For: Upland Cotton State and County Offices

Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC)
Update for Farms With Generic Base Acres

Approved by: Acting Deputy Administrator, Farm Programs

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1 Overview

A Background

The Bipartisan Budget Act of 2018 (BBA) authorizes Seed Cotton as a covered commodity under the ARCPLC program effective for the 2018 crop year. BBA also authorizes owners of a farm with generic base acres and recent history of covered commodities, a 1-time opportunity to do either of the following with generic base acres:

- convert 80 to 100 percent of the generic base acres on a farm, as of September 30, 2013, to seed cotton base acres, depending on the plantings of covered commodities and/or upland cotton on the farm

- allocate generic base acres on a farm, as of September 30, 2013, based on the 4-year average P&CP acres in the 2009 through 2012 crop years. The allocation is permitted among base acres of covered commodities, which includes Seed Cotton, on the farm. An increase in total base acres on the farm as of September 30, 2013, is **not** allowed.

  Note: Allocation of generic base acres is based on the proportion of 2009 through 2012 average P&CP acres of covered commodities, including upland cotton, to the total of P&CP acres of all covered commodities on the farm.

Farms without history of a P&CP covered commodity in 2009 through 2016 will convert generic base acres on the farm to unassigned crop base for which no payments will be made.

Disposal Date	Distribution
December 1, 2018	Upland Cotton State Offices; State Offices relay to applicable County Offices

1   Overview (Continued)

A   Background (Continued)

BBA provides a 1-time opportunity to update the upland cotton yield under the 2008 Farm Bill for use as payment yields under PLC for seed cotton. The initial yield for seed cotton will be the counter-cyclical yield of upland cotton under the 2008 Farm Bill multiplied by 2.4. The seed cotton yield may be updated based on 90 percent of the farm's 2008 through 2012 average yield per planted acre multiplied by 2.4, excluding any year when no acreage was planted to upland cotton. All farms are eligible to update the PLC yield on seed cotton base acres. However, PLC yields are only used to determine payment amounts for the PLC program.

Because of the opportunity to allocate generic base acres, each owner and farm operator must review P&CP history to ensure accuracy for the years 2009 through 2012.

Only generic base acres are allowed the opportunity to allocate base acres and update PLC yields. At least .01 acres of the farm in the years 2009 through 2016 **must** have been planted or prevented planted to a covered commodity, including upland cotton, to be allowed the opportunity to allocate base acres and update PLC yields.

B   Purpose

This notice provides:

*   a timeline for base allocation, yield updates, program election, and enrollment

*   methods to research and find missing P&CP acreage of covered commodities, including upland cotton, by tract for farms for the years 2008 through 2012

    Note: County Offices may have completed the acreage history research for the original 21 covered commodities in 2015 with the exception of the upland cotton acres. If the research was completed and documented previously, County Offices may use those documents for this process. However, if the P&CP acreage includes upland cotton, then the upland cotton acres would be required to be researched.

*   instructions to identify current year (2018) farm numbers where a tract division, tract combination, or farm transfers were completed during the years 2009 through 2018

    Note: Farms will be using acreage history information as the farm is constituted in 2018. As such, all tract divisions, tract combinations, and farm transfers before 2018 will **require** County Office research for the correct 2009 through 2012 P&CP acreage of covered commodities. Farm combinations and farm divisions are not affected as the P&CP acreage remains captured at the current tract level.

1   Overview (Continued)

B   Purpose (Continued)

- instructions to record P&CP acreage of covered commodities for impacted tracts and farms. This information **must** be loaded by tract into the Farm Bill Acreage History software if the producer requests to allocate generic base acres. When software is available, County Offices will complete this load process after the producer has been issued the initial acreage history of covered commodities letter, covered in subparagraph 2 B.

  Note: Missing covered commodity P&CP acreage may be recorded in the Historical Acreage Excel spreadsheet that will be provided in the near future, according to subparagraph 3 F **only** for the years the 2018 tract number does **not** exist.

2   Base Allocation and Yield Updates

A   Timeline for Base Allocation and Yield Updates

The following table provides the projected timeline for base allocation and yield updates.

