

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Agriculture Risk Coverage and
Price Loss Coverage Program
1-ARCPLC (Revision 1)**

Amendment 13

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 A has been amended to include the reference to additional public law.

Subparagraph 1 B has been amended to include 2024.

Subparagraph 1 C has been amended to include additional sources of authority and funding.

Subparagraph 3 A has been amended to include DD spot-checks of 10 approved contracts.

Subparagraph 5 F has been amended to update the list of deadlines.

Subparagraph 10 A has been amended to include the Further Continuing Appropriations and Other Extensions Act, 2024.

Subparagraph 10 B has been amended to include the Further Continuing Appropriations and Other Extensions Act, 2024, and to correct a reference to the 2002 Farm Bill.

Subparagraphs 61 A, 62 A, 62 D, 65 A, and 65 B have been amended to include 2024.

Subparagraph 65 G has been amended to update the handbook reference.

Subparagraphs 88 A and D have been amended to include 2024.

Subparagraph 101 C has been added to include the date of MYA prices being finalized and location where posted.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 102 A has been amended to include 2024.

Subparagraph 102 B has been amended to include the link for all subsequent year postings of the effective reference prices.

Subparagraph 108 A has been amended to include the Further Continuing Appropriations and Other Extensions Act, 2024 and update 2023 to 2024.

Subparagraph 113 B has been amended to include crop year 2024.

Subparagraph 113 P has been added to include information on where to locate MYA's.

Subparagraph 123 B has been amended to include 2024.

Subparagraph 133 A has been amended to correct paragraph references.

Subparagraph 138 C has been amended to include the Further Continuing Appropriations and Other Extensions Act, 2024.

Subparagraph 139 A has been amended to include 2024.

Subparagraph 140 A has been amended to include information on where to locate MYA's.

Subparagraph 181 A has been amended to include a note referencing the 1-year extension.

Subparagraphs 181 D, 182 A, 183 A, and 184 A have been amended to include 2024.

Subparagraph 185 A has been amended to include a note referencing the 1-year extension.

Subparagraph 185 C has been amended to include 2024 and the Further Continuing Appropriations and Other Extensions Act, 2024.

Subparagraph 186 A has been amended to include a note referencing the 1-year extension.

Subparagraph 188 A has been amended to include 2024 and update version dates of CCC-862.

Subparagraph 188 B has been amended to update the example of CCC-862.

Subparagraph 189 A has been amended to include 2024 and update version dates of CCC-866.

Subparagraph 189 B has been amended to update the example of CCC-866.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraphs 201 A and B have been amended to include 2024.

Subparagraph 202 A has been amended to include the 2024 enrollment period.

Subparagraph 202 B has been amended to update 2023 to 2024.

Subparagraph 202 E has been amended to include 2024 enrollment.

Subparagraphs 203 A, B, and C, 205 A, 222 E and F have been amended to include 2024.

Subparagraph 238 D has been amended to include the appendix for 2024.

Subparagraph 241 D has been amended to include the appendix for 2024.

Subparagraph 242 A has been amended to update the example of CCC-862 and CCC-866 Appendix and remove a note.

Subparagraph 245 A has been amended to include approval authority for 2024 enrollments.

Paragraph 243, subparagraphs 283.5 C and 283.6 A have been amended to include 2024.

Subparagraph 283.6 B has been amended to update the example of CCC-866-1.

Exhibit 2 has been amended to update the definition of beginning farmer or rancher and voluntarily terminated.

Exhibit 16 has been amended to update the CCC-863 example.

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Part 1 Basic Information

1 Overview

A Objective of this Handbook

This handbook provides instructions for implementing the ARC and PLC Program authorized by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) (the 2018 Farm Bill) and the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22). Included in this handbook are instructions about the following:--*

- detailed provisions of ARC-CO, ARC-IC, and PLC
- election procedure for the ARC and PLC Program
- enrollment procedure for the ARC and PLC Program
- updating PLC yields
- eligibility and compliance rules for participating in ARC and/or PLC.

B ARC and PLC Purpose and Eligibility

The 2014 and 2018 Farm Bills include choices between an income support program where the revenue target can move up and down with the market, and an income support price-based program where the reference price is fixed for the duration of the respective Farm Bill.

The ARC program establishes revenue targets, **not** price targets. The revenue target for ARC-CO is based on county average yields and U.S. crop MYA prices. A 5-year Olympic average is used for yields (removing high and low) of the previous 5 years under ARC-CO. ARC-CO uses a 5-year Olympic average (removing high and low) for price. This means that under ARC-CO, the revenue target moves with the market (increasing when market revenue is increasing and decreasing when market revenue is decreasing).

The revenue target for ARC-IC is based on average revenues at the farm level. The revenue target for ARC-IC is the farm's individual benchmark revenue based on the 5-year average of the annual benchmark revenues, **excluding** the years with the highest and lowest annual revenues, then averaging against all crops on the farm.

ARC covers only part of the revenue target.

PLC is a modified version of the CC portion of DCP from the 2008 Farm Bill. PLC prices are set in the 2018 Farm Bill for the duration of the 2018 Farm Bill, similar to the former CC payment program. For PLC, these are called reference prices. PLC makes payments based on historical base acres, although the base acres of covered commodities under the 2014 Farm Bill may differ from the 2018 Farm Bill based on seed cotton added as a covered commodity.

1 Overview (Continued)

B ARC and PLC Purpose and Eligibility (Continued)

A significant difference between the 2014 and 2018 Farm Bills is the election between ARC and PLC that is made. Under the 2014 Farm Bill, an election was irrevocably made by **all current producers on a farm that was irrevocable for the life of the 2014 Farm Bill.**

Under the 2018 Farm Bill, the election decision will be made in 2019 and producers then ~~will~~ have the option of changing the election in 2021, 2022, or 2023. This continues with the 1-year extension for 2024. Under the 2014 Farm Bill, all current producers on farm are ~~required~~ **required to affirmatively and unanimously** elect ARC or PLC during a single election period, and, if an election is **not** made, the farm will be ineligible for payments in the 2014 crop year and default to PLC for the 2015 through 2018 crop years. Under the 2018 Farm Bill, the producers on farm are **required to affirmatively and unanimously** elect ARC or PLC during the first election period for crop year 2019, and, if an election is **not** made, the farm will be ineligible for payments in the 2019 crop year and default to the election that was made for the 2015 through 2018 crop years. Farms with producers who do **not** make a valid election in the election period announced in this rule will **not** be eligible for 2019 crop year payments.

Under the 2014 Farm Bill, producers were ineligible for payments under ARC and PLC payments if the sum of base acres of covered commodities and peanuts on a farm was 10 acres or less. The 10-acre limitation did **not** apply to producers on a farm that were SDA farmer or rancher or a limited resource farmer or rancher. The 2018 Farm Bill, likewise, has a 10-acre limitation; however, producer payment eligibility on a farm having 10 or less base acres is no longer dependent on just the single farm. The producer on a farm with 10 base acres or less may remain eligible for payment if the total base acres from all enrolled farms in which the producer has an interest is greater than 10 base acres. Under the 2018 Farm Bill, any SDA farmer or rancher, limited resource farmer or rancher, beginning farmer, or veteran producer remains eligible for ARCPLC payments on farms having 10 acres or less base acres.

C Sources of Authority and Funding

Authority for ARC and PLC is the Agricultural Act of 2014 (Pub. L. 113-79) as amended by ~~the~~ the Agriculture Improvement Act of 2018 (Pub. L. 115-334), the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22), and 7 CFR Part 1412. ~~the~~

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
- *--randomly spot-check a minimum of 10 approved contracts per county to ensure all contract and approval policies are followed--*
- review all CCC-862's and CCC-866's disapproved by COC
- ensure the County Office 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.

5 Basic ARC and PLC Program Information (Continued)

F Deadlines

The following table lists some important deadlines.

Date	Event
Found in 2-CP	Acreage reporting date.
July 15	Final date to report production for the preceding crop year for farms enrolled in ARC-IC.
September 3, 2019	Election and enrollment begin for crop year 2019.
October 15, 2019	Enrollment begins for crop year 2020.
March 16, 2020	Election and enrollment end for crop year 2019.
June 30, 2020	Enrollment ends for crop year 2020.
October 13, 2020	Election and enrollment begin for crop year 2021.
March 15, 2021	Election and enrollment end for crop year 2021.
October 18, 2021	Election and enrollment begin for crop year 2022.
March 15, 2022	Election and enrollment end for crop year 2022.
October 17, 2022	Election and enrollment begin for crop year 2023.
March 15, 2023	Election and enrollment end for crop year 2023.
*--December 18, 2023	Election and enrollment begin for crop year 2024.
March 15, 2024	Election and enrollment end for crop year 2024.--*

6 Payments and Limitations

A ARC and PLC Payment Calculation

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

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

B Advance ARC and PLC Payments

There are no advance payments authorized for ARC and PLC.

*--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"> • 1981 P&CP • 1980 and 1981 average P&CP.
		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)	1986	Average of 1981-1985 P&CP (except cotton and rice – 3 years).
	Acreage Reduction Program		
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	1996-2002	Used 1995 base acres.
	Production Flexibility Contracts		
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"> 1. retain 2002 contract acres as base acres; 2. retain 2002 contract acres as base acres and add minimum oilseeds; 3. retain 2002 contract acres as base acres and add maximum oilseeds; 4. full update – recompute based on 1998-2001 P&CP; 5. retain 2002 contract acres but add oilseeds with a partial PFC offset.

--*

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"> • retain base acres • reallocate base acres using 2009-2012 P&CP. 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"> • update generic base acres to seed cotton base acres from 80 to 100% • allocate generic base acres using 2009-2012 P&CP.
Agricultural Improvement Act of 2018	Base Acres	2019-2023	No change.
--Further Continuing Appropriations and Other Extensions Act, 2024	ARCPLC	2024	No change.--
	Base Acres		

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

--*

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"> • direct • counter-cyclical (CC). <p>2002 Direct Yield Computation:</p> <ul style="list-style-type: none"> • historic base acre crops – 2002 crop yield • oilseeds – 1998-2001 average proven yield times historic yield factor. <p>CC yield update (3 options):</p> <ol style="list-style-type: none"> 1. used the 2002 Direct Yield Computation as calculation method for historic base acre crops and oilseed crops; 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); 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).
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 2002 Farm Bill.--*</p> <p>Established pulse crop yields (Direct and CC) using the 2002 Direct Yield Computation.</p>
Agricultural Act of 2014	2014-2018	<p>Two yield update options:</p> <ol style="list-style-type: none"> 1. Retain the CC yield for the applicable crop 2. Update the CC yield for the applicable crop with 90% of the 2008-2012 simple average yield, excluding years of zero plantings.
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	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.
--Further Continuing Appropriations and Other Extensions Act, 2024	2024	No change.--

11-20 (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 *--2024 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 Double-Cropped Acres and PLC Yield Updates

Approved double-cropped acres and production are used to update PLC yields using the years 2013 through 2017.

E National Yield Factor

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

Covered Commodity	National Yield Factor	Covered Commodity	National Yield Factor	Covered Commodity	National Yield Factor
Barley	0.9437	Lentils	1.0000	Rice, Temp Japonica	0.9591
Canola	*--0.9643--*	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 *--2024 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 2024 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)

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 2024 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 2024 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.

--Because PLC yield updates are completed at the farm level and not the tract level, substitute yields are based on the administrative county of the farm.--

*--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.

VVA 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	
		Prior Yld		T-Yield ARH ADJ Yield
Rate Yield:		171.00	187.00	170.00 0.00
APH Yield:		182.00		

--*

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	Yld Flg	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		
2013	0.00	187.00	L	
2014	0.00	187.00	L	
2016	65.00	205.00	A	
2017	37.35	212.00	A	
		Prior Yld	T-Yield	ARH ADJ Yield
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

See 10-CM for the software to update yields and instructions.--*

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 2024 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>Note: 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>Example: 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>

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

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 *--2019-2024 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 2024.--*

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.

*--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 farm level 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"> For all covered commodities except seed cotton, multiply 7G times 90%. For seed cotton, multiply 7H times 90%.
	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)

Part 4 PLC

101 PLC Overview

A PLC General Information

PLC provides price protection to producers who have a share of and a risk in base acres in years where the prices for those commodities fall below the effective reference prices as determined by the Secretary for those commodities.

B Policy

PLC payments are authorized for a covered commodity when the effective price for the commodity is less than the effective reference price of the commodity as determined by the Secretary.

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

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

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

- an amount equal to 115 percent of the reference price for a covered commodity; or
- an amount equal to the greater of:
 - the reference price for a covered commodity; or
 - 85 percent of the average of the MYA price of the covered commodity for the most recent 5 crop years available, excluding each of the crop years with the highest and lowest MYA price.

Example: For the 2019 crop year, the years to use are 2013 through 2017.

101 PLC Overview (Continued)

B Policy (Continued)

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

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

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

Payments will be made as soon as practical after October 1 in the year following the applicable marketing year for the covered commodity. For example, 2019 program year payments will be made after October 1, 2020.

PLC payments are **not** dependent on the planting of the applicable covered commodity.

***--C MYA Prices**

The MYA's are released for each program year according to the chart below. Once finalized all prices will be posted at https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index.

Covered Commodity	Price Publication Date	Covered Commodity	Price Publication Date
Barley	June 30	Large Chickpeas	September 30
Oats	June 30	Mustard Seed	September 30
Wheat	June 30	Safflower	September 30
Canola	July 30	Seed Cotton	September 30
Dry Peas	July 30	Sesame Seed	September 30
Flaxseed	July 30	Small Chickpeas	September 30
Lentils	July 30	Soybeans	September 30
Rapeseed	July 30	Sunflower Seed	September 30
Peanuts	August 31	Long Grain Rice	October 29
Corn	September 30	Short/Medium Grain Rice	October 29
Crambe	September 30	Temperate Japonica Rice	January
Grain Sorghum	September 30		

--*

102 Reference and Effective Reference Prices

A Reference Price

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

Crop	Reference Price	Crop	Reference Price
Barley <u>1/</u>	\$4.95 per bu.	Peanuts	\$0.2675 per lb.
Canola	\$20.15 per cwt.	Rapeseed	\$20.15 per cwt.
Chickpeas, Large (Garbanzo Bean, Kabuli)	\$21.54 per cwt.	Rice, Long Grain	\$14.00 per cwt.
Chickpeas, Small (Garbanzo Bean, Desi)	\$19.04 per cwt.	Rice, Medium Grain <u>2/</u>	\$14.00 per cwt.
Corn	\$3.70 per bu.	Rice, Temperate Japonica <u>3/</u>	\$17.30 per cwt.
Crambe	\$20.15 per cwt.	Safflower	\$20.15 per cwt.
Dry Peas	\$11.00 per cwt.	Sesame Seed	\$20.15 per cwt.
Flaxseed	\$11.28 per bu.	Seed Cotton <u>4/</u>	\$0.367 per lb.
Grain Sorghum	\$3.95 per bu.	Soybeans	\$8.40 per bu.
Lentils	\$19.97 per cwt.	Sunflower	\$20.15 per cwt.
Mustard	\$20.15 per cwt.	Wheat	\$5.50 per bu.
Oats	\$2.40 per bu.		

1/ Barley price is based on the price of “all barley” not the “feed barley” price.

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

3/ Medium and short grain rice grown in California.

4/ Seed Cotton price is a weighted average of upland cotton lint and cottonseed prices.

***--Note:** These reference prices are set for 2019 through 2024 and will **not** change from--*
year to year.

102 Reference and Effective Reference Prices (Continued)

B Effective Reference Price

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

2019			
Crop	Effective Reference Price	Crop	Effective Reference Price
Barley	\$4.95 per bu.	Peanuts	\$0.2675 per lb.
Canola	\$20.15 per cwt.	Rapeseed	\$23.17 per cwt.
Chickpeas, Large (Garbanzo Bean, Kabuli)	\$24.77 per cwt.	Rice, Long Grain	\$14.00 per cwt.
Chickpeas, Small (Garbanzo Bean, Desi)	\$20.60 per cwt.	Rice, Medium Grain	\$14.00 per cwt.
Corn	\$3.70 per bu.	Rice, Temperate Japonica	\$17.30 per cwt.
Crambe	\$23.17 per cwt.	Safflower	\$20.15 per cwt.
Dry Peas	\$11.00 per cwt.	Sesame Seed	\$23.17 per cwt.
Flaxseed	\$11.284 per bu.	Seed Cotton	\$0.3670 per lb.
Grain Sorghum	\$3.95 per bu.	Soybeans	\$8.40 per bu.
Lentils	\$22.33 per cwt.	Sunflower	\$20.15 per cwt.
Mustard	\$23.17 per cwt.	Wheat	\$5.50 per bu.
Oats	\$2.40 per bu.		

*--For each subsequent year visit the following website for the effective reference prices:
https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index.--*

Part 5 ARC

Section 1 ARC and Features

108 ARC Overview

A ARC Program Background

ARC is an income support program designed to cover a portion of a farmer's out-of-pocket losses (referred to as "shallow loss") when crop revenues fall below benchmark revenue levels, with the benchmark revenue based on either county level historic revenue (ARC-CO) or the individual farm's historic revenue (ARC-IC). All producers on the farm may unanimously elect ARC-CO as an alternative to PLC on a covered commodity by covered commodity basis, or ARC-IC for all the covered commodities and the entire farm. For both PLC and ARC-CO, the payment calculation is based on each covered commodity's base acres.

