

**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 (Revision 1)**

**Amendment 2**

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



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraphs 1 E, 5 A through C, 181 A through C, 182 A, 185 A, 204 D have been amended to correct regulatory language.

Subparagraph 3 A has been amended to update the DD responsibilities.

Subparagraphs 5 B and 21 C have been amended because WRP is now known as WRE.

Part 3, PLC Yields, has been added to provide instructions for updating and spot checking PLC yields.

Subparagraph 181 A has been amended to clarify who is not required to elect.

Subparagraphs 181 C and 183 C have been amended to remove the word “current”.

Paragraph 188 has been amended to provide a new version of CCC-862 (9-04-19).

Part 9, Eligibility and Compliance Rules, has been added to provide eligibility and compliance rules for ARC and PLC.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Exhibit 2 has been amended to:

- add new definitions for:
  - Double Cropping
  - Home Garden
  - Prevented Planting
  - Producer
- update definitions for:
  - Base Acres
  - Covered Commodity
  - Payment Acres.

Exhibit 24 has been added to provide a list of FAV's.

### B Reminder

County Offices are reminded that paragraphs 245 and 246 state "Situations may occur when contract approval is not available in the software. Contract approval is also not allowed 'on paper' during these times." Based on this policy, the COC or designee should not have approved any 2019 contracts on paper. Any contract that was approved must be withdrawn and subsequently approved during a time when contract approval is allowed

Page Control Chart		
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- 2 Definitions of Terms Used in This Handbook
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**1 Overview (Continued)**

**D Related Handbooks**

Related handbooks include:

- 1-APP for appeals
- 1-CM for common provisions
- 2-CP for acreage and compliance provisions and determinations
- 3-CM for procedure to update farm, tract, and crop data through a maintenance application
- 10-CM for farm reconstitutions
- 6-CP for HELC and WC provisions
- 7-CP for finality and equitable relief provisions
- 2-CRP for the Agricultural Resource Conservation Program
- 1-FI for issuing payments
- 58-FI for debts and claims
- 61-FI for prompt payment interest
- 62-FI for reporting data to IRS
- 63-FI for Financial Services Web Application
- 2-INFO for Freedom of Information Act
- 3-PL for web-based subsidiary files
- 5-PL for payment limitation and payment eligibility provisions.

**1 Overview (Continued)****E Administration**

**\*--[7 CFR 1412] (a) ARC and PLC are administered under the general supervision of the Executive Vice-President, CCC, and will be carried out by FSA State and county committees (State and county committees).**

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

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

**(1) Correct, or require a county committee to correct, any action taken by such county committee that is not in accordance with the regulations of this part; or**

**(2) Require a county committee to withhold taking any action that is not in accordance with this part.**

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

**(e) The Deputy Administrator has the authority to permit State and county committees to waive or modify any non-statutory deadline specified in this part.**

**(f) Items of general applicability to program participants, including, but not limited to, application periods, application deadlines, internal operating guidelines issued to State and county offices, prices, yields, and payment factors established for ARC or PLC, are not subject to appeal in accordance with part 780 of this title.--\***

### 3 DD Responsibilities

#### A Responsibilities

DD will:

- make certain that County Offices and COC are aware of ARC and PLC information and eligibility provisions
- ensure that County Offices publicize ARC and PLC by efficient means and that publication efforts are documented
- verify that ARC and PLC Program provisions are available for review and inspection in County Offices
- ensure that COC and County Office follow regulations and handbook procedure
- perform reviews of County Office procedures to ensure that County Offices are complying with the provisions of this handbook and regulations
- review County Office procedures to ensure that County Offices comply with requirements established by the State Office
- review all CCC-862's and CCC-866's disapproved by COC
- ensure the COF has reviewed the report "Producers with Base Acres interest Greater than Reported Interest" prior to the end of the contract period
- ensure the COC or designee has approved all CCC-862's and CCC-866's within 30 days of the end of the enrollment period
- \*--ensure the County Office has reviewed the report in CCMS "Contracts that Expired on Sept. 30" in order for base acres to be restored to the farm prior to the end of the enrollment period--\*
- review the Base Acreage and Yield Adjustment Report to identify unauthorized base acre and yield adjustments every 90 days and prior to rollover
- provide SED with a written report of all reviews.

**3 DD Responsibilities (Continued)**

**B Printing Base Acreage and Yield Adjustment Report**

Printing Base Acreage and Yield Adjustment Report.

DD's will print a current Base Acreage and Yield Adjustment Report according to 10-CM, paragraph 294. The Base Acreage and Yield Adjustment Report lists base acreage and payment yield adjustments made on farms during the date range selected for which the report was printed. Each adjustment on the Base Acreage and Yield Adjustment Report includes the following:

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

## 4 COC, CED, and PT Responsibilities (Continued)

### C CED Signature Deadline Monitoring Responsibilities

CED will ensure that ARC and PLC Program information and deadlines are publicized and copies of publication efforts are maintained in appropriate file.

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

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

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

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

### D PT Responsibilities

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

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

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

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

5 Basic ARC and PLC Program Information

A Covered Commodities

\*--[7 CFR 1412.3] **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, seed cotton, pulse crops, soybeans, other oilseeds, and peanuts.--\*

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	Seed Cotton	Sesame	Soybeans
Sunflower Seed	Wheat		

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

## B Base Acres

\*--[7 CFR 1412.3] **Base acres** means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. The term “base acres” includes any unassigned base acres.--\*

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 WRE--\*
- 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 can only be reduced on CCC-505.

5 Basic ARC and PLC Program Information (Continued)

C Payment Acres

\*--[7 CFR 1412.3] Payment acres means:

(1) For the purpose of ARC-CO and PLC, subject to planting flexibility provisions as specified §1412.46, the payment acres for each covered commodity on a farm will be equal to 85 percent of the covered commodity's base acres on the farm.

(2) For the purpose of ARC-IC, subject to planting flexibility provisions as specified in §1412.46, the payment acres for a farm will be equal to 65 percent of all the covered commodity base acres on the farm.--\*

D Payment Yield

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

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

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

PLC	ARC-CO	ARC-IC
Uses effective reference price and 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 covered commodity base acres.	Payments determined by individual covered commodity base acres.	Payments determined by all covered commodities combined planted 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 22 covered commodities.

Part 2 Base Acres

Section 1 Base Modifications

21 Definition and Limitation

A Definition of Base Acres

[7 CFR 1412.3] **Base acres** means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. The term “base acres” includes any unassigned base acres.

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

B Adjustments to Base Acres

Base acres may be increased if CRP-1 applicable to the farm expires, is voluntarily terminated, or is released by the Secretary.

## 21 Definition and Limitation (Continued)

## C 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
- any cropland acreage enrolled in:
  - CRP
  - \*--WRE--\*
- 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 and PLC

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.

**B Example of CCC-866-1**

The following is an example of CCC-866-1.

This form is available electronically.

<b>CCC-866-1</b> (07-23-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Program Years:	
<b>ELECTION FOR BASE ACRES                  RETURNED TO THE FARM</b>		2A. County FSA Office Name and Address (Including Zip Code)			
		2B. County FSA Office Telephone No. (Including Area Code)		2C. County FSA Office FAX No. (Including Area Code)	
		3. State Code	4. County Code	5. Farm Number	6. Covered Commodity
<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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9015) as amended by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1412. 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><b>Paperwork Reduction Act (PRA) Statement:</b> <i>The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091 (c)(2)(B).</i></p> <p><i>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p>					
<b>PART A - FARM ELECTION</b>					
<p><b>THIS ELECTION</b> must be unanimously made by the <b>PRODUCERS</b> on the farm and must occur within 30 days of being notified by FSA to be effective for this farm beginning in the crop year identified in Item 1, under the terms of 7 CFR Part 1412. If an ARC or PLC election is not made or is not made by the election deadline, the election for the covered commodity shall default to PLC on the farm for the crop year identified in Item 1 through 2023. If the farm currently has an ARC-IC election, the farm will remain in ARC-IC. All producers on the farm must sign this election, and by doing so, unanimously agree and acknowledge that: (1) this election is irrevocable for the covered commodities on the farm, or any resulting farm(s) of a reconstitution; (2) this farm may not be combined with any other farm that has base acres and does not have the same program election applicable for each and all covered commodities on all farms intended to be combined; (3) even though they may have made an election, they must enroll the farm in the ARC or PLC program in order to receive ARC or PLC income support; (4) they must comply with the regulations at 7 CFR Part 1412; and (5) that ARC or PLC income support is subject to change based upon changes to law. In addition, by signing this form, all producers on the farm certify as to the accuracy of the election information set out on this form. FSA's acceptance of this signed form and use of the form does not equate to FSA's approval of the election. If FSA later determines this election is invalid under 7 CFR Part 1412, the elections on this form will not apply to the farm. Enrollment in the ARC or PLC program is a separate action from this election and must be performed to participate in the ARC or PLC program.</p>					
7. To indicate the election, check only <b>ONE</b> box.					
Covered Commodity		PLC	ARC-CO	ARC-IC	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>PART B - PRODUCER'S INFORMATION</b>					
8A. Producer's Name and Address (Including Zip Code)		8B. Email Address			
		8C. Telephone Number (Including Area Code)			
8D. Signature of Producer (By)		8E. Title/Relationship of the Individual Signing in the Representative Capacity		8F. Date (MM-DD-YYYY)	
8A. Producer's Name and Address (Including Zip Code)		8B. Email Address			
		8C. Telephone Number (Including Area Code)			
8D. Signature of Producer (By)		8E. Title/Relationship of the Individual Signing in the Representative Capacity		8F. Date (MM-DD-YYYY)	
<b>PART C - FOR FSA USE ONLY</b>					
9A. Signature of CCC Representative				9B. Date (MM-DD-YYYY)	

**B Example of CCC-866-1 (Continued)**

<b>CCC-866-1 (07-23-19)</b>		Page 2 of 2
<b>PART D - PRODUCER'S INFORMATION</b>		
8A. Producer's Name and Address <i>(Including Zip Code)</i>	8B. Email Address	
	8C. Telephone Number <i>(Including Area Code)</i>	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address <i>(Including Zip Code)</i>	8B. Email Address	
	8C. Telephone Number <i>(Including Area Code)</i>	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address <i>(Including Zip Code)</i>	8B. Email Address	
	8C. Telephone Number <i>(Including Area Code)</i>	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address <i>(Including Zip Code)</i>	8B. Email Address	
	8C. Telephone Number <i>(Including Area Code)</i>	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address <i>(Including Zip Code)</i>	8B. Email Address	
	8C. Telephone Number <i>(Including Area Code)</i>	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)

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43-60 (Reserved)

**\*--Part 3 PLC Yields****Section 1 PLC Yield Overview****61 General Information****A Yield Update Option**

The 2018 Farm Bill allows any owner of a farm a 1-time optional opportunity in 2020 to update the PLC yields for each covered commodity with base acres for the 2020 through 2023 crop years. The decision to update a yield is made on a covered commodity-by-covered commodity basis as determined by the owner on the farm.

Program payment yields under the 2018 Farm Bill are used **only** with PLC and are referred to as PLC yields for all farms, regardless of program election.

The PLC yield, under the 2018 Farm Bill, is either the farm's former PLC yield for the covered commodity in effect on September 30, 2018, or the updated yield. The owner of the farm may choose to update the PLC yield on all applicable FSA farms, regardless of PLC, ARC-CO, or ARC-IC election starting with the 2020 crop year. The updated yield will only be used under PLC to calculate PLC payments for covered commodities on the farm.--\*

## \*--61 General Information (Continued)

**B Yield Update Formula**

The calculation for updating the PLC yield for a covered commodity is as follows:

- **All covered commodities except seed cotton**

Based on 90 percent of the farm's 2013 through 2017 simple average yield per planted acre, excluding any year that no acreage was planted to the covered commodity. If the yield in any of these years is less than 75 percent of the county yield, then 75 percent of the 2013 through 2017 average county yield will be substituted for that year.

- **Seed cotton**

Based on 90 percent of the farm's 2013 through 2017 simple average lint yield per planted acre, excluding any year that no acreage was planted to upland cotton, multiplied by 2.4. If the yield in any of these years is less than 75 percent of the county yield, then 75 percent of the 2013 through 2017 average county yield will be substituted for that year.

The farm's updated PLC yield is then multiplied by the ratio obtained by dividing the average of the:

- 2008 through 2012 National average yield per planted acre for the covered commodity, by
- 2013 through 2017 National average yield per planted acre for the covered commodity.

**Note:** This ratio cannot be less than 90 percent or greater than 100 percent and will be established at the National Office on a covered commodity basis and will be called the national yield factor.

A substitute yield is also used for years the crop is planted and when yields either **cannot** be determined or are **not** available.

The yield update software in CRM-FR will use the larger of the actual yield or the substitute yield when making the yield update calculation.--\*

**\*--61 General Information (Continued)****C Subsequent Crop Acres and PLC Yield Update**

Initial planted covered commodity crop acreage and production are used to update PLC yields using the years 2013 through 2017. Acreage and production of a subsequently planted covered commodity crop are excluded while updating the yield.

**D National Yield Factor**

The following chart provides the National Yield Factor for all covered commodities.

<b>Covered Commodity</b>	<b>National Yield Factor</b>	<b>Covered Commodity</b>	<b>National Yield Factor</b>	<b>Covered Commodity</b>	<b>National Yield Factor</b>
Barley	0.9437	Lentils	1.0000	Rice, Temp Japonica	0.9591
Canola	0.9634	Mustard Seed	0.9460	Safflower	1.0000
Chickpeas, Large	1.0000	Oats	0.9524	Seed Cotton	0.9000
Chickpeas, Small	0.9760	Peanuts	0.9273	Sesame Seed	0.9673
Corn	0.9000	Peas, Dry	0.9988	Soybeans	0.9000
Crambe	1.0000	Rapeseed	1.0000	Sunflower Seed	0.9396
Flaxseed	1.0000	Rice, Long	0.9330	Wheat	0.9545
Grain Sorghum	0.9077	Rice, Medium	0.9887		

--\*

**\*--62 Yield Update Decision****A Decision to Update or Retain PLC Yield**

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

**Note:** The farm's PLC yield, after the update decision is completed, will be equal to or greater than the farm's 2018 PLC yield, depending on the yield update decision made by the owner.

If the owner chooses **not** to update the PLC yields on the farm or does **not** make the necessary updates before the end of the contract year, the farm's 2018 PLC yields for each covered commodity will be carried forward as the farm's PLC yields for the 2020 through 2023 crop years.

Owners have the option of updating yields regardless of PLC, ARC-CO, or ARC-IC election.

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

The PLC yields are used in the payment calculation for PLC **only**. The PLC yields are **not** used in the ARC calculations; however, all updated PLC yields, including PLC yields for covered commodities for which ARC was elected, will be maintained on the farm by FSA for future program purposes.

ARC uses county level yields for ARC-CO or individual farms yields for ARC-IC, in the 5 years immediately preceding the year prior to the program year, for determining guarantees and payments, if applicable. The PLC yield that is based on 2013 through 2017 data is **not** used for ARC.--\*

**\*--62 Yield Update Decision (Continued)****B Irrigated and Nonirrigated Yields**

The 2018 Farm Bill does **not** allow for establishing separate irrigated and nonirrigated payment yields for covered commodities in the PLC Program.

The PLC yield for a covered commodity that is from both irrigated and nonirrigated acreage will either be the farm's current PLC yield, or an updated yield that is based on total production on the farm for the covered commodity, divided by the total irrigated and nonirrigated planted acres of the covered commodity on the farm for each applicable year, 2013 through 2017.

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

**C Update Decisions**

The decision to update the farm yield for the covered commodity may be made by any owner of the farm and does **not** require all owners to sign the update.

The yield update decision by any owner will remain as filed, **unless** 1 or more of the other farm's owners files a written notice with FSA expressing disagreement with a yield update. The notice of disagreement **must** be filed with COC **no** later than the end of the yield update period.

If FSA receives a written notice of owner disagreement of the yield update, COC will invalidate the original yield update decision and wait for all the farm's owners' resolution. If a subsequent unanimous decision of the yield update **cannot** be agreed to by all the farm's owners by the end of the 2020 contract year, the farm's yield will default to the prior PLC yield.

Any owner of a farm in 2020 can make the decision to update yield. If a new owner acquires the farm before the yield update deadline, the yield update decision can be modified by the new owners of the farm, provided the yield update period is still open.

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

**Note:** The producer is not required to re-sign a contract if the yield is updated after contract initiation, enrollment or approval.--\*

**\*--62 Yield Update Decision (Continued)****D Yield Update Revision and Deadline**

Any owner's decision to update a yield can be made through the end of the yield update period of **September 30, 2020**. Any ARCPLC contract initiated, enrolled, or approved prior to the yield update will not require a producer to re-sign.

If a request to update a yield is **not** filed by **September 30, 2020**, the current PLC yield will be used as the farm's PLC yield for the 2020 through 2023 crop years.

**E Yield Certification at the Farm Level**

The PLC payment yield, as determined by the farm owner, must be certified on the FSA farm level.

The farm level yield for each covered commodity will then be moved down to the tract level for each tract with base acres of the covered commodity. If there is more than 1 tract on the farm, then all tracts with covered commodity crop base acres will have the same yield on the initial farm record.

**Note:** If yields are **not** updated on the farm, the current PLC yield will remain on the tract of the farm.--\*

**63 (Reserved)**

**\*--64 Historical FSA Yields**

**A Yields on FSA Farms**

FSA’s current FRMS contains PLC yield for each covered commodity with 2019 crop base acres

<b>Crop</b>	<b>Base Acres</b>	<b>PLC Yield</b>
Wheat	100.00	30 bu.
Corn	100.00	89 bu.

**B 2002 and 2008 Direct and CC Yields**

The 2002 Farm Bill authorized the following:

- direct payment yields for crops with base acres to issue direct payments
  - Note:** The direct payment yield was renamed from the previous farm bill’s PFC payment yield. These yields have been unchanged since 1985.
- CC yield, to issue CC payments, if triggered, was established by either:
  - assigning the direct payment yield for the crop as the CC yield
  - allowing the owner the option to partially update the CC yield on the farm when partial update of the CC yield was based on 1 of the following formulas and **only** when base option to fully update bases was selected on the farm:
    - 93.5 percent of the 1998 through 2001 weighted average yield of the crop
    - 70 percent partial yield update calculated using 70 percent of the difference between the 1998 through 2001 weighted average yield and the direct payment yield, with the result being added to the direct payment yield of the crop
- bases acres and yields for soybeans and minor oilseed crops allowed for establishing direct and CC yields for soybeans and minor oilseeds using policy as stated in this subparagraph.

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

**\*--64 Historical FSA Yields (Continued)****C 2014 PLC Yields**

The 2014 Farm Bill authorized the following:

- The farm's current owner had a 1-time opportunity, on a covered commodity by covered commodity basis, to:
  - retain the CC Yields that were established on the farm for the covered commodity in effect on September 30, 2013 as the PLC yield
  - update the yield based on 90 percent of the simple average of the yield per planted acre for the covered commodity for each of the 2008 through 2012 crop years, excluding any year in which the covered commodity was not planted.
- A substitute yield was authorized if the farm's yield per planted acre in any year fell below 75 percent of the 2008 through 2012 simple county average yield per planted acre.
- The certified yield was made at the farm level.
- After September 30, 2014, upland cotton was no longer a covered commodity and was converted to generic base acres. The upland cotton counter cyclical yield was not maintained with the generic base acres in the farm's farm record (CRM and FRS). The direct yield was renamed the CTAP yield and was maintained because of the CTAP program.

**Note:** CTAP Yields are not maintained under the 2018 Farm Bill.--\*

**\*--64 Historical FSA Yields (Continued)**

**D Seed Cotton Yields**

The 2018 Bipartisan Budget Act authorized the following:

- seed cotton as a covered commodity for the 2018 crop year
- owners of a farm with generic base acres a 1-time opportunity to retain the CC yield for upland cotton, as listed in Farm Records as of September 30, 2013, multiplied by 2.4
- update of the upland cotton yield to 90 percent of a simple average of upland cotton yield per planted acres on the farm for each of the 2008 through 2012 crop years, excluding any year in which upland cotton was not planted, multiplied by 2.4.--\*

**\*--65 Certification of Yields****A Certified Yields**

PLC yields may be updated on a covered commodity-by-covered commodity basis at the discretion of the owner on the farm.

The owner may certify to an actual yield for each covered commodity with base acres that was planted on the farm in any year, during the 2013 through 2017 crop years. The certified yield will be made at the farm level.

**Note:** The yield certification policy is the same as the prior yield update policy where a producer's certification is required and certified production records for each year are **not** required. County Offices do **not** have the resources to accept production evidence for verification purposes as certifications are made.

Records supporting the certified yield are **not** required to be submitted to FSA for approval at the time of yield update certification; however, certified yields are subject to FSA review. An owner who certifies to a farm yield is **required** to retain the records used to certify to the applicable crop yields through the 2023 crop year. Farms selected for yield review that are determined to have an invalid or incorrect certification of yield will have the yield corrected; overpayments **must** be refunded, if applicable. More than 1 year of ARCPLC payments may be required to be refunded, if applicable.--\*

**\*--65 Certification of Yields (Continued)****B Yield Policy**

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

- certified yield data may be furnished by either the farm owner or operator
- the decision to update the PLC yield is solely the current owner's and can be made by any current owner of the farm in the yield update period
- the certified PLC yield **must** be supported by acceptable production evidence, if requested by FSA anytime through the 2023 crop year
- CCC-863's from the ARC-IC program will be provided to the operator or owner of the farm, by request, and may be used by an owner to certify PLC yields on the farm.
- use of RMA production or yield data is encouraged, when certifying to yields for yield update purposes
- RMA yields may include yields used in either the indemnification process or the yearly certified yield included in the APH yield database
- the RMA APH yield **cannot** be used since it is a 4- to 10-year average of actual and/or adjusted yields in the APH database
- copies of production evidence used to certify to the covered commodity yields will **not** be required or accepted by FSA at the time of yield certification but **must** be available on request by FSA through the 2023 crop year.

**Note:** Provided FSA is satisfied the yield data is for farm yields supported by RMA, yield data will be considered to have met the review criteria, because these yields have already been reviewed or have been subject to review by RMA.--\*

**\*--65 Certification of Yields (Continued)****C Who Certifies Yields**

Yields will be provided to FSA, on CCC-867 (paragraph 89), by either the operator or owners of the farm and can include yield data from the current or previous producers on the farm. The actual decision to update the yield is made by an owner of the farm.

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

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

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

**D Substitute Yield**

A substitute yield is authorized to be used in the 2013 through 2017 period, if the farm's yield per planted acre for any year 2013 through 2017, falls below 75 percent of the 2013 through 2017 simple county average yield per planted acre for each covered commodity.

The substitute yield is calculated at 75 percent of the 2013 through 2017 county average yield. The same substitute yield, as calculated, will be used for each of the 5 years in the yield update period.

**Note:** There is 1 substitute yield per covered commodity per county that will be used in all years 2013 through 2017.

A substitute yield is **not** used in years of zero planting of the covered commodity during the 2013 through 2017 crop years. According to the 2018 Farm Bill, zero planting years of a covered commodity are **excluded** in the PLC yield calculation.

A substitute yield is used for years the crop is planted and when yields **cannot** either be determined or the yields are **not** available.--\*

\*--65 Certification of Yields (Continued)

**E RMA and NAP Data**

Owners are encouraged to use yield data that was used by RMA to establish and update the RMA and NAP APH database for certification of yields for ARCPLC. The NAP APH yield information at FSA will be made available on request.