Step	Assignment	Timeframe
1	County Offices receive Historical Acreage Excel spreadsheet.	April 2018
2	Farm Bill Acreage History software arrives in County Offices.	Mid Summer 2018
3	All owners and operators receive their Notification of Covered Commodity Acreage History letter that includes all farms in all counties. Owners and operators are provided an opportunity to correct acreage history for years 2008 through 2016.	May 2018
4	County Offices dataload missing P&CP acreage history.	Late Summer 2018
5	Owners make final base allocation and yield update decision for the farm.	Late Summer 2018
6	Official 2018 Notice of Base Acre, Yield, and Election report mailed to all owners and operators on the farm, with appeal rights.	Late Summer 2018
7	All owners and operators on the farm make program election for the farm.	Fall 2018
8	Annual enrollment into PLC, ARC-CO, or ARC-IC program for seed cotton base acre farms.	Ends September 2018

2   Base Allocation and Yield Updates (Continued)

B   Notification of Covered Commodity Acreage History Letter to Owners and Operators

Each owner and operator will receive a letter to verify the accuracy and completeness of the computer-generated acreage history report. These letters will **not** reflect "missing acreage history" for reconstituted tracts or if the farm was transferred between 2009 through 2018.

There may be situations where a **subsequent crop** was planted that may need to be researched. County Offices are to capture the acreage history for each respective covered commodity where an "**initial covered commodity crop**" is followed by a "**subsequent covered commodity**" and crops do not meet the double-cropping definition. The letter will instruct producers to carefully review the acreage history of covered commodities for the farm, which includes upland cotton, and if necessary, visit the County Office to request any necessary corrections.

To timely complete the information collection outlined in this notice, County Offices **must** start the process to research and document the missing acreage history of covered commodities, including:

- subsequent crops where the initial crop was a covered commodity

- upland cotton, along with the subsequent crop, on tracts and farms for which **tract divisions, tract combinations, and/or farm transfers** were completed for the years 2009 through 2018.

C   Historical Acreage Excel Spreadsheet

County Offices will be provided a Historical Acreage Excel spreadsheet that will include the acreage history for covered commodities, by farm and tract, as the farm is constituted in 2018.

There will be missing P&CP acreage for tracts when a **tract division, tract combination, and/or farm transfer** occurred between 2009 through 2018. County Offices will research and document "missing crop history acreage" data for covered commodities, including upland cotton, that will eventually be data loaded into the Farm Bill Acreage History software where producers are requesting allocation of base acres. The 2009 through 2012 acreage data will be used for base allocation purposes, and possibly for yield update purposes with the years 2008 through 2012, if producers on the farm make that decision. The 2013 through 2016 acreage data will be used to verify recent history of covered commodities if no covered commodity history exists in 2008 through 2012. In situations where no covered commodity history is present in 2009 through 2012, County Offices will only need to research 2013 through 2016 until history of a covered commodity is found. County Offices will enter that verification was completed and a history was found, but are not required to enter acreage values by years for 2013 through 2016.

Note: County Offices will be required to manually research FSA-578's and maps to obtain the missing acreage of P&CP for each covered commodity on the farm.

2   Base Allocation and Yield Updates (Continued)

C   Historical Acreage Excel Spreadsheet (Continued)

Example 1:   Farm #100 was divided into Tracts 1000 and 1001 in 2013. The County
Office will be **required** to manually research and obtain the acreage history
for both Tracts 1000 and 1001 for 2008 through 2012, because both tracts did
not exist those years.

Farm #100					
Tract	**2008**	**2009**	**2010**	**2011**	**2012**
#1000	No History	No History	No History	No History	No History
#1001	No History	No History	No History	No History	No History

Example 2:   Farm #200 was divided into Tracts 2000 and 2001 in 2010. The County
Office will be **required** to manually research and obtain the acreage history
for both Tracts 2000 and 2001 for 2008 and 2009, because both tracts did not
exist those years.

Farm #200					
Tract	**2008**	**2009**	**2010**	**2011**	**2012**
#2000	No History	No History	Acres Reported	Acres Reported	Acres Reported
#2001	No History	No History	Acres Reported	Acres Reported	Acres Reported

D   Historical Acreage Excel Spreadsheet Layout

The Historical Acreage Excel spreadsheet will contain the following information for all
farms with generic base acres greater than zero.

