U of A
DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

Understanding the 2014 Farm Bill

Cotton Transition, Price Loss Coverage, County Agricultural Risk Coverage, and Individual Agricultural Risk Coverage Diagram for the 2014 Crop Year May 15, 2014

	Step 1: Election	Producers on a farm must make a one-time election of: (1) Price Loss Coverage (PLC) / County Agricultural Risk Coverage (ARC-CO); or (2) Individual ARC (ARC-IC). Program election is farm by farm. For example, if a producer has two (or more) farms, one farm may participate in PLC/ARC-CO and the other farm(s) may participate in ARC-IC [1/]		
Cotton Transition Payments		**Price Loss Coverage (PLC)** [1/]	**County ARC Election (ARC-CO)** [2/]	**Individual ARC Election (ARC-IC)** [2/]
Farms with 2013 cotton bases Note: Payments are available to all producers with former cotton base for the 2014 crop, (available to producers in non-STAX counties for the 2015 crop).		If a Producer elects PLC/County ARC, the Producer must also make a one-time election to select which base acres on the farm are enrolled in PLC and which base acres are enrolled in ARC-CO		If Individual ARC is elected, then every covered commodity planted on that farm is covered by Individual ARC. Production includes the producer's share of the covered commodities on all ARC-IC farms in the State.
		Payments are issued on percent of base[3/] acres plus plantings of covered commodities on generic base.[4/]		Payments are issued on percent of base acres. Payments are not earned if the producer does not have planted and considered planted acres of a covered commodity.
	Step 2: When is Payment Issued?	**When the 2014 Effective Price…**	**When the 2014 Actual Crop Revenue…**	**When the 2014 Actual Crop Revenue…**
		higher of: 2014 12-Month Market Year Average Price (For barley, use all-barley price) or 2014 National Loan Rate	2014 Actual Average County Yield times higher of: 2014 12-Month Market Year Average Price or 2014 National Loan Rate	Sum of (Production of Each Covered Commodity times higher of: 2014 12-Month Market Year Average Price or 2014 National Loan Rate divided by: Producer's Share of All Planted and Considered Planted Acres of the Covered Commodities)
		…is Less Than the 2014 Reference Price	**… Is Less than the 2014 ARC County Guarantee**	**… Is Less than the 2014 ARC Producer Guarantee**
		Wheat: \$5.50; Corn: \$3.70; Sorghum: \$3.95; Barley: \$4.95; Oats: \$2.40; Rice: \$14.00; Temperate Japonica Rice: \$16.10; Soybeans: \$8.40; Other Oilseeds: \$20.15; Peanuts: \$535; Dry Peas: \$11.00; Lentils: \$19.97; Small Chickpeas: \$19.04; Large Chickpeas: \$21.54	86% times Benchmark County Revenue 2009-13 Olympic Average National Farm Price [2/] (substitute reference price for each year reference price is less than farm price) times 2009-13 Olympic Average Historical County Yield (substitute the 70% of the County Transitional (T) yield for each year the historic yield is less than 70% of T)	86% times Benchmark Producer Revenue 2009-13 Olympic average of a producer's annual benchmark revenues for each commodity for each ARC-IC enrolled farm, excluding the high and low annual revenues. Each commodity's annual revenue is averaged across all farms, weighted by plantings.7/
Payment is equal to:	Step 3: What is the Payment Formula?	**Payment is equal to:**	**Payment is equal to:**	**Payment is equal to:**
Payment Acres		**Payment Acres**	**Payment Acres**	**Payment Acres**
2014: 60 percent of former upland cotton base (2015: 36.5 percent of former upland cotton base) times		85 percent of the sum of: (1) base acres[3/] of the covered commodity on the farm; and (2) generic basis acres[4/] on the farm planted to the covered commodity Payment acres are reduced if fruits and vegetables or wild rice (FAVs) are planted on payment acres. The reduction is equal to FAV acreage planted in excess of 15 percent base 5/ times	85 percent of the sum of: (1) base acre[3/] of the covered commodity on the farm; and (2) generic basis acres[4/] on the farm planted to the covered commodity Payment acres are reduced if fruits and vegetables or wild rice (FAVs) are planted on payment acres. The reduction is equal to FAV acreage planted in excess of 15 percent base.5/ times	65 percent of the sum of: (1) base acres[3/] of the covered commodities on the farm; and (2) generic basis acres[4/] on the farm planted to the covered commodities Payment acres are reduced if fruits and vegetables or wild rice (FAVs) are planted on payment acres. The reduction is equal to FAV acreage planted in excess of 35 percent base.5/ times
\$0.0900		**Price Shortfall calculated In Step 2, not to exceed the reference price minus the national loan rate**	**The Crop Revenue Shortfall calculated In Step 2, not to exceed 10 percent of Benchmark County Revenue**	**The Farm Revenue Shortfall calculated In Step 2, not to exceed 10 percent of Benchmark Producer Revenue**
times		times		
Payment Yield		**Payment Yield**		
the farm's direct yield		100% of the farm's counter-cyclical yield However, the Owner(s) may make a one-time election to update payment yields on a commodity by commodity basis, equal to 90 percent of the farm's 2008-12 average yield per planted acre (excluding years with no plantings), except if the yield in any of the years is less than 75 percent of the county yield, 75 percent of the 2008-12 county yield is substituted for that year.[6/]		

