submitted (May 5, 2015) with a program year of 2016 (equal to FY of CRP-1).

Base acre reductions will become effective October 1, 2015 (FY 2016). If acres offered for CRP are **not** accepted, then base acres will **not** be reduced.

Important: Reduction of base acres may result in ARC or PLC overpayment and request for refund.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

H Effective Date of Base Acre Reduction for GRP

Base acre reductions because of GRP participation will be effective as follows:

- date GRP easement is filed, if land was enrolled using an easement
- date CCC-920 is approved by CCC.

The County Office **must** file copy of CCC-505 in **both** the applicable DCP and GRP folder.

Important: Reduction of base acres may result in ARC or PLC overpayment and request for refund.

I Effective Date of Base Acre Reduction for WRP

Base acre reduction because of enrollment in WRP will be effective as follows:

- date WRP easement is closed
- date WRP cost-share restoration agreement is approved.

County Offices **must** file a copy of CCC-505 in the applicable ARCPLC folder.

Important: Reduction of base acres may result in ARC or PLC overpayment and request for refund.

283 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

J Restoration of Base Acres Reduced for Enrollment in CRP after September 30, 2013

Base acres reduced because of cropland enrollment into CRP after September 30, 2013, may be restored to the farm if CRP-1 is voluntarily terminated, provided there is sufficient DCP cropland available and all other requirements are met.

Important: To ensure that the applicable base acres may be restored to a farm, CCC-505 **must** include all information required according to paragraph 23, including the information required in CCC-505, item 16. Incomplete CCC-505's may result in base acres **not** being restored to a farm.

K Restoration of Base Acres Reduced for Enrollment in GRP

Base acres reduced because of enrollment into GRP may be restored to the farm when **both** of the following are met, provided there is sufficient DCP cropland available and all other requirements are met:

- land is no longer enrolled in GRP
- life of easement has expired.

Important: To ensure that the applicable base acres may be restored to a farm, CCC-505 **must** include all information required according to paragraph 23, including the information required in CCC-505, item 16. Incomplete CCC-505's may result in base acres **not** being restored to a farm.

284 Protecting Base Acres

A Requirement

[7 CFR 1412.69] Control of noxious weeds.

CTAP participants and enrolled ARC and PLC 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.

B Approved Covers and Practices

--**STC will determine measures necessary to protect the farm from erosion and propagation**-- of weeds, including noxious weeds, throughout the crop year STC determinations will be provided to County Offices for publication throughout the ARC and PLC Program year. Determine, on a State-by-State basis, as follows:

- COC, in conjunction with the NRCS District Conservationist, may recommend the cover crops or practices
- STC will consult with State technical committees to determine whether additional practices that further the goals of these organizations and groups can be developed.

C Suggested Covers

Suggested covers include, but are **not** limited to:

- annual, biennial, or perennial grasses and legumes, including sweet sorghums, sorghum grass crosses, and sudans
- volunteer stands, other than weeds
- crop residue from using no till or minimum till practices
- perennial covers approved for cost-share assistance.

285 HELC and WC

A HELC and WC Compliance

Producers **must** certify HELC and WC compliance on AD-1026 and meet the requirements according to 6-CP to qualify for ARC and PLC Program benefits.

COC will follow procedure in 6-CP for producers determined ineligible because of HELC and/or WC violation.

B Terminating ARC-CO and PLC Contracts or ARC-IC Contracts for HELC and/or WC Violation

In addition to denying benefits for HELC and/or WC violation, COC will determine whether the violation is serious enough to warrant terminating ARC-CO and PLC contract or ARC-IC contract, with respect to the producer determined ineligible according to 6-CP, on each farm in which the producer has an interest.

Producers whose shares are terminated **must** be notified by letter of the following:

- ARC-CO and PLC contract or ARC-IC contract is in violation and will be terminated with respect to the producer on each farm in which the producer has an interest
- the producer forfeits all rights to receive ARC-CO and PLC contract or ARC-IC contract payments, for any year in which they are determined ineligible, on each farm in which the producer has an interest
- the producer **must** refund all ARC-CO and PLC contract or ARC-IC contract payments received by the producer on each farm the producer has an interest in during the period of the violation, plus interest
- reason for violation
- appeal rights according to 1-APP.

286 Planting Flexibility

A Plantings on Base Acres

Any commodity may be planted on:

- any land *** * ***, including base acres, on a farm **not** enrolled on ARC-CO and PLC contract or ARC-IC contract

- *****--nonpayment acres of a farm enrolled on ARC-CO and PLC contract or ARC-IC contract

- payment acres, however, if FAV/WR are planted on payment acres enrolled on ARC-CO and PLC contract, or ARC-IC contract, an acre-for-acre payment reduction is applied, according to paragraph 287.

  Exception: FAV/WR double-cropped, with a covered commodity in an established FAV/WR double-cropping region, may be planted on the farm's payment acres **without** an acre-for-acre payment reduction according to paragraph 290.**--***

*** * ***

B FAV Plantings

*****--FAV/WR planting provisions apply to the following:**--***

- fruits
- vegetables, other than mung beans and pulse crops
- wild rice.

*****--See subparagraph 288 A for FAV exceptions and Exhibit 24 for a list of FAV's.

C FAV/WR Planting - After Initial Crop or Prevented Planted

FAV/WR acres that are planted in the same field after either an initial crop was planted and failed, or an initial crop was prevented from being planted, are still considered the FAV/WR crop that was planted. There are no "ghost crop FAV provisions".

Example 1: A field of wheat was planted and failed. Potatoes are planted in the same field, after the wheat failed (this is a **not** a double crop FAV county). This field will be considered as FAV (potatoes). The County Office will need to determine if an acre-for-acre payment reduction applies on the farm.

Example 2: A field intended to be planted to corn was reported to FSA as prevented planted. Carrots are subsequently planted in the same field, after prevented planted corn (this is a **not** double crop FAV county). Regardless if the prevented planting is approved or disapproved, the field will be considered as FAV (carrots). The County Office will need to determine if an acre-for-acre payment reduction applies on the farm.**--***

*--287 FAV/WR Planting Limitations

A Statutory Provisions

Planting FAV/WR on payment acres enrolled in the ARC and PLC Program is permitted; however, if FAV/WR is planted on payment acres, and acre-for-acre reduction will apply, **unless** FAV/WR is destroyed without benefit before harvest.**--***

Note: Payment acres are equal to 65 percent of base acres for a farm enrolled in ARC-IC, and 85 percent of base acres for a farm enrolled in ARC or PLC-CO.

***--**Producers may plant FAV/WR on payment acres enrolled in ARC or PLC without payment reduction, if the FAV/WR is planted in a double-cropping practice with covered commodities in any region designated as having a history of double-cropping covered commodities or peanuts with FAV/WR (paragraph 290).

See paragraph 288 for FAV/WR exceptions and other compliance determinations, including when FAV/WR are destroyed before harvest.

B Farms Not Enrolled in the ARC and PLC Program

Planting and harvesting FAV/WR on payment acres on a farm that is **not enrolled** in the annual program is **not** prohibited in that year.

C Determining Available Acres for FAV Planting

County Offices shall 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 be attributed to nonpayment acres **before** payment acres.

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, including crop share interest of planted covered commodities attributed to generic 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, including covered commodities that are planted and attributed to generic base acres.

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

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

C Determining Available Acres for FAV Planting (Continued)
***--**

<table>
<tr><th>Step</th><th colspan="3">Action</th></tr>
<tr><td rowspan="12">1</td><td>IF the farm is enrolled in…</td><td colspan="2">THEN determine the farm’s nonpayment acres by doing the following…</td></tr>
<tr><td rowspan="6">PLC or ARC-CO</td><td>Step</td><td>Action</td></tr>
<tr><td>A</td><td>Determine effective DCP cropland on the farm.</td></tr>
<tr><td>B</td><td>Determine number of double-cropped acres on the farm according to Farm Records.</td></tr>
<tr><td>C</td><td>Add result of step A and step B.</td></tr>
<tr><td>D</td><td>Determine payment acres by taking the total base acres, including attributed generic base acres for the farm times 85 percent.</td></tr>
<tr><td>E</td><td>Subtract result of step D from the result of step C.</td></tr>
<tr><td rowspan="6">ACR-IC</td><td>Step</td><td>Action</td></tr>
<tr><td>A</td><td>Determine effective DCP cropland on the farm.</td></tr>
<tr><td>B</td><td>Determine number of double-cropped acres on the farm according to Farm Records.</td></tr>
<tr><td>C</td><td>Add result of step A and step B.</td></tr>
<tr><td>D</td><td>Determine payment acres by taking the total base acres, including attributed generic base acres for the farm times 65 percent.</td></tr>
<tr><td>E</td><td>Subtract result of step D from the result of step C.</td></tr>
<tr><td>2</td><td colspan="3">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.

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.

Note: Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See 1-ARCPLC, subparagraph 288 C.

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.</td></tr>
</table>

--*

--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	• FAV/WR are **not** planted on payment acres • an acre-for-acre reduction does **not** apply to the farm. **Note:** In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.
	Greater than zero	• 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 subparagraph 22 A. **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. 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.

--*

288 Compliance Determinations

A FAV Exceptions

***--**The following are exceptions to consider a crop as an FAV when determining acre-for-acre payment reductions under ARCPLC:

- nonperennial FAV/WR planted on payment acres arising from base acres on a farm, including bases from attributed generic base enrolled in ARC or PLC that are destroyed before harvest will **not** reduce ARC or PLC payment acres for the farm, if the provisions in subparagraph E, are met

  Note: A farm visit **must** be requested and performed to verify that FAV/WR are destroyed without benefit of harvest according to 2-CP, paragraph 102.

- FAV's that are designated as and meet the definition of a home garden as defined in Exhibit 2

- FAV's **planted and reported** with an intended use listed, as follows, **and** the producer pays a fee to cover the cost of a farm visit to verify that the crop has **not** been harvested as FAV:

  - cover only
  - forage
  - green manure
  - grazing
  - left standing
  - silage

  Note: Intentions **must** be certified to when FSA-578 is filed. Producers **cannot** subsequently change the intended use of reported FAV acreage after it has been certified to negate an acre-for-acre payment reduction.**--***

288 Compliance Determinations (Continued)

A FAV Exceptions

•***--**mung beans and pulse crops.

Note: Pulse crops include:

- dry peas, including:
  - Austrian
  - green
  - Umatilla
  - wrinkled seed
  - yellow
- large chickpeas (garbanzo bean, Kabuli)
- small chickpeas (garbanzo bean, Desi)
- lentils.

Important: Not all peas are dry peas and; therefore, are **not** included in the FAV exemption. Peas grown for the following markets are **not** dry peas, and are **not** eligible for the FAV dry pea exemption:

- canning,
- fresh, and
- frozen.**--***

288 Compliance Determinations (Continued)

--B FAV/WR Determination Timing--

FAV/WR are considered planted for harvest at the time of planting. Producers **cannot** negate the payment reduction by:

- subsequently filing CCC-505 to reduce base acreage after June 1 of the applicable year
- ***--**the final contract date for 2014
- changing the intended use of the crop.

The year of the payment reductions are based on when the fruit, vegetable, or wild rice is**--*** or would be harvested.

Example: FAV's planted on payment acres in either September or October 2015, for harvest in the 2016 contract year, will result in a 2016 contract year acre-for-acre payment reduction.

C Multiple FAV's on Same Acreage in Same FY

Multiple plantings of any FAV on the same acreage in a FY will be considered only once for compliance purposes. However, FAV's **must** be planted on the same acreage.

Example: Producer A plants and harvests 20 acres of tomatoes. After the tomatoes are harvested, Producer A plants and harvests carrots on the same 20 acres. For payment reduction purposes, only 20 acres of FAV's are considered.

If the carrots and tomatoes were planted on different acreage, there would have been 40 acres of FAV's when determining acreage for the payment reductions.