Field	Explanation
State	Administrative State of the farm.
County	Administrative county of the farm.
Farm	Farm number based on the 2018 farm structure.
Tract	Tract number based on the 2018 farm structure.
Crop	Any of the 22 covered commodities with a P&CP history in Crop Acreage Reporting System (CARS) for the tract in 2008 through 2016 will be displayed.

2   Base Allocation and Yield Updates (Continued)

D   Historical Acreage Excel Spreadsheet Layout (Continued)

Field	Explanation
Planted Status	History will be displayed as follows: • "**Planted**" from CARS for any of the 22 covered commodities with an initial code of "I", "IF", and "IP" • "**Double**" from CARS for any of the 22 covered commodities with an initial code of "D", "DF", "DP", "E", "EP", "EF", "G", "GP", "GF", "K", "KP", "KF", "M", "MP", and "MF" • "**Subsequent**" from CARS for any of the 22 covered commodities with an initial code of "J", "JP", or "JF".
Years	2008 through 2016.

Displayed acreage is based on the information loaded in Farm Records and CARS. Zeroes displayed on the spreadsheet will indicate that FSA-578 is on file for the specific year, but no acres were reported for that crop and/or status as defined in the table in this subparagraph. Any field displayed as "**blank**" indicates that tract history is incomplete because of a tract reconstitution or farm transfer. If the "**Crop**" field is blank and there are zeroes for acreage, then FSA-578 was on file, but no covered commodity crops were planted.

Note: Data for any tracts that are reconstituted or transferred after this spreadsheet is made available will not be reflected on the spreadsheet under the new tracts. The data used for the producer letters issued will reflect the correct information.

E   Accessing the ARC/PLC Historical Acreage Excel Spreadsheet

The Historical Acreage Excel spreadsheet will be posted on the ARC/PLC DAFP SharePoint site at **https://sharepoint.fsa.usda.net/mgr/dafp/PECD/arcplc/sitepages/home.aspx**. The spreadsheet will be split alphabetically by State and county and all ARC/PLC State Office specialists will be granted access to the SharePoint site. The spreadsheet will have Excel's standard sort, filter, and print capabilities.

3   Researching Missing Tract Covered Commodity Crop Acreage History

A   Identifying Tracts with Missing Covered Commodity Acreage

County Offices will take the following steps to find tracts with missing covered commodity acreage during the years 2008 through 2016.
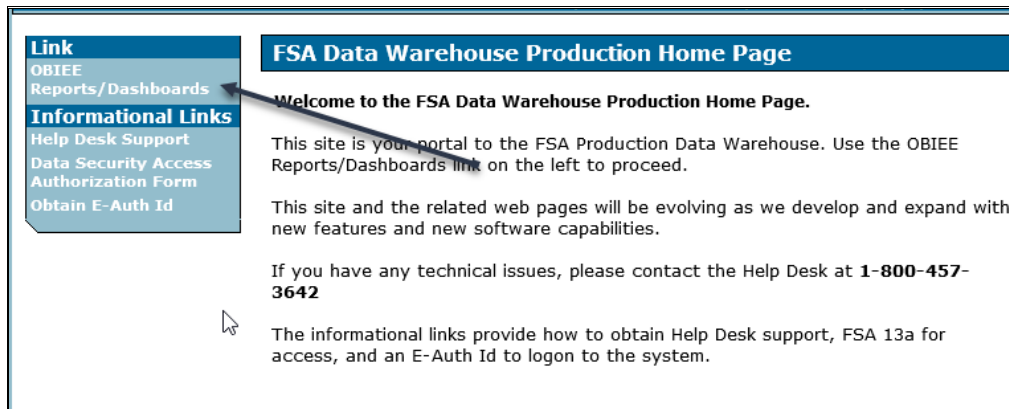
Step	Action
1	Download the Historical Acreage Excel spreadsheet when made available.
2	Download the Tract History Report from the Enterprise Data Warehouse (EDW).
3	Identify tracts from active 2018 farms requiring acreage history research.
4	From the tracts identified in step 3, manually search FSA-578 data or CARS to complete the Historical Acreage Excel spreadsheet.

