

UofA

DIVISION OF AGRICULTURE
RESEARCH & EXTENSION

University of Arkansas System

FSA

FARM SERVICE AGENCY

Understanding the



2014 FARM BILL

ARCPLC Program Generic Base Acres & Base Reallocation

ARC/PLC Program

ARC/PLC Program Process has three PARTS:

1. **Update**: Owner(s) choice to “*reallocate*” base acres and/or “*update*” CC Yields

✓ **September 29, 2014 through February 27, 2015**

ARC/PLC Program

ARC/PLC Program Process has three PARTS:

2. **Election**: Once Base Acres and Yields are set, then the ***Election*** of PLC or ARC takes place on the farm

✓ November 17, 2014 through March 31, 2015

ARC/PLC Program

ARC/PLC Program Process has three PARTS:

3. **Enrollment**: Once Election has been completed then ***Enrollment*** takes place on the farm

✓ Mid-April 2015 through Summer 2015

Base Acres

- ❑ [7 CFR 1412.3] “Base acres”:
 - ❑ the number of acres, with respect to a covered commodity on a farm
 - ❑ in effect on September 30, 2013, subject to any reallocation, adjustment, or reduction
 - ❑ The term ‘base acres’ includes any generic base acres planted to a covered commodity

What Happened to Cotton Base?



Generic Base Acres

- Generic Base Acres
 - Upland cotton base acres that were in existence as of September 30, 2013
 - Generic base acres planted to covered commodities are treated like other base acres for the purposes of ARC and PLC

Generic Base Acres

- Generic Base Acres may:
 - receive payment under ARCPLC for the acres **planted to a covered commodity**
 - be planted to any crop including covered commodities, fruits, vegetables, minor oilseeds, or other crops

Generic Base Acres

- Covered commodities planted on farms with generic base acres
- are used to attribute generic base acres to covered commodities

Generic Base Acres

- Covered commodities planted on farms with generic base acres
- will be treated as base acres for the ARC and PLC payment calculations if a payment is triggered

Generic Base Acres

- Generic base acres are attributed to base acres when an acre of a covered commodity is planted
- The first acre of a covered commodity planted will apply toward generic base acres

Generic Base Acres

- If no covered commodities are planted:
- there is no attribution of generic acres to base acres to base acres or payment acres

Generic Base Acres

- If a **single** covered commodity is planted:
 - the generic base acres are attributed to that covered commodity in an amount equal to the total number of generic base acres on the farm

Generic Base Acres

- ❑ If **multiple** covered commodities are planted and the total number of acres planted exceed the generic base acres:
 - ❑ the generic base acres will be attributed to each of the covered commodities on the farm on a **pro rata basis**

Generic Base Acres - Example 1

FSN 1111

2014 Base Acres

Wheat 50.0

Corn 10.0

Generic 100.0

2014 Planted Acres

Wheat 75.0

Generic Base Acres - Example 1

❑ 2014 ARC-CO or PLC Base Acres

50.0 wheat base acres

+ 75.0 wheat planted (< 100 generic base acres)

125.0 wheat base acres

and

10.0 corn base acres

Generic Base Acres - Example 2

FSN 1234

2014 Base Acres

Wheat 150.0

Corn 100.0

Rice -Long 250.0

Generic 75.0

2014 Planted Acres

Wheat 200.0

Rice - Long 250.0

Generic Base Acres - Example 2

□ Prorate to Base Acres

□ 200 (planted wheat) / 450 total planting = 44.4%

□ 250 (planted rice) / 450 total planting = 55.6%

□ 75.0 Generic X 44.4% = 33.3 Wheat

□ 75.0 Generic X 55.6% = 41.7 Rice

Generic Base Acres - Example 2

- ❑ FSN 1234
- ❑ 2014 Base Acres for ARC-CO or PLC

Wheat 150.0
+ 33.3

183.3

Rice – Long 250.0
+ 41.7

291.7

Corn 100.0

Base Reallocation Decision

The Agricultural Act of 2014 (the 2014 Farm Bill) authorizes current **OWNERS** of a farm the one time opportunity to either:

- **retain** all the farm's 2013 base acres, as of September 30, 2013, **excluding** upland cotton
- **reallocate** base acres, **excluding** cotton bases, based on the four year average P&CP (including prevented planted acres) for the 2009 through 2012 crop years

Base Reallocation Decision

- ❑ An increase in TOTAL base acres on a farm is not allowed
- ❑ Reallocation of bases – farm's base acres recalculated in the same proportion as the 4-year average of acres planted, to the covered commodity bases during the 2009 – 2012 crop years

Base Reallocation Decision

- If no decision is made during the reallocation period the farm will **retain** the base acres on the farm as of

September 30, 2013

Base Reallocation Decision

- The option to retain or reallocate base acres is an “all or nothing” proposition
- Must be reallocated based on the Planted & Considered Planted (P&CP) or Subsequently planted crop acreage