288 Compliance Determinations (Continued)

D Perennial FAV's

Perennial FAV's, such as apples, oranges, strawberries, and nut crops, will be considered FAV's beginning FY in which they are planted and each succeeding year they are on payment acres enrolled in the ARC and PLC Program. Nut crops are considered FAV's.

***--**The destruction of perennial FAV/WR before harvest does **not** negate a payment reduction.

Note: See Exhibit 24 for a list of FAV's.

E Destruction of Nonperennial FAV/WR Before Harvest--*

Nonperennial FAV/WR planted on payment acres enrolled in the ARC and PLC Program that are destroyed without benefit **before** harvest will **not** result in an acre-for-acre payment reduction, if **all** of the following are met:

- producer notifies COC that the commodity has been or will be destroyed without benefit **before** harvest
- COC conducts a producer-paid-for farm visit and verifies that the commodity was destroyed without benefit **before** harvest
- producer revises FSA-578 to record the acres remaining for harvest according to 2-CP.

Unless the destruction of the commodity is verified with a producer-paid-for farm visit, COC will consider FAV/WR harvested for compliance and payment reduction purposes.

Important: Cover only, foraging, green manure, grazing, left standing, and silage may be considered destroyed.

288 Compliance Determinations (Continued)

*--E Destruction of Nonperennial FAV/WR Before Harvest (Continued)

Example 1: Joe Brown enrolls FSN 25 in FY 2015 PLC with the following:

- 225 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 80 acres of wheat base acres
- 80 acres of corn base acres
- 40 acres of soybean base acres
- 200 acres of total base.

Mr. Brown plants 165 acres of soybeans and 60 acres of potatoes as reported on FSA-578.

Because this farm is enrolled in PLC, the payment acres are 170 acres (200 base acres x 85 percent). The farm's nonpayment acres are 55 acres (225 effective DCP cropland acres - 170 payment acres = 55 acres).

Mr. Brown notifies COC that 5 acres of potatoes have been destroyed without benefit **before** harvest and pays for a COC farm visit to verify the destruction. COC conducts a producer-paid-for farm visit and verifies that 5 acres of potatoes were destroyed without benefit **before** harvest. Mr. Brown revises FSA-578 to indicate that 55 acres of potatoes remain planted in the field after the destruction of the 5.0 acres.

In this example, there will be no payment reduction, because all 55 acres that remain planted are on nonpayment acres. The FY 2015 payments for the farm are **not** affected by the 5 acres of destroyed potatoes on payment acres.**--***

288 Compliance Determinations (Continued)

*--E Destruction of Nonperennial FAV/WR Before Harvest (Continued)

Example 2: Mary White enrolls FSN 365 in FY 2015 ARC-IC with the following:

- 225 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 80 acres of wheat base acres
- 80 acres of corn base acres
- 40 acres of soybean base acres
- 200 acres of total base.

Mrs. White plants 110 acres of corn and 115 acres of wild rice as reported on FSA-578.

Because this farm is enrolled in ARC-IC, the payment acres are 130 acres (200 base acres x 65 percent). The farm's nonpayment acres are 95 acres (225 effective DCP cropland acres - 130 payment acres = 95 acres).

Mrs. White notifies COC that 20 acres of wild rice have been destroyed **before** harvest and pays for a COC farm visit to verify destruction.

COC conducts a producer-paid-for farm visit; however, it **cannot** verify that 20 acres of wild rice were destroyed **before** harvest. COC will **not** modify FSA-578 for FSN 365. COC will apply an acre-for-acre payment reduction of 20 acres, according to 4-CP (115 acres of FAV/WR - 95 nonpayment acres = 20 acres).**--***

288 Compliance Determinations (Continued)

*--E Destruction of Nonperennial FAV/WR Before Harvest (Continued)

For compliance determinations, FAV/WR are considered planted for harvest at the time of planting.

The destruction of perennial FAV/WR before harvest does not negate a payment reduction.

Example 3: Jack Green enrolls FSN 1101 in FY 2015 ARC-CO with the following:

- 225 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 80 acres of wheat base acres
- 80 acres of corn base acres
- 40 acres of soybean base acres
- 200 acres of total base.

Mr. Green plants 165 acres of corn and 60 acres of apple trees as reported on FSA-578.

Because this farm is enrolled in ARC-CO, the payment acres are 170 acres (200 base acres x 85 percent). The farm's nonpayment acres are 55 acres (225 effective DCP cropland acres - 170 payment acres = 55 acres).

Mr. Green notifies COC that 5 acres of apple trees have been destroyed.

There is no provision to allow the destruction of perennial FAV/WR planted on payment acres to negate an acre-for-acre payment reduction in this situation. COC will **not** modify FY 2015 FSA-578 for FSN 1101. COC will apply an acre-for-acre payment reduction of 5 acres, according to 4-CP (60 acres of FAV/WR - 55 nonpayment acres = 5 acres).**--***

289 Example of Acre-for-Acre Reductions

A Example 1

*--This is an example of determining whether FAV/WR is planted on payment acres enrolled in ARC-CO or PLC for a farm with the following criteria:

- 300 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 200 base acres
- 125 planted acres of FAV/WR that are **not** double-cropped/no FAV exemption.

<table>
<tr><th>Step</th><th colspan="3">Action</th><th>Result</th></tr>
<tr><td rowspan="7">1</td><td>IF the farm is enrolled in…</td><td colspan="2">Determine the farms nonpayment acres:</td><td></td></tr>
<tr><td rowspan="6">PLC or ARC-CO</td><td>Step</td><td>Action</td><td></td></tr>
<tr><td>A</td><td>Determine effective DCP cropland on the farm.</td><td>300</td></tr>
<tr><td>B</td><td>Determine number of double-cropped acres on farm according to Farm Records.</td><td>0</td></tr>
<tr><td>C</td><td>Add result of step A and step B.</td><td>300</td></tr>
<tr><td>D</td><td>Determine payment acres by taking the total base acres including attributed generic base acres for the farm times 85 percent.

200 total base x 85 percent = 170 payment acres</td><td>170</td></tr>
<tr><td>E</td><td>Subtract result of step D from the result of step C.

300 acres - 170 payment acres = 130 nonpayment acres</td><td>130</td></tr>
</table>

--*

289 Example of Acre-for-Acre Reductions (Continued)

A Example 1 (Continued)

*--

Step	Action		Result
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm. 125 FAV/WR - 130 nonpayment acres = -5 acres. **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. **Note:** Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C. If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is **not** considered an FAV. See paragraph 290.		-5
3	**IF the result of step 2 is...**	**THEN...**	
	equal to or less than zero	• FAV/WR are **not** planted on payment acres • acre-for-acre reduction does **not** apply to the farm. **Note:** In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.	Payment acres are **not** required to be reduced.
	greater than zero	• FAV/WR are planted on payment acres • 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.	

--*

289 Example of Acre-for-Acre Reductions (Continued)

B Example 2

*--This example shows how to determine FAV/WR acreage planted on payment acres enrolled in ARC-CO/PLC on a farm with the following criteria:

- 300 acres of effective DCP cropland
- 10 double-cropped acres on the farm according to Farm Records
- 200 base acres
- 2 producers exist on the farm
- Operator A plants 100 acres to non FAV/WR and plants 145 acres to FAV/WR
- Tenant B plants 50 acres to non FAV/WR and 5 acres to FAV/WR
- 150 planted acres of FAV/WR (includes the 145 acres from Operator A and 5 acres of from Tenant B) that are **not** double-cropped with a covered commodity.

Step	Action			Result
1	**IF the farm is enrolled in…**	**Determine the farms nonpayment acres:**		
	PLC or ARC-CO	**Step**	**Action**	
		A	Determine effective DCP cropland on the farm.	300
		B	Determine number of double-cropped acres on farm according to Farm Records.	10
		C	Add result of step A and step B.	310
		D	Determine payment acres by taking the total base acres including attributed generic base acres for the farm times 85 percent. 200 total base x 85 percent = 170 payment acres	170
		E	Subtract result of step D from the result of step C. 310 acres - 170 payment acres = 140 nonpayment acres	140

--*

289 Example of Acre-for-Acre Reductions (Continued)

B Example 2 (Continued)

*--

Step	Action		Result
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm. 150 FAV/WR - 140 nonpayment acres = 10 acres **Important:** Operator A and Tenant B share in the ARC-CO/PLC contract. 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. **Note:** Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C. If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is **not** considered an FAV. See paragraph 290.		10
3	**IF the result of step 2 is...**	**THEN...**	
	equal to or less than zero	• FAV/WR are **not** planted on payment acres • acre-for-acre reduction does **not** apply to the farm. **Note:** In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.	
	greater than zero	• FAV/WR are planted on payment acres • 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 • the ARC-CO/PLC payment acres for the farm **must** be reduced by 10 acres in proportion to each covered commodity's payment acres on the farm, including planted covered commodities attributed to generic base payment acres.	10 payment acres shall be reduced on a pro rata basis on all covered commodities payment acres on the farms, because both producer A and B will have their share of payment acres reduced.

--*

289 Example of Acre-for-Acre Reductions (Continued)

C Example 3

*--This example shows how to determine whether FAV/WR is planted on payment acres enrolled in ARC-IC on a farm with the following criteria:

- 300 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 250 base acres
- 100 acres of lettuce, 50 acres of peppers, and 85 acres of tomatoes (**not** double-cropped with a covered commodity).

Note: Of the 50 acres of peppers, 15 acres were planted on the lettuce acreage **after** it was harvested, resulting in 35 acres of FAV/WR. In addition, of the 85 acres of tomatoes, 75 acres were planted on the lettuce acreage **after** it was harvested, resulting in 10 acres considered FAV/WR.

Step	Action			Result
1	**IF the farm is enrolled in…**	**Determine the farms nonpayment acres:**		
	ACR-IC	**Step**	**Action**	
		A	Determine effective DCP cropland on the farm.	300
		B	Determine number of double-cropped acres on farm according to Farm Records.	0
		C	Add result of step A and step B.	300
		D	Determine payment base acres by taking the total base acres including attribute generic base acres for the farm times 65 percent. 250 total base x 65 percent = 162.5 payment acres	162.5
		E	Subtract result of step D from the result of step C. 300 acres - 162.5 payment acres = 137.5 nonpayment acres	137.5

--*

289 Example of Acre-for-Acre Reductions (Continued)

C Example 3 (Continued)

*--

Step	Action		Result
2	Subtract the result of step A from the total acres of FAV/WR planted on the farm. 145 acres of FAV/WR - 137.5 nonpayment acres = 7.5 acres. **Note:** Total FAV/WR is calculated using 100 acres of lettuce, 35 acres of peppers, and 10 acres of tomatoes. **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. **Note:** Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C. If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is **not** considered an FAV. See paragraph 290.		7.5
3	**IF the result of step 2 is...**	**THEN...**	
	equal to or less than zero	• FAV/WR are **not** planted on payment acres • acre-for-acre reduction does **not** apply to the farm. **Note:** In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.	
	greater than zero	• FAV/WR are planted on payment acres • 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.	ACR-IC payment acres for the farm shall be reduced by 7.5 acres.

--*

289 Example of Acre-for-Acre Reductions (Continued)

D Example 4

*--This example shows how to determine FAV/WR acreage planted on payment acres enrolled in ARC-IC on a farm with the following criteria:

- 300 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 200 base acres
- 2 producers exist on the farm
- Operator A plants 50 acres to covered commodity and plants 195 acres to FAV/WR
- Tenant B plants 50 acres to sugar beets and 5 acres to FAV/WR
- 200 planted acres of FAV/WR (includes the 195 acres from Operator A and 5 acres of from Tenant B) that are **not** double-cropped with a covered commodity.

