

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

<b>Agriculture Risk Coverage and Price Loss Coverage Program 1-ARCPLC</b>	<b>Amendment 7</b>
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**Approved by:** Acting Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Paragraphs 267 and 268 have been added to permit producers on farms having generic base acres to arrive at an alternative share agreement for “base acres of the specific covered commodity”.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
5, 6	8.5-21 8.5-22 (add) 8.5-23 through 8.5-32 (add)	



## Table of Contents (Continued)

**Page No.**

### **Part 8      ARCPLC Enrollment (Continued)**

#### **Section 3      Contract Requirements**

235	10-Acre Farm Rule Exception .....	8-71
236	ARC-CO and PLC Contract Enrollment Requirements .....	8-72
237	ARC-CO and PLC Division of Payment Shares.....	8-72
238	Overview of CCC-861 .....	8-75
239	ARC-IC Enrollment and Contract Requirements .....	8-82
240	ARC-IC Division of Payment Policy.....	8-82
241	Overview of CCC-862 .....	8-84
242	CCC-861 and CCC-862 Appendix .....	8-91
243	Participants Declared Deceased, Incompetent, or Missing for Contract Years 2015 Through 2018 .....	8-105
244	Deceased Producers for 2014 and 2015 Program Years.....	8-106
245	Approving CCC-861 .....	8-107
246	Approving CCC-862.....	8-109
247	Inaccurate Representation and Misrepresentations and Scheme or Device.....	8-111
248	CCC-861 and CCC-862 Modification After End of Contract Period.....	8-113
	249.....Updating Producer Signature and Enrollment Dates After the End of Contract Period .....	8-114
250	Web-Based ARCPLC State Office Administrative Access.....	8-116
251	ARC and PLC Relief .....	8-119
252	Types of Relief That Are Applicable to the ARC and PLC Program.....	8-120
253-262	(Reserved)	

### **Part 8.5      Generic Base Acres**

263	Attribution of Base Acres .....	8.5-1
264	Covered Commodities .....	8.5-8
265	Enrollment and Contract Requirements With Generic Base Acres for ARC-CO and PLC .....	8.5-12
266	Enrollment and Contract Requirements With Generic Base Acres for ARC-IC.	8.5-19
267	Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC.....	8.5-22
268	Completing the Alternative Enrollment.....	8.5-32
269-280	(Reserved)	

## Table of Contents (Continued)

Page No.

### Part 9 Eligibility and Compliance Rules

#### Section 1 Farm Eligibility

281	General Information.....	9-1
282	Eligible and Ineligible Land Uses for Base Acres.....	9-2
283	Acre Reductions for CRP, GRP, or WRP Enrollment.....	9-17
284	Protecting Farmland.....	9-27
285	HELC and WC.....	9-28
286	Planting Flexibility.....	9-29
287	FAV/WR Planting Limitations.....	9-30
288	Compliance Determinations.....	9-33
289	Example of Acre-for-Acre Reductions.....	9-40
290	FAV and Wild Rice Double-Cropping Region Exception.....	9-46
291	Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception.....	9-48
292	(Reserved)	
293	Examples of Double-Cropping Region Exception.....	9-53
294-304	(Reserved)	

#### Section 2 Producer Eligibility

305	General Information.....	9-81
306	Payment Limitation and AGI.....	9-83
307	Commodities Grown Under Contract on Base Acres.....	9-83
308	Handling Minor Children and Bankruptcies.....	9-86
309	Federal and State Agencies.....	9-87

#### Exhibits

1	Reports, Forms, Abbreviations, and Redelegations of Authority	
2	Definitions of Terms Used in This Handbook	
3-6	(Reserved)	
7	CCC-858, Base Reallocation and Yield Update Decision for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program	
8	Producer Notification Letters	
9-15	(Reserved)	
16	Counties With Irrigated and Non-Irrigated ARC-CO Yields	
17	(Reserved)	
18	Producer's Certification of Yield on CCC-863	
19	Example of Producer Notification Letter	
20	(Reserved)	
21	FSA-910, Wetland Reserve Program Projected ARCPLC Base Acre Reduction Worksheet	
22, 23	(Reserved)	
24	List of FAV's	

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

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

Attributed base acres are:

- 50.00 base acres of corn
- 50.00 base acres of soybeans.

Base acres on the farm are now:

- 150.00 base acres of corn (100.00 contract base acres plus 50.00 attributed base acres)
- 100.00 base acres of wheat (100.00 contract base acres)
- 50.00 base acres of soybeans (50.00 attributed base acres).

