

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

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

**Amendment 5**

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



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**Amendment Transmittal**

**A Reasons for Amendment**

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

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

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

Subparagraph 22 A has been amended to correct a reference.

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

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

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

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

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

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

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

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

**Amendment Transmittal (Continued)**

**A Reasons for Amendment (Continued)**

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

Exhibit 2 has been amended to:

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

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

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

<b>Page Control Chart</b>		
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5 Basic ARC and PLC Program Information

A Covered Commodities

[7 CFR 1412.3] Covered commodity means:

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

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

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

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

## 5 Basic ARC and PLC Program Information (Continued)

## B Base Acres

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

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

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

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

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.

## 5 Basic ARC and PLC Program Information (Continued)

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

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

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

### F Deadlines

The following table lists some important deadlines.

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

## 6 Payments and Limitations

### A ARC and PLC Payment Calculation

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

- for PLC, are equal to the product of multiplying 85 percent of the farm’s specific crop base acres times the farm’s specific PLC yield times the difference between the crop’s \*--reference price minus the effective price (larger of MYA or national loan rate) for the--\* crop times the producer’s share on the approved contract
- for ARC-CO, are equal to the product of multiplying 85 percent of the farm’s specific crop base acres times the difference between the specific crop’s ARC-CO Guarantee minus the ARC-CO Actual crop year revenue, **not** to exceed 10 percent of the ARC-CO Benchmark Revenue, times the producer’s share on the approved contract
- for ARC-IC, are equal to the product of multiplying 65 percent of the farm’s **total** base acres times the difference between the ARC-IC Guarantee minus the ARC-IC Actual crop year revenue, **not** to exceed 10 percent of the ARC-IC Benchmark Revenue, times the producer’s share certified on the crop acreage report, FSA-578, of covered commodities. The ARC-IC Guarantee and the ARC-IC Actual crop year revenue are based on a calculation of ALL covered commodities planted on all FSN’s the producer has enrolled in ARC-IC within the State.

### B Advance ARC and PLC Payments

There are no advance payments authorized for ARC and PLC.

### C Final ARC and PLC Payments

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

6 **Payments and Limitations (Continued)**

**D Payment Limitations**

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

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

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

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

**E 10-Acre Rule Provision**

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

**F Refunds of Unearned Payments**

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

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

**G Sequestration Reduction**

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

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

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

## 21 Definition and Limitation (Continued)

**D Limitation on Base Acres**

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

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

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

\* \* \*

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

## 22 Base Acre Reductions

### A Voluntary Permanent Base Acres Reduction

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

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

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

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

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

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

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

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

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

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

22 Base Acre Reductions (Continued)

**B Producer Requested Base Acres Reduction**

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

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

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

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

County Offices:

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

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

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

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

--\*

22 Base Acre Reductions (Continued)

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

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

**D 2015 Program Year Base Reductions Converting Tenths to Hundredths**

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

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

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

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

County Office employees will:

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

## 22 Base Acre Reductions (Continued)

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

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

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

County Office employees will:

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

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

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

23 Completing CCC-505

A Instructions

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

Item	Instruction	
1	Enter State and county code where the farm is administratively located.	
2	Enter farm number where base acres will be reduced.	
3	<p><b>IF CCC-505 is...</b></p> <p>being prepared as a prerequisite for participation in CRP or GRP</p>	<p><b>THEN enter program year...</b></p> <ul style="list-style-type: none"> <li>• for CRP, equal to the effective date of CRP-1</li> </ul> <p><b>Note:</b> CCC-505 program year will equal FY CRP-1 becomes effective.</p> <p><b>Example:</b> Producer completed and signed CCC-505 during CRP Signup 26. If the CRP offer is accepted:</p> <ul style="list-style-type: none"> <li>• CRP-1 will be effective October 1, 2008</li> <li>• base acre reduction will be effective October 1, 2008</li> <li>• CCC-505 program year is 2009.</li> </ul> <ul style="list-style-type: none"> <li>• for land enrolled in GRP under:                             <ul style="list-style-type: none"> <li>• rental agreement, equal to date CCC-920 is approved by COC</li> <li>• easement equal to date GRP easement is filed.</li> </ul> </li> </ul>
	<p>completed for reasons other than CRP or GRP participation</p>	<p>equal to FY CCC-505 is approved by COC.</p>

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

## A Policy

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

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

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

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

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

- shall be distributed to the tract previously enrolled in CRP or to the tract from which the base acres were removed
- may be used in the base reallocation process
- will receive a PLC yield equal to the tract level CC yield for this crop at the time the applicable acreage was removed

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

- if a CC yield was **not** assigned or **cannot** be found for the applicable crop on the farm, then the county average CC yield will be assigned for the applicable crop
- shall be subject to the program election made for the farm and/or crop by the election deadline according to Part 7.--\*

See 10-CM for updating FRMS.

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

### A Policy (Continued)

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

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

- if the covered commodity to be restored has base acres that exist on the farm before the restoration, then:
    - restore the base acres to the applicable tract and farm
    - the covered commodity's election shall be the election that is in place for that covered commodity on the farm
    - the covered commodity will receive the PLC yield currently established for the crop on the farm
- Note:** No further yield update is allowed.
- if the covered commodity to be restored does **not** have base acres that exist on the farm before the restoration, then:
    - restore the base acres to the applicable tract and farm once the current producers have completed a manual election for the applicable covered commodity

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

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

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

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

A Policy (Continued)

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

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

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



## Part 4 PLC

## 101 PLC Overview

## A PLC General Information

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

## B Covered Commodity Reference Prices

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

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

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

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

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

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

## 101 PLC Overview (Continued)

## C Policy

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

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

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

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

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

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

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

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

## 116 ARC-CO (Continued)

**O ARC-CO Payment Calculation**

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

**(1) An ARC-CO payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity to the producers on a farm for a covered commodity in each crop year if the farm was enrolled in ARC-CO and the ARC-CO actual crop revenue was less than the ARC-CO guarantee.**

**(2) Payment is equal to the result of multiplying the payment acres for the covered commodity times the difference between the actual crop revenue and the ARC-CO guarantee, not to exceed 10 percent of the ARC-CO benchmark revenue.**

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

## 117 ARC-CO Payment Calculation Example

## A ARC-CO Farm Payment Calculation Example

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

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

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

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

## B Farm Example

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### C HIP Policy

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

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

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

- 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.