Step	Action			Result
1	**IF the farm is enrolled in…**	**Determine the farms nonpayment acres:**		
	ACR-IC	**Step**	**Action**	
		A	Determine effective DCP cropland on the farm.	300
		B	Determine number of double-cropped acres on farm according to Farm Records.	0
		C	Add result of step A and step B.	300
		D	Determine payment base acres by taking the total base acres including attribute generic base acres for the farm times 65 percent. 200 total base x 65 percent = 130 payment acres	130
		E	Subtract result of step D from the result of step C. 300 acres - 130 payment acres = 170 nonpayment acres	170

--*

289 Example of Acre-for-Acre Reductions (Continued)

D Example 4 (Continued)

*--

Step	Action		Result
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm. 200 acres of FAV/WR - 170 nonpayment acres = 30 acres. **Note:** Operator A would have 100 percent share on the ARC-IC contract because Tenant B's sugar beets are **not** a covered commodity. **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. **Note:** Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C. If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is **not** considered an FAV. See paragraph 290.		30
3	**IF the result of step 2 is...**	**THEN...**	
	equal to or less than zero	• FAV/WR are **not** planted on payment acres • acre-for-acre reduction does **not** apply to the farm. **Note:** In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.	
	greater than zero	• FAV/WR are planted on payment acres • 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.	ARC-IC payment acres for the farm shall be reduced by 30 acres that will only offset Operator A's payment, because Operator A has 100 percent of ARC-IC contract.

--*

290 FAV and Wild Rice Double-Cropping Region Exception

A Double-Cropping Exception

The double-cropping exception provides that FAV's and wild rice may be planted on payment acres enrolled in the ARC and PLC Program without payment reduction, if FAV or wild rice, as applicable, is planted in a double-cropping cycle with a covered commodity planted in a designated double-cropping region established by STC.

Note: See subparagraph C for double-cropping regions.

B Determining Double-Cropping FAV's and/or Wild Rice With Covered Commodity

For the purpose of determining FAV and wild rice double-cropping regions, double-cropping FAV's or wild rice with covered commodities means planting and harvesting a covered commodity **for grain** in cycle with planting and harvesting FAV or wild rice on the same acreage, in a 12-month period, with the ability to plant and harvest the same 2 crops in the immediately succeeding 12-month period, under normal growing conditions.

FAV and wild rice may be planted before or after the covered commodity to be considered double-cropped.

C Double-Cropping Regions

FAV and wild rice double-cropping regions were established by STC, in consultation with NIFA, Land Grant Universities, and other agencies, based on the planting history for the region.

Note: Double-cropping of FAV's or wild rice in cycle with covered commodities or **must** be customary for the region.

290 FAV and Wild Rice Double-Cropping Region Exception (Continued)

C Double-Cropping Regions (Continued)

Established FAV and wild rice double-cropping regions:

- **must** be, at a minimum, an entire county
- borders **must** follow county lines
- were determined on a county-by-county basis
- will **not** be an area greater than the entire county.

To be eligible for this exception, the farm **must** be administratively located in a county established as FAV and wild rice double-cropping region. Do **not** consider the physical location of the farm in this determination.

D COC Determining FAV and Wild Rice Double-Cropping

COC, in designated FAV and wild rice double-cropping regions, will, each FY, consider acreage double-cropped for determining FAV and/or wild rice double-cropped exception if **all** of the following are met:

- a fruit, vegetable, or wild rice is planted in cycle with a covered commodity or peanuts on the same acreage

- both crops were planted with reasonable expectations and realistic possibilities of harvesting each crop in a 12-month period

- both crops meet the definition of double-cropping in 2-CP.

Important: For covered commodities, harvesting means **harvested as grain**.

Example 1: Wheat is planted, but because of adverse weather, the wheat is abandoned and the acreage is planted to green beans. If this occurs in a designated FAV and wild rice double-cropping region where wheat can be planted, harvested for grain, and followed by the planting and harvesting of green beans in a double-cropping situation within a 12-month period, this may be considered double-cropped, even though the green beans were planted early.

If the same situation occurs in a designated double-cropping region where wheat **cannot** be planted, harvested, and followed by the planting and harvesting of green beans in a double-cropping situation within a 12-month period, it is **not** double-cropping.

290 FAV and Wild Rice Double-Cropping Region Exception (Continued)

D COC Determining FAV and Wild Rice Double-Cropping (Continued)

Example 2: Wheat is planted and taken for hay **before** disposition. Carrots are then planted on the same base acres. If this occurs in a designated double-cropping region where carrots could have been planted and harvested following the harvest of the wheat for grain, this may be considered double-cropping.

If wheat **cannot** be carried to harvest as grain followed by the planting and harvesting of carrots on the same acreage in the same 12-month period, it is **not** double-cropping.

Any fruit, vegetable, or wild rice may be double-cropped with any covered commodity or peanuts; however, COC **must** be satisfied that both crops could be harvested within a 12-month period, and again during the immediately succeeding 12-month period, under normal growing conditions for the county. If COC determines both crops could **not** be harvested in a 12-month period double-cropping cycle under normal growing conditions, the crops will **not** be considered double-cropped and this exception will **not** apply.

E FAV and Wild Rice Double-Cropping Flexibility

FAV's or wild rice planted in a double-cropping situation with a covered commodity or peanuts on a farm administratively located in an established FAV and wild rice double-cropping region will **not** result in ARC or PLC payment reduction.

Any farm administratively located in an established FAV and wild rice double-cropping region may double-crop FAV's or wild rice in cycle with a covered commodity.

Provisions of this exception are **not** crop specific. Any fruit, vegetable, or wild rice may be double-cropped with any covered commodity.

291 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception

A Purpose of Prevented Planted Credit

The purpose of prevented planted credit is to allow a farm to remain eligible for the FAV and wild rice double-cropping exception when a natural disaster or a quarantine imposed by a State or local agency prevents the covered commodity from being planted.

Prevented planting provisions only apply to the covered commodity in a double-cropping practice with FAV or wild rice in an established double-cropping region.

B Definition of Prevented Planting

Prevented planting means the inability to plant crop acreage with proper equipment during the established planting period for the crop. A producer **must** be able to prove, to COC's satisfaction, that the:

- producer intended to plant the eligible crop acreage
- eligible crop acreage could **not** be planted because of a natural disaster or a quarantine imposed by a State or local agency.

C Final Planting Dates

The FCIC-established final planting dates will be used for prevented planting determinations.

Note: Spring wheat does **not** need to be planted as a replacement for winter wheat when the winter wheat is prevented from planting.

If FCIC-established final planting dates are **not** available, STC will establish the final planting date consistent with 1-NAP.

D Applying for Prevented Planting Credit

The producer **must** apply for prevented planted credit according to 2-CP.

292 (Reserved)

293 Examples of Double-Cropping Region Exception

*** * ***

A Example 1

The following farm data applies to this double-cropping example:

- ***--**100 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100 base acres for wheat
- 100 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region. COC determined that both commodities (wheat followed by carrots) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres
100 acres wheat harvested for grain followed by 100 acres carrots harvested

No payment reduction is applied in this example, because of the following:

- the farm is administratively located in an established FAV/WR double-cropping**--***region

- the carrots were double-cropped with a covered commodity (wheat)

- COC determined both commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

ARC-CO payments are unaffected.

293 Examples of Double-Cropping Region Exception (Continued)

B Example 2

***--**The following farm data applies to this double-cropping example:

- 100 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100 base acres for wheat
- 100 acres of total base
- base acres are enrolled in PLC.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region. COC determined that all commodities (lettuce and carrots followed by soybeans and grain sorghum) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres
50 acres lettuce harvested and 50 acres carrots harvested followed by 75 acres soybeans harvested for grain and 25 acres grain sorghum harvested for grain

No payment reduction is applied in this example, because all the following are met:

- the farm is administratively located in an established FAV/WR double-cropping**--***region

- both the lettuce and carrots were double-cropped with a covered commodity (soybeans or grain sorghum)

- COC determined all commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

PLC payments are unaffected.

293 Examples of Double-Cropping Region Exception (Continued)

C Example 3

***--**The following farm data applies to this double-cropping example:

- 100 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100 base acres for wheat
- 100 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is **not** administratively located in an established FAV/WR double-cropping region.

Wheat Base Acres
100 acres carrots harvested followed by 100 acres corn harvested for grain

This farm does **not** meet the double-cropping exception. The carrots were harvested in a double-cropping situation with a covered commodity; however, the farm is **not** administratively located in an established FAV/WR double-cropping region.

Because this farm is enrolled in ARC-CO, the payment acres are 85 acres (100 base acres x 85 percent). The farm's nonpayment acres are 15 acres (100 effective DCP cropland acres - 85 payment acres = 15 acres).

In this example, 100 acres of carrots will count as FAV/WR because they were **not** administratively located in an established FAV/WR double-cropping region. COC will apply an acre-for-acre payment reduction of 85 acres, according to 4-CP (100 acres of FAV/WR - 15 nonpayment acres = 85 acres).**--***

293 Examples of Double-Cropping Region Exception (Continued)

D Example 4

***--**The following farm data applies to this double-cropping example:

- 100 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100 base acres for wheat
- 100 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region and has enrolled in PLC. COC determined that both commodities (carrots followed by corn) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres
100 acres carrots harvested followed by 60 acres corn harvested for grain

The farm, in this example, is located in an established FAV double-cropping region; however, only 60 of the 100 acres of carrots were planted in a double-cropping situation with a covered commodity (corn).

Because this farm is enrolled in ARC-CO, the payment acres are 85 acres (100 base acres x 85 percent). The farm's nonpayment acres are 15 acres (100 effective DCP cropland acres - 85 payment acres = 15 acres).

In this example, only 40 acres of carrots will count as FAV/WR because they were **not** in a double-cropping situation with a covered commodity. COC will apply an acre-for-acre payment reduction of 25 acres, according to 4-CP (40 acres of FAV/WR - 15 nonpayment acres = 25 acres).**--***

293 Examples of Double-Cropping Region Exception (Continued)

E Example 5

***--**The following farm data applies to this double-cropping example:

- 100 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100 base acres for wheat
- 100 acres of total base
- base acres are enrolled in ARC-IC.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region and is enrolled in ARC-IC. COC determined that the 2 commodities (spring wheat followed by tomatoes) **cannot** be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres
100 acres spring wheat failed followed by 100 acres tomatoes harvested

The farm, in this example, is located in an established FAV/WR double-cropping region. The producer planted 100 acres of spring wheat that failed. After the spring wheat failed, the producer planted and harvested 100 acres of tomatoes on the failed spring wheat acreage.

Because this farm is enrolled in ARC-IC, the payment acres are 65 acres (100 base acres x 65 percent). The farm's nonpayment acres are 35 acres (100 effective DCP cropland acres - 65 payment acres = 35 acres).

In this example, 100 acres of tomatoes will count as FAV/WR, because COC determined that spring wheat could **not** be harvested for grain followed by tomatoes in a double-cropping situation within a 12-month period, and again during the immediately succeeding 12-month period, under normal growing conditions. COC will apply an acre-for-acre payment reduction of 65 acres, according to 4-CP (100 acres of FAV/WR - 35 nonpayment acres = 65 acres).**--***

293 Examples of Double-Cropping Region Exception (Continued)

F Example 6

***--**The following farm data applies to this double-cropping example:

- 100 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100 base acres for wheat
- 100 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region and is enrolled in ARC-CO. COC determined that both commodities (wheat followed by carrots) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres
100 acres prevented planted wheat followed by 100 acres carrots harvested

In this example, the producer submitted a request for prevented planted acreage credit for 100 acres of wheat according to this paragraph. COC approved the notice of loss for 100 acres of prevented planted wheat, and the farm maintained eligibility for the FAV/WR double-cropping exception.

The harvesting of 100 acres of carrots, in this example, will **not** result in a payment reduction because all of the following are met:

- the farm is administratively located in an established FAV/WR double-cropping region

- COC approved the notice of loss for prevented planted acreage credit for the farm to maintain eligibility for the FAV/WR double-cropping exception**--***

- COC determined that both commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

ARC-CO payments are unaffected.

