

**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 10**

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



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 1 D has been amended to update handbook reference from 3-CM to 10-CM.

Subparagraph 2 C has been amended to include required reporting of reviews of “County Enrollment Aging Report” by SED.

Subparagraph 3 A has been amended to include required monthly reviews of “County Enrollment Aging Report” by DD.

Subparagraph 4 B has been amended to include required monthly review of “County Enrollment Aging Report” by CED.

Subparagraph 6 G has been amended to update sequestration rates for 2021 through 2030.

Subparagraph 9 B has been amended to clarify withdrawal policy for ARCPLC contracts.

Paragraph 10 has been added to provide the history of base acres and farm program yields.

Subparagraph 62 D has been amended to include clarification on 2021 contract signature requirements when PLC yield updates were not completed in CRM timely.

Subparagraph 88 D has been amended to correct and clarify ARC-IC yield reviews.

Subparagraph 138 F has been amended to remove specific file names.

Subparagraph 251 A has been amended to remove base restorations.

Subparagraph 282 B has been amended to add pads for wind turbines as nonagricultural land.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Exhibit 16 has been amended to correct instructions on completing CCC-863.

Exhibit 17 has been amended to include additional producer notification letters.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	1-3, 1-4 1-5 through 1-8 1-11, 1-12 1-19, 1-20 1-23, 1-24 1-25 through 1-28 (add) 3-5, 3-6 3-73, 3-74 3-89, 3-90 5-129, 5-130 8-137, 8-138 9-3, 9-4	16, pages 1, 2 17, pages 3 through 6

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
- \*--10-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.--\***

## 2 DAFP, STC, and SED Responsibilities

### A DAFP Responsibilities

DAFP will:

- issue internal operating guidelines and procedure to conduct the ARC and PLC Program and determine matters of general applicability
- determine any question arising under the ARC and PLC Program and may reverse or modify or require a STC or COC or other FSA official to reverse or modify any program decision determined to be inconsistent with regulations or this handbook
- establish deadlines **not** otherwise prescribed by statute or regulation
- at DAFP's sole discretion, determine if equitable relief or ARC and PLC Program exceptions are warranted
- choose whether to exercise discretion to waive or modify nonstatutory ARC and PLC Program deadlines
- respond to State Office requests for ARC and PLC Program guidance, requests for waivers, or requests for application of equitable relief or finality, as applicable.

### B STC Responsibilities

STC will:

- direct administration of ARC and PLC
- ensure that State and County Offices follow ARC and PLC provisions
- require reviews at any time to ensure County Offices comply with requirements established by the National Office
- thoroughly document all actions and decisions in STC minutes
- handle appeals according to 1-APP.

**2 DAFP, STC, and SED Responsibilities (Continued)**

**C SED Responsibilities**

SED will:

- direct the administration of ARC and PLC
- ensure that State and County Offices follow ARC and PLC regulations and provisions
- ensure that County Office employees and COC's are adequately trained
- require County Offices to publicize ARC and PLC Program information and deadlines
- thoroughly document all STC actions and decisions in STC minutes
- make 7-CP determinations as necessary and as authorized
- ensure that County Offices adequately publicize ARC and PLC Program information by efficient means
- handle appeals and requests for appealability according to 1-APP
- \*--certify to the National Office on the ARCPLC SharePoint that reviews of the "County Enrollment Aging Report" are complete and finalized by September 1 each year.--\*

### 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 ARC/PLC "County Enrollment Aging Report" and taken action or document reasons why action was not taken monthly
- ensure the County Office has reviewed the report in CCMS "Contracts that Expired on Sept. 30" 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)

### A COC Responsibilities (Continued)

- document producer ARC and PLC Program decisions and appeals in COC minutes and the producer's farm file, including referencing program procedure and all factors relevant to decisions
- notify producers of eligibility and extent of eligibility decisions in writing and, if an adverse decision is made, issue the decision in writing and afford applicable administrative rights of review according to 1-APP
- in questionable cases, determine that a producer has the right and authority to participate in ARC or PLC on a farm in question. COCs may request supporting documentation, such as a lease, to support a producer's claimed share of base acres on a farm
- elect whether or **not** to redelegate authority to CED to approve ARC and PLC Program documents and contracts in routine cases.