131 ARC-IC (Continued)

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

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

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

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

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

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

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

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

See:

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

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

## 131 ARC-IC (Continued)

**G ARC-IC Certified Yield Reporting Deadline**

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

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

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

**H ARC-IC Producer Payment**

**[7 CFR 1412.53(b)] Provided all provisions of this part including but not limited to ARC-IC election and enrollment have been satisfied for each of the 2014 through 2018 contract years, CCC will issue, as applicable and consistent with the election and enrollment:**

**(1) An ARC-IC payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the farm if the farm was enrolled in ARC-IC and the ARC-IC actual crop revenue for that farm is less than the ARC-IC guarantee.**

**(2) Payment is equal to the result of multiplying the payment acres for the covered commodities times the difference between actual crop revenue and the ARC-IC guarantee, not to exceed 10 percent of benchmark revenue for ARC-IC.**

**(c) If a producer has an interest in multiple farms that have enrolled in ARC-IC, the ARC-IC benchmark revenue for that producer used in the payment calculation will be a weighted average of the benchmark revenue for those multiple farms.**

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

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

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

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

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

**132 ARC-IC Farm Benchmark and Guarantee (Continued)****G ARC-IC Production Records**

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

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

RMA production and yield data are encouraged to be used.

**H ARC-IC Benchmark Farm Prices**

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

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

**I ARC-IC Producer Guarantee**

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

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

132 ARC-IC Farm Benchmark and Guarantee (Continued)

**J Example of the ARC-IC Benchmark Farm Revenue Calculation**

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

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

1/ In this example, the substitute yield is 105 bu. (150 x 70 percent) for each year and was not used in the farm’s ARC-IC benchmark calculation.

**I Example of the ARC-IC Producer Guarantee Calculation**

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

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

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

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

## 181 Election (Continued)

**C Processing Elections (Continued)**

See subparagraph 41 E if CCC-858 is filed after CCC-857 has been filed.

FSA is under no obligation to notify current producers, current owners, producers or owners, or new producers or owners of whether or **not** a valid election exists or is in place, whether any current producer has rescinded or terminated an election, or whether a previously filed election has been invalidated. FSA will respond to inquiries about the status of election of a farm by any current producer or current owner on a farm, including a producer or owner who gains a producer or owner interest on the farm during the election period.

County Offices will process elections from current producers on a farm based on the election filed.

**D Failure of All Current Producers to Make Election Decision**

**[7 CFR 1412.71(e)] FSA will process elections from current producers on a farm based on the election as submitted. For example, if the current producers of a farm attest that they are all or the only current producers on the farm and FSA later learns that there was another current producer at the time of election who did not agree to the election, the election is invalid. If at any time FSA determines that an election fails to satisfy the requirements of this subpart because it did not include the unanimous agreement of all current producers on the farm at the time of election, the election will immediately be invalid. This is not a compliance provision. Only valid elections by all current producers will be recognized and used by CCC. All ARC and PLC payments that were issued to any producers on a farm based on an election later determined by CCC to be invalid, for whatever reason, regardless of whether those producers who were issued unearned payments personally made or participated in the invalid election, must be refunded with interest.**

CCC-857 on file for the farm during the election period that ended April 7, 2015, is valid unless FSA determines the election is invalid. FSA may consider an election invalid if 1 of the following occurs:

- current producer notifies FSA in writing, within 30 calendar days of the date FSA issues the notice of base acres, yields, and election for the farm, that a base reallocation or yield update filed after CCC-857 was filed would have changed the election decision

**Note:** The election will be invalid and will be considered as an election **not** made as described in paragraph 186. No opportunity will be given to file a new election.

## 181 Election (Continued)

**D Failure of All Current Producers to Make Election Decision (Continued)**

- current producer notifies FSA in writing, within 30 calendar days of the date FSA issues the notice of base acres, yields, and election for the farm, that they disagree with the election made.

**Notes:** The election will be invalid and will be considered as an election **not** made as described in paragraph 186.

If no current producer files a dispute over the election made for the farm, the election for the farm that was made is considered final and will apply to that farm for the life of the Farm Bill.

**Example:** On March 1, 2015, Producer B (2014 operator) completes CCC-857.

On June 15, 2015, Producer S (2015 operator) makes 2015 acreage report on the farm, indicating he had the farm under lease on February 1, 2015.

Producer S does not object to the election made by Producer B.

The election made by Producer B remains in effect through 2018.

**\*--E Election Correction Policy Where FSA Made an Error**

Current producers on the farm were allowed to make an ARCPLC election during the election period that ended April 7, 2015. During the election process, errors may have occurred where the election submitted by current producers on CCC-857 does **not** match the election entered in 2014 FRS and 2015 MIDAS, nor does it match the election provided to producers on the final base, yield, and election notifications issued.

County Offices will follow the policy outlined in this paragraph for completing and documenting election corrections:

- documentary evidence must be on file in the farm folder that validates the election submitted by the producer on CCC-857 during the election period does not represent what currently appears in 2014 FRS and 2015 MIDAS
- COC will review the evidence in the farm folder and thoroughly document the County Office error in the COC Executive minutes as to the correct election submitted by current producers on the farm
- upon COC approval, the County Office will correct the election per crop for ARC-CO and/or PLC or ARC-IC for the farm in 2014 FRS and 2015 MIDAS.--\*

## 181 Election (Continued)

**\*--E Election Correction Policy Where FSA Made an Error (Continued)**

**Note:** Corrections made by COC must be reviewed by a State Office representative. Current producers are **not** required to sign a new CCC-857 for corrections made according to this paragraph. This is **not** a new opportunity for election.

**Scenario 1:**

An owner on the farm selected to reallocate base acres on CCC-858 on a farm. The retained bases were barley, corn, oats, and wheat. The owner choose to reallocate base acres to corn and wheat. CCC-858 shows this and was signed on March 27, 2015.

On March 30, 2015, the current producers on the farm completed CCC-857. CCC-857 incorrectly showed the retained bases and the current producers made a program election of barley ARC-CO, corn ARC-CO, oats ARC-CO, and wheat ARC-CO.

**Corrective Action:**

The County Office must correct 2014 farm records and 2015 MIDAS to show the correct corn and wheat base acreage according to CCC-858. The oat and barley base should be reduced to zero.

The producers made a program election for corn and wheat; therefore, no further action is needed on CCC-857. Corn and wheat will remain in ARC-CO.

**Scenario 2:**

An owner on the farm reallocated base acres on CCC-858 on a farm. The retained base acres were corn and wheat. The owner choose to reallocate base acres to corn and soybeans. CCC-858 shows this and was signed on March 27, 2015.

