



**2014 Farm Bill Training
October 14 - 17, 2014**

Agricultural Risk Coverage & Price Loss Coverage

Acreage History Update



ARC/PLC Process

ARC/PLC Program Process has three PARTS:

- **Update**: Owner(s) choice to “*reallocate*” base acres and/or “*update*” CC Yields
 - ✓ **September 29, 2014 thru February 27, 2015**
- **Election**: Once Base Acres and Yields are set, then the *Election* of PLC or ARC takes place on the farm
 - ✓ **November 17, 2014 thru March 31, 2015**
- **Enrollment**: Once Election has been completed then *Enrollment* takes place on the farm
 - ✓ **Mid-April 2015 thru Summer 2015**

Acresage History Update

- **2008 – 2012 Acresage History**
Of Covered Commodities planted
 - **letters** were provided to all Owners & Operators on farms having “current” base acres on 2014 Farm structure as of July 19, 2014
 - **letters** were issued the first week of August, 2014

Acreage History Update

- “Reported Commodity Crop History Summary”

Reported Commodity Crop History Summary								
Producer A			Operator Producer B					
Ward, North Dakota Farm Number 11			2014 Commodity			2014 Commodity		
2014 Commodity	2014 Base Acres	2014 CC Yield	2014 Commodity	2014 Base Acres	2014 CC Yield	2014 Commodity	2014 Base Acres	2014 CC Yield
Barley	27.00	43.00	Canola	62.50	1073.00			
Wheat	283.50	30.00						
Crop		History						
		2008	2009	2010	2011	2012		
Canola	Planted	38.10	0.00	0.00	0.00	0.00	0.00	32.60
Canola	Prevented	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Canola	Double	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Canola	Subsequent	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Com	Planted							133.90
Com	Prevented							9.00
Com	Double							0.00
Com	Subsequent							0.00
Peas	Planted	0.00	38.12	0.00	0.00	0.00	0.00	0.00
Peas	Prevented	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Peas	Double	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Peas	Subsequent	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Soybeans	Planted	0.00	131.54	0.00	0.00	0.00	0.00	129.50
Soybeans	Prevented	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Soybeans	Double	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Soybeans	Subsequent	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wheat	Planted	131.50	0.00	169.66	125.20	106.10		
Wheat	Prevented	0.00	0.00	0.00	44.40	0.00		
Wheat	Double	0.00	0.00	0.00	0.00	0.00		
Wheat	Subsequent	0.00	0.00	0.00	0.00	0.00		

Acreage History Update

- COF's will need to *manually* research **FSA-578's and maps** to obtain the missing acreage of P&CP for each covered commodity on the farm.



Acreage History Update

Also, the 2014 Farm Bill provides producers a **one time** option to:

- **UPDATE** CC Yields
- OR
- **RETAIN** current CC Yields

NOTE: Yield history **2008 – 2012**, simple average on “planted acres”



2014 Farm Bill Acreage History Update

The 2014 Farm Bill provides a **one-time** option to:

- **REALLOCATE** Base Acres
- OR
- **RETAIN** current Base Acres

NOTE: Planting history **2009 – 2012** of Covered Commodities (Reallocation)



Basic Provisions

- Title I, Agriculture Act of 2014
(Pub. L. 113-79)

Two New Programs

- Agricultural Risk Coverage (ARC)
- Price Loss Coverage (PLC)

Agricultural Risk Coverage (ARC) Overview

- ARC program offers “**Revenue**” loss coverage for selected covered commodities

Two Options under ARC program

- **ARC-CO**: County Level Loss Coverage
- **ARC-IC**: Individual Level Loss Coverage

Price Loss Coverage (PLC) Overview

- Provides an income safety net when prices of covered commodities are below “reference” prices set by statute **(Price Protection)**
- Decline in “production” is NOT covered under PLC

Covered Commodities

- Crops for which base acres have been established according Statute and regulations
- For 2014 and subsequent crop years, **Cotton** is not a covered commodity
- “**Cotton**” base become **GENERIC** base acres under the ARC/PLC program, 2014-2018