1/ If no election is made in 2014, no payments will be issued in 2014 and PLC is deemed to be made for the 2015 crop year.

2/ To the maximum extent practicable, the Secretary shall calculate payments separately for irrigated and nonirrigated acres.

3/ Owners have a one-time opportunity to: (1) retain the farm's bases as of Sept. 30, 2013; or (2) reallocate base acres (excluding cotton bases) based on the proportion of the 2009-12 average of: (i) planted and prevented acres of the covered commodity; to (ii) the total of planted and prevented acres of all covered commodities on the farm. 2013 cotton base acres are renamed as generic bases acres.

4/ Payments are made on generic base acres only to the extent the generic base acres are planted to covered commodities based on the following rules:

If a single covered commodity is planted and the total number of acres of the covered commodity exceeds the generic base acres on the farm, the generic base acres are attributed to the covered commodity, not to exceed the total number of generic base acres.

If multiple covered commodities are planted and the total number of acres planted to all covered commodities exceed the generic base acres on the farm, the generic base acres are attributed to each covered commodity on a pro rata basis to reflect the ratio that the planted acreage of each covered commodity is to the total number of acres planted to all covered commodities.

If the total number of acres planted to all covered commodities on the farm does not exceed the generic base acres on the farm, the number of acres planted to a covered commodity is attributed to the covered commodity.

5/ Reductions in payment acres are not made if FAVs are grown for conservation purposes and not harvested for use or sale, or if double cropped.

6/ Yields may be updated for all farms, regardless of program election- PLC, ARC-CO, ARC-IC

7/ 2009-13 Annual Benchmark Revenues for each commodity equal the (higher of the 12-month market year average (MYA) price or Reference Price) times 2009-13 Producer's Historical Average Yield on all farms in which the producer has an Interest: (substitute 70% of the County Transitional (T) yield for each year the historic yield is less than 70% of T).

Note: 2014 payments will be issued, if triggered, after the end of the marketing year, but not before October 1, 2015.

August 1, 2014 - Present

EXAMINE your paperwork to make sure it's in order.

FSA encourages producers to begin reviewing information on their agricultural operation, gathering up their necessary documents, and reading about ARC/PLC basics, in preparation for exploring your options under ARC/PLC.

Agricultural producers have plenty of time to prepare and learn about options with ARC/PLC before making a decision. This website is designed to help.

What is ARC/PLC?

The 2014 Farm Bill authorized a new safety net approach for farm commodities, known as the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. These programs combine provisions from previous programs delivered by the Farm Service Agency (FSA), which were the counter-cyclical portion of the Direct and Counter-Cyclical Program, the Supplemental Revenue Assistance Payments Program, and the Average Crop Revenue Election Program) with revenue insurance delivered by the Risk Management Agency.