B   Downloading Tract History for 2008 Through 2018 With EDW Tract History Search

The **Tract History Search** may be accessed from EDW according to 12-CM, paragraph 211.

From the Intranet FSA Applications Screen, under "FSA Applications":

- under "Applications Directory", CLICK "**D-F**"
- under "Applications with names started from D to F", CLICK "**Data Marts**"
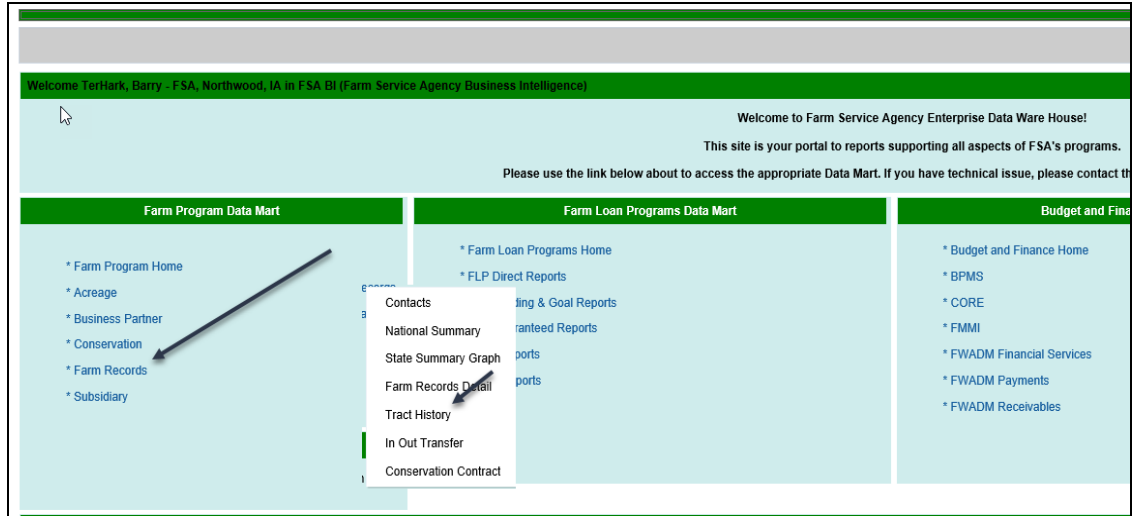- under "Link", CLICK "**OBIEE Reports/Dashboards**".

3   Researching Missing Tract Covered Commodity Crop Acreage History (Continued)

B   Downloading Tract History for 2008 Through 2018 With EDW Tract History Search (Continued)
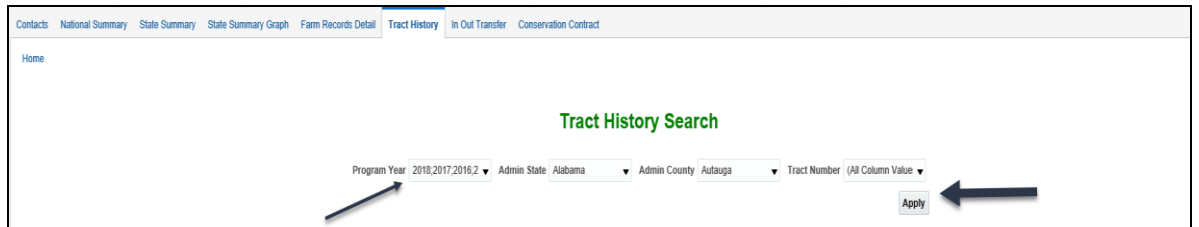
After being authenticated, on the EDW Homepage:

- CLICK "**Farm Records**" under "Farm Program Data Mart"
- CLICK "**Tract History**" on the pop-up menu.