Covered Commodities

21 Covered Commodities

Barley	Canola	Corn
Crambe	Flaxseed	Garbanzo, Large
Garbanzo, Small	Grain Sorghum	Lentils
Mustard Seed	Oats	Peanuts
Peas, Dry	Rapeseed	Rice, Long Grain
Rice, Medium Grain	Safflowers	Sesame Seed
Soybeans	Sunflower Seed	Wheat

NOTES: Cotton is NOT a Covered Commodity under the 2014 Ag Act
ARCPLC-7 provides “types” and “intend uses”

Payment Acres

ARC-CO & PLC Programs

- **Payment Acres:**

Equal to 85% of the specific covered commodity base acres on a farm

Example, Farm #123:

Corn Base – 100 acres

ARC-CO/PLC Payment Acres – 85 acres

(100 acres X 85% = 85 acres)

Payment Acres

ARC-IC Program

- **Payment Acres:**

Equal to 65% of **TOTAL** covered commodity base acres on a farm

Example, Farm #234:

Corn Base – 100 acres

Wheat Base – 50 acres

ARC-IC Payment Acres – 97.5 acres

(150 acres X 65% = 97.5 acres)

Payment Yield

- Counter-Cyclical Yield for the covered commodity
- Updated Yield, **2008-2012** history using simple average for years crop was planted X 90%
- CC Yield or Updated Yield will become **“PLC”** Yield
- Direct Yields are not utilized under the ARC/PLC program

Advance ARC/PLC Payments

- Advance Payments are NOT authorized for the ARC-CO, ARC-IC or PLC programs



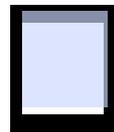
Final ARC/PLC Payments

- Final ARC/PLC payments will be made to eligible producers on or after:

October 1 of the following year of the crop year once the **Marketing Year Average** (MYA) price has been determined for most crops.

General Signature Requirements

- Follow handbook 1-CM for policy regarding producer signature requirements on forms and/or contracts
- FSA-211's (Power Of Attorney) forms:
 - existing FSA-211's on file remain valid for the ARCPLC program **IF** the following box is marked on the FSA-211 form:



2. All current and all future programs.



Assignments & Joint Payments

- Upon the enactment of the 2014 Agriculture Act, CCC-36 (**Assignment of Payments**) & CCC-37 (**Joint Payments**) forms can be submitted for new programs.



QUESTIONS



ARC/PLC

ELIGIBILITY AND COMPLIANCE RULES



Farm Eligibility

Producers on a farm are eligible to participate in ARC or PLC on that farm if:

- The farm has base acres
- The farm was enrolled in CRP-1 that expired, voluntarily terminated or early released and:
 - CRP-15 was protecting base acres; or
 - CCC-505 was used to reduce base acres

Eligible Land

- Base acres cannot exceed effective DCP cropland except for established double-cropping
- Land enrolled in a PLC or ARC program contract **MUST** be used for agricultural or related activity.

Farms with 10 Base Acres or Less

- Can be enrolled; however, producers are not eligible for payment
- **EXCEPTION** – Producers on the farm that are socially disadvantaged or limited resource farmers or ranchers are eligible for payment on these farms

Land Enrolled in Conservation Programs

- Not eligible for PLC or ARC
- Includes any federal conservation program which restricts the production of ag commodities on the farm.

Protection of Land

- Producers must protect ALL land on the farm enrolled in ARC/PLC from noxious weeds and erosion.
 - Suggested covers include but are not limited to:
 - Grasses and legumes
 - Volunteer stands
 - Crop residue from no till or minimum till practices
 - Perennial covers approved for crop share assistance

Planting Flexibility

- Any crop can be planted on:
 - Land not enrolled in ARC or PLC for the current year
 - Non-payment acres on a farm enrolled in ARC or PLC for the current year
 - Payment acres on a farm enrolled in ARC or PLC for the current year, EXCEPT:
 - Fruits
 - Vegetables (other than mung beans and pulse crops)
 - Wild rice.



PRODUCER ELIGIBILITY

Eligible Producers

- Owner of a farm who shares in crops produced on the farm and has a risk in producing those crops.
- Operator or other tenant who shares in crops produced on the farm and has risk in that crop with a share-lease or cash-lease for the applicable crop year and program year
 - NOTE – A person or legal entity who has no crop share interest in any land of the farm is NOT an eligible producer.

