

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 11

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 5 F, 202 A, and 202 D have been amended to change the beginning of the 2017 and 2018 ARCPLC enrollment to November 1 of the applicable year.

Subparagraph 5 F has been amended to end 2016 ARC and PLC contracts on September 30, 2016 until a time when the 2017 ARC and PLC apportionment is received.

Subparagraph 6 G has been amended to make a correction in the sequestration table.

Subparagraph 28 A, 218 C, and 287 A have been amended to correct wording.

Subparagraph 90 C has been amended to enhance the PLC yield review.

Subparagraph 116 C and L have been amended for clarification.

Subparagraph 119 D has been added for HIP policy on transferred farms.

Paragraph 121 has been added to clarify policy on ARC-CO yields.

Subparagraph 204 C has been amended to clarify policy.

Subparagraph 208 B has been amended to clarify instructions for CCC-861-A.

Subparagraph 208 C has been amended to insert a corrected CCC-861-A.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 216 I and J have been amended to clarify policy.

Subparagraph 217 A has been amended to clarify division of payment guidelines.

Subparagraph 235 A has been amended to correct policy.

Subparagraphs 245 A and 246 A have been amended to clarify policy on contract approval dates versus automated approval dates.

Subparagraph 288 B has been amended to clarify FAV policy.

Exhibit 18 has been amended to correct the instruction in form 10 A.

B Authority to Enter Electronic Approvals of CCC-861 and CCC-862

COC and/or their designee may now approve electronically all CCC 861 and CCC 862. This must be completed by September 30, 2016 for all enrolled 2016 contracts.

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5 Basic ARC and PLC Program Information (Continued)

C 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 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] Payment yield means for a farm for a covered commodity the yield established under subpart C of this part.

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.

5 Basic ARC and PLC Program Information (Continued)

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 7, 2015	ARC and PLC enrollment for 2016 begins.
August 1, 2016	ARC and PLC enrollment for 2016 ends.
September 30, 2016	ARC and PLC contract approvals for 2016 contracts will be closed and not re-opened until 2017 apportionment is received
November 1 through August 1 of each ARCPLC program year 2017 through 2018.	ARC and PLC enrollment period for the 2017 and 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.

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

There are no advance payments authorized for ARC and PLC.

C Final ARC and PLC Payments

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

D Payment Limitations

[7 CFR 1412.51] Limitation of payments.

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

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

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

6 **Payments and Limitations (Continued)**

E 10-Acre Rule Provision

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

F Refunds of Unearned Payments

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

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

G Sequestration Reduction

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

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

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

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

*--

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

--*

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 acre 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 must 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 will thoroughly review with COC and document in the COC Executive minutes all base acreage corrections completed according to this paragraph.

Note: A State Office representative must concur with any corrections made by COC.--* 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)

*--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
- producers identified on the **PLC Yields Exceeding the PLC County Average Yield Report** as outlined in subparagraph 90 B
- *--subparagraph 90 H relative to tolerance

COC shall complete reviews identified on the report and randomly select the number farms according to the following table.

Number of Farms Identified on the Report	Number of Farms to be Reviewed
1 – 100	20%
101 – 200	15%
201 – 300	10%
301 and above	5%

--*

Note: * * *

This report does **not** need to be reviewed annually because the 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.

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 a CCC-861 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 <u>1/</u>	184	163	183	112	155	167
ARC Substitute Yield <u>2/</u>	119	119	119	119	119	

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

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 with base acres on a farm having CCC-861, 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)

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, where available, 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

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

C HIP Policy

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

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

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

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

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

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

E Calculating HIP on Generic Base Acre Farms

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

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

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

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 <u>1/</u>	220	215	201	195	228
ARC Substitute Yield <u>2/</u>	210	210	210	210	210
MYA Price <u>3/</u>	\$3.55	\$5.18	\$6.22	\$6.89	\$4.50
Reference Price <u>4/</u>	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70
Corn Non-Irrigated					
Yield <u>1/</u>	125	100	165	110	95
ARC Substitute Yield <u>2/</u>	84	84	84	84	84
MYA Price <u>3/</u>	\$3.55	\$5.18	\$6.22	\$6.89	\$4.50
Reference Price <u>4/</u>	\$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 <u>1/</u>			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)

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 <u>1/</u>
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 Cascade of Yields to Determine ARC-CO Yield

A Yields

As mentioned in subparagraphs 116 B and L, county yields are needed to calculate the ARC-CO benchmark and actual revenue. A county yield is computed by calculating the crop year production of a covered commodity divided by the commodity’s total planted acres in that crop year.