The following are examples of RMA yield data that can be used to assist in the yield certification process. The following yield data is from a Production and Yield Report used by Multi-Peril Crop Insurance companies. The column titled "Yield" can be used by the producer to certify to yields for the 2013 through 2017 covered commodity years.

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

**Corn Yield Example 1:** All years, 2013 through 2017, have yield data and may be used to certify to yields for use in the yield update calculation.

WVA NDR:				
Year	Acres	Yield		Land
		Yield	Flg	Description/FSN
2008	91.30	161.00	A	
2009	118.20	150.00	A	
2010	91.30	169.00	A	
2011	118.20	191.00	A	
2012	91.30	189.00	A	
2013	72.70	165.00	A	
2014	91.40	156.00	A	
2015	117.70	196.00	A	
2016	91.40	206.00	A	
2017	117.67	125.00	A	
			<b>Prior Yld</b>	<b>T-Yield</b> <b>ARH ADJ Yield</b>
<b>Rate Yield:</b>		171.00	187.00	170.00 0.00
<b>APH Yield:</b>		182.00		

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**\*--65 Certification of Yields (Continued)**

**E RMA and NAP Data (Continued)**

**Corn Yield Example 2:** Only 2016 and 2017 has yield data that may be used to certify to yields for usage in the yield update calculation. The years of 2013, 2014, and 2015 were zero planted acre years and are **not** used in the yield update calculation.

**Note:** 2015 is not listed because the crop was not planted on the unit.

					WA Nbr:	
Year	Acres	Yield	Yield Fig	Land Description/FSN		
0	0.00	0.00				
0	0.00	0.00				
0	0.00	0.00				
0	0.00	0.00				
0	0.00	0.00				
0	0.00	0.00				
<del>2013</del>	<del>0.00</del>	<del>187.00</del>	<del>L</del>			
<del>2014</del>	<del>0.00</del>	<del>187.00</del>	<del>L</del>			
2016	65.00	205.00	A			
2017	37.35	212.00	A			
					<u>Prior Yld</u>	<u>T-Yield</u>
Rate Yield:		198.00			192.00	187.00
APH Yield:		199.00				0.00

**F Yield Certification Form and Instructions**

See paragraph 89 for an example of CCC-867 and instructions.

**G Yield Update Software**

The software used to update yields and instructions is forthcoming.--\*

**\*--66 Modifications to Yield Certifications****A Yield Certification Modifications**

COC's are authorized to approve a modification to the owner's yield certification. Approvals of such modifications are subject to the owner providing verifiable or nonverifiable production records that clearly indicate the yield is different than originally certified. A modification of a yield certification may also be identified using RMA records provided by the owner and may be used as evidence to support a modification of the previously certified production.

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

- documented on a copy of the original CCC-867
- initialed and dated by the owner
- approved by COC.

There is no deadline for modifications to yield certifications. Any payments generated will be made immediately. Any refunds must be collected immediately.

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

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

When completing an ARCPLC review (spot check) or correcting a yield and RMA data was used by the producer to certify the yield, the County Office is not to request any documentation, such as production evidence. This review can be accomplished by reviewing CIMS data and producer-provided RMA data. In all cases, it should be verified that RMA data exists. The exact yield number certified is not required to match because of differences in farm and unit structure between FSA and RMA.

It is important to remember that RMA units and FSA FSN's do not match in most cases; therefore, blended RMA yields may have been used to arrive at the certified FSN yield. COC will not request a producer's documentation if the certified yields appear to be representative of the RMA data.--\*

**\*--66 Modifications to Yield Certifications (Continued)****B Examples of Modifications to Yield Certifications**

**Example 1:** An owner certified yield data by the production reporting deadline, that the production from a crop of soybeans was 37 bushels per acre based on RMA records. Later, RMA modified the production because of quality adjustments and the net production was adjusted to 35 bushels per acre. COC may approve the adjustment in production on CCC-867, if the owner submits acceptable records to substantiate the adjustment.

**Note:** An operator or producer may assist a current owner with a yield update; however, it is the owner who updated the yield that is responsible for the update and evidence needed to substantiate the update.

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

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

**\*--66 Modifications to Yield Certifications (Continued)**

**C PLC Yield Correction Policy**

County Offices will use the policies set forth in this paragraph to correct PLC yields on a farm when the owner or FSA has found an erroneous yield.

The following are PLC yield corrections that may be approved by COC:

- a mathematical error was found in calculating the PLC yield
- owner made an error when certifying a yield in any of the years the covered commodity was planted (2013 through 2017)
- yields were not loaded properly in the yield update software by FSA.

Other yield corrections may be considered and require submission to STC or designee for review and concurrence.

County Offices will thoroughly document the yield correction and review the yield data with COC. COC's determination will be documented in the COC Executive minutes and reviewed by DD for concurrence.

**Note:** Owners are not required to sign a new CCC-867 for PLC yield corrections according to this paragraph.--\*

**\*--66 Modifications to Yield Certifications (Continued)****D Yield Correction Notification Policy**

Notification of yield corrections to owners and operators on the farm is required if corrections to yields of covered commodities on the farm are discovered.

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

**E Effects of PLC Yield Corrections**

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

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

- the PLC yield will be corrected for each year beginning in 2020 and subsequent years

**Note:** Tolerance is not applicable.

- COC is not required to make a good faith determination as FSA made the error
- any overpayment or underpayment will be processed for each applicable year a yield is corrected.

PLC yield corrections must be documented in the COC minutes.

**Example:** A producer's approved PLC yield is 100 bu./acre for corn. The yield correction for each of the PLC update years (2013 through 2017) results in the new farm level PLC yield being calculated at 96 bu./acre.

The certified farm level PLC yield of 100 bu./acre will be corrected to 96 bu./acre. The County Office will complete the correction for 2020 and subsequent years.--\*

**\*--66 Modifications to Yield Certifications (Continued)****F PLC Yield Correction Adjustments**

If the farm level corrected PLC yield in comparison to the certified PLC yield reveals a discrepancy where the owner made an error during the yield update period:

- COC must determine whether the owner acted in good faith when providing the certified yield during the yield update period

**Note:** If COC determines:

- “good faith” on behalf of the owner:
  - correct the final PLC yield at the farm level for 2020 and all subsequent years
  - process any overpayments or underpayments for each year
- “lack of good faith” on behalf of the owner:
  - correct the final PLC yield to the PLC yield that existed for the crop on the farm before the yield update period for 2020 and subsequent years
  - process any overpayments or underpayments for each year.
- COC’s determination will be documented in the executive minutes.

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

**\*--67 Hybrid Seed or Popcorn**

**A Yield Certification**

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

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

**B Hybrid Seed Separate Methods**

Owners may use any of the following separate methods to certify and update PLC yields for any covered commodities grown for hybrid seed for each crop year 2013 through 2017. If more than 1 method is applicable to the farm, the owner may select the method to be used. If an owner does **not** select a method, the farm’s yield will remain unchanged from the CC yield.

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

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

\*--67 Hybrid Seed or Popcorn (Continued)

**C Popcorn Yield Certification Conversion Policy**

An owner on a farm having popcorn may request to use a conversion factor of 29.7 to convert pounds to bu. for the specific years the crop was grown, 2013 through 2017. This factor can only be used if a “commercial corn yield” from harvested acres is **not** available on the farm. If commercial corn was harvested on the farm, then the conversion factor must **not** be used and the popcorn acres will be assigned the commercial corn yield associated with the farm. To convert popcorn yields (pounds) when an appropriate commercial corn yield is **not** available on the farm, divide the popcorn yield in pounds by 29.7 to obtain an equivalent commercial corn yield in bu.

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

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

<b>IF there is...</b>	<b>THEN...</b>
irrigated commercial corn on the farm	apply the same yield to the irrigated popcorn acres.
nonirrigated commercial corn on the farm	apply the same nonirrigated yield to nonirrigated popcorn acres.
no commercial corn on the farm	use the factor to determine the popcorn yield, regardless if the popcorn is irrigated or nonirrigated.
irrigated commercial corn on the farm only and there is nonirrigated popcorn on the farm <b>only</b>	use the factor to determine the popcorn yield.
nonirrigated commercial corn on the farm only and there is irrigated popcorn on the farm <b>only</b>	use the factor to determine the popcorn yield.

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**\*--68 Yield Update Examples**

**A Example 1**

In this example, a producer planted peanuts in all 5 years of the yield period 2013 through 2017. The 2017 crop year yield is lower than the substitute yield (75 percent of the 2013 through 2017 county average yield). The substitute yield will be used for 2017.

The 5-year average yield on the farm is calculated at 3,506 pounds per acre. The PLC yield is 90 percent of 3,506 pounds per acre multiplied by the national yield factor of 92.73 percent or 2,926 pounds per acre.

The owner may choose to keep the PLC yield of 2,972 pounds per acre or update the yield to 2,926 pounds per acre.

**Note:** In this example the National Office determined that the average of the 2013 through 2017 national average yield per planted acre for the covered commodity divided by the average of the 2013 through 2017 national average yield per planted acre is 92.73 percent for peanuts.

Farm 1	Covered Commodity is Peanuts					Current PLC Yield is 2972 Lbs. Per Acre		
	2013	2014	2015	2016	2017	Total 1/	Average Yield 2/	PLC Yield at 90 Percent – Adjusted 3/
<b>Covered Commodity Yield</b>	3819	3557	3441	4111	2422	17,529	3506	2926 lbs. per acre
<b>Substitute Yield at 75 Percent</b>	<del>2601</del>	<del>2601</del>	<del>2601</del>	<del>2601</del>	2601			
<p><b>1/</b> Total of 2013 through 2017 covered commodity year yields.</p> <p><b>2/</b> Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity, rounded to the nearest whole number.</p> <p>5-Year Average of Planted Acreage (3819 + 3557 + 3441 + 4111 + 2601 = 17529 ÷ 5 = 3505.80)</p> <p><b>3/</b> PLC Yield at 90 Percent Adjusted is calculated figuring a 92.73 percent ratio obtained by dividing</p> <ul style="list-style-type: none"> <li>the average of the 2008 through 2012 national average yield per planted acre for the covered commodity by</li> <li>the average of the 2013 through 2017 national average yield per planted acre for the covered commodity.</li> </ul> <p><b>Note:</b> This number may not be less than 90 percent or greater than 100 percent and will be determined at the National Office (see paragraph 61).</p> <p><b>Yield update decision is to retain the peanut PLC yield of 2,972 pounds per acre.</b></p>								

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\*--68 Yield Update Examples (Continued)

**B Example 2**

In this example, a producer planted corn in 3 years of the yield period 2013 through 2017. The 2017 crop year yield is lower than the substitute yield (75 percent of the 2013 through 2017 county average yield). The 2017 yield will be substituted.

Using the 3 years of yields from the years that the covered commodity was planted on the farm, the average yield is calculated at 139 bu. Per acre. The PLC yield is 90 percent of 139 bu. per acre multiplied by the national yield factor of 90 percent or 113 bu. per acre.

The owner may choose to keep the current PLC yield of 112 bu. per acre or update the yield to 113 bu. per acre.

Farm 2	Covered Commodity is Corn					Current PLC Yield is 112 Bu. Per Acre		
	2013	2014	2015	2016	2017	Total 1/	Average Yield 2/	PLC Yield at 90 Percent – Adjusted 3/
<b>Covered Commodity Yield</b>	Zero Planted	Zero Planted	135	160	<del>119</del>	417	139.00	113 bu. Per acre
<b>Substitute Yield at 75 Percent</b>	<del>122</del>	<del>122</del>	<del>122</del>	<del>122</del>	122			
<p><u>1/</u> Total of 2015 through 2017 covered commodity year yields. 2013 and 2014 years are zero planted and <b>excluded</b> from the calculation.</p> <p><u>2/</u> Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity, rounded to the nearest whole number.</p> <p>3-Year Average of Planted Acreage (135 + 160 + 122 = 417 ÷ 3 = 139.00)</p> <p><u>3/</u> PLC Yield at 90 Percent Adjusted is calculated figuring a 90 percent ratio obtained by dividing</p> <ul style="list-style-type: none"> <li>the average of the 2008 through 2012 national average yield per planted acre for the covered commodity by</li> <li>the average of the 2013 through 2017 national average yield per planted acre for the covered commodity.</li> </ul> <p><b>Note:</b> This number may not be less than 90 percent or greater than 100 percent and will be determined at the National Office (see paragraph 61).</p>								
<b>Yield update decision is to update the corn PLC yield to 113 bu. per acre.</b>								

--\*

\*--68 Yield Update Examples (Continued)

C Example 3

In this example, soybeans were planted in 4 of the 5 years, 2013 through 2017. In 2014, the owner did **not** provide a yield certification because the farm was operated by a different producer who would **not** provide the yield records. Also, the 2017 crop year yield is lower than the substitute yield (75 percent of the 2013 through 2017 county average yield). Both the 2013 and the 2017 yields will be substituted.

Using the 4 years of yields from the years the covered commodity was planted on the farm, the average yield is calculated at 42 bu. per acre. The PLC yield is 90 percent of 40 bu. per acre multiplied by the national yield factor of 90 percent or 34 bu. per acre.

The current owner may choose the current PLC yield of 32 bu. per acre, or the calculated PLC yield of 34 bu. per acre.

Farm 3	Covered Commodity is Soybeans					Current PLC Yield is 32 Bu. Per Acre		
	2013	2014	2015	2016	2017	Total 1/	Average Yield 2/	PLC Yield at 90 Percent-Adjusted 3/
Covered Commodity Yield	Zero Planted	Planted No Production Evidence 0	47	60	26	167	42	34 bu. per acre
Substitute Yield at 75 Percent	30	30	30	30	30			
<p><u>1/</u> Total of 2013 through 2014 covered commodity year yields. 2013 covered commodity year is zero planted and <b>excluded</b> from the calculation. 2014 and 2017 yields are substituted yields.</p> <p><u>2/</u> Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity, rounded to the nearest whole number.</p> <p>4-Year Average of Planted Acreage (30 + 47 + 60 + 30 = 167 ÷ 4 = 41.75)</p> <p><u>3/</u> PLC Yield at 90 Percent Adjusted is calculated figuring a 90 percent ratio obtained by dividing</p> <ul style="list-style-type: none"> <li>the average of the 2008 through 2012 national average yield per planted acre for the covered commodity by</li> <li>the average of the 2013 through 2017 national average yield per planted acre for the covered commodity.</li> </ul> <p><b>Note:</b> This number may not be less than 90 percent or greater than 100 percent and will be determined at the National Office (see paragraph 61).</p>								
<p><b>Yield update decision is to update the soybean PLC yield to 34 bu. per acre.</b></p>								

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\*--68 Yield Update Examples (Continued)

**D Example 4**

In this example, a producer planted wheat in 1 year of the yield period 2013 through 2017. The yield for the 1 year of planting is greater than the substitute yield (75 percent of the 2013 through 2017 county average yield).

Using 1 year of yield data from the 2015 crop year, when the wheat crop was planted on the farm, the average yield is calculated at 60 bu. per acre. The PLC yield is 90 percent of 60 bu. per acre multiplied by the national yield factor of 95.45 percent or 52 bu. per acre.

The current owner may choose to keep the current PLC yield of 32 bu. per acre or update the yield to 52 bu. per acre.

Farm 4	Covered Commodity is Wheat					Current CC Yield is 32 Bu. Per Acre		
	2013	2014	2015	2016	2017	Total <u>1/</u>	Average Yield <u>2/</u>	PLC Yield at 90 Percent-Adjusted <u>3/</u>
<b>Covered Commodity Yield</b>	Zero Planted	Zero Planted	60	Zero Planted	Zero Planted	60.00	60.00	52 bu. per acre
<b>Substitute Yield at 75 Percent</b>	45	45	45	45	45			
<p><u>1/</u> Total of the 2015 covered commodity average year yield. 2013, 2014, 2016, and 2017 years are zero planted and <b>excluded</b> from the calculation.</p> <p><u>2/</u> Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.</p> <p>1-Year Average of Planted Acreage (60 ÷ 1 = 60.00)</p> <p><u>3/</u> PLC Yield at 90 Percent Adjusted is calculated figuring a 95.45 percent ratio obtained by dividing</p> <ul style="list-style-type: none"> <li>• the average of the 2008 through 2012 national average yield per planted acre for the covered commodity by</li> <li>• the average of the 2013 through 2017 national average yield per planted acre for the covered commodity.</li> </ul> <p><b>Note:</b> This number may not be less than 90 percent or greater than 100 percent and will be determined at the National Office (see paragraph 61).</p> <p><b>Yield update decision is to update the wheat PLC yield to 52 bu. per acre.</b></p>								

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**\*--68 Yield Update Examples (Continued)**

**E Example 5**

In this example, a producer planted upland cotton in rotation on the farm, 2013, 2015, and 2017 during the period 2013 through 2017. The 2017 yield is less than the substituted yield (75 percent of the 2013 through 2019 county average yield). The 2017 yield will be substituted.

Using the 3 years of yields from the years that the covered commodity was planted on the farm, the average yield is calculated at 1,137 bu. per acre. The PLC yield is 90 percent of 1,137 pounds per acre multiplied by the national yield factor of 90 percent multiplied by 2.4 or 2,210 pounds per acre.

**Note:** In this table, yield data is recorded as lint pounds until converted to seed cotton pounds in the final step.

The owner may choose to keep the PLC yield of 1286 bu. per acre or the updated yield of 2210 bu. per acre.

Farm 5	Covered Commodity is Upland Cotton					PLC Yield is 1286 Bu. Per Acre		
	2013	2014	2015	2016	2017	Total <sup>1/</sup>	Average Yield <sup>2/</sup>	PLC Yield at 90 Percent—Adjusted <sup>3/</sup> Times 2.4 (4/)
Covered Commodity Yield	1210	Zero Planted	1450	Zero Planted	<del>650</del>	3410	1137	2,210 lb. per acre
Substitute Yield at 75 Percent	<del>750</del>	<del>750</del>	<del>750</del>	<del>750</del>	750			
<sup>1/</sup> Total of 2013, 2015, and 2017 covered commodity year yields. 2014 and 2016 years are zero planted and <b>excluded</b> from the calculation. <sup>2/</sup> Average yield that is the total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity, rounded to the nearest whole number. 3-Year Average of Planted Acreage (1210 + 1450 + 750 = 3410 ÷ 3 = 1136.67) <sup>3/</sup> PLC Yield at 90 Percent Adjusted is calculated figuring a 90 percent ratio obtained by dividing <ul style="list-style-type: none"> <li>the average of the 2008 through 2012 national average yield per planted acre for the covered commodity by</li> <li>the average of the 2013 through 2017 national average yield per planted acre for the covered commodity.</li> </ul> <b>Note:</b> The national yield may not be less than 90 percent or greater than 100 percent and will be determined at the National Office (see paragraph 61). <sup>4/</sup> Upland Cotton lint yield is multiplied by 2.4 factor to convert to seed cotton <b>Yield update decision is to update the upland cotton PLC yield to 2,210 pounds per acre.</b>								

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69-80 (Reserved)

**\*--Section 2 Certified Yield Compliance**

**81 Records of Production**

**A Yield Certifications**

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

- farm has ARC-IC elected that provides for the need of benchmark and current year production data
- farm has had the PLC yields updated.

A yield certification by a farm's owner does **not** require submitting production records to support the certified yield, unless selected by FSA for review.--\*

**\*--81 Records of Production (Continued)****B Acceptable Records**

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

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

- production data previously reported to FSA on CCC-863 under the ARC-IC program

**Note:** CCC-863's on file at FSA for the ARC-IC program for the farm will be made available to current year farm owners or operators for the purpose of yield updating or ARC-IC production reporting on request.

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

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

- commercial receipts, settlement sheets, warehouse ledger sheets, pick records, or load summaries, if the eligible crop was sold or otherwise disposed of through commercial channels
- nonverifiable documentary evidence determined to be reliable by FSA, such as contemporaneous measurements, truck scale tickets, pick records, grain yield monitors, and contemporaneous diaries, as necessary, to verify information provided by the producer, if the eligible crop was stored, sold, fed to livestock, or otherwise disposed of other than through commercial channels
- appraisal information from LA acceptable to CCC.

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

**\*--81 Records of Production (Continued)****C Verifiable Records**

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

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

**D Nonverifiable Records**

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

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

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

\*--81 Records of Production (Continued)

E COC Responsibilities

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

Step	Action
1	Date-stamp hard copy records with County Office name.
2	Photocopy date-stamped production records submitted by the current owner or producer.
3	Place photocopied date-stamped records in the producer's County Office file.
4	Return the original date-stamped production evidence to the current owner or producer.  <b>Note:</b> The original date-stamped production evidence can <b>only</b> be returned to the producer <b>after</b> the photocopies have been made and placed in the current owner's or producer's farm file.
5	Review current owner's or producer's farm file for previously submitted production evidence. Ensure that the records have <b>not</b> been duplicated.
6	Ensure that the current owner or producer understands that the production records <b>must</b> be:  <ul style="list-style-type: none"> <li>• complete and represent the farm's total harvested production</li> <li>• for the correct farm, crop year, and acreage.</li> </ul>
7	Review <b>all</b> production records provided by the current owner or producer and farm, and determine whether the records support the current owner's or producer's certification or report of production. If the records:  <ul style="list-style-type: none"> <li>• support the current owner's or producer's certification for the farm, but are <b>not</b> verifiable, follow step 8</li> <li>• support the current owner's or producer's certification for the farm, and are verifiable, the records are acceptable</li> <li>• do <b>not</b> support or agree with the current owner's or producer's farm certification, advise the current owners or producer that the production records are <b>not</b> acceptable and will <b>not</b> be used.</li> </ul> <p><b>Note:</b> The substitute yield for ARC-IC and PLC yield update will be used.</p> <p>After copies of production records have been placed in the current owner's or producer's farm file in the County Office, they will <b>not</b> be removed or returned to the current owner or producer.</p>

--\*

\*--81 Records of Production (Continued)

E COC Responsibilities (Continued)

Step	Action	
8	Compare the current owner’s or producer’s <b>nonverifiable record of production</b> with either of the following: <ul style="list-style-type: none"> <li>• neighboring owners or producers of the crop who have provided verifiable or reliable reports of production</li> <li>• the ARCPLC substitute yield.</li> </ul>	
	<b>IF...</b>	<b>THEN...</b>
	similar levels of production were experienced on neighboring farms or the level of production is consistent with the ARCPLC substitute yield	the current owner’s or producer’s certification, supported by some record of production, may be considered reliable and acceptable.
	records do <b>not</b> support the current owner’s or producer’s certification	COC will assign the substitute yield for ARC-IC or PLC yield updates, as applicable.

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**\*--82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm****A Required Information**

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

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

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

- the evidence is a summary provided by the buyer or warehouse
  - the crop year is indicated on the evidence
  - COC is satisfied that the evidence accurately represents the production from the farm for the applicable crop year.
- net quantity (bu., pounds, or cwt., as applicable).

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

**\*--82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)****B Supporting Evidence**

Production can be substantiated by the following documentation:

- LDP or MAL records

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

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

**\*--82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)****B Supporting Evidence (Continued)**

- RMA yield production records

**Notes:** This includes certified yields within the APH database.

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

- RMA records of loss appraisals

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

- measured quantities of farm-stored production according to paragraph 83
- measured quantities performed by uninterested third parties.

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

- require additional evidence if COC has reason to:
  - question existing evidence
  - believe existing evidence does **not** represent correct production
- limit combinations of production evidence according to subparagraph C.