On March 30, 2015, the current producers on the farm completed CCC-857. CCC-857 incorrectly showed the retained bases and the current producers made a program election of corn ARC-CO and wheat ARC-CO.--\*

**181 Election (Continued)****\*--E Election Correction Policy Where FSA Made an Error (Continued)****Corrective Action:**

The County Office must manually complete CCC-857 for the farm and notify the current producers on the farm that a program election must be made for soybeans within 30 calendar days of notification. If the current producers do not make a program election for soybeans, the crop and farm will default to PLC and the farm will not receive 2014 payments.

Once CCC-857 is received for soybeans, County Offices must correct 2014 farm records and 2015 MIDAS to show the correct corn and soybean base acreage according to CCC-858. The wheat base should be reduced to zero.

The producers made a program election for corn; therefore, corn will remain in ARC-CO if the producers complete the election for soybeans as stated in this subparagraph. If the current producers do not complete the election on soybeans, the farm will be viewed as not having any valid election. The soybean program election will be entered in 2014 farm records and 2015 MIDAS as indicated on the manual CCC-857.

**F Election Correction Notification Policy**

Notification to all owners and operators of the program election correction on the farm is required using the base and yield notification letter that contains appeal rights.--\*

## 188 ARC and PLC Program Election Examples (Continued)

**G Example 7, Determining Current Producer**

Farm 7 has base acres of:

- corn
- wheat.

The current producers **must** be determined. Farm owners are Fred and Karen and farm operator is Bill who share leases from both Fred and Karen. Fred, Karen, and Bill shall make the farm election.

**H Example 7, Determining Current Producer**

\*--Fred and Karen sold the farm to Sam, for which Bill is the farm operator and a producer, **before** April 7, 2015. Bill and Sam could have done either of the following:

- taken no action and maintain the existing election
- completed another election **by April 7, 2015.--\***

**Note:** FSA is under **no** obligation to provide election information to Sam, **unless** requested by Sam.

**I Example 8, Determining Current Producer**

\*--Becky and Adrian owned the farm and cash leased the entire farm to Christopher. Christopher's lease ran from March 1, 2014, through February 28, 2015. Christopher made an election on January 15, 2015. Becky and Adrian terminated Christopher's lease per State law and cash leased the entire farm to Kim. Kim's lease runs from March 1, 2015, through February 29, 2016. Kim could have done either of the following:

- taken no action and maintain the existing election
- completed another election **before April 7, 2015.--\***

**Note:** FSA is under **no** obligation to provide election information to Kim, **unless** requested.

## 188 ARC and PLC Program Election Examples (Continued)

**J Example 9, Reconstitutions**

Farm 8 has base acres and elections of:

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

\*--A reconstitution request, to divide Farm 8 that has 2 tracts into 2 farms, is received in the--\* County Office. Farm 8 is divided into the following 2 farms:

- Farm 9 (Tract 1) with the following base acres and elections:
  - corn, ARC-CO
  - soybeans, PLC
  - wheat, PLC
- Farm 10 (Tract 2) with the following base acres and elections:
  - corn, ARC-CO
  - soybeans, PLC
  - wheat, PLC.

**Note:** The election follows to each resulting farm \* \* \*.

**\*--204 ARC-CO and PLC Contract or ARC-IC Contract****A ARC-CO and PLC Contract or ARC-IC Contract Provisions**

**The following provisions apply to farms that did not have a valid election of ARC-CO and PLC or ARC-IC for 2014.**

If a farm did **not** have a valid election, the farm and all producers on that farm are **not** eligible for a 2014 payment. All covered commodities are defaulted to the PLC program, with payment eligibility beginning in 2015. Producers will be permitted to enroll farms not having valid elections even though there will be no payments issued for 2014. The fact producers on such an enrolled and unelected farm are ineligible for 2014 payments is not an adverse decision for any enrolled producer on that farm. It is the function of the statute.

**The following provisions apply to ARC-CO and PLC contracts or ARC-IC contracts for 2014 through 2018.**

The regular scheduled enrollment period will end on August 1 of each FY. However, because of the timing of the rollout of the programs (enrollment for the 2014 and 2015 contract years), eligible producers must execute and submit an ARC and PLC contract or ARC-IC contract by:

- September 30, 2015, for each of the 2014 and 2015 FY contracts
- August 1 of the applicable year for each of the 2016, 2017, and 2018 FY contracts.

**B COC Actions**

COC will:

- only consider and act on an ARC-CO and PLC contract or ARC-IC contract that is enrolled in the ARC-CO and PLC or ARC-IC program, as applicable, according to this paragraph
- neither approve nor disapprove the ARC-CO and PLC contracts or ARC-IC contracts that do **not** have signatures of all producers sharing in base acres on the farm

**Note:** Contracts not having all the signatures of all producers are considered incomplete and, if not signed by the end of the enrollment period, are considered withdrawn.

**Exceptions:** ARC-CO and PLC contracts or ARC-IC contracts with signatures from producers having zero shares may be acted on provided the provisions of paragraph 265 are met.

See subparagraph 202 C for other exceptions.--\*

## 204 ARC-CO and PLC Contract or ARC-IC Contract (Continued)

**B COC Actions (Continued)**

- **not** consider or recommend equitable relief under any provision for an ARC-CO and PLC contract or ARC-IC contract that is **not** completely enrolled.

**Note:** The failure of a producer to sign an ARC-CO and PLC contract or ARC-IC contract is **not** a compliance discrepancy or failure to fully comply.

**C Cash Lease Signature Requirements**

COC will determine whether a lease is a cash lease according to paragraph 216. If the lease is a cash lease, COC's will **require** any of the following if the landowner or landlord receives a zero share of the crop:

- written lease, rental arrangement, or other document signed by the landowner or landlord that proves that the producer has cash-leased the land for FY

**Notes:** Keep a copy of the document in the County Office folder.

If the farm is a multiple ownership farm, and none of the tracts owned by the landowner or controlled by the landlord have cropland on them, the signature of that landowner or landlord or proof of cash-lease provisions do **not** apply.

- the landowner's or landlord's signature on ARC-CO and PLC contract or ARC-IC contract to zero share.

**Note:** When both spouses are joint owners of a farm and proof of a cash lease is **not** provided, the signature of 1 spouse is sufficient for a zero share, **unless** the spouse has notified FSA in writing that the other spouse may **not** sign for both.