294-304 (Reserved)

Section 2 Producer Eligibility

305 General Information

A Eligible Producer

Producers eligible to enter into ARC-CO and PLC contract or ARC-IC contract are:

- an owner of a farm who has a share of contract acreage and assumes all or part of the risk of producing a crop on base acres

- a producer, other than an owner, on base acres with a share- or cash-rent lease for the crop year covered by the FY contract.

Important: A producer on a farm with an interest in only nonbase acres is **not** eligible to enter into ARC-CO and PLC contract or ARC-IC contract on that farm.

The amount of nonbase acres available to be planted to FAV and wild rice without resulting in a payment reduction may be reduced when there is a producer on a farm with interest in only nonbase acres. See:

•*****--paragraph 289 for examples--*****

- 4-CP to calculate nonbase acres on a farm available to be planted to FAV or wild rice without resulting in a payment reduction.

Only producers who sign ARC-CO and PLC contract or ARC-IC contract can be considered to have applied for an ARC and PLC Program payment. Producers who have a reported share of a covered commodity reported on FSA-578, but who may **not** have signed ARC-CO and PLC contract or ARC-IC contract, are **not** eligible for any ARC and PLC Program payments **unless** they sign ARC-CO and PLC contract or ARC-IC contract.

305 General Information (Continued)

B Terms of Enrollment

Producers who participate in the ARC and PLC Program **must** fully comply with the terms and conditions of ARC-CO and PLC contract or ARC-IC contract, and in return will be eligible to receive ARC or PLC payments, if applicable.

C Producer Agreement to Program Requirements

Before producers on a farm may receive ARC and PLC Program payments, with respect to the farm, the producers will agree, during the crop year for which payments are made and in exchange for the payments, to:

- maintain compliance with HELC and/ or WC provisions on all their land
- use acreage equal to the base acres for an agricultural or conserving use
- **not** plant perennial FAV's or harvest annual FAV's (other than lentils, mung beans, and dry peas) or harvest wild rice on base acres

  Note: See paragraph 290 for exceptions to FAV and wild rice planting limitations.

- timely submit a report of all cropland acreage on the farm on an annual basis
- if participating in ARC-IC, satisfy production and reporting requirements according to Parts 2 and 4, as applicable.

306 Payment Limitation and AGI

A Payment Limitations

The ARC and PLC Program is subject to a $125,000 payment limitation. This limitation will include all payments received **directly** or **indirectly** per person or legal entity for all covered commodities **except** peanuts.

A separate payment limitation of $125,000 is provided for payments received **directly** or **indirectly** for peanuts **only**.

Note: The $125,000 payment limitation provided for the ARC and PLC Program includes any payments received through MAL gains and LDP's for any and all commodities, **not** just covered commodities, **except** peanuts. The peanut only limitation includes peanut ARC, PLC, MAL gains and LDP's.

B AGI

See 5-PL for AGI provisions.

307 Commodities Grown Under Contract on Base Acres

A Background

In recent years, the number and kinds of commercial grower contracts have increased. These contracts differ greatly in the amount of risk borne by the company and the grower.

Under commercial grower contracts, any of the following may occur:

- the grower has no share of the crop, but may have risk

  Note: The grower in this instance is actually an independent contractor or custom farmer for the company.

- both the company and grower share in the crop and in the risk of producing the crops

- only the grower shares in the crop and in the risk of producing the crops.

Note: This paragraph does **not** apply to hybrid seed contracts.

307 Commodities Grown Under Contract on Base Acres (Continued)

B Eligibility for Payments

The following provides guidance for determining eligibility for payments when crops under a commercial grower contract are produced on base acres.

IF the grower has...	THEN, if otherwise eligible, the grower is...
a share of the crop and has all or some of the risk in producing the crop or crops grown on base acres	eligible to receive all of an ARC or PLC payment on base acres.
no share of the crop under the grower contract but may have some or none of the risk in producing a crop that is grown on base acres	**not** eligible to receive an ARC or PLC payment for base acres, because the grower does **not** meet the definition of a producer on base acres.
a share of the crop under the grower contract and also some, but **not** all of the risk in producing a crop that is grown on base acres	• eligible to receive a portion of an ARC or PLC payment • **not** eligible to receive the entire ARC or PLC payment for base acres.

Note: Growers who have no share of a crop grown on base acres are always ineligible for payments on those acres, regardless of risk.

C COC Review of Commercial Grower Contracts

COC will:

- determine:
  - whether the signatories to a commercial grower contract meet the definition of producer provided in Exhibit 2 and 7 CFR Part 1412
  - whether a crop that is subject to a commercial grower contract is grown on base acres
  - who shares in the crop and in the risk of producing a crop that is subject to a commercial grower contract and grown on base acres
- ensure that the payment shares on ARC-CO and PLC contract or ARC-IC contract are fair and equitable considering the grower's actual crop share and risk in producing the crop.

Note: In determining whether a grower of hybrid seed is a producer, COC will **not** take into consideration the existence of a hybrid seed contract.

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 ARC-CO and PLC contract or ARC-IC contract designating payment shares to be eligible for payment. Producers who do **not** sign ARC-CO and PLC contract or ARC-IC contract will be ineligible for payment for their share of ARC-CO and PLC contract or ARC-IC contract.

If after filing FSA-578 it is determined that producers who do **not** appear on ARC-CO and PLC contract or ARC-IC contract have certified to having a share interest in a covered commodity, those producers **must** sign ARC-CO and PLC contract or ARC-IC contract for their share of that covered commodity to be eligible for payment consideration. If the producer does **not** sign ARC-CO and PLC contract or ARC-IC contract, 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.

308 Handling Minor Children and Bankruptcies

A Eligibility of Minor Child

A minor is eligible to participate in the ARC and PLC Programs if any of the following conditions exist:

- the right of majority has been conferred on the minor by court proceedings or law
- a guardian has been appointed to manage the minor's property and the applicable ARC and PLC Program documents are executed by the guardian
- a bond is furnished under which a surety guarantees any loss incurred for which the minor would be liable had the minor been an adult.

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 ARC-CO and PLC contract or ARC-IC contract if **both** of the following apply: • OGC regional attorney authorizes ARC-CO and PLC contract or ARC-IC contract approval • producer submitted ARC-CO and PLC contract or ARC-IC contract 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 ARC-CO and PLC contract and ARC-IC contract approval, contact the OGC regional attorney through the State Office for instructions and guidance.

309 Federal and State Agencies

A Eligibility of Federal Agencies

With the exception of BIA, Federal Agencies are **ineligible** for payments. Other eligible producers on the farm may receive payments.

BIA may accept ARC and PLC Program payments for eligible producers on tribal and allotted land.

B Eligibility of State Agencies

See 5-PL for the eligibility of State agencies.

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, 266
CCC-510	Cash Rent Certification Statement		204, 237, 240, 265, 266
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, 266
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
CCC-862	Agricultural Risk Coverage - Individual Option (ARC-IC) Contract	241	Parts 8 and 8.5
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

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-863	Agriculture Risk Coverage - Individual (ARC-IC) Yield Certification	Ex. 18	131
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, 266
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 1/	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
FSA-578	Report of Acreage		Text, Ex. 2
FSA-658	Record of Production and Yield		65, 81, 90
FSA-910	Wetland Reserve Program Projected DCP Base Reduction Worksheet	Ex. 21	282

1/ CRP-15 is obsolete.

Abbreviations Not Listed in 1-CM

The following abbreviations are 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

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviations	Term	Reference
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
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, ARC-CO and PLC contracts, and ARC-IC contracts to CED, in routine cases. Redelegation shall be documented in COC minutes.

Definitions of Terms Used in This Handbook

2014 Farm Structure

2014 farm structure means the farm as it was last constituted as of September 30, 2014.

Actual Average County Yield

Actual average county yield means the yield calculated as the crop year 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.

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.

Actual Crop Revenue

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 MYA price of the covered commodity or the national average loan rate for the covered commodity

- ARC-IC, for a producer on a farm for a crop year that 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 in which the producer has an interest for which the producer enrolled, the sum of the results of the following calculation for each covered commodity on the farm:

    - total production of the covered commodity for all farms in the State in which the producer has an interest, times

    - higher of either the MYA price or national loan rate for the covered commodity, divided by

    - producer's share of the planted acres of the covered commodity in a State.

Definitions of Terms Used in This Handbook (Continued)

Actual Yield

Actual yield means, for ARC-IC, the yield calculated by dividing the farm's total production of the covered commodity by the total planted acres on the ARC-IC farm.

ARC Guarantee

ARC guarantee means, for a crop year for a covered commodity, 86 percent of the benchmark revenue for ARC-CO or ARC-IC.

ARC Substitute Yield

ARC substitute yield means 70 percent of the county T-yield.

Note: To establish the ARC benchmark yield for a covered commodity, a yield is required to be obtained for each of the previous 5 years to calculate the Olympic average. The statute provides for a substitute yield to be used in a year or years where the county yield is lower than 70 percent of the county T-yield. The substitute yield will automatically be used if there is a year or years where the county yield per planted acre is lower than 70 percent of the county T-yield.

ARC-CO Benchmark Revenue

ARC-CO benchmark revenue means the calculation made by multiplying the 5-year Olympic average county yield for the specific covered commodity, times the 5 year Olympic average MYA price for the covered commodity. The ARC-CO benchmark revenue is recalculated each year, 2014 through 2018. The 5 Year Olympic average:

- yield uses the **higher of** the county yield or 70 percent of the substitute yield
- average price uses the **higher of** the MYA price or the national loan rate for the covered commodity.

ARC-IC Benchmark Farm Yield

ARC-IC Benchmark Farm Yield means the actual yield per **planted** acre or substitute yield for the farm for each of the five most recent crops years, not including the current year. The benchmark farm yield is calculated for the initially planted covered commodity or any approved covered commodity in an approved double-cropping rotation.

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.**--

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.**--

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: • 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)

Benchmark Farm Yield

Benchmark Farm Yield means, for years the covered commodity was planted, five years of actual average farm yields with a 70 percent of the county T-yield being substituted for in each year in the benchmark where the actual yield is less than 70 percent of the county T-yield. For years the covered commodity was not planted, the benchmark farm yield for the covered commodity will be assigned 100 percent of the county average yield.

***--Cash Lease**

Cash lease means a guaranteed sum, certain cash payment, or fixed quantity of the crop.

Contract Base Acres

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.**--***

Covered Commodity

[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.

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

Current Owner

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.

Example: A required signature of a "current owner" is the person or legal entity is the owner on the day the person or legal entity is signing the form or performing the action.

Definitions of Terms Used in This Handbook (Continued)

Current Producer

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.

Example: A required signature of a "current producer" is the person or legal entity is the producer on the day the person or legal entity is signing the form or performing the action.

Double Cropping

Double-cropping means for covered commodities, notwithstanding the meaning in 7 CFR Part 1412 subparts D and E for FAV's, the planting of a covered commodity for harvest in a crop year, in cycle with another covered commodity on the same acres for harvest in the same crop year in counties that have been determined to be areas where there is determined to be substantial, successful, and long-term double cropping of the crop and where the producer has followed customary production techniques and planting deadlines as determined by CCC (that is, using techniques and deadlines used by the majority of farmers in the region to double crop the particular crops involved). In a county determined capable of supporting such double-cropping of the covered commodities, as determined by CCC, both an initial crop and a subsequent crop will be considered planted or prevented planted acres. Notwithstanding any of the provisions of 7 CFR Part 718, in those instances where the subsequently planted or approved prevented planted covered commodity cannot be recognized as double-cropped acreage under this definition, the subsequently planted crop acreage will not be considered planted or prevented planted unless the subsequently planted crop acreage is planted as a replacement crop after the prevented planted acreage of a covered commodity.

Effective Price

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

- 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.

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.--*

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.--

Definitions of Terms Used in This Handbook (Continued)

Historical Irrigated Percentage (HIP)

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.

Home Garden

Home garden means an area of fruits and/or vegetables on a farm planted for the consumption and home usage of a producer. Home gardens are **excluded** from acreage considered as FAV. If the total garden acreage on a farm is not used for home usage of a producer, the entire garden acreage will be considered as FAV.