**Note:** When RMA data is used and COC is satisfied that data is acceptable, the farm is no longer subject to spot check requirements.--\*

**\*--82 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)****C Ensuring That Evidence Is Not Duplicated**

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

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

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

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

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

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

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

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

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

<b>WHEN production from covered commodities planted on the FSA farm...</b>	<b>AND...</b>	<b>THEN the...</b>
is farm-stored and <b>has</b> been fed or used for seed	was <b>not</b> measured	producer may certify, using contemporaneous records, and the COC may accept the yield per acre certified using subparagraph 81 E, step 8.
is used for seed	producer provides written certification that: <ul style="list-style-type: none"> <li>• disposition was by planting</li> <li>• production is <b>not</b> included in any other record</li> <li>• seeding rate</li> <li>• number of acres planted.</li> </ul>	producer may certify and the COC may accept the yield certified using the subparagraph 81 E, step 8.
has 100 percent of the acreage taken for silage or hay	there are no records of silage or hay production per acre	producer may certify and COC may accept the substitute yield for ARC-IC or PLC yield update, as applicable, to the acreage.
has 100 percent of the acreage taken for silage or hay	there are acceptable records of production	producer may certify and COC may accept the converted tons of silage or hay using the factors in paragraph 85.  <b>Note:</b> If production has been converted for LDP and/or loan by RMA or NAP, then use that production.

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

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

<b>WHEN production from covered commodities planted on the FSA farm...</b>	<b>AND...</b>	<b>THEN the...</b>
has partial acreage of the crop taken for grain and partial acreage taken for silage, hay, or graze	does <b>not</b> have records of grain production available for any acres of the farm	producer may certify and COC will assign the substitute yield for ARC-IC or PLC yield update, as applicable, to the acreage taken for silage, hayed or grazed.
has partial acreage of the crop taken for grain and partial acreage taken for silage, hay, or graze	does have records of grain production available on the portion of the acreage of the farm taken for grain	producer may certify and COC may accept the higher of either of the following: <ul style="list-style-type: none"> <li>• actual yield or substitute yield from the acreage taken for grain applied to the acreage taken for silage, hay, or graze and use the grain yield</li> <li>• substitute yield for the farm.</li> </ul>
has 100 percent of the acreage for the crop is taken for grazing	does <b>not</b> have an appraisal or other documentation showing production per acre for the crop	producer may certify and COC may accept the substitute yield for ARC-IC or PLC yield update, as applicable, to the acreage.

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**\*--84 Determining Farm Yield When Owner's Update Was Not for a Complete Farm****A Partial Yield Update**

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

- acceptable production records on 1 or more fields within the farm during the benchmark period for ARC-IC or the 2013 through 2017 years for yield update period **cannot** be obtained
- owners and producers did **not** have an interest in the crop

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

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

- assign production from the substitute yield for ARC-IC or PLC yield update, to the tract or field acreage from which production evidence is unavailable, provided existing FSA or crop insurance records clearly document the tract or field had planted acreage of the crop
- obtain production from acreage that the producer had control of and has production or yield data available
- total the assigned and actual production from all tracts and fields for the crop and divide by the total acres of the planted crop on the farm in the applicable year.

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

**\*--84 Determining Farm Yield When Owner's Update Was Not for a Complete Farm (Continued)**

**C Partial Yield Update Example**

The partial substitute yield can be used when the producer currently farms land, but he/she did **not** farm the land in 1 or more of the 2013 through 2017 crop years.

**Example:** Producer added a 150.00 acres of land to his operation in 2017.

- He does **not** have production records in 2013 on 100.00 acres of wheat, because he did **not** farm those acres in 2013.
- He does have production records for the other 50.00 acres of wheat, because he farmed those acres in 2013.

Wheat plantings on the farm were as follows.

<b>Year</b>	2013	2014	2015	2016	2017
<b>Acres</b>	150.00	0.00	0.00	0.00	200.00

$$\begin{array}{r}
 2013: 100 \text{ acres} \times 38 \text{ bushels (substitute yield)} = 3,800 \text{ bu.} \\
 \quad \underline{50 \text{ acres} \times 45 \text{ bushels (actual yield)}} = \underline{2,250} \text{ bu.} \\
 \quad 150 \text{ acres} = 6,050 \text{ bu.}
 \end{array}$$

$$6,050 \text{ bu.} \div 150.00 \text{ acres} = 40 \text{ bu. per acre } \underline{1/}$$

1/ Enter **40 bu.** on CCC-867 for 2013 year.--\*

**\*--85 Silage and Hay Production Evidence and Grazed Acreage****A Policy**

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

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

**B Silage Production**

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

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

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

**\*--85 Silage and Hay Production Evidence and Grazed Acreage (Continued)****C Hay Production**

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

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

**D Silage or Hay Measurements**

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

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

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

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

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

**\*--86 Commingled Production****A Overview**

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

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

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

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

**B Basic Option, Planted Acres**

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

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

**C Commingled Years and Farms**

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

**\*--86 Commingled Production (Continued)****D Alternative Methods of Apportioning**

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

**Note:** The alternative method requested by an owner of a farm **must** be documented on or attached to CCC-867. COC will limit apportioning based on **planted** acreage according to subparagraph B, if an alternative method results in questionable or inequitable yields between farms or crop years.

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

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

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

**\*--86 Commingled Production (Continued)****E Apportion Based on Planted Acres Between Years**

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

- settlement sheet for 10,000 bu. after the 2013 crop was harvested
- settlement sheet for 20,000 bu. after the 2014 harvest, but before any 2015 harvest
- planted acres were:
  - 90.00 acres in 2013
  - 110.00 acres in 2014
- the owner has **not** requested COC to consider an alternative method of apportioning, according to subparagraph D.

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

- total the harvested acres from each year ( $90 + 110 = 200$ )
- divide the harvested acres for each applicable year by the sum of harvested acres for all years, to determine a percentage of acres applicable to each year as follows:
  - (2013):  $90 \div 200 = .4500$
  - (2014):  $110 \div 200 = .5500$
- multiply the acreage percentage for each year times the commingled production:
  - $30,000 \text{ bu.} \times .45 = 13,500 \text{ bu.}$  attributed to 2013
  - $30,000 \text{ bu.} \times .55 = 16,500 \text{ bu.}$  attributed to 2014.--\*

**\*--86 Commingled Production (Continued)****F Apportion Based on LDP Records Between Farms**

In this example, the owner requested to apportion production evidence between farms for the 2014 crop year, based on LDP records for each respective farm.

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

The owner has the following information:

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

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

- total LDP quantities for the 2014 crop (6,000 + 4,000 = 10,000)
- divide LDP quantities for each respective FSN by the sum of LDP quantities for the 2014 crop year, to determine a percentage applicable to each FSN, as follows:
  - FSN 100  $6,000 \div 10,000 = .6000$  (4 decimal places)
  - FSN 200  $4,000 \div 10,000 = .4000$  (4 decimal places)
- multiply the commingled production on the settlement sheets times LDP percentage for each FSN, as follows (rounded to nearest whole bu. or pound):
  - 10,150 bu. x .6000 = 6,090 bu. attributed to FSN 100
  - 10,150 bu. x .4000 = 4,060 bu. attributed to FSN 200.

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

**\*--86 Commingled Production (Continued)****G Apportion Based on RMA Records Between Farms**

In this example, the owner requested to apportion production evidence between farms for the 2015 crop year, based on multi-peril crop insurance APH records.

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

The owner has the following information:

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

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

- total APH quantities for the 2015 crop (20,000 + 35,000 = 55,000)
- divide APH quantities for each respective FSN by the sum of APH quantities for the 2015 crop year, to determine a percentage applicable to each FSN, as follows:
  - FSN 100  $20,000 \div 55,000 = .3636$  (4 decimal places)
  - FSN 200  $35,000 \div 55,000 = .6364$  (4 decimal places)
- multiply the commingled production on the settlement sheets times the APH quantity percentage for each FSN, as follows (rounded to nearest whole bu. or pound):
  - 54,650 bu. x .3636 = 19,871 bu. attributed to FSN 100
  - 54,650 bu. x .6364 = 34,779 bu. attributed to FSN 200.

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

**\*--87 Multiple Producers on a Farm**

**A Production Using Crop Shares**

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

**B Computing Production Using Crop Shares**

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

- the producer's share of the total production is .3333 and the producer's production records show he or she received 1,000 bu.
- COC may establish the farm's production at 3,000 bu. if the producer's share is a matter of record and the production evidence is acceptable.--\*

## \*--88 ARCPLC Yield Review

**A Introduction**

The 2018 Farm Bill allows any owner of a farm an opportunity to update the PLC yield for 1 or more covered commodities on the farm for PLC or to establish farm level benchmark and current year yields for farms that have elected ARC-IC.

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

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

It is the responsibility of the producers on the farm to retain and make available to COC, production records of the covered commodities being reviewed. This includes RMA yield data used by owner, only when COC questions the accuracy of the RMA data. The yield review process will be required annually through the 2023 crop year.

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

- yields reported on the CCC-867 for the PLC yield update process for the farm
- certified yields for ARC-IC benchmark and actual yield calculations as reported on the ARC-IC CCC-863 for the farm.

**Note:** PLC Yield Reviews will be conducted after the PLC Yield Update process is complete. Future guidance be provided when to conduct the review.

**B PLC Yields Exceeding PLC County Average Farm Level Yield**

A report will be provided that will identify farm level PLC yields that are outliers from the specific covered commodity in a county.

County Offices will be **required** to review this report when published to identify farms with Farm Level PLC yields are outside the range established by the National Office. Once these farms and associated PLC yields have been selected, the owner of the farm will be required to document the production that was certified to establish the PLC yield.--\*

\*--88 ARCPLC Yield Review (Continued)

C PLC Yield Review

For situations where the PLC yield was updated with the 2018 Farm Bill, the County Office may request documentation to support the yields certified when calculating the PLC yield.

IF the...	THEN...
COC review determines that PLC yield is reasonable based on surrounding farm yields and cultural practices	document the determination in the COC minutes and no further action is required.
COC cannot determine that PLC yield is reasonable based on surrounding farm yields and cultural practices	document the determination in the COC minutes and notify the farm owner that production evidence is required to support the farm yield.
COC cannot determine that PLC yield is reasonable based on surrounding farm yields and cultural practices and the owner documents the yield using production evidence from any year that supports the PLC yield	<p>document the determination in the COC minutes and no further action is required.</p> <p><b>Note:</b> The PLC yield may have been rolled over from the 2014 Farm Bill; however, if the owner can provide production evidence to support the yield from a more recent year, COC may consider the yield verified.</p> <p><b>Example:</b> A barley yield of 72 bushels was rolled over from the 2014 Farm Bill. The landowner provides COC with production records from 2013 documenting that the farm in question had an 84-bushel yield. The PLC yield of 72 may be determined acceptable.</p>

--\*

\*--88 ARCPLC Yield Review (Continued)

C PLC Yield Review (Continued)

IF the...	THEN...
<p>COC cannot determine that PLC yield is reasonable based on surrounding farm yields and cultural practices and the owner cannot document the yield to COC's satisfaction</p>	<p>COC will:</p> <ul style="list-style-type: none"> <li>• identify 3 farms with similar yield capability, including:                             <ul style="list-style-type: none"> <li>• land</li> <li>• cultural practices</li> <li>• irrigation practices</li> </ul> </li> <li>• average the yields from the 3 similar farms</li> </ul> <p><b>Note:</b> The yields used in the average must be yields that have been verified with production evidence.</p> <ul style="list-style-type: none"> <li>• request assistance from STC or STC representative if 3 similar farms are not available for the county</li> </ul> <p><b>Note:</b> Assign the needed yields based on the STC or STC representative's information.</p> <ul style="list-style-type: none"> <li>• assign the yield computed above to the farm and document all facts in executive session COC minutes, including:                             <ul style="list-style-type: none"> <li>• yields established using 3 similar farms</li> <li>• farm receiving the yield</li> <li>• farms used to establish the yield</li> </ul> </li> <li>• notify the owner of the new PLC yield using the Notification of Base Acres and Yield.</li> </ul>

**Note:** PLC yield will not increase as a result of this yield review.--\*

**\*--88 ARCPLC Yield Review (Continued)**

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

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

- 2-CP, subparagraph 322 D
- any producer included on the 2019-2023 National Spot Check Review and subsequent year registers

**Note:** This selection and review will occur annually through 2023.

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

## \*--88 ARCPLC Yield Review (Continued)

**E CED and County Office Responsibilities**

County Office personnel will:

- ensure the following for farms selected for yield review:
  - if yields were certified using RMA data, research the FSA Report of Yield Data, CIM's (RMA production reports), or other RMA data available to verify certified yields were, in fact, RMA yield data
  - when completing an ARCPLC review (spot check) or correcting a yield and RMA data was used by the producer to certify the yield, the County Office may not need to request any documentation, such as production evidence

**Notes:** This review can be accomplished by reviewing the report of yield data from RMA, CIMS data, and producer-provided RMA data. In all cases, it should be verified that RMA data exists. The exact yield number certified is not required to match because of differences in farm and unit structure between FSA and RMA.

It is important to remember that RMA units and FSA FSN's do not match in the majority of cases; therefore, blended RMA yields may have been used to arrive at the certified FSN yield. COC will not request a producer's documentation if the certified yields appear to be representative of the RMA data.

- yields certified using data from FSA-658 in the ACRE program require no additional review or spot check
- if additional verification of RMA data is needed, contact the current producer and/or owner or operator who submitted the certified yield data on the farm to provide the additional RMA data to County Office for review
- if RMA data was **not** used nor found to support yield certification at the farm level, contact the current producer and/or owner or operator who submitted the certified yield data on the farm to provide the production data used to certify the yields on the farm to the County Office--\*

\*--88 ARCPLC Yield Review (Continued)

**E CED and County Office Responsibilities (Continued)**

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

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

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

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

## \*--88 ARCPLC Yield Review (Continued)

**F COC Responsibilities**

The following are COC responsibilities:

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

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

- inform producers on the farm of their responsibility to provide documents to support yield certification when requested by COC
- as a general rule, yields certified for PLC or ARC-IC that are supported by the RMA yield data are **not** subject to further review by COC, **unless** COC questions the data
- when completing an ARCPLC review (spot check) or correcting a yield and RMA data was used by the producer to certify the yield, the COC may not need to request any documentation, such as production evidence

**Notes:** This review can be accomplished by reviewing the report of yield data from RMA, CIMS data, and producer-provided RMA data. In all cases, it should be verified that RMA data exists. The exact yield number certified is not required to match because of differences in farm and unit structure between FSA and RMA.

Further, if the producer certified a yield and used the report of yield data from RMA, FSA may accept the producer's certification unless COC determines the yield does not appear to reflect the actual yield for farms with similar growing conditions.

It is important to remember that RMA units and FSA FSN's do not match in the majority of cases; therefore, blended RMA yields may have been used to arrive at the certified FSN yield. COC will not request a producer's documentation if the certified yields appear to be representative of the RMA data.--\*

\*--88 ARCPLC Yield Review (Continued)

**F COC Responsibilities (Continued)**

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

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

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

COC and County Office staff will request that the current producer and/or the owner or operator that provided the certified yield provide records as outlined in this section.

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

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

## \*--88 ARCPLC Yield Review (Continued)

**G Production Evidence Not Available**

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

- for the final approved PLC yields at the farm level, the yield will be adjusted on the farm to the **higher** of the following:
  - PLC yield that existed on the farm **before** the yield update
  - recalculated yield using the substitute yield of 75 percent of the county average yield in the years for which production evidence is **not** available
- for ARC-IC yields at the farm level, the actual or applicable benchmark yield will be adjusted to the following:
  - actual yield will be set at 100 percent of the applicable year's ARC-CO yield
  - benchmark yields for each affected year will be 80 percent of the T-yield

If production evidence is not available and good faith is **not** determined, the following actions apply:

- for the final approved PLC yields at the farm level, the yield will be adjusted on the farm to the PLC yield that existed for that crop on the farm prior to the yield update
- for ARC-IC yields, the benchmark and actual yields will be adjusted to the following:
  - actual yield will be set at 100 percent of the applicable year's ARC-CO yield
  - benchmark yields for each affected year will be set at 80 percent of the T-yield.--\*

## \*--88 ARCPLC Yield Review (Continued)

**H Tolerance**

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

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

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

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

**Example :** A producer's certified PLC yield is 40 bu. Per acre for wheat. The review of the production records for each of the PLC update years 2013 through 2017 results in new farm-level yield being calculated at 39 bu. Per acre.

The tolerance calculation is as follows:

39 bu. (correct yield) X 5% = 1.95 (2 bu.)

The certified yield must be within 2 bu. Of the actual determined yield.

Because the certified yield is within 1 bu. Of the actual determined yield, the approved farm level PLC yield of 40 bu. Per acre is within the established tolerance and no additional correction is needed on this farm. The PLC yield will remain at 40 bu. Per acre for the farm.--\*

**\*--88 ARCPLC Yield Review (Continued)****I Yield Adjustments**

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

- if the difference is within the 5 percent tolerance, the yield is accepted as certified and no further adjustment is permitted
- if the difference exceeds the 5 percent tolerance, and **good faith is determined**, the farm-level yield will be adjusted as follows:
  - for PLC yields, the final approved PLC yield will be corrected in Farm Records for each year from 2020 to the current year. The farm PLC yield shall never be adjusted below the PLC yield on the farm prior to the yield update

**Note:** Any overpayments or underpayments must be processed accordingly.

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

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

## \*--88 ARCPLC Yield Review (Continued)

## I Yield Adjustments (Continued)

- if the difference exceeds the 5 percent tolerance, and **good faith is not determined**, the farm-level yield will be adjusted as follows:
  - for PLC yields, the final approved PLC yield will be adjusted to PLC yield that existed for that crop on the farm before the yield update

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

- for ARC-IC yields, the benchmark and actual yields will be adjusted to the following:
  - actual yield will be set at the higher of:
    - 100 percent of the applicable year's ARC-CO yield
    - the actual yield
  - benchmark yields for each affected year will be set at:
    - the lower of 80 percent of the T-yield
    - the actual yield.

**Note:** If it is determined that a producer's certified yield is incorrect through the PLC yield review or ARC-IC yield spot check, the yield must be corrected in the producer's ARC-IC **and** PLC yield records, as applicable.

**Example:** County Office is completing an ARC-IC yield review for Producer A. All yields in the producer's benchmark are certified correctly with the exception of the 2015 crop year. Producer A certified a yield of 70 bu. Per acre; however, his RMA records show that his 2015 yield was 62 bu. Per acre. Further review shows that he also used the certified yield of 62 bu. Per acre in his PLC yield certification. Therefore, the PLC yield should be recalculated to determine if tolerance has been exceeded. If tolerance has been exceeded, the PLC yield will also need to be corrected.--\*

\*--88 ARCPLC Yield Review (Continued)

**J Appeal Rights**

County Offices will notify applicable producers and owners of:

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

**K Action on Appeal of Yield**

The STC representative will review PLC yields and:

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

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

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

\*--89 CCC-867

**A Example of CCC-867**

The following is an example of CCC-867.

This form is available electronically.

<b>CCC-867</b> (07-23-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Program Years: <b>2020 through 2023</b>					
<p align="center"><b>YIELD UPDATE FOR THE PRICE LOSS COVERAGE (PLC) PROGRAM</b></p>		2A. County FSA Office Name and Address (Including Zip Code)							
		2B. County FSA Office Telephone No. (Including Area Code)				2C. County FSA Office FAX No. (Including Area Code)			
		3. State Code		4. County Code		5. Farm No.		6. Covered Commodity	
<p><b>NOTE:</b> 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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9015) as amended by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1412. The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program.</p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).</p> <p>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></p>									
<p><b>THE FARM PLC YIELD UPDATE DECISION</b> is made by an owner of the farm identified in Item 5 above. If FSA receives conflicting yield update from another owner, owners will be required to resolve their dispute providing CCC with written evidence of the dispute resolution by the end of the yield update period.</p>									
<p><b>FARM YIELD UPDATE</b></p>									
7. I agree to update the PLC yield for the covered commodity, identified in Item 6 above, based on 90 percent of the farm's 2013 through 2017 average yield per planted acre, excluding any year(s) when no acreage was planted times a national factor determined by dividing the 2008-12 national yield by the 2013-2017 national yield. The covered commodity's national yield factor is _____ .									
7A. 2013 Yield	7B. 2014 Yield	7C. 2015 Yield	7D. 2016 Yield	7E. 2017 Yield	7F. Total	7G. Average Yield	7H. Multiplied by 2.4 (If Seed Cotton)	7I. Multiplied by 90%	7J. Multiplied by yield Factor (PLC Yield)
8. Owner's Name and Address (Including Zip Code)									
9A. Signature of Owner (By)					9B. Title/Relationship of the Individual Signing in the Representative Capacity			9C. Date (MM-DD-YYYY)	
10A. Signature of CCC Representative								10B. Date (MM-DD-YYYY)	

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20260-9410; (2) fax: (202) 630-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

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\*--89 CCC-867 (Continued)

**B Instructions for Completing CCC-867**

Complete CCC-867 according to this table.

Item	Instruction	
1	Prefilled to indicated Program Years 2020 through 2023.	
2A	Enter FSA County Office name and address (optional).	
2B	Enter FSA County Office telephone number (optional).	
2C	Enter FSA County Office FAX number (optional).	
3	Enter state code.	
4	Enter county code.	
5	Enter FSN.	
6	Enter applicable covered commodity.	
7	Complete this section to report a yield at the <b>farm level</b> only in the years the covered commodity was planted in 2013 through 2017.	
	National Yield Factor	Use the National Yield Factor from paragraph 61 for each covered commodity
	7A – 7E 2013 – 2017	Enter the actual yield resulting from planted acres of the applicable covered commodity for 2013 through 2017.  If seed cotton, use lint pounds of cotton.  Enter an “X” if the covered commodity was not planted.
	7F Total	Add the 2013 through 2017 yields together.
	7G Average Yield	Divide 7F by the number of years a yield was entered in 7A through 7E. If an “X” is in any year, that means the covered commodity was not planted and that year is not counted.
	7H Seed Cotton Factor	If the covered commodity is seed cotton, multiply 7G by 2.4
	7I 90% Factor	<ul style="list-style-type: none"> <li>• For all covered commodities except seed cotton, multiply 7G times 90%.</li> <li>• For seed cotton, multiply 7H times 90%.</li> </ul>
	7J National Yield Factor	Multiply 7I by the National Yield Factor above to arrive at the PLC Yield for the farm.
8	Enter the name and address of a farm owner for the farm identified in item 5.	

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\*--89 CCC-867 (Continued)

**B Instructions for Completing CCC-867 (Continued)**

Item	Instruction
9A	The owner identified in item 8 must sign.
9B	If the individual signing in item 9A is signing in a representative capacity for the owner, a title/relationship must be listed. If the individual in item 9A is the signatory, then no entry is required.
9C	Enter the date the owner or person signing in a representative capacity signs CCC-867.
10A	Enter the CCC representative that accepted the CCC-867.
10B	Enter the date the CCC representative accepted the CCC-867.

--\*

90-100 (Reserved)

Parts 4-6 (Reserved)

101-180 (Reserved)

## Part 7 ARC or PLC Election

## 181 Election

## A Overview

## [7 CFR 1412.71] Election of ARC or PLC

**\*--(a) For the 2019 through 2023 crop years, all of the producers on a farm must make a--\* one-time election that is both:**

**(1) Unanimous, and**

**(2) Irrevocable through 2020.**

**(b) The election by producers is to obtain—**

**(1) Either PLC or ARC-CO on a covered commodity-by-covered-commodity basis on the farm; or**

**(2) ARC-IC for all covered commodities on the farm.**

**(c) In general, a valid election will also apply to any subsequent year parent to the farm reconstitution as well as farms resulting from the parent farm as specified in §1412.73. Neither the requesting of a farm reconstitution nor the reconstitution of any farm will impact either the requirement that all producers on a farm must make the unanimous irrevocable election in the defined election period or the valid election that was previously made by those producers.**

The 2018 Farm Bill authorizes an **irrevocable** and unanimous election by all producers of record in 2019 to obtain ARC or PLC for crop years 2019 and 2020. In each subsequent year, starting in 2021, an election may be completed annually by the producers on the farm.