*--The 2018 Farm Bill, Section 1105 (Pub. L. 115-334) and the Further Continuing Appropriations and Other Extensions Act of 2024 (Pub. L. 118-22) authorizes ARC-CO and ARC-IC as alternatives to PLC. ARC-CO or ARC-IC is elected on CCC-862 or CCC-866, by **all** producers with an interest in cropland on a farm, it is irrevocable for the effective period of election 2019 through the 2024 crop year. An election for 2019 and 2020 **must**--* be made on CCC-862 or CCC-866 for 2019 by March 16, 2020. If an election is **not** made by March 16, 2020, the farm will **default** to the election on the farm from 2014 through 2018 and **no payments** earned for the 2019 crop year.

Beginning with the 2021 crop year however, producers on the farm have the option to change *--the election on an annual basis through 2024 on the farm. The new election request must be a unanimous decision by all producers on the farm. If an election is not made in any year 2021 through 2024, then the election for the previous year remains for the current year.--*

IF a 2019 election by all producers on the farm was...	THEN the election is...
made by March 16, 2020	*--irrevocably effective for 2019 through 2024 crop years with the option to change the election annually starting in 2021 through 2024.
not made by March 16, 2020	default to the election from 2014 through 2018 and irrevocably effective for 2019 through 2024 crop--* years, with the option to change annually starting in 2021. No payments earned for 2019 on the farm.

Election will be made on CCC-862 or CCC-866.

Notes: An election may be withdrawn according to paragraph 182.

An other tenant that is a producer on noncropland acres only is **not** required to sign CCC-862 or CCC-866.

A producer with interest in CRP **only** is **not** required to sign CCC-862 or CCC-866.

--108 ARC Overview (Continued)*B Comparing ARC-CO and ARC-IC**

ARC offers income support through revenue loss coverage for selected covered commodities on the farm. ARC has 2 alternatives from which producers **must** elect, if they want to participate, as follows:

- ARC-CO provides income support through revenue loss coverage at the **county level** for selected covered commodities on a farm. ARC-CO is **not** dependent on planting of the covered commodity or yields from the farm.
- ARC-IC provides income support through revenue loss coverage at the **farm level** for all acreage devoted to covered commodities across all of the producer's ARC-IC farms enrolled. ARC-IC **requires planting of covered commodities**, because the planted covered commodities are used in the ARC-IC revenue calculation. The producer's individual yields are used in the ARC-IC revenue calculation.

Exception: ARC-IC enrolled farms can use approved prevented planted acres when 100 percent of the intended planted acres of covered commodities are approved for prevented planting by FSA.--*

*--Section 2 Using ARC-CO

113 ARC-CO

A ARC-CO Features

ARC-CO provides income support through revenue calculations, based at the county level, designed to cover a portion of a producer's out-of-pocket loss (referred to as "shallow loss") when crop revenues of covered commodities fall below benchmark revenue levels. The benchmark revenue is based on county level historic yields and prices of covered commodities. Producers may elect ARC-CO, as an alternative to PLC, on a covered commodity-by-covered commodity basis on the farm. For ARC-CO, the payment calculation is based on base acres of the specific covered commodity. ARC-CO payments are calculated on 85 percent of the specific base acres and payment rate is limited (capped) to 10 percent of the benchmark county revenue calculation for the specific year.

Notes: Prevented planting acres are **not** included in ARC-CO calculations.

ARC-CO payments are triggered when the actual county crop revenue is less than the ARC-CO guarantee calculated for the covered commodity for the year.

Participation in ARC-CO does **not** require production reports because benchmark revenues and actual revenues are computed using county yield data, **not** individual producer and/or farm yield data.

ARC-CO payments are **not** dependent on the planting of covered commodities on the farm.

ARC-CO revenue calculations are based on the "physical location" county of base acres on tracts, weighted and summarized to the farm level, on an elected and enrolled farm. ARC-CO revenue calculations are **not** based on administrative county.

An ARC-CO payment on a farm is equal to 85 percent of the specific covered commodity's base acres times the calculated ARC-CO payment rate. Producers are **not** required to plant the covered commodity; however, producers **must** have a share of base acres and share in the risk of producing an agricultural commodity on the farm to receive a share of an ARC-CO payment.--*

113 ARC-CO (Continued)

B ARC-CO Benchmark Yield

[7 CFR 1412.3] Average historical county yield means the 5-year Olympic determined by FSA as the average of actual average county yields for the most recent 5 years for which data is available, substituting 80 percent of the county transitional yield as defined in this part in each year in which the actual average county yield is less than 80 percent of the county transitional yield. Separate irrigated and nonirrigated yields will be established in a county having a sufficient number of farms with P&CP acreage history of a covered commodity in 2013 through 2017. These separate yields will be established for counties where a covered commodity's P&CP acreage was both irrigated and nonirrigated in 2013 through 2017. If needed, a trend-adjusted yield factor will be used to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the crop insurance endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501-1520).

An ARC-CO benchmark yield is the average historical county yield. It is **required** in each county for each covered commodity with base acres on an ARC-CO participating farm. The ARC-CO benchmark yield is used to determine the ARC-CO benchmark revenue for each covered commodity. The ARC-CO benchmark yield is the average county historical yield per planted acre for the covered commodities in the county for the 5 crop years preceding the year prior to the program year, **excluding** each of the crop years with the highest and lowest county yields (Olympic Average).

IF the benchmark revenue yield is being calculated for...	THEN the 5 most recent crop years are...
crop year 2019	2013 through 2017.
crop year 2020	2014 through 2018.
crop year 2021	2015 through 2019.
crop year 2022	2016 through 2020.
crop year 2023	2017 through 2021.
--crop year 2024	2018 through 2022.--

Average historical county yields are the 5-year Olympic average of actual average county yields and substituting 80 percent of the county transitional yield in each year where the actual average county yield is less than 80 percent of the county transitional yield. Producers are **not** required to submit production evidence since county level yields are used for each covered commodity in ARC-CO.

*--113 ARC-CO (Continued)

M ARC-CO Actual Crop Revenue Calculation Example

The following is an example of an ARC-CO actual crop revenue calculation.

Crop	Actual Average County Yield	MYA Price	National Loan Rate	ARC-CO Actual Crop Revenue
Corn	180 bu.	\$3.90	\$2.20	\$702

N ARC-CO Payment Rate Calculation

The ARC-CO payment rate is calculated by subtracting the ARC-CO actual crop revenue from the ARC-CO guarantee. Any positive number is the revenue shortfall for the covered commodity. If the ARC-CO payment calculates to a negative number or zero, then an ARC-CO payment is **not** earned for the applicable covered commodity.

After the calculation is complete, the product is compared to the ARC-CO maximum payment rate. The smaller of the ARC-CO maximum payment rate or the shortfall is the ARC-CO payment rate for the crop and the county, as follows.

ARC-CO Guarantee	ARC-CO Actual Crop Revenue	ARC-CO Revenue Shortfall
\$761.19	\$702	\$59.19 per acre

ARC-CO Revenue Shortfall	ARC-CO Maximum Payment Rate	ARC-CO Payment Rate
\$59.19	\$88.51	\$59.19

--*

113 ARC-CO (Continued)

O ARC-CO Payment Calculation

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

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

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

The ARC-CO producer payment is equal to 85 percent of the specific covered commodity base acres, times the calculated ARC-CO payment rate, times the producers share as reported on CCC-866.

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

Corn Base Acres	Payment Percentage	Share From CCC-866	ARC-CO Payment Rate	Producer Payment
100.00	85	100 Percent	\$59.19	\$5,031

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

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

***--P MYA Prices**

The MYA's are released for each program year according to the chart in subparagraph 101 C. Once finalized all prices will be posted at https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index.--*

--123 Historical Irrigated Percentage*A HIP Definition**

HIP means the percentage of the covered commodity that was irrigated (P&CP) divided by the total acreage of the covered commodity (P&CP) between the years 2013 through 2017 on the farm.

Note: HIP subtracted from 1.0000 will be the nonirrigated portion of the applicable covered commodity base acres. In cases where, during the 2013 through 2017 period, there was no irrigated acreage planted for the covered commodity on the farm, HIP for the covered commodity on the farm will be 0 and the nonirrigated payment factor will be 100 percent ($1.0000 - 0 \text{ HIP} = 1.0000$ or 100 percent nonirrigated).--*

123 Historical Irrigated Percentage (Continued)

B HIP Calculation

Example:

Farm 1, Boone County, Iowa – 100.00 Soybean base acres

- Tract 201, located in Boone County, 75.00 Soybean base acres

Note: Boone County **not** approved for IR/NI Soybeans

- Tract 306, located in Story County, 25.00 Soybean base acres

Note: Story County approved for IR/NI Soybeans

Result: A HIP must be established for the farm for calculating revenues on Tract 306.

The HIP payment factor will remain with the farm and covered commodity for the 2019
--through 2024 crop years. The HIP payment factor will not change.--

The irrigated and nonirrigated benchmark revenues, guarantees, and actual revenues will be weighted by physical location and summarized to the farm level accord to the following step-by-step process.

Step	Process
1	Identify the list of counties and crops (Exhibit 15).
2	<p>Determine HIP for a covered commodity in an approved irrigated/nonirrigated county on a farm by dividing the 2013 through 2017 P&CP irrigated acres of that covered commodity on the farm by the total 2013 through 2017 P&CP of the total irrigated and nonirrigated P&CP for that same covered commodity.</p> <p>This calculation is completed for each covered commodity on a farm that:</p> <ul style="list-style-type: none"> • is administratively located in a county identified in step 1 • contains base acres of the covered commodity identified in step 1 • is participating in ARC-CO. <p>HIP is used to determine the number of base acres that are used in the irrigated revenue calculation and the number of base acres that are used in the nonirrigated revenue calculation. This value will be stored in CRM and FRMS and does not change.</p>

Section 4 Yield Cascade Used in ARC-CO

133 Yields Used in ARC-CO

A Yields and Yield Cascade

--As mentioned in subparagraphs 113 B and L, county level yields are needed to calculate-- the ARC-CO benchmark and actual revenue. A county yield is computed by calculating the crop year production of a covered commodity divided by the commodity's total planted acres in that crop year. For wheat, barley, oats, corn, and grain sorghum, planted acres are defined as harvested acres plus unharvested acres. Separate irrigated and nonirrigated yields apply *--according to paragraph 124 and Exhibit 15.--*

In determining the yield for a county, FSA uses data in order from the following data sources and is discussed in this paragraph:

- RMA
- NASS data available for STC's to establish the yield
- if no RMA or NASS data available, STC's will use the best available data.

Notes: When NASS data is available and RMA data does not exist, STC's will use the NASS data to establish the ARC-CO yield. If the STC chooses not to use the available NASS data, then an exception request must be documented and available for review that includes the data or information to support the requested change in the NASS yield.

RMA and NASS yield data comprises approximately 90 percent of the **base** acres enrolled in ARC-CO. The remaining 10 percent of base acres uses data compiled by STC's using the best available data they can acquire.

--133 Yields Used in ARC-CO (Continued)*B RMA County Yield Data**

RMA county yield data is obtained from producers enrolled in RMA policies for that crop in the county. This yield data may be furnished by RMA policy holders in an APH certification (when the applicable policy holder did **not** have a crop loss) or loss adjustment (when the applicable producer did have a crop loss). RMA county yield data is not furnished to the public except as a component of FSA's yield cascade.

RMA county yield data is not furnished to FSA until late summer, immediately before the end of the fiscal year. For example, RMA county yield data for 2019 corn crop is not furnished to FSA until the late summer of 2020.

Once the RMA data is furnished to FSA, the data is then published by FSA and becomes the ARC-CO yield.

C NASS County Yield Data

When RMA county data is not available, NASS county data shall be used by STC's as the primary source for determining the county yield in computing the benchmark and actual revenue for ARC-CO. If the STC determines **not to** utilize the NASS county data, then STC minutes must document the reason and data used to for the yield.

NASS data is normally obtained by FSA early in the succeeding calendar year for the applicable contract year. For example, NASS county yields for the 2019 corn crop is received from NASS during the spring of 2020.--*

138 ARC-IC (Continued)

C ARC-IC Farm Benchmark Revenue

[7 CFR 1412.3] Benchmark revenue for ARC-IC means a producer's share of all covered commodities planted on all farms in the State for which individual ARC has been elected and enrolled and in which the producer has an interest. FSA will calculate the benchmark revenue for ARC-IC using the following three steps, based on the producer's planted commodities:

(1) For each planted covered commodity for each of the most recent 5 crop years available:

(i) Yield per planted acre (substituting 80 percent of the county transitional yield in each year where the yield per planted acre is less than 80 percent of the county transitional yield); times

(ii) The MYA price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices and substituting the effective reference price in each year where the MYA price is less than the effective reference price.

(2) For each covered commodity, the average of the revenues determined under paragraph (1) of this definition for the most recent 5 crop years available, excluding each of the crop years with the highest and lowest revenues; and

(3) For each of the 2019 through 2023 crop years, the benchmark revenue for the ARC-IC farm is the sum of the amounts determined under paragraph (2) of this definition for all covered commodities on such farms, adjusted to reflect the ratio between the total number of P&CP acres and eligible subsequently planted crop acreage on such farms to a covered commodity and the total P&CP acres and eligible subsequently planted crop acreage of all covered commodities planted on such farms. If a producer has an interest in multiple farms that have enrolled in ARC-IC, the ARC-IC benchmark revenue for that producer will be a weighted average of the benchmark revenue for those multiple farms.

***--Note:** The Further Continuing Appropriations and Other Extensions Act of 2024 (Pub. L. 118-22) has extended the Farm Bill until September 30, 2024. This includes all regulations until updated.--*

--138 ARC-IC (Continued)*C ARC-IC Farm Benchmark Revenue (Continued)**

The ARC-IC farm's benchmark revenue is calculated only on covered commodities that were planted in the current year on the ARC-IC farm. The ARC-IC benchmark revenue is calculated using the 5-year Olympic average of a farm's annual revenues from the 5 years preceding the year prior to the current program year. The annual revenues are determined by multiplying the higher of the farm's actual yield for the year or assigned and/or substitute yield by the higher of the MYA or effective reference price. The Olympic average revenue is then calculated by dropping the high and low annual revenues and averaging together the remaining three.

The ARC-IC benchmark revenue is weighted across all planted covered commodities from all of the producer's ARC-IC enrolled farms in the state based on the specific covered commodity's planted acres percentage of the total planted covered commodities on the ARC-IC farm.

The ARC-IC farm's guarantee equals 86 percent of the farm's weighted benchmark revenue.

A separate ARC-IC weighted benchmark revenue is calculated for each producer who shares in a covered commodity planted on an ARC-IC enrolled farm.

Note: The total farm revenues will be based on all covered commodity acreage regardless of crop type or irrigation practice. Irrigated and nonirrigated covered commodities will have blended yields and revenues calculated across ARC-IC farms for both benchmark and actual yields. Similarly, spring wheat and winter wheat will have one wheat yield to include all types.--*

139 ARC-IC Farm Benchmark and Guarantee

A ARC-IC Benchmark Farm Yield

ARC-IC benchmark farm yield means, **except** as otherwise provided, for a covered commodity, the actual yield per **planted** acre (for initial planted crop and approved double-cropped) or ARC-IC assigned or substitute yield for the farm for each of the five years preceding the year prior to the program year.

IF the benchmark farm yield is being calculated for...	THEN the 5 most recent crop years are...
2019	2013 through 2017
2020	2014 through 2018
2021	2015 through 2019
2022	2016 through 2020
2023	2017 through 2021
--2024	2018 through 2022--

Benchmark farm yields are **required** to be established the first year that a covered commodity is planted on an ARC-IC enrolled farm and are updated each year with the actual production from planted acres on the farm with a substitute/assigned yield inserted, if applicable.

An ARC-IC crop followed by the same ARC-IC crop with a different intended use is **not** considered double-cropping. The initial crop/intended use are the only acres considered in ARC-IC and are the acres for which a benchmark farm yield **must** be established.

For the purposes of this paragraph, the benchmark period for 2019 includes crop years 2013 through 2017, even if the farm has no production or yield records for any of these years, yields **must** be established in each of the 5 crop years of the benchmark, for the covered commodity planted in the current year, whether or **not** the covered commodity was planted in the benchmark years. A substitute or assigned yield will be used in the benchmark in the following instances:

- if, in the benchmark year, the farm did **not** have planted acres of the specific covered commodity (including approved prevented plant acreage), FSA will assign 100 percent of the specific covered commodity's ARC-CO yield for that year or years in the benchmark
- if the certified yield falls below 80 percent of the county's T-yield, a substitute yield equal to 80 percent of the T-yield will be assigned.

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

139 ARC-IC Farm Benchmark and Guarantee (Continued)**B ARC-IC Benchmark Yields**

The farm benchmark yields for planted covered commodities will be calculated by using the production of a covered commodity on the farm divided by the covered commodity's total planted acres (initial acres or approved double-cropping acres **only**) for each crop year.

Note: For crops that have both irrigated and nonirrigated acres in the year, the benchmark and current year yields will be a blended yield.