Limited Resource Farmer

Limited resource farmer means a farmer or rancher who is **both** of the following:

- 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 2 years would be 2011 and 2012), adjusted upwards in later years for any general inflation

- a person whose total household income was at or below the national poverty level for a family of 4 in each of the same 2 previous years referenced in bullet 1.

Note: Limited resource farmer or rancher status can be determined using a web site available through the NRCS Limited Resource Farmer and Rancher Online Self Determination Tool at **http://www.lrftool.sc.egov.usda.gov/tool.aspx**.

Marketing Year

Marketing year means the 12-month period beginning in the calendar year the crop is normally harvested as follows:

- barley, oats, and wheat: June 1 through May 31

- canola, dry edible peas, flax, lentils, and rapeseed: July 1 through June 30

- peanuts and rice: August 1 through July 31

- chickpeas, corn, crambe, grain sorghum, mustard, safflower, sesame, soybeans, and sunflowers: September 1 through August 31.

Definitions of Terms Used in This Handbook (Continued)

Market Year Average (MYA) Price

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.

National Average Loan Rate

National average loan rate means the loan rate established for a crop year of the covered commodity as specified in 7 CFR Part 1421.

Parent Farm

Parent farm means an active farm involved in an anticipated reconstitution.

Payment Acres

[7 CFR 1412.3] Payment acres mean:

(1) For the purpose of PLC and ARC when county coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for each covered commodity on a farm shall be equal to 85 percent of the base acres for the covered commodity on the farm.

(2) In the case of ARC when individual coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for a farm shall be equal to 65 percent of the base acres for all of the covered commodities on the farm.

Payment Yield

[7 CFR 1412.3] Payment yield means for a farm for a covered commodity the yield established under subpart C of this part.

Plug Yield for ARC-IC

Plug yield for ARC-IC means 70 percent of T-yield for the county that is used in the benchmark revenue calculation when the covered commodity was planted in the applicable year in the benchmark.

Note: If actual yield for that year is below 70 percent of the T-yield for the crop, then 70 percent of the T-yield will be used instead.

Producer

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.

Definitions of Terms Used in This Handbook (Continued)

Producer Share

Producer share means, for ARC-IC, each producer sharing in covered commodities on enrolled ARC-IC farms will share in the ARC-IC payment, if applicable, that is calculated across all enrolled ARC-IC farms in which producers have interest.

Note: Producers who share in covered commodities on enrolled ARC-IC farms can have different payment rates established. The payment rate for the producer, if triggered, will be the same payment rate per acre for all participating farm's in which the producer has an interest.

Reference Price

Reference price means the statutory price used the PLC program to determine PLC payment rates. Reference prices are as follows.

Crop	Price	Crop	Price	Crop	Price
Barley	$4.95/bu.	Chickpeas, Large	$21.54/cwt.	Chickpeas, Small	$19.04/cwt.
Corn	$3.70/bu.	Grain Sorghum	$3.95/bu.	Lentils	$19.97/cwt.
Oats	$2.40/bu.	Oilseeds, Other	$20.15/cwt.	Peas, Dry	$11.00/cwt.
Peanuts	$535/ton	Rice, Long Grain	$14.00/cwt.	Rice, Medium *--Grain **1/**	$14.00/cwt.
Rice, Temperate Japonica **2/**	$16.10/cwt.	Soybeans	$8.40/bu.	Wheat	$5.50/bu.

1/ Medium and short grain rice grown outside of California.

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

Replacement Crop

Replacement crop means the planting or approved prevented planting of any crop for harvest following the failure of planted crop acreage of a covered commodity not in a recognized double-cropping sequence. Replacement crops cannot generate payments, unless the replacement crop acreage meets the definition of eligible subsequently planted crop acreage.

Definitions of Terms Used in This Handbook (Continued)

SDA Farmer or Rancher

SDA 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. SDA groups include the following and **no** others **unless** approved in writing by the Deputy Administrator:

- American Indians or Alaskan Natives
- Asians or Asian-Americans
- Blacks or African-Americans
- Hispanics or Hispanic-Americans
- Native Hawaiians or other Pacific Islanders
- Women.

Share Lease

Share lease means provisions that require any of the following:

- payment of rent based on the amount of crop produced where both parties share in the risk of the crop produced
- proceeds derived from the crop
- interest the producer would have had if the crop had been produced.

Substitute Yield

Substitute yield means a yield that is used in place of an actual yield on a farm when the PLC yield is being updated. A substitute yield is calculated by establishing a simple average yield per planted acre in a county and multiplying by 75 percent.

***--Temperate Japonica Rice**

Temperate Japonica rice means all medium and short grain rice grown in California.**--***

Transitional Yield (T-Yield)

T-yield means the yield determined according to Federal Crop Insurance Act, Section 502(b) (7 U.S.C. 1502(b)).

Definitions of Terms Used in This Handbook (Continued)

Voluntarily Terminated

Voluntarily terminated means CRP-1 is terminated when either of the following apply:

- request for termination by applicable participants is received
- death of CRP participants with no succession to CRP-1.

Important: Terminating CRP-1 for any other reason, including the following, is not a voluntary termination:

- CRP-1 violation
- sale of land enrolled in CRP.

Weighted Farm Benchmark Revenue

Weighted farm benchmark revenue means placing a value on the applicable covered commodity's farm benchmark revenue based on the percentage of acres planted to that covered commodity when compared to the total number of covered commodities planted on the farm.

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 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 State code for the applicable farm in item 5.
4	Insert county code for the applicable farm in item 5.
5	Insert 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 name of all covered commodities that existed on the farm as of September 30, 2013.
6A(2)	Insert 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 name of all reallocated covered commodities on the farm.
6B(2)	Insert 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 paragraph 62.
8	Insert applicable owner's name and address.
9A	A current owner or representative **must** sign.
9B	If: • 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.
9C	Enter date signed.
10A	CCC representative receiving CCC-858 **must** 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.

CCC-858
(09-23-14)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

BASE REALLOCATION AND YIELD UPDATE DECISION FOR AGRICULTURE RISK COVERAGE (ARC) AND PRICE LOSS COVERAGE (PLC) PROGRAMS

1. Program Years: **2014 through 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

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 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.*

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 REALLOCATION AND YIELD UPDATE DECISION 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.

FARM BASE ACRE REALLOCATION

☐ 6A. I agree to maintain the farm's 2013 base acres on the following crops, excluding cotton acres

☐ 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)*

(1) Commodity	(2) Base Acres	(1) Commodity	(2) Base Acres

6C. Tract Reallocation Method
☐ (1) Crop Land
☐ (2) Owner Designation

FARM YIELD UPDATE

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)

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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.*

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 (Continued)

CCC-858 (09-23-14) Page 2 of 2

11. Farm Number	12A. State Code	12B. County Code	12C. Program Years 2014 - 2018

TRACT DESIGNATION

13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield	13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield

13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield	13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield

13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield	13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield

13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield	13A. Tract	13B. Commodity	13C. Base Acres	13D. Tract Yield

***--Producer Notification Letters**

The following is an example of a notification letter used when base acres are restored to a farm for a new crop and ARC-CO, PLC, or no election for that crop currently exists on the farm.

USDA
United States Department of Agriculture

Example Letter #1 - New Crop Restored
ARC-CO, PLC or No Election Currently on Farm

Date

Any Producer
Address
City, State XXXXX

Dear Producer:

On (insert applicable date), your Conservation Reserve Program (CRP) contract (contract number) was (voluntarily terminated, early released or expired). As a result, we have restored (XXX) base acres of (applicable crop) to your farm; these base acres were previously reduced for participation in CRP.

The restored base acres have been assigned a PLC yield equal to (enter either the yield for the crop when the acres were reduced or the county average CC yield, whichever is **higher**). You have the opportunity to update this crop's yield on your farm using 90% of an average of your actual yields per planted acre during the 2008-2012 crop years as certified on the attached CCC-859. If you wish to take advantage of this opportunity to update your farm's yield for (crop), you must contact our county office to make this update within 30 calendar days of the date of this letter.

In addition to the yield update opportunity, you have the opportunity to make a program election for (applicable crop) as a program election was not made for this crop during the election period. To make a program election, all current producers on the farm will need to sign the CCC-857 agreeing to the program election no later than 30 calendar days from the date of this letter. Please contact the county office to initiate this form.

If all current producers on the farm fail to make a unanimous program election for (crop) within 30 days of the date of this letter, this crop will receive a default PLC election.

Feel free to contact our office with any questions or concerns.

Sincerely:

CED Name
Any County CED

--*

***--Producer Notification Letters (Continued)**

The following is an example of a notification letter used when base acres are restored to the farm for a new crop and an ARC-IC election currently exists on the farm.

USDA
United States Department of Agriculture

Example Letter #2 - New Crop Restored
ARC-IC Election Currently on Farm

Date

Any Producer
Address
City, State XXXXX

Dear Producer:

On (insert applicable date), your Conservation Reserve Program (CRP) contract (contract number) was (voluntarily terminated, early released or expired). As a result, we have restored (XXX) base acres of (applicable crop) to your farm; these base acres were previously reduced for participation in CRP.

The restored base acres have been assigned a PLC yield equal to (enter either the yield for the crop when the acres were reduced or the county average CC yield, whichever is **higher**). You have the opportunity to update this crop's yield on your farm using 90% of an average of your actual yields per planted acre during the 2008-2012 crop years as certified on the attached CCC-859. If you wish to take advantage of this opportunity to update your farm's yield for (crop), you must contact our county office to make this update within 30 calendar days of the date of this letter.

Because your farm has previously elected to participate in ARC-IC, the restored base acres are automatically subject to that election.

Feel free to contact our office with any questions or concerns.

Sincerely:

CED Name
Any County CED

--*

***--Producer Notification Letters (Continued)**

The following is an example of a notification letter used when base acres are restored and base acres of that crop currently exist on the farm.

USDA
United States Department of Agriculture

Example Letter #3 – Restored Base Acres of Crop Already on Farm

Date

Any Producer
Address
City, State XXXXX

Dear Producer:

On (insert applicable date), your Conservation Reserve Program (CRP) contract (contract number) was (voluntarily terminated, early released or expired). As a result, we have restored (XXX) base acres of (applicable crop) to your farm; these base acres were previously reduced for participation in CRP.

The restored base acres have been assigned a PLC yield equal to the PLC yield that currently exists on the farm.

Because your farm has previously elected to participate in (ARC-IC, ARC-CO or PLC), the restored base acres are automatically subject to that election.

Feel free to contact our office with any questions or concerns.