On the Tract History Search page:

- select program years "**2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018**"

- select the State name

- select the Administrative county
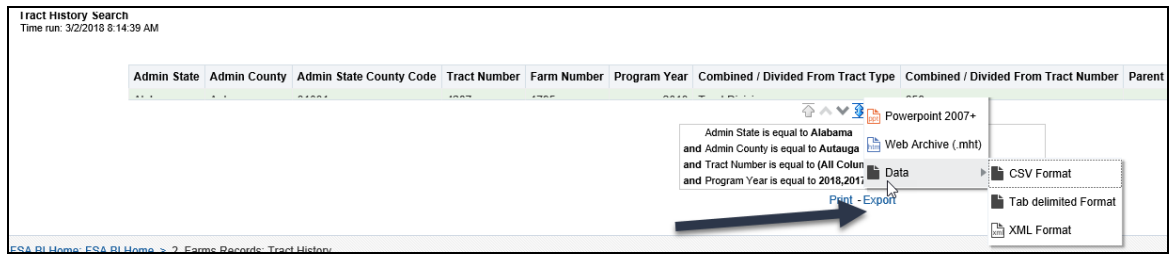
- CLICK "**Apply**".

3   Researching Missing Tract Covered Commodity Crop Acreage History (Continued)
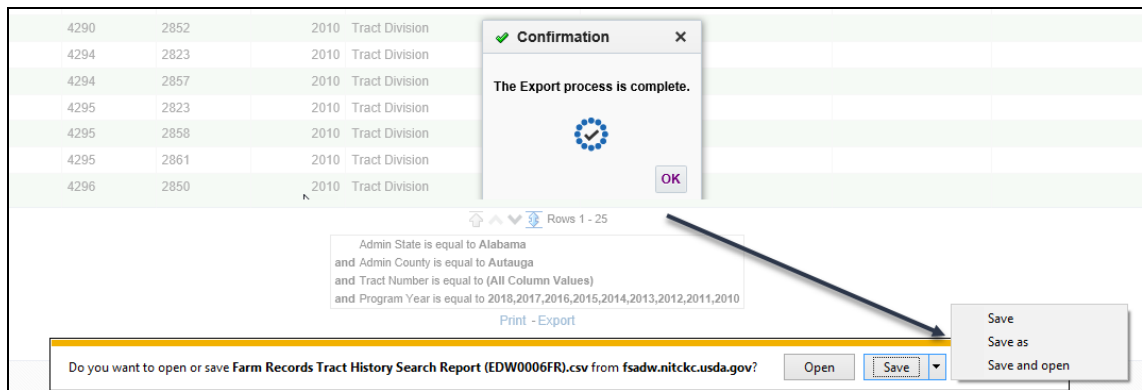
B   Downloading Tract History for 2008 Through 2018 With EDW Tract History Search (Continued)

Scroll to the bottom of the screen and do the following:

- CLICK "**Export**"
- CLICK "**Data**"
- CLICK "**CSV Format**".

On the bottom of the screen, a pop-up message will be displayed asking, "Do you want to open or save **Farm Records Tract History Search Report [report name and location]?**" Select "Save as" and save to a location on the computer to be able to easily find the report. Once the report has been completed, CLICK "**Open**".

An Excel document will open showing the program year tract number, program year farm number, program year reconstitution was conducted, if the tract was combined or divided, and the parent tract. This report may be printed to aid in researching.

3   Researching Missing Tract Covered Commodity Crop Acreage History (Continued)

C   Identifying Active 2018 Tracts Requiring Acreage History Research

Identify active 2018 tracts requiring acreage history research using either of the following:

- search COC Executive Session Minutes to identify tracts with a 2008 through 2018 reconstitution

- download the Historical Acreage Excel spreadsheet after it has been provided, which will identify the "current" tracts as of 2018, where "blanks" are missing to which research must be conducted according to this notice.

For farm transfers, County Offices must manually review FSA-179's to identify the parent tracts of the current tracts. The EDW In/Out Transfer Report will help identify farms that were transferred effective 2018 or later.

D   Updating Acres for Reconstituted Tracts and/or Farm Transfers

After determining the parent farms and/or parent tracts, County Offices must review FSA-578's and maps for each farm and tract to determine whether P&CP acres of a covered commodity were reported.

If P&CP acres were reported on FSA-578 for a tract that was subsequently:

- **divided**, determine how the acres of covered commodities should be divided among the resulting tracts

   Note: Tract history is based on P&CP of the covered commodities in the tract acreage history, **not** prorated by the method of base division on the farm.

- **combined** with another tract, obtain the combined acreage of each applicable covered commodity from the parent tracts

- **transferred** to another County Office during the years 2010 through 2018, obtain the acreage history from the parent tracts before the farm and tracts were transferred.