- **Access the ARC/PLC fact sheet**
- **Access the ARC/PLC Frequently Asked Questions**

What is PLC?

Payments are issued when the effective price of a covered commodity is less than the respective reference price for that commodity established in the statute for 2014-2018 crops. The effective price equals the higher of the market year average price or the national average loan rate. The PLC payment is equal to 85 percent of the base acres of the covered commodity times the difference between the reference price and the effective price times the PLC payment yield for the covered commodity**. Click here for projected effective prices and PLC payment rates, based on current USDA market year average price projections**. **(PDF**, 84 KB Sep 16, 2014| **XLS**, 35 KB Sep 16, 2014)

What is County ARC (ARC-CO)?

Payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee for the covered commodity. The ARC-CO guarantee equals 86

percent of the previous five-year market year average price, excluding the years with the highest and lowest price (the ARC guarantee price), times the five-year average county yield, excluding the years with the highest and lowest yield (the ARC county guarantee yield). The payment is equal to 85 percent of the base acres of the covered commodity times the difference between the county guarantee and the actual county crop revenue for the covered commodity. **Click here to see USDA's current projections of benchmark prices (used in calculating the county guarantee) and 2014-crop projected "actual" prices (used in calculating actual county revenue) (PDF**, 90 KB Sep 16, 2014 | **XLS**, 45 KB Sep 16, 2014)
Payments may not exceed 10 percent of the ARC guarantee price times the ARC county guarantee yield.

What is Individual ARC (ARC-IC)?

Payments are issued when actual ARC-IC revenue, summed across all covered commodities on the farm, is less than the associated ARC-IC guarantee. The farm for ARC-IC purposes is the sum of the producer's interest in all ARC-IC farms in the state. The farm's ARC individual guarantee equals 86 percent of the farm's individual benchmark guarantee, defined as the five-year average of a producer's annual benchmark revenue for each commodity, excluding the high and low annual revenues. The resulting revenues are averaged across all crops on the farm, based on plantings, to obtain the revenue guarantee. Actual revenue is computed similarly. The ARC-IC payment equals: 65 percent of the sum of the base acres of all covered commodities on the farm, times the difference between the individual guarantee revenue and the actual individual crop revenue across all covered commodities planted on the farm. Payments may not exceed 10 percent of the individual benchmark revenue**. Click here to see USDA's current projected prices (used in calculating the ARC-IC guarantee) and 2014-crop projected "actual" prices (used in calculating actual ARC-IC revenue). (PDF**, 80 KB Sep 16, 2014| **XLS**, 46 KB Sep 16, 2014)

You received an Important Letter from USDA Farm Service Agency

Owners with base acres received a letter from FSA providing a summary of their current base acres, yields and 2009-2012 planting history. The written updates are an important part of preparing agricultural producers for the new safety net programs established by the 2014 Farm Bill. Verifying the accuracy of data on a farm's acreage history is an important step for producers enrolling in the upcoming Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program.

For an example of the letter please see page 11 of this FSA Notice

If the information contained in this letter is correct, you do not need to do anything. If you have questions or concerns about the information in this letter, or if you did not receive this letter, please contact your local FSA office and schedule a time to discuss with your local FSA field staff. To find your local FSA office, please click here.

Why This Letter Matters

This letter provides you with information that FSA has on file regarding your operation. Based on this information, owners of farms have a one-time opportunity to: (1) maintain the farm's 2013 base acres of covered commodities through 2018; or (2) reallocate base acres among those covered commodities planted on the farm at any time during the 2009 - 2012 crop years (excluding upland cotton bases). *Owners and operators will have this opportunity to reallocate base or update yields from Sept. 29, 2014 until February 27, 2015.*

Other Important Documents

If the following documents are not already on file at your local FSA office, please ensure that you have the following documents completed or updated:

Documents to Bring to, or Complete at, the FSA Office (if not already filed)		
Name	Description	Link
FSA-211, Power of Attorney (optional)	If an individual or entity wants to authorize someone else to act on their behalf to make program decisions and/or sign FSA program documents, the FSA-211 must be completed and signed to grant such authority.	http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/FSA211-211-A.PDF
AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification	The AD-1026 is a certification of compliance with HELC and WC compliance provisions. The AD-1026 is a continuous certification and, once filed, remains in effect until a change or violation occurs.	http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/AD1026.PDF
CCC-902-I or CCC-902-E (as applicable), Farm Operating Plan	The CCC-902 is required to be on file and is used to collect information for the actively engaged in farming determination required for ARC and PLC participants.	For individuals: http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/CCC902-I.PDF For entities: http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/CCC902-E.PDF
CCC-901, Members Information	The CCC-901 is used to collect membership information for an entity. It needed for payment limitation and average AGI limitation purposes.	http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/CCC901.PDF
CCC-941, AGI Certification	The CCC-941 is used for the producer to certify compliance with the $900,000 average AGI limitation and provide authorization for USDA to verify the certification with IRS.	http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/CCC941.PDF
Copies of cash leases for farms	Required to document cash lease arrangements, if applicable	

USDA

UNITED STATES DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

2014 Farm Bill

FACT SHEET

September 2014

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

OVERVIEW

The Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs authorized by the 2014 Farm Bill combine provisions from previous programs delivered by the Farm Service Agency (FSA) (the counter-cyclical portion of the Direct and Counter-Cyclical Program, the Supplemental Revenue Assistance Payments Program and the Average Crop Revenue Election Program) with revenue insurance delivered by the Risk Management Agency.

Owners must make a one-time election to reallocate crop bases, update program payment yields and producers select the type of coverage (price protection, county revenue protection, and/or individual revenue protection) for crop years 2014-2018.

BASE ACRE REALLOCATION

Owners of farms have a one-time opportunity to:

- Retain the farm's 2013 base acres or;
- Reallocate base acres (excluding cotton bases).

NOTE: Upland cotton is no longer considered a covered commodity; therefore, upland cotton base acres on the farm are now considered "generic" base acres and CANNOT be reallocated. Producers may receive ARC/PLC payments on generic base acres only if those acres are planted to a covered commodity.

All landowners and each farm operator have been provided with a summary of all covered commodities planted or considered planted (P&CP) during the 2008-2012 crop years as reported on form FSA-578, and will have the opportunity to update those records. Once records have been updated, the landowner will have the opportunity to redistribute the farm's base acres based on a proration of each covered commodity planted or considered planted in crop years 2009 through 2012 to the total acres of all covered commodities planted or considered planted during that time. The planting history for 2008 was provided as information for yield updates only.

In the example below, the landowner has the following options:

1. Retain the 2013 base acres of 200 wheat, 100 dry peas, 100 canola.
2. Reallocate base acres for covered commodities (based on the farm's planted/considered planted history) to 173.33 wheat base acres (400 total base acres multiplied by 43.33 reallocation percentage), 40 barley base acres (400 total base acres multiplied by 10 reallocation percentage), 186.67 dry peas base acres (400 total base acres multiplied by 46.67 reallocation percentage).

NOTE: If a landowner elects to reallocate base acres, the TOTAL number of base acres cannot increase.

Base Acre Reallocation Example:

Farm Number: 1500 Farm Cropland: 500.00 Acres

Crop	2013 Base Acres	2009 P&CP 1/	2010 P&CP 1/	2011 P&CP 1/	2012 P&CP 1/	Average P&CP 1/ 2009-2012	Reallocation Percentage	2014 Base Acre Reallocation
Wheat	200	150	150	150	200	162.5	43.33%	173.33
Barley	0	0	50	50	50	37.5	10%	40.00
Dry Peas	100	200	150	200	150	175	46.67%	186.67
Canola	100	0	0	0	0	0	0%	0
Upland Cotton	100	100	50	100	150	N/A	2/	100 2/ ***generic base*
TOTAL (excl. cotton)	400	350	350	400	400	375.00	100	500

1/ P&CP = Planted and Considered Planted

2/ Former upland cotton base is now generic base and is not part of the reallocation calculation.