Sincerely:

CED Name
Any County CED

--*

***--Counties With Irrigated and Non-Irrigated ARC-CO Yields**

The following counties and crops 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			
	Tallapossa	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		

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (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			
	Sedgwick	08115	Corn	Oats		
	Washington	08121	Barley	Corn	Oats	
	Weld	08123	Sunflowers			
	Yuma	08125	Oats	Sorghum	Sunflowers	

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Delaware	Kent	10001	Corn			
	Sussex	10005	Barley	Corn	Soybeans	Wheat
Florida	Alachua	12001	Oats	Peanuts	Soybeans	
	Calhoun	12013	Corn	Wheat		
	Columbia	12023	Corn	Peanuts	Wheat	
	Gilchrist	12041	Peanuts	Sorghum		
	Hamilton	12047	Oats	Peanuts		
	Jackson	12063	Corn	Sorghum		
	Jefferson	12065	Corn			
	Lafayette	12067	Peanuts			
	Leon	12073	Corn	Soybeans		
	Levy	12075	Peanuts			
	Madison	12079	Corn	Oats	Peanuts	Soybeans
	Marion	12083	Peanuts			
	Sumter	12119	Peanuts			
	Suwannee	12121	Peanuts	Sorghum	Soybeans	
Georgia	Appling	13001	Corn			
	Atkinson	13003	Oats	Peanuts	Wheat	
	Bacon	13005	Corn			
	Baker	13007	Oats	Peanuts	Soybeans	Wheat
	Ben Hill	13017	Wheat	Sorghum	Peanuts	
	Berrien	13019	Corn	Peanuts	Sorghum	Wheat
	Bleckley	13023	Peanuts	Soybeans	Wheat	
	Brooks	13027	Corn	Wheat		
	Burke	13033	Peanuts			
	Calhoun	13037	Oats	Peanuts	Soybeans	
	Candler	13043	Corn			
	Clay	13061	Peanuts			
	Coffee	13069	Corn	Peanuts		
	Colquitt	13071	Peanuts	Sorghum	Wheat	
	Cook	13075	Corn	Peanuts	Sorghum	
	Crisp	13081	Peanuts	Sorghum	Wheat	
	Decatur	13087	Oats	Soybeans	Wheat	
	Dodge	13091	Sorghum	Soybeans	Wheat	
	Dooly	13093	Corn	Peanuts	Sorghum	
	Dougherty	13095	Wheat			

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Georgia (Continued)	Early	13099	Oats	Peanuts	Sorghum	Soybeans
			Wheat			
	Emanuel	13107	Corn			
	Evans	13109	Corn	Peanuts		
	Grady	13131	Corn	Peanuts	Sorghum	
	Hart	13147	Corn			
	Houston	13153	Oats	Peanuts	Soybeans	
	Irwin	13155	Corn	Peanuts	Soybeans	
	Jeff Davis	13161	Corn	Peanuts	Wheat	
	Jefferson	13163	Oats	Peanuts	Soybeans	Wheat
	Jenkins	13165	Corn	Peanuts		
	Johnson	13167	Corn			
	Lanier	13173	Corn	Peanuts		
	Laurens	13175	Corn	Peanuts		
	Lee	13177	Peanuts	Sorghum	Soybeans	Wheat
	Lowndes	13185	Corn	Wheat		
	Macon	13193	Peanuts	Soybeans		
	Marion	13197	Corn	Peanuts		
	Miller	13201	Peanuts	Soybeans	Wheat	
	Mitchell	13205	Oats	Peanuts	Soybeans	
	Montgomery	13209	Corn	Peanuts	Wheat	
	Oglethorpe	13221	Corn			
	Peach	13225	Peanuts			
	Pierce	13229	Corn	Peanuts	Wheat	
	Pulaski	13235	Peanuts	Soybeans	Sorghum	Wheat
	Randolph	13243	Peanuts	Soybeans	Wheat	
	Schley	13249	Corn	Peanuts		
	Screven	13251	Corn	Peanuts	Sorghum	Soybeans
			Wheat			
	Seminole	13253	Oats	Soybeans		
	Stewart	13259	Corn	Peanuts		
	Sumter	13261	Oats	Peanuts	Sorghum	Soybeans
	Tattnall	13267	Corn	Peanuts	Soybeans	Wheat
	Taylor	13269	Corn			
	Telfair	13271	Peanuts	Sorghum	Soybeans	Wheat
	Terrell	13273	Corn	Peanuts	Soybeans	
	Tift	13277	Oats	Peanuts	Sorghum	Soybeans
			Wheat			
	Toombs	13279	Peanuts	Soybeans	Wheat	
	Treutlen	13283	Peanuts	Soybeans	Wheat	
	Turner	13287	Peanuts	Sorghum	Soybeans	Wheat
	Twiggs	13289	Peanuts			
	Upson	13293	Wheat			

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Georgia (Continued)	Ware	13299	Corn			
	Washington	13303	Corn	Peanuts		
	Wayne	13305	Corn	Peanuts	Wheat	
	Webster	13307	Corn	Peanuts		
	Wheeler	13309	Peanuts	Soybeans	Wheat	
	Wilcox	13315	Peanuts	Sorghum	Soybeans	Wheat
	Worth	13321	Oats	Peanuts	Soybeans	Wheat
Idaho	Adams	16003	Oats			
	Bannock	16005	Barley	Wheat		
	Bear Lake	16007	Barley			
	Blaine	16013	Wheat			
	Bonneville	16019	Oats	Wheat		
	Camas	16025	Oats			
	Caribou	16029	Barley	Oats	Wheat	
	Elmore	16039	Oats			
	Franklin	16041	Oats	Wheat		
	Fremont	16043	Barley	Wheat		
	Kootenai	16055	Barley	Oats		
	Oneida	16071	Barley			
	Power	16077	Barley	Oats	Wheat	
	Teton	16081	Barley	Oats	Wheat	
	Washington	16087	Barley	Oats		
Illinois	Mason	17125	Corn	Sorghum	Soybeans	Wheat
	Scott	17171	Wheat			
Indiana	Elkhart	18039	Corn			
	Lagrange	18087	Corn	Soybeans		
	Laporte	18091	Corn	Sorghum	Wheat	
	Sullivan	18153	Wheat			
Iowa	Monona	19133	Soybeans			
Kansas	Barber	20007	Corn			
	Barton	20009	Barley	Corn	Soybeans	
	Cheyenne	20023	Corn	Oats	Soybeans	Sunflowers
	Clark	20025	Corn	Oats	Soybeans	
	Clay	20027	Corn			
	Cloud	20029	Corn			
	Decatur	20039	Soybeans			
	Edwards	20047	Oats			
	Finney	20055	Oats	Sunflowers	Wheat	
	Ford	20057	Oats			

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Kansas (Continued)	Gove	20063	Soybeans			
	Graham	20065	Soybeans			
	Grant	20067	Oats	Wheat		
	Gray	20069	Oats	Wheat		
	Greeley	20071	Corn	Sunflowers		
	Hamilton	20075	Corn	Oats		
	Harvey	20079	Corn			
	Haskell	20081	Wheat	Sorghum		
	Hodgeman	20083	Oats			
	Kingman	20095	Soybeans			
	Lane	20101	Corn	Oats	Soybeans	
	Logan	20109	Oats	Soybeans	Sunflowers	
	McPherson	20113	Corn			
	Meade	20119	Oats	Sorghum		
	Morton	20129	Corn	Oats	Sunflowers	
	Ness	20135	Soybeans			
	Pawnee	20145	Barley	Corn		
	Pottawatomie	20149	Corn			
	Rawlins	20153	Oats	Soybeans		
	Reno	20155	Corn			
	Republic	20157	Corn			
	Rice	20159	Corn			
	Rush	20165	Corn	Soybeans		
	Scott	20171	Corn	Oats		
	Sedgwick	20173	Corn			
	Seward	20175	Wheat			
	Shawnee	20177	Corn			
	Sheridan	20179	Barley	Corn	Soybeans	Sunflowers
	Sherman	20181	Corn	Oats	Sunflowers	
	Stafford	20185	Corn	Soybeans		
	Stanton	20187	Sunflowers	Wheat		
	Stevens	20189	Oats	Wheat		
	Thomas	20193	Corn	Oats	Sunflowers	
	Trego	20195	Soybeans			
	Wallace	20199	Corn	Soybeans	Sunflowers	
	Wichita	20203	Corn	Sunflowers		

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Louisiana	Beauregard	22011	Corn			
	Caddo	22017	Corn			
	Caldwell	22021	Corn	Soybeans		
	Catahoula	22025	Corn			
	East Carroll	22035	Corn	Sorghum	Soybeans	
	Franklin	22041	Soybeans			
	Madison	22065	Corn	Soybeans		
	Morehouse	22067	Sorghum			
	Natchitoches	22069	Corn			
	Ouachita	22073	Corn	Soybeans		
	Richland	22083	Sorghum	Soybeans		
	Tensas	22107	Corn	Soybeans	Wheat	
	West Carroll	22123	Sorghum	Soybeans		
Maryland	Caroline	24011	Corn			
	Dorchester	24019	Corn			
	Queen Anne	24035	Barley			
Massachusetts	Essex	25009	Corn			
Michigan	Antrim	26009	Wheat			
	Branch	26023	Corn			
	Cass	26027	Corn			
	Kalamazoo	26077	Corn	Soybeans		
	Manistee	26101	Corn			
	Mecosta	26107	Corn			
	Missaukee	26113	Wheat			
	Montcalm	26117	Corn	Wheat		
	Osceola	26133	Wheat			
	Otsego	26137	Wheat			
	St. Joseph	26149	Soybeans	Wheat		
	Van Buren	26159	Corn			
Minnesota	Crow Wing	27035	Soybeans			
	Dakota	27037	Barley	Corn		
	Hubbard	27057	Soybeans	Wheat		
	East Otter Tail	27111	Corn	Soybeans	Wheat	
	Sherburne	27141	Corn	Soybeans		
	Wadena	27159	Barley	Corn	Soybeans	Wheat
Mississippi	Bolivar	28011	Corn	Soybeans		
	Carroll	28015	Peanuts			
	Coahoma	28027	Peanuts			
	Grenada	28043	Corn			
	Lawrence	28077	Corn			
	Quitman	28119	Corn	Soybeans		
	Sharkey	28125	Corn			
	Tunica	28143	Corn			

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Missouri	Bollinger	29017	Corn	Soybeans		
	Cape Girardeau	29031	Sorghum			
	Dade	29057	Wheat			
	Dunklin	26069	Sorghum	Soybeans	Wheat	
	Mississippi	29133	Corn	Soybeans	Wheat	
	New Madrid	29143	Sorghum	Soybeans		
	Pemiscot	29155	Sorghum	Soybeans		
	Ripley	29181	Soybeans			
	Scott	29201	Corn	Sorghum	Soybeans	Wheat
	Stoddard	29207	Sorghum	Soybeans	Wheat	
Montana	Big Horn	30003	Barley	Corn	Oats	
	Blaine	30005	Oats			
	Broadwater	3007	Wheat			
	Carbon	30009	Wheat			
	Cascade	30013	Barley			
	Flathead	30029	Barley	Canola	Dry Peas	Oats
			Wheat			
	Gallatin	30031	Barley	Dry Peas	Oats	Wheat
	Golden Valley	30037	Corn	Oats		
	Lake	30047	Wheat			
	Lewis and Clark	30049	Barley	Wheat		
	McCone	30055	Corn			
	Madison	30057	Wheat			
	Meagher	30059	Barley			
	Missoula	30063	Wheat			
	Musselshell	30065	Barley	Oats		
	Park	30067	Barley	Wheat		
	Pondera	30073	Barley	Dry Peas	Oats	
	Ravalli	30081	Wheat			
	Richland	30083	Barley			
	Roosevelt	30085	Barley	Small Chickpeas		
	Rosebud	30087	Barley			
	Sanders	30089	Wheat	Barley		
	Stillwater	30095	Corn			
	Sweet Grass	30097	Oats	Barley		
	Teton	30099	Oats	Barley		
	Treasure	30103	Wheat			
	Valley	30105	Oats	Barley		
	Yellowstone	30111	Oats	Barley		

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Nebraska	Adams	31001	Sorghum			
	Antelope	31003	Oats	Wheat		
	Banner	31007	Corn			
	Boone	31011	Corn	Oats	Soybeans	Wheat
	Box Butte	31013	Oats	Sorghum	Sunflowers	Wheat
	Brown	31017	Oats			
	Buffalo	31019	Oats	Sorghum	Wheat	
	Butler	31023	Corn	Soybeans		
	Cedar	31027	Corn	Soybeans		
	Chase	31029	Oats	Wheat		
	Cherry	31031	Oats	Wheat		
	Cheyenne	31033	Barley	Corn	Oats	Sunflowers
	Colfax	31037	Corn	Soybeans	Wheat	
	Custer	31041	Corn			
	Dawes	31045	Corn			
	Deuel	31049	Corn			
	Dodge	31053	Corn	Sorghum	Soybeans	
	Dundy	31057	Corn	Oats	Sunflowers	
	Fillmore	31059	Soybeans			
	Franklin	31061	Corn	Soybeans		
	Frontier	31063	Corn	Soybeans		
	Furnas	31065	Corn	Soybeans		
	Garden	31069	Corn	Oats		
	Gosper	31073	Corn			
	Greeley	31077	Wheat			
	Hall	31079	Sorghum	Wheat		
	Hamilton	31081	Sorghum	Wheat		
	Harlan	31083	Corn	Soybeans		
	Hayes	31085	Corn	Oats		
	Hitchcock	31087	Corn			
	Holt	31089	Wheat			
	Howard	31093	Sorghum	Wheat		
	Jefferson	31095	Corn	Soybeans		
	Kearney	31099	Sorghum			
	Keith	31101	Corn	Oats		
	Kimball	31105	Corn	Oats		
	Knox	31107	Corn	Soybeans		