Producer's Requirements for the Farm

- HELC/WC Compliance on ALL land
- Ensure that all base acres on the farm are used for agricultural use
- Ensure that payment acres are not planted to FAV/ Wild Rice.
 - Unless exceptions apply
- Timely submit FSA-578 for all cropland on the farm
- Timely submit a report of production in farms enrolled in ARC-IC



AGI Compliance

- 900,000 Average Adjusted Gross Income Limitation
 - 2014 AGI will be determined using tax years 2012, 2011 and 2010 AGI.

Payment Limitation

- The ARC and PLC programs are subject to a \$125,000 payment limitation. This limitation will include all MAL gains and LDP for all commodities and ARCPLC payments received **directly** or **indirectly** for all covered commodities except peanuts.
- A separate payment limitation of \$125,000 is provided for ARCPLC and MAL gains and LDP received **directly** or **indirectly** for peanuts.

This \$125,000 Payment Limitation includes any payments received through MAL gains and LDP as stated above.

Minor Child

- A minor is eligible to participate in the PLC or ARC Programs if any of the following conditions exist:
 - The right of majority has been conferred upon the minor by court proceedings or law;
 - A guardian has been appointed to manage the minor's property and the applicable program documents are executed by the guardian; or
 - A bond is furnished under which a surety guarantees any loss incurred for which the minor would be liable had the minor been an adult.



Federal Agencies

- With the exception of BIA, Federal agencies are ineligible for payments. Other eligible producers on the farm may receive payments.
- BIA may accept program payments for eligible producers on tribal and allotted land.



State Agencies

- State agencies are ineligible **UNLESS** payments are used to support public schools
- limited to \$500,000 annually.
- ARC and PLC payments made to States are **not** limited if the State has a population of less than 1.5 million using the most recent U.S. Census Bureau data.





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ARCPLC Program Yield Update



Yield Update

ARC/PLC Program Process has three PARTS:

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

YIELD UPDATE OPTIONS

1. Retain Current CC Yields
OR
2. Update Yields (@ 90% of Planted Acreage - Yield history)

Acres planted of covered commodities, **2008 – 2012**, using simple average, excluding zero planted years.

Note: This option is available **PER** Crop for producers and farms regardless of program election – PLC/ARC-CO/ARC-IC

Substitute Yield

USDA FSA United States Department of Agriculture Farm Service Agency

Home About FSA State Offices Newsroom Online Services Forms Help Contact Us En Español

You are here: [FSA Home](#) / ARC PLC Program

ARC/PLC Programs

Base Reallocation, Yield Updates, Price Loss Coverage (PLC) & Agricultural Risk Coverage (ARC)

The ARC/PLC website provides helpful links to descriptive materials and data for producers to better understand program eligibility, how program payments are calculated, and choices to be made under the 2014 Farm Bill provisions.

I Want To...

- [View Program Schematic for CTR/ARC/PLC Programs](#)
- [View Substitute Yields for Updating PLC Payment Yields \(XLS, 687 KB\)](#)
- [View Projected 2014 Crop Reference Prices, National Average Loan Rates, PLC Payment Rates, and PLC](#)

Substitute Yield

- A substitute yield is authorized to be used in the yield update calculation in the following situations:
 - The crop was planted on the farm in the crop year.
 - The yield is low due to disaster
(more)

Substitute Yield

(Cont.)

- The yield data is unavailable due to taking the crop for another use
- The yield is missing or unattainable due to being farmed by a different producer.
- In cases where part of the acreage yield is missing a partial plug yield may be considered on those acres.



Substitute Yield

- Is calculated at the county level.
- Calculation is 75% of the 2008-2012 average yield in the county.
- And is the same yield for each of the 2008-2012 crop year, when used.