C ARC-IC Assigned Yields

An assigned yield will be used in benchmark years when the covered commodity was **not** planted on the farm in that year.

--The assigned yield will be 100 percent of the administrative ARC-CO yield for the-- covered commodity. The assigned yields are determined according to paragraph 138.

*--139 ARC-IC Farm Benchmark and Guarantee (Continued)

K Example of the ARC-IC Producer Guarantee Calculation

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

Crop	Percent of all Covered Commodities Planted Across All Farms	Benchmark Revenue <u>1/</u>	Weighted Benchmark <u>2/</u>	Producer Guarantee (86 Percent of Benchmark)
Corn	100 percent	\$636.40	\$636.40	\$547.30

1/ The benchmark revenue is hypothetical. The calculation is not included in this example.

2/ The weighted benchmark is determined by multiplying the calculated benchmark revenue by the percentage provided in column 2 for each planted covered commodity.

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

Crop	Percent of all Covered Commodities Planted Across All Farms <u>1/</u> <u>2/</u>	Benchmark Revenue <u>2/</u>	Weighted Benchmark <u>3/</u>	Producer Guarantee (86 Percent of Benchmark)
Corn	60 percent	\$636.40	\$381.84	
Oats	40 percent	\$427.50	\$171.00	
Totals			\$552.84	\$475.44

1/ There are a total of 200.00 acres of planted covered commodities on this producer's ARC-IC enrolled farm(s); 120.00 acres of corn and 80.00 acres of oats.

2/ These values are hypothetical. The calculations are not included in this example.

3/ The weighted benchmark is determined by multiplying the calculated benchmark revenue by the percentage provided in column 2 for each planted covered commodity.--*

140 ARC-IC Actual Revenue

A Purpose

The actual crop revenue is needed to determine if there is a revenue shortfall in the current year that is below the ARC-IC guarantee, thus a payment may be earned. The actual crop revenue is determined by multiplying the producer's share of production from all covered commodities planted on all ARC-IC enrolled farms in the state by the higher of either the applicable MYA price or national loan rate.

***--Note:** The MYA's are released for each program year according to the chart in subparagraph 101 C. Once finalized all prices will be posted at https://www.fsa.usda.gov/programs-and-services/arcplc_program/arcplc-program-data/index.--*

B ARC-IC Producer's Actual Crop Revenue – Example 1

The following table provides an example of an ARC-IC farm with 1 crop planted with only 1 producer.

Crop	Actual Yield	MYA Price <u>1/</u>	Planted Acres	Revenue	Revenue Per Acre	Producer Share of Crop	Producer Revenue
Corn	147 bu. per acre	\$3.60 per bu.	127.60	\$67,525.92	\$529.20	100 percent	\$529.20

1/ In this example, the MYA price is **higher** the national loan rate.

C ARC-IC Producer's Actual Crop Revenue – Example 2

The following table provides an example of an ARC-IC farm with 2 crops planted with only 1 producer.

Crop	Actual Yield	MYA Price <u>1/</u>	Planted Acres	Revenue	Revenue Per Acre	Producer Share of Crop	Producer Revenue
Corn	147 bu. per acre	\$3.60 per bu.	127.60	\$67,525.92		100 percent	
Oats	59 bu. per acre	\$2.65 per bu.	99.00	\$15,478.65		100 percent	
Totals			226.60	\$83,004.57	\$366.30	100 percent	\$366.30

1/ In this example, the MYA price is **higher** the national loan rate.

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 2024 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.

Notes: 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.

--The Further Continuing Appropriations and Other Extensions Act of 2024 (Pub. L. 118-22) has extended the Farm Bill until September 30, 2024. This includes all regulations until updated.--

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)

D Interaction of Election and Enrollment

--For 2019, 2021, 2022, 2023, and 2024 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, 2023, and 2024 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 2024,-- however, and 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 16, 2020**. The election **must** have been made by all 2019 producers during the election period on CCC-862 or CCC-866.

--For 2021 through 2024, 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 16, 2020, would **not** have been considered valid. See subparagraph 181 C. Beginning with the 2021 ~~crop year, and each crop year thereafter through 2024, 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 initial indicating that 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 either 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 2024 during the~~ ^{*} applicable election and enrollment period.

184 Election Options (Continued)

B Election Options and Description

The following table summarizes election options along with a description.

Election Decision	Description
ARC-IC	If all 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 all the producers on a farm have not elected ARC-IC. ARC-CO and/or PLC election decision must be made by all producers on the farm and is on a covered commodity by covered commodity basis. The election decision will only be made for each and all of the covered commodities with base acres on the farm.

C Elections for Zero Base Acre Farms With Election History

For zero base acre farms that maintain an election history, producers of record will have the opportunity to elect ARC or PLC using CCC-866-1. This form will need to be uploaded on the National Farm Records SharePoint site to be updated after submitted by the producer.

***--Note:** This does not apply to GIF farms or farms with CRP base reductions.

D Elections and Crop Insurance Options

The following table summarizes ARC or PLC elections and the impacts on RMA’s crop insurance options.

Crop Insurance Option	ARC or PLC Option
STAX	Any farm with enrolled seed cotton base acres is not eligible for STAX coverage.
SCO	Any crop on a farm that has elected to participate in ARC is not eligible for SCO coverage.

--*

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 16, 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 2024, 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.

*--**Note:** The Further Continuing Appropriations and Other Extensions Act of 2024 (Pub. L. 118-22) has extended the Farm Bill until September 30, 2024. This includes all regulations until updated.--*

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.

185 Election Not Made (Continued)

C Communicating To Those Submitting CCC-862's or CCC-866's For Election Purposes Only After The Election Period Ends

FSA will acknowledge receipt of CCC-862's or CCC-866's submitted for election purposes after the end of the election period with a communication stating the following.

*--

Dear *[Enter names of all those signing CCC-862 or CCC-866 for election purposes submitted after the end of the election period.]*

This letter acknowledges receipt of a request to make a program election on Form CCC-862 or CCC-866.

You submitted the request to elect after the end of the election period.

7 CFR § 1412.72(f) specifies that election is **not** allowed after the end of the election period.

If this election request was made for 2019, the election from 2015 – 2018 applies to crop years 2019 and 2020 and no payments are made for crop year 2019. If this election request is for 2021, 2022, 2023, or 2024, then the election from the previous crop year applies.

The Farm Service Agency (FSA) appreciates your interest. Your request to elect after the end of the election period will be kept on file; however, FSA **cannot** process the election because of the limitations set forth in the Agriculture Improvement Act of 2018 (the 2018 Farm Bill) and the Further Continuing Appropriations and Other Extensions Act, 2024.

Thank you again for your interest.

Sincerely,

County Executive Director

--*

186 Impact of Transfers of Land, Successions-in-Interest, Reconstitutions, and CCC-505's for CRP

A Transfers, Succession-in-Interest, and Reconstitutions

[7 CFR 1412.73] Reconstitutions of farms and election.

(a) If a new producer or new owner gains an interest in a farm after the filing of a valid election on that farm during the election period, that new producer or new owner, whether or not known to FSA or the other producers or owners on the farm, will be subject to any previously submitted valid election under §§1412.71 and 1412.72 unless that new producer or new owner modifies, rescinds, or terminates the election as a producer or owner as specified in §1412.72(c) during the remaining time in the election period.

(b) Any reconstitution request initiated after August 1, 2019, will not be made until after the end of the election period specified in §1412.72. Following the close of the election period in §1412.72, a valid election on any farm cannot be changed by any reconstitution. This means that valid elected farms can only be combined with farms having an identical election for each and every covered commodity on the farm regardless of whether there are any base acres for any and all covered commodities on the farm. Reconstitutions will not be permitted to alter a valid election or the default election that may apply to a farm.

A valid election is unaffected by subsequent changes in:

- producers on the farm
- the constitution of the farm or tracts on the farm.

If a change to a farm's constitution occurs, a copy of the parent farm's valid election **must** be placed in each resulting farm's folder. Follow 10-CM for reconstitutions. Farms can only be combined with farms having identical elections for crops requiring election.

186 Impact of Transfers of Land, Successions-in-Interest, Reconstitutions, and CCC-505's for CRP (Continued)

A Transfers, Succession-in-Interest, and Reconstitutions (Continued)

[7 CFR 1412.26] Treatment of base acres on farms entirely in pasture, grass, idle, or fallow (G/I/F).

(a) A farm on which all of the cropland was planted to grass or pasture, including cropland that was idle or fallow, as determined by FSA, from January 1, 2009, through December 31, 2017, will have base acres and yields maintained for the covered commodities on the farm, except that no payment will be made with respect to those base acres under this part for the 2019 through 2023 crop years.

(b) The producers on a farm for which all of the base acres are maintained under paragraph (a) are:

(i) Ineligible to change the election applicable to the producers on the farm under subpart G of this part, and

(ii) Not permitted to reconstitute the farm to void or change the treatment of base acres under paragraph (a).

When a farm is designated as G/I/F, that farm is unaffected by subsequent changes in:

- producers on the farm
- the constitution of the farm or tracts on the farm.

When a farm is designated as G/I/F follow 10-CM for reconstitutions. Farms where all cropland acres have been planted entirely to grass, including cropland that was idle or fallow from January 1, 2009, through December 31, 2017, will be ineligible for ARC and PLC payments. Identified farms meeting these criteria cannot be combined with an eligible farm in order to circumvent these provisions.

***--Note:** The Further Continuing Appropriations and Other Extensions Act of 2024 (Pub. L. 118-22) has extended the Farm Bill until September 30, 2024. This includes all regulations until updated.--*

186 Impact of Transfers of Land, Successions-in-Interest, Reconstitutions, and CCC-505's for CRP (Continued)

B CCC-505 Reductions for CRP

Farms exist that have CCC-505 reductions for CRP that reduced the base acres to zero

In these situations, the ARC or PLC election of that specific covered commodity will **not** be made until the program year that the base acres are restored to the farm when CRP-1 is voluntarily terminated, expires, or is early released.

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 2024.--*
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:** Any version of CCC-862 (7-23-19, 9-04-19, or 12-15-23) 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).

188 CCC-862 (Continued)

B Example of CCC-862

The following is an example of CCC-862.

*__

(See Final Page for Privacy Act and Paperwork Reduction Act Statements)									
CCC-862 (12-15-23)			U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation			1. Program Year: 2. State Code 3. County Code 4. Farm Number			
AGRICULTURAL RISK COVERAGE – INDIVIDUAL OPTION (ARC-IC) CONTRACT						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 (2019-2024) <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: <input type="checkbox"/> All ARC-IC Payments are Refused			11B. Producer's Initials 11C. Date Initialed (MM-DD-YYYY)		11A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused			11B. Producer's Initials 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):				
FOR FSA USE ONLY									
13A. Signature of CCC Representative							13B. Date (MM-DD-YYYY)		
14. Remarks									
15. Employee 's Initials:									

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188 CCC-862 (Continued)

B Example of CCC-862 (Continued)

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CCC-862 (12-15-23)			Page 2 of 3
1. Program Year	2. State Code	3. County Code	4. Farm Number
CONTINUATION OF PRODUCER'S CROP INFORMATION (From Page 1)			
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)	
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)	
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)	

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B Example of CCC-862 (Continued)

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CCC-862 (12-15-23)

Page 3 of 3

NOTE: 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), the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22), 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.

Paperwork Reduction Act (PRA) Statement: The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).

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.**

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 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. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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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.

Item	Instructions
1	*--Auto-filled with program years 2019 through 2024.--*
2	Enter administrative County Office's State code.
3	Enter administrative County Office's County code.
4	Enter applicable 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 NOT 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).

*--**Note:** Any version of CCC-866 (7-23-19, 3-24-20, or 12-15-23) is acceptable for the--* election and enrollment of ARC-CO and /or PLC.

189 CCC-866 (Continued)

B Example of CCC-866

The following is an example of CCC-866.

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(See Page 3 for Privacy Act and Paperwork Reduction Act Statements)											
CCC-866 (12-15-23) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation AGRICULTURAL RISK COVERAGE – COUNTY OPTION (ARC-CO) AND PRICE LOSS COVERAGE (PLC) ELECTION AND CONTRACT					1. Program Year: 2. State Code 3. County Code 4. Farm Number 5A. County FSA Office Name and Address 5B. County Office Telephone No. <i>(Including Area Code)</i> 5C. County Office Fax No. <i>(Including Area Code)</i>						
<p>THIS ARC-CO AND PLC ELECTION AND 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-CO and/or PLC for the program year identified above in Item 1. All producers with a share in base acres must sign this contract by the announced enrollment deadline of the applicable program year in order to participate and make themselves potentially eligible to receive payments for the applicable program year.</p> <p>The terms and conditions of the ARC-CO and PLC 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; and (4) certify that all the information contained on this form, whether or not personally entered by the producer, is true, correct, and accurate. All producers agree to participating or not participating on a covered commodity by covered commodity basis in Item 11.</p> <p>All producers on the farm must agree to the election made in Item 8. If an ARC or PLC election is not made the election defaults to the election for the farm that was effective under the previous Farm Bill, and no payments will be earned under this contract and farm for 2019. All producers on the farm agree and acknowledge that: (1) this election is irrevocable for the covered commodities and the farm, or any resulting farm(s) of a reconstitution; (Beginning in 2021, producers may change the election on the farm); (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 the producers on the farm may have made an election, producers must still annually enroll the farm and covered commodity in the ARC or PLC program in order to be eligible to receive ARC or PLC benefits for that covered commodity and crop year; (4) they must comply with the regulations at 7 CFR Part 1412; and (5) ARC or PLC benefits are subject to change based upon changes to law. 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 was invalid under 7 CFR Part 1412, the elections indicated on this form are invalid and will not apply to the farm.</p> <p>NOTE: PLC yields in Item 10 are only used in the payment calculation of covered commodities that have elected PLC.</p>											
6. Multi-year Contract (2019 - 2024) <input type="checkbox"/>											
7. Commodity	8. Program Elected	9. Base Acres	10. PLC Yield	11. Participating		7. Commodity	8. Program Elected	9. Base Acres	10. PLC Yields	11. Participating	
				YES	NO					YES	NO
				<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>
12A. Owner or Producer's Name and Address				13. Commodity		14. Payment Share		13. Commodity		14. Payment Share	
12B. Email Address											
12C. Telephone No. <i>(Including Area Code)</i> :											
15A. Refused Payment Information:								15B. Producer's Initials			
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused								15C. Date Initialed (MM/DD/YYYY)			
16A. Producer's Signature (By)				16B. Title/Relationship of the Individual Signing in the Representative Capacity				16C. Date (MM/DD/YYYY)			
FOR FSA USE ONLY											
17A. Signature of CCC Representative									17B. Date (MM/DD/YYYY)		
18. Remarks									19. Employee's Initials		

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189 CCC-866 (Continued)

B Example of CCC-866 (Continued)

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CCC-866 (12-15-23)		Page 2 of 3	
1. Program Year	2. State Code	3. County Code	4. Farm Number
CONTINUATION OF OWNER'S OR PRODUCER'S CROP INFORMATION (From Page 1)			
12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity
12B. Email Address			
12C. Telephone No. (Including Area Code):			
15A. Refused Payment Information:		15B. Producer's Initials	
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused		15C. Date Initialed (MM/DD/YYYY)	
16A. Producer's Signature (By)		16B. Title/Relationship of the Individual Signing in the Representative Capacity	
		16C. Date (MM/DD/YYYY)	
12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity
12B. Email Address			
12C. Telephone No. (Including Area Code):			
15A. Refused Payment Information:		15B. Producer's Initials	
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused		15C. Date Initialed (MM/DD/YYYY)	
16A. Producer's Signature (By)		16B. Title/Relationship of the Individual Signing in the Representative Capacity	
		16C. Date (MM/DD/YYYY)	
12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity
12B. Email Address			
12C. Telephone No. (Including Area Code):			
15A. Refused Payment Information:		15B. Producer's Initials	
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused		15C. Date Initialed (MM/DD/YYYY)	
16A. Producer's Signature (By)		16B. Title/Relationship of the Individual Signing in the Representative Capacity	
		16C. Date (MM/DD/YYYY)	

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B Example of CCC-866 (Continued)

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CCC-866 (12-15-23)

Page 3 of 3

NOTE: 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), the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22), 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.

Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). 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.**

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 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. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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190 Election Correction Policy**A Election Correction Policy Where FSA Made an Error**

Producers on the farm can make an ARCPLC election during the election period. During the election process, errors may have occurred where the election submitted by producers on CCC-862 or CCC-866 does **not** match the election entered in * * * CRM or it does not match the election provided to producers on the final base, yield, and election notifications issued.

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

- documentary evidence must be on file in the farm folder that validates the election submitted by the producer on CCC-862 or CCC-866 during the election period does not represent what currently appears in * * * CRM
- COC will review the evidence in the farm folder and thoroughly document the County Office error in the COC Executive minutes as to the correct election submitted by producers on the farm
- upon COC approval, the County Office will correct the election per crop for ARC-CO and/or PLC or ARC-IC for the farm in * * * CRM.

Note: Corrections made by COC must be reviewed by a State Office representative. Producers are **not** required to sign a new CCC-862 or CCC-866 for corrections made according to this paragraph. This is **not** a new opportunity for election.