In determining the yield for a county, FSA uses data in order from the following data sources and is discussed in this paragraph:

- NASS
- RMA
- yields calculated by STC’s.

It should be noted that NASS and RMA yield data comprises approximately 90 percent of the base acres enrolled in ARC-CO. The remaining 10 percent of base acres uses data compiled by STC’s.--*

--121 Cascade of Yields to Determine ARC-CO Yield (Continued)*B NASS County Yield Data**

NASS county data is used as the primary source for determining the county yield in computing the benchmark and actual revenue for ARC-CO.

After passage of the Farm Bill, FSA was required to provide to producers, commodity organizations, educational institutions, and other customers 5 years of data by county and covered commodity to compute the initial benchmark. The most readily available data source for that information was the county yield data from NASS. As a result, NASS data is used to determine the county yield and is the primary source of data in computing ARC-CO yields, both for the benchmark and actual revenue calculation.

NASS field offices contact producers to complete yield surveys during various times of the year. COC's and COE's should encourage producer participation and cooperation in completing NASS surveys as this data is important for ARC-CO yield calculations.

NASS data is normally obtained by FSA early in the succeeding calendar year for the applicable contract year. For example, NASS county yields for the 2015 corn crop are received from NASS during the spring of 2016.

C RMA County Yield Data

When NASS county data is not available, the secondary source for determining the county yield is county yield data furnished by RMA. RMA county yield data is obtained from producers enrolled in RMA policies. This yield data may be furnished by RMA policy holders in an APH certification (when the applicable policy holder did **not** have a crop loss) or loss adjustment (when the applicable producer did have a crop loss). RMA county yield data is not furnished to the public except as a component of FSA's yield cascade.

RMA county yield data is not furnished to FSA until late summer, immediately before the end of the fiscal year. For example, RMA county yield data for 2015 corn crop is not furnished to FSA until the late summer of 2016. As a result, in counties where NASS county yield data is not furnished, FSA cannot:

- compute the actual crop year yield
- know which county and covered commodity combinations that a STC must complete.--*

--121 Cascade of Yields to Determine ARC-CO Yield*C STC Calculated Yields**

In certain situations, NASS or RMA county yield data is not available to establish either the benchmark yield or actual year yield. When requested, STC's must establish a county yield(s) in any year where the yield was not attainable, using the best available information, such as:

- yields from a contiguous county
- NAP yields that were established for the covered commodity
- in cases where STC's cannot find supporting yield data, STC can request the local COC to provide information/documentation at the local level that can be submitted and reviewed by STC
- state or district level NASS data
- state yield data from contiguous states.

Note: Some counties and covered commodities have been designated as both an irrigated and non-irrigated county (HIP). For these counties, STC's are required to provide both irrigated and non-irrigated yields. For other counties and covered commodities, yields are not broken out between irrigated and non-irrigated practices and are designated as "All".

When completing the yield for each covered commodity and year, the State Office **must** provide the county yield (that is 100 percent of the county yield).--*

--121 Cascade of Yields to Determine ARC-CO Yield*D Missing T-Yields**

T-yields are used as the substitute yield for low yields in the benchmark years for ARC-CO and ARC-IC. FSA presently has T-yields that are the weighted T-yields from RMA for covered commodities that were insured in the applicable county in the applicable year. When the covered commodity did **not** have crop insurance in the county in the year in question, the STC will be requested to assign a NAP T-yield that covered commodity in that county.

STC will first assign the NAP T-yield for the covered commodity in that county, as applicable. For counties that have both IR and NI yield data, STC will determine a T-yield for both practices. In cases where STC did **not** determine a NAP T-yield for the covered commodity or county, STC must follow policy in 1-NAP to establish a NAP county-expected T-yield for that covered commodity and county.

T-yields computed according to the policy in 1-NAP and used solely in the ARC and PLC programs are **not** required to be loaded into NCT.

E National Office Request and Returning Missing Yield Data

STC's:

- will be contacted by the National Office in any year where a missing yield or T-yield is required to complete the ARC-CO or ARC-IC benchmark and/or actual revenue
- shall not take any action to complete missing yield or T-yield data until requested to do so by the National Office.--*

122-130 (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 CCC-861 or CCC-862 for the 2014 through 2018 years.

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

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

- *--2014 and 2015 enrollment periods are held concurrently and began June 17, 2015, and ended September 30, 2015
- 2016 enrollment period began December 1, 2015, and ends August 1, 2016
- 2017 and 2018 enrollment periods will begin November 1 and end August 1 of each respective contract year (2017 and 2018, respectively).--*

202 Enrollment Dates for ARC and PLC Programs (Continued)

B Enrolling Base Acres on a Farm

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

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

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

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

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

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.			
--November 1 through August 1 for 2017 and 2018--											
August 2 through August 31					STC or DD, if delegated			State Office or DD, if delegated.			
September 1 through September 30											

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 CCC-861 or CCC-862 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 Contract Year 2016, 2017, or 2018 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.