Yield Example

Payment Yield Update Option Example #1

5 Year average of Planted acreage

$$(120+115+125+130+112=602/5=120)$$

Farm #1		Corn					CC Yield: 92/bu		
Crop	2008	2009	2010	2011	2012	Total	Average Yield	PLC Yield (90%)	
Corn	120	115	125	130	109	602	120	108/bu	
Average CO Yield (75%)	112	112	112	112	112				

Yield Example

Payment Yield Update Option Example #2

3 Year Average of Planted acres

$$(128+134+122=384/3=128)$$

Farm #2		Corn						CC Yield: 105/bu	
Crop Corn	2008	2009	2010	2011	2012	Total	Average Yield	PLC Yield (90%) 115/bu	
	Zero Plant	Zero Plant	128	134	119	384	128		
Average CO Yield (75%)	122	122	122	122	122				

Yield Examples

Payment Yield Update Option Example #3

1 Year Average of Planted acres

$(60/1=60)$

Farm #3		Wheat CC Yield: 32/bu						
Crop	2008	2009	2010	2011	2012	Total	Average Yield	PLC Yield (90%)
Wheat	Zero Plant	Zero Plant	60	Zero Plant	Zero Plant	60	60	54/bu
Average CO Yield (75%)	45	45	45	45	45			

Yield Update - Decision

- **The owner(s) decision on the farm:**
 - Is to retain or update the applicable crop's yield.
 - Is not tied to the program elected – PLC, ARC-CO or ARC-PLC
 - Will allow the yield to reside on FSA farm records for the duration of the farm bill and be available for future farm bills, if applicable.

Yield Update - Decision

- If not completed by the deadline or if there is a disagreement of the yield update, by one or more owners of the farm, and is not resolved by the deadline.
 - The farm's yield, or PLC Yield, will be the farm's 2013 CC yield

Yield Certification

- Yield and production records are NOT required to be provided with the yield certification form.
- The type of production evidence used to certify yield will be required to be identified on CCC-859
 - Types of production include: 1-RMA data; 2-production sold/commercial; 3-on-farm storage; 4-livestock feed records; 5-FSA loan record; 6-FSA NAP record; 7-other.
- FSA will not copy or store yield or production records.

Yield Certification

- Must represent the total harvested and appraised production (IR/NI) divided by the planted acreage of crop on the farm for each year.
- Certified yields will be required to be supported by production evidence if requested by FSA.



Production Records

Production records will be required under ARCPLC:

- PLC Yield updates - if the farm has updated PLC yields and ***is selected for review by FSA.***
- ARC-IC production certification - if the farm is elected into ARC-IC, for benchmark and current year production

Yield Calculator

- Like the Base Calculator, FSA will make available a stand-alone Yield Calculator.
- The yield calculator will be posted to the ARCPLC website.
- The yield calculator is shown below.

Instructions: Enter information in blue-shaded cells

Step 1: Enter Farm Number, State, and County
 Step 2: Enter the substitute yields for the administrative county in the "County Substitute Yield Table" to the right.
 Step 3: Enter name of covered commodity, (substitute yield will automatically populate)
 Step 4: Enter the farm's CC yield.
 Step 5: Enter an "X" and below the "X" enter the applicable year's yield for each year the crop was planted.
 The yield that is entered will be crossed out, if the yield is lower than the substitute yield.
 Step 6: The higher of the actual yield or the substitute yield will be displayed.
 Step 7: The simple average yield, 90% of the simple average yield, and the resulting PLC yield will be displayed.



Step 1:			
Enter Farm Number	Enter State	Enter County	
1111	Iowa	Blabon	

Covered Commodity	Substitute Yield	CC Yield	Step 5 & 6: Year					A. Simple Ave Yield	B. 90% of Simple Avg Yield	C. PLC Yield (higher of A or B)
			2008	2009	2010	2011	2012			
Peanuts	Enter "X" if planted-->		X	X	X	X	X	3506	3155	3155
	2601	2972	3819	3557	3441	4111	2422			
	Higher of Actual or Substitute Yield		3819	3557	3441	4111	2601			
Corn	Enter "X" if planted-->				X	X	X	122	110	112
	122	112			115	110	119			
	Higher of Actual or Substitute Yield				122	122	122			
Soybeans	Enter "X" if planted-->			X	X	X	X	40	36	36
	30			0	47	51	26			
	Higher of Actual or Substitute Yield			30	47	51	30			
Wheat	Enter "X" if planted-->				X			60	54	54
	45	32			60					
	Higher of Actual or Substitute Yield				60					
	Enter "X" if planted-->									
	Higher of Actual or Substitute Yield									
	Enter "X" if planted-->									
	Higher of Actual or Substitute Yield									
	Enter "X" if planted-->									
	Higher of Actual or Substitute Yield									