B Election Correction Notification Policy

Notification to all owners and the operator of the program election correction on the farm is required using the base acre, yield, and election notification letter that contains appeal rights.

191-200 (Reserved)

Part 8 ARCPLC Enrollment**Section 1 General Information****201 General Rules for ARCPLC Enrollment****A Introduction**

The 2018 Farm Bill allows producers an opportunity to enroll, on a crop-by-crop basis, consistent with the farm's program election, in the ARC-CO, PLC, or ARC-IC programs. The decision to enroll the farm in an annual program must be made by the applicable producers on the farm to receive ARC-CO, PLC, or ARC-IC payments.

--The one-time option to enroll in a multi-year contract for 2019 through 2024, is available-- in 2019; otherwise enrollment must be completed annually. The multi-year contract will remain valid as long as there are no changes to farm records or producers associated with the farm. Once a change occurs, the multi-year contract is cancelled, and enrollment must be completed on an annual basis in subsequent years.

The enrollment period for the 2019 contract period began on September 3, 2019. The enrollment period for 2020 contract period began on October 15, 2019. The 2019 annual contract period ends September 30, 2019, before the end of the enrollment period. Accordingly, the enrollment for 2019 is the only program year a retroactive contract can be approved.

--For the subsequent contract years (2021 through 2024), annual contract enrollment periods-- will be held each year by a deadline set for each specific year.

This section will provide instructions for completing CCC-862 or CCC-866 for the 2019 *--through 2024 years.--*

201 General Rules for ARPLC Enrollment (Continued)**B Interaction of Election and Enrollment**

*--Producers on farms in 2019, 2020, 2021, 2022, 2023, and 2024 may **enroll** in 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.

Election by the 2019 producers on a farm impacts the farm for 2019 and 2020: even if the producers are the same or different producers. Therefore, the 2019 election by 2019 producers must be performed at the same time or before the following:

- 2019 enrollment
- 2020 enrollment.

An election not made means the covered commodity (or farm for ARC-IC) has, in effect, the election of PLC, ARC-CO, or ARC-IC that was in effect for the covered commodity for the *--previous year. For crop years 2021, 2022, 2023, and 2024 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 2024,--* however, an election is not made in 2020.

Enrollment has late-filed provisions. COC's in consultation with the DD or other State Office representative may approve late-filed enrollments. There are **no** late-filed elections.

C Timing of 2019 Election and Enrollment and 2020 Enrollment

This subparagraph pertains only to situations where the 2019 producer(s) on the farm is not the 2020 producer(s) on the farm.

Election is available and required under the 2018 Farm Bill for the 2019 producers on a farm. 2019 election occurs in conjunction with 2019 enrollment and prior to 2020 enrollment.

Sometimes the 2019 producer(s) and the 2020 producer(s) on a farm are different. The 2020 producer(s) cannot enroll until the 2019 producer(s) has elected and enrolled. This situation is not of FSA's making nor is FSA involved in who farmed the farm in 2019 or who is farming the farm in 2020. Additionally, FSA may not know who the producer(s) on the farm is in 2020.

If a 2020 producer(s) comes to FSA to enroll in 2020 and the 2019 election has not yet occurred or been completed, the FSA office will notify the 2020 producer(s) of their enrollment status using the sample letter in Exhibit 17.

202 Enrollment Dates for ARC and PLC Programs

A Enrollment Dates

Enrollment under CCC-862 or CCC-866 will be held annually, as follows:

- 2019 enrollment period will be September 3, 2019, through March 16, 2020
- 2020 enrollment period will be October 15, 2019, through June 30, 2020
- 2021 enrollment period will be October 13, 2020, through March 15, 2021
- 2022 enrollment period will be October 18, 2021, through March 15, 2022
- 2023 enrollment period will be October 17, 2022, through March 15, 2023
- *--2024 enrollment period will be December 18, 2023, through March 15, 2024.--*

B Multi-year Contract Enrollment

For 2019 only, following election, producers have the option to enroll in a multi-year *--contract that will remain enrolled through the 2024 crop year. The multi-year enrollment--* will continue unless a producer on the farm makes one of the following changes:

- a change to the farm's constitution
- a change to any of the producers having greater than zero share of base acres
- a change in any producer's share greater than zero of covered commodities on the farm
- a change in either the election or enrollment of any covered commodity on the farm
- a change in the refuse payment indicator
- any change that would require producers on the farm to re-affirm enrollment, as determined by FSA.

Once a change is made to multi-year enrollment, enrollment must occur on an annual basis *--for each subsequent year until 2024.--*

202 Enrollment Dates for ARC and PLC Programs (Continued)**C Enrolling Base Acres on a Farm**

Following election as is applicable, eligible producers who enroll a farm in ARC-CO and/or PLC under a CCC-866 may do so on a covered commodity by covered commodity basis. Enrollment of less than 100 percent of a covered commodity is not allowed. Producers who annually enroll a farm in ARC-IC under a CCC-862 must enroll all base acres of all covered commodities on the farm.

For CCC-866, all producers having a share in the base acres must sign the contract by the end of the ARCPLC enrollment period, or the enrollment is **not** complete.

For ARC-IC contracts, all producers having a share in the covered commodities planted on the farm must sign the contract by the end of the enrollment period or the enrollment is **not** complete.

CCC and FSA are under no obligation and are not responsible for ensuring that producers enroll.

D ARC-CO and PLC Contract Enrollments and Exception

All producers having more than a zero share of base acres must sign CCC-866 by the end of the enrollment period. CCC-866's that are **not** signed by all producers having more than a zero share of base acres by the enrollment deadline are incomplete and will **not** be considered submitted to FSA or CCC for any purpose and will **not** be acted on or approved.

Exception: An exception applies to ARC-CO and PLC offers of enrollment. In those instances where COC is satisfied that there is no dispute of shares or other disagreement between producers, ARC-CO and PLC offers of enrollment can be approved, with State Office representative concurrence, to permit payment to only those eligible producers who did enroll and without regard to those shares that do **not** have signatures. This exception applies only if, in the sole judgment and discretion of FSA, FSA is satisfied that those producers who did sign for a share of base acres are in compliance with all contract provisions and requirements. Additionally, this exception is **not** applicable to ARC-IC enrollments.

When using this exception, County Offices will ensure that the producer's shares, signature type, and enrollment date are blank in CCC-866 software.

202 Enrollment Dates for ARC and PLC Programs (Continued)**E Timeline for Enrollment**

--The following tables provide the timeline for 2019 through 2024 ARC and PLC-- enrollment.

IF 2019 and 2020 enrollments occur...	THEN contract is considered...
for 2019 only, September 3, 2019, through March 16, 2020	timely filed.
for 2020 only, October 15, 2019, through June 30, 2020	timely filed.

IF 2021 through 2023 enrollments occur in the contract year from...	THEN contract is considered...
October through March 15	timely filed.
March 16 through September 30	late filed.*

*--

IF 2024 enrollments occur in the contract year from...	THEN contract is considered...
December 18 through March 15	timely filed.
March 16 through September 30	late filed.

--*

203 Late-Filed Contracts

A Late-Filed ARC-CO and PLC Contracts or ARC-IC Contracts

The ARC-CO and PLC contract or ARC-IC contract enrollment deadline for FY 2019 is March 16, 2020; for FY 2020 is June 30, 2020. The enrollment deadline for FY's 2021, *--2022, 2023, and 2024 is March 15 of the applicable contract year.--*

Late-filed ARC-CO and PLC contracts or ARC-IC contracts may be accepted through the end of the contract period (September 30 of each applicable contract year) except for crop year 2019 (the late filed period for 2019 extends through September 30, 2020). COC's have been delegated authority by DAFP to approve late-filed contracts that are completed by producers through the September 30th deadline.

Late-filed contracts may be approved by COC with DD concurrence (State Office concurrence in the absence of the DD). The late-filed approval authority is not delegated to the CED.

Valid reasons for the COC to consider late-filed contracts are:

- lease executed after the end of the enrollment period
- health of the applicable producer
- other reasons as deemed appropriate by COC that are outside of the control of the producer.

The decision to approve or disapprove a late-filed contract is strictly the decision of the COC and concurred by the DD or other State Office representative. This decision is not subject to review by any other authority.

Producers have a right of review or appeal **only** on adverse decisions and **only** where there are legitimate disputes of fact. Any right of appeal is limited to FSA's decision that the offer of enrollment was **not** received by FSA by the end of the enrollment period. See 1-APP.

203 Late-Filed Contracts (Continued)

***--B Prohibition on Contract Year 2020, 2021, 2022, 2023, or 2024 Enrollments After--* Contract Year Ends**

The contract period for ARC-CO and PLC contracts or ARC-IC contracts ends September 30 of the applicable program year.

*--Offers and attempts to enroll farms in each of the 2020 through 2024 contract years after September 30 of a contract year will **not** be considered by COC or STC. Offers to enroll in 2020 through 2024 after the end of the contract period will be considered ineligible offers--* **not** eligible for approval or disapproval by COC. FSA can make a factual determination as to whether or not enrollment occurred by the end of the contract period; however, under no circumstances will equitable relief provisions apply or be applied to cause FSA to bind CCC into contracts for a contract period that has already elapsed or passed.

--For each of the 2020 through 2024 contract years, when offers of enrollment are filed after-- the end of the contract period, the reviewing authority must **not**:

- consider or render any sort of adverse decision or relief decision on ARC-CO and PLC contracts or ARC-IC contracts if the contract was signed by anyone after the applicable contract year had ended, **regardless** of the reason the person or legal entity signed after the contract period passed
- forward any recommendation of approval or relief for anyone who offered to enroll a contract after the contract period passed
- provide any right of appeal or appealability to anyone making an inquiry about enrollment after the contract period has passed.

Notes: Producers have a right of review or appeal **only** on adverse decisions and **only** where there are legitimate disputes of fact. Any right of appeal is limited to FSA's decision that the offer of enrollment was **not** received by FSA by the end of the contract period. See 1-APP. FSA is unable to exercise any sort of discretion to obligate CCC to contracts that were offered to CCC for enrollment after the end of a contract period.

Under **no** circumstances will FSA discuss enrolling farms after the end of a contract period, nor will FSA exercise any discretion of relief for these offers

203 Late-Filed Contracts (Continued)

***--B Prohibition on Contract Year 2020 through 2024 Enrollments After Contract Year Ends (Continued)**

Actions permitted by a reviewing authority when ARC-CO and PLC contract or ARC-IC contract is received after September 30 (2020, 2021, 2022, 2023, or 2024) of the contract--* year, include the following:

- file the original ARC-CO and PLC contract or ARC-IC contract with producers' signatures in the farm file
- **do not** act on, approve, or disapprove ARC-CO and PLC contracts or ARC-IC contracts for the previous contract year
- send a letter advising producers attempting to enroll after the end of the contract period that ARC-CO and PLC contracts or ARC-IC contracts will **not** be processed by FSA. See subparagraph C.

County Offices will **not** discourage any producer from signing ARC-CO and PLC contract or ARC-IC contract at any time. However, FSA is **not** required to issue an approval or disapproval determination on ARC-CO and PLC contract or ARC-IC contract submitted after the contract year ends. STC's and COC's **must** follow this subparagraph for **all** ARC-CO and PLC contracts or ARC-IC contracts submitted after the contract year expires.

No letter of determination of approval or disapproval will be issued to producers who choose to submit ARC-CO and PLC contracts or ARC-IC contracts after the end of a contract year. This is true regardless of the reason or reasons the offer of enrollment was submitted after the end of the contract year. For these situations, County Offices will follow subparagraph C.

203 Late-Filed Contracts (Continued)

**C Communication to Producers Submitting ARC-CO and PLC Contract or ARC-IC
*--Contract After the 2020 through 2024 Contract Period, as Applicable, Has Ended**

FSA offices will follow this paragraph in acknowledging offers to enroll in 2020 through 2024 contract years after the end of each applicable contract period. FSA will--* acknowledge receipt of CCC-862 or CCC-866 submitted after the end of the contract period with a communication stating the following.

Note: Offices will not deviate from the language in the “set” part of the following text. The italicized portion and portions within brackets must be modified for the specific farms and producers.

Dear [*Enter names of all those signing CCC-862 or CCC-866 submitted after September 30 of a contract period.*]

This letter acknowledges receipt of an offer to enter into a contract with the Commodity Credit Corporation under a form [*enter CCC-862 or CCC-866 contract, as applicable*]. You submitted the request to enroll after the end of the contract period.

7 CFR § 1412.41 specifies that enrollment is **not** allowed after September 30 of FY in which the ARC and PLC Program payments are requested.

The Farm Service Agency (FSA) appreciates your interest. Your offer to enroll after the end of the contract period will be kept on file; however, FSA **cannot** process the offer because there is no contract period remaining for enrollment.

Thank you again for your interest.

Sincerely,

County Executive Director

Note: FSA’s letter advising that the offer of enrollment **cannot** be processed is **not** an ARC and PLC program approval or disapproval decision and, therefore, it is **not** appealable. It is merely communicating that the offer cannot be processed. Any subsequent administrative review, if performed, is limited to whether or not the communication is accurate.

204 ARC-CO and PLC Contract or ARC-IC Contract

A ARC-CO and PLC Contract or ARC-IC Contract Provisions

The following provisions apply to farms that do not have a new election of ARC-CO and PLC or ARC-IC for 2019.

If a farm does **not** have an election for 2019, the farm and all producers on that farm are **not** eligible for a 2019 payment. All covered commodities are defaulted to the elections in effect on the farm for 2018, with payment eligibility reinstated in 2020. Producers will be permitted to enroll farms not having elections even though there will be no payments issued for 2019. Enrollment of either 2019 or 2020 will be consistent with whatever default election applies according paragraph 181. The fact producers on such an enrolled and unelected farm are ineligible for 2019 payments is not an adverse decision for any enrolled producer on that farm. It is the function of the statute.

B COC Actions

COC will:

- only consider and act on CCC-862 or CCC-866 that is enrolled in the ARC-CO and PLC or ARC-IC program, as applicable, according to this paragraph and consistent with the applicable election for the farm according to paragraph 181
- neither approve nor disapprove CCC-862's or CCC-866's that do **not** have the signatures of all producers sharing in base acres on the farm

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

Exception: See subparagraph 202 D for other exceptions.

- **not** consider or recommend equitable relief under any provision for a CCC-862 or CCC-866 that is **not** completely enrolled.

Note: The failure of a producer to sign CCC-862 or CCC-866 is **not** a compliance discrepancy, or failure to fully comply.

205 Missing Signatures

A Incomplete Enrollments With a Share Greater Than Zero

If a producer with a share greater than zero of base acres has **not** signed CCC-862 or CCC-866, follow subparagraph 202 D after March 16, 2020, for the 2019 contract year; *--June 30, 2020, for the 2020 contract year and March 15 for 2021, 2022, 2023, and 2024.--*

Note: See paragraph 203 for late-filed enrollment provisions.

If a person or legal entity has an FSA-578 share of a covered commodity and the person or legal entity wants to make themselves potentially eligible for ARC-IC payments under an ARC-IC contract, the individual or entity **must** sign CCC-866 by March 16, 2020, for the 2019 contract year; June 30, 2020, for the 2020 contract year and March 15 for 2021, 2022, *--2023, and 2024.--*

A producer who has a share of base acres on a farm enrolled under ARC-CO and PLC contract or of covered commodities reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on a farm enrolled under an ARC-IC contract, who does not sign during the contract period, will not be eligible for payment consideration, nor will any other producer be eligible for that share of the payment. Additionally, if the ARC-IC contract does not contain signatures of all the producers who share in covered commodities reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on the farm, the ARC-IC contract enrollment is **not** considered complete.

B Incomplete Enrollments of Persons With an Interest, But a Zero Share

FSA no longer requires signatures of producers with zero share of base acres, but COC has the option to require such signatures if they deem necessary.

If COC exercises this option, any CCC-862 or CCC-866 contract with missing signatures of producers with an interest, but a zero share of base acres or any covered commodities, may be acted on and approved.

Notes: The last date to submit missing signatures substantiating a zero share is the second March 1 following the end of the applicable contract period.

205 Missing Signatures (Continued)**B Incomplete Enrollments of Persons With an Interest, But a Zero Share (Continued)**

If anyone who has an interest, but a zero share of base acres for ARC-CO or PLC or, for ARC-IC, covered commodities reported planted on the farm, fails to satisfy the provisions of this paragraph, COC will take no action on CCC-862 or CCC-866. CCC-862 or CCC-866 will be considered incomplete and require no action or decision from FSA. FSA does not act on, approve, or disapprove partial offers of enrollment.

C Cash-Rent Owners With Missing Signatures

FSA no longer requires signatures or other documentation for zero shares, unless the COC determines they are necessary to ensure program integrity.

If COC determines that zero share signatures are required and if all producers with a share greater than zero sign CCC-862 or CCC-866, COC may approve the contract if all of the following apply:

- owners representing a majority of the undivided ownership interests of the farm sign the contract

Note: Majority interest is greater than 50 percent of the collective undivided interest owners' share.

- shares are acceptable to COC
- documentation indicates the signatories expended a reasonable effort to obtain missing signatures.