An important distinction is recognizing the producers on a farm. It is the producers in years 2019 and 2021 through 2023 who **may** make the election decision between PLC and ARC-CO on a covered commodity-by-covered commodity basis on the farm or ARC-IC for all covered commodities and the farm.

**\*--Note:** The following are not required to make an election:

- an other tenant that is a producer on noncropland acres only
- a producer with interest in CRP only.--\*

## 181 Election (Continued)

**B Processing Elections**

[7 CFR 1412.71] (d) FSA will process elections from producers on a farm based on the election as submitted. For example, if the producers of a farm attest that they are all or the only producers on the farm and FSA later learns that there was another 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 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 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.

\*--(e) Even if completed during the same period of time, election is separate from--\* enrollment; producers on farms that have validly completed an election by the producers in the prescribed election period must still annually enroll as specified in subpart D for PLC and ARC payments, as applicable.

(f) Except for those farms specified under § 1412.26, for the 2021 and each subsequent crop year, all producers on a farm may change the election under paragraph (a) of this section.

FSA's acceptance and processing of an election does **not** signify approval of the election nor does it mean FSA has determined the election to be valid. At any time following the processing of an election, FSA can determine the election invalid if it is invalid. If FSA determines an election is invalid, the election will be viewed as invalid for the farm until the next election period. All ARC and PLC payments that were issued to any producers on a farm, based on an election later determined by COC to be invalid, must be refunded with interest.

Election is **not** enrollment. Producers **must** enroll farms each contract year to make themselves eligible for benefits.

181 Election (Continued)

**B Processing Elections (Continued)**

FSA is under no obligation to notify producers or owners, or new producers or owners of whether or not a valid election exists or is in place, whether any 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 producer or 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 producers on a farm based on the election filed.

## 181 Election (Continued)

**C Failure of All \* \* \* Producers to Make Election Decision**

**[7 CFR 1412.71] (d) FSA will process elections from producers on a farm based on the election as submitted. For example, if the producers of a farm attest that they are all or the only producers on the farm and FSA later learns that there was another 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 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 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-862 or CCC-866 on file for the farm during the applicable election and enrollment period, is valid unless FSA determines the election is invalid. FSA may consider an election invalid if the following occurs:

- 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 182.

If no producer files a dispute over the election made for the farm, the election for the farm that was made is considered final.

**Example:** On February 1, 2021, Producer B completes CCC-866.

On June 15, 2021, Producer S completes 2021 acreage report on the farm, indicating he had the farm under lease on February 1, 2021.

Producer S does not object to the election made by Producer B. Producer S is subject to Producer B's election decision for 2020. Producer S may complete a new election in 2022.

**181 Election (Continued)****D Interaction of Election and Enrollment**

For 2019, 2021, 2022, and 2023, farms may elect ARC or PLC in each year. Because an election has a bearing on the specific program the covered commodity is enrolled, the election and enrollment are tied together. The producers on the farm must elect and then enroll each covered commodity on the farm.

An election not made means the covered commodity (or farm for ARC-IC) has, in effect, elected the program that was in effect for the covered commodity for the previous year. For crop years 2021, 2022, and 2023 there are no ramifications of not making an election except the covered commodity (or farm for ARC-IC) remains in the previous year's program. For 2019, if an election is not made for the farm, that farm is ineligible to receive payments.

Since election and enrollment are performed by the same producers on the farm, the election and enrollment are made on the same form, CCC-862 for ARC-IC and CCC-866 for PLC and ARC-CO and are made during the same time period for every year 2019 through 2023, however, an election is not made in 2020.

Unlike enrollment, there are no late-filed periods for election. COC's in consultation with the DD or other State Office representative may approve late-filed enrollments. There are **no** late-filed elections.

## 182 Election Period

## A Time of Election

**[7 CFR 1412.72] (a) The election period will be conducted in a defined period as announced by FSA. During the election period, all producers on a farm must unanimously make the irrevocable election as described in §1412.71 to preserve the \*--payment eligibility for 2019 and determine whether the default election described in §1412.71 will apply to the farm.--\***

**(b) If an election is submitted by all \* \* \* producers on a farm as specified in §1412.71 and paragraph (a) of this section, that election will be recognized as valid for the farm unless any of the following occur:**

**(1) The election is rescinded or terminated by any producer on the farm in accordance with paragraph (c) of this section during the election period;**

**(2) The valid election is modified and replaced by another valid election by all producers during the election period;**

**(3) A subsequent valid election by all producers is made with FSA during the election period; or**

**(4) FSA determines the election at the time it was made was invalid for any reason.**

**(c) At any time during an election period, a producer can rescind or terminate an election by providing written notice to FSA during the election period. The written notice to rescind or terminate must be physically received by FSA for CCC during the election period in order to be recognized. Immediately following receipt of such notice to rescind or terminate, the farm will be viewed as not having any effective valid election (in other words, no valid election will be determined to exist—even if there was another previous election in effect before the election that is rescinded, or terminated as specified in with this paragraph).**

**(d) FSA is under no obligation to notify producers, owners, producers, or owners on a farm that an election has been rescinded or terminated. Producers of a farm are solely responsible for filing a valid election during the election period or in whatever time remains in an election period following the rescission or termination of an election.**

## 182 Election Period

## A Time of Election (Continued)

(e) FSA is under no obligation to notify \* \* \* producers or owners \* \* \* of whether or not a valid election exists or is in place or whether any producer has rescinded or terminated an election. \* \* \* FSA will respond to inquiries regarding the status of election of a farm by any producer or owner on a farm including a producer or owner who gains a producer or owner interest on the farm during the election period.

(f) The election period and final day in that election period in which producers can unanimously and irrevocably elect are not a compliance requirement or provision. The requirement of an election is mandated in the 2014 Farm Bill as amended and as such is not subject to any of the equitable relief provisions of 7 CFR part 718, subpart D. Further, because the requirement of a unanimous irrevocable election and ramifications for not having a valid election are specified in the 2014 Farm Bill as amended, FSA will not consider any equitable relief. There are no late-file provisions for election.

Producers of record in 2019 on farms with base acres have the opportunity to elect ARC or PLC that will be in effect for the 2019 through 2020 crop years.

The election period is **September 3, 2019 through March 15, 2020**. The election **must** have been made by all 2019 producers during the election period on CCC-862 or CCC-866.

For 2021 through 2023, producers will have the opportunity to change the elections on the farm. The existing election will be in effect if a new election is not filed.

## 182 Election Period (Continued)

**B Rescinding or Terminating an Election**

**[7 CFR 1412.72] (c) At any time during an election period, a producer can rescind or terminate an election by providing written notice to FSA during the election period. The written notice to rescind or terminate must be physically received by FSA for CCC during the election period in order to be recognized. Immediately following receipt of such notice to rescind or terminate, the farm will be viewed as not having any effective valid election (in other words, no valid election will be determined to exist—even if there was another previous election in effect before the election that is rescinded, or terminated as specified in with this paragraph).**

Immediately following receipt of the written notice to rescind or terminate an election during the election period, the farm will be viewed as **not** having any valid election made (in other words, no election exists, even if there was another previous election in effect before the election that is rescinded or terminated as specified in this subparagraph). Elections, including subsequent elections following rescission or revocation of a previous election, could have been made only by all producers on the farm by the end of the applicable election period.

**183 Completing Election****A Who Must Sign**

All 2019 producers on a farm at the time of ARC or PLC election **must** sign CCC-862 or CCC-866 making an election for 2019 and 2020 as described in paragraph 181. An election **not** having all required signatures of producers on a farm filed with FSA by March 15, 2020 would **not** have been considered valid. See subparagraph 181 C. Beginning with the 2021 crop year, and each crop year thereafter through 2023, the producers on a farm may change the election of PLC or ARC on a year-to-year basis.

**B Receiving Election in the County Office**

As stated in subparagraph 182 A, the election is completed on CCC-862 or CCC-866. The ARC or PLC election for 2019 and 2020 is a decision by all 2019 producers on a farm. Subsequent election changes are made by the \* \* \* producers on the farm beginning in 2021.

COC will **not** make a decision on the validity or completion of the election when received in the County Office.

The employee receiving CCC-862 or CCC-866 will sign and date indicating the election was received in the County Office. The act of receiving the election does **not** require delegation by COC or redelegation by CED.

184 Election Options

A ARC or PLC

As discussed in paragraph 181, the 2019 producers on a farm, with an interest in the farm’s cropland, have a 1-time opportunity to collectively and unanimously elect 1 of the following to be in effect for 2019 and 2020:

- ARC-IC for all 22 covered commodities and the farm
- ARC-CO or PLC on a covered commodity-by-covered commodity basis on the farm.

Producers on a farm with an interest in the farm’s cropland, **may** collectively and unanimously change the election on the farm in each year, 2021 through 2023 during the applicable election and enrollment period.

B Election Options and Description

The following table summarizes election options along with a description.

Election Decision	Description
ARC-IC	If <b>all</b> producers on a farm elect ARC-IC, then that election is for all 22 covered commodities and for the farm. No further election decision (on a covered commodity-by-covered commodity basis) is required because ARC-IC is a “whole farm” and “all covered commodities” election.
ARC-CO or PLC	Only applicable if <b>all</b> the producers on a farm have <b>not</b> elected ARC-IC. ARC-CO and/or PLC election decision <b>must</b> be made by <b>all</b> producers on the farm and is on a covered commodity-by-covered commodity basis. The election decision will <b>only</b> be made for each and all of the covered commodities with base acres on the farm.

## 185 Election Not Made

## A [7 CFR 1412.74] Failure to make election.

**(a) If all producers on a farm do not make a unanimous election during the period specified in §1412.72, that farm will not have a valid election and any producer on the farm is not eligible for 2019 ARC or PLC enrollment or payments.--\***

**(b) If a valid election is not made for a farm in the 2019 crop year, FSA will not make any payments with respect to the farm for the 2019 crop year and the producers on the farm will, subject to § 1412.71(f), default to the same coverage for each covered commodity on the farm for the 2020 through 2023 crop years as was applicable for the 2015 through 2018 crop years.**

Producers of record in 2019 on farms who, for whatever reason, did **not** file an ARC or PLC election by March 15, 2020:

- rendered the farm and all covered commodities and producers **ineligible** to receive any 2019 payment under the ARC and PLC Program
- caused the farm to be deemed as having the election in effect for 2018 apply to all covered commodities on the farm for 2019 and 2020.

In subsequent years, 2021 through 2023, there is no requirement to file a new ARC or PLC election during the election and enrollment period. If no new election is filed, the existing election on the farm will continue to be in effect.

## 185 Election Not Made (Continued)

**B COC and STC Action on Elections Not Made or Incomplete**

**[7 CFR 1412.72] (f) The election period and final day in that election period in which producers can unanimously and irrevocably elect are not a compliance requirement or provision. The requirement of an election is mandated in the 2014 Farm Bill as amended and as such is not subject to any of the equitable relief provisions of 7 CFR part 718, subpart D. Further, because the requirement of a unanimous irrevocable election and ramifications for not having a valid election are specified in the 2014 Farm Bill as amended, FSA will not consider any equitable relief. There are no late-file provisions for election.**

COC or STC will take no action on any ARC or PLC election that is **not** timely filed or is incomplete. Accordingly, with regard to CCC-862's or CCC-866's, FSA Offices, STC's, and/or COC's must **not** do any of the following:

- consider or make any sort of adverse decision or relief decision on CCC-862's or CCC-866's signed by anyone after the election period has passed, **regardless** of the reason the individual or entity did **not** request to elect ARC or PLC by the applicable election period deadline
- forward to DAFP any recommendation of approval or relief for anyone who filed CCC-862 or CCC-866 after the election period closed
- provide any right of appeal or appealability to anyone making an inquiry about election or the election period.

**Notes:** County Offices will **not** discourage any producer from signing CCC-862's or CCC-866's for election purposes at any time. However, FSA is **not** required to issue a determination on CCC-862's or CCC-866's filed for election. CCC-862's or CCC-866's filed for election will be viewed as either valid or invalid. In addition to other reasons CCC-862's or CCC-866's filed for election may later be determined invalid by FSA, CCC-862's or CCC-866's for election purposes submitted after the election period ends are invalid.

STC's and COC's will follow this subparagraph for all CCC-862's or CCC-866's submitted for election purposes after the election period ends. No letter of determination will be issued to producers who choose to submit CCC-862's or CCC-866's after the end of the election period.

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

**F Example 6, Reconstitutions**

Farm 100 has base acres and elections of:

- 50.00 base acres of corn with an ARC-CO election
- 100.00 base acres of wheat with an ARC-CO election
- 100.00 base acres of canola with a PLC election.

A reconstitution request is received to divide Farm 100 into 2 farms as the landowner sold one tract from the farm. The tract that was sold consists of 500.00 grazing acres, zero cropland, and zero base acres.

The resulting farms are as follows:

- Farm 200 with base acres and election of:
  - 50.00 base acres of corn with an ARC-CO election
  - 100.00 base acres of wheat with an ARC-CO election
  - 100.00 base acres of canola with a PLC election
- Farm 201 with base acres and election of:
  - 0.00 base acres of corn with an ARC-CO election
  - 0.00 base acres of wheat with an ARC-CO election
  - 0.00 base acres of canola with a PLC election.

**Note:** Program elections made on a parent farm will follow to the resulting farms even if base acres of the applicable covered commodity do **not** exist.

**A Instructions for CCC-862**

The following are instructions for completing CCC-862. When all the producers of a farm sign CCC-862, those producers are indicating the election of ARC-IC for the farm.

\*--

Item	Instructions
1	Auto-filled with program years 2019 through 2023.
2	Enter administrative County Office's State code.
3	Enter administrative County Office's County code.
4	Enter applicable farm's FSN.
5A	Enter administrative County Office's name and address.
5B	Enter administrative County Office's Phone Number (optional)
5C	Enter administrative County Office's Fax Number (optional)
6	If the producers on the farm wish to utilize the multi-year contract option, check (✓) the box.
7	The farm's covered commodities will print.
8	The applicable covered commodity's base acres will print.
9	65% of the applicable covered commodity's base acres will print.
10A	Enter the producer's name and address.
10B	For the producer listed in item 10A, enter that producer's e-mail address (optional)
10C	For the producer listed in item 10A, enter the producer's phone number (optional).
11A	The producer will check (✓) this box to indicate refusing the payment.
11B	The producer that refused the payment in 11A will initial.
11C	Enter the date the person who initialed in 11B.
12A	The producer listed in item 10A shall sign.
12B	If the person who signed on behalf of the producer in item 10A signed in a representative capacity, enter the title of the person who signed in a representative capacity.
12C	Enter date the person signed in item 12A.
13A	The CCC representative authorized to approve CCC-862 shall sign indicating approval of CCC-862 and acceptance of the ARC-IC election for the farm.
13B	Enter the date the CCC representative signed in 13A.
14	Enter any remarks.
15	The employee accepting CCC-862 may initial (optional).

**Notes:** Either version of CCC-862 (7-23-19 or 9-04-19) is acceptable for the election and enrollment of ARC-IC.

If a producer elected and enrolled in ARC-IC and wished to utilize the multi-year option, CCC-862 (7-23-19) did not have an item to capture that option. County Offices were instructed to have a producer indicate the multi-year option in item 13 of CCC-862 (7-23-19).--\*

**B Example of CCC-862**

The following is an example of CCC-862.

\*--

This form is available electronically.			(See Final Page for Privacy Act and Paperwork Reduction Act Statements)									
<b>CCC-862</b> (09-04-19)			<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation									
<b>AGRICULTURAL RISK COVERAGE – INDIVIDUAL OPTION (ARC-IC) CONTRACT</b>			1. Program Year:			2. State Code			3. County Code		4. Farm Number	
			5A. County FSA Office Name and Address (Including Zip Code)									
			5B. County Office Telephone Number (Including Area Code)						5C. County Office Fax Number (Including Area Code)			
<p>THIS ANNUAL ARC-IC CONTRACT is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers on the farm identified in Item 4. Upon approval, this farm and the producers on the farm are enrolled in ARC-IC for the program year identified in Item 1. All producers with a share in covered commodities planted on the farm must execute this contract by the announced enrollment date of the applicable program year in order to participate and make themselves potentially eligible to receive payments.</p> <p>The terms and conditions of the ARC-IC contract are contained in the CCC-862 and CCC-866 Appendix and the regulations at 7 CFR Part 1412. By signing this contract producers: (1) acknowledge receipt and agree to abide by the terms of the CCC-862 and CCC-866 Appendix; (2) agree to comply with the terms and conditions of the program and those governing payment limitation and eligibility and adjusted gross income limitation provisions; (3) agree that the terms and benefits of this program are subject to changes in law; (4) affirm that the producers on this farm have elected ARC-IC for the applicable contract period and (5) certify that all the information contained on this form, whether or not personally entered by the producer, is true, correct, and accurate.</p>												
6. Multi-year Contract (2019-2023) <input type="checkbox"/>												
7. Commodity	8. Base Acres	9. 65% of Base Acres	7. Commodity	8. Base Acres	9. 65% of Base Acres	7. Commodity	8. Base Acres	9. 65% of Base Acres				
10A. Producer's Name and Address (Including Zip Code)						10A. Producer's Name and Address (Including Zip Code)						
10B. Email Address						10B. Email Address						
10C. Telephone No. (Include Area Code):						10C. Telephone No. (Include Area Code):						
11A. Refused Payment Information:			11B. Producer's Initials			11A. Refused Payment Information:			11B. Producer's Initials			
<input type="checkbox"/> All ARC-IC Payments are Refused			11C. Date Initialed (MM-DD-YYYY)			<input type="checkbox"/> All ARC-IC Payments are Refused			11C. Date Initialed (MM-DD-YYYY)			
12A. Producer's Signature (By)						12A. Producer's Signature (By)						
12B. Title/Relationship of the Individual Signing in the Representative Capacity						12B. Title/Relationship of the Individual Signing in the Representative Capacity						
12C. Date (MM-DD-YYYY)						12C. Date (MM-DD-YYYY)						
<b>FOR FSA USE ONLY</b>												
13A. Signature of CCC Representative									13B. Date (MM-DD-YYYY)			
14. Remarks												
15. Employee's Initials:												

--\*

**B Example of CCC-862 (Continued)**

\*--

<b>CCC-862 (09-04-19)</b>		Page 2 of 3	
1. Program Year	2. State Code	3. County Code	4. Farm Number
<b>CONTINUATION OF PRODUCER'S CROP INFORMATION (From Page 1)</b>			
10A. Producer's Name and Address <i>(Including Zip Code)</i>		10A. Producer's Name and Address <i>(Including Zip Code)</i>	
10B. Email Address		10B. Email Address	
10C. Telephone No. <i>(Include Area Code)</i> :		10C. Telephone No. <i>(Include Area Code)</i> :	
11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>	11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>
12A. Producer's Signature (By)		12A. Producer's Signature (By)	
12B. Title/Relationship of the Individual Signing in the Representative Capacity		12B. Title/Relationship of the Individual Signing in the Representative Capacity	
12C. Date (MM-DD-YYYY)		12C. Date (MM-DD-YYYY)	
10A. Producer's Name and Address <i>(Including Zip Code)</i>		10A. Producer's Name and Address <i>(Including Zip Code)</i>	
10B. Email Address		10B. Email Address	
10C. Telephone No. <i>(Include Area Code)</i> :		10C. Telephone No. <i>(Include Area Code)</i> :	
11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>	11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>
12A. Producer's Signature (By)		12A. Producer's Signature (By)	
12B. Title/Relationship of the Individual Signing in the Representative Capacity		12B. Title/Relationship of the Individual Signing in the Representative Capacity	
12C. Date (MM-DD-YYYY)		12C. Date (MM-DD-YYYY)	
10A. Producer's Name and Address <i>(Including Zip Code)</i>		10A. Producer's Name and Address <i>(Including Zip Code)</i>	
10B. Email Address		10B. Email Address	
10C. Telephone No. <i>(Include Area Code)</i> :		10C. Telephone No. <i>(Include Area Code)</i> :	
11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>	11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>
12A. Producer's Signature (By)		12A. Producer's Signature (By)	
12B. Title/Relationship of the Individual Signing in the Representative Capacity		12B. Title/Relationship of the Individual Signing in the Representative Capacity	
12C. Date (MM-DD-YYYY)		12C. Date (MM-DD-YYYY)	
10A. Producer's Name and Address <i>(Including Zip Code)</i>		10A. Producer's Name and Address <i>(Including Zip Code)</i>	
10B. Email Address		10B. Email Address	
10C. Telephone No. <i>(Include Area Code)</i> :		10C. Telephone No. <i>(Include Area Code)</i> :	
11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>	11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused	11B. Producer's Initials 11C. Date Initialed <i>(MM-DD-YYYY)</i>
12A. Producer's Signature (By)		12A. Producer's Signature (By)	
12B. Title/Relationship of the Individual Signing in the Representative Capacity		12B. Title/Relationship of the Individual Signing in the Representative Capacity	
12C. Date (MM-DD-YYYY)		12C. Date (MM-DD-YYYY)	

--\*



**A Instructions for CCC-866**

The following are instructions for completing CCC-866. When all the producers of a farm sign CCC-866, those producers are indicating the election of each covered commodity with base acres on the farm as indicated on the form.

<b>Item</b>	<b>Instructions</b>
1	Auto-filled with program years 2019 through 2023.
2	Enter administrative County Office's State code.
3	Enter administrative County Office's County code.
4	Enter applicable farm's FSN.
5A	Enter administrative County Office's name and address.
5B	Enter administrative County Office's Phone Number (optional)
5C	Enter administrative County Office's Fax Number (optional)
6	If the producers wish to utilize the multi-year contract option, check (✓) the box.
7	The applicable covered commodities on the farm will print.
8	The applicable covered commodity's ARC-CO or PLC election will print.
9	The applicable covered commodity's base acres will print.
10	The applicable covered commodity's PLC yield will print.
11 YES	A check (✓) will be made if the applicable covered commodity is participating in the program year.
11 NO	A check (✓) will be made if the applicable covered commodity is <b>NOT</b> participating in the program year.
12A	Enter the producer's name and address.
12B	For the producer listed in item 12A, enter that producer's e-mail address (optional)
12C	For the producer listed in item 12A, enter the producer's phone number (optional).
13	Enter the covered commodity that the producer in 12A will receive a share.
14	Enter the payment share of the covered commodity's base acres for the producer in 12A.
15A	The producer will check (✓) this box to indicate refusing the payment.
15B	The producer that refused the payment in 10A will initial.
15C	Enter the date the person who initialed in 10B.
16A	The producer listed in item 12A shall sign.
16B	If the person who signed on behalf of the producer in item 12A signed in a representative capacity, enter the title of the person who signed in a representative capacity.
16C	Enter date the person signed in item 12A.
17A	The CCC representative authorized to approve CCC-866 shall sign indicating approval of CCC-866 and acceptance of the ARC-CO and/or PLC election for the farm.
17B	Enter the date the CCC representative signed in 12A
18	Enter any remarks.
19	The employee accepting CCC-866 may initial (optional).

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

**C Zero Share Signature Requirements**

Unless specifically established as requirement by STC or COC, **FSA will no longer require landowner signatures on CCC-862 and CCC-866.** Only signatures for shares greater than zero must be obtained.