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Nebraska (Continued)	Lincoln	31111	Oats	Sunflowers		
	Logan	31113	Corn	Wheat		
	Loup	31115	Oats	Wheat		
	Madison	31119	Corn	Soybeans		
	Merrick	31121	Sorghum	Wheat		
	Morrill	31123	Oats	Sorghum	Sunflowers	Wheat
	Nance	31125	Corn	Soybeans		
	Nuckolls	31129	Corn	Soybeans		
	Perkins	31135	Corn	Oats	Sorghum	
	Phelps	31137	Sorghum	Wheat		
	Pierce	31139	Corn	Soybeans	Wheat	
	Platte	31141	Corn	Soybeans	Wheat	
	Polk	31143	Sorghum	Soybeans		
	Red Willow	31145	Corn	Oats		
	Saline	31151	Corn	Soybeans		
	Saunders	31155	Corn	Soybeans		
	Scotts Bluff	31157	Oats	Sunflowers	Wheat	
	Seward	31159	Corn	Soybeans		
	Sheridan	31161	Oats			
	Sherman	31163	Soybeans			
	Sioux	31165	Oats	Wheat		
	Thayer	31169	Corn	Soybeans	Sunflowers	
	Valley	31175	Oats			
	Webster	31181	Corn	Soybeans		
	Wheeler	31183	Oats			
	York	31185	Sorghum	Wheat		
New Jersey	Atlantic	34001	Corn			
	Salem	34033	Corn			
New Mexico	Curry	35009	Sorghum			
	Roosevelt	35041	Wheat			
New York	Suffolk	36103	Wheat			
North Dakota	Grand Forks	38035	Canola			
	McKenzie	38053	Corn			
	Oliver	38065	Soybeans			
	Sioux	38085	Corn			
	Williams	38105	Corn			

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Oklahoma	Beaver	40007	Oats	Sunflowers		
	Beckham	40009	Soybeans			
	Blaine	40011	Barley	Corn		
	Bryan	40013	Corn	Soybeans		
	Caddo	40015	Corn	Soybeans		
	Canadian	40017	Corn			
	Custer	40039	Corn	Soybeans		
	Dewey	40043	Corn	Soybeans	Sunflowers	
	Ellis	40045	Sorghum			
	Greer	40055	Peanuts			
	Harmon	40057	Sorghum			
	Harper	40059	Barley			
	Hughes	40141	Corn			
	Jackson	40065	Barley	Sorghum		
	Kingfisher	40073	Corn			
	Kiowa	40075	Corn			
	Leflore	40079	Corn			
	Love	40085	Peanuts			
	Major	40093	Soybeans			
	Muskogee	40101	Corn			
	Sequoyah	40135	Corn	Soybeans	Wheat	
	Texas	40139	Oats	Wheat		
	Tillman	40141	Corn	Sorghum	Soybeans	
	Washita	40149	Corn	Peanuts	Soybeans	
Oregon	Clackamas	41005	Corn			
	Jackson	41029	Wheat			
	Jefferson	41031	Oats			
	Linn	41043	Peas			
	Morrow	41049	Oats			
	Umatilla	41059	Barley	Dry Peas	Oats	Small Chickpeas
			Canola			
	Union	41061	Barley	Oats	Sunflowers	Wheat
	Wallowa	41063	Barley	Oats	Wheat	
	Wasco	41065	Barley			
	Washington	41067	Dry Peas			
	Wheeler	41069	Barley			

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
South Carolina	Allendale	45005	Corn	Oats	Peanuts	Wheat
	Bamberg	45009	Corn			
	Barnwell	45011	Corn	Wheat		
	Calhoun	45017	Corn	Oats	Peanuts	Wheat
	Lexington	45063	Corn	Sorghum	Wheat	
	Orangeburg	45075	Corn	Peanuts		
	Richland	45079	Corn			
South Dakota	Bennett	46007	Corn			
	Buffalo	46017	Soybeans			
	Butte	46019	Barley	Oats		
	Custer	46033	Corn			
	Lawrence	46081	Oats			
	Lyman	46085	Soybeans			
	Todd	46121	Corn	Soybeans		
Texas	Andrews	48003	Wheat			
	Atascosa	48013	Corn	Oats	Sorghum	Wheat
	Bailey	48017	Sunflowers	Wheat		
	Bell	48027	Soybeans			
	Bexar	48029	Corn			
	Bowie	48037	Corn	Sorghum	Soybeans	
	Brazos	48041	Corn	Sorghum	Wheat	
	Brown	48049	Peanuts	Sorghum		
	Burleson	48051	Corn	Soybeans		
	Cameron	48061	Sorghum	Wheat		
	Castro	48069	Oats	Safflower	Sorghum	Sunflowers
			Wheat			
	Cochran	48079	Sorghum	Sunflowers	Wheat	
	Collingsworth	48087	Peanuts	Sorghum		
	Comanche	48093	Corn	Peanuts		
	Crosby	48107	Sorghum			
	Dallam	48111	Sorghum	Wheat		
	Dawson	48115	Wheat			
	Deaf Smith	48117	Oats	Sorghum	Sunflowers	Wheat
	Dimmit	48127	Oats	Sorghum	Wheat	
	Donley	48129	Sorghum			
	Eastland	48133	Peanuts			
	Erath	48143	Corn			
	Floyd	48153	Oats	Safflower	Sorghum	
	Frio	48163	Oats	Sorghum	Wheat	

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Texas (Continued)	Gaines	48165	Sorghum			
	Hale	48189	Sorghum	Wheat		
	Hansford	48195	Sorghum	Sunflowers	Wheat	
	Hartley	48205	Sorghum	Sunflowers	Wheat	
	Hemphill	48211	Sorghum	Wheat		
	Hidalgo	48215	Sorghum	Wheat		
	Hockley	48219	Oats	Sorghum	Wheat	
	Hopkins	48223	Corn			
	Hutchinson	48233	Sorghum			
	Knox	48275	Sorghum			
	Lamb	48279	Sorghum	Sunflowers	Wheat	
	La Salle	48283	Oats			
	Lipscomb	48295	Oats	Sorghum	Wheat	
	Lubbock	48303	Oats	Sorghum	Wheat	
	Lynn	48305	Wheat	Sunflowers		
	Mason	48319	Wheat			
	McLennan	48309	Soybeans			
	Medina	48325	Corn	Sunflowers		
	Milam	48331	Soybeans			
	Moore	48341	Sorghum	Wheat		
	Ochiltree	48357	Oats	Sunflowers		
	Parmer	48369	Sorghum	Wheat		
	Pecos	48371	Sorghum			
	Robertson	48395	Corn			
	San Patricio	48409	Sunflowers			
	Sherman	48421	Sorghum	Wheat		
	Swisher	48437	Oats	Sorghum		
	Terry	48445	Wheat			
	Tom Green	48451	Oats			
	Upton	48461	Sorghum			
	Uvalde	48463	Sorghum	Wheat		
	Wheeler	48483	Oats	Peanuts		
	Wilbarger	48487	Corn	Soybeans		
	Wilson	48493	Corn			
	Zavala	48507	Oats	Sorghum	Wheat	
Utah	Box Elder	49003	Wheat			
	Cache	49005	Barley	Wheat		
	Juab	49023	Wheat			
	Morgan	49029	Barley			
	San Juan	49037	Oats			

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***--Counties With Irrigated and Non-Irrigated ARC-CO Yields (Continued)**

State	County	FIPS Code	Crop	Crop	Crop	Crop
Virginia	Dinwiddie	51053	Peanuts			
Washington	Adams	53001	Barley	Canola	Mustard	Oats
	Clark	53011	Corn			
	Franklin	53021	Wheat			
	Grant	53025	Wheat			
	Island	53029	Corn			
	Lewis	53041	Corn			
	Lincoln	53043	Canola	Mustard	Peas	
	Okanogan	53047	Oats			
	Spokane	53063	Small Chickpeas			
	Whitman	53075	Oats			
	Yakima	53077	Wheat			
Wisconsin	Adams	55001	Corn	Soybeans	Wheat	
	Langlade	55067	Wheat			
	Portage	55097	Corn	Soybeans		
	Waushara	55137	Corn	Soybeans	Wheat	
Wyoming	Converse	56009	Oats			
	Goshen	56015	Oats			
	Laramie	56021	Barley	Corn	Oats	
	Lincoln	56023	Barley			
	Niobrara	56027	Barley	Oats		
	Platte	56031	Oats			
	Sheridan	56033	Barley	Wheat		

--*

***--Producer's Certification of Yield on CCC-863**

A Certification of Yield on CCC-863

The certification of benchmark and actual yields in the current year, or using the ARC-IC substitute yields for each covered commodity and each crop year, shall be documented by completing CCC-863 for each ARC-IC farm.

Note: Producers are certifying to yields and are **not** required to submit production evidence when filing CCC-863. However, evidence to support certified yields may be required at a later date according to Part 3.

B Completing CCC-863

Complete CCC-863 according to the following.

Item	Instructions
1	Enter program years for which CCC-863 is being used. **Example:** For 2014, enter "2009-2014".
2A	Enter FSA County Office name and address (optional).
2B and 2C	Enter FSA County Office telephone and/or FAX number (optional).
3 and 4	Enter State and county codes.
5	Enter FSN.
6	Complete this section to report yields at the **farm level** only in the years the covered commodity was planted in the benchmark years, and enter a yield for the current year.
6 A	Enter covered commodity name that was planted in the current year on the farm.
6 B	Enter 1 of the following, as applicable: • certified yield for each year of the benchmark, for each of the covered commodities planted in the current year **Note:** If the covered commodity was **not** planted for the particular year, **leave blank**. • actual yield for the actual year (current year) yield of the covered commodity planted • "0" (zero) yield if the crop was planted and evidence is not available (missing or not determinable) to support a certified yield greater than zero. **Note:** In the second and subsequent years, **only** the actual year yield of the covered commodity **must** be certified.

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***--Producer's Certification of Yield on CCC-863 (Continued)**

B Completing CCC-863 (Continued)

Item	Instructions
6 C	Enter certified yield's "Record Type". ENTER "1" for RMA data, "2" for production sold/commercial storage, "3" for on-farm storage, "4" for livestock feed records, "5" for FSA loan record, "6" for FSA NAP record, or "7" for other. **Note:** If "7" is entered, enter the other record type in the "Remarks" section.
7	Enter remarks, if applicable.
8	Enter producer's name and address.
9A	Producer completing CCC-863 shall sign. Producer shall also be responsible for providing the evidence on request.
9B	If individual signing in item 9A is signing in a representative capacity for the participant, a title and/or relationship shall be entered. If the individual in item 9A is the signatory, then **no** entry is required.
9C	Enter the date the producer or person signing in a representative capacity completes CCC-863.
10A	COC or representative signs after COC or representative reviews certified yields.
10B	Enter the date COC or representative signed CCC-863.

--*

*--Producer's Certification of Yield on CCC-863 (Continued)

C Example of CCC-863

The following is an example of CCC-863.

This form is available electronically.