Exception: If a majority of the zero share owners, as determined by COC, sign CCC-862, the farm may be approved for payment for those producers having a share greater than zero. CCC-866's however, must have signatures of all producers who share in covered commodities reported planted on the farm. CCC-866's not having signatures of all producers sharing in reported planted covered commodities on the farm cannot be approved and will be considered a partial enrollment.

222 Division of Payment Disputes (Continued)

E Payment When Disputes Are Resolved for ARC-CO and PLC

Approval of CCC-866 will be handled the same as for contracts not having a dispute for cases of disputes resolved by the end of the enrollment period.

If a dispute is resolved after September 30 of the applicable FY (or after September 30, 2020, for 2019 or 2020 CCC-866), CCC-866 may be approved and payments issued accordingly, **only** if CCC-862 was filed by September 30 of the applicable FY (or by September 30, 2020, for 2019 or 2020 CCC-866) with payment shares and signatures for all producers sharing in the base acres.

Disputing parties requesting payment must have payment shares greater than zero to receive payment. Approved ARC-CO and/or PLC contract payment shares will be limited to not more than the payment shares requested on the disputed contract.

Example: Producers A and B both file 2021 CCC-866 requesting 100 percent of the farm's payment timely. After September 30, 2021, Producers A and B agree to shares of 50 percent each. COC may approve the contract for payment to Producers A and B if a CCC-866 requesting 50 percent shares for each producer is timely filed with both signatures prior to September 30, 2021.

CCC-866's will **not** be approved **unless** all producers sharing in the base acres have signed the ARC-CO and PLC contract. If there is a dispute that is preventing 1 or more producers from signing, producers are responsible for ensuring that, as a condition of contract eligibility, CCC-866 with all necessary signatures of producers with shares entered is submitted to FSA no later than:

- September 30, 2020 for 2019 and 2020 offers of enrollment
- *--for 2021, 2022, 2023, and 2024 contract years:--*
 - March 15 of the applicable year to be considered timely enrolled
 - the late-filed enrollment period ending according to paragraph 203
 - the end of the contract period to be considered at all.

In no case will a contract **not** containing all required and necessary producer signatures be considered for any purpose or determination. COC will render no determination or action on contracts **not** having all necessary signatures and supportive and necessary contractual documents. FSA cannot approve enrollments of parts of farms.

Note: See subparagraph 202 D for exceptions.

--F Payment Disputes for ARC-IC Farms (2019 through 2024)--

Shares for ARC-IC are generated from FSA-578. Producers who cannot come to an agreement with regard to shares of covered commodities reported planted on farms having an ARC-IC election must resolve their dispute before FSA will approve the contract for CCC.

223 Division of Payment Dispute Examples**A Example Basic Farm Data**

The following are examples and should **not** be construed to be actual situations or rules. The examples are intended to illustrate potential disputes and remedies.

Unless otherwise noted, assume the following are applicable for each of the examples in this paragraph:

- 200.00 acres of cropland
- 100.00 base acres enrolled on CCC-866
- participated in the prior FY.

B Example 1

The landowner cash leases the entire farm to Producer A. Producer A enrolls the farm in ARC-CO or PLC claiming 100 percent of the payment. The landowner-disputes Producer A's share and signs another CCC-866 claiming 100 percent of the payment. The County Office generates CCC-866, 1 with 100 percent share to the landowner and another with 100 percent share to Producer A.

Under the ARC and PLC program, the landowner who cash leases an entire farm **cannot** receive a share of the payment for any covered commodity. The landowner's dispute of payment shares is contrary to the lease agreement and regulations governing the ARC and PLC program. COC will approve the CCC-866 for Producer A and issue payments accordingly. The landowner's CCC-866 will be disapproved, and the landowner will be notified of appeal rights according to 1-APP. Producer A will be:

- copied with the adverse decision to the landowner
- noticed on all appeals as a third party.

238 Overview of CCC-866**A CCC-866**

CCC-866 includes the following for each covered commodity on the farm:

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

CCC-866 is available at

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

B Instructions for Completing CCC-866

Complete CCC-866 according to subparagraph 189 A.

C Example of CCC-866

See subparagraph 189 B for an example of CCC-866.

D CCC-862 and CCC-866 Appendix

CCC-862 and CCC-866 Appendix contains the terms and conditions of CCC-862. By signing CCC-862, participants:

- acknowledge receiving CCC-862 and CCC-866 Appendix
- agree to abide by the terms of CCC-862 and CCC-866 Appendix.

CCC-862 and CCC-866 Appendix is available in paragraph 242 and from the FFAS Employees Forms/Publications Online Website at

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

CCC-862 and CCC-866 Appendix (07-23-19) will be used for crop years 2019 and 2020 through 11-21-19.

CCC-862 and CCC-866 Appendix (11-21-19) will be used for all crop years 2019 through 2023 beginning 11-21-19.

--CCC-862 and CCC-866 Appendix (12-15-23) will be used for crop year 2024.--

239 ARC-IC Enrollment and Contract Requirements**A Enrolling Base Acres on a Farm**

Producers who enroll a farm on CCC-862 **must** enroll **all** base acres on the farm and plant covered commodities on the farm to be included in the ARC-IC revenue calculation. If a farm is enrolled, there are **no** unenrolled base acres. Payment cannot be earned on unassigned generic base acres.

B Ineligible ARC-IC Farms

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

241 Overview of CCC-862**A CCC-862**

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

- base acres
- signatures of the producer and CCC representative.

CCC-862 is available at

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

*--The 07-23-19 version of CCC-862 is acceptable for each contract year 2019 through 2023.
The 12-15-23 version of CCC-862 is acceptable for each contract year 2019 through 2024.--*

B Instructions for Completing CCC-862

Complete CCC-862 according to subparagraph 188 A.

C Example of CCC-862

See subparagraph 188 B for an example of CCC-862.

D CCC-862 and CCC-866 Appendix

CCC-862 and CCC-866 Appendix contains the terms and conditions of CCC-866. By signing CCC-866, participants:

- acknowledge receiving CCC-862 and CCC-866 Appendix
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CCC-862 and CCC-866 Appendix (11-21-19) will be used for all crop years 2019 through 2023 beginning 11-21-19.

--CCC-862 and CCC-866 Appendix (12-15-23) will be used for crop year 2024.--

242 CCC-862 and CCC-866 Appendix

A Example of CCC-862 and CCC-866 Appendix

The following is an example of CCC-862 and CCC-866 Appendix.

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CCC-862 and CCC-866 Appendix
(12-15-23)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation (CCC)
Farm Service Agency (FSA)

APPENDIX TO CCC-862, AGRICULTURE RISK COVERAGE WITH INDIVIDUAL OPTION (ARC-IC) PROGRAM CONTRACT and CCC-866, PRICE LOSS COVERAGE (PLC) and AGRICULTURE RISK COVERAGE WITH COUNTY OPTION (ARC-CO) PROGRAM CONTRACT

1 PURPOSE AND CHANGES IN LAW

This appendix sets forth terms and conditions of the Agriculture Risk Coverage Individual Option (ARC-IC) Program Contract (CCC-862) and Price Loss Coverage (PLC) and Agriculture Risk Coverage County Option (ARC-CO) Program Contract (CCC-866). For the purposes of this appendix, the term "program contract" means either the PLC and ARC-CO Program Contract or ARC-IC Program Contract or both, as may be applicable. A person or legal entity who signs a program contract agrees to follow the terms and conditions contained in this CCC-862 and CCC-866 Appendix and acknowledges the applicability of Federal regulations applicable to the contract including those at 7 CFR Parts 12, 718, 1400, and 1412. It is understood and agreed by the participants signing the program contract to which this appendix is referenced that benefits under the program contract are subject to changes in law and applicable regulations.

It is understood and agreed that producers on a farm may participate in the program only by enrolling in a contract that is consistent with the election previously made for the farm and covered commodities of that farm. Election does not enroll and the election that applies to a farm and the covered commodities of a farm applies without regard to whether or not producers choose to enroll some or all of the covered commodities on the farm. Enrollment is required in order to participate in ARC or PLC each and every contract year.

A farm on which all cropland was planted to grass or pasture, including cropland that was idle or fallow, as determined by FSA, from January 1, 2009, through December 31, 2017, will have base acres and yields maintained for the covered commodities on the farm; however, no ARC or PLC payment will be made with respect to those base acres for the 2019 through 2024 crop years; the producers on a farm for which all of the base acres are maintained are: (i) ineligible to change the election applicable to the producers on the farm, and (ii) not permitted to reconstitute the farm to void or change this treatment of base acres.

A PLC and ARC-CO Contract allows for a PLC payment to eligible participants on a farm with respect to covered commodities for which a PLC election applies and where PLC yield and base acres are established. PLC payments shall be made if the Secretary determines that, for an elected and enrolled covered commodity, when the effective price for the covered commodity in a crop year is less than the effective reference price for the covered commodity for that crop year. The PLC and ARC-CO Contract allows for an ARC-CO payment after the end of the applicable marketing year for the covered commodity to the eligible producers on an enrolled farm for a covered commodity in each crop year if all the following apply: (a) there are covered commodity base acres of the covered commodity, (b) the covered commodity was so elected and farm enrolled, and (c) the enrolled covered commodity ARC-CO actual crop revenue was less than the ARC-CO guarantee for the farm. Payment of PLC or ARC-CO will be as soon as practical, as determined by the Deputy Administrator, after October 1 following the end of the 12-month marketing year for the covered commodity as applicable. The ARC-IC Contract allows for an ARC-IC payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the farm if the farm was so elected and enrolled in ARC-IC and the ARC-IC actual crop revenue for that farm and the producer is less than the ARC-IC guarantee.

The final enrollment date is as announced by FSA. It is the producer's responsibility to ensure that enrollment occurs by the final enrollment date.

2 DEFINITIONS

A 2014 Farm Bill means the Agricultural Act of 2014 (Pub. L. 113-79), as amended.

B 2019 Farm Structure means the farm as it was constituted as of September 30, 2019.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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CCC-862 and CCC-866 Appendix (12-15-23)

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C Actual average county yield means the crop year production of a covered commodity in the county divided by the total planted acres for that commodity for a crop year in the county, as determined by FSA. For wheat, corn, grain sorghum, barley and oats, planted acres are defined as harvested acres plus unharvested acres. In determining the yield for a county, FSA uses data in order from the following sources: RMA (when available) and yields determined by State committee. Separate irrigated and non-irrigated yields for a covered commodity will be established when the following is available in a county:

- RMA irrigated and non-irrigated data for a covered commodity must be available in 3 of the 5 years between the years 2013 and 2017, or
- Both of the following:
 - FSA irrigated and non-irrigated data for a covered commodity must indicate the county had at least 10% irrigated and 10% non-irrigated acres of the covered commodity in the county between the years 2013 and 2017; and
 - an average of 5,000 acres of the covered commodity was planted in the county every year 2013 through 2017

FSA will reevaluate these counties beginning in 2021 and continue through the end of the farm bill, as determined by FSA. FSA will calculate and use a trend-adjusted yield factor to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)

D Average historical county yield means the 5-year Olympic average of actual average county yields for the most recent 5 years available, as determined by FSA, (substituting 80 percent of the county transitional yield as defined in this part in each year where the actual average county yield is less than 80 percent of the county transitional yield). Separate irrigated and non-irrigated yields will be established in a county having a sufficient number of farms as outlined in subsection 2 C above. At FSA's discretion, FSA will calculate and use a trend-adjusted yield factor to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under 7 U.S.C. 1501 et seq.

E Actual Crop Revenue means revenue calculated as follows for:

- ARC-CO, for a crop year of a covered commodity: The actual average county yield per planted acre of the covered commodity multiplied by the higher of either the market year average (MYA) price of the covered commodity or the national average loan rate for the covered commodity. If a county has separate irrigated and nonirrigated yields established for a covered commodity, the actual crop revenue calculated for a farm with that covered commodity will be weighted based on the farm's historical irrigated percentage, as determined by FSA.
- ARC-IC, for a producer on each elected and enrolled farm for a crop year, is based on the producer's enrolled share of planted acres of all covered commodities on all farms for which ARC-IC has been elected and enrolled in that year and in which the producer has an interest: the sum of the results of the following calculation for each covered commodity on the farm:
 - (1) The total production of the covered commodity for all enrolled farms in the State in which the producer has an interest; multiplied by
 - (2) The higher of either the MYA price or national loan rate for the covered commodity; divided by
 - (3) The producer's share of the planted acres of the covered commodity in the State.

F Administrative County means the county specified at 7 CFR § 718.8. FSA farm records and PLC yields are based on the administrative county of the farm. ARC-CO assistance will be determined for the enrolled covered commodity base acres based on the physical location of covered commodity base acres on a farm, weighted and summarized to the farm, as determined by FSA.

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A Example of CCC-862 and CCC-866 Appendix (Continued)

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- G Administrative units** mean for the purposes of ARC-CO, as determined by FSA, for application in no more than 25 counties that are each larger than 1,400 square miles and have more than 190,000 base acres where FSA will divide that county into no more than two administrative units as determined appropriate based on the differences in weather patterns, soil types, and other factors.
- H ARC-CO** means the Agriculture Risk Coverage elected with the county option. For no more than 25 counties that FSA divides into administrative units, each administrative unit will be viewed as a county for ARC-CO purposes. ARC-CO benchmark guarantee and actual revenues are based on physical location of the base acres on the farm as well as the historical irrigated percentage, if applicable, weighted and summarized to the farm level to determine payment eligibility.
- I ARC Guarantee** means for a crop year for a covered commodity, 86 percent of the benchmark revenue for ARC-CO and ARC-IC, as is applicable, and as specified in 7 CFR part 1412.
- J ARC-IC** means the Agriculture Risk Coverage elected with the individual option.
- K ARC-IC Farm** means the calculation resulting from the sum of the producer's interests in all of the producer's farms having an ARC-IC election and enrollment in the State for the applicable year.
- L Average historical county yield** means the 5-year Olympic average of actual county yields for the most recent 5 years available, as determined by FSA, (substituting 80 percent of the county transitional yield as defined in this part in each year where the actual county yield is less than 80 percent of the county transitional yield). Separate irrigated and non-irrigated yields will be established in a county having a sufficient number of farms as outlined in subsection 2 C above. FSA will calculate and use a trend-adjusted yield factor to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under 7 U.S.C. 1501 et seq.
- M 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, subject to any reallocation, adjustment, or reduction. The term "base acres" includes any unassigned base acres.
- N Beginning farmer or rancher** means a farmer or rancher as defined in 7 CFR part 718.
- O Benchmark Revenue for ARC-CO** means the result obtained by multiplying the Olympic average historical county yield by the Olympic average MYA price for the most recent 5 crop years available, as determined by FSA, excluding each of the crop years with the highest and lowest prices and substituting the effective reference price in each year where the MYA price is less than the effective reference price. If a county has separate irrigated and nonirrigated yields established for a covered commodity, the benchmark revenue calculated for that farm and covered commodity will be weighted based on the farm's historical irrigated percentage, as determined by FSA.
- P Benchmark Revenue for ARC-IC** means a producer's share of all covered commodities planted on all farms in the State for which individual ARC has been elected and enrolled and in which the producer has an interest. FSA will calculate the benchmark revenue for ARC-IC using the following three steps, based on the producer's planted commodities:
- (1) For each covered commodity for each of the most recent 5 crop years available, as determined by FSA:
 - (a) Yield per planted acre (substituting 80 percent of the county transitional yield in each year where the yield per planted acre is less than 80 percent of the county transitional yield); multiplied by
 - (b) The MYA price (substituting the effective reference price in each year where the MYA price is less than the effective reference price).
 - (2) For each covered commodity, the average of the revenues determined under paragraph (1) of this definition for the most recent 5 crop years available, as determined by FSA, excluding each of the crop years with the highest and lowest revenues; and

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A Example of CCC-862 and CCC-866 Appendix (Continued)

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(3) For each of the 2019 through 2024 crop years, the benchmark revenue for the ARC-IC farm is the sum of the amounts determined under paragraph (2) of this definition for all covered commodities on such farms, adjusted to reflect the ratio between the total number of P&CP acres on such farms to a covered commodity and the total P&CP acres of all covered commodities on such farms. If a producer has an interest in multiple farms that have enrolled in ARC-IC, the ARC-IC benchmark revenue for that producer is a weighted average of the benchmark revenue for those multiple farms.