At any time COC has the option to require landowner signatures or other documentation to support the producer's cash lease arrangement and eligibility for ARCPLC payments. If the COC decision is to require zero-share signatures or cash lease documentation from some or all producers, process according to the following:

If COC determines the lease is a cash lease according to paragraph 216, COC's **may accept** any of the following if the landowner or landlord receives a zero share of the crop:

- the landowner's or landlord's signature on CCC-862 or CCC-866 to zero share

**Notes:** By signing CCC-862 or CCC-866, 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.

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

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

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

COC always has the right to verify cash lease certifications.

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

- for 2019 and subsequent years, a written statement by the landowner(s) or their representative stating the land is cash leased.

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

**C Zero Share Signature Requirements (Continued)**

The final date to perfect a contract, meaning the deadline to complete all requirements for payment, such as zero-share signatures and supporting documentation, including payment eligibility forms, is the second March 1 after the end of the contract period for the contract in question.

**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)] Except for enrollments of ARC-IC, eligible producers who choose to enter into a contract with FSA do so on a covered commodity-by-covered commodity basis. If the decision is made to enroll a covered commodity on a farm, producers having not less than 100 percent of the interest in those covered commodity base acres must enroll all covered commodity base acres of the covered commodity on the farm. Enrollment of fewer than all base acres of the covered commodity by all the producers having a share interest in that covered commodity on the farm is not allowed and such covered commodity will not be considered enrolled unless all producers who share in the base acres complete enrollment by the end of the enrollment period. Producers on a farm are solely responsible for ensuring that enrollment occurs.-\***

**E Withdrawing Enrollment**

**[7 CFR 1412.41(b)] Any eligible producer of an enrolled covered commodity or ARC-IC contract may withdraw from a contract at any time by the end of the contract period. The withdrawal must be filed in writing and submitted to CCC and FSA by the end of the contract period. If any producer of a covered commodity or ARC-IC contract submits a written request to withdraw, FSA will consider the enrollment of that covered commodity or ARC-IC contract withdrawn.**

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

**251 Types of Relief That Are Applicable to the ARC and PLC Program (Continued)****E Programmatic Equitable Relief (Continued)**

**Example:** FSA learns of a producer who had an interest in base acres on a farm, but did **not** sign the ARC or PLC contract and did **not** receive a share of the ARC or PLC payment.

**Result:** Depending on when the error was first discovered and why, and assuming no other factors, such as misinformation or misaction on the part of FSA, DAFP may, at its discretion, grant ARC and PLC program relief to producers on CCC-862 or CCC-866 as follows.

- Allow timely entered signatures of producers to retain and continue to receive payments based on corrected shares, if it can be determined that producers who did timely sign did **not** intentionally misrepresent themselves.

**Note:** In instances where a person or legal entity has **not** signed CCC-862 or CCC-866, that person or legal entity is **not** entitled to any sort of FSA decision, eligibility decision, or relief decision, and that person or legal entity has no standing to contest or challenge any decision of FSA, because the person or legal entity has made no application or requested a decision from FSA. See 1-APP, paragraph 10.

- If it can be determined that there was no intentional misrepresentation by any of the producers, provided there was a timely submitted CCC-862 or CCC-866, allow producers to sign a corrected CCC-862 or CCC-866 by the end of the contract period with correct shares and have payments recomputed.

**252-280 (Reserved)**



**\*--Part 9 Eligibility and Compliance Rules**

**Section 1 Farm Eligibility**

**281 General Information**

**A Contract Period Compliance**

Participants may receive payments with respect to the farm, if the participants agree to comply with ARC and PLC Program requirements.

**B Farm Eligibility**

A farm is eligible to participate in ARC or PLC if either of the following applies:

- the farm has base acres calculated for the farm
- the land on the farm was enrolled in CRP-1 that expired, was voluntarily terminated, or early released after September 30, 2018, and either of the following applies:
  - CRP-15 was protecting crop acreage bases
  - CCC-505 was used to reduce PFC acres or base acres, as applicable.--\*

\*--281 General Information

**C Farms with 10.00 or Less Base Acres**

A producer is not eligible for payments if the sum of base acres on all enrolled farms in which the producer has an interest is 10.00 or less base acres unless the producer certifies that they are:

- a SDA farmer or rancher
- a limited resource farmer or rancher
- a beginning farmer or rancher
- a veteran farmer or rancher.

**Example:** FSN 1600 has 9.00 base acres and is enrolled in PLC.

Linda has a 5 percent share and has certified to being SDA farmer or rancher.

Jeff has 10 percent share and has certified to being a beginning farmer or rancher.

Andrew has a 85 percent share and has **not** certified to being a limited resource, beginning, veteran, or SDA farmer or rancher.

Linda and Jeff's share of this farm will be paid, but Andrew's will **not**.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres**

**A Cropland and DCP Cropland Requirement**

Land enrolled under ARC-CO and PLC contract or ARC-IC contract **must** be used for an agricultural or related activity for the applicable FY, and **not** for a nonagricultural, commercial, or industrial use.

DCP cropland and effective DCP cropland will be determined and updated according to 10-CM for ARC and PLC Program purposes, including base determinations.

If land use changes in subsequent years:

- the land use will be updated according to 10-CM
- base reductions will be processed using CCC-505, as applicable, according to subparagraph D.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)**

**B Eligible Uses**

A quantity of land equal to the total base acres for the farm **must** be used for an agricultural or conserving use. The following provides examples of land uses that are considered agricultural or related and nonagricultural.

<p>Land uses considered <b>agricultural</b> include the following:</p> <ul style="list-style-type: none"> <li>• land meeting DCP cropland definition</li> <li>• sod</li> <li>• farm ponds</li> <li>• aquaculture ponds</li> <li>• nursery acreage devoted to in-ground plants</li> <li>• wildlife habitats</li> <li>• pasture</li> <li>• acreage used to raise domesticated game for restaurants</li> <li>• trees planted for harvest, conservation purposes, recreational uses, or BCAP</li> <li>• temporary hoop houses for nursery agriculture</li> <li>• temporary nonagricultural uses, such as parking for a field day, etc.</li> </ul>	<p>Land uses considered <b>nonagricultural</b> include the following:</p> <ul style="list-style-type: none"> <li>• golf courses and other recreational facilities</li> <li>• land used for commercial development, buildings, or parking lots</li> <li>• strip mines</li> <li>• permanent structures, including those for agricultural uses</li> <li>• land subdivided and developed for multiple residential units or other nonfarming uses if the size of tracts and density of the subdivision is such that the land is unlikely to return to the previous agricultural use</li> <li>• land used for solar panels.</li> </ul>
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**Note:** COC's will submit questionable uses to DAFP, through the State Office, for determinations.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)**

**C Eligible Land**

Base acres **cannot** exceed effective DCP cropland **except** for established double-cropping. In addition to meeting other eligibility requirements, a farm, **before** enrollment, **must** have effective DCP cropland available on the farm greater than or equal to the total base acres for the farm. See 10-CM for the definition of DCP cropland.

**D Converting to Nonagricultural Use**

DCP cropland converted to nonagricultural use:

- **must** be removed from cropland and DCP cropland according to 10-CM
- is **not** eligible as base acres from the date of conversion.

When conversion of DCP cropland to nonagricultural use results in base acres exceeding effective DCP cropland for the farm, farm owners, the operator, and ARC-CO and PLC contract or ARC-IC contract participants have the following available options.

<b>IF the conversion occurred...</b>	<b>THEN within 30 calendar days of the conversion...</b>
<p><b>before</b> September 30 of FY in which the conversion occurred</p>	<p>all owners <b>must</b> do either of the following:</p> <ul style="list-style-type: none"> <li>• complete CCC-505 to permanently reduce applicable base acres</li> <li>• withdraw the farm from ARC-CO and PLC contract or ARC-IC contract.</li> </ul> <p>Failure to reduce applicable base acres or withdraw the farm from ARC-CO and PLC contract and ARC-IC contract will result in COC terminating ARC-CO and PLC contract or ARC-IC contract.</p> <p>Producers <b>cannot</b> withdraw after ARC-CO and PLC contract or ARC-IC contract has expired (September 30 of the applicable FY).</p> <p>If there are less than 30 calendar days remaining before September 30 of FY at the time of the conversion, base acres may be left unchanged for that FY. Base reductions <b>must</b> be made before any enrollment in the immediately subsequent FY.</p>

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\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)

D Converting to Nonagricultural Use (Continued)

IF the conversion occurred...	THEN within 30 calendar days of the conversion...
<p>after September 30 of FY in which the conversion occurred</p>	<p>all:</p> <ul style="list-style-type: none"> <li>• owners <b>must</b> complete CCC-505 to permanently reduce applicable base acres effective for FY the conversion occurred</li> <li>• producers <b>must</b> refund any unearned payments made, plus interest.</li> </ul> <p>If owners fail to reduce applicable base acres, COC will permanently reduce applicable base acres, and conduct a thorough review of the situation to determine whether the case involves misrepresentation and/or a scheme or device that defeats the purpose of the ARC and PLC Program. See paragraph 247 for additional information.</p> <p><b>Note:</b> Because ARC-CO and PLC contract or ARC-IC contract in effect when the conversion occurred has expired, producers do <b>not</b> have the option to withdraw from ARC-CO and PLC contract and ARC-IC contract, nor can COC terminate the expired ARC-CO and PLC contract or ARC-IC contract.</p>

**Important:** Reduction in base acres or withdrawal of farm from ARC-CO and PLC contract or ARC-IC contract may result in unearned ARC or PLC payments. All unearned payments **must** be refunded.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)****D Converting to Nonagricultural Use (Continued)**

**Example 1:** A farm with 200.00 acres of DCP cropland and 200.00 base acres is enrolled in FY 2020 PLC. On August 1, 2020, COC discovers 10.00 acres on the farm had been converted to a nonagricultural building site on May 4, 2020. COC will notify the owner and operator they **must** do either of the following within 30 calendar days:

- withdraw the farm from the FY 2020 CCC-862 or CCC-866
- owner **must** permanently reduce base acres by 10.00 acres.

If the producers do **not** elect either of the options within 30 calendar days, COC will terminate ARC-CO and PLC contract or ARC-IC contract.

**Note:** No payments would be required to be refunded in this example as payments for FY 2020 had not been made.

**Example 2:** A farm with 200.00 acres of DCP cropland and 200.00 base acres was enrolled in FY 2021 PLC and is also enrolled in FY 2022 PLC. All FY 2021 PLC payments have been made for the farm. COC discovers 10.00 acres on the farm were converted to a nonagricultural building site on August 4, 2021. COC will notify the owner and operator they **must** permanently reduce base acres by 10.00 acres and refund the unearned FY 2021 payments made.

If the producers do **not** permanently reduce applicable base acres within 30 calendar days, COC will:

- permanently reduce 10.00 base acres
- terminate the FY 2021 CCC-866
- request refund of any unearned payments made for FY 2021.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)**

**E Land Enrolled in WBP**

Any DCP cropland containing base acres enrolled in WBP will **not** be enrolled in the ARC and PLC Program. County Offices will record land enrolled in WBP according to 10-CM.

All land enrolled in WBP may **not** be cropland. County Offices will ensure land enrolled in WBP is recorded according to 10-CM.

**Important:** Enrolling land into WBP may require the permanent reduction of base acres. Base acres must **not** exceed effective DCP cropland plus double-cropped acres. These base acres cannot be restored at the end of the WBP.

**Notes:** Subparagraph I does **not** apply to land enrolled in WBP.

Participation in WBP is only offered in Minnesota, North Dakota, and South Dakota.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)****F Land Enrolled in WRE**

The Agricultural Act of 2014 establishes the ACEP. ACEP repeals WRP but does not affect the validity or terms of any WRP contract, agreement or easement entered into prior to the date of enactment on February 7, 2014 or any associated payments required to be made in connection with an existing WRP contract, agreement or easement. WRP is now known as WRE.

The statutory provision of the Agricultural Act of 2014 (Pub. L. 113-79), Section 1112(c) **requires** a reduction of base acres, if the sum of the base acres for a farm, together with the following acreage, exceeds the actual cropland for the farm, including the following:

- any acreage on the farm enrolled in CRP or WRE
- any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for **not** producing an agricultural commodity on the acreage.

NRCS has a policy to refer producers to FSA to determine if, after DCP cropland is placed in WRE, base acres must be reduced. Base acre reduction is **not** effective until NRCS notifies FSA that WRE has been recorded.

FSA will assist the landowner and work with NRCS to determine the base acres to reduce.

FSA County Offices **must** ensure that **the statutory provision** specified is met for producers enrolling land in WRE and issuing farm ARC and PLC Program payments on the same acreage. However, a coordinated effort is **required** with NRCS with certain responsibilities applying to each Agency.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)****F Land Enrolled in WRE (Continued)**

Although NRCS is responsible for notifying FSA when WRE is closed, producers bear responsibility for notifying FSA of changes that affect the ARC and PLC Program eligibility. This handbook specifies that changes in the farming operation that may affect any determination after CCC-862 or CCC-866 is signed will be reported to CCC by all applicable producers by signing a revised CCC-862 or CCC-866 to reflect the change no later than September 30 of the applicable year.

**Reminder:** Although producers have up until the end of the contract period to report changes, if the changes cause or require the need for additional signatures or documents, the additional signatures or documents **must** be submitted by the end of the contract period. Accordingly, producers should **not** wait until September 30 to report changes.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)**

**F Land Enrolled in WRE (Continued)**

After the WRE is **closed**, NRCS will provide documentation about the WRE agreement, to the applicable FSA County Office. FSA County Offices will follow the provisions of this table.

**Note:** If adequate documentation is **not** provided by NRCS to determine acres on cropland, and acres on noncropland, FSA County Offices will immediately contact the applicable NRCS Office to obtain the documentation necessary to update FSA records.

Step	Action
1	<p><b>Immediately</b> update CRM according to 10-CM to record the number of acres enrolled in WRE that are on DCP cropland. See 10-CM for additional information.</p> <p><b>Note:</b> Acres enrolled in WRE that are on non-DCP cropland must <b>not</b> be included in the CRM, “WRE” field.</p>
2	<p>County Offices will determine whether the number of base acres exceeds the effective DCP cropland plus double-cropped acreage according to 10-CM. If the base acres exceed the effective DCP cropland plus double-cropped acreage, then:</p> <ul style="list-style-type: none"> <li>• a reduction to base acres is required by completing CCC-505</li> <li>• CCC-862 or CCC-866 for the applicable FY <b>cannot</b> be enrolled until the reduction of the base acres is completed.</li> </ul>

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\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)

F Land Enrolled in WRE (Continued)

Step	Action
3	<p>If CCC-505 is <b>not</b> filed by the owners of the farm within 30 calendar days according to step 2:</p> <ul style="list-style-type: none"> <li>• COC will initiate CCC-505 reducing the base acreage according to 10-CM</li> </ul> <p><b>Notes:</b> COC must <b>not</b> approve a revised CCC-862 or CCC-866 <b>unless</b> all signature requirements are met by March 15 of the applicable FY.</p> <p>For farms enrolled by March 15, signatures on revised CCC-862 or CCC-866 <b>must</b> be received no later than September 30 of the applicable FY.</p> <ul style="list-style-type: none"> <li>• County Office will notify the producers associated with the farm of the COC determination of the reduction of base acres</li> <li>• County Office <b>must</b> ensure that all provisions of 10-CM are met for updating CRM and notifying applicable producers of the revision to the farm records.</li> </ul>
4	<p><b>Immediately</b> update CRM according to 10-CM to reduce the base acres as specified on CCC-505 for FY in which the WRE was recorded or WRE cost-share restoration agreement is approved. CCC-505 includes the number of base acres that will be retired, even if the number of base acres being retired is zero.</p> <p>Notify all producers on the farm that a revised CCC-862 or CCC-866 that reflects the reduced base acres <b>must</b> be filed by:</p> <ul style="list-style-type: none"> <li>• March 15, if the reduction occurs <b>before</b> March 15 of the applicable year</li> <li>• September 30, if the reduction occurs <b>after</b> March 15 of the applicable year and the farm was enrolled prior to March 15.</li> </ul>

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**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)****G Land Under EWP Flood Plain Easements**

Land under the EWP Flood Plain Easement is **not** eligible to be enrolled in the ARC and PLC Program beginning on the date the EWP Flood Plain Easement is filed.

**Exception:** Cropland under EWP Flood Plain Easement may be eligible for the ARC and PLC Program in the FY the EWP Flood Plain Easement is filed, if **both** of the following are met:

- written documentation from NRCS is submitted that allows the acreage to be planted to an annual crop for harvest in the FY the easement is filed

**Note:** Depending on the date the easement is filed, the applicable NRCS manual may **not** allow planting an annual crop in FY the easement is filed.

**Important:** Neither haying nor grazing is considered planting an annual crop.

- all other requirements to enroll the acreage in the ARC and PLC Program are met.

**Note:** Even though there may appear to be no advantage, regardless of whether land is eligible for enrollment or not, producers still may make an ARC and PLC Program election for this farm or land.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)**

**G Land Under EWP Flood Plain Easements (Continued)**

Cropland acreage under EWP Flood Plain Easement **must** be recorded according to 10-CM. The date EWP Flood Plain Easement acreage is recorded in CRM is dependent on the following:

- date EWP Flood Plain Easement is filed
- whether NRCS allows the planting an annual crop for harvest in FY.

All land under EWP Flood Plain Easement may **not** be cropland. County Offices **must** ensure land under EWP Flood Plain Easement is recorded according to 3-CM.

**Important:** Placing land under EWP Flood Plain Easement may require the permanent reduction of base acres. Base acres **will not** exceed effective DCP cropland plus double-cropped acres.

**Note:** Subparagraph I does **not** apply to land under EWP Flood Plain Easements.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)****H Land Under Federal Conservation Programs or Restrictive Easements Other Than WBP, WRE, or EWP Flood Plain Easements**

Land under a Federal restrictive easement or agreement that prohibits **all** of the following will **not** be enrolled in the ARC and PLC Program:

- annual planting of a crop for harvest as grain or lint
- haying
- grazing.

**Note:** See subparagraph I for easements and agreements that allow haying and/or grazing.

Land under a restrictive easement or agreement is ineligible for the ARC and PLC Program beginning in the FY the cropping, haying, and grazing restrictions are effective.

Cropland acreage under a restrictive easement or agreement will be recorded according to 10-CM.

**Important:** Land under a Federal restrictive easement or agreement may require the permanent reduction of base acres. Base acres will **not** exceed effective DCP cropland plus double-cropped acres.

Placing land under a restrictive easement or agreement may result in a refund of payments received by the applicable producers, if ARC or PLC payments have been issued.

**Example 1:** Land is placed under an easement that prohibits all cropping, haying, and grazing of the acreage. The restrictions prohibiting cropping, haying, and grazing are effective beginning the date the easement is filed.

The easement is filed on November 4, 2020. The land under easement is ineligible for ARC or PLC beginning FY 2021.

After the land under easement is **not** eligible for ARC or PLC, the County Office **must**:

- record the cropland acreage under easement according to 10-CM
- require a reduction in base acres, if applicable

Since 2021 ARC or PLC payments are not issued until after October, 2022, a refund of payments should not be applicable.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)****H Land Under Federal Conservation Programs or Restrictive Easements Other Than WBP, WRE, or EWP Flood Plain Easements (Continued)**

**Example 2:** Land is placed under a restrictive easement that prohibits all cropping, haying, and grazing of the acreage. The restrictions prohibiting cropping, haying, and grazing are effective when the producer signs the applicable agreement.

**Notes:** The agreement is generally signed **before** an easement is filed.

Submit questionable cases about agreement to the State Office or National Office for review if necessary.

The agreement is signed on July 1, 2021. The easement is filed on November 4, 2021. The land under easement is ineligible for the ARC and PLC Program beginning FY 2021.

After the land under easement is **not** eligible for the ARC and PLC Program, the County Office will:

- record the cropland acreage under easement according to 10-CM
- require a reduction in base acres, if applicable

Since 2021 ARC or PLC payments are not issued until after October, 2022, a refund of payments should not be applicable.--\*

## \*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)

**I Haying and Grazing of Cropland Under a Federal Conservation Program or Restrictive Easement Except WBP, WRE, and EWP Flood Plain Easements**

Land under either of the following may be eligible for ARC or PLC provided the easement or agreement, as applicable, allows haying and/or grazing of the acreage on an annual basis under normal circumstances:

- easements **other than** WRE, WBP, or EWP
- conservation programs.

For the purposes of this paragraph, **normal circumstances** mean allow haying and/or grazing on an annual basis, including situations where haying and/or grazing is limited to a specific time period of the year.

**Important:** The following haying and/or grazing provisions are **not** considered normal circumstances:

- limited only to when emergency conditions exist
- **not** allowed on an annual basis.

**Example 1:** Land is placed under an easement that prohibits all cropping and all haying. However, the easement allows grazing of the acreage every third year of the life of the easement.

The easement terms do **not** allow grazing on an annual basis; therefore, the land is **not** eligible for ARC or PLC.

**Example 2:** Land is placed under an easement that prohibits all cropping. The easement prohibits haying and grazing of the acreage, **except** in emergency situations, as determined by the easement terms. Accordingly, the land is **not** eligible for ARC or PLC.

**Example 3:** Land is placed under an easement that prohibits all cropping. The easement prohibits haying and grazing of the acreage **except** for the time period of August 1 through September 30 of each year.

The easement terms allow haying or grazing **except** for specific time period; therefore, the land is eligible for ARC or PLC, provided **all** other requirements are met.

Land enrolled in CRP or GRP is **not** eligible to be enrolled in ARC or PLC. See subparagraph J. Land under CRP easement or practice lifespan requirements is **not** eligible to be enrolled in ARC or PLC. See subparagraph K.--\*

**\*--282 Eligible and Ineligible Land Uses for Base Acres (Continued)****J Land Enrolled in CRP or GRP**

Land enrolled in CRP or GRP is **not** eligible to be enrolled in the ARC and PLC Program.

Enrollment of land into CRP or GRP may require:

- reduction of base acres

**Note:** See 10-CM.

- refund of ARC and PLC Program payments, if applicable.

**Note:** Subparagraph I does **not** apply to land under CRP or GRP.

**K Land Under CRP Easement or Practice Lifespan Requirement**

Land under CRP easement or practice lifespan requirement:

- is **not** eligible to be enrolled in ARC or PLC
- will be maintained in CRM according to 10-CM.

For CRP Signups 10, 11, and 12, participants that enrolled land in CRP to be devoted to certain CRP practices agreed to place the land under 1 of the following:

- 15- or 30-year easement
- 15- or 30-year practice lifespan requirement.

The terms and conditions of the CRP easement and practice lifespan requirements continue:

- after CRP-1 expires, for the life of the easement or practice lifespan
- the prohibition of cropping, haying, and grazing the acreage.

**Note:** Subparagraph I does **not** apply to land under CRP easement or practice lifespan requirement.--\*

**\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment****A General Rule**

The sum of the following will **not** exceed DCP cropland on the farm, **except** to the extent there is an established double-cropped history on the farm:

- all base acres
- cropland enrolled in:
  - CRP
  - EWP
  - WBP
  - WRE
- cropland or DCP cropland enrolled in GRP
- cropland enrolled in any conservation program for which payments are made in exchange for **not** producing an agricultural commodity.

**B When to Determine Reduction Acres for CRP and GRP**

County Offices will calculate the number of acres on a farm that may be enrolled in CRP or GRP, without requiring a reduction to base acres, at the time the producer submits AD-1153, CRP-2, or CRP-2C.

When the producer determines to reduce base acres on a farm because of enrolling in CRP or GRP, the producer **must** complete CCC-505 at the time the acres are being offered for CRP or GRP.