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

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

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

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

**204 ARC-CO and PLC Contract or ARC-IC Contract (Continued)****C Cash Lease Signature Requirements (Continued)**

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

**D Partial Enrollments**

**[7 CFR 1412.41(a)(4)] Eligible producers who choose to enter into a contract with FSA must enroll all base acres on the farm. Enrollment of fewer than all base acres on the farm is not allowed.**

**E Withdrawing Enrollment**

**[7 CFR 1412.41(b)] Eligible producers may withdraw from a contract at any time by August 1 of the applicable contract year provided all producer signatories to the contract, including FSA, agree to the withdrawal in writing.**

See paragraph 203 for late-filed enrollment provisions. Late-filed enrollment provisions similarly apply to withdrawals of enrollment.

**F Expiring ARC-CO and PLC Contract or ARC-IC Contract**

The 2014 contract year is the **only** year that passed **before** the start of 2014 enrollment. The contract expiration provisions that apply to 2014 contracts will also apply to 2015 contracts, **without** regard to the 2014 or 2015 contract years already having passed or lapsed before the established enrollment deadline of September 30, 2015.

**Example:** FY's 2014 and 2015 ARC-CO and PLC contracts or ARC-IC contracts timely entered into with CCC have a contract period that ends on September 30, 2015.

Except as provided for enrollment changed in the designated enrollment period that ends for 2014 and 2015 contracts (September 30, 2015), no changes can be made to ARC-CO and PLC contract or ARC-IC contract after the end of a contract period.

**205 Reconstitution of ARC-CO, PLC, and ARC-IC Farms****A Reconstitution of Enrolled Farms**

Farms enrolled during the prescribed annual enrollment period that are subsequently reconstituted are no longer considered to be enrolled.

Farms resulting from a reconstitution are **not** deemed to have enrolled into the ARC-CO and PLC contract or ARC-IC contract and may **not** earn benefits associated with the ARC and PLC programs, **unless** the resulting farm is timely enrolled in ARC-CO and PLC contract or ARC-IC contract.

## 205 Reconstitution of ARC-CO, PLC, and ARC-IC Farms (Continued)

### A Reconstitution of Enrolled Farms (Continued)

The validity of an ARC or PLC election is **not** impacted by reconstitution. Valid ARC and PLC elections will continue to be recognized following reconstitution. The resulting farms will have the ARC or PLC election that is consistent with the parent farm or farms.

### B Authorized Reconstitutions

Subject to the provisions of subparagraph A, the following reconstitutions are allowed for each 2015 and subsequent program year, if FSA-155 or FSA-179 is initiated **by** August 1 of the effective FY:

- divisions of all farms
- farm combinations in limited situations
- completed farm transfers.

**Note:** Combinations of ARC-CO and PLC parent farms with other ARC-CO and PLC parent farms can only be approved if there are no conflicting elections or HIP between parent farms.

An ARC-CO and PLC parent farm can never be combined with an ARC-IC parent farm or vice versa.

A parent farm that has zero base acres and has no election can be combined with any parent farm that has elected an ARC-CO and PLC or ARC-IC program. Examples include, but are not limited to:

- noncropland farm
- cropland farm with zero base acres
- CRP farm with base acres reduced to zero.

Operators, producers, and owners **must** understand that when farms are combined, the resulting farm and its election that applied to the parent farms of the reconstitution will continue to apply to child farms following any subsequent division of that farm, even if the division is in the same year.

**Example:** Farm 1 has a valid election of ARC-CO for corn and grain sorghum. The farm has no other contract base acres of other covered commodities, nor does it have generic base acres. The operator of Farm 1 requests to combine Farm 1 with Farm 3, which has an election of ARC-CO for corn, no base acres of grain sorghum, and PLC elected for wheat. Farm 3 has no other contract base acres of covered commodities, nor does it have generic base acres. Farms 1 and 3 can be combined as there are no conflicting elections; however, the resulting farm (and child farms if split from that farm later) will have ARC-CO election apply corn and grain sorghum and PLC for wheat.

**\*--216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)****G Eligibility to Receive Payment (Continued)**

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

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

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

**H Lease Expiration and Eligibility**

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

If crops are produced on base acres:

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

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

**I Supportive and Necessary Contractual Documents**

Supportive and necessary contractual documents **must** be in the FSA office before approving ARC-CO and PLC contract or ARC-IC contract.

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

- signatures from landowners signing to zero shares
- copy of the cash lease agreement
- written statement by the producer or their representative stating the land is cash-leased.

**Reminders:** COC's will **not** approve ARC-CO and PLC contracts or ARC-IC contracts until the signature from the landowner or a copy of the cash lease is received. See subparagraph 204 B for an exception.--\*

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

**J Documents Required for Payment Issuance**

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

- approved ARC-CO and PLC contract or ARC-IC contract
- AD-1026 for the producer
- CCC-902 determination (CCC-903) for the producer
- CCC-941 for the person or legal entity
- complete FSA-578 for the farm and all producers on the farm
- any other document necessary for a person or legal entity or producer to be eligible for payment.

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

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

## 217 Division of Payment Guidelines and Example

**A Division of Payment Guidelines**

There are various factors that may influence the proper division of payments. In reviewing ARC-CO and PLC contract, ARC-IC contract, or FSA-578 division of payment and shares, COC's should consider the following:

- past history on a farm
- whether the producers claiming a share have control of sufficient cropland and an entitlement to a crop share interest to support the claimed payment share on ARC-CO and PLC contract, ARC-IC contract, or FSA-578

**\*--Section 3 Contract Requirements****235 10-Acre Farm Rule Exception****A Signatures of Owners Certifying SDA or Limited Resource Farmers or Ranchers on ARC-CO and PLC Contract or ARC-IC Contract**

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

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

**Note:** State and County Offices will **not** provide guidance to a producer about either of the following:

- their inclusion in SDA or limited resource group
- propriety of the owner seeking an exception.

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

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

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

## 236 ARC-CO and PLC Contract Enrollment Requirements

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

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

### B Prohibited Enrollments

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

## 237 ARC-CO and PLC Division of Payment Shares

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

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

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

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

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

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

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

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

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

**\*--238 Overview of CCC-861 (Continued)**

**D CCC-861 and CCC-862 Appendix**

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

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

CCC-861 and CCC-862 Appendix is available in paragraph 242 and from the FFAS Employees Forms/Publications Online Website at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

CCC-861 and CCC-862 Appendix (06-02-15) will be used for crop years 2014 through 2018.--\*

## 239 ARC-IC Enrollment and Contract Requirements

### A Enrolling Contract Base Acres on a Farm

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

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

### B Ineligible ARC-IC Farms

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

## 240 ARC-IC Division of Payment Policy

### A ARC-IC Payment Sharing [7 CFR 1412.54]

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

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

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

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

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

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

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

**240 ARC-IC Division of Payment Policy (Continued)****A ARC-IC Payment Sharing [7 CFR 1412.54] (Continued)**

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

CCC will approve CCC-862 for enrollment when CCC is satisfied and determines that both of the following apply:

- interests of tenants and sharecroppers are being protected
- producers are **not** circumventing either the provisions of 7 CFR 1412.54 or the provisions of part 1400 of this chapter.