- Q Contract Period** means the compliance period specified for the contract for the particular program year, as designated on the program contract. References to the “contract” period refer to the compliance period for the particular program year. The compliance period for each program year is October 1 through September 30. For example, for the 2019 contract (and therefore for the 2019 program), the contract period is the compliance period for the 2019 program year that begins on October 1, 2018 and ends on September 30, 2019.
- R County coverage** means agriculture risk coverage (ARC-CO) elected under 7 CFR subpart D with the county option.
- S 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.
- T Covered Commodity base acres** mean base acres of any covered commodity. The term does not include unassigned base acres on the farm.
- U Crop year** means the relevant contract year. For example, the 2019 crop year for corn is the year that runs from October 1, 2018, through September 30, 2019, and payments for that year refer to payments made under contracts with the year that runs during those dates.
- V Deputy Administrator** means the Deputy Administrator for Farm Programs (DAFP), or a designee.
- W Effective price** means the higher of the—
- National average market price received by producers during the 12-month marketing year for the covered commodity (also known as the MYA price), as determined by FSA; or
 - National average loan rate as defined in this part for the covered commodity in effect for the crop year, which is the same as the loan rate for a marketing assistance loan for the commodity for that crop year.
- X Effective reference price** means the lesser of the following:
- (a) an amount equal to 115 percent of the reference price for such covered commodity, or
 - (b) an amount equal to the greater of —
 - (i) the reference price for such covered commodity; or
 - (ii) 85 percent of the average of the marketing year average price of the covered commodity for the most recent 5 crop years as determined by FSA, excluding each of the crop years with the highest and lowest marketing year average price.
- Y Fallow** means any cropland or DCP cropland that is not devoted to any crop or trees.
- Z Farm structure** means the constitution of the farm. References to “farm structure” can be by date or crop year. When references to farm structure are by crop year, that means the farm as was last constituted as specified in 7 CFR part 718 subpart C in that crop year. The constitution of the farm is the farm and tracts and land within that farm and tracts as specified in 7 CFR part 718.
- AA Generic base acres** means the number of base acres for upland cotton in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B, subject to any adjustment or reduction under 7 CFR part 1412. Generic base acres are subject to allocation in §1412.25.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- AB Grass or pasture** means, with regard to crop acreage and land, any cropland or DCP cropland devoted to grass, native grass, mixed forage two or more interseeded grass mix and mixed forage native grass interseeded, as determined by FSA.
- AC Idle** means any cropland or DCP cropland that is not devoted to any crop or trees.
- AD Individual coverage** means ARC (ARC-IC) elected for all covered commodities and the farm with the individual option.
- AE Historical irrigated percentage** means the percentage of the covered commodity that was irrigated (P&CP, including subsequently planted crop acreage) divided by the total acreage of the covered commodity (P&CP, including subsequently planted crop acreage) between the years 2013 through 2017, as determined by FSA.
- AF Limited resource farmer or rancher** means a farmer or rancher as defined in 7 CFR part 718.
- AG Marketing year** means the 12-month period beginning in the calendar year the crop is normally harvested as follows:
- (1) Barley, oats, and wheat: June 1 through May 31;
 - (2) Canola, flax and rapeseed, lentils, and dry edible peas: July 1 through June 30;
 - (3) Peanuts, seed cotton, and rice: August 1 through July 31; and
 - (4) Corn, grain sorghum, soybeans, sunflowers, safflower, mustard, crambe, sesame, and chickpeas: September 1 through August 31.
- AH Market year average (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.
- AI Medium grain rice** means medium grain rice and includes short grain rice, temperate japonica rice, and sweet rice.
- AJ Most recent 5 crop years** means the 5 years preceding the most immediately preceding crop year, as determined by the Deputy Administrator.
- AK National average loan rate** means the loan rate established for a crop year of the covered commodity as specified in 7 CFR part 1421.
- AL Other oilseed** means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.
- AM Owner** means the person or legal entity meeting the definition of owner in 7 CFR part 718 for the applicable contract period for which that person or legal entity is signing any form or performing any action required under 7 CFR part 1412.
- AN Payment acres** means:
- (1) For the purpose of ARC-CO and PLC, subject to planting flexibility provisions as specified in §1412.46, the payment acres for each covered commodity on a farm are equal to 85 percent of the covered commodity base acres for the covered commodity 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 are equal to 65 percent of all the covered commodity base acres on the farm.
- AO Payment yield** means for a covered commodity, the yield established according to 7 CFR part 1412, subpart C.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- AP Planted and considered planted (P&CP)** means with respect to an acreage amount, the sum of the planted and prevented planted acres on the farm approved by the FSA county committee for a crop. P&CP is limited to initially planted or prevented planted crop acreage, except for crops planted in an FSA approved double-cropping sequence. Subsequently planted crop acreage and replacement crop acreage are not included as P&CP.
- AQ Price Loss Coverage (or PLC)** means coverage provided under 7 CFR part 1412, subpart D.
- AR Producer** means the person or legal entity meeting the definition of producer in 7 CFR part 718 for the applicable contract period for which person or legal entity is signing any form or performing any action required under 7 CFR part 1412. For example, if a signature of a “producer” is required, the person or legal entity must be a producer for the applicable contract period for which the person or legal entity is signing the form or performing the action required. The person or legal entity must be an owner, operator, landlord, tenant, or sharecropper who is both entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced and who shares in the risk of producing that crop. In determining whether a grower using hybrid seed, under contract, to produce a covered commodity is eligible for a payment to which the contract applies, FSA will not consider the contract with the seed producer and allow the payment to the grower of the hybrid seed. The preceding sentence only applies, however, if the grower of the hybrid seed would, but for the contract, be eligible to be considered a producer of the crop.
- AS Pulse Crop** means dry peas, lentils, small chickpeas, and large chickpeas.
- AT Replacement crop** means the planting or approved prevented planting of any crop for harvest following the failure of planted crop acreage or prevented planted acreage of a covered commodity not in a recognized double-cropping sequence (as specified in this section). Replacement crops cannot generate payments unless the replacement crop acreage meets the definition of eligible subsequently planted crop acreage.
- AU Seed cotton** means unginned upland cotton that includes both lint and seed.
- AV Socially disadvantaged farmer or rancher** means a farmer or rancher as defined in 7 CFR part 718.
- AW Subsequently planted crop acreage** means planted acres of a covered commodity following an initial P&CP covered commodity.
- AX Temperate japonica rice** means rice that is grown in high altitudes or temperate regions of high latitudes with cooler climate conditions, in the Western United States, as determined by CCC, for the purpose of the—
- (1) Reallocation of base acres
 - (2) Establishment of a reference price equal to the reference price of medium grain rice multiplied by the ratio obtained by dividing:
 - (a) the simple average of the marketing year average price of medium grain rice from the 2012 through 2016 crop years; by
 - (b) the simple average of the marketing year average price of all rice from the 2012 through 2016 crop years.
 - (3) Determination of temperate japonica rice’s own effective price; and
 - (4) Determination of the actual crop revenue and ARC guarantee.
- AY Trend adjusted yield** means the yield computed by multiplying the benchmark yield by a factor determined by taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for that crop and county.
- AZ Unassigned base acres** means the number of acres resulting from the allocation of generic base acres where no ARC or PLC payments are generated or earned.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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BA Upland cotton means cotton that is produced in the United States from other than pure strain varieties of the Barbados species, any hybrid thereof, or any other variety of cotton in which one or more of these varieties predominate. In other words, it means any cotton that is not extra-long staple cotton.

BB Veteran farmer or rancher means a farmer or rancher as defined in 7 CFR part 718.

3 PROGRAM CONTRACT

Each person or legal entity signing a CCC-862 or CCC-866 has acknowledged receipt of this appendix. Each person and legal entity signing the CCC-862 or CCC-866 understands and agrees that;

A Only a "producer," as defined in part 2 of this appendix, is entitled to earn payments. Shares of PLC and ARC-CO Program Contract are determined based on the shares of the covered commodity base acres entered on the PLC and ARC-CO Program Contract. Shares of ARC-IC Program Contract payments are determined based on the shares recorded on the report of acreage filed as specified in §1412.66. Further, each eligible producer having a share of planted or eligible subsequently planted crop acreage of covered commodities has to do both of the following to be eligible for their share of a payment:

- (1) Unless otherwise already enrolled on the program contract, sign the program contract during the contract period; and
- (2) Have the producer's share recorded on the report of acreage filed as required by 7 CFR part 718 and 7 CFR §1412.66.

B A farm is limited in the number of payment acres as specified in part 2 of this appendix;

C The payment share for a person or legal entity asserting themselves as a producer may not exceed the person's or legal entity's applicable producer interest in a covered commodity or base acres as is applicable under this appendix and 7 CFR part 1412. An eligible producer's valid share of enrolled base acres on a farm are always limited to the producer's share of reported crop acreage on the farm. For example, if a producer enrolled with a 75 percent share of a farm's 1,000 base acres, the producer's enrollment would only be valid if the producer had 100 percent share interest in 750 or more reported crop acres on that farm. Valid claimed shares of base acres must always be supported by reported crop acres on the farm.

D Producers have until the enrollment deadline to timely file a program contract for that program year. Annual enrollment is required to earn payments in the applicable year.

E 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 100 percent of the interest in those base acres must enroll all 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 covered commodity base acres complete enrollment by the end of the enrollment period. CCC and FSA are under no obligation and are not responsible for ensuring that producers enroll.

F Producers who have enrolled are required to submit all documents necessary and required in order for FSA to make payment eligibility decisions from which the actual extent of payment eligibility can be determined by March 1 of the second contract year after the end of the contract period. This includes any payment eligibility document required under part 12 or part 1400 of this title. For example, for the 2019 contract year, the final date for submission of documents from which payment eligibility will be determined and apply is March 1, 2021. Payments to any person who fails to submit required forms and documents by this date will not issue to any person or legal entity. Further these payments will not be considered denied as the person or legal entity is presumed to have forfeited their interest in the payment according to §1412.51. This includes any documents related to compliance with §1412.67.

G Except as provided in 7 CFR §1412.41 for the 2019 program year only, or as determined necessary by CCC, requests for enrollment received after the end of a contract period will not be acted on or processed by FSA. FSA cannot contract on behalf of CCC after the end of the contract period.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- H** Contracts will not be approved unless all producers sharing in program contract acreage with more than a zero share have timely submitted all applicable signatures on the program contract and documentation necessary for FSA to make such approval, as determined by the Deputy Administrator. When required by FSA and as determined appropriate by FSA, for those producers with an interest but a zero share of program contract acreage (including, but not limited to, an owner cash renting owned land to a tenant), the program contract will not be approved before all producers have signed the program contract or furnished supportive and necessary contractual documents (such as cash leases in lieu of signing for a zero share).

A program contract not having all requisite signatures of producers having more than a zero share of contract acreage on or before the enrollment deadline are deemed incomplete and will not be considered submitted to FSA for any purpose and will not be acted on or approved. For ARC-IC Program Contracts there are no exceptions to this provision. Additionally, program contracts enrolled by a producer by the date specified in paragraph (a)(2)(i) of 7 CFR §1412.41 that were not signed by other producers are deemed withdrawn and will not be approved. An exception to this applies to PLC and ARC-CO Program Contract offers of enrollment. In those instances, at the discretion of the Deputy Administrator and where no dispute of shares or other disagreement between producers is evident or suspected, PLC and ARC-CO Program Contract offers of enrollment can be approved for the covered commodity to permit payment only to those eligible producers who did enroll and without regard to program contract shares that do not have signatures. In this instance, the covered commodity on the farm will be viewed as enrolled. This exception will be made only if, in the sole judgment and discretion of FSA, FSA is satisfied that those producers who did sign in accordance with this section ensure compliance with all contract provisions and requirements of this part. Producers have no right to payment on any farm that is not enrolled in the ARC or PLC Program Contract and they are not entitled to a decision to authorize the exception for PLC and ARC-CO Program Contract enrollments as discussed above, as that is discretionary.

- I** Neither CCC nor FSA are responsible for ensuring that producers annually enroll their farm. Producers on a farm are solely responsible for ensuring that enrollment occurs.
- J** Eligible producers who choose to enter into an ARC-IC program contract with FSA enroll all covered commodity base acres on the farm. Enrollment of fewer than all covered commodity base acres on the farm is not allowed for ARC-IC. For PLC or ARC-CO enrollments, 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 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.
- K** If a multiyear contract option is selected by all a farm's producers of covered commodity base acres, the enrollment of any covered commodity on a farm in such year and immediate subsequent crop year will be presumed by CCC and FSA to be the enrollment for following subsequent crop years unless any of the following, as determined by FSA, occur:
- (1) A change to the farm's constitution;
 - (2) A change to any of the farm's base acres or PLC yield of any covered commodity;
 - (3) A change to any of the producers or producer shares of covered commodities on the farm;
 - (4) A change in either election or enrollment of any covered commodity on the farm;
 - (5) Any change, including a withdrawal of any enrolled producer, that would require producers on the farm to have to reaffirm enrollment, as determined by FSA.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- J** All contracts expire on September 30 of the fiscal year of the contract unless, before that date in the same program year, the contract is:
- (1) Withdrawn in accordance with 7 CFR §1412.41(b);
 - (2) Terminated in accordance with 7 CFR §§ 1412.41(d) or (e); or
 - (3) Terminated at an earlier date by mutual consent of all parties, including FSA.
- L** A program contract becomes effective when signed by an authorized representative of FSA; however, the contract period is from October 1 through September 30 for each program year irrespective of when the contract is signed by the FSA representative or the person applying for benefits. If a multiyear contract option is selected by all of the producers on a farm, the enrollment of the covered commodities on a farm in such year will have a contract period beginning October 1 of that contract year extending through September 30 of the subsequent crop year by CCC or FSA unless any of the following, as determined by FSA, occur:
- (1) A change to the farm's constitution;
 - (2) A change to any of the farm's base acres or PLC yield of any covered commodity;
 - (3) A change to any of the producers or producer shares of covered commodities on the farm;
 - (4) A change in either election or enrollment of any covered commodity on the farm;
 - (5) Any change, including a withdrawal of any enrolled producer, that would require producers on the farm to have to reaffirm enrollment, as determined by FSA.
- M** At any time through September 30 of a program year, the contract may be terminated upon written agreement of all producers eligible for payment under the contract. For ARC-CO and PLC contracts, at any time through September 30 of a program year, the contract for an enrolled covered commodity may be terminated upon the submission and approval by the County Committee or designee of a signed, written agreement of all producers eligible for payment for the covered commodity under the contract.
- N** An obligation will be terminated for a producer or owner whose interest in the crops or land on the farm is transferred during the contract period and will not be entitled to earn payments with respect to the farm for that contract period. The transferee may assume the obligation of the contract if the transferee is otherwise eligible to participate in the program by entering into a revised contract during the period of time prescribed by FSA. In the event a succession-in-interest occurs, and the contract obligation is not assumed timely for the contract year, the enrolled covered commodities on the farm will not be considered enrolled.
- O** Changes in the farming operation that may affect any program determination after the program contract is signed, including, but not limited to, ownership changes, producer changes, or changes in the crop share arrangements on the farm, must be reported to FSA by all applicable producers signing a revised program contract to reflect the changes no later than September 30 of the contract year. The failure of producers to timely report changes and file a revised program contract may result in the loss of payments for all producers on the farm for the crop year(s) covered by the program contract. In such event, all producers on the program contract must refund to CCC payments received for the crop year(s), plus interest, and the farm is considered not enrolled.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- P** A completed farm reconstitution which divides or combines farms will result in the termination of the initial program contract and, with respect to the base acreage assigned by the Secretary to the resulting farms of that reconstitution, the farm producers must enroll the base acres by signing a new program contract for the resulting farm(s) by the later of the final signup date, or 30 days after notification of the bases and yields for the resulting farm(s). A program contract not having all requisite signatures of producers on or before the final signup date, or 30 days after notification of the base acres and yields of the resulting farm, will not be considered submitted to FSA for any purpose and will not be acted on or approved. Those program contracts not enrolled by a producer on or before the final signup date, or 30 days after notification of the base acres and yields of the resulting farm will be deemed withdrawn and will not be approved. Producers on a farm are solely responsible for ensuring that enrollment occurs. In addition, after the enrollment deadline, neither the combination of a farm having enrolled covered commodities with any farm having covered commodities not enrolled nor the combination of farms with a conflicting election is allowed. The failure of producers and owners to timely enroll the base acres may result in the loss of payments for all producers on the original or new farm for the crop year. The provisions of this section of the appendix that allow for a new program contract after the normal signup date in the case of a reconstitution only apply to program contracts for the program year in which the reconstitution was requested.
- Q** Each crop year producers are required to timely file in the manner prescribed by FSA with the FSA County Committee the following and agree to meet any other certification or filing requirements, as may be required by FSA, if not already on file:
- (1) A fully reported/fully certified acreage report of all cropland on the farm in accordance with 7 CFR Part 718; and
 - (2) A farm operating plan in accordance with 7 CFR Part 1400; and
 - (3) A certification of compliance with the highly erodible land and wetland conservation provisions set forth in 7 CFR Part 12; and
 - (4) A certification of compliance with the average adjusted gross income provisions in accordance with 7 CFR Part 1400 (together with any waivers as may be deemed needed by FSA to verify income with the Internal Revenue Service); and
 - (5) A report of production on the farm according to 7 CFR §1412.66, if enrolled in ARC-IC.
- R** Violations of the highly erodible land and wetland conservation provisions of 7 CFR Part 12 may result, at FSA's discretion, in termination of the payments with respect to each producer in violation (or considered in violation) or a reduction in the program contract payment. Upon termination, each producer shall forfeit all rights to receive program contract payments on each farm in which the producer has an interest and must refund to CCC all program contract payments received by such producer during the period of violation, plus interest. A producer considered in violation of those provisions may also lose other benefits.
- S** The payment limitation provisions of 7 CFR Part 1400 relating to payment limits and payment eligibility requirements apply to payments under this contract as indicated by relevant regulations. For all covered commodities other than peanuts, the total amount of ARC and PLC 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. 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. Also, as permitted by 7 CFR Part 1403 payments to a producer can be setoff commensurately to the extent that persons with a direct or indirect ownership interest have a past due or collectable obligation to the United States or one of its agencies. Each producer determined by FSA to have adopted a scheme or device designed to evade, or which has the effect of evading such regulations, must refund any contract payment on all farms in which such producer has an interest and shall be ineligible for such payments for the following contract year. Further, no payment may be allowed which is prohibited by any applicable regulation or statute.
- T** The regulations at 7 CFR Parts 12, 718, 1400, and 1412 are incorporated by reference as part of this program contract.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- U** FSA representatives may enter the farm to determine if the producers are in compliance with this contract.
- Program 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.
- V** Payments are subject to the availability of funds, compliance with all applicable laws and statutory changes and to limits on payments as may be provided for in the program regulations. It is specifically understood that any payments under this appendix and the program to which it applies are subject to statutory and regulatory changes including those that occur after the signing of the program contract. Payments may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be required, FSA will provide notice about the required percent of payment reduction that applies to the payments.
- W** A producer on a farm is not eligible to receive ARC or PLC payments if the sum of the base acres, including any unassigned base acres on the farm is 10 acres or less unless 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. This 10-acre limitation will not apply to a socially disadvantaged farmer or rancher, a beginning farmer or rancher, a veteran farmer or rancher, or a limited resource farmer or rancher.
- X** Calculations provided for in this appendix are made by FSA farm serial number, as provided for in the program contract and each FSA farm serial number from which producer(s) seeks payments must have a separate program contract submitted and approved on file. There will only be one program contract from any farm serial number for any program year – that is, all producers on the farm serial number must, for each program year, submit for approval by FSA for CCC a single, new program contract.
- Y** If there is a discrepancy between terms of the program contract, the appendix, or any current or subsequent statutory or regulatory provisions, the statutory or regulatory language will apply.
- Z** Producers are not required to purchase crop insurance or participate in the Noninsured Crop Disaster Assistance Program (NAP) in order to participate in ARC or PLC.
- AA** In a case where a producer has failed to sign a program contract by the enrollment deadline or end of the contract period established for enrollment and participation for the producer's reported share of covered commodities on a farm enrolled as specified in this part, that producer's share will not be considered for payment and will not generate any payment to the producer or to any other producer on the farm.
- AB** If a farm is cash leased, that is the landowner receives a zero share of covered commodities planted on the farm or a zero share of any base acres, then the tenant(s) who enter a producer signature on CCC-862 or CCC-866 is deemed to have satisfied program requirements of landowner(s) signing to a zero share of CCC-862 or CCC-866. This provision is contingent upon FSA being satisfied that the producers signing the contract have the interest alleged on the contract and there are no undisclosed facts or circumstances that would require the application of a more restrictive rule regarding approval of the contract. FSA may require affirmation of the shares entered on a contract if FSA is not satisfied that the shares are as represented. If at any time FSA is not satisfied with shares or if there is any dispute between parties, FSA can elect not to approve the contract or disapprove the already approved contract.
- AC** Persons or legal entities who have signed program forms for which a signature certification is made for any purpose under 7 CFR part 1412 must retain records substantiating the certification or signature for 3 years after effective program year the person or legal entity signed the program document.
- 4 PLANTING FLEXIBILITY**
- A** Any crop may be planted and harvested on base acres except as set out below. Any crop may be planted on cropland in excess of the base acres on a farm.
- B** Base acres may be hayed or grazed at any time.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- C** Except as specified below in paragraph D below, the planting or harvesting of perennial or harvesting of non-perennial fruits, vegetables (except mung beans and covered commodities), or wild rice, as determined by CCC, results in an acre for acre payment reduction when such crop or crops are planted and or harvested, as applicable, on more than:
- (1) 15 percent of the base acres of a farm enrolled in PLC or ARC using county coverage plus any unassigned base acres; or
 - (2) 35 percent of the base acres of a farm enrolled in ARC using individual coverage, plus any unassigned base acres.
- D** Notwithstanding the provisions of paragraph C above, perennial fruits, vegetables, and wild rice may be planted or harvested on base acres of a farm and non-perennial fruits, vegetables, and wild rice may be harvested on base acres of a farm if a producer double-crops fruits, vegetables, or wild rice with a covered commodity in any region described in paragraph E below, in which case payment acres will not be reduced for the planting or harvesting of the fruit, vegetable, or wild rice.
- E** Double-cropping for purposes of this section means planting for harvest non-perennial fruits, vegetables, or wild rice on the same acres in cycle with a planted covered commodity harvested for grain in a 12-month period under normal growing conditions for the region and being able to repeat the same cycle in the following 12-month period. The counties listed in 7 CFR §1412.46(e) have been determined to be regions having a history of double-cropping covered commodities or peanuts with fruits, vegetables, or wild rice.