**Note:** Producers may elect to modify the number of acres to be offered for CRP or GRP, instead of reducing base acres on the farm.--\*

**\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)**

**C When to Determine Reduction Acres for WRE**

County Offices will follow the provisions in paragraph 282 immediately when notified by NRCS that the WRE easement is closed or the cost-share restoration agreement is approved.

**Reminder:** The statutory provision affecting producers enrolling land in WRE and County Offices will ensure that base acres are reduced, if necessary, to satisfy the provision.

**D Determining Reduction Acres**

County Offices will use the following to determine whether enrolling land into:

- CRP or GRP will require a reduction in any of the following:
  - base acres
  - number of acres offered for CRP
  - number of acres offered for GRP
  
- WRE will require a reduction in base acres according to the 2014 Farm Bill statutory provision.

Step	Action
1	Print FSA-156EZ for farm on which the acres are being offered for enrollment into CRP, GRP, or WRE. See 10-CM to print FSA-156EZ.
2	From FSA-156EZ, determine the number of double-cropped base acres by subtracting total base acreage from effective DCP cropland acres.
3	Add: <ul style="list-style-type: none"> <li>• effective DCP cropland from FSA-156EZ, plus</li> <li>• result of step 2.</li> </ul> <p><b>Note:</b> If the result of step 2 is negative, use the effective DCP cropland.</p>
4	From FSA-156EZ, determine the total base acres for the farm.
5	Subtract result of step 3 from result of step 4.

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\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)

D Determining Reduction Acres (Continued)

Step	Action		
6	<b>IF the result of step 5 is...</b>	<b>AND the program is...</b>	<b>THEN...</b>
	negative		<ul style="list-style-type: none"> <li>• 1 or more tracts on the farm are out-of-balance</li> <li>• correct out-of-balance tracts according to 10-CM and return to step 1.</li> </ul>
	zero	CRP or GRP	<p>no cropland or DCP cropland acres on the farm can be enrolled into CRP or GRP <b>unless</b> base acres are reduced in an amount equal to the number of acres offered for CRP or GRP. An additional reduction may be required if the farm has double-cropped acreage included in the base acres. See 10-CM for additional information on updating acreage information.</p> <p><b>Note:</b> Land that does <b>not</b> meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following:</p> <ul style="list-style-type: none"> <li>• total cropland on the farm</li> <li>• total DCP cropland on the farm</li> <li>• base acres.</li> </ul>
	WRE	<p>no cropland or DCP cropland acres on the farm can be devoted to WRE <b>unless</b> base acres are reduced by the number of acres being recorded for the WRE or cost-share restoration agreement. An additional reduction may be required if the farm has double-cropped acreage included in the base acres. See 10-CM for additional information on updating acreage information.</p>	

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\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)

D Determining Reduction Acres (Continued)

Step	Action		
6 (Cntd)	<b>IF the result of step 5 is...</b>	<b>AND the program is...</b>	<b>THEN...</b>
	greater than zero	CRP or GRP	<ul style="list-style-type: none"> <li>• cropland acres or DCP cropland acres in an amount equal to the result of step 5 may be enrolled in CRP or GRP without a reduction to base acres on the farm</li> <li>• cropland acres or DCP cropland acres in an amount exceeding the result of step 5 may <b>not</b> be enrolled in CRP or GRP without a corresponding reduction in base acres on the farm.</li> </ul> <p><b>Note:</b> Land that does <b>not</b> meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following:</p> <ul style="list-style-type: none"> <li>• total cropland on the farm</li> <li>• total DCP cropland on the farm</li> <li>• base acres.</li> </ul>
	WRE	<ul style="list-style-type: none"> <li>• cropland acres or DCP cropland acres in an amount equal to the result of step 5 may be devoted to WRE without reduction to base acres on the farm</li> <li>• cropland acres or DCP cropland acres in an amount exceeding the result of step 5 <b>cannot</b> be devoted to WRE <b>unless</b> base acres are reduced on the farm.</li> </ul>	

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**\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)****E Producer Options**

When enrollment in CRP or GRP will result in a reduction of base acres on the farm, the owner will, at the time AD-1153, CRP-2, or CRP-2C is submitted, elect 1 of the following:

- reduce the number of acres offered for CRP or GRP to an amount that results in no reduction to base acres
- execute CCC-505 to reduce applicable number of base acres on the farm
- reduce a combination of the number of acres offered for CRP or GRP and the number of base acres on the farm.

**Notes:** When CCC-505 is executed because of land offered for enrollment in CRP or GRP, base acres must **not** be reduced until:

- applicable CRP-1 becomes effective
- CCC-920 is approved.

If acres offered for CRP or GRP are **not** accepted in CRP or GRP, applicable base acres will **not** be reduced.

**Example 1:** FSN 1 consists of the following:

- 100.00 acres effective DCP cropland
- 100.00 acres cropland
- 0.00 double-cropped acres
- 90.00 base acres.

Owner of FSN 1 offers 15.00 cropland acres for enrollment in CRP during general signup. The number of cropland acres that may be enrolled in CRP on FSN 1 without requiring a reduction to base acres is 10.00 acres ( $100 + 0 - 90 = 10$ ). Therefore, the owner **must** elect 1 of the following at the time CRP-2 is submitted:

- reduce the number of cropland acres offered for CRP by at least 5.00 acres
- execute CCC-505 to reduce base acres by at least 5 acres
- reduce a combination of the number of acres offered for CRP and the number of base acres by a total of 5.00 acres.--\*

## \*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)

## E Producer Options (Continued)

**Example 2:** FSN 200 consists of the following:

- 100.00 acres effective DCP cropland
- 75.00 cropland acres
- 25.00 double-cropped acres
- 125.00 base acres.

Owner of FSN 200 offers 15.00 cropland acres for enrollment in CRP during general signup. The number of cropland acres that may be enrolled in CRP on FSN 200 without requiring a reduction to base acres is 0.00 acres ( $100 + 25 - 125 = 0$ ). Therefore, the owner **must** elect 1 of the following at the time CRP-2 is submitted:

- **not** offer any cropland acres for enrollment in CRP
- execute CCC-505 to reduce base acres by at least 15.00 acres
- reduce a combination of the number of acres offered for CRP and the number of base acres by a total of 15.00 acres.

**Example 3:** FSN 50 consists of the following:

- 60.00 acres effective DCP cropland
- 50.00 acres cropland
- 0.00 double-cropped acres
- 50.00 base acres.

Owner of FSN 50 offers 20.00 cropland acres for enrollment in GRP. The number of cropland acres that may be enrolled in GRP on FSN 50 without requiring a reduction to base acres is 10.00 acres ( $60 + 0 - 50 = 10$ ). Therefore, the owner **must** elect 1 of the following at the time AD-1153 is submitted:

- reduce the number of acres offered for GRP by at least 10.00 acres
- execute CCC-505 to reduce base acres by at least 10.00 acres
- reduce a combination of the number of acres offered for GRP and the number of base acres by a total of 10.00 acres.--\*

**\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)****E Producer Options (Continued)**

**Example 4:** FSN 300 consists of the following:

- 60.00 acres effective DCP cropland
- 50.00 acres cropland
- 0.00 double-cropped acres
- 50.00 base acres.

Owner of FSN 300 offers 10.00 acres of DCP cropland that does **not** meet the definition of cropland for enrollment in GRP. The number of acres of DCP cropland acres that may be enrolled in GRP on FSN 300 without requiring a reduction to base acres is 10.00 acres ( $60 + 0 - 50 = 10$ ). Therefore, the owner is **not** required to reduce either base acres or the number of acres offered to enroll in GRP.

**Example 5:** FSN 400 consists of the following:

- 60.00 acres effective DCP cropland
- 60.00 acres cropland
- 0.00 double-cropped acres
- 60.00 base acres.

Owner of FSN 400 offers 40.00 noncropland and/or non-DCP cropland acres for enrollment in GRP. The number of DCP cropland acres that may be enrolled in GRP on FSN 400 without requiring a reduction to base acres is 0.00 acres ( $60 + 0 - 60 = 0$ ). However, the acres offered for enrollment in GRP are noncropland and/or non-DCP cropland acres. Therefore, the owner is **not** required to reduce either base acres or the number of acres offered to enroll in GRP.--\*

**\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)****F When to Complete CCC-505 to Reduce Base Acres**

When the producer elects to reduce base acres because of enrollment in CRP or GRP, the producer will complete CCC-505 at the time the acres are offered for CRP or GRP.

**Reminder:** FSA is required to ensure that benefits are **not** issued to the producer for both programs. County Offices will follow the provisions of paragraph 282 to ensure that base acres are reduced properly.

**G Effective Date of Base Acre Reduction for CRP**

Base acre reductions required because of CRP participation will become effective for the same FY the corresponding CRP-1 becomes effective.

The ARC and PLC Program year entered on CCC-505 will be the ARC and PLC Program year in which the corresponding CRP-1 becomes effective. The County Office will file copy of CCC-505 in **both** the applicable ARCPLC and CRP folders, when base acres are reduced according to 10-CM because of CRP participation.

**Example:** Cropland was offered for enrollment in CRP on May 5, 2020. CRP-1 was effective October 1, 2020. CCC-505 to reduce base acres was signed by all owners at the time CRP-1 was submitted (May 5, 2020) with a program year of 2021 (equal to FY of CRP-1).

Base acre reductions will become effective October 1, 2020 (FY 2021). If acres offered for CRP are **not** accepted, then base acres will **not** be reduced.

**Important:** Reduction of base acres could result in ARC or PLC overpayment and request for refund; however, the overpayment is unlikely as ARCPLC payments are issued in the second FY after the contract year.--\*

**\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)**

**H Effective Date of Base Acre Reduction for GRP**

Base acre reductions because of GRP participation will be effective as follows:

- date GRP easement is filed, if land was enrolled using an easement
- date CCC-920 is approved by CCC.

The County Office **must** file copy of CCC-505 in **both** the applicable ARCPLC and GRP folder.

**Important:** Reduction of base acres could result in ARC or PLC overpayment and request for refund; however, the overpayment is unlikely as ARCPLC payments are issued in the second FY after the contract year.

**I Effective Date of Base Acre Reduction for WRE**

Base acre reduction because of enrollment in WRE will be effective as follows:

- date WRE easement is closed
- date WRE cost-share restoration agreement is approved.

County Offices **must** file a copy of CCC-505 in the applicable ARCPLC folder.

**Important:** Reduction of base acres could result in ARC or PLC overpayment and request for refund; however, the overpayment is unlikely as ARCPLC payments are issued in the second FY after the contract year.--\*

**\*--283 Acre Reductions for CRP, GRP, or WRE Enrollment (Continued)****J Restoration of Base Acres Reduced for Enrollment in CRP after September 30, 2018**

Base acres reduced because of cropland enrollment into CRP after September 30, 2018, may be restored to the farm if CRP-1 is voluntarily terminated, provided there is sufficient DCP cropland available and all other requirements are met.

**Important:** To ensure that the applicable base acres may be restored to a farm, CCC-505 **must** include all information required according to paragraph 22, including the information required in CCC-505, item 16. Incomplete CCC-505's may result in base acres **not** being restored to a farm.

**K Restoration of Base Acres Reduced for Enrollment in GRP**

Base acres reduced because of enrollment into GRP may be restored to the farm when **both** of the following are met, provided there is sufficient DCP cropland available and all other requirements are met:

- land is no longer enrolled in GRP
- life of easement has expired.

**Important:** To ensure that the applicable base acres may be restored to a farm, CCC-505 **must** include all information required according to paragraph 22, including the information required in CCC-505, item 16. Incomplete CCC-505's may result in base acres **not** being restored to a farm.--\*

**\*--284 Protecting Farmland****A Requirement**

[7 CFR 1412.69] **Control of noxious weeds.**

**Enrolled ARC and PLC contract participants agree to effectively control noxious weeds and otherwise maintain the land on the farm in accordance with sound agricultural practices; and use the land on the farm for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use.**

**B Approved Covers and Practices**

STC will determine measures necessary to protect the farm from erosion and propagation of noxious weeds and maintaining the farm according to sound agricultural practices. Throughout the crop year, STC determinations will be provided to County Offices for publication throughout the ARC and PLC Program year. STC will determine, on a State-by-State basis, if:

- COC, in conjunction with the NRCS District Conservationist, may recommend the cover crops or practices
- STC will consult with State technical committees to determine whether additional practices that further the goals of these organizations and groups can be developed.--\*

**\*--284 Protecting Farmland (Continued)**

**C Suggested Covers**

Suggested covers include, but are **not** limited to:

- annual, biennial, or perennial grasses and legumes, including sweet sorghums, sorghum grass crosses, and sudans
- volunteer stands, other than weeds
- crop residue from using no till or minimum till practices
- perennial covers approved for cost-share assistance.--\*

**\*--285 HELC and WC****A HELC and WC Compliance**

Producers **must** certify HELC and WC compliance on AD-1026 and meet the requirements according to 6-CP to qualify for ARC and PLC Program benefits.

COC will follow procedure in 6-CP for producers determined ineligible because of HELC and/or WC violation.

**B Terminating ARC-CO and PLC Contracts or ARC-IC Contracts for HELC and/or WC Violation**

In addition to denying benefits for HELC and/or WC violation, COC will determine whether the violation is serious enough to warrant terminating ARC-CO and PLC contract or ARC-IC contract, with respect to the producer determined ineligible according to 6-CP, on each farm in which the producer has an interest.

Producers whose shares are terminated **must** be notified by letter of the following:

- ARC-CO and PLC contract or ARC-IC contract is in violation and will be terminated with respect to the producer on each farm in which the producer has an interest
- the producer forfeits all rights to receive ARC-CO and PLC contract or ARC-IC contract payments, for any year in which they are determined ineligible, on each farm in which the producer has an interest
- the producer **must** refund all ARC-CO and PLC contract or ARC-IC contract payments received by the producer on each farm the producer has an interest in during the period of the violation, plus interest
- reason for violation
- appeal rights according to 1-APP.--\*

**\*--286 Planting Flexibility****A Plantings on Base Acres**

Any commodity may be planted on:

- any land, including base acres, on a farm **not** enrolled on CCC-862 or CCC-866
- nonpayment acres of a farm enrolled on CCC-862 or CCC-866
- payment acres; however, if FAV/WR are planted on payment acres enrolled on CCC-862 or CCC-866, an acre-for-acre payment reduction is applied, according to paragraph 287.

**Exception:** FAV/WR double-cropped, with a covered commodity in an established FAV/WR double-cropping region, may be planted on the farm's payment acres **without** an acre-for-acre payment reduction according to paragraph 290.

**B FAV Plantings**

FAV/WR planting provisions apply to the following:

- fruits
- vegetables, other than mung beans and pulse crops
- wild rice.

See subparagraph 288 A for FAV exceptions and Exhibit 24 for a list of FAV's.--\*

**\*--286 Planting Flexibility (Continued)****C FAV/WR Planting - After Initial Crop or Prevented Planted**

FAV/WR acres that are planted in the same field after either an initial crop was planted and failed, or an initial crop was prevented from being planted, are still considered the FAV/WR crop that was planted. There are no “ghost crop FAV provisions”.

**Example 1:** A field of wheat was planted and failed. Potatoes are planted in the same field, after the wheat failed (this is **not** a double crop FAV county). This field will be considered as FAV (potatoes). The County Office will need to determine if an acre-for-acre payment reduction applies on the farm.

**Example 2:** A field intended to be planted to corn was reported to FSA as prevented planted. Carrots are subsequently planted in the same field, after prevented planted corn (this is **not** a double crop FAV county). Regardless if the prevented planting is approved or disapproved, the field will be considered as FAV (carrots). The County Office will need to determine if an acre-for-acre payment reduction applies on the farm.--\*

**\*--287 FAV/WR Planting Limitations****A Statutory Provisions**

Planting FAV/WR on payment acres enrolled in the ARC and PLC Program is permitted; however, if FAV/WR is planted on payment acres, an acre-for-acre reduction will apply, **unless** FAV/WR is destroyed without benefit before harvest.

**Note:** Payment acres are equal to 65 percent of base acres for a farm enrolled in ARC-IC and 85 percent of base acres for a farm enrolled in ARC-CO or PLC.

Producers may plant FAV/WR on payment acres enrolled in ARC or PLC without payment reduction, if the FAV/WR is planted in a double-cropping practice with covered commodities in any region designated as having a history of double-cropping covered commodities or peanuts with FAV/WR (paragraph 290).

See paragraph 288 for FAV/WR exceptions and other compliance determinations, including when FAV/WR are destroyed before harvest.

**B Farms and/or Covered Commodities Not Enrolled in the ARC and/or PLC Program**

Planting and harvesting FAV/WR on payment acres on a farm that is **not enrolled** in the annual program is **not** prohibited in that year.

The base acres of covered commodities not enrolled in the ARC and/or PLC Program may be used as free acres when determining whether producers have planted FAV/WR on payment acres.--\*

**\*--287 FAV/WR Planting Limitations (Continued)****C Determining Available Acres for FAV Planting**

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

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

**Important:** Payment acre shares are determined for:

- ARC-CO and PLC, based on the individuals or entities who are producers with a crop share interest on base acres

**Note:** Producers planting FAV/WR on base acres **must** have a payment share interest on the ARC/PLC contract

- ARC-IC, based on each producer's share interest in covered commodities planted on the farm, as reported or determined on FSA-578.

**Note:** Producers, including owners, that have no share interest in the covered commodity on enrolled ARC-IC farm, will **not** receive an ARC-IC payment for the ARC-IC farm.--\*

\*-- FAV/WR Planting Limitations (Continued)

C Determining Available Acres for FAV Planting (Continued)

Step	Action		
1	<b>IF the farm is enrolled in...</b> PLC or ARC-CO	<b>THEN determine the farm's nonpayment acres by doing the following...</b>	
		<b>Step</b>	<b>Action</b>
		A	Determine effective DCP cropland on the farm.
		B	Determine number of double-cropped acres on the farm according to Farm Records.
		C	Add result of step A and step B.
		D	Determine payment acres by taking the total participating base acres times 85 percent.
	E	Subtract result of step D from the result of step C.	
	ACR-IC	<b>Step</b>	<b>Action</b>
	A	Determine effective DCP cropland on the farm.	
	B	Determine number of double-cropped acres on the farm according to Farm Records.	
	C	Add result of step A and step B.	
	D	Determine payment acres by taking the total base acres, times 65 percent.	
	E	Subtract result of step D from the result of step C.	
	2	<p>Subtract the result of step 1 (either PLC/ARC-CO or ARC-IC, as applicable) from the total acres of FAV/WR planted on the farm.</p> <p><b>Important:</b> The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm's CCC-862 or CCC-866.</p> <p><b>Note:</b> Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See 1-ARCPLC, subparagraph 288 C.</p> <p>If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is <b>not</b> considered a FAV. See 1-ARCPLC, paragraph 290.</p>	

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\*--287 FAV/WR Planting Limitations (Continued)

C Determining Available Acres for FAV Planting (Continued)

Step	Action	
3	<b>IF the result of step 2 is...</b>	<b>THEN...</b>
	equal to or less than zero	<ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• an acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>
	greater than zero	<ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• an acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul> <p><b>Note:</b> For ARC-CO and PLC, the acre-for-acre reduction will be attributed to each of the participating covered commodities on the farm having payment acres on a pro rata basis to reflect the ratio of the payment acres of the covered commodity on the farm to the total payment acres of all covered commodities on the farm.</p> <p>For ARC-IC, the acre-for-acre reduction will be attributed to the total payment acres on the farm as the payment acres are determined solely by multiplying the 65 percent of the base acres of the farm.</p>

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## \*--288 Compliance Determinations

### A FAV Exceptions

The following are exceptions to consider a crop as an FAV when determining acre-for-acre payment reductions under ARCPLC:

- any FAV planted in a mixture in such an extent that harvest of the FAV as a human food source is impractical; no field visit is required
- nonperennial FAV/WR planted on payment acres arising from base acres on a farm that are destroyed before harvest will **not** reduce ARC or PLC payment acres for the farm, if the provisions in subparagraph E, are met

**Note:** A farm visit **must** be requested and performed to verify that FAV/WR are destroyed without benefit of harvest according to 2-CP.

- FAV's that are designated as and meet the definition of a home garden as defined in Exhibit 2
- FAV's **planted and reported** with an intended use listed below and do not have a land use code of "F" in 2-CP, Exhibit 10; all other FAV's are not part of this exception:
  - cover only
  - forage
  - green manure
  - grazing
  - left standing
  - silage

**Note:** Intentions **must** be certified to when FSA-578 is filed. Producers **cannot** subsequently change the intended use of reported FAV acreage after it has been certified to negate an acre-for-acre payment reduction.--\*

**\*--288 Compliance Determinations (Continued)****A FAV Exceptions (Continued)**

- mung beans and pulse crops.

**Note:** Pulse crops include:

- dry peas, including:
  - Austrian
  - green
  - Umatilla
  - wrinkled seed
  - yellow
- large chickpeas (garbanzo bean, Kabuli)
- small chickpeas (garbanzo bean, Desi)
- lentils.

**Important:** Not all peas are dry peas and; therefore, are not included in the FAV exemption. Peas grown for the following markets are not dry peas, and are not eligible for the FAV dry pea exemption:

- canning
- fresh
- frozen.--\*

**\*--288 Compliance Determinations (Continued)****B FAV/WR Determination Timing**

FAV/WR are considered planted for harvest at the time of planting. Producers **cannot** negate the payment reduction by:

- the final contract date for 2019
- changing the intended use of the crop.

The year of the payment reductions are based on when the fruit, vegetable, or wild rice is or would be harvested.

**Example:** FAV's planted on payment acres in either September or October 2020, for harvest in the 2021 contract year, will result in a 2021 contract year acre-for-acre payment reduction.

**C Multiple FAV's on Same Acreage in Same FY**

Multiple plantings of any FAV on the same acreage in a FY will be considered only once for compliance purposes. However, FAV's **must** be planted on the same acreage.

**Example:** Producer A plants and harvests 20.00 acres of tomatoes. After the tomatoes are harvested, Producer A plants and harvests carrots on the same 20.00 acres. For payment reduction purposes, only 20.00 acres of FAV's are considered.

If the carrots and tomatoes were planted on different acreage, there would have been 40.00 acres of FAV's when determining acreage for the payment reductions.--\*

**\*--288 Compliance Determinations (Continued)****D Perennial FAV's**

Perennial FAV's, such as apples, oranges, strawberries, and nut crops, will be considered FAV's beginning FY in which they are planted and each succeeding year they are on payment acres enrolled in the ARC and PLC Program. Nut crops are considered FAV's.

The destruction of perennial FAV/WR before harvest does **not** negate a payment reduction.

**Note:** See Exhibit 24 for a list of FAV's.

**E Destruction of Nonperennial FAV/WR Before Harvest**

Nonperennial FAV/WR planted on payment acres enrolled in the ARC and PLC Program that are destroyed without benefit **before** harvest will **not** result in an acre-for-acre payment reduction, if **all** of the following are met:

- producer notifies COC that the commodity has been or will be destroyed without benefit **before** harvest
- COC conducts a producer-paid-for farm visit and verifies that the commodity was destroyed without benefit **before** harvest
- producer revises FSA-578 to record the acres remaining for harvest according to 2-CP.

**Unless the destruction of the commodity is verified with a producer-paid-for farm visit, COC will consider FAV/WR harvested for compliance and payment reduction purposes.**

**Important:** Cover only, foraging, green manure, grazing, left standing, and silage may be considered destroyed.--\*

## \*--288 Compliance Determinations (Continued)

**E Destruction of Nonperennial FAV/WR Before Harvest (Continued)**

**Example 1:** Joe Brown enrolls FSN 25 in FY 2019 PLC with the following:

- 225.00 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 80.00 acres of wheat base acres
- 80.00 acres of corn base acres
- 40.00 acres of soybean base acres
- 200.00 acres of total base.