**Notes:** Routine cases include approval of successor-in-interest cases \* \* \*.

If redelegation is approved:

- CED's authority to act is the same as COC's authority
- the redelegation **must** be recorded in COC minutes
- any CED approved applications under the redelegated authority **must** be recorded in COC minutes as actions taken between COC meetings.

\*--Delegation will not include the authority to act on late-filed contacts.--\*

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

##### B CED Responsibilities

CED will:

- ensure that County Office employees are trained and familiar with the provisions of this handbook and the ARC and PLC Program
- make certain that the provisions of this handbook are followed
- publicize ARC and PLC Program information and deadlines for the COC consistent with COC responsibilities
- immediately notify SED through DD and State Office of ARC and PLC Program administration problems including but **not** limited to software problems
- if redelegated authority by COC, act on completed applications and record actions taken under delegation in COC minutes
- \*--review the report “County Enrollment Aging Report” monthly and act on completed contracts according to subparagraph 246 A, or document on the report why action is not taken--\*
- review the report “Producers with Base Acres interest Greater than Reported Interest” prior to the end of the contract period
- **not** take any action or authorize taking any action that is **not** consistent with this handbook or ARC and PLC Program regulations
- respond to questions from producers, employees, and committee members regarding details of the ARC and PLC Program
- report to SED and the State Office program specialists, through DD, discrepancies and problems
- notify producers of determinations and handle appeals according to 1-APP.

## 6 Payments and Limitations (Continued)

### C Final ARC and PLC Payments

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

### D Payment Limitations

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

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

**(b) For all covered commodities other than peanuts, the total amount of ARCPLC payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year cannot exceed \$125,000.**

**(c) For peanuts, the total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year cannot exceed \$125,000.**

### E 10-Acre Rule Provision

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

The 10-acre provision also does not apply if the sum of the base acres on the farm, when combined with the base acres of other farms in which the producer has an enrolled producer share interest greater than zero, is more than 10 acres.

6 **Payments and Limitations (Continued)**

**F Refunds of Unearned Payments**

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

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

**G Sequestration Reduction**

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

\*--For ARC and PLC payments for 2019 and previous years, a sequestration percentage will--\* be applied to the payment amount determined after all reductions have been applied, including payment limitation provisions. The sequestration amount is reduced from the determined payment amount for the producer receiving the payment as the last step before sending the payment information to NPS. The sequestered amount is applied to the producer receiving the payment after payments have been attributed for payment limitation purposes.

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

\*--For 2020 and subsequent years, a sequestration percentage will be applied to the payment amount determined before any reductions have been applied, including payment limitation provisions. The sequestration amount is reduced from the gross payment amount for the producer receiving the payment as the first step followed by any additional reductions, including payment limitation.

**Example:** Corporation A, an entity receiving a payment on FSN 1, had a PLC payment that computed to \$147,000. The payment was sequestered at 5.9 percent making it \$138,327. Payment limitation is applied and the payment that Corporation A received was \$125,000.--\*

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

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<b>FOR contracts approved in FY...</b>	<b>THE sequestration will be...</b>
2019	6.2 %
2020	5.9 %
2021 through 2030	5.7 %

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## 8 Eligible Producers

### A Background

The 2014 Farm Bill authorizes the Secretary to issue ARCPLC payments to eligible producers. A producer is defined by law as “an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced.” The 2014 Farm Bill further requires the Secretary to “provide for the sharing of payments among the producers on a farm on a fair and equitable basis.”

### B Individuals and Legal Entities Who Are Producers Eligible for Payment

The following individuals and legal entities may share in ARCPLC payments if the individual or legal entity is entitled to an ownership share of agricultural commodity or conserving use and is:

- an owner on an eligible farm who assumes all or part of the risk of producing a crop on base acres (if participating in PLC or ARC-CO) or who assumes all or part of producing covered commodities planted on the farm (if participating in ARC-IC)
- a producer, other than an owner, on an eligible farm with a share-rent arrangement or cash-lease agreement.

**Note:** An owner whose only interest is that the owner cash leases land to another is **not** a producer on that land and, therefore, is ineligible to share in ARCPLC payments for this land.

