

For: State and County Offices

**Preparing for 2019 ARC/PLC Enrollment and Election in Farm Records**

Approved by: Deputy Administrator, Farm Programs



**1 Farm Record Updates for 2018 Farm Bill Implementation**

**A Overview**

The Agricultural Act of 2014 (2014 Farm Bill) as amended by the Agriculture Improvement Act of 2018 (2018 Farm Bill) modified provisions for the ARC/PLC program. As a result, the Farm Records applications have been updated to assist with the ARC/PLC program enrollment and election processes.

The 2018 Farm Bill allows eligible producers on a farm to make new ARC/PLC program elections for associated covered commodity crops. The election is required as a condition of 2019 payment eligibility. As producers complete the program elections and enrollment in the ARC/PLC application, the new elections will be submitted and updated in the associated farm record.

**B Purpose**

This notice provides:

- changes to ARC/PLC program data maintained in Farm Records
- the process that will be implemented to receive updated program election from the ARC/PLC election and enrollment application in FY 2019 and 2020
- the required producer notification after the election process has been completed on a farm
- provisions for restoring a new covered commodity in FY 2020.

Disposal Date	Distribution
April 1, 2020	State Offices; State Offices relay to County Offices

## Notice CM-820

### 2 ARC/PLC Program Data Changes in Farm Records

#### A Overview

Farm Records maintains the following ARC/PLC program data associated with each farm:

- covered commodity crops
- associated acreage and yields
- associated program elections
- historical irrigated percentage (HIP), if applicable.

To prepare for the FY 2019 ARC/PLC program enrollment and election process, the following changes have been completed in Farm Records for FY 2019:

- removal of all covered commodity crops and associated data with base acres equal to zero
- removal of all HIP values established with the 2014 Farm Bill
- reassignment of existing program elections to “Default”
- reassignment of generic CCC-505 CRP reduction acres to seed cotton CCC-505 CRP reduction acres
- establishment of a connection with the ARC/PLC contract software.

#### B Removal of Covered Commodities With Zero Acres

The 2014 Farm Bill required that a farm with generic base acres establish a program election for covered commodities. Additionally, there is a requirement that if the covered commodity base acres are reduced to zero that the farm maintain the history of the covered commodity and the associated program election. As a result, there were covered commodities maintained on farms with no associated base acres. To simplify existing records since the generic base acres were allocated with the Bipartisan Budget Act of 2018, all covered commodities with zero base acres have been removed from the associated farms. This includes removal of the associated program elections and farm level PLC yields.

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**2 ARC/PLC Program Data Changes in Farm Records (Continued)**

**C Removal of HIP Values**

The 2018 Farm Bill established new criteria for determining HIP eligible counties, crops and HIP values. As a result, the HIP values established for the 2014 Farm Bill have been removed from all associated records for 2019 and 2020.

New HIP values will not be established until the 2019 ARC/PLC enrollment period is complete. Additional guidance on establishing HIP's will be provided at that time.

At the start of the 2019 ARC/PLC signup, a file will be provided by the National Office to indicate what the potential HIP value will be on all farms located in a HIP county/crop with base acres greater than zero. This file will only contain values if the current farms were active and have data recording in CARS for any of the 2013 through 2017 years. The file is intended as a tool to help producers make an informed election and will only be loaded into 2019 farm records if the crop election of ARC-CO is selected. The loading of HIP values for 2019 will not take place until after the 2019 election process has been completed.

**D Default Program Elections**

Existing program elections for associated covered commodities will be retained in Farm Records, but have been changed to "Default" according to this table.

<b>Prior Program Election</b>	<b>Default Program Election in CRM Farm Records</b>	<b>Default Program Election in Web Farm Records</b>
ARC-County	ARC County - Default	ARC County Default
ARC-Individual	ARC Individual - Default	ARC Individual Default
PLC	Price Loss Coverage - Default	PLC Default

As new program elections are received from the ARC/PLC contract application the "Default" election will be replaced accordingly.

If an FY 2019 program election is not completed for a farm by the end of the 2019 ARC/PLC enrollment/election period, the "default" elections will be retained and the producers on the farm will be ineligible for ARC/PLC benefits for FY 2019. Any remaining default program elections in FY 2020 will be reassigned to the program election in effect for the 2014 Farm Bill.

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### 2 ARC/PLC Program Data Changes in Farm Records (Continued)

#### E Assigning Generic CCC-505 Reduction Acres to Seed Cotton CCC-505 Reduction Acres

Notice CM-811 provided the policy for restoring generic CCC-505 CRP reduction acres back to the farm as seed cotton base acres when the CRP contract expires, is voluntarily terminated, or is early released. Since all generic CCC-505 reduction acres are restored to seed cotton, the generic CCC-505 CRP reduction acres currently saved in Farm Records have been reassigned in the system to seed cotton CCC-505 CRP reduction acres.

#### F Establish a Connection to ARC/PLC Enrollment Application

A connection between the ARC/PLC contract application and Farm Records has been established. As farms are enrolled in ARC/PLC the new program elections for associated covered commodity base crops will be submitted to the Farm Records applications and updated accordingly.