Mr. Brown plants 165.00 acres of soybeans and 60.00 acres of potatoes as reported on FSA-578.

Because all covered commodities on the farm are enrolled in PLC, the payment acres are 170.00 acres (200.00 base acres x 85 percent). The farm's nonpayment acres are 55.00 acres (225.00 effective DCP cropland acres – 170.00 payment acres = 55.00 acres).

Mr. Brown notifies COC that 5.00 acres of potatoes have been destroyed without benefit **before** harvest and pays for a COC farm visit to verify the destruction. COC conducts a producer-paid-for farm visit and verifies that 5.00 acres of potatoes were destroyed without benefit **before** harvest. Mr. Brown revises FSA-578 to indicate that 55.00 acres of potatoes remain planted in the field after the destruction of the 5.00 acres.

In this example, there will be no payment reduction, because all 55.00 acres that remain planted are on nonpayment acres. The FY 2019 payments for the farm are **not** affected by the 5.00 acres of destroyed potatoes on payment acres.--\*

## \*--288 Compliance Determinations (Continued)

**E Destruction of Nonperennial FAV/WR Before Harvest (Continued)**

**Example 2:** Mary White enrolls FSN 365 in FY 2019 ARC-IC with the following:

- 225.00 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 80.00 acres of wheat base acres
- 80.00 acres of corn base acres
- 40.00 acres of soybean base acres
- 200.00 acres of total base.

Mrs. White plants 110.00 acres of corn and 115.00 acres of wild rice as reported on FSA-578.

Because this farm is enrolled in ARC-IC, the payment acres are 130.00 acres (200.00 base acres x 65 percent). The farm's nonpayment acres are 95.00 acres (225.00 effective DCP cropland acres – 130.00 payment acres = 95.00 acres).

Mrs. White notifies COC that 20.00 acres of wild rice have been destroyed **before** harvest and pays for a COC farm visit to verify destruction.

COC conducts a producer-paid-for farm visit; however, it **cannot** verify that 20.00 acres of wild rice were destroyed **before** harvest. COC will **not** modify FSA-578 for FSN 365. COC will apply an acre-for-acre payment reduction of 20.00 acres, according to 4-CP (115.00 acres of FAV/WR – 95.00 nonpayment acres = 20.00 acres).--\*

## \*--288 Compliance Determinations (Continued)

**E Destruction of Nonperennial FAV/WR Before Harvest (Continued)**

For compliance determinations, FAV/WR are considered planted for harvest at the time of planting.

The destruction of perennial FAV/WR before harvest does not negate a payment reduction.

**Example 3:** Jack Green enrolls FSN 1101 in FY 2020 ARC-CO with the following:

- 225.00 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 80.00 acres of wheat base acres
- 80.00 acres of corn base acres
- 40.00 acres of soybean base acres
- 200.00 acres of total base.

Mr. Green plants 165.00 acres of corn and 60.00 acres of apple trees as reported on FSA-578.

Because all covered commodities on the farm are enrolled in ARC-CO, the payment acres are 170.00 acres (200.00 base acres x 85 percent). The farm's nonpayment acres are 55.00 acres (225.00 effective DCP cropland acres – 170.00 payment acres = 55.00 acres).

Mr. Green notifies COC that 5.00 acres of apple trees have been destroyed.

There is no provision to allow the destruction of perennial FAV/WR planted on payment acres to negate an acre-for-acre payment reduction in this situation. COC will **not** modify FY 2015 FSA-578 for FSN 1101. COC will apply an acre-for-acre payment reduction of 5 acres, according to 4-CP (60.00 acres of FAV/WR – 55.00 nonpayment acres = 5.00 acres).--\*

**\*--289 Example of Acre-for-Acre Reductions**

**A Example 1**

This is an example of determining whether FAV/WR is planted on payment acres enrolled in ARC-CO or PLC for a farm with the following criteria:

- 300.00 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 200.00 base acres
- 125.00 planted acres of FAV/WR that are **not** double-cropped/no FAV exemption.

Step	Action		Result	
1	IF the farm is enrolled in... PLC or ARC-CO	<b>Determine the farms nonpayment acres:</b>		
		<b>Step</b>	<b>Action</b>	
		A	Determine effective DCP cropland on the farm.	300.00
		B	Determine number of double-cropped acres on farm according to Farm Records.	0.00
		C	Add result of step A and step B.	300.00
		D	Determine payment acres by taking the total base acres on the farm times 85 percent.  200.00 total base x 85 percent = 170.00 payment acres	170.00
E	Subtract result of step D from the result of step C.  300.00 acres – 170.00 payment acres = 130.00 nonpayment acres	130.00		

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\*--289 Example of Acre-for-Acre Reductions (Continued)

A Example 1 (Continued)

Step	Action	Result						
2	<p>Subtract the result of step 1 from the total acres of FAV/WR planted on the farm.</p> <p style="text-align: center;">125.00 FAV/WR – 130.00 nonpayment acres = -5.00 acres.</p> <p><b>Important:</b> The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm’s CCC-862 or CCC-866.</p> <p><b>Note:</b> Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C.</p> <p>If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is <b>not</b> considered an FAV. See paragraph 290.</p>	-5.00						
3	<p><b>IF the result of step 2 is... THEN...</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="380 982 570 1205" style="width: 25%; vertical-align: top;">                     equal to or less than zero                 </td> <td data-bbox="570 982 1321 1205" style="width: 75%; vertical-align: top;"> <ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p> </td> <td data-bbox="1321 982 1482 1205" style="width: 25%; vertical-align: top;">                     Payment acres are <b>not</b> required to be reduced.                 </td> </tr> <tr> <td data-bbox="380 1205 570 1472" style="width: 25%; vertical-align: top;">                     greater than zero                 </td> <td data-bbox="570 1205 1321 1472" style="width: 75%; vertical-align: top;"> <ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul> </td> <td data-bbox="1321 1205 1482 1472" style="width: 25%; vertical-align: top;">                     (Result cell is shaded gray)                 </td> </tr> </table>	equal to or less than zero	<ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>	Payment acres are <b>not</b> required to be reduced.	greater than zero	<ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul>	(Result cell is shaded gray)	
equal to or less than zero	<ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>	Payment acres are <b>not</b> required to be reduced.						
greater than zero	<ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul>	(Result cell is shaded gray)						

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**\*--289 Example of Acre-for-Acre Reductions (Continued)**

**B Example 2**

This example shows how to determine FAV/WR acreage planted on payment acres enrolled in ARC-CO/PLC on a farm with the following criteria:

- 300.00 acres of effective DCP cropland
- 10.00 double-cropped acres on the farm according to Farm Records
- 200.00 base acres
- 2 producers exist on the farm
- Operator A plants 100.00 acres to non FAV/WR and plants 145.00 acres to FAV/WR
- Tenant B plants 50.00 acres to non FAV/WR and 5.00 acres to FAV/WR
- 150.00 planted acres of FAV/WR (includes the 145.00 acres from Operator A and 5.00 acres of from Tenant B) that are **not** double-cropped with a covered commodity.

Step	Action		Result
1	IF the farm is enrolled in... PLC or ARC-CO	<b>Determine the farms nonpayment acres:</b>	
		<b>Step</b>	<b>Action</b>
		A	Determine effective DCP cropland on the farm.
		B	Determine number of double-cropped acres on farm according to Farm Records.
		C	Add result of step A and step B.
		D	Determine payment acres by taking the total base acres on the farm times 85 percent.  200.00 total base x 85 percent = 170.00 payment acres
E	Subtract result of step D from the result of step C.  310.00 acres – 170.00 payment acres = 140.00 nonpayment acres		

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\*--289 Example of Acre-for-Acre Reductions (Continued)

**B Example 2 (Continued)**

Step	Action	Result
2	<p>Subtract the result of step 1 from the total acres of FAV/WR planted on the farm.</p> <p>150.00 FAV/WR – 140.00 nonpayment acres = 10.00 acres</p> <p><b>Important:</b> Operator A and Tenant B share in the ARC-CO/PLC contract.</p> <p>The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm’s CCC-861 or CCC-862.</p> <p><b>Note:</b> Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C.</p> <p>If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is <b>not</b> considered an FAV. See paragraph 290.</p>	10.00
3	<p><b>IF the result of step 2 is...</b></p> <p>equal to or less than zero</p> <p><b>THEN...</b></p> <ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>	
	<p>greater than zero</p> <ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP</li> <li>• the ARC-CO/PLC payment acres for the farm <b>must</b> be reduced by 10.00 acres in proportion to each covered commodity’s payment acres on the farm.</li> </ul>	10.00 payment acres will be reduced on a pro rata basis on all covered commodities payment acres on the farms, because both Producer A and B will have their share of payment acres reduced.

--\*

\*--289 Example of Acre-for-Acre Reductions (Continued)

C Example 3

This example shows how to determine whether FAV/WR is planted on payment acres enrolled in ARC-IC on a farm with the following criteria:

- 300.00 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 250.00 base acres
- 100.00 acres of lettuce, 50.00 acres of peppers, and 85.00 acres of tomatoes (**not** double-cropped with a covered commodity).

**Note:** Of the 50.00 acres of peppers, 15.00 acres were planted on the lettuce acreage **after** it was harvested, resulting in 35.00 acres of FAV/WR. In addition, of the 85.00 acres of tomatoes, 75.00 acres were planted on the lettuce acreage **after** it was harvested, resulting in 10.00 acres considered FAV/WR.

Step	Action		Result	
1	IF the farm is enrolled in... ACR-IC	<b>Determine the farms nonpayment acres:</b>		
		<b>Step</b>	<b>Action</b>	
		A	Determine effective DCP cropland on the farm.	300.00
		B	Determine number of double-cropped acres on farm according to Farm Records.	0.00
		C	Add result of step A and step B.	300.00
		D	Determine payment base acres by taking the total base acres on the farm times 65 percent.  250.00 total base x 65 percent = 162.50 payment acres	162.50
E	Subtract result of step D from the result of step C.  300.00 acres - 162.50 payment acres = 137.50 nonpayment acres	137.50		

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\*--289 Example of Acre-for-Acre Reductions (Continued)

C Example 3 (Continued)

Step	Action	Result
2	<p>Subtract the result of step A from the total acres of FAV/WR planted on the farm.</p> <p>145.00 acres of FAV/WR - 137.50 nonpayment acres = 7.50 acres.</p> <p><b>Note:</b> Total FAV/WR is calculated using 100.00 acres of lettuce, 35.00 acres of peppers, and 10.00 acres of tomatoes.</p> <p><b>Important:</b> The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm's CCC-862 or CCC-866.</p> <p><b>Note:</b> Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C.</p> <p>If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is <b>not</b> considered an FAV. See paragraph 290.</p>	7.50
3	<p><b>IF the result of step 2 is...</b></p> <p>equal to or less than zero</p> <p><b>THEN...</b></p> <ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>	
	<p>greater than zero</p> <ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul>	ACR-IC payment acres for the farm shall be reduced by 7.50 acres.

--\*

**\*--289 Example of Acre-for-Acre Reductions (Continued)**

**D Example 4**

This example shows how to determine FAV/WR acreage planted on payment acres enrolled in ARC-IC on a farm with the following criteria:

- 300.00 acres of effective DCP cropland
- zero double-cropped acres on the farm according to Farm Records
- 200.00 base acres
- 2 producers exist on the farm
- Operator A plants 50.00 acres to covered commodity and plants 195.00 acres to FAV/WR
- Tenant B plants 50.00 acres to sugar beets and 5.00 acres to FAV/WR
- 200.00 planted acres of FAV/WR (includes the 195.00 acres from Operator A and 5.00 acres of from Tenant B) that are **not** double-cropped with a covered commodity.

Step	Action		Result	
1	IF the farm is enrolled in... ACR-IC	<b>Determine the farms nonpayment acres:</b>		
		<b>Step</b>	<b>Action</b>	
		A	Determine effective DCP cropland on the farm.	300.00
		B	Determine number of double-cropped acres on farm according to Farm Records.	0.00
		C	Add result of step A and step B.	300.00
		D	Determine payment base acres by taking the total base acres including attribute generic base acres for the farm times 65 percent.  200.00 total base x 65 percent = 130.00 payment acres	130.00
E	Subtract result of step D from the result of step C.  300.00 acres – 130.00 payment acres = 170.00 nonpayment acres	170.00		

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\*--289 Example of Acre-for-Acre Reductions (Continued)

D Example 4 (Continued)

Step	Action	Result						
2	<p>Subtract the result of step 1 from the total acres of FAV/WR planted on the farm.</p> <p>200.00 acres of FAV/WR – 170.00 nonpayment acres = 30.00 acres.</p> <p><b>Note:</b> Operator A would have 100 percent share on CCC-862 because Tenant B’s sugar beets are <b>not</b> a covered commodity.</p> <p><b>Important:</b> The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm’s CCC-862 or CCC-866.</p> <p><b>Note:</b> Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See subparagraph 288 C.</p> <p>If an FAV/WR is double-cropped with a covered commodity in an established FAV/WR double-cropping region, it is <b>not</b> considered an FAV. See paragraph 290.</p>	30.00						
3	<table border="1"> <thead> <tr> <th data-bbox="375 1125 583 1199">IF the result of step 2 is...</th> <th data-bbox="583 1125 1216 1199">THEN...</th> </tr> </thead> <tbody> <tr> <td data-bbox="375 1199 583 1503">equal to or less than zero</td> <td data-bbox="583 1199 1216 1503"> <ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p> </td> </tr> <tr> <td data-bbox="375 1503 583 1879">greater than zero</td> <td data-bbox="583 1503 1216 1879"> <ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul> </td> </tr> </tbody> </table>	IF the result of step 2 is...	THEN...	equal to or less than zero	<ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>	greater than zero	<ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul>	<p style="text-align: center;">---</p> <p>ARC-IC payment acres for the farm must be reduced by 30.00 acres that will only offset Operator A’s payment, because Operator A has 100 percent of ARC-IC contract.</p>
IF the result of step 2 is...	THEN...							
equal to or less than zero	<ul style="list-style-type: none"> <li>• FAV/WR are <b>not</b> planted on payment acres</li> <li>• acre-for-acre reduction does <b>not</b> apply to the farm.</li> </ul> <p><b>Note:</b> In no situation should a payment reduction be applied if the result of step 2 is equal to or less than zero.</p>							
greater than zero	<ul style="list-style-type: none"> <li>• FAV/WR are planted on payment acres</li> <li>• acre-for-acre reduction applies to the farm based on the result of step 2</li> <li>• apply the acre-for-acre reduction to the farm according to 4-CP.</li> </ul>							

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## \*--290 FAV and Wild Rice Double-Cropping Region Exception

### A Double-Cropping Exception

The double-cropping exception provides that FAV's and wild rice may be planted on payment acres enrolled in the ARC and PLC Program without payment reduction, if FAV or wild rice, as applicable, is planted in a double-cropping cycle with a covered commodity planted in a designated double-cropping region established by STC.

**Note:** See subparagraph C for double-cropping regions.

### B Determining Double-Cropping FAV's and/or Wild Rice With Covered Commodity

For the purpose of determining FAV and wild rice double-cropping regions, double-cropping FAV's or wild rice with covered commodities means planting and harvesting a covered commodity **for grain** in cycle with planting and harvesting FAV or wild rice on the same acreage, in a 12-month period, with the ability to plant and harvest the same 2 crops in the immediately succeeding 12-month period, under normal growing conditions.

FAV and wild rice may be planted before or after the covered commodity to be considered double-cropped.

### C Double-Cropping Regions

FAV and wild rice double-cropping regions were established by STC, in consultation with NIFA, Land Grant Universities, and other agencies, based on the planting history for the region.

**Note:** Double-cropping of FAV's or wild rice in cycle with covered commodities or **must** be customary for the region.

Established FAV and wild rice double-cropping regions:

- **must** be, at a minimum, an entire county
- borders **must** follow county lines
- were determined on a county-by-county basis
- will **not** be an area greater than the entire county.

To be eligible for this exception, the farm **must** be administratively located in a county established as FAV and wild rice double-cropping region. Do **not** consider the physical location of the farm in this determination.--\*

**\*--290 FAV and Wild Rice Double-Cropping Region Exception (Continued)****D COC Determining FAV and Wild Rice Double-Cropping**

COC, in designated FAV and wild rice double-cropping regions, will, each FY, consider acreage double-cropped for determining FAV and/or wild rice double-cropped exception if **all** of the following are met:

- a fruit, vegetable, or wild rice is planted in cycle with a covered commodity or peanuts on the same acreage
- both crops were planted with reasonable expectations and realistic possibilities of harvesting each crop in a 12-month period
- both crops meet the definition of double-cropping in 2-CP.

**Important:** For covered commodities, harvesting means **harvested as grain**.

**Example 1:** Wheat is planted, but because of adverse weather, the wheat is abandoned, and the acreage is planted to green beans. If this occurs in a designated FAV and wild rice double-cropping region where wheat can be planted, harvested for grain, and followed by the planting and harvesting of green beans in a double-cropping situation within a 12-month period, this may be considered double-cropped, even though the green beans were planted early.

If the same situation occurs in a designated double-cropping region where wheat **cannot** be planted, harvested, and followed by the planting and harvesting of green beans in a double-cropping situation within a 12-month period, it is **not** double-cropping.--\*

**\*--290 FAV and Wild Rice Double-Cropping Region Exception (Continued)****D COC Determining FAV and Wild Rice Double-Cropping (Continued)**

**Example 2:** Wheat is planted and taken for hay **before** disposition. Carrots are then planted on the same base acres. If this occurs in a designated double-cropping region where carrots could have been planted and harvested following the harvest of the wheat for grain, this may be considered double-cropping.

If wheat **cannot** be carried to harvest as grain followed by the planting and harvesting of carrots on the same acreage in the same 12-month period, it is **not** double-cropping.

Any fruit, vegetable, or wild rice may be double-cropped with any covered commodity or peanuts; however, COC **must** be satisfied that both crops could be harvested within a 12-month period, and again during the immediately succeeding 12-month period, under normal growing conditions for the county. If COC determines both crops could **not** be harvested in a 12-month period double-cropping cycle under normal growing conditions, the crops will **not** be considered double-cropped and this exception will **not** apply.

**E FAV/WR Double-Cropping Flexibility**

FAV's or wild rice planted in a double-cropping situation with a covered commodity or peanuts on a farm administratively located in an established FAV and wild rice double-cropping region will **not** result in ARC or PLC payment reduction.

Any farm administratively located in an established FAV and wild rice double-cropping region may double-crop FAV's or wild rice in cycle with a covered commodity.

Provisions of this exception are **not** crop specific. Any fruit, vegetable, or wild rice may be double-cropped with any covered commodity.--\*

## \*--291 Prevented Planting Provisions for FAV/WR Double-Cropping Exception

### A Purpose of Prevented Planted Credit

The purpose of prevented planted credit is to allow a farm to remain eligible for the FAV/WR double-cropping exception when a natural disaster or a quarantine imposed by a State or local agency prevents the covered commodity from being planted.

Prevented planting provisions only apply to the covered commodity in a double-cropping practice with FAV/WR in an established double-cropping region.

### B Definition of Prevented Planting

Prevented planting means the inability to plant crop acreage with proper equipment during the established planting period for the crop. A producer **must** be able to prove, to COC's satisfaction, that the:

- producer intended to plant the eligible crop acreage
- eligible crop acreage could **not** be planted because of a natural disaster or a quarantine imposed by a State or local agency.

### C Final Planting Dates

The FCIC-established final planting dates will be used for prevented planting determinations.

**Note:** Spring wheat does **not** need to be planted as a replacement for winter wheat when the winter wheat is prevented from planting.

If FCIC-established final planting dates are **not** available, STC will establish the final planting date consistent with 1-NAP.

### D Applying for Prevented Planting Credit

The producer **must** apply for prevented planted credit according to 2-CP.--\*

**\*--292 Examples of Double-Cropping Region Exception**

**A Example 1**

The following farm data applies to this double-cropping example:

- 100.00 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100.00 base acres for wheat
- 100.00 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region. COC determined that both commodities (wheat followed by carrots) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres

100.00 acres wheat harvested for grain followed by 100.00 acres carrots harvested
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No payment reduction is applied in this example, because of the following:

- the farm is administratively located in an established FAV/WR double-cropping region
- the carrots were double-cropped with a covered commodity (wheat)
- COC determined both commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

ARC-CO payments are unaffected.--\*

**\*--292 Examples of Double-Cropping Region Exception (Continued)****B Example 2**

The following farm data applies to this double-cropping example:

- 100.00 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100.00 base acres for wheat
- 100.00 acres of total base
- base acres are enrolled in PLC.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region. COC determined that all commodities (lettuce and carrots followed by soybeans and grain sorghum) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres

50.00 acres lettuce harvested and 50.00 acres carrots harvested followed by 75.00 acres soybeans harvested for grain and 25.00 acres grain sorghum harvested for grain

No payment reduction is applied in this example, because all the following are met:

- the farm is administratively located in an established FAV/WR double-cropping region
- both the lettuce and carrots were double-cropped with a covered commodity (soybeans or grain sorghum)
- COC determined all commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

PLC payments are unaffected.--\*

**\*--292 Examples of Double-Cropping Region Exception (Continued)**

**C Example 3**

The following farm data applies to this double-cropping example:

- 100.00 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100.00 base acres for wheat
- 100.00 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is **not** administratively located in an established FAV/WR double-cropping region.

Wheat Base Acres

100.00 acres carrots harvested followed by 100 acres corn harvested for grain

This farm does **not** meet the double-cropping exception. The carrots were harvested in a double-cropping situation with a covered commodity; however, the farm is **not** administratively located in an established FAV/WR double-cropping region.

Because all covered commodities on the farm are enrolled in ARC-CO, the payment acres are 85.00 acres (100.00 base acres x 85 percent). The farm’s nonpayment acres are 15.00 acres (100.00 effective DCP cropland acres – 85.00 payment acres = 15.00 acres).

In this example, 100.00 acres of carrots will count as FAV/WR because they were **not** administratively located in an established FAV/WR double-cropping region. COC will apply an acre-for-acre payment reduction of 85.00 acres, according to 4-CP (100.00 acres of FAV/WR – 15.00 nonpayment acres = 85.00 acres).--\*

**\*--292 Examples of Double-Cropping Region Exception (Continued)**

**D Example 4**

The following farm data applies to this double-cropping example:

- 100.00 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100.00 base acres for wheat
- 100.00 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region and all covered commodities are enrolled in ARC-CO. COC determined that both commodities (carrots followed by corn) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres

100.00 acres carrots harvested followed by 60.00 acres corn harvested for grain

The farm, in this example, is located in an established FAV double-cropping region; however, only 60.00 of the 100.00 acres of carrots were planted in a double-cropping situation with a covered commodity (corn).

Because all covered commodities are enrolled in ARC-CO, the payment acres are 85.00 acres (100.00 base acres x 85 percent). The farm’s nonpayment acres are 15.00 acres (100.00 effective DCP cropland acres – 85.00 payment acres = 15.00 acres).

In this example, only 40.00 acres of carrots will count as FAV/WR because they were **not** in a double-cropping situation with a covered commodity. COC will apply an acre-for-acre payment reduction of 25.00 acres, according to 4-CP (40.00 acres of FAV/WR – 15.00 nonpayment acres = 25.00 acres).--\*

**\*--292 Examples of Double-Cropping Region Exception (Continued)**

**E Example 5**

The following farm data applies to this double-cropping example:

- 100.00 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100.00 base acres for wheat
- 100.00 acres of total base
- base acres are enrolled in ARC-IC.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region and is enrolled in ARC-IC. COC determined that the 2 commodities (spring wheat followed by tomatoes) **cannot** be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres

100.00 acres spring wheat failed followed by 100.00 acres tomatoes harvested

The farm, in this example, is located in an established FAV/WR double-cropping region. The producer planted 100.00 acres of spring wheat that failed. After the spring wheat failed, the producer planted and harvested 100.00 acres of tomatoes on the failed spring wheat acreage.

