

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Agriculture Risk Coverage and Price Loss Coverage Program 1-ARCPLC	Amendment 9
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 6 G has been amended to clarify sequestration reduction for ARCPLC contracts.

Page Control Chart		
TC	Text	Exhibit
	1-19, 1-20	

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

There are no advance payments authorized for ARC and PLC.

C Final ARC and PLC Payments

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

D Payment Limitations

[7 CFR 1412.51] Limitation of payments.

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

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

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

6 **Payments and Limitations (Continued)**

E 10-Acre Rule Provision

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

F Refunds of Unearned Payments

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

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

G Sequestration Reduction

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

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

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

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

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

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