Step 2: County Substitute Yield Table (75% of 2008-12 average county yield)	
Covered Commodity	Substitute Yield
Barley	
Canola	
Chickpeas, Large	
Chickpeas, Small	
Corn	122
Crambe	
Flaxseed	
Grain Sorghum	
Lentils	
Mustard Seed	
Oats	
Peanuts	2601
Peas, Dry	
Rapeseed	
Rice, Long	
Rice, Medium	
Safflower	
Sesame Seed	
Soybeans	30
Sunflower	
Wheat	45

CLEAR SUB YIELDS

Yield Examples – Example 1

Overview:

- In this example, the Corn CC Yield is 45 bu/ac.
- The producer planted Corn in 3 of the years 2008 – 2012. Yields averaged:
 - 2008 – 152 bu/ac.
 - 2010 – 148 bu/ac.
 - 2012 – 172 bu/ac.
 - Substitute Yield is 114.
- Producer and COF shall ensure that yields are certified to ZERO or larger for each year the crop was “planted” by reviewing the Acreage History Report with Yield Certification Form.

Yield Examples – Example 1

- Example 1 – Work Copy

Farm 1		Covered commodity – Corn			Counter-Cyclical Yield – 45 bu./acre			
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	152	Zero Planted	148	Zero Planted	172			
Substitute Yield @ 75%	114	114	114	114	114			
<p>1/ Total - total of 2008, 2010 and 2012 covered commodity year yields.</p> <p>2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.</p>								
Yield Update Decision – Keep CC yield OR Update Yield ?								

Yield Examples – Example 1

- Example 1 - Answer Key

Farm 1		Covered commodity – Corn			Counter-Cyclical Yield – 45 bu./acre			
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	152	Zero Planted	148	Zero Planted	172	472	157	142 bu./acre
Substitute Yield @ 75%	114	114	114	114	114			
<p>1/ Total - total of 2008, 2010 and 2012 covered commodity year yields.</p> <p>2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.</p> <p>- 3 Year average of Planted acreage (152+148+172)= 472/3 = 157</p>								
<p>Yield Update Decision – Update the corn PLC yield to 142 bu/acre</p>								

Yield Examples – Example 2

Overview:

- In this example, the Soybean CC Yield is 28 bu/ac.
- The producer planted Soybeans in 5 of the years 2008 – 2012. Yields averaged::
 - 2008 – 40 bu/ac
 - 2009 - 43 bu/ac
 - 2010 – 36 bu/ac.
 - 2011 - 37 bu/ac
 - 2012 – 42 bu/ac.
 - Substitute Yield is 31 bu/ac.
- Producer and COF shall ensure that yields are certified to ZERO or larger for each year the crop was “planted” by reviewing the Acreage History Report with Yield Certification Form.

Yield Examples – Example 2

- Example 2 – Work Copy

Farm 1		Covered commodity – Soybeans				Counter-Cyclical Yield – 28 bu./acre		
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	40	43	36	37	42			
Substitute Yield @ 75%	31	31	31	31	31			
<p>1/ Total - total of 2008 – 2012 covered commodity year yields. 2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.</p>								
<p>Yield Update Decision – Keep CC yield OR Update Yield ?</p>								



Yield Examples – Example 2

- Example 2 – Answer Key

Farm 1		Covered commodity – Soybeans			Counter-Cyclical Yield – 28 bu./acre			
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	40	43	36	37	42	198	40	36 bu./acre
Substitute Yield @ 75%	31	31	31	31	31			
<p>1/ Total - total of 2008 – 2012 covered commodity year yields.</p> <p>2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.</p> <p>- 5 Year average of Planted acreage (40+43+36+37+42) = 198 = 40</p>								
<p>Yield Update Decision – Update the soybean PLC yield to 36 bu/acre</p>								



Yield Examples – Example 3

Overview:

- In this example, the Peanuts CC Yield is 2972 lbs/ac.
- The producer planted Peanuts in 5 of the years 2008 – 2012. Yields averaged:
 - 2008 – 3819 lbs/ac
 - 2009 - 3557 lbs/ac
 - 2010 – 3441 lbs/ac.
 - 2011 - 4111 lbs/ac
 - 2012 – 2422 lbs/ac.
 - Substitute Yield is 2601 lbs/ac.
- Producer and COF shall ensure that yields are certified to ZERO or larger for each year the crop was “planted” by reviewing the Acreage History Report with Yield Certification Form.