5 PLC PAYMENTS

- A** Provided all provisions of the PLC and ARC-CO Contract and 7 CFR part 1412 including but not limited to election have been satisfied for each of the 2019 through 2024 contract years, a PLC payment will be made to eligible participants on a farm enrolled in PLC with respect to covered commodities for which a PLC yield and base acres are established:
- (1) When the effective price for a covered commodity in a crop year is less than the effective reference price for the PLC enrolled covered commodity for that crop year as specified in this part; and
 - (2) As soon as practical, as determined by the Deputy Administrator, after October 1 following the end of the 12-month marketing year for the covered commodity as applicable.
- B** The effective price for a covered commodity is defined in section 2 W above.
- C** The payment rate used to calculate PLC payments with respect to a covered commodity for which PLC yields and base acres are attributed to the covered commodity on a farm enrolled in a PLC and ARC-CO contract is the effective reference price of the covered commodity minus the effective price of the covered commodity for the applicable crop year
- D** When PLC payments are triggered in accordance with section 5 A of this appendix, subject to the limitation in 7 CFR §1412.51 and in 7 CFR part 1400, the PLC payment to be paid to producers on a farm and covered commodity enrolled in a contract with respect to a covered commodity for which a PLC yield and base acres are attributed is equal to the product of:
- (1) The payment rate determined in accordance with paragraph C of this section of the appendix, multiplied by
 - (2) The relevant payment acres of the covered commodity, as applicable, minus any payment acre reduction in accordance with part 4 of this appendix, multiplied by
 - (3) The PLC payment yield for the covered commodity on the farm enrolled in a PLC contract as determined in accordance with 7 CFR §1412.31, minus
 - (4) Any reduction calculated in accordance with 7 CFR part 1412, subpart F.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- E** A producer must refund to CCC any payment which exceeds the amount actually earned under the PLC and ARC-CO Contract, including the refund of unearned payments for a crop year resulting from another owner or producer assuming an interest in the base acres for the crop year. Interest on such refunds will be assessed in accordance with 7-CFR Part 1403 and will accrue from the date of disbursement.

6 ARC PAYMENTS

- A** Provided all provisions of program contract and 7 CFR part 1412 have been satisfied for each of the 2019 through 2024 contract years, FSA will issue, as applicable and consistent with the election and enrollment:
- (1) An ARC-CO payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity to the producers on a farm for a covered commodity in each crop year if the covered commodity was enrolled in ARC-CO and the ARC-CO actual crop revenue was less than the ARC-CO guarantee.
 - (2) The payment is equal to the result of multiplying the payment acres for the covered commodity times the difference between the actual crop revenue and the ARC-CO guarantee not to exceed 10 percent of the ARC-CO benchmark revenue.
- B** Provided all provisions of the ARC-IC Program Contract and 7 CFR part 1412 have been satisfied for each of the 2019 through 2024 contract years, FSA will issue, as applicable and consistent with the election and enrollment:
- (1) An ARC-IC payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the farm if the farm was enrolled in ARC-IC and the ARC-IC actual crop revenue for that farm is less than the ARC-IC guarantee.
 - (2) Payment is equal to the result of multiplying the payment acres for the covered commodities times the difference between actual crop revenue and the ARC-IC guarantee, not to exceed 10 percent of benchmark revenue for ARC-IC.
- C** If a producer has an interest in multiple farms in the state that have enrolled under an ARC-IC Program Contract, the ARC-IC benchmark revenue for that producer used in the payment calculation is a weighted average of the benchmark revenue for those multiple farms.
- D** The effective price and guarantee for temperate japonica rice is based on the price that all medium and short grain (including glutinous) rice receives in California. The effective price and guarantee for medium grain rice outside California is based on the price that all medium and short grain rice receives outside California.

8 OTHER PAYMENT PROVISIONS

- A** A producer who declines to receive payments by indicating such on the program contract may subsequently decide to receive payments, provided that the producer signs a revised program contract or otherwise notifies the FSA County Committee in writing by the end of the contract period for that same contract and program year.
- B** Payments will not be earned by any producer on a program contract, unless payment shares are properly designated and all producers sign the program contract in accordance with 7 CFR part 1412. In cases where a payment share dispute exists, payments will not be earned by producers involved in the dispute on the farm unless the payment share in dispute is resolved by agreement of the parties and documented in writing to the satisfaction of the FSA County Committee by the end of the contract period for the program year, and the agreed upon payment shares are compliant with program regulations and provisions.
- C** Any payment or portion thereof due any producer is made by CCC without regard to any question of title under State law, and without regard to any claim or lien against the crop, or proceeds there from, which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to producers or their assignees.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- D** Payments can be denied to any signatory who FSA determines has violated State law provisions that affect a tenant's right to lease agricultural land, or any person (including a subsequent tenant) who would profit by such a violation.
- E** Interest on any refund due CCC accrues from the date of disbursement by CCC.
- F** All payments are subject to the limits in this appendix or elsewhere that may apply and all payments are subject to changes in statutory and regulatory provisions (including any and all new statutory or regulatory provisions) irrespective of whether those amendments and provisions or changes occurred after the signing of this contract.
- G** A person or legal entity is ineligible for payments if the person's or legal entity's adjusted gross income (AGI) for the applicable compliance program year is in excess of \$900,000. If a person with an indirect interest in a legal entity has AGI in excess of \$900,000, the payments subject to AGI compliance provisions to the legal entity will be reduced as calculated based on the percent interest of the person in the legal entity receiving the payment. AGI is calculated based on the average income for the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the relevant years used to calculate AGI for 2019 are the 2015, 2016, and 2017 tax years. For 2020, the relevant years are the 2016, 2017, and 2018 tax years.

9 LOSS OF BENEFITS

- A** If FSA determines a person or legal entity erroneously represented any fact affecting a determination made by FSA under this program contract, payments will not be allowed on the farm with respect to the payment shares of that person or legal entity. If FSA determines that the misrepresentation was intentional or fraudulent, or if the person or legal entity knowingly adopted any scheme or device which tends to defeat the purposes of the program contract, the person or legal entity forfeits all rights to payments on each farm in which the person or legal entity has an interest and must refund to FSA all payments received by the person or legal entity during the period of the violation, plus interest. Schemes and devices and other actions to evade payment limitations can lead to ineligibility for payments, under the provisions of 7 U.S.C. 1308-2. Also, under those same statutory provisions, the filing of false documents or, to the extent provided by regulation, other serious actions can lead to a five year disqualification for payments. In addition, any scheme or device to increase the amount of the payment under a program contract will, irrespective of whether it is related to a maximum payment limitation or not, be grounds for denying payment under the program contract involved or for demanding repayment if payment has already been made.
- B** All producers sharing in program contract payments are jointly and severally liable for any refunds determined pursuant to section 9 A of this appendix and FSA will establish claims for the full amount of the refund against each producer in accordance with 7 CFR Part 1403 and this appendix. A signatory to the contract who does not receive any share of the contract payments will not be liable for the repayment of such refund.
- C** The provisions of this section are in addition to any liability which may be incurred under various criminal and civil statutes, including, but not limited to, 7 U.S.C. 1308-2, 15 U.S.C. 714m, 18 U.S.C. 286, 287, 371, 641, 1001; and 31 U.S.C. 3729.

10 MODIFICATIONS

FSA reserves the right to correct all errors in entering data on a program contract and the results of computations made pursuant thereto and to modify this agreement and appendix to reflect statutory and regulatory changes (including new statutory and regulatory provisions) in the program, including changes in program payments and program eligibilities. In the event of such modifications, producers are allowed to withdraw from the program contract, in which case all payments received under the program contract, if made, must be refunded with interest from the date the funds were disbursed. FSA also reserves the right to require refunds of payments as the result of determinations made in accordance with the maximum payment limitations in the regulations at 7 CFR Part 1400.

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242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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11 REFERENCE PRICES

The reference price is as follows for the following covered commodities:

- (A) Wheat, \$5.50 per bushel;
- (B) Corn, \$3.70 per bushel;
- (C) Grain sorghum, \$3.95 per bushel;
- (D) Barley, \$4.95 per bushel;
- (E) Oats, \$2.40 per bushel;
- (F) Long grain rice, \$14.00 per hundredweight;
- (G) Medium grain rice, \$14.00 per hundredweight;
- (H) Soybeans, \$8.40 per bushel;
- (I) Other oilseeds, \$20.15 per hundredweight;
- (J) Peanuts, \$535.00 per ton;
- (K) Dry peas, \$11.00 per hundredweight;
- (L) Lentils, \$19.97 per hundredweight;
- (M) Small chickpeas, \$19.04 per hundredweight;
- (N) Large chickpeas, \$21.54 per hundredweight;
- (O) Seed cotton, \$0.367 per pound;
- (P) Temperate Japonica Rice, \$17.30 per hundredweight.

12 PROJECTED PRICES AND OTHER RELEVANT MATERIAL

Additional information referenced by this appendix regarding the programs, including, but not limited to average and projected prices and market year average prices and national loan rates can be found at:

<http://www.fsa.usda.gov/arc-plc>

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, audiotope, 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 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. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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242 CCC-862 and CCC-866 Appendix (Continued)**B Distributing CCC-862 and CCC-866 Appendix**

Producers who enroll on CCC-862 or CCC-866 acknowledge receipt of CCC-862 and CCC-866 Appendix.

CCC-862 and CCC-866 Appendix will be provided by 1 of the following methods:

- providing the producer a copy of CCC-862 and CCC-866 Appendix
- providing the producer the web site link to CCC-862 and CCC-866 Appendix at
--https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/arc-plc/2019/pdf/appendix-to-arc_plc-contracts.pdf--
- emailing the producer a copy of CCC-862 and CCC-866 Appendix
- providing the producer the QR code.

243 Participants Declared Deceased, Incompetent, or Missing for Contract Years 2019 through *--2024--*

A Basic Rule

Individuals declared deceased, incompetent, or missing, but who met or meet the definition of a producer for the contract period, are eligible for payments if payments become available and a completed, timely submitted CCC-862 or CCC-866 was approved. However, if payment is **not** to be issued to the participant, FSA-325 **must** be completed according to this paragraph. The eligible payment will be issued under the deceased producer's ID number even if FSA-325 is completed. This situation is **not** considered a succession and CCC-862 or CCC-866 **must not** be altered.

B Contract and Payment Options for Deceased Producers

Following are the contract options for deceased producers before the end of the contract period:

- pay deceased producer

Note: The deceased producer was the producer on the farm during the contract period.

- pay deceased producer ID number using a requested FSA-325

Note: FSA-325 **may** be completed, according to 1-CM, by the individual or entity requesting payments **earned** by a deceased producer. Payments will be issued to the individual or entity requesting payment using the deceased producer's ID number. A revised CCC-862 or CCC-866 will **not** be completed when payments are issued under the deceased, incompetent, or missing participant's ID number.

- complete a successor contract before the end of the contract period.

Notes: If the estate or heir is determined to be the producer on the farm, that estate or heir must succeed to the interest of the deceased producer before the end of the contract period.

CCC-862 or CCC-866 must **not** be revised to show the estate ID number after September 30 of the applicable year.

245 Approving, Disapproving, and Revising ARC and PLC Contracts

A Approval Authority

The following tables provide the approval authority for ARC and PLC contracts.

IF 2019 and 2020 enrollments occur...	THEN contract approval authority is...	AND authority to load dates in software is...
for 2019 only, September 3, 2019, through March 16, 2020	COC or CED, if delegated	County Office.
for 2020 only, October 15, 2019, through June 30, 2020	COC or CED, if delegated	County Office.

IF 2021 through 2023 enrollments occur in the contract year from...	THEN contract approval authority is...	AND authority to load dates in software is...
October through March 15	COC or CED, if delegated	County Office.
March 16 through September 30	COC with DD or other State Office representative concurrence	County Office.

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IF 2024 enrollment occurs in the contract year from...	THEN contract approval authority is...	AND authority to load dates in software is...
December 18 through March 15	COC or CED, if delegated	County Office.
March 16 through September 30	COC with DD or other State Office representative concurrence	County Office.

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B Contract Approvals

Contracts may be approved if all the conditions in subparagraph C are met. CED's, with delegated authority from COC, can approve CCC-862 or CCC-866. Redlegation of authority **must** be documented in the COC minutes **before** CED approves CCC-862 or CCC-866.

All approvals must be documented in the COC minutes. This includes electronic approvals.

If a change, such as a change in FRMS, removes the approval date for CCC-866 that was approved electronically or entered into the contract software, the approving official may use the current date as the approval date on CCC-862 or CCC-866. The change that removed the approval date may require the producer or County Office to take additional action on CCC-862 or CCC-866 before approval.

245 Approving, Disapproving, and Revising ARC and PLC Contracts (Continued)**B Contract Approvals**

Situations may occur when contract approval is not available in the software. Contract approval is also not allowed “on paper” during these times.