GENERIC BASE ACRES AND COTTON TRANSITION ASSISTANCE PROGRAM (CTAP)

The 2014 Farm Bill removed upland cotton as a covered commodity for the ARC/PLC programs.

Upland cotton base acres, as adjusted, are the basis for payment acres under the Cotton Transition Assistance Program and beginning Oct. 1, 2013 (fiscal year 2014), upland cotton base acres become generic base acres for use in ARC/PLC. CTAP is a temporary program that provides payments to producers of upland cotton on farms for which cotton base acres were in existence for the 2013 crop year. It will operate only for the 2014 crop year and in certain counties for the 2015 crop years.

Upland cotton is no longer a covered commodity and upland cotton base acres now exist as generic base acres.

Generic base acres are retained on the farm at the tract level and may:

- Not be reallocated
- Be planted to any crop
- Receive ARC or PLC payments, if triggered, for the acres planted to a covered commodity
- Be reduced for Conservation Reserve Program participation
- Be reduced when taken out of agricultural production
- Be reduced on farms having more base acres than available cropland

TREATMENT OF GENERIC BASE ACRES FOR PAYMENT

Generic base acres planted to a covered commodity are eligible for ARC/PLC payments, if triggered, and will be attributed to a covered commodity as follows:

- If a single covered commodity is planted on the farm and the total acreage planted equals or exceeds 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.
- If multiple covered commodities are planted on the farm and the total number of acres planted to all covered commodities on the farm exceeds the generic base acres on the farm, the generic base acres will be attributed to each of the covered commodities on the farm on a pro rata basis to reflect the ratio of:
  - The acreage planted to a covered commodity on the farm; to
  - The total acreage planted to all covered commodities on the farm.
- If the total number of acres planted to all covered commodities on the farm does not exceed the generic base acres on the farm, the total acres planted to each covered commodity are attributed to that covered commodity.

<u>Example 1</u> – Single Covered Commodity Planted in Excess of Generic Base Acres

FSN 10 – Producer elects PLC. The farm consists of:

- 300 acres cropland
- 100 acres corn base
- 100 acres wheat base
- 100 acres generic base

The producer plants 250 acres of corn and no other covered commodities. PLC payments in this example are calculated using a total of 200 corn base acres (100 acres of corn base acres plus 100 acres of corn planted on generic base acres) and 100 wheat base acres. In this example, 50 acres of cropland are left idle or planted to a non-covered commodity.

<u>Example 2</u> – Multiple Covered Commodities Planted on Farm in Excess of Generic Base Acres

FSN 30 – Producer elects PLC:

- 300 acres cropland
- 100 acres corn base
- 100 acres wheat base
- 100 acres generic base

Producer plants:

- 200 acres of corn
- 50 acres grain sorghum
- 50 acres of soybeans
- 300 total acres

Generic base acres are attributed to the covered commodities as follows:

- 200 acres of corn planted divided by 300 acres (total covered commodities planted on the farm) multiplied by 100 generic base acres equals 66.67 generic base acres attributable to corn.

- 50 acres of grain sorghum planted divided by 300 acres (total covered commodities planted on the farm) multiplied by 100 generic base acres equals 16.67 generic base acres attributable to grain sorghum.
- 50 acres of soybeans planted divided by 300 acres (total covered commodities planted on the farm) multiplied by 100 generic base acres equals 16.67 generic base acres attributable to soybeans.

YIELD UPDATE

Land owners are provided a one-time opportunity to update program payment yields for each covered commodity for which they have base acres using 90 percent of the farm's 2008-2012 average yield per planted acre, excluding any year in which the covered commodity was not planted. Producers with a yield in any of the 2008-2012 years that is less than 75 percent of the county average yield can substitute that yield in the calculation with a yield equal to 75 percent of the county average yield. Program payment yields are used to determine payment amounts for the PLC program; however, all farm owners have the option of updating yields regardless of program participation.

The decision to update yields is made on a covered commodity-by-covered commodity basis. If the landowner chooses not to update farm yields and/or does not make the necessary updates before the deadline (deadline to be determined), the farm's 2013 Counter-Cyclical (CC) yields will be carried forward as the payment yields for 2014-2018.