CCC-863
(06-18-15)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

AGRICULTURE RISK COVERAGE – INDIVIDUAL (ARC-IC) YIELD CERTIFICATION

1. Program Years:		
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 producers participating in the Agriculture Risk Coverage – Individual (ARC-IC) program under Section 1113 of Public Law 113-79 and 7 CFR Part 1412. The yields provided in this worksheet for the previous five years the covered commodity was planted as well as the current crop year. The yields will be used to capture an ARC-IC Benchmark Farm Yield and the ARC-IC Actual Yield.

Report the actual yields planted on the farm for each covered commodity planted for the current and prior five crop years. The higher of either the actual yield or 70% of the T-yield will be used for each year. If no crop was planted, the producer will receive the higher of 100% of the county yield or 70% of T-yield.

TOTAL FARM YIELD WORKSHEET

Complete this section ONLY for covered commodities that the owner may wish to report. ***If a 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",* ***3*** *for "on-farm storage",* ***4*** *for "livestock feed records",* ***5*** *for "FSA loan record",* ***6*** *for "FSA NAP record", or* ***7*** *for "other". Please enter the other record type in the remarks section on the form. 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 using CCC-858 during the yield update period.*

6. Farm Yields

6A. Commodity	Benchmark Crop Year:		Benchmark Crop Year:		Benchmark Crop Year:		Benchmark Crop Year:		Benchmark Crop Year:		Actual (Current) Crop Year:	
	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	6B. Yield	6C. Rec Type

7. Remarks

The undersigned certifies that all the information entered on this form, whether personally entered by the undersigned or not, or by someone else, the attachments to this form, related acreage reports, production certifications, statements, etc., are each and all true and correct. The undersigned certifies that the production on this form is accurately identified to the farm and represents total production for the year shown. The undersigned understands this report is subject to spot-check, and if FSA finds that this certification contains any erroneous information, FSA will render a new determination. This may include a refund of unearned payments as a result of the errors. Failure to accurately certify any of the information on this form could result in a loss of program benefits. Additionally, by signing this form, the undersigned directs the purchaser, warehouse operator, ginner, or any person who otherwise, stores or purchases crop production listed on this form to disclose the production records of such crops to USDA representatives for the purpose of verification.

8. Producer's Name and Address (Including Zip Code)

9A. Signature of Producer (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)*

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*--Producer's Certification of Yield on CCC-863 (Continued)

C Example of CCC-863 (Continued)

CCC-863 (06-18-15) Page 2 of 2

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 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.*

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 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.***

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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.*

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*--Example of Producer Notification Letter

The following is an example of a letter requesting certified yields for farms participating in ARC-IC.

USDA United States Department of Agriculture | Farm and Foreign Agricultural Services | Farm Service Agency | North Dakota State Office
1025 28th St South
Fargo, North Dakota 58103
701-239-5224

July 20, 2015

Producer X
PO Box Y
Blabon , ND 00000

Dear Mr. X:

Based on the 2014 Agriculture Risk - Individual (ARC-IC) Program files, you have one or more farms that are enrolled into the 2014 ARC-IC program.

As indicated during the ARC and PLC election process, the ARC-IC program requires, at a minimum, that you must certify the current year (2014) actual yield. The program also gives you the option of certifying to yields for each of the years the crop was actually planted on the farm during the 2009 – 2013 benchmark years.

To determine the eligibility of 2014 ARC-IC program payments, yields for the 2009 – 2014 crop years for each covered commodity that was planted in 2014, must be certified by not later than September 30, 2015.

Failure to provide timely yield certification for the ARC-IC elected and enrolled farm will make the farm ineligible for ARC-IC payments for that year and CCC may assign substitute yield for the year the yield is not certified, which would be used in calculating future year's benchmark yields for the farm.

To assist you in completing the yield certification requirements for 2009-2014 crop years, we have enclosed the CCC-863 (ARC-IC Yield Certification) for each ARC-IC farm and each covered commodity that was reported planted on the FSA farm in the 2014 crop year.

The CCC-863 consists of 6 columns to allow for certification of benchmark and actual year yields. The yields for the farm and applicable covered commodity that was planted in 2014 must be reported based on how the farm is constituted in 2014. The CCC-863 must be completed for each of the years the crop was planted 2009 – 2014 and returned to the county office for review.

Production evidence that you can use to support your certified yields for 2009-2014 for each covered commodity planted on the farm during those years, can be from the following sources:

- Crop Insurance loss records
- Crop Insurance APH data base records
- Sales records (buyer specific)
- Farm stored production records, appraisals, etc

Contact this office if you have any further questions related to completing the CCC-863 for the 2014 ARC-IC program year.

Sincerely,

Jake Snake
County Executive Director

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FSA-910, Wetland Reserve Program Projected ARCPLC Base Acre Reduction Worksheet

This form is available electronically.

FSA-910
(12-04-06)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

A. State:

B. County:

C. Farm Number:

WETLAND RESERVE PROGRAM
PROJECTED DCP BASE REDUCTION WORKSHEET

This worksheet has been developed to assist landowners with determining whether a base reduction is required for the Direct and Counter-Cyclical Program due to an offer of acreage for enrollment into the Wetland Reserve Program. The use of this worksheet is voluntarily and is not a requirement to participate in either the Direct and Counter-Cyclical Program or the Wetlands Reserve Program.

PART A – INFORMATION ABOUT THIS FARM

Determine this information from the FSA-156EZ form obtained from the local FSA Office for the applicable farm.

1. CROPLAND	2. DCP CROPLAND	3. EFFECTIVE DCP CROPLAND	4. DOUBLE-CROPPED ACRES	5. TOTAL DCP BASE ACREAGE

6. Is there more than one tract associated with this farm? *If "YES", see the note in Item 16 if a projected DCP base reduction is required.*	☐ YES ☐ NO
7. Available cropland acreage for the farm. *Effective DCP cropland in Item 3 minus total DCP base acreage in Item 5. If the result is negative, enter 0.* ►	
8. Double-cropped acreage included in total DCP base acres. *Item 5 minus Item 3. If the result is negative, enter 0.* ►	

PART B – PROJECTED DCP BASE REDUCTION

9. Proposed total number of **cropland** acres being offered for WRP enrollment. **Note:** Acreage offered for enrollment in WRP may be on cropland and/or non-cropland acreage. Landowner(s) should only enter the number of acres that are on cropland in this field. Non-cropland acres should not be included on this worksheet.		
10. Available cropland acreage for the farm determined in Item 7.		
11. Initial DCP base reduction for the farm based on the proposed WRP offer recorded in Item 9. *Item 9 minus Item 10. If the result is negative, enter 0.*		
12. Revised effective DCP cropland. *(Item 3 minus Item 11)*		
13. Is the available double-cropped acreage determined in Item 8 greater than the revised effective DCP cropland determined in Item12? ☐ YES. Subtract the revised effective DCP cropland determined in Item12 from the available double-cropped acres for the farm determined in Item 8. ► **Note:** Double-cropped acreage cannot be greater than the effective DCP cropland. Therefore then an additional reduction to DCP base acres is required. ☐ NO. Enter zero. ►		
14. Total projected DCP base reduction required for the farm **based on the proposed WRP offer recorded in Item 9**. *(Item 11 plus Item 13)* ►		
15. Number of additional DCP base acres that are voluntarily retired through enrollment in WRP. ► **Note:** Landowners may opt to retire DCP base acres over and above the required reduction determined in Item 14. If so, enter the number of DCP base acres being retired through the WRP offer.		
16. Total projected DCP base reduction for the farm **based on the proposed WRP offer.** *(Item 14 plus Item 15)* ► **Note**: The number of acres determined in Item 16 should be used to complete the CCC-505 form, which is required to be filed when an offer for enrollment in WRP is filed. If the proposed number of acres entered in Item 9 for enrollment in WRP is increased or decreased, landowners should prepare another worksheet to ensure the correct number of DCP base acres are reduced. If "YES" was selected in Item 6 indicating there are multiple tracts on the farm, landowners may also have the option of redistributing DCP base acres to other tracts on the farm in order to retain DCP base acres for higher valued crops. Landowners should contact the local FSA county office to obtain additional information regarding the potential redistribution of DCP base acres.		

DISCLAIMER: Completion of this worksheet does not obligate the landowner to enroll acreage into WRP and should only be used as a guide to determine whether a DCP base reduction is required based on the proposed number of cropland acres that may be offered for WRP enrollment. If the landowner opts to enroll acreage into WRP, it is recommended that this worksheet be completed by the landowner to determine the number of DCP base acres that are required to be reduced based on the landowner's intentions. If DCP base acres are voluntarily retired through the WRP easement or are required to be reduced based on the acres being enrolled in WRP, landowners must complete a CCC-505, Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acres Reduction, form when the WRP offer is filed. Acres included on the CCC-505 will be reduced from the DCP base acres for the farm when the WRP easement is recorded. This reduction is permanent for the fiscal year in which the WRP offer is recorded and producers are not eligible for DCP payments on the reduced acreage. Reduction of DCP base acres included on a CCC-505 shall not be returned to the farm.

Landowners should contact the local FSA County Office to obtain a blank CCC-505 form, a copy of the FSA-156EZ for the farm, and copies of aerial maps associated with the farm or to obtain additional information regarding reductions of DCP base acres. A blank CCC-505 can also be obtained by visiting the following web site - http://forms.sc.egov.usda.gov/eforms/mainservlet.

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List of FAV's

The following crops are FAV's.

Note: The list may **not** be all inclusive.

acerola ("Barbados cherry")	cherimoyas ("sugar apples")
antidesma	canary melon
apples	cantaloupes
apricots	cardoon
arugula	casaba melon
aronia (chokeberry)	cassava
artichokes	cherries
asparagus	Chinese bitter melon
atemoya ("custard apple")	Chinese mustard
avocados	chicory
babaco papayas	Chinese cabbage
bananas	Chinese water chestnuts
beans (**except** adzuki, faba, lupin, mung, and soybeans)	chufes
beets (other than sugar)	citron
blackberries	citron melon
black-eyed peas	coffee
blueberries	collards
bok spare choy	cowpeas
boysenberries	crabapples
breadfruit	cranberries
broccoflower	cressie greens
broccolo-cavalo	crenshaw melons
broccoli	cucumbers
Brussel sprouts	currants
cabbage	cushaw
cailang	daikon
caimito	dasheen
calabaza	dates
carambola ("star fruit")	dry edible beans
calaboose	dunga
carob	eggplant
carrots	elderberries elut
cascadeberries	endive
cauliflower	escarole
celeriac	etou
celery	feijoas
chayote	figs

List of FAV's (Continued)

gai lien	mongosteen
gailon	moqua
galanga	mulberries
genip	murcotts
gooseberries	mushrooms
grapefruit	mustard greens
grapes	nectarines
guambana	nuts (except peanuts)
guavas	ny Yu
guy choy	okra
honeydew melon	olallieberries
huckleberries	olives
jackfruit	onions
Jerusalem artichokes	opo
jicama	oranges
jojoba	papaya
kale	paprika
kenya	parsnip
kiwifruit	passion fruits
kohlrabi	peaches
kumquats	pears
leeks	peas (**except** Austrian, green, Umatilla, wrinkled, and yellow)
lemons	all peppers
lettuce	persimmon
limequats	Persian melon
limes	pimentos
lobok	pineapple
loganberries	pistachios
longon	plantain
loquats	plumcots
lotus root	plums
lychee ("litchi")	pomegranates
mandarins	potatoes
mangos	prunes
marionberries	pummelo
mar bub	pumpkins
melongene	quinces
mesple	radicchio
mizuna	radishes

List of FAV's (Continued)

raisins	Swiss chard
raisins (distilling)	sweet corn
rambutan	sweet potatoes
rape greens	tangelos
rapini	tangerines
raspberries	tangos
recao	tangors
rhubarb	taniers
rutabaga	taro root
santa claus melon	tau chai
salsify	tindora
saodilla	tomatillos
sapote	tomatoes
savory	turnip greens
scallions	turnips
shallots	watercress
shiso	watermelons
spinach	white sapote
squash	yams
strawberries	yu choy
suk gat	