### C Loss of Interest in Base Acres on a Farm

If a producer loses interest in the base acres on a farm, for ARC-CO, PLC, or planted acres on ARC-IC, the producer is **not** eligible to retain ARCPLC payments for those acres. Any payments issued to that producer or that were received by the producer on the acreage **must** be immediately refunded as required by paragraph 6.

**9 General Signature Requirements and Withdrawing or Terminating CCC-866, ARC-CO and PLC Contract and CCC-862, ARC-IC Contract**

**A Common Management Provisions**

Follow 1-CM for policy concerning signatures.

**\*--B Withdrawing CCC-862, ARC-IC Contracts, CCC-866, ARC-CO, and PLC Contracts**

**[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.**

Contract withdrawal requests must be reviewed and documented in the COC Executive Minutes.--\*

**C Terminating CCC-862, ARC-IC Contract and CCC-866, ARC-CO and PLC Contract**

CCC-862 or CCC-866 will be terminated if there is a transfer or change in the interest of any producer or change in any of the base acres on the farm occurring by:

- September 30, 2020, for each of the 2019 and 2020 program years
- September 30 of the program year for each of the 2021 and subsequent program years.

CCC-862 or CCC-866 may be canceled for violations and other reasons.

\*--10 History of Base Acres and Farm Program Yields

A History of Base Acres

The following chart details the history of how each farm bill affected base acres.

Farm Bill	Name of Record/Program	Years	Calculation Method
Agriculture and Food Act of 1981	CAB (crop acreage base)  Payment-in-Kind (PIK)	1982, 1983	Larger of: <ul style="list-style-type: none"> <li>• 1981 P&amp;CP</li> <li>• 1980 and 1981 average P&amp;CP.</li> </ul>
		1984	Average of 1982 and 1983 P&CP.
		1985	Average of 1983 and 1984 P&CP.
Food Security Act of 1985	CAB (crop acreage base)  Acreage Reduction Program	1986	Average of 1981-1985 P&CP (except cotton and rice – 3 years).
Food Security Act of 1985 and Food, Agriculture, Conservation and Trade Act of 1990	CAB (crop acreage base)  Acreage Reduction Program	1987-1995	Average of 1981-1985 P&CP (except cotton and rice – 3 years).
Federal Agriculture Improvement and Reform Act of 1996	Contract Acres  Production Flexibility Contracts	1996-2002	Used 1995 base acres.
Farm Security and Rural Investment Act of 2002	Base Acres  Direct and Counter-cyclical Program	2002-2008	Added oilseed crops using 1998-2001 P&CP.  Updated base acres using 5 options: <ol style="list-style-type: none"> <li>1. retain 2002 contract acres as base acres;</li> <li>2. retain 2002 contract acres as base acres and add minimum oilseeds;</li> <li>3. retain 2002 contract acres as base acres and add maximum oilseeds;</li> <li>4. full update – recompute based on 1998-2001 P&amp;CP;</li> <li>5. retain 2002 contract acres but add oilseeds with a partial PFC offset.</li> </ol>

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\*--10 History of Base Acres and Farm Program Yields (Continued)

A History of Base Acres (Continued)

Farm Bill	Name of Record/Program	Years	Calculation Method
Food, Conservation, and Energy Act of 2008  P.L. 112-240 extended the 2008 Farm Bill through 2013	Base Acres  Direct and Counter-cyclical Program	2008-2012 2013	Added pulse crops using 1998-2001 P&CP.  Other crops used 2008 base acres.
	Average Crop Revenue Election (ACRE) Program	2009-2013	
Agricultural Act of 2014	Base Acres  ARCPLC	2014-2018	Two options: <ul style="list-style-type: none"> <li>• retain base acres</li> <li>• reallocate base acres using 2009-2012 P&amp;CP.</li> </ul> Upland cotton removed as a covered commodity and replaced with generic base acres.
Bipartisan Budget Act of 2018	Base Acres – Affected Generic Base Acres Only  ARCPLC	2018	Added seed cotton as a covered commodity. Converted generic base acres to seed cotton base acres and/or other covered commodities. Two methods: <ul style="list-style-type: none"> <li>• update generic base acres to seed cotton base acres from 80 to 100%</li> <li>• allocate generic base acres using 2009-2012 P&amp;CP.</li> </ul>
Agricultural Improvement Act of 2018	Base Acres	2019-2023	No change.