**B Who Must Share in the ARC-IC Contract**

Individuals and entities may earn payments if the individual or entity is entitled to a crop or commodity ownership share of a covered commodity reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on FSA-578 and is:

- an owner on an eligible farm who meets the definition of producer on planted acres of a covered commodity on a farm
- a producer, other than an owner, with planted acres of a covered commodity on a farm enrolled on CCC-862.

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

A producer on a farm with no interest in covered commodities as reported on FSA-578 will **not** share in ARC-IC payments on that farm.

**\*--241 Overview of CCC-862**

**A CCC-862**

CCC-862 includes the following for each covered commodity on the farm:

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

CCC-862 is available at

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

The March 27, 2015, version of CCC-862 is acceptable for each contract year.

CCC-862 will also reflect those potentially eligible for payments on attributed base acres even though the producer may not have a share of contract base acres. See paragraphs 216 and 265.

**B Instructions for Completing CCC-862**

Complete CCC-862 according to the following.

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

--\*

**250 Web-Based ARCPLC State Office Administrative Access (Continued)****A Requesting Web-Based ARCPLC State Office Administrative Access (Continued)**

SLR's will do either of the following:

- disapprove and return the request to the State Office specialist in charge of ARCPLC
- **approve the request and e-mail to Alison Groenwoldt, PECD, to [alison.groenwoldt@wdc.usda.gov](mailto:alison.groenwoldt@wdc.usda.gov).**

**Note:** The subject of the e-mail should be "Requesting ARCPLC State Office Administrative Access".

SLR's shall contact Alison Groenwoldt, PECD, by e-mail to [alison.groenwoldt@wdc.usda.gov](mailto:alison.groenwoldt@wdc.usda.gov) with any questions or concerns.

**B Changing or Terminating User Roles With ARCPLC State Office Administrative Access**

If a user needs to be changed, use the process in subparagraph A. The request will include the user information to be added and the user information to be removed.

**C Adding DD's as State Users**

In many States, DD's are **not** State users in ERSR. For the administrative access granted according to subparagraph B to be valid, each DD **must** be given access by adding OIP Office Code "**All Counties**" to each user's profile in ERSR.

To obtain access, FSA-13-A **must** be submitted to SLR.

**Important:** FSA-13-A **must** be completed to obtain access.

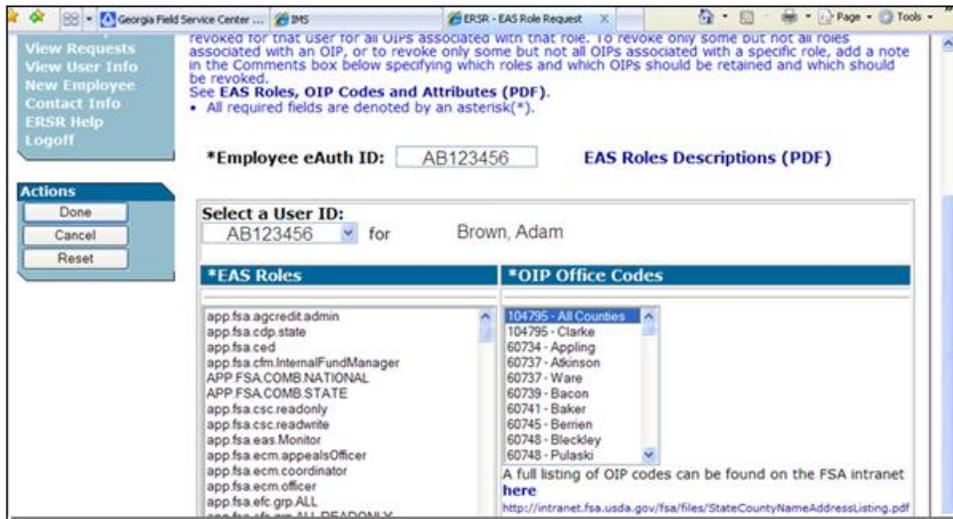
After FSA-13-A is approved, SLR will:

- access ERSR
- find and click on the employee's name
- **CLICK "Extensible Authorization System (EAS)"**

**\*--250 Web-Based ARCPLC State Office Administrative Access (Continued)**

**C Adding DD's as State Users (Continued)**

- enter the employee's eAuthentication ID and highlight OIP Office Code "**All Counties**" as displayed in the following example
- CLICK "**Done**"
- CLICK "**Submit**".



**D Updating Enrollment and Approval Dates on CCC-861 and CCC-862**

ARCPLC State Office administrative access users will update the enrollment and approval date for any reason specified in paragraph 249 or if a:

- successor-in-interest CCC-861 or CCC-862 was properly executed according to paragraph 219
- timely requested reconstitution was completed according to paragraph 205
- late-filed CCC-861 or CCC-862 was approved according to paragraph 203.

The user updating the enrollment and approval date will be satisfied that CCC-861 or CCC-862 was enrolled within program guidelines.--\*

## 265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)

### B Incomplete Enrollments With a Share Greater Than Zero

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

A producer who has a share of base acres on a farm enrolled under ARC-CO and PLC contract or ARC-IC contract who does **not** enroll during the contract period will **not** be eligible for payment consideration, nor will any other producer be eligible for that share of the payment.

### C ARC-CO and PLC Contracts With Generic Base Acres

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

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

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

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

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

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

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

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

**\*--265 Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**C ARC-CO and PLC Contracts With Generic Base Acres (Continued)**

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

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

**D Who Must Share in the ARC-CO and PLC Contract With Generic Base Acres**

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

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

A producer on a farm with:

- **no** share interest in planted covered commodities or eligible subsequently planted crop acreage reported on FSA-578 is **not** entitled to a share on generic base acres that attribute base acres
- a share interest in planted covered commodities or eligible subsequently planted crop acreage reported on FSA-578 is entitled to a share on generic base acres that attribute base acres.--\*

## 266 Enrollment and Contract Requirements With Generic Base Acres for ARC-IC

## A ARC-IC Contracts

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

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

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

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

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

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

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

**Exception:** This provision is **not** applicable if there has been a change to ownership, persons sharing on payment acres, or reconstitution on the farm since the previous FY.