**Note:** Benchmark, guarantee, and revenue will be calculated only on corn and soybeans according to paragraph 132.

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC****A Background**

As stated in subparagraph 265 D, individuals or entities who have a reported share of a planted covered commodity on a farm having generic base acres and enrolled on CCC-861 must share in the program payments coming from attributed base acres equal to their FSA-578 share of the reported planted covered commodity. 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 base acres.

**Note:** CCC-861 reflects contract base acres and generic base acres. Shares of covered commodities shown on CCC-861 reflect the share of contract base acres only (not the total share of the “base acres of the specific covered commodity” which, on generic base acre farms, is the sum of contract base acres plus any attributed base acres. Under the exception permitted in this paragraph for contract year 2014 or 2015 enrollments, the share entered by the producers must represent the share of base acres of the covered commodity (contract base acres plus attributed base acres). All other ARCPLC provisions apply.

Because of the timing of implementation of the 2014 Farm Bill, FSA is exercising its discretionary relief authority to permit producers on farms having generic base acres to arrive at an alternative share agreement for “base acres of the specific covered commodity”. This alternative enrollment will permit, for contract years 2014 or 2015 only, owners and producers on farms to specifically designate the share of any and all covered commodities without regard to FSA-578 shares, paragraph 265, and 7 CFR §1412.54. If all the producers attempting to enroll the contract year 2014 or 2015 farm according to this paragraph and exception do **not** agree, there will be no alternative enrollment.

Unless otherwise specifically excepted or exempted in this paragraph, all other ARCPLC provisions apply as stated in regulations, CCC-861 and CCC-862 Appendix, and this handbook.--\*

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**B ARC-CO and PLC Alternative Contract Enrollments and Exception**

All producers having more than a zero share of base acres (contract base acres plus attributed base acres) or planted acres of a covered commodity or eligible subsequently planted crop acreage certified on FSA-578 must enroll by September 30, 2015, according to paragraph 265.

If the producers on the farm with generic base acres agree to share payments from attributed base acres differently than using FSA-578 shares, all the producers must sign a manual CCC-861 by November 30, 2015, that reflects agreed upon producer designated shares of all base acres of all covered commodities (contract base acres and attributed base acres). Manual CCC-861's that are **not** signed by all producers having more than a zero share of the base acres of all covered commodities on the farm, as stated in this subparagraph, will be viewed as incomplete and will **not** be considered submitted to FSA or CCC for any purpose and will **not** be acted on or approved. Payments will be based on the CCC-861 that was submitted according to paragraph 265 by September 30, 2015, and approved.

Regardless of whether a producer's share of base acres is based on contract base acres or attributed base acres, under the provisions of this paragraph and conditions for this alternative enrollment, CCC-861 for crop year 2014 or 2015, as applicable, **cannot** be approved without signatures of all producers claiming a share of the base acres on the farm. Unless there is unanimous agreement of the persons or legal entities having an FSA-578 share of any reported planted for harvest covered commodity as well as anyone claiming a share of any covered commodity having base acres on the farm (base acres coming from contract base acres and attributed base acres), CCC-861 will not be processed and approved. CCC-861 **must** be considered incomplete and **cannot** be approved.

This alternative enrollment cannot be considered as a means to extend the enrollment period for a farm where enrollment was not completed.--\*

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**C 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 has **not** signed CCC-861 with shares of base acres (contract base acres plus attributed base acres) according to this paragraph, then CCC-861 will be viewed as incomplete and will **not** be considered submitted to FSA or CCC for any purpose, and will **not** be acted on or approved. All producers claiming a share of base acres (contract base acres plus attributed base acres) greater than zero **must** sign CCC-861 by September 30, 2015, for crop years 2014 and 2015.

**Note:** The exceptions that apply in this handbook to non-alternative enrollments do **not** apply to enrollments under this paragraph. If all producers claiming greater than a zero share of base acres of all covered commodities on the farm have not signed, the applicable contract will be viewed as incomplete and will not be considered submitted to FSA or CCC for any purpose, and will not be acted on or approved.

**D ARC-CO and PLC Contracts With Generic Base Acres**

Each eligible producer on a farm may, for crop years 2014 or 2015, enroll using CCC-861, according to this paragraph, 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 using 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.--\*

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

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

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 previous 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, 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.

COC will approve CCC-861 for enrollment and the division of payment when COC 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 the provisions of this paragraph or the provisions of part 1400 of this chapter.