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\*--10 History of Base Acres and Farm Program Yields (Continued)

**B History of Farm Program Yields**

The following chart details the history of how each farm bill affected farm program yields.

Farm Bill	Years	Calculation Method
Agriculture and Food Act of 1981	1981-1985	Program crop yields were: <ul style="list-style-type: none"> <li>• first established by COC or CMC (ASCS/FSA previously had community committees) using similar farms and land productivity, etc.</li> <li>• adjusted annually up or down based on NASS yield data from 10 previous years using a State and County Yield factor</li> <li>• proven yields (PY) allowed to increase the yield over the COC set yield</li> <li>• allowed each year until 1985</li> <li>• 1983-1985 PY used the previous 5-year yield data to get an average yield</li> <li>• 1985 PY based on 1980-84 yield data.</li> </ul>
Food Security Act of 1985 and Food, Agriculture, Conservation and Trade Act of 1990	1986-1995	Farm Yield set as the 1981-1985 Olympic average of payment yield. PY not authorized. Farm yield is frozen at the 1986 level. Additional payment yield is authorized. Additional payment yield percentages: <ul style="list-style-type: none"> <li>• 1986 payment yield was the larger of the 1986 yield or 97% of the 1985 payment yield</li> <li>• 1987 payment yield was the larger of the 1986 yield or 95% of the 1985 payment yield</li> <li>• 1988-1995 payment yields were the larger of the 1986 yield or 90% of the 1985 payment yield.</li> </ul>
Federal Agriculture Improvement and Reform Act of 1996	1996-2002	Used 1995 payment yield, including the additional yield if applicable.

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## \*--10 History of Base Acres and Farm Program Yields (Continued)

## B History of Farm Program Yields (Continued)

Farm Bill	Years	Calculation Method
Farm Security and Rural Investment Act of 2002	2002-2007	<p>Established 2 payment yields:</p> <ul style="list-style-type: none"> <li>• direct</li> <li>• counter-cyclical (CC).</li> </ul> <p><b>2002 Direct Yield Computation:</b></p> <ul style="list-style-type: none"> <li>• historic base acre crops – 2002 crop yield</li> <li>• oilseeds – 1998-2001 average proven yield times historic yield factor.</li> </ul> <p>CC yield update (3 options):</p> <ol style="list-style-type: none"> <li>1. used the <b>2002 Direct Yield Computation</b> as calculation method for historic base acre crops and oilseed crops;</li> <li>2. 70% partial update of yield – 70% of the difference between the 1998-2001 yield and the direct payment yield (only if option 4 of the base acre update was taken);</li> <li>3. 93.5% partial update of yield – 93.5% of the 1998-2001 yield (only if option 4 of the base acre update was taken).</li> </ol>
Food, Conservation, and Energy Act of 2008  P.L. 112-240 extended the 2008 Farm Bill through 2013	2008-2013	<p>Retained the Direct and CC yields from 2008 Farm Bill.</p> <p>Established pulse crop yields (Direct and CC) using the <b>2002 Direct Yield Computation</b>.</p>
Agricultural Act of 2014	2014-2018	<p>Two yield update options:</p> <ol style="list-style-type: none"> <li>1. Retain the CC yield for the applicable crop</li> <li>2. Update the CC yield for the applicable crop with 90% of the 2008-2012 simple average yield, excluding years of zero plantings.</li> </ol>
Bipartisan Budget Act of 2018	2018	<p>For seed cotton only, convert the upland cotton CC yield to seed cotton lbs. by multiplying the CC yield by 2.4.</p> <p>Yield update allowed based on average yield between 2008-2012 multiplied by 90%.</p>
Agricultural Improvement Act of 2018	2019-2023	<p>For the 2020 crop year and forward, update the yield based on average yield between 2013-2017 multiplied by 90% multiplied by the factor determined by applicable covered commodity.</p>

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11-20 (Reserved)

**\*--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.

**\*--Note:** 2021 ARCPLC contracts that were initiated, enrolled, or approved before the yield update was loaded in CRM will not require a producer to re-sign or COC to complete a new approval of the contract.--\*

**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)**

**\*--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.

\*--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 **enrolled** in ARC-IC are subject to spot check, including producers on the 2019-2023 National Spot Check Review and subsequent year registers where farms are enrolled in ARC-IC for the applicable year.