FSA Website – ARC/PLC

Go to: fsa.usda.gov

Under “Popular Topics”, click on:

**“Agricultural Risk Coverage /
Price Loss Coverage”**

Base Reallocation - Example 1

Farm #4927

September 30, 2013

Cropland: 200.0 acres

Corn Base: 200.0 acres

Crop History

Crop	2009	2010	2011	2012
Corn	100.0	100.0	100.0	100.0
Wheat	100.0	100.0	100.0	100.0

Base Reallocation - Example 1

❖ FSN 4927

❖ Before Reallocation –

❖ 200.0 acres Corn Base

❖ After Reallocation –

❖ 100 acres Corn Base

❖ 100 acres Wheat Base

Base Reallocation - Example 2

Farm #2555

September 30, 2013

Cropland: 250.0 acres

Rice (long grain) Base: 200.0 acres

Crop History

Crop	2009	2010	2011	2012
Soybeans	0.0	250.0	0.0	0.0

Base Reallocation - Example 2

Instructions: Enter information in the yellow cells

Farm Number: **2555**




Crop	2013 Base Acres	Planted and Considered Planted (P&CP) Acres				2009-12 Average P&CP	Reallocation Percentage	2014 Reallocated Base Acres
		2009	2010	2011	2012			
Barley								
Canola								
Corn								
Crambe								
Dry Peas								
Flaxseed								
Grain Sorghum								
Large Chickpeas								
Lentils								
Mustard Seed								
Oats								
Peanuts								
Rapeseed								
Rice (Long Grain)	200.00							
Rice (Medium/Short Grain)								
Safflower								
Sesame Seed								
Small Chickpeas								
Soybeans			250.00			62.50	100.00%	200.00
Sunflower Seed (All)								
Wheat								
Totals	200.00		250.00			62.50	100.00%	200.00
Upland Cotton (Generic)		NA	NA	NA	NA	NA	NA	

Note: Total base acres may not exceed the cropland on the farm, except for approved double-cropping practices.

Base Reallocation - Example 2

❖ FSN 2555

❖ Before Reallocation -

❖ 200 acres Rice (long grain) Base

❖ After Reallocation -

❖ 200 acres Soybean Base

Base Reallocation - Example 3

Farm #2323 – as of September 30, 2013

Cropland: 220.0 acres

Double Crop: 100.0

Corn Base: 50.0 acres

Soybean Base: 100.0

Wheat Base: 150.0 acres

Crop History

Crop	2009	2010	2011	2012
Wheat	120.0	200.0	70.0	100.0
Peanuts	100.0	0.0	150.0	120.0
Soybeans	120.0	200.0	70.0	100.0

Base Reallocation - Example 3

Instructions: Enter information in the yellow cells



PRINT

Farm Number:	2323
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Crop	2013 Base Acres	Planted and Considered Planted (P&CP) Acres				2009-12 Average P&CP	Reallocation Percentage	2014 Reallocated Base Acres
		2009	2010	2011	2012			
<i>Barley</i>								
<i>Canola</i>								
<i>Corn</i>	50.00							
<i>Soybeans</i>	100.00	120.00	200.00	70.00	100.00	122.50	36.30%	108.90
<i>Peanuts</i>		100.00		150.00	120.00	92.50	27.40%	82.20
<i>Wheat</i>	150.00	120.00	200.00	70.00	100.00	122.50	36.30%	108.90
<i>Totals</i>	300.00	340.00	400.00	290.00	320.00	337.50	100.00%	300.00
	300.00							
<i>Upland Cotton (Generic)</i>		NA	NA	NA	NA	NA	NA	
<i>Note: Total base acres may not exceed the cropland on the farm, except for approved double-cropping practices.</i>								
Remarks:								

Base Reallocation - Example 3

- ❖ FSN 2323
- ❖ Before Reallocation -
 - ❖ 50 acres Corn Base
 - ❖ 150 acres Wheat Base
 - ❖ 100 acres Soybean Base
- ❖ After Reallocation -
 - ❖ 108.9 acres Wheat Base
 - ❖ 108.9 acres Soybean Base
 - ❖ 82.2 acres Peanut Base

Base Reallocation Update

- Signature Requirements for Base Election
 - The current Owner of record will make the Base Acres Reallocation Decision
 - Base Election applies to the farm
 - Will apply to the farm through the end of the 2014 Farm Bill

Base Reallocation Update

- Only **ONE** owner of the farm must sign for the base reallocation
- Person with Power Of Attorney can sign for Owner if POA document is checked with:
 - ✓ All Current and Future Programs, and
 - ✓ All Actions

Base Update Disputes

- If any current owner submits a conflicting reallocation request:
 - no reallocations will be approved for the farm
 - all current owners of the farm must provide COC with written evidence of the dispute resolution during the reallocation period

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