The decision to reallocate base acres and/or update crop yields must be a unanimous decision by all owners on the farm.

ARC/PLC ELECTION REQUIRED

All producers, including owners and the operator on a farm, must make a one-time, unanimous election of :

- PLC or ARC-County on a covered commodity-by-covered commodity basis or;
- ARC-Individual for all covered commodities on the farm.

The election between ARC and PLC is made in the election period and is in effect for the life of the farm bill. If a valid election is not made in the election period, the farm will be ineligible for any 2014 ARC/PLC crop year payments and the producers on the farm are deemed to have elected PLC for the life of the farm bill. Producers must still annually enroll their farm to receive coverage. Producers with multiple farms in a state can have ARC-individual coverage on one farm and ARC-county/PLC coverage on others.

There are two types of ARC coverage:

- ARC County Coverage (ARC-CO)
- ARC Individual Coverage (ARC-IC)

Payments for PLC, ARC-CO, and ARC-IC are issued after the end of the respective crop year for each covered commodity, but not before Oct. 1 (2014 program year payments will not be issued until after Oct. 1, 2015).

SUPPLEMENTAL COVERAGE OPTION (SCO)

Starting in crop year 2015, producers who have elected PLC and who also participate in the federal crop insurance program, may purchase additional crop insurance coverage called the Supplemental Coverage Option (SCO). SCO provides the producer with the option of covering a portion of his or her crop insurance deductible and is based on expected county yields or revenue. The cost of SCO is subsidized and indemnities are determined by the yield or revenue loss for the county or area.

Crops for which the producer has elected to receive ARC-CO or ARC-IC are not eligible for SCO benefits.

Producers applying for SCO for the 2015 winter wheat crop may withdraw coverage on any farm where they have elected, or where they intend to elect, ARC for winter wheat by the earlier of their acreage reporting date or Dec. 15, without penalty. This allows producers additional time to make an informed decision related to whether to elect to participate in either the ARC or Price Loss Coverage (PLC) programs for their winter wheat. If producers withdraw SCO coverage for a farm by the earlier of their acreage reporting date or Dec. 15, they will not be charged a crop insurance premium. In order to withdraw coverage without penalty, producers must notify their agents of their intended election for ARC by the earlier of their winter wheat acreage reporting date or Dec. 15.

PRICE LOSS COVERAGE (PLC)

PLC program payments are issued when the effective price of a covered commodity is less than the respective reference price for that commodity. The effective price equals the higher of the market year average price (MYA) or the national average loan rate for the covered commodity.

Crop	Reference Prices	National Loan Rates	Maximum PLC Rate
Barley 1/	$4.95 per bu.	$1.95 per bu.	$3.00 per bu.
Chickpeas, Large (Garbanzo Bean, Kabuli)	$21.54 per cwt.	$11.28 per cwt.	$10.26 per cwt.
Chickpeas, Small (Garbanzo Bean, Desi)	$19.04 per cwt.	$7.43 per cwt.	$11.61 per cwt.
Corn	$3.70 per bu.	$1.95 per bu.	$1.75 per bu.
Dry Peas	$11.00 per cwt.	$5.40 per cwt.	$5.60 per cwt.
Grain Sorghum	$3.95 per bu.	$1.95 per bu.	$2.00 per bu.
Lentils	$19.97 per cwt.	$11.28 per cwt.	$8.69 per cwt.
Oats	$2.40 per bu.	$1.39 per bu.	$1.01 per bu.
Canola	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Crambe	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Flaxseed	$11.28 per bu.	$5.65 per bu.	$5.63 per bu.
Mustard	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Rapeseed	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Safflower	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Sesame Seed	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Sunflower	$20.15 per cwt.	$10.09 per cwt.	$10.06 per cwt.
Peanuts	$535.00 per ton	$355.00 per ton	$180.00 per ton
Rice, Long Grain	$14.00 per cwt.	$6.50 per cwt.	$7.50 per cwt.
Rice, Medium Grain 2/	$14.00 per cwt.	$6.50 per cwt.	$7.50 per cwt.
Rice, Temperate Japonica	$16.10 per cwt.	$6.50 per cwt.	$8.60 per cwt.
Soybeans	$8.40 per bu.	$5.00 per bu.	$3.40 per bu.
Wheat	$5.50 per bu.	$2.94 per bu.	$2.56 per bu.