CCC will approve CCC-862 for enrollment when CCC is satisfied and determines that all of the following apply:

- interests of tenants and sharecroppers are being protected
- producers are **not** circumventing either the provisions of 7 CFR 1412.54 or the provisions of part 1400 of this chapter.

**\*--266 Enrollment and Contract Requirements With Generic Base Acres for ARC-IC (Continued)**

**B Who Must Share in the ARC-IC Contract**

Individuals and entities may earn payments if the individual or entity is entitled to a crop or commodity ownership share of a crop as reported on FSA-578 and is:

- an owner on an eligible farm who meets the definition of producer on planted acres of a covered commodity on a farm
- a producer, other than an owner, with planted acres of a covered commodity on a farm enrolled on CCC-862.

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

A producer on a farm with no interest in covered commodities as reported on FSA-578 will **not** share in ARC-IC payments on that farm.

**C Example of Who Must Share in the ARC-IC Contract With Generic Base Acres**

For FSN 10, the farm consists of:

- 300.00 acres cropland
- 100.00 contract base acres of corn
- 100.00 contract base acres of wheat
- 100.00 generic base acres.

On December 1, 2015, for the 2016 contract year, Producers A and B enroll FSN 10 on CCC-862.

**Note:** ARC-IC farms are **not** enrolled with shares.

The following are planted acres recorded on FSA-578.

Producer	Planted Acres
Producer A	<ul style="list-style-type: none"> <li>• 50.00 acres of corn</li> <li>• 100.00 acres of cotton</li> </ul>
Producer B	<ul style="list-style-type: none"> <li>• 50.00 acres of soybeans</li> <li>• 100.00 acres of alfalfa</li> </ul>

--\*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (Includes Form AD-1026 Appendix)		4, 216, 285
AD-1153	Application for Long-Term Contracted Assistance Through the _____ Program		283
AD-2047	Customer Data Worksheet Request for Business Partner Record Change		238, 241
CCC-505	Voluntary Permanent Base Acre Reduction	23	Text, Ex. 2
CCC-509	Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		204, 237, 240, 265, 266
CCC-510	Cash Rent Certification Statement		204, 237, 240, 265, 266
CCC-517	Tract Redistribution Form		21, 22, 41
CCC-855	Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (LFP) Lease Agreement Certification Statement		204, 237, 240, 265, 266
CCC-857	Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program Election	189	Text
CCC-858	Base Reallocation and Yield Update Decision for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program	Ex. 7	28, 41, 66, 181
CCC-859	Price Loss Coverage (PLC) Yield Worksheet	91	65, 66, 83, 87
CCC-860	Socially Disadvantage, Limited Resource and Beginning Farmer or Rancher Certification		235
CCC-861	Agricultural Risk Coverage - County Option (ARC-CO) and Price Loss Coverage (PLC) Contract	238	116, 117, Parts 8 and 8.5
CCC-862	Agricultural Risk Coverage - Individual Option (ARC-IC) Contract	241	Parts 8 and 8.5
CCC-861 and CCC-862 Appendix	Appendix to CCC-861, Price Loss Coverage (PLC) and Agriculture Risk Coverage With County Option (ARC-CO) Program Contract and CCC-862, Agriculture Risk Coverage With Individual Option (ARC-IC) Program Contract	242	238, 241

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-863	Agriculture Risk Coverage - Individual (ARC-IC) Yield Certification	Ex. 18	131
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		4, 216
CCC-920	Grassland Reserve Program Contract		23, 283
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information - Agricultural Act of 2014		4, 216
CCC-957	Cotton Transition Assistance Program (CTAP) Application		204, 237, 240, 265, 266
CRP-1	Conservation Reserve Program Contract		5, 21-23, 42, 187, 206, 281-283
CRP-2	Conservation Reserve Program Worksheet		283
CRP-2C	Conservation Reserve Program Worksheet (For Continuous Signup)		283
CRP-15 <u>1</u> /	Agreement for Reduction of Bases, Allotments, and Quotas		42, 281
FSA-13-A	Data Security Access Authorization Form		250
FSA-155	Request for Farm Reconstitution		205, 219
FSA-156EZ	Abbreviated 156 Farm Record		282, 283
FSA-179	Transfer of Farm Records Between Counties		205, 219
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		243, 244
FSA-578	Report of Acreage		Text, Ex. 2
FSA-658	Record of Production and Yield		65, 81, 90
FSA-910	Wetland Reserve Program Projected DCP Base Reduction Worksheet	Ex. 21	282

1/ CRP-15 is obsolete.

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviations	Term	Reference
2002 Farm Bill	Farm Security and Rural Investment Act of 2002	64, 65
2008 Farm Bill	Food, Conservation, and Energy Act of 2008 (Pub. L. 110 246)	1, 64, 136
2014 Farm Bill	Agricultural Act of 2014, Title 1 (Pub. L. 113-79)	Text, Ex. 2

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

## Abbreviations Not Listed in 1-CM (Continued)

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

## Re delegations of Authority

COC may redelegate authority to approve CCC-505's, ARC-CO and PLC contracts, and ARC-IC contracts to CED, in routine cases. Redlegation shall be documented in COC minutes.



## Definitions of Terms Used in This Handbook (Continued)

### Historical Irrigated Percentage (HIP)

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

### Home Garden

Home garden means an area of fruits and/or vegetables on a farm planted for the consumption and home usage of a producer. Home gardens are **excluded** from acreage considered as FAV. If the total garden acreage on a farm is not used for home usage of a producer, the entire garden acreage will be considered as FAV.

### Limited Resource Farmer

Limited resource farmer means a farmer or rancher who is **both** of the following:

- a person whose direct or indirect gross farm sales do not exceed \$176,800 (2014 program year) in each of the 2 calendar years that precede the most immediately preceding complete taxable year before the relevant program year that corresponds to the relevant program year (for example, for the 2014 program year, the 2 years would be 2011 and 2012), adjusted upwards in later years for any general inflation
- a person whose total household income was at or below the national poverty level for a family of 4 in each of the same 2 previous years referenced in bullet 1.

**Note:** Limited resource farmer or rancher status can be determined using a web site available through the NRCS Limited Resource Farmer and Rancher Online Self Determination Tool at <http://www.lrftool.sc.egov.usda.gov/tool.aspx>.