Yield Examples – Example 3

- Example 3 – Work Copy

Farm 1		Covered commodity – Peanuts			Counter-Cyclical Yield – 2972 lbs/acre			
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	3819	3557	3441	4111	2422			
Substitute Yield @ 75%	2601	2601	2601	2601	2601			
<p>1/ Total - total of 2008 – 2012 covered commodity year yields. 2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity.</p>								
Yield Update Decision – Keep CC yield OR Update Yield?								



Yield Examples – Example 3

• Example 3 – Answer Key

Farm 1		Covered commodity – Peanuts			Counter-Cyclical Yield – 2972 lbs/acre			
	2008	2009	2010	2011	2012	Total 1/	Average Yield 2/	PLC Yield @ 90%
Covered commodity Yield	3819	3557	3441	4111	2422	17,529	3506	3155 lbs/ac
Substitute Yield @ 75%	2601	2601	2601	2601	2601			
<p>1/ Total - total of 2008 – 2012 covered commodity year yields. 2/ Average yield - Total of all yields (higher of actual or substitute yield), divided by the number of years with planted acres of the covered commodity. - 5 Year average of Planted acreage $(3819+3557+3441+4111+2601)=17529/5=3506$</p>								
Yield Update Decision – Update the peanut PLC yield to 3155 lbs/acre								

Yield Update

QUESTIONS?





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ARCPLC Program Base Acres



Base Acres

[7 CFR 1412.3] “Base acres” mean 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 Acres?



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 generic base acres

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



Attribution of Generic Base Acres

If a single covered commodity is planted and planted acres exceed the generic base acres on the farm:

- 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.



Attribution of 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 (<100.0 generic
base acres)

125.0 wheat base acres

10.0 corn base acres

Generic Base Acres Example 2

FSN 1234

2014 Base Acres

Wheat	150.0	Corn	100.0
Peanuts	250.0	Generic	75.0

2014 Planted Acres

Wheat	200.0	Peanuts	250.0
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Generic Base Acres Example 2

(Continued)

Prorate to base acres

- $200 \text{ (planted wheat)} / 450 \text{ total planting} = 44.4\%$
- $250 \text{ (planted peanuts)} / 450 \text{ total planting} = 55.6\%$

$75 \text{ generic} \times 44.4\% = 33.3 \text{ wheat}$

$75 \text{ generic} \times 55.6\% = 41.7 \text{ peanuts}$

Generic Base Acres Example 2

(Continued)

FSN 1234

2014 Base Acres for ARC-CO or PLC

Wheat	150.0
	+ 33.3
	<hr/>
	183.3

Peanuts	250.0
	+ 41.7
	<hr/>
	291.7

Corn	100.0
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Base Reallocation Update

ARC/PLC Program Process has three PARTS:

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- **Election**: Once Base Acres and Yields are set, then the *Election* of PLC or ARC takes place on the farm
 - ✓ November 17, 2014 thru March 31, 2015
- **Enrollment**: Once Election has been completed then *Enrollment* takes place on the farm
 - ✓ Mid-April 2015 thru Summer 2015

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.
 - An increase in TOTAL base acres on a farm is not allowed.

Base Reallocation Decision

- Reallocation of bases will result in the farm's base acres being recalculated in the same proportion to the 4 year average of acres that were P&CP or Subsequently planted to covered commodity bases during the 2009 – 2012 crop years.
- Base acres may be adjusted for CRP - exit or enrollment.