Five percent of enrolled ARC-IC farms in the county are to be reviewed annually.

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

Selections may be made after October 1 of each year and the spot checks must be completed by September 30. Any yield, benchmark, or actual year provided for the selected farm that year will be reviewed during this process.

**Note:** The selection of farms will be from the previous year enrolled contracts. For example, 2021 reviews the 2020 yields, benchmark, and actual year yields.--\*



138 ARC-IC (Continued)

F ARC-IC Yield Certifications (Continued)

Producers on an ARC-IC enrolled farm **must** certify yields for all planted covered commodities to establish the benchmark and current year revenues.

**Note:** County Offices must follow Part 3 for certification of yields for covered commodities planted on farms enrolled into the ARC-IC program. The policy provides conversion factors for silage and/or hay production along with grazed acreage provisions for covered commodities planted on ARC-IC farms.

In the initial year that a covered commodity is planted on an ARC-IC enrolled farm, the participant is **required** to certify the yield for each year of the benchmark period and for the current year. In each subsequent year that the commodity is planted on the ARC-IC farm, the producer will be required to certify only the current year yield as the benchmark is already established.

To certify production for the benchmark yield, the following substitute/assigned yields may be used.

<b>IF the crop was...</b>	<b>THEN...</b>
planted in the benchmark year	the larger of the certified yield or 80 percent of T-yield is used.
<b>not</b> planted in the benchmark year	100 percent of the ARC-CO yield for each applicable year is used.
approved prevented planted in the benchmark year	100 percent of the specific covered commodity's ARC-CO yield for each applicable year is used.

The ARC-IC substitute/assigned yields and 80 percent of T-yield are found at  
 \*--[https://www.fsa.usda.gov/programs-and-services/arcplc\\_program/arcplc-program-data/index](https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index)--\*

\* \* \*

**Notes:** Substitute yields are not used for the actual year yield.

Substitute/assigned yields will be determined based on the administrative county of the land.

## 138 ARC-IC (Continued)

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

See:

- Exhibit 16 to complete CCC-863
- Exhibit 17 for an example letter requesting yield certifications from producers on ARC-IC farms.

Substitute/assigned yields must be available for all years in the benchmark period. If a substitute/assigned yield is not available, county offices must submit a request to the State Office Program Specialist that the yield be established by the STC.

**\*--G ARC-IC Yield Certification for Hybrid Seed or Popcorn**

Producers of hybrid seed and/or popcorn will follow paragraph 67 to convert:

- hybrid seed yields to commercial crop yields
- pounds of popcorn to bushels of commercial corn.

**Note:** For hybrid seed, when a method from subparagraph 67 B is selected, then that same method must be used for the benchmark and actual revenue calculations. Mixing methods is **not** allowed.--\*

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

Certifications for benchmark and actual year yields must be provided on the CCC-863 by July 15<sup>th</sup> of the subsequent crop year.

**Note:** For 2019, certification of benchmark and actual year yield deadline is July 15, 2020.

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

## 250 ARC and PLC Relief (Continued)

**B Determining the Need for Relief**

There **must** be a decision on an ARC and PLC program matter, eligibility, or extent of eligibility at issue **before** deciding whether there is cause to consider relief. Reviewing authorities will not contemplate relief for hypothetical situations.

**Examples:** If COC wants to seek relief for a late-filed contract, the late-filed CCC-862 or CCC-866 **must** first be completed, signed, and submitted to FSA for action **before** FSA can make a determination. Without CCC-862 or CCC-866 submitted timely or otherwise, a request for relief is hypothetical as to what FSA would do in the event there was a contract completed and submitted. In this instance, there is no FSA decision (or relief consideration) required or due.

Producer A visits the County Office in September 2020, asking the status of their 2019 contract enrollment on a farm. FSA PT finds that Producer A did **not** enroll the farm for 2019. Producer A wants to meet with COC to discuss why they should be allowed to enroll in 2019.

**Result:** Unless Producer A signs CCC-862 or CCC-866 for 2019, and that CCC-862 or CCC-866 is signed by **all** others who might share CCC-862 or CCC-866, Producer A is **not** entitled to either a decision on CCC-862 or CCC-866, or relief consideration. When Producer A submits CCC-862 or CCC-866 with all signatures, timely or **not**, FSA will process that CCC-862 or CCC-866 according to this handbook, which may or may **not** result in consideration of relief.