Note: All parent tracts **must** be researched to ensure that all reported P&CP acres of covered commodities are brought forward. For farm transfers, the current administrative County Office will be required to contact the transferring County Office to obtain copies of FSA-578's and maps, if the information was **not** sent.

After the correct covered commodity crop acreage history has been determined, P&CP acreage may be entered on the Historical Acreage Excel spreadsheet according to subparagraph 2 D.

3   Researching Missing Tract Covered Commodity Crop Acreage History (Continued)

D   Updating Acres for Reconstituted Tracts and/or Farm Transfers (Continued)

County Offices will use the data gathered according to this notice to complete the entries in the Historical Acreage Excel spreadsheet. County Offices will gather missing acreage history data back to 2008 and enter any missing data from 2008 through 2012 into the spreadsheet by filling in the blanks.

After all the corresponding data has been entered into the Historical Acreage Excel spreadsheet for 2008 through 2012, save for future use when the information is required to be data loaded into the web system for calculating the allocation base acres.

E   Attributing Acreage History

All acreage history **must** be attributed to the tract where the covered commodity crop was actually planted or considered planted. It is possible for land removed from cropland status to have covered commodity acreage history. This will occur if there was a crop planted on that land in at least 1 of the 4 years, 2009 through 2012.

Note: This notice **only** pertains to the calculation of acreage history and the attribution of the correct P&CP acreage to the correct tract for the covered commodity crop P&CP acreage history purposes. Covered commodity crop P&CP now includes upland cotton.

F   Examples

The following are examples of researching missing tract covered commodity crop acreage history.

Example 1:   Tract 100 was planted only to upland cotton. The tract had 50 acres of cropland and 50 acres of upland cotton planted.

> Tract 100
> 50 Acres Cropland
> 50 Acres Upland Cotton Planted

Ten acres of Tract 100 were taken out of cropland status in a subsequent year. This reduced the cropland from 50 acres to 40 acres. Because all acreage history **must** be attributed to the tract where it was planted, all 50 acres of upland cotton shall be attributed to Tract 100.

> Tract 100
> 40 Acres Cropland
> 50 Acres Upland Cotton Planted

Tract 100 may or may not have base acres in effect as of September 30, 2013.

3   Researching Missing Tract Covered Commodity Crop Acreage History (Continued)

   F   Examples (Continued)

   Example 2:   Tract 100 was planted only to upland cotton. The tract had 50 acres of
                   cropland and 50 acres of upland cotton planted.

Tract 100
50 Acres Cropland
50 Acres Upland Cotton Planted

   Tract 100 was divided into Tract 200 with 30 acres of cropland, and Tract 201
   with 20 acres of cropland. On Tract 200, 15 acres were taken out of cropland
   status, which left 15 acres of cropland on that tract. Based on County Office
   maps, it was determined that 30 acres of upland cotton were planted on what is
   now Tract 200, and 20 acres of upland cotton were planted on what is now
   Tract 201. Because all acreage **must** be attributed to the tract where it was
   planted, 30 acres of upland cotton shall be attributed to Tract 200, and 20 acres
   of upland cotton shall be attributed to Tract 201.

Tract 200	Tract 201
15 Acres Cropland	20 Acres Cropland
30 Acres Upland Cotton Planted	20 Acres Upland Cotton Planted

   The tract or tracts may or may not have base acres in effect as of
   September 30, 2013.

4   Action

A   State Office Action

State Offices will provide guidance and training to County Offices about researching and data loading the required missing tract acreage history of covered commodity crops for the years 2008 through 2012.

B   County Office Action

County Offices will follow this notice to research and identify the missing tract acreage history of covered commodity crops for the years 2008 through 2012.

After the acreage research has been completed for each current tract, County Offices will dataload the information into the Historical Acreage Excel spreadsheet. The spreadsheet can be saved for later use when entering the missing acreage into the Farm Bill Acreage History software. This will allow County Offices to easily enter the missing acreage history data into the web-based software to correct the planting history for farms as they are constituted in 2018.

After the release of the Farm Bill Acreage History software, County Offices shall dataload covered commodity P&CP recorded on the Historical Acreage Excel spreadsheets completed according to this notice into the software.