An enrolled CCC-866 will be approved the later of 30 calendar days after either of the following:

- end of the enrollment period
- contract is enrolled.

C Contract Disapproval

If, for any FY, COC determines that an owner, operator, or other tenant does **not** meet the terms and conditions of the ARC and PLC program, COC will:

- **not** approve CCC-862 or CCC-866 for the applicable FY
- obtain DD concurrence according to paragraph 3
- notify the owner, operator, other tenant, and all other persons signing CCC-862 or CCC-866 of the disapproval
- document COC findings in the COC minutes
- provide applicable appeal rights.

Note: A decision by COC **not** to act or render a decision on CCC-862 or CCC-866 is **not** an adverse decision giving rise to any appeal or appealability review.

D Revising CCC-862 or CCC-866

Revisions to CCC-862 or CCC-866 must **not** be made after:

- September 30, 2020, for FY 2019 and 2020 contracts
- September 30 of the applicable year for FY 2021 and subsequent years.

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

C Timing of Adjustments and Payments (Continued)

Adjustments to base acres on a farm because of CRP-1 that expires, is voluntarily terminated, or early released after September 30, 2013, and before October 1, 2018, may be made according to the following table, if all other eligibility requirements are met.

IF CRP-1 expires, is voluntarily terminated, or is early released...	THEN eligible farms may...	AND be paid full ARCPLC in FY...
before September 30, 2019	have base acres reinstated to the farm to be used for: <ul style="list-style-type: none"> election of ARC or PLC enrollment into 2019 ARC or PLC 	2019, subject to CCC-862 or CCC-866 if applicable.
September 30, 2019, through September 30, *--2024	have base acres reinstated to the farm for the applicable year, 2020 through 2024, to be used for: <ul style="list-style-type: none"> election of ARC or PLC (2021 through 2024)--* enrollment into CCC-862 or CCC-866 for the applicable year 	in which base acres are reinstated and subject to CCC-862 or CCC-866.

Note: Eligible acreage **must** be included on CCC-862 or CCC-866 by the applicable ARCPLC enrollment deadline established for the applicable year to be eligible for ARCPLC.

D Documentation Requirements

For base acres to be reinstated, there must be documentation on file showing the reduction was because of CRP. If CCC-505 is not available showing the original reduction, alternate information may be used. When using alternate information, **all** the following must be met:

- the documentation must clearly show the reduction was because of CRP
- the amount of base acres reduced and requested to be reinstated must match up with CRP contacts
- COC **must** review all documentation and approve
- all reviews and approvals **must** be documented in the COC minutes.

***--283.5 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)**

E Example 1

Jane Smith enrolled 100 acres of cropland on FSN 56 in CRP. CRP-1 became effective on October 1, 2020. Before enrollment of the 100.00 acres of cropland into CRP, FSN 56 had:

- 500.00 acres cropland
- 410.00 base acres
- 0.00 CRP acres.

The total amount of base acres plus CRP acres **cannot** exceed the farm's cropland plus double-cropping history. Accordingly, Jane Smith executed CCC-505 to reduce the base acres on FSN 56 to 400.00 acres. After enrollment of the 100.00 acres of cropland into CRP, FSN 56 has:

- 500.00 acres cropland
- 400.00 base acres
- 100.00 CRP acres
- 10.00 wheat base acres reduced on CCC-505.

On September 1, 2021, Jane Smith voluntarily terminates 2.30 acres from CRP. The 2.30 acres will be used for a horse pasture. The voluntary termination of 2.30 acres from CRP was approved by the applicable CCC official. After the voluntary termination of the 2.30 acres of CRP is approved, and all other eligibility requirements are met, the County Office will:

- notify all producers and owners, in writing, that the 2.30 wheat base acres are available for enrollment into ARCPLC
- increase the base acres on FSN 56 to 402.3
- notate the 2.30 base acre reinstatement in the CCC-505 "Remarks" section.

After the modifications to FY 2021 FRMS have been completed, FSN 56 has:

- 500.00 acres cropland
- 402.30 base acres
- 97.70 CRP acres
- 7.70 base acres reduced on CCC-505.--*

***--283.5 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)**

G Example 3 (Continued)

On May 15, 2021, Joe Brown voluntarily terminated his CRP-1. Joe Brown will use 7 acres to build a house, out buildings, and a tennis court; and 3.00 acres will be returned to crop production. The voluntary termination from CRP was approved by the applicable CCC official. After the voluntary termination of CRP-1 is approved, and all other eligibility requirements are met, the County Office **must**:

- notify all producers and owners, in writing, that the 3.00 wheat base acres are available for enrollment into ARCPLC
- increase the base acres on FSN 989 to 3.00 base acres, if the producer enrolls the base acres into ARCPLC by the applicable ARCPLC enrollment deadline
- notate the 3 base acre reinstatement in CCC-505.

After the modifications to the applicable FY 2021 FRMS are completed, FSN 989 has:

- 3.00 acres cropland
- 3.00 base acres
- 0.00 CRP acres
- 2.00 wheat base acres reduced on CCC-505.--*

283.6 CCC-866-1

A Instructions for CCC-866-1

The following are instructions for completing CCC-866-1. When all the producers of a farm sign CCC-866-1, those producers are indicating the election of a covered commodity when base acres are returned to a farm when CRP-1 expired, was voluntarily terminated, or was subject to an early out.

Item	Instructions
1	Enter the program year that the base acres are returned to the farm, 1 of the years *--between and including 2019 through 2024.--*
2A	Enter administrative County Office's name and address.
2B	Enter administrative County Office's telephone number (optional).
2C	Enter administrative County Office's FAX number (optional).
3	Enter administrative County Office's State code.
4	Enter administrative County Office's county code.
5	Enter applicable farm's FSN.
6	Enter the applicable covered commodity returned to the farm.
7	Enter the applicable covered commodity recorded in item 6 and all the producers on the farm will elect either PLC or ARC-CO. If: <ul style="list-style-type: none"> • there were no covered commodities on the farm before this restoration, producers may elect ARC-IC • if all the producers on the farm had elected ARC-IC before this election, then ARC-IC must be selected.
8A	Enter the producer's name and address.
8B	For the producer listed in item 8A, enter that producer's email address (optional).
8C	For the producer listed in item 8A, enter the producer's telephone number (optional).
8D	The producer listed in item 8A will sign.
8E	If the person who signed on behalf of the producer in item 8A signed in a representative capacity, enter the title of the person who signed in a representative capacity.
8F	Enter the date the person signed in item 8D.
9A	The CCC representative will sign indicating acceptance of CCC-866-1.
9B	Enter the date the CCC representative signed in item 9A.

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283.6 CCC-866-1 (Continued)

B Example of CCC-866-1

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

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CCC-866-1 (12-15-23)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. Program Years: 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)	
ELECTION FOR BASE ACRES RETURNED TO THE FARM		3. State Code	4. County Code	5. Farm Number	6. Covered Commodity
<p>NOTE: 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), the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22), 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>Paperwork Reduction Act (PRA) Statement: 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. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p>					
PART A - FARM ELECTION					
<p>THIS ELECTION must be unanimously made by the PRODUCERS 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 2024. 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 was 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 ONE box.					
Covered Commodity		PLC	ARC-CO	ARC-IC	
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
PART B - PRODUCER'S INFORMATION					
8A. Producer's Name and Address (Including Zip Code)		8B. Email Address			
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			
8D. Signature of Producer (By)		8E. Title/Relationship of the Individual Signing in the Representative Capacity		8F. Date (MM/DD/YYYY)	
PART C - FOR FSA USE ONLY					
9A. Signature of CCC Representative				9B. Date (MM-DD-YYYY)	

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283.6 CCC-866-1 (Continued)

B Example of CCC-866-1 (Continued)

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CCC-866-1 (12-15-23)		Page 2 of 2
PART D - PRODUCER'S INFORMATION		
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)
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)
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)

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, audiotope, 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 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. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviations	Term	Reference
2002 Farm Bill	Farm Security and Rural Investment Act of 2002	64
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
CRM	Customer Relationship Management	Text
CTAP	Cotton Transition Assistance Program	22, 64
FRMS	Farm Records Management System	Text
HIP	historical irrigated percentage	122-127, 134, 206, Ex. 15.5
MYA	marketing year average	1, 5, 101, 113 Ex. 2
PFC	production flexibility contract	10, 64, 281, 283.5
PLC	price loss coverage	Text
SCO	Supplemental Coverage Option	184
STAX	Stacked Income Protection Program	184
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 (Continued)

ARC-IC Benchmark Revenue

[7 CFR 1412.3] **Benchmark revenue for ARC-IC** means a producer's share of all covered commodities planted on all farms in the State for which individual ARC has been elected and enrolled and in which the producer has an interest. FSA will calculate the benchmark revenue for ARC-IC using the following three steps, based on the producer's planted commodities:

(1) For each planted covered commodity for each of the most recent 5 crop years available:

(i) Yield per planted acre (substituting 80 percent of the county transitional yield in each year where the yield per planted acre is less than 80 percent of the county transitional yield); times

(ii) The MYA price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices and substituting the effective reference price in each year where the MYA price is less than the effective reference price.

(2) For each covered commodity, the average of the revenues determined under paragraph (1) of this definition for the most recent 5 crop years available, excluding each of the crop years with the highest and lowest revenues; and

(3) For each of the 2019 through 2023 crop years, the benchmark revenue for the ARC-IC farm is the sum of the amounts determined under paragraph (2) of this definition for all covered commodities on such farms, adjusted to reflect the ratio between the total number of P&CP acres and eligible subsequently planted crop acreage on such farms to a covered commodity and the total P&CP acres and eligible subsequently planted crop acreage of all covered commodities planted on such farms. If a producer has an interest in multiple farms that have enrolled in ARC-IC, the ARC-IC benchmark revenue for that producer will be a weighted average of the benchmark revenue for those multiple farms.

*--Note: The Further Continuing Appropriations and Other Extensions Act of 2024 (Pub. L. 118-22) has extended the Farm Bill until September 30, 2024. This includes all regulations until updated.

ARC-IC Farm

ARC-IC farm means the producer's interests in all of the producer's farms having an ARC-IC election and enrollment in the State.

ARC-IC Payment Rate Cap

ARC-IC payment rate cap means the ARC-IC payment rate that is capped at 10 percent of the ARC-IC farm's weighted benchmark revenue.

Definitions of Terms Used in This Handbook (Continued)

ARC-IC Payment Shares

ARC-IC payment shares mean the payment shares for ARC-IC that are based on each producer's share interest in covered commodities planted on the enrolled ARC-IC farms, as reported on FSA-578. Producers, including owners that have no share interest in the covered commodity planted on enrolled ARC-IC farm, will **not** receive an ARC-IC payment for the ARC-IC farms.

Assigned Yield

Assigned yield means, for benchmark revenue, 100 percent of the county average yield.

Note: Yield is assigned when to establish benchmark revenue for a covered commodity that covered commodity has zero planted acres in the 5 years of the benchmark period.

Average Historical County Yield

[7 CFR 1412.3] Average historical county yield means the 5-year Olympic determined by FSA as the average of actual average county yields for the most recent 5 years for which data is available, substituting 80 percent of the county transitional yield as defined in this part in each year in which the actual average county yield is less than 80 percent of the county transitional yield. Separate irrigated and nonirrigated yields will be established in a county having a sufficient number of farms with P&CP acreage history of a covered commodity in 2013 through 2017. These separate yields will be established for counties where a covered commodity's P&CP acreage was both irrigated and nonirrigated in 2013 through 2017. If needed, a trend-adjusted yield factor will be used to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the crop insurance endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501-1520).

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.

Beginning Farmer or Rancher

* * * Beginning farmer or rancher means a person or legal entity * * * for which both of the following are true for the farmer or rancher:

- has not operated a farm or ranch for more than 10 years; and
- materially and substantially participates in the operation.

--For entities to be considered a beginning farmer or rancher, at least 50 percent of the interest must be beginning farmers or ranchers.--

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

Effective Price

Effective price means the higher of the national:

- average market price received by producers during the 12-month marketing year for the covered commodity (also known as the MYA price), as determined by FSA; or
- average loan rate as defined in this part for the covered commodity in effect for the crop year, which is the same as the loan rate for a marketing assistance loan for the commodity for that crop year.

Definitions of Terms Used in This Handbook (Continued)

*--Effective Reference Price

Effective reference price means the lesser of the following:

- An amount equal to 115 percent of the reference price for a covered commodity; or
- An amount equal to the greater of:
 - the reference price for a covered commodity; or
 - 85 percent of the average of the MYA price of the covered commodity for the most recent 5 crop years available, excluding each of the crop years with the highest and lowest MYA price.

Eligible Crops

Eligible crops mean, for:

- ARC-CO, each specific covered commodity with base acres on the farm

Note: Producers are **not** required to plant the covered commodity on the farm to be eligible for an ARC-CO payment on the farm.

- ARC-IC enrolled farms, **only** covered commodity acreage planted.

Note: Eligible crops are used in the ARC-IC farm calculation. Production and revenue from nonparticipating ARC-IC farms and from nonprogram crop production and revenue are **not** included in the ARC-IC benchmark, guarantee, or payment calculations.

Eligible Producers

Eligible producer means an owner of a farm with an ownership share of a crop, or a producer other than the owner on a farm with a share of a crop, who assumes all or part of the risk of producing a crop on the farm.

Note: Cash rent owners are **not** eligible producers for payments.--*

Definitions of Terms Used in This Handbook (Continued)

Substitute Yield

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

Temperate Japonica Rice

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

Transitional Yield (T-Yield)

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

Trend-Adjusted Yield

[7 CFR 1412.3] Trend-adjusted yield means the yield computed by multiplying the benchmark yield by a factor determined by taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under crop insurance endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501-1524) for that crop and county.

Veteran Farmer or Rancher

Veteran Farmer or Rancher means a farmer or rancher who has served in the Armed Forces (as defined in section 101(10) of title 38) and who—

- (A) has not operated a farm or ranch;
- (B) has operated a farm or ranch for not more than 10 years; or
- (C) is a veteran (as defined in section 101 of title 38) who has first obtained status as a veteran (as so defined) during the most recent 10-year period.--*

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
- *--termination is because of a natural disaster or through no fault of the participant.--*

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.

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

C Example of CCC-863

The following is an example of CCC-863.

*--

CCC-863 (12-15-23)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Program Years:			
AGRICULTURE RISK COVERAGE – INDIVIDUAL (ARC-IC) YIELD CERTIFICATION		2A. County FSA Office Name and Address (Including Zip Code)					
		2B. County FSA Office Telephone Number (Including Area Code)				2C. County FSA Office FAX Number (Including Area Code)	
		3. State Code	4. County Code	5. Farm Number			
<p>THE YIELD WORKSHEET is used to obtain yield information that may be used by producers participating in the Agriculture Risk Coverage – Individual (ARC-IC) program under Section 1113 of Public Law 113-79 as amended by Public Law 15-334, Public Law 118-22, and 7 CFR Part 1412. The yields provided in this worksheet are for the previous five years the covered commodity was planted, an optional prior year yield, as well as the current crop year yield. The yields will be used to capture an ARC-IC Benchmark Farm Yield and the ARC-IC Actual Yield.</p> <p>Report the actual yields planted on the farm for each covered commodity planted for the current and prior five crop years. The higher of either the actual yield or 80% of the T-yield will be used for each year. If no crop was planted, the producer will receive the higher of 100% of the county yield or 80% of T-yield.</p>							
TOTAL FARM YIELD WORKSHEET							
<p><i>Complete this section ONLY for covered commodities that the owner may wish to report. If a covered commodity was not planted for a particular year, then leave that year blank. This is ONLY a worksheet. It is NOT the yield update.</i></p>							
6. Farm Yields							
6A. Commodity	Benchmark Crop Year:	Benchmark Crop Year:	Benchmark Crop Year:	Benchmark Crop Year:	Benchmark Crop Year:	Prior Crop Year (Optional):	Actual (Current) Crop Year:
	6B. Yield	6B. Yield	6B. Yield	6B. Yield	6B. Yield	6B. Yield	6B. Yield
7. Remarks							
<p>The undersigned certifies that all the information entered on this form, whether personally entered by the undersigned or not, or by someone else, the attachments to this form, related acreage reports, production certifications, statements, etc., are each and all true and correct. The undersigned certifies that the production on this form is accurately identified to the farm and represents total production for the year shown. The undersigned understands this report is subject to spot-check, and if FSA finds that this certification contains any erroneous information, FSA will render a new determination. This may include a refund of unearned payments as a result of the errors. Failure to accurately certify any of the information on this form could result in a loss of program benefits. Additionally, by signing this form, the undersigned directs the purchaser, warehouse operator, ginner, or any person who otherwise, stores or purchases crop production listed on this form to disclose the production records of such crops to USDA representatives for the purpose of verification.</p>							
8. Producer's Name and Address (Including Zip Code)							
9A. Signature of Producer (By)			9B. Title/Relationship of the Individual Signing in the Representative Capacity			9C. Date (MM-DD-YYYY)	
10A. Signature of CCC Representative						10B. Date (MM-DD-YYYY)	

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

C Example of CCC-863 (Continued)

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CCC-863 (12-15-23)

Page 2 of 2

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