**Note:** FSA's making this alternative enrollment option available in no way should be interpreted by anyone that producers must agree to the alternative designation of shares specified in this paragraph. Any producer having a share of base acres (contract base acres or attributed base acres) not wanting to agree to this enrollment can simply choose to either enroll according to paragraph 265 or not enroll the farm at all. If producers cannot agree on how to enroll or whether to enroll, FSA will not act on CCC-861.--\*

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

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

Individuals or entities, who choose to enroll under this paragraph and share in the reported planting of a covered commodity on a farm enrolled on CCC-861 on a farm that has generic base acres, will share in the program payments equal to the designated share of the base acres (contract base acres plus attributed base acres) of the covered commodity on CCC-861. 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 CCC-861 are **not** eligible to receive a payment under CCC-861 enrolled under this paragraph.

**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 base acres (contract base acres and attributed base acres) is **not** entitled to a share on generic base acres that attribute base acres
- a share interest in base acres (contract base acres plus attributed base acres) is entitled to a share of base acres provided all other producers with a share of base acres (contract base acres and attributed base acres) have also agreed and signed for their respective shares of base acres and all other requirements of this paragraph and handbook have been met.

Under the terms and conditions of this paragraph, individuals or entities who are producers with an interest in base acres (contract base acres and attributed base acres) **must** have a share on CCC-861 and they each must agree to this alternative enrollment and each other's shares. **No** partial share enrollments under this paragraph will be permitted or approved. Generally, individuals and entities may share in payments if the individual or entity is entitled to a crop or commodity ownership share of a crop and is:

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

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

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

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**F Examples of Who Must Sign CCC-861 Agreeing to Alternative Enrollment in the ARC-CO and PLC Contract With Generic Base Acres**

**Example 1**

For FSN 10, the farm consists of:

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

On September 16, 2015, for contract year 2015, Producers A and B enroll FSN 10 on CCC-861 with the following shares of contract base acres:

- Corn – 100 percent – Producer A
- Wheat – 100 percent – Producer B.

**Note:** Generic base acres are **not** enrolled with shares. Shares of generic base acres are derived directly from FSA-578. Under this paragraph, those persons or legal entities having a share of reported planted covered commodity must agree and sign CCC-861 by November 30, 2015, for the alternative enrollment to be approved. In any and all cases, a producer must control enough DCP cropland to cover the producer’s claimed share of base acres (contract base acres plus attributed base acres – under enrollment under this paragraph or paragraph 265).

The following are planted acres recorded on FSA-578.

<b>Producer</b>	<b>Planted Acres</b>
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>

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**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**F Examples of Who Must Sign CCC-861 Agreeing to Alternative Enrollment in the ARC-CO and PLC Contract With Generic Base Acres (Continued)**

Attributed base acres are:

- 50.00 base acres of corn
- 50.00 base acres of soybeans.

Base acres on the farm are now as follows.

Producer	Crop	Share
Producer A	<ul style="list-style-type: none"> <li>• 100.00 contract acres of corn.</li> <li>• 50.00 attributed base acres of corn.</li> </ul>	Producer A has 100 percent share of corn base acres.
Producer B	<ul style="list-style-type: none"> <li>• 100.00 contract acres of wheat.</li> <li>• 50.00 attributed base acres of soybeans.</li> </ul>	Producer B has 100 percent share of wheat base acres and soybean base acres.

**Alternative Enrollment Option:**

Under the terms of this paragraph, Producer A and Producer B could come to a different or another agreement about the designation of shares of base acres (contract base acres and any attributed base acres) of corn, wheat, and soybeans. Provided that all producers sign and agree to an alternative designation of shares of base acres and all other requirements of this handbook are met, the alternative enrollment could be approved.

**Example 2**

For FSN 10, the farm consists of:

- 1000.00 acres cropland
- 500.00 contract base acres of rice
- 500.00 generic base acres.--\*

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**F Examples of Who Must Sign CCC-861 Agreeing to Alternative Enrollment in the ARC-CO and PLC Contract With Generic Base Acres (Continued)**

For contract year 2014, Producer A enrolls FSN 10 on CCC-861 with the following shares of contract base acres:

- Rice – 100 percent – Producer A.

**Note:** Generic base acres are **not** enrolled with shares. Shares of generic base acres are derived directly from FSA-578. Under this paragraph, those persons or legal entities having a share of reported planted covered commodity must agree and sign CCC-861 by November 30, 2015, for the alternative enrollment to be approved. In any and all cases, a producer must control enough DCP cropland to cover the producer’s claimed share of base acres (contract base acres plus attributed base acres – under enrollment under this paragraph or paragraph 265).