### Marketing Year

Marketing year means the 12-month period beginning in the calendar year the crop is normally harvested as follows:

- barley, oats, and wheat: June 1 through May 31
- canola, dry edible peas, flax, lentils, and rapeseed: July 1 through June 30
- peanuts and rice: August 1 through July 31
- chickpeas, corn, crambe, grain sorghum, mustard, safflower, sesame, soybeans, and sunflowers: September 1 through August 31.

## Definitions of Terms Used in This Handbook (Continued)

### Market Year Average (MYA) Price

MYA price means the national average price received by producers during the 12-month marketing year, as determined by FSA, for the relevant crop of the covered commodity.

### National Average Loan Rate

National average loan rate means the loan rate established for a crop year of the covered commodity as specified in 7 CFR Part 1421.

### Parent Farm

Parent farm means an active farm involved in an anticipated reconstitution.

### Payment Acres

[7 CFR 1412.3] Payment acres mean:

- (1) For the purpose of PLC and ARC when county coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for each covered commodity on a farm shall be equal to 85 percent of the base acres for the covered commodity on the farm.
- (2) In the case of ARC when individual coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for a farm shall be equal to 65 percent of the base acres for all of the covered commodities on the farm.

### Payment Yield

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

### Plug Yield for ARC-IC

Plug yield for ARC-IC means 70 percent of T-yield for the county that is used in the benchmark revenue calculation when the covered commodity was planted in the applicable year in the benchmark.

**Note:** If actual yield for that year is below 70 percent of the T-yield for the crop, then 70 percent of the T-yield will be used instead.

### Producer

Producer means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

**Definitions of Terms Used in This Handbook (Continued)**

**Producer Share**

Producer share means, for ARC-IC, each producer sharing in covered commodities on enrolled ARC-IC farms will share in the ARC-IC payment, if applicable, that is calculated across all enrolled ARC-IC farms in which producers have interest.

**Note:** Producers who share in covered commodities on enrolled ARC-IC farms can have different payment rates established. The payment rate for the producer, if triggered, will be the same payment rate per acre for all participating farm’s in which the producer has an interest.

**Reference Price**

Reference price means the statutory price used the PLC program to determine PLC payment rates. Reference prices are as follows.

<b>Crop</b>	<b>Price</b>	<b>Crop</b>	<b>Price</b>	<b>Crop</b>	<b>Price</b>
Barley	\$4.95/bu.	Chickpeas, Large	\$21.54/cwt.	Chickpeas, Small	\$19.04/cwt.
Corn	\$3.70/bu.	Grain Sorghum	\$3.95/bu.	Lentils	\$19.97/cwt.
Oats	\$2.40/bu.	Oilseeds, Other	\$20.15/cwt.	Peas, Dry	\$11.00/cwt.
Peanuts	\$535/ton	Rice, Long Grain	\$14.00/cwt.	Rice, Medium *--Grain <u>1/</u>	\$14.00/cwt.
Rice, Temperate Japonica <u>2/</u>	\$16.10/cwt.	Soybeans	\$8.40/bu.	Wheat	\$5.50/bu.

1/ Medium and short grain rice grown outside of California.

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

**Replacement Crop**

Replacement crop means the planting or approved prevented planting of any crop for harvest following the failure of planted crop acreage of a covered commodity not in a recognized double-cropping sequence. Replacement crops cannot generate payments, unless the replacement crop acreage meets the definition of eligible subsequently planted crop acreage.

**Definitions of Terms Used in This Handbook (Continued)****SDA Farmer or Rancher**

SDA farmer or rancher means a farmer or rancher who is a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. SDA groups include the following and **no** others **unless** approved in writing by the Deputy Administrator:

- American Indians or Alaskan Natives
- Asians or Asian-Americans
- Blacks or African-Americans
- Hispanics or Hispanic-Americans
- Native Hawaiians or other Pacific Islanders
- Women.

**Share Lease**

Share lease means provisions that require any of the following:

- payment of rent based on the amount of crop produced where both parties share in the risk of the crop produced
- proceeds derived from the crop
- interest the producer would have had if the crop had been produced.

**Substitute Yield**

Substitute yield means a yield that is used in place of an actual yield on a farm when the PLC yield is being updated. A substitute yield is calculated by establishing a simple average yield per planted acre in a county and multiplying by 75 percent.

**\*--Temperate Japonica Rice**

Temperate Japonica rice means all medium and short grain rice grown in California.--\*

**Transitional Yield (T-Yield)**

T-yield means the yield determined according to Federal Crop Insurance Act, Section 502(b) (7 U.S.C. 1502(b)).

**Definitions of Terms Used in This Handbook (Continued)**

**Voluntarily Terminated**

Voluntarily terminated means CRP-1 is terminated when either of the following apply:

- request for termination by applicable participants is received
- death of CRP participants with no succession to CRP-1.

**Important:** Terminating CRP-1 for any other reason, including the following, is not a voluntary termination:

- CRP-1 violation
- sale of land enrolled in CRP.

**Weighted Farm Benchmark Revenue**

Weighted farm benchmark revenue means placing a value on the applicable covered commodity's farm benchmark revenue based on the percentage of acres planted to that covered commodity when compared to the total number of covered commodities planted on the farm.



**\*--Producer's Certification of Yield on CCC-863**

**A Certification of Yield on CCC-863**

The certification of benchmark and actual yields in the current year, or using the ARC-IC substitute yields for each covered commodity and each crop year, shall be documented by completing CCC-863 for each ARC-IC farm.

**Note:** Producers are certifying to yields and are **not** required to submit production evidence when filing CCC-863. However, evidence to support certified yields may be required at a later date according to Part 3.

**B Completing CCC-863**

Complete CCC-863 according to the following.

Item	Instructions
1	Enter program years for which CCC-863 is being used.  <b>Example:</b> 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 <b>farm level</b> 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"> <li>• certified yield for each year of the benchmark, for each of the covered commodities planted in the current year</li> </ul> <p><b>Note:</b> If the covered commodity was <b>not</b> planted for the particular year, <b>leave blank.</b></p> <ul style="list-style-type: none"> <li>• actual yield for the actual year (current year) yield of the covered commodity planted</li> <li>• "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.</li> </ul> <p><b>Note:</b> In the second and subsequent years, <b>only</b> the actual year yield of the covered commodity <b>must</b> be certified.</p>

--\*

**\*--Producer's Certification of Yield on CCC-863 (Continued)**

**B Completing CCC-863 (Continued)**

<b>Item</b>	<b>Instructions</b>
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.  <b>Note:</b> If "7" is entered, enter the other record type in the "Remarks" section.
7	Enter remarks, if applicable.
8	Enter producer's name and address.
9A	Producer completing CCC-863 shall sign. Producer shall also be responsible for providing the evidence on request.
9B	If individual signing in item 9A is signing in a representative capacity for the participant, a title and/or relationship shall be entered. If the individual in item 9A is the signatory, then <b>no</b> entry is required.
9C	Enter the date the producer or person signing in a representative capacity completes CCC-863.
10A	COC or representative signs after COC or representative reviews certified yields.
10B	Enter the date COC or representative signed CCC-863.