Relief is **not** intended to be used to review the equity of ARC and PLC program rules. When something **not** otherwise anticipated by prescribed program rules occurs, relief under 1 or more of the forms of relief (misinformation/misaction, failure to fully comply, or programmatic relief) may be considered by FSA or NAD.

## 251 Types of Relief That Are Applicable to the ARC and PLC Program

### A Availability

The following types of relief apply to the ARC and PLC program:

- finality
- programmatic equitable relief
- equitable relief from ineligibility, extent of eligibility, or noncompliance with program provisions under misinformation/misaction
- equitable relief from ineligibility, extent of eligibility, or noncompliance under failure to fully comply.

\* \* \*

### B Finality

Regulations governing finality (commonly known as the “finality rule”) are at 7 CFR 718.306. Instructions for finality are in 7-CP, Part 2.

Finality rule applicability may appear to have the same effect as relief; that is, under the finality rule a participant may be permitted to keep payments that were disbursed in error, through no fault of the participant. However, finality is **not** equitable relief.

The key test for application of finality is whether the participant (**not** FSA) had any reason to know the FSA decision was in error. Additionally, finality applies only to decisions of STC’s and COC’s, and employees of STC’s and COC’s. The finality rule does **not** apply to decisions by National Office employees, RMA, reinsured companies, or SED’s. Further, if it is applicable, the finality rule only pertains to whether or not FSA can recover an erroneous payment that was issued as a result of an erroneous decision. FSA will still correct incorrect decisions or errors and not affirmatively issue erroneous payments.

**\*--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> <li>•*--pad site for wind turbines.--*</li> </ul>
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**Note:** COC’s will submit questionable uses to DAFP, through the State Office, for determinations.

**CCC-863, Agriculture Risk Coverage – Individual (ARC-IC) Yield Certification**

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

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

**Note:** Producers are certifying to yields and are **not** required to submit production evidence when filing CCC-863. However, evidence to support certified yields may be required if the farm is selected for spot check.

**B Completing CCC-863**

Complete CCC-863 according to the following.

Item	Instructions
1	Enter program years for which CCC-863 is being used.  <b>Example:</b> For 2019, enter “2013-2017”.
2A	Enter FSA County Office name and address (optional).
2B and 2C	Enter FSA County Office telephone and/or FAX number (optional).
3 and 4	Enter State and county codes.
5	Enter FSN.
6	Complete this section to report yields at the <b>farm level</b> only in the years the covered commodity was planted in the benchmark years, and enter a yield for the current year.
6A	Enter covered commodity name that was planted in the current year on the farm.

CCC-863, Agriculture Risk Coverage – Individual (ARC-IC) Yield Certification (Continued)


B Completing CCC-863 (Continued)

Item	Instructions
6B	<p>Enter 1 of the following, as applicable:</p> <ul style="list-style-type: none"> <li>• enter the applicable year where production is being provided</li> <li>• certified yield for each year of the benchmark, for each of the covered commodities planted in the current year</li> </ul> <p>*--Notes: If the covered commodity was <b>not</b> planted for the particular year, <b>leave blank</b>.</p> <p>Enter “0” (zero) yield if the crop was planted and evidence is not available (missing or not determinable) to support a certified yield greater than zero.--*</p> <ul style="list-style-type: none"> <li>• certified yield for the prior crop year (optional)</li> <li>• certified actual yield for the actual year (current year) yield of the covered commodity planted.</li> </ul> <p>*--Notes: If production evidence is not available, do <b>not</b> load “0” (zero); follow paragraph 88.--*</p> <p>In the subsequent years, <b>only</b> the actual year yield of the covered commodity <b>must</b> be certified.</p>
8	Enter producer’s name and address.
9A	Producer completing CCC-863 must sign. Producer signing is responsible for providing the evidence on request.
9B	If individual signing in item 9A is signing in a representative capacity for the participant, a title and/or relationship will be entered. If the individual in item 9A is the signatory, then <b>no</b> entry is required.
9C	Enter the date the producer or person signing in a representative capacity completes CCC-863.
10A	CCC or representative signs after CCC or representative reviews certified yields.
10B	Enter the date CCC or representative signed CCC-863.