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 CCC-861 or CCC-862 that is enrolled in the ARC-CO and PLC or ARC-IC program, as applicable, according to this paragraph
- neither approve nor disapprove CCC-861's or CCC-862's that do **not** have the 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: CCC-861's or CCC-862's 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 a CCC-861 or CCC-862 that is **not** completely enrolled.

Note: The failure of a producer to sign CCC-861 or CCC-862 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:

- *--the landowner's or landlord's signature on CCC-861 or CCC-862 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.--*

- 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.

- *--for 2016 and subsequent years, a written statement by the landowner(s) or their representative stating the land is cash leased. The statement must be reviewed by COC.--*

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.

***--208 CCC-861-A, Request for Waiver of Administrative County Method of Determining Agricultural Risk Coverage-County Option (ARC-CO) Eligibility**

A Overview of CCC-861-A

CCC-861-A for a specific program year (2014 or 2015) and farm includes the following:

- contract base acres and signatures of all producers enrolled on CCC-861
- signature of CCC representative

Similar to CCC-861, CCC-861-A can contain signatures of producers who have no share in contract base acres on the farm but who share in attributed base acres. See paragraphs 216 and 265.

CCC-861-A is available from the FFAS Employee Forms/Publication Online website at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

CCC-861-A dated 01-11-16 is acceptable for contract year 2014 or 2015. A separate CCC-861-A must be signed for each farm and each contract year (2014 or 2015) where a waiver of administrative county is being sought by all the farm’s producers.

B Instructions for Completing CCC-861-A

Complete CCC-861-A according to the this table.

Item	Instruction
1	Enter the applicable program year 2014 or 2015. A separate form must be completed for each year a waiver is requested.
2	Enter the State code for the FSN in item 4.
3	Enter the administrative county code for the FSN in item 4.
4	Enter the applicable FSN.
5A	Enter the administrative County Office name and address for FSN in item 4.
5B	Enter the telephone/fax numbers of the administrative County Office identified in item 5A (optional) State code for the FSN in item 4.

--*

208 CCC-861-A, Request for Waiver of Administrative County Method of Determining Agricultural Risk Coverage-County Option (ARC-CO) Eligibility (Continued)

B Instructions for Completing CCC-861-A (Continued)

Item	Instruction
6A	Enter the name and address of the farm operator, owner, or other tenant for the farm identified in item 4.
6B	Manually enter the e-mail address for the producer in item 6A (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.
6C	*--Enter the telephone number of the producer in 6A. (optional)--*
7	Enter each covered commodity that has contract base acres identified on the farm in item 4.
8	Enter each covered commodity that has contract base acres identified on the farm in item 4.
9A	The producer identified in item 6A must sign.
9B	If the person signing in item 9A is signing in a representative capacity for the producer identified in item 6A, a title/relationship must be listed. If the person signing in 9A is the same person as the person identified in 6A, no entry is required.
9C	Enter the date the person signed in item 9A.
10A	The CCC representative or delegated representative must sign indicating approval of CCC-861-A. A signature should not be entered here until all producers having more than a zero share of base acres who also previously enrolled the farm for the same program year have signed the request for waiver. A CCC representative's signature entered here does not mean all have signed.
10B	Enter the date the CCC representative signs 10A.
11	Enter any remarks associated with the waiver request.
12	An optional entry used to track employee updates of producer information by adding the employee's initials and date.

208 CCC-861-A, Request for Waiver of Administrative County Method of Determining Agricultural Risk Coverage-County Option (ARC-CO) Eligibility (Continued)

C Example of CCC-861-A

The following is an example of CCC-861-A.