--\*

**\*--Producer's Certification of Yield on CCC-863 (Continued)**

**C Example of CCC-863**

The following is an example of CCC-863.

This form is available electronically. <b>CCC-863</b> U.S. DEPARTMENT OF AGRICULTURE (06-18-15) Commodity Credit Corporation												
<b>AGRICULTURE RISK COVERAGE – INDIVIDUAL (ARC-IC) YIELD CERTIFICATION</b>						1. Program Years:						
						2A. County FSA Office Name and Address (Including Zip Code)						
						2B. County FSA Office Telephone Number (Including Area Code)			2C. County FSA Office FAX Number (Including Area Code)			
						3. State Code		4. County Code		5. Farm Number		
<p><b>THE YIELD WORKSHEET</b> is used to obtain yield information that may be used by producers participating in the Agriculture Risk Coverage – Individual (ARC-IC) program under Section 1113 of Public Law 113-79 and 7 CFR Part 1412. The yields provided in this worksheet for the previous five years the covered commodity was planted as well as the current crop year. The yields will be used to capture an ARC-IC Benchmark Farm Yield and the ARC-IC Actual Yield.</p> <p>Report the actual yields planted on the farm for each covered commodity planted for the current and prior five crop years. The higher of either the actual yield or 70% of the T-yield will be used for each year. If no crop was planted, the producer will receive the higher of 100% of the county yield or 70% of T-yield.</p>												
<b>TOTAL FARM YIELD WORKSHEET</b>												
Complete this section ONLY for covered commodities that the owner may wish to report. If a covered commodity was not planted for a particular year, then leave that year blank. Enter the source of the data used to support the yield in Item 6C. Rec Type: 1 for "RMA data", 2 for "production sold/commercial storage", 3 for "on-farm storage", 4 for "livestock feed records", 5 for "FSA loan record", 6 for "FSA NAP record", or 7 for "other". Please enter the other record type in the remarks section on the form. This is ONLY a worksheet. It is NOT the yield update. This form may be used by any current owner of the farm if the current owner decides to update a yield using CCC-858 during the yield update period.												
6. Farm Yields												
6A. Commodity	Benchmark Crop Year:		Benchmark Crop Year:		Benchmark Crop Year:		Benchmark Crop Year:		Benchmark Crop Year:		Actual (Current) Crop Year:	
	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type	6B. Yield	6C. Rec Type
7. Remarks												
The undersigned certifies that all the information entered on this form, whether personally entered by the undersigned or not, or by someone else, the attachments to this form, related acreage reports, production certifications, statements, etc., are each and all true and correct. The undersigned certifies that the production on this form is accurately identified to the farm and represents total production for the year shown. The undersigned understands this report is subject to spot-check, and if FSA finds that this certification contains any erroneous information, FSA will render a new determination. This may include a refund of unearned payments as a result of the errors. Failure to accurately certify any of the information on this form could result in a loss of program benefits. Additionally, by signing this form, the undersigned directs the purchaser, warehouse operator, ginner, or any person who otherwise, stores or purchases crop production listed on this form to disclose the production records of such crops to USDA representatives for the purpose of verification.												
8. Producer's Name and Address (Including Zip Code)												
9A. Signature of Producer (By)						9B. Title/Relationship of the Individual Signing in the Representative Capacity			9C. Date (MM-DD-YYYY)			
10A. Signature of CCC Representative									10B. Date (MM-DD-YYYY)			

--\*

\*--Producer's Certification of Yield on CCC-863 (Continued)

C Example of CCC-863 (Continued)

<b>CCC-863</b> (06-18-15)	Page 2 of 2
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1412, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program.</i></p> <p><i>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).</i></p> <p><i>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></i></p>	
<p><i>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).</i></p> <p><i>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider and employer.</i></p>	

--\*

**\*--Example of Producer Notification Letter**

The following is an example of a letter requesting certified yields for farms participating in ARC-IC.

 <b>United States Department of Agriculture</b>	Farm and Foreign Agricultural Services	Farm Service Agency	North Dakota State Office 1025 28 <sup>th</sup> St South Fargo, North Dakota 58103 701-239-5224
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July 20, 2015

Producer X  
PO Box Y  
Blabon , ND 00000

Dear Mr. X:

Based on the 2014 Agriculture Risk - Individual (ARC-IC) Program files, you have one or more farms that are enrolled into the 2014 ARC-IC program.

As indicated during the ARC and PLC election process, the ARC-IC program requires, at a minimum, that you must certify the current year (2014) actual yield. The program also gives you the option of certifying to yields for each of the years the crop was actually planted on the farm during the 2009 – 2013 benchmark years.

To determine the eligibility of 2014 ARC-IC program payments, yields for the 2009 – 2014 crop years for each covered commodity that was planted in 2014, must be certified by not later than September 30, 2015.

Failure to provide timely yield certification for the ARC-IC elected and enrolled farm will make the farm ineligible for ARC-IC payments for that year and CCC may assign substitute yield for the year the yield is not certified, which would be used in calculating future year's benchmark yields for the farm.

To assist you in completing the yield certification requirements for 2009-2014 crop years, we have enclosed the CCC-863 (ARC-IC Yield Certification) for each ARC-IC farm and each covered commodity that was reported planted on the FSA farm in the 2014 crop year.

The CCC-863 consists of 6 columns to allow for certification of benchmark and actual year yields. The yields for the farm and applicable covered commodity that was planted in 2014 must be reported based on how the farm is constituted in 2014. The CCC-863 must be completed for each of the years the crop was planted 2009 – 2014 and returned to the county office for review.

Production evidence that you can use to support your certified yields for 2009-2014 for each covered commodity planted on the farm during those years, can be from the following sources:

- Crop Insurance loss records
- Crop Insurance APH data base records
- appraisals, etc
- Sales records (buyer specific)
- Farm stored production records,

Contact this office if you have any further questions related to completing the CCC-863 for the 2014 ARC-IC program year.

Sincerely,

Jake Snake  
County Executive Director

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