### 3 Receiving New Program Elections From ARC/PLC

#### A Program Elections Completed in FY 2019

CRM Farm Records will receive and update any new program elections if the FY 2019 ARC/PLC election and enrollment for the farm is completed before Farm Records rollover on September 20, 2019. The trigger for the ARC/PLC contract application to send updated elections to Farm Records is the “Submit” button after the contract enrollment date has been entered and all validations are passed. Before this time the updated elections selected on CCC-862 or CCC-866 will be stored only in the ARC/PLC contract application.

**Note:** During this period of time any changes to farm structure, crops, base acres, or elections as recorded in Farm Records **will void** the selections made in the ARC/PLC contract application.

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### 3 Receiving New Program Elections From ARC/PLC (Continued)

#### B Program Elections Completed in FY 2020

ARC/PLC program elections submitted after September 20, 2019, will be updated separately in Web FRS for FY 2019 and CRM Farm Records for FY 2020. The program elections associated with a farm must match between FY 2019 and 2020.

The farm structure for FY 2019 and 2020 must remain the same until the 2019 program elections have been completed. To ensure the farm structure does not change, reconstitutions and farm transfers in FY 2020 will be restricted on farms with base acres until after the 2019 program enrollment and election is complete. Once the farm no longer has any “default” program elections associated, the restrictions on reconstitutions and farm transfers will be removed.

Since changes to the selected program elections by the applicable producers can be completed through the 2019 enrollment and election period, County Offices are cautioned when completing reconstitutions after the initial election has been made. Specifically, County Offices must exercise caution when completing farm combinations in FY 2020 until after the 2019 enrollment and election period has ended. If a reconstitution has been completed on a farm and the producer chooses to change the selected election during the election period, the system will attempt to follow the reconstitution history to any resulting farms, but the submission may fail and will need to be manually remediated.

Farms requiring manual remediation must be submitted to the National Office through the State farm records specialist for review.

#### C Program Election Submission Verification

The status of program elections submitted from the ARC/PLC enrollment and election application will be displayed in the farm level “ARCPLC Status” assignment block in CRM Farm Records. If the submission fails, all CRM users associated with the administrative county for the farm will receive a notification e-mail and the “ARCPLC Status” assignment block will provide additional information explaining the reason the submission failed and the needed remediation. Users must take immediate action to review and correct the issue or submit it to the State Office for further review.

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### 4 Notification of Updated Program Elections

#### A Required Notification

FSA must issue a notice of base acres, PLC yield, and ARC/PLC program data when updates are made to the existing data on the farm. The notification is provided through the Base and Yield Notice, according to 10-CM, paragraph 191.

The operator, owners, and producers on the farm must be:

- notified of base acres, yield, and program election
- provided 30 calendar days to appeal the changes according to 1-APP.

#### B Notification After FY 2019 Program Election Selection

CRM Farm Records will generate the Base and Yield Notice for each applicable producer after successfully receiving new program elections from ARC/PLC. The Base and Yield Notices will be automatically generated and e-mailed to the employee in the office assigned to the Grantor Processor Manager role (CED or acting CED). This process is similar to the notification e-mails created and sent to the approving official when a reconstitution is completed.

**Note:** CED's or acting CED must ensure that their access in CRM is established properly with the "Grantor Process Manager" role. Additionally, all CED's and acting CED's must have substitutions established to ensure that notification letters are received.

County Offices will be responsible for printing and timely providing the Base and Yield Notice to the operator, owners, and producers on the farm.

**Note:** The Base and Yield Notice will be dated the day the allocation and election are submitted successfully to CRM Farm Records and the notice provides appeal rights 30 calendar days from the date of the notice. It is **important** that the notice be provided timely to the producers.

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### 5 Restoring CCC-505 CRP Reduction Acres in FY 2020

#### A Restoring a New Covered Commodity in FY 2020

Covered commodities eligible to be restored in FY 2020 after a CRP contract expires, is voluntarily terminated, or is early released must be added according to Notice CM-819, 10-CM, paragraph 249, and 1-ARCPLC (Rev. 1). If the covered commodity is a new crop on the farm, the program election must be elected by the FY 2020 producers on CCC-866-1 before entering the base crop and data in the “Crop Data” assignment block.

**Note:** If the CRP CCC-505 reduction acres for a new base crop on the farm are restored before the FY 2019 ARC/PLC election and enrollment, the farm may have a combination of “default” program elections for covered commodities already established on the farm and actual elections for any new covered commodities restored for FY 2020.

### 6 Action

#### A State Office Action

State Offices must:

- ensure that County Offices are informed of the contents of this notice
- submit any required remediation to the National Office for review.

#### B County Office Action

County Offices must use the information in this notice to ensure that:

- ARC/PLC program elections are successfully updated in Farm Records
- timely notification is provided to producers of new program elections
- eligible CCC-505 CRP reduction acres are restored properly.