Because this farm is enrolled in ARC-IC, the payment acres are 65.00 acres (100.00 base acres x 65 percent). The farm’s nonpayment acres are 35.00 acres (100.00 effective DCP cropland acres – 65.00 payment acres = 35.00 acres).

In this example, 100.00 acres of tomatoes will count as FAV/WR, because COC determined that spring wheat could **not** be harvested for grain followed by tomatoes in a double-cropping situation within a 12-month period, and again during the immediately succeeding 12-month period, under normal growing conditions. COC will apply an acre-for-acre payment reduction of 65.00 acres, according to 4-CP (100.00 acres of FAV/WR – 35.00 nonpayment acres = 65.00 acres).--\*

**\*--292 Examples of Double-Cropping Region Exception (Continued)**

**F Example 6**

The following farm data applies to this double-cropping example:

- 100.00 acres of effective DCP cropland
- zero double-cropped acres on farm according to Farm Records
- 100.00 base acres for wheat
- 100.00 acres of total base
- base acres are enrolled in ARC-CO.

The farm, in this example, is administratively located in an established FAV/WR double-cropping region and all covered commodities are enrolled in ARC-CO. COC determined that both commodities (wheat followed by carrots) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

Wheat Base Acres

100.00 acres prevented planted wheat followed by 100.00 acres carrots harvested

In this example, the producer submitted a request for prevented planted acreage credit for 100.00 acres of wheat according to this paragraph. COC approved the notice of loss for 100.00 acres of prevented planted wheat, and the farm maintained eligibility for the FAV/WR double-cropping exception.

The harvesting of 100.00 acres of carrots, in this example, will **not** result in a payment reduction because all of the following are met:

- the farm is administratively located in an established FAV/WR double-cropping region
- COC approved the notice of loss for prevented planted acreage credit for the farm to maintain eligibility for the FAV/WR double-cropping exception
- COC determined that both commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period, under normal growing conditions.

ARC-CO payments are unaffected.--\*

**\*--293 National Environmental Policy Act (NEPA) Requirements****A Background**

NEPA of 1969 requires that Federal agencies must consider all potential environmental impacts before implementing activities that have the potential to significantly impact the human environment; all environmental processes must be fully completed before an action can be approved; and agencies must consult with and obtain comments from Federal agencies that manage or have expertise about resources that are potentially affected. FSA's environmental compliance program mission is to use all practicable means to ensure FSA compliance with all applicable environmental laws, regulations, and procedures. FSA uses an environmental review process to determine the appropriate level of NEPA analysis and documentation required.

**B Programmatic Determination of Environment Compliance**

The environmental impacts of ARC and PLC have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321-4347), the regulations of the Council on Environmental Quality (40 CFR Parts 1500-1508), and FSA regulations for compliance with NEPA (7 CFR Part 799). 7 CFR Part 1412 implements primarily mandatory changes required by the 2018 Farm Bill; the discretionary aspects are limited to eligibility requirements, enrollment procedures, and payment calculations. ARC and PLC provide income support to eligible producers. The discretionary provisions would not alter any environmental impacts resulting from implementing the mandatory changes to ARC and PLC. Accordingly, these discretionary aspects are covered by the following Categorical Exclusion, found at 7 CFR 799.31(b)(6)(vi) Safety net programs administered by FSA, and no Extraordinary Circumstances (§799.33) exist. Therefore, as 7 CFR Part 1412 presents only discretionary clarifications of mandatory requirements that will not have an impact to the human environment, individually or cumulatively, FSA will not prepare an environmental assessment or environmental impact statement for this regulatory action; this rule serves as documentation of the programmatic environmental compliance decision for this federal action.

**C Programmatic FSA-850**

The FSA-850 is not required because of the reasons above. County Offices are **not** required to obtain or file a copy of FSA-850 in each farm folder or farm eligibility folder.--\*

**294-304 (Reserved)**



**\*--Section 2 Producer Eligibility****305 General Information****A Eligible Producer**

Producers eligible to enter into ARC-CO and PLC contract or ARC-IC contract are:

- an owner of a farm who has a share of contract acreage and assumes all or part of the risk of producing a crop on base acres
- a producer, other than an owner, on base acres with a share- or cash-rent lease for the crop year covered by the FY contract.

**Important:** A producer on a farm with an interest in only nonbase acres is **not** eligible to enter into ARC-CO and PLC contract or ARC-IC contract on that farm.

The amount of nonbase acres available to be planted to FAV/WR without resulting in a payment reduction may be reduced when there is a producer on a farm with interest in only nonbase acres. See:

- paragraph 289 for examples
- 4-CP to calculate nonbase acres on a farm available to be planted to FAV/WR without resulting in a payment reduction.

Only producers who sign CCC-862 or CCC-866 can be considered to have applied for an ARC and PLC Program payment. Producers who have a reported share of a covered commodity reported on FSA-578, but who may **not** have signed CCC-862 or CCC-866, are **not** eligible for any ARC and PLC Program payments **unless** CCC-862 or CCC-866 is signed.--\*

**\*--305 General Information (Continued)****B Terms of Enrollment**

Producers who participate in the ARC and PLC Program **must** fully comply with the terms and conditions of ARC-CO and PLC contract or ARC-IC contract, and in return will be eligible to receive ARC or PLC payments, if applicable.

**C Producer Agreement to Program Requirements**

Before producers on a farm may receive ARC and PLC Program payments, with respect to the farm, the producers will agree, during the crop year for which payments are made and in exchange for the payments, to:

- maintain compliance with HELC and/ or WC provisions on all their land
- use acreage equal to the base acres for an agricultural or conserving use
- **not** plant perennial FAV's or harvest annual FAV's (other than lentils, mung beans, and dry peas) or harvest wild rice on payment acres

**Note:** See paragraph 290 for exceptions to FAV/WR planting limitations.

- timely submit a report of all cropland acreage on the farm on an annual basis
- if participating in ARC-IC, satisfy production and reporting requirements according to Part 2 and a forthcoming amendment to this handbook, as applicable.--\*

**\*--306 Payment Limitation and AGI**

**A Payment Limitations**

The ARC and PLC Program is subject to a \$125,000 payment limitation. This limitation will include all payments received **directly** or **indirectly** per person or legal entity for all covered commodities **except** peanuts.

A separate payment limitation of \$125,000 is provided for payments received **directly** or **indirectly** for peanuts **only**.

**B AGI**

See 5-PL for AGI provisions.--\*

**\*--307 Commodities Grown Under Contract on Base Acres**

**A Background**

In recent years, the number and kinds of commercial grower contracts have increased. These contracts differ greatly in the amount of risk borne by the company and the grower.

Under commercial grower contracts, any of the following may occur:

- the grower has no share of the crop, but may have risk

**Note:** The grower in this instance is actually an independent contractor or custom farmer for the company.

- both the company and grower share in the crop and in the risk of producing the crops
- only the grower shares in the crop and in the risk of producing the crops.

**Note:** This paragraph does **not** apply to hybrid seed contracts.--\*

**\*--307 Commodities Grown Under Contract on Base Acres (Continued)**

**B Eligibility for Payments**

The following provides guidance for determining eligibility for payments when crops under a commercial grower contract are produced on base acres.

<b>IF the grower has...</b>	<b>THEN, if otherwise eligible, the grower is...</b>
a share of the crop and has all or some of the risk in producing the crop or crops grown on base acres	eligible to receive all of an ARC or PLC payment on base acres.
no share of the crop under the grower contract but may have some or none of the risk in producing a crop that is grown on base acres	<b>not</b> eligible to receive an ARC or PLC payment for base acres, because the grower does <b>not</b> meet the definition of a producer on base acres.
a share of the crop under the grower contract and also some, but <b>not</b> all of the risk in producing a crop that is grown on base acres	<ul style="list-style-type: none"> <li>• eligible to receive a portion of an ARC or PLC payment</li> <li>• <b>not</b> eligible to receive the entire ARC or PLC payment for base acres.</li> </ul>

**Note:** Growers who have no share of a crop grown on base acres are always ineligible for payments on those acres, regardless of risk.

**C COC Review of Commercial Grower Contracts**

COC will:

- determine:
  - whether the signatories to a commercial grower contract meet the definition of producer provided in Exhibit 2 and 7 CFR Part 1412
  - whether a crop that is subject to a commercial grower contract is grown on base acres
  - who shares in the crop and in the risk of producing a crop that is subject to a commercial grower contract and grown on base acres
  - ensure that the payment shares on CCC-861 or CCC-862 are fair and equitable considering the grower’s actual crop share and risk in producing the crop.

**Note:** In determining whether a grower of hybrid seed is a producer, COC will **not** take into consideration the existence of a hybrid seed contract.--\*

**\*--307 Commodities Grown Under Contract on Base Acres (Continued)****D COC Approval of Payment Shares**

COC will approve the ARC and PLC Program payment shares if all other eligibility requirements are met and both of the following apply:

- producers with a designated payment share meet the definition of producer on all of base acres on the farm that payment is being requested
- payment shares are established according to this paragraph and criteria in a forthcoming amendment to this handbook.

**Notes:** All producers on the farm **must** sign CCC-862 or CCC-866 designating payment shares to be eligible for payment. Producers who do **not** sign CCC-862 or CCC-866 will be ineligible for payment for their share of CCC-862 or CCC-866.

If after filing FSA-578 it is determined that producers who do **not** appear on CCC-862 or CCC-866 have certified to having a share interest in a covered commodity, those producers **must** sign CCC-862 or CCC-866 for their share of that covered commodity to be eligible for payment consideration. If the producer does **not** sign CCC-862 or CCC-866, then that share interest will **not** be paid to anyone.

Farm enrolled in ARC-IC will have payment shares determined based on FSA-578; therefore, it is important that producers understand the importance of enrolling their interest in covered commodities planted on farms.--\*

**\*--308 Handling Minor Children and Bankruptcies**

**A Eligibility of Minor Child**

A minor is eligible to participate in the ARC and PLC Programs. Follow 1-CM for policy about signatures of minors.

**B If Bankruptcy Occurs Before ARC-CO and PLC Contract or ARC-IC Contract Approval**

COC will follow this table when a producer files for bankruptcy **before** ARC-CO and PLC contract or ARC-IC contract approval.

Step	Action
1	Contact the OGC regional attorney through the State Office for guidance.
2	Approve CCC-862 or CCC-866 if <b>both</b> of the following apply: <ul style="list-style-type: none"> <li>• OGC regional attorney authorizes CCC-862 or CCC-866 approval</li> <li>• producer submitted CCC-862 or CCC-866 by enrollment deadline.</li> </ul>
3	See 1-CM for producer signature requirements.

**C If Bankruptcy Occurs After ARC-CO and PLC Contract and ARC-IC Contract Approval**

When bankruptcy occurs after CCC-862 or CCC-866 approval, contact the OGC regional attorney through the State Office for instructions and guidance.--\*

**\*--309 Federal and State Agencies**

**A Eligibility of Federal Agencies**

With the exception of BIA, Federal Agencies are **ineligible** for payments. Other eligible producers on the farm may receive payments.

BIA may accept ARC and PLC Program payments for eligible producers on tribal and allotted land.

**B Eligibility of State Agencies**

See 5-PL for the eligibility of State agencies.---\*

**\*--310 FSA Determination Appeals and Responses to Inquiries About Payment Eligibility Under CCC-862 or CCC-866**

**A Background**

After all contract program requirements are met and satisfied for a farm, contract, and producers enrolled under CCC-862 or CCC-866, final ARCPLC payments will be made on or after October 1 of the following year of the crop year, once the marketing year average price has been determined (and actual yield data has been received) for crops. For example:

- 2019 ARCPLC payments determined payable will issue sometime after October 1, 2020
- 2020 ARCPLC payment determined payable will issue sometime after October 1, 2021.

A program determination issued to a producer on whether or not the producer is individually ineligible or has failed to satisfy the eligibility or compliance requirements, or aspects of the program that is based on facts arising from that producer or individual farm or contract, can be appealed according to subparagraph B.

However, the conduct of a program and ultimate payment triggers for a covered commodity or county under ARCPLC is not an individual farm, or producer, or contract program determination. Under ARCPLC, some covered commodities and counties will trigger payment eligibility based on national average payment prices or revenue shortfalls without any regard to the farm's or contract's own facts. FSA will respond to inquiries received from producers about those aspects of the program according to subparagraph C.

**B Producer Rights on Producer Determinations**

Participants have the right to appeal FSA program decisions that were issued based on facts arising from their farm or contract.

Follow 1-APP for guidance on administrative appeal policy for adverse decisions issued to program participants.

**C Responding to Questions About Program Aspects That are Not Individual Farm or Producer Determinations**

FSA determinations of whether or not a covered commodity or county triggers payment eligibility for PLC or ARC-CO are not based on facts arising from an individual producer's farm and contract. While FSA may publicize information relative to crops and counties that have triggered payment eligibility, FSA does not issue program decisions to individual producers that a crop or county have not triggered payment eligibility.--\*

**\*--310 FSA Determination Appeals and Responses to Inquiries About Payment Eligibility Under CCC-862 or CCC-866 (Continued)**

**C Responding to Questions About Program Aspects That are Not Individual Farm or Producer Determinations (Continued)**

Offices will **not** provide appeal or appealability review rights when there is no program determination issued for an individual farm or producer by FSA.

If anyone questions why a county or crop has triggered payment eligibility, offices will respond by using the following language. If the inquiry is made in writing, the response must be in writing.

Dear \_\_\_\_\_:

This is in response to your inquiry why certain covered commodities or counties triggered Agriculture Risk Coverage – County (ARC-CO) or Price Loss Coverage (PLC) payment eligibility while others did not. Specifically, you questioned why other covered commodities or counties (or your county or covered commodity) likewise did not trigger payment eligibility, or you questioned the rate that was used to issue the payment.

PLC payments are triggered based on whether the national market year average price for a covered commodity in a marketing year was below the reference price set by law.

ARC-CO payments are triggered at the county level based on a determination of revenue loss stemming from falling prices (whether the national market year average price for a covered commodity has fallen) as well as differences in county yields (benchmark, actual, or both). Differences in whether or not a covered commodity triggers payment eligibility or the payment rate for that triggered covered commodity occur largely due to impact of year-specific weather, as well as climatic considerations, on yields.

It may be difficult to understand why a covered commodity may trigger payment eligibility differently for each covered commodity under PLC or why covered commodities and counties trigger differently under ARC-CO. However, this outcome was expected under the program.

Thank you for your inquiry.

Sincerely,

CED

--\*

## 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 (HELIC) and Wetland Conservation (WC) Certification (Includes Form AD-1026 Appendix)		4, 216, 285
AD-1153	Application for Long-Term Contracted Assistance Through the _____ Program		282, 283
CCC-505	Voluntary Permanent Base Acre Reduction		Text
CCC-509	Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		237, 240
CCC-510	Cash Rent Certification Statement		237, 240
CCC-517	Tract Redistribution Form		21, 22
CCC-658 <u>1</u> /	EFP Worksheet for Changes in Livestock Feed Numbers, Feed Loss, and Feed Available		81, 88
CCC-855	Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (LFP) Lease Agreement Certification Statement		237, 240
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		237, 240, 282, 289, 307
CCC-862	Agricultural Risk Coverage - Individual Option (ARC-IC) Contract	188	Text
CCC-862 and CCC-866 Appendix	Appendix to CCC-862, Agricultural Risk Coverage With Individual Option (ARC-IC) Program Contract and CCC-866, Price Loss Coverage (PLC) and Agricultural Risk Coverage With County Option (ARC-CO) Program Contract	242	Part 8
CCC-863	Agriculture Risk Coverage- - Individual (ARC-IC) Yield Certification		65, 81, 88
CCC-866	Agricultural Risk Coverage – County Option (ARC-CO) and Price Loss Coverage (PLC) Election and Contract	189	Text
CCC-866-1	Election for Base Acres Returned to the Farm	42	42
CCC-867	Yield Update For the Price Loss Coverage (PLC) Program.	89	65, 66, 86, 88, 89

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

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		1, 216
CCC-903	Worksheet For Payment Eligibility and Payment Limitation Determinations		216
CCC-920	Grassland Reserve Program Contract		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		237, 240
CRP-1	Conservation Reserve Program Contract		Text
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		281
FSA-155	Request for Farm Reconstitution		206, 218
FSA-156EZ	Abbreviated 156 Farm Record		282, 283
FSA-179	Transfer of Farm Records Between Counties		206, 218
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
FSA-658	Record of Production and Yield		88
FSA-850	Environmental Screening Worksheet		293

1/ These forms are obsolete.

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

Abbreviations Not Listed in 1-CM

Approved Abbreviations	Term	Reference
2002 Farm Bill	Farm Security and Rural Investment Act of 2002	64,
2008 Farm Bill	Food, Conservation, and Energy Act of 2008 (Pub. L. 110 246)	1, 5, 64, 136
2014 Farm Bill	Agricultural Act of 2014, Title 1 (Pub. L. 113-79)	Text
2018 Farm Bill	Agriculture Improvement Act of 2018 (Pub. L. 115-334)	Text
ACEP	Agricultural Conservation Easement Program	282
ARC	agriculture risk coverage	Text
ARC-CO	agriculture risk coverage – county	Text
ARC-IC	agriculture risk coverage – individual	Text
CC	counter-cyclical	Text
CIMS	Comprehensive Information Management System	66, 88
CTAP	Cotton Transition Assistance Program	22, 64
FRMS	Farm Records Management System	Text
HIP	historical irrigated percentage	206
MYA	marketing year average	1, 5, Ex. 2
PFC	production flexibility contract	41, 207
PLC	price loss coverage	Text
WRE	Wetland Reserve Easements	Text

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

**Redelegations of Authority**

COC may redelegate authority to approve CCC-505's, CCC-862's and CCC-866's to CED, in routine cases. Redlegation must be documented in COC minutes.

**Note:** Redlegation to CED from COC for the approval of a contract subject to the 2018 Farm Bill ARC and PLC (approving a 2019 and/or 2020 CCC-862 and/or CCC-866) must be recorded in the minutes at the next COC meeting. This delegation may be retroactive for calendar year 2019.

SED's are delegated the authority to approve programmatic relief when one or more producers on a farm do not have control of adequate DCP cropland to support the requested payment share of base acres on enrolled ARC/PLC farms.

## Definitions of Terms Used in This Handbook

### Base Acres

\*--[7 CFR 1412.3] **Base acres** means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. The term “base acres” includes any unassigned base acres.--\*

\* \* \*

### Cash Lease

Cash lease means a guaranteed sum, certain cash payment, or fixed quantity of the crop.

### \*--Covered Commodity

[7 CFR 1412.3] **Covered commodity** means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, seed cotton, pulse crops, soybeans, other oilseeds, and peanuts.

### Double Cropping

[7 CFR 1412.3] **Double-cropping** means for covered commodities, notwithstanding the meaning in subparts D and E of this part for fruits and vegetables, the planting of a covered commodity for harvest in a crop year, in cycle with another covered commodity on the same acres for harvest in the same crop year in counties that have been determined to be areas where there is determined to be substantial, successful, and long-term double cropping of the crop and where the producer has followed customary production techniques and planting deadlines as determined by FSA (that is, using techniques and deadlines used by the majority of farmers in the region to double crop the particular crops involved). In a county determined capable of supporting such double-cropping of the covered commodities, as determined by FSA, both an initial crop and a subsequent crop will be considered planted or prevented planted acres for the purpose of this part. Notwithstanding any of the provisions of 7 CFR part 718, in those instances where the subsequently planted or approved prevented planted covered commodity cannot be recognized as double-cropped acreage under this definition, the subsequently planted crop acreage will not be considered planted or prevented planted.--\*

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

### \*--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.--\*

### 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.

### \*--Payment Acres

[7 CFR 1412.3] Payment acres means:

(1) For the purpose of ARC-CO and PLC, subject to planting flexibility provisions as specified §1412.46, the payment acres for each covered commodity on a farm will be equal to 85 percent of the covered commodity's base acres on the farm.

(2) For the purpose of ARC-IC, subject to planting flexibility provisions as specified in §1412.46, the payment acres for a farm will be equal to 65 percent of all the covered commodity base acres 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.

### \*--Prevented Planting

Prevented planting means the inability to plant crop acreage with proper equipment during the established planting period for the crop. A producer **must** be able to prove, to COC's satisfaction, that the:

- producer intended to plant the eligible crop acreage
- eligible crop acreage could **not** be planted because of a natural disaster or a quarantine imposed by a State or local agency.--\*

**Definitions of Terms Used in This Handbook (Continued)****\*--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.--\*

**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.

**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.



\*--List of FAV's

The following crops are FAV's.

**Note:** The list may **not** be all inclusive.

acerola ("Barbados cherry")	cherimoyas ("sugar apples")
antidesma	canary melon
apples	cantaloupes
apricots	cardoon
arugula	casaba melon
aronia (chokeberry)	cassava
artichokes	cherries
asparagus	Chinese bitter melon
atemoya ("custard apple")	Chinese mustard
avocados	chicory
babaco papayas	Chinese cabbage
bananas	Chinese water chestnuts
beans ( <b>except</b> adzuki, faba/fava, lupin, mung, and soybeans)	chufes
beets (other than sugar)	citron
blackberries	citron melon
black-eyed peas	coffee
blueberries	collards
bok spare choy	cowpeas
boysenberries	crabapples
breadfruit	cranberries
broccoflower	cressie greens
broccolo-cavalo	crenshaw melons
broccoli	cucumbers
Brussel sprouts	currants
cabbage	cushaw
cailang	daikon
caimito	dasheen
calabaza	dates
carambola ("star fruit")	dry edible beans
calaboose	dunga
carob	eggplant
carrots	elderberries elut
cascadeberries	endive
cauliflower	escarole
celeriac	etou
celery	feijoas
chayote	figs

--\*

\*--List of FAV's (Continued)

gai lien	mongosteen
gailon	moqua
galanga	mulberries
genip	murcotts
gooseberries	mushrooms
grapefruit	mustard greens
grapes	nectarines
guambana	nuts (except peanuts)
guavas	ny Yu
guy choy	okra
honeydew melon	olallieberries
huckleberries	olives
jackfruit	onions
Jerusalem artichokes	opo
jicama	oranges
jojoba	papaya
kale	paprika
kenya	parsnip
kiwifruit	passion fruits
kohlrabi	peaches
kumquats	pears
leeks	peas ( <b>except</b> Austrian, green, Umatilla, wrinkled, and yellow)
lemons	all peppers
lettuce	persimmon
limequats	Persian melon
limes	pimentos
lobok	pineapple
loganberries	pistachios
longon	plantain
loquats	plumcots
lotus root	plums
lychee ("litchi")	pomegranates
mandarins	potatoes
mangos	prunes
marionberries	pummelo
mar bub	pumpkins
melongene	quinces
mesple	radicchio
mizuna	radishes

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\*--List of FAV's (Continued)

raisins	Swiss chard
raisins (distilling)	sweet corn
rambutan	sweet potatoes
rape greens	tangelos
rapini	tangerines
raspberries	tangos
recao	tangors
rhubarb	taniers
rutabaga	taro root
santa claus melon	tau chai
salsify	tindora
saodilla	tomatillos
sapote	tomatoes
savory	turnip greens
scallions	turnips
shallots	watercress
shiso	watermelons
spinach	white sapote
squash	yams
strawberries	yu choy
suk gat	

--\*