The following are planted acres recorded on FSA-578.

<b>Producer</b>	<b>Planted Acres</b>
Producer A	500.00 acres of rice.
Producer B	500.00 acres of peanuts.

Attributed base acres are:

- 250.00 base acres of rice
- 250.00 base acres of peanuts.

Base acres on the farm are now as follows.

<b>Crop</b>	<b>Acreage</b>	<b>Share</b>
Rice	<ul style="list-style-type: none"> <li>• 500.00 contract acres.</li> <li>• 250.00 attributed base acres.</li> </ul>	To be determined.
Peanuts	250.00 attributed base acres.	To be determined.

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**\*--267 Alternative Enrollment Option for 2014 or 2015 Contract Year and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**F Examples of Who Must Sign CCC-861 Agreeing to Alternative Enrollment in the ARC-CO and PLC Contract With Generic Base Acres (Continued)**

**Alternative Enrollment Option:**

Under the terms of this paragraph, Producer A and Producer B could come to a different agreement about the designation of shares of base acres (contract base acres and any attributed base acres) of rice and peanuts. Provided that all producers sign and agree to an alternative designation of shares of base acres and all other requirements of this handbook are met, the alternative enrollment could be approved.

**Note:** As provided in paragraph 217, producers must control enough cropland (effective DCP cropland and historical double-cropped acreage) to support the claimed share of base acres. The alternative enrollment option does not supersede that requirement. In this example, neither producer A nor B may claim any more than 500.00 base acres.--\*

**\*--267 Alternative Enrollment Option for Contract Year 2014 or 2015 and Contract Requirements With Generic Base Acres for ARC-CO and PLC (Continued)**

**F Examples of Who Must Sign CCC-861 Agreeing to Alternative Enrollment in the ARC-CO and PLC Contract With Generic Base Acres (Continued)**

**Example 3**

For FSN 50, the farm consist of:

- 1000.00 acres cropland
- 500.00 generic base acres.

The following are recorded on FSA-578.

Producer	Planted Acres
Producer A	500.00 acres of peanuts.
Producer B	500.00 acres of pasture.

Attributed base acres are 500.00 base acres of peanuts.

Base acres on the farm are now as follows.

Producer	Crop	Share
Producer A	500.00 attributed base acres of peanuts.	Producer A has 100 percent share of peanut base acres.

**Action:** Producer A may enroll the farm receiving 100 percent share of the peanut base acres or Producer A and Producer B may come to an agreement for a different division of base acres (contract base acres plus attributed base acres – in this case the 500.00 acres of peanut base acres that were attributed from generic base acres).

**Alternative Enrollment:**

Because Producer B controlled 500.00 acres of land, under this alternative enrollment option of this paragraph for crop year 2014, Producer B may claim anywhere from 0 to 100 percent share of the peanut base acres – provided Producer A correspondingly agrees to the share and any remaining share of the peanut base acres. If there is no agreement among Producer B and Producer A, there will be no alternative enrollment acted on by CCC. Producer A may enroll under paragraph 265 without regard to Producer B if Producer A wants to. Because attributed base acres are attributed to the producers with an interest in the planted covered commodity, Producer B **cannot** receive any share of the payment on this farm unless Producer B and Producer A come to an agreement under this alternative enrollment.--\*

**\*--268 Completing the Alternative Enrollment**

**A Manual CCC-861**

The software to complete alternative enrollment according to paragraph 267 is being developed.

To complete the alternative enrollment, producers, with County Office assistance, must compute the attributed base acres on the farm. Once the attributed base acres are known, the base acres of each covered commodity on the farm (attributed base acres plus contract base acres), items 6 through 10, must be entered on a manual CCC-861.

Also required on the manual contract are the shares and signatures (items 12 through 16) according to paragraph 267.

Shares must equal 100 percent. As these contracts are manual, reviews of the shares to ensure they equal 100 percent must be completed.

**B Payments to Farms Using the Alternate Enrollment**

For 2014, producers on farms that utilize the alternative enrollment must be informed that payments generated will be based on the original contract and not the alternative contract. When software is available, overpayments will be collected and underpayments will be made.

**Note:** A forthcoming amendment to 2-ARCPLC will provide instructions for recording the alternative enrollment option in the automated ARC/PLC application.--\*

**269-280 (Reserved)**