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<p>This form is available electronically.</p> <p>CCC-861-A U.S. DEPARTMENT OF AGRICULTURE (02-10-16) Commodity Credit Corporation</p> <p align="center">REQUEST FOR WAIVER OF ADMINISTRATIVE COUNTY METHOD OF DETERMINING AGRICULTURAL RISK COVERAGE – COUNTY OPTION (ARC-CO) ELIGIBILITY</p>			1. Program Year:	
		2. State Code	3. County Code	4. Farm Number
			5A. County FSA Office Name and Address	
			5B. County Office Telephone/Fax Number(s) (Including Area Code):	
<p>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.</p> <p>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).</p> <p>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.</p>				
<p>THE undersigned producers on the farm identified in Item 4 request that the Commodity Credit Corporation (CCC) waiver Paragraph 2E of the CCC-861 and CCC-862 Appendix (06-02-15) with respect to the program year entered in Item 1 for each and all of the ARC-CO elected covered commodities on the farm identified in Item 4. The terms and conditions of the ARC-CO and PLC contract are contained in the CCC-861 and CCC-862 Appendix and the addendum to that appendix as well as regulations at 7 CFR Part 1412. By signing the CCC-861 and this request for waiver, all producers on the farm: (1) acknowledge receipt and agree to abide by the terms of the CCC-861 and CCC-862 Appendix and the addendum to that 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; (4) certify that all the information contained on this form, whether or not personally entered by the producer, is true, correct, and accurate, (5) acknowledge that they understand the provisions of this waiver request, addendum to appendix, and the fact that they are exercising an option to have ARC-CO eligibility for any covered commodity on an enrolled farm determined in accordance with the addendum to the appendix, (6) unanimously agree to have the extent of their ARC-CO eligibility on the farm identified in Item 4 determined based on a farm summary of weighted base acres (including attributed base acres) by physical location tract to determine the farm's overall benchmark revenue shortfall without regard to the farm's administrative county, (7) acknowledge that the decision to seek this waiver and have ARC-CO eligibility determined for 2014, 2015, or both crop years, as applicable, under this alternative, is irrevocable for 2014,2015 or both crop years, as applicable, and cannot be changed after the conclusion of the period announced for seeking the waiver, (8) any overpayments that result due to a decision to seek this waiver and alternative must be refunded to CCC with applicable interest from the date of disbursement, and (9) acknowledge that neither FSA nor CCC has made any guaranty or warranty regarding the potential or possibility for payments or overpayments based upon the effects of this waiver.</p>				
PART A – OWNER OR PRODUCER'S INFORMATION				
6A. Owner or Producer's Name and Address	7. Commodity	8. Commodity		
6B. Email Address				
6C. Telephone No.:				
9A. Producer's Signature (By)	9B. Title/Relationship of the Individual Signing in the Representative Capacity	9C. Date (MM-DD-YYYY)		
FOR FSA USE ONLY				
10A. Signature of CCC Representative		10B. Date (MM-DD-YYYY)		
11. Remarks				
12. Employee 's Initials:				
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</small></p>				

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***--208 CCC-861-A, Request for Waiver of Administrative County Method of Determining Agricultural Risk Coverage-County Option (ARC-CO) Eligibility (Continued)**

C Example of CCC-861-A (Continued)

CCC-861-A (02-10-16)		Page 2 of 2	
1. Program Year	2. State Code	3. County Code	4. Farm Number
CONTINUATION OF OWNER'S OR PRODUCER'S CROP INFORMATION (From Page 1)			
6A. Owner or Producer's Name and Address	7. Commodity		8 Commodity
6B. Email Address			
6C. Telephone No.:			
9A. Producer's Signature (By)		9B. Title/Relationship of the Individual Signing in the Representative Capacity	9C. Date (MM-DD-YYYY)
6A. Owner or Producer's Name and Address	7. Commodity		8 Commodity
6B. Email Address			
6C. Telephone No.:			
9A. Producer's Signature (By)		9B. Title/Relationship of the Individual Signing in the Representative Capacity	9C. Date (MM-DD-YYYY)
6A. Owner or Producer's Name and Address	7. Commodity		8 Commodity
6B. Email Address			
6C. Telephone No.:			
9A. Producer's Signature (By)		9B. Title/Relationship of the Individual Signing in the Representative Capacity	9C. Date (MM-DD-YYYY)
6A. Owner or Producer's Name and Address	7. Commodity		8 Commodity
6B. Email Address			
6C. Telephone No.:			
9A. Producer's Signature (By)		9B. Title/Relationship of the Individual Signing in the Representative Capacity	9C. Date (MM-DD-YYYY)

--*

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 CCC-861 or CCC-862.

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

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

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

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

J Documents Required for Payment Issuance

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

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

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

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

217 Division of Payment Guidelines and Example

A Division of Payment Guidelines

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

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

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

217 Division of Payment Guidelines and Example (Continued)

A Division of Payment Guidelines (Continued)

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

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

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

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

B Example

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

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

	Landowner	Tenant
Wheat	100 percent	0 percent

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

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

218 Missing Signatures

A Incomplete Enrollments With a Share Greater Than Zero

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

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

If a person or legal entity has an FSA-578 share of a covered commodity and the person or legal entity wants to make themselves potentially eligible for ARC-IC payments under an ARC-IC contract, or the farm has generic base acres and the person or legal entity wants to make themselves potentially eligible for payments on base acres under any ARC-CO and

*--PLC contracts or ARC-IC contracts, the individual or entity **must** sign CCC-861 or CCC-862, as applicable, by September 30, 2015, for each of the 2014 and 2015 crop--* years, and for each of the 2016 and subsequent contract years (September 30 of the contract year).