Base Acre 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.
- The option to retain or reallocate base acres is an “all or nothing” proposition.
- Must be reallocated based on the P&CP or subsequently planted crops acreage

Base Reallocation Example 1

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=arpl&topic=landing>

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 acre Corn Base

- After Reallocation

100 acres Corn Base

100 acres Wheat Base

Base Reallocation Example 2

Farm #2555

Cropland: 250.0 acres

Corn Base: 200.0 acres

CROP HISTORY				
CROP	2009	2010	2011	2012
Peanuts	1.0	0.0	0.0	0.0

Base Reallocation Example 2

Instructions: Enter information in the yellow cells

Farm Number:	2555
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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>	200.00							
<i>Soybeans</i>								
<i>Peanuts</i>		1.00				0.25	100.00%	
<i>Wheat</i>								
<i>Totals</i>	200.00	1.00				0.25	100.00%	
	200.00							
<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 2

- FSN 2555

- Before Reallocation
200 acres Corn Base

- After Reallocation
200 acres Peanut Base

Base Reallocation Example 3

Farm #2323

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	100.0
Peanuts	100.0	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

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

Before Reallocation FSN 2323

- Corn Base: 50.0 acres
- Wheat Base: 150.0 acres
- Soybean Base: 100.0 acres

After Reallocation

- Soybean Base: 108.9 acres
- Wheat Base: 108.9 acres
- Peanut Base: 82.2 acres

Base Reallocation Example 4

Farm #4444

Cropland: 600.0 acres Double Crop: 0.0
 Corn Base: 100.0 acres Soybean Base: 150.0
 Wheat Base: 170.0 acres Cotton Base: 180.0

CROP HISTORY				
CROP	2009	2010	2011	2012
Wheat	100.0	320.0	100.0	0
Peanuts	200.0	0	100.0	0
Soybeans	100.0	320.0	170.0	0

Base Reallocation Example 4

Instructions: Enter information in the yellow cells



Farm Number:	4444
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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			
Corn	100.00							
Peanuts		200.00		100.00		75.00	21.28%	89.37
Soybeans	150.00	100.00	320.00	170.00		147.50	41.84%	175.73
Wheat	170.00	100.00	320.00	100.00		130.00	36.88%	154.90
Totals	420.00	400.00	640.00	370.00		352.50	100.00%	
	420.00							
Upland Cotton (Generic)	180.00	N/A	N/A	N/A	N/A	NA	NA	180.00

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

Remarks:

Base Reallocation Example 4

Instructions: Enter information in the yellow cells

Farm Number:	4444
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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>Corn</i>	100.00							
<i>Peanuts</i>		200.00		100.00		75.00	21.28%	89.37
<i>Soybeans</i>	150.00	100.00	320.00	170.00		147.50	41.84%	175.73
<i>Wheat</i>	170.00	100.00	320.00	100.00		130.00	36.88%	154.90
<i>Totals</i>	420.00	400.00	640.00	370.00		352.50	100.00%	
	420.00							
<i>Upland Cotton (Generic)</i>	180.00	N/A	N/A	N/A	N/A	NA	NA	180.00

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

Remarks:	
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Base Reallocation Example 4

Before Reallocation FSN 4444

Cropland:	600.0 acres	Double Crop:	0.0
Corn Base:	100.0 acres	Soybean Base:	150.0
Wheat Base:	170.0 acres	Cotton Base:	180.0

After Reallocation

- Soybean Base: 175.73 acres
- Wheat Base: 154.90 acres
- Peanut Base: 89.37 acres
- Generic Base: 180.0 acres

Base Reallocation Update



Base Reallocation Update

As defined in 7 CFR 1412, “current owners” and “current producers” are defined to mean the person or legal entity who is the owner or producer, as applicable, on the date the action is actually performed (during a prescribed period).



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 POA can sign for Owner.
 - All Current and Future Programs and All Actions
- The owner is certifying on the CCC-858 to the base reallocation choice:
 - And is certifying to having consent of all owners on the farm to make the base and yield update decisions.



Base Reallocation Update

- Notification of Base Election
 - reallocation will apply to the farm unless the base reallocation is withdrawn, rescinded or modified by any current owner on the farm in the base reallocation period.
 - Neither FSA nor CCC is under any obligation to notify owners on a farm if a base reallocation has been filed, rescinded, modified, or withdrawn
 - If a person or legal entity acquires ownership of a farm that has already had an election of ARC or PLC made by current producers, FSA will provide the election status to that person or legal entity on request



Base Reallocation Update

- Base Update Disputes

If any current owner submits a conflicting reallocation request:

- no reallocations will be approved for the farm
- all the current owners of the farm must provide COC with written evidence of the dispute resolution during the reallocation period.

Questions?