**Producer Notification Letters (Continued)**

\*--The following is an example of a letter to provide notice to the 2020 producer(s) on a farm that their enrollment could not be made until the 2019 producer(s) on the farm made an election.

 **United States Department of Agriculture**

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Date

Any Producer  
Any Address  
City, State XXXXX

Dear Producer:

On (insert applicable date) you attempted to enroll in the 2020 ARC/PLC program. On that date, FSA notified you that, because the 2019 election and enrollment had not occurred, you could not enroll this farm.

Because an election is required in 2019 by the 2019 producers on the farm, FSA cannot process your 2020 enrollment until the 2019 election occurs. If the 2019 election does not occur by March 15, 2020, then FSA will default the election to the election that was on the farm under the previous farm bill and you will be allowed to enroll.

As of this date, your farm is not enrolled. Before you can enroll for 2020, the 2019 election must be completed. 2020 enrollment must occur before June 30, 2020.

In order to expedite your 2020 enrollment, the farm owner(s) may encourage the 2019 producer(s) to complete the election process or, in the event you know who the 2019 producer(s) on the farm are, contact the 2019 producer(s) to complete the 2019 election on the farm.

FSA has no interest or obligation in ensuring that the 2019 producer(s) complete election. FSA can only assist 2019 and 2020 producer(s) with service when they contact FSA. FSA will not contact 2019 producer(s) separately to indicate the need to complete 2019 election on the farm or that the 2020 producer(s) attempted to enroll.

Sincerely,


CED Name  
Any County FSA

USDA is an equal opportunity provider, employer, and lender.

--\*

\*--Producer Notification Letters (Continued)

The following is an example of a notification letter used when base acres are restored to a farm for a new covered commodity and ARC-CO, PLC, or no election for that covered commodity currently exists on the farm.

	United States Department of Agriculture	Farm Production and Conservation	Farm Service Agency	Any State FSA Office 6789 Producer Rd. Anytown, AL 12345 Voice: 123-456-7890 FAX: 444-55-7890
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Date

Any Producer  
Address  
City, State xxxxx

Dear Producer

On (insert applicable date), your Conservation Reserve Program (CRP) contract (contract number) was (voluntarily terminated, early released, or expired). As a result, you have (XXX) base acres of (applicable crop) eligible to be restored to Farm (XX); these base acres were previously reduced for participation in CRP.

The restored base acres will be assigned a PLC yield equal to (enter either the yield for the crop when the base acres were reduced or the county average CC Yield, whichever is **higher**).

You have the opportunity to make a program election for (applicable crop) as a program election was not made for this crop during the election period. To make a program election, all current producers with interest in cropland must sign either the CCC-862 or CCC-866 agreeing to the program election no later than 30 calendar days from the date of this letter.

If all producers on the farm with interest in cropland on the farm fail to make a unanimous program election for (applicable crop) within 30 calendar days of the date of this letter, this crop will receive a default election of PLC.

Please feel free to contact our office with any questions or concerns.

Sincerely,


CED Name  
Any County CED

USDA is an equal opportunity provider, employer, and lender.

--\*

**\*--Producer Notification Letters (Continued)**

The following is an example of a notification letter used when base acres are restored and base acres of that crop currently exist on the farm.

	<b>United States Department of Agriculture</b>	<b>Farm Production and Conservation</b>	<b>Farm Service Agency</b>	<b>Any County FSA Office 6789 Producer Road Anytown, AL 12345 Voice: 123-456-7890 FAX: 444-55-7890</b>
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Date

Any Producer  
Address  
City, State xxxxx

Dear Producer,

On (insert applicable date), your Conservation Reserve Program (CRP) contract (contract number) was (voluntarily terminated, early released, or expired). As a result, we have restored (XXX) base acres of (applicable crop) to your farm; these base acres were previously reduced for participation in CRP.

The restored base acres have been assigned a PLC yield equal to the PLC yield that currently exists on the farm.

Because your farm has previously elected to participate in (ARC-IC, ARC-CO, or PLC), the restored base acres are automatically subject to that election.

Feel free to contact our office with any questions or concerns.

Sincerely,

CED Name  
Any County CED

USDA is an equal opportunity provider, employer, and lender.

--\*