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

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

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

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 CCC-861 or CCC-862. CCC-861 or CCC-862 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 contract 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 CCC-861, the farm may be approved for payment for producers having a share. CCC-862's however, must have signatures of all producers who share in covered commodities reported planted on the farm. CCC-862's not having signatures of all producers sharing in reported planted covered commodities on the farm cannot be approved and will be considered a partial enrollment.

218 Missing Signatures (Continued)**D Fractionated Property - Ownership Land**

Contracts contain fractionated ownership where a deminimus share of the cropland acreage on the farm cannot be determined.

--COC may approve CCC-861 or CCC-862 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 CCC-861 or CCC-862 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

Section 3 Contract Requirements

235 10-Acre Farm Rule Exception

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

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

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

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

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

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

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

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.

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:

- will be issued using TIN of the eligible individual or the individual's estate, as applicable
- 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. Redlegation 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.

--Situations may occur when contract approval is not available in the software. In these cases, the employee recording the contract approval in the software may use a date different than the actual approval date on CCC-861 or COC minutes.--

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. Redlegation 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.

--Situations may occur when contract approval is not available in the software. In these cases, the employee recording the contract approval in the software may use a date different than the actual approval date on CCC-862 or COC minutes.--

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.

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 CCC-861 or CCC-862
- nonpayment acres of a farm enrolled on CCC-861 or CCC-862
- payment acres, however, if FAV/WR are planted on payment acres enrolled on CCC-861 or CCC-862, 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-CO or PLC.--*

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

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

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.

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:

- *--any FAV planted in a mixture in such an extent that harvest of the FAV as a human food source is impractical; no field visit is required--*
- 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 below and do not have a land use code of "F" in 2-CP, Exhibit 10.5; all other FAV's are not part of this exception:--*
 - 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 permanent reduction of base acres to negate an acre-for-acre reduction should never happen because the acre-for-acre reduction is not a permanent reduction)--*
- 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.

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

Approved Abbreviations	Term	Reference
2002 Farm Bill	Farm Security and Rural Investment Act of 2002	64, 65
2008 Farm Bill	Food, Conservation, and Energy Act of 2008 (Pub. L. 110 246)	1, 64, 136
2014 Farm Bill	Agricultural Act of 2014, Title 1 (Pub. L. 113-79)	Text, Ex. 2
ARC	agriculture risk coverage	Text, Ex. 2
ARC-CO	agriculture risk coverage – county	Text, Ex. 2
ARC-IC	agriculture risk coverage – individual	Text, Ex. 2, 18, 19
CARS	Crop Acreage Reporting System	119
CC	counter-cyclical	Text, Ex. 7
CIMS	Comprehensive Information Management System	66, 90
CTAP	Cotton Transition Assistance Program	1, 21-23, 42, 284
ERSR	electronic repository for security request	250
FRMS	Farm Records Management System	42, 64, 66, 141, 206, 245, 246, 248, 282
FRS	Farm Records System	22, 28, 181
HIP	historical irrigated percentage	119, 120, 205, Ex. 2
MYA	marketing year average	Text, Ex. 2
OIP	office information profile	250
P&CP	planted and considered planted	24, 26-28, 102, 116, 119, 120, Ex. 2
PFC	production flexibility contract	42, 64, 206, 281
PLC	price loss coverage	Text, Ex. 2
SLR	Security Liaison Representative	250
T-yield	transitional yield	Text, Ex. 2
WR	wild rice	Text

Redelegations of Authority

--COC may redelegate authority to approve CCC-505's, CCC-861, CCC-861-A, and CCC-862-- to CED, in routine cases. Redlegation must be documented in COC minutes.

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, must 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: <ul style="list-style-type: none"> • certified yield for each year of the benchmark, for each of the covered commodities planted in the current year <p>Note: If the covered commodity was not planted for the particular year, leave blank.</p> <ul style="list-style-type: none"> • 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. <p>Note: In the second and subsequent years, only the actual year yield of the covered commodity must be certified.</p>

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 must sign. Producer signing is 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 will 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	*--CCC or representative signs after CCC or representative reviews certified--* yields.
10B	Enter the date CCC or representative signed CCC-863.