1/ Barley price is based on the price of "all barley." Previously the price was based on the "feed barley" price.
2/ Includes short grain; excludes temperate japonica.

The PLC payment amount for a covered commodity is equal to 85 percent times the base attributable to the covered commodity, times the payment rate for the covered commodity. The base attributed to the covered commodity is the covered commodity base plus the generic base attributed to the covered commodity. The payment rate for the covered commodity is the difference between the reference price and the effective price times the program payment yield for the covered commodity.

PLC payments are not dependent on the crops planted and/or considered planted (except for generic base acres as noted above) for the current crop year.

PLC Payment Example

Farm Number 1200:

Crop	Base Acres	Planted Acres	PLC Yield
Wheat	100	0	30 bu.
Corn	100	110	80 bu.
Alfalfa	0	165	N/A
TOTAL	**200**	**275**	

Payment Rate Calculation:

Crop	Reference Price	Effective Price		PLC Payment Rate
		MYA Price	Loan Rate	
Wheat	$5.50	$5.00	~~$2.94~~	$0.50
Corn	$3.70	$4.00	~~$1.95~~	$0.00

***MYA Prices are hypothetical in this example**

In this example, the MYA prices are HIGHER than the loan rate, so the MYA prices are the effective prices.

For wheat, the PLC payment rate is $0.50 ($5.50 reference price minus the $5.00 effective price)

For corn, the PLC payment rate is $0.00 because the effective price ($4.00) is greater than the reference price ($3.70)

Payment Calculation:

Crop	Base Acres	Payment %	Payment Rate	PLC Yield	PLC Payment
Wheat	100	85	$0.50	30 bu.	$1,275
Corn	100	85	$0.00	80 bu.	$0

Note that a payment is triggered for wheat even though no wheat has been planted in the crop year.

COUNTY AGRICULTURE RISK COVERAGE (ARC-CO)

The ARC-CO program provides revenue loss coverage at the county level. ARC-CO payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee for the covered commodity. The ARC-CO guarantee equals 86 percent of the previous five-year national MYA price, excluding the years with the highest and lowest price (the ARC guarantee price), multiplied by the five-year average county yield, excluding the years with the highest and lowest yield (the ARC county guarantee yield). If the county yield in any of the five years is below 70 percent of the county transitional yield (T yield), then 70 percent of the T yield is substituted for each year the county yield is less than 70 percent of the T yield.

The ARC-CO payment is equal to 85 percent of the base acres of the covered commodity times the difference between the county guarantee and the actual county crop revenue for the covered commodity. Payments may not exceed 10 percent of the ARC-CO guarantee price multiplied by the ARC-CO guarantee yield. Generic base consideration also applies to ARC-CO in the same manner as PLC.

ARC-CO Example:

Joe Farmer has 100 percent interest in this farm participating in ARC-CO.

CROP	BASE ACRES	PLANTED ACRES
Wheat	100	0.00
Corn	100	30.00
TOTAL	200	30.00

DETERMINATION OF ARC-CO PAYMENT RATES

The two following charts provide the steps that are used to calculate the ARC-CO payment rate for the two covered commodities on Joe's farm. The county yields in the example are hypothetical and do not represent a specific county. The historic MYA prices for the 2009-2012 crops are NASS estimates; the 2013 and 2014 MYA prices are hypothetical to demonstrate alternative outcomes for the ARC-CO payment rates.

ARC-CO Payment Rate Determination: Wheat Example

Crop Year	2009	2010	2011	2012	2013	**2014 Payment Factors**
Step 1. Calculation of Benchmark Revenue						
(A) County Yield (bu/acre)	44	51	65	31	46	(D) ARC-CO County
(B) 70 percent of T-yield	32	32	32	32	32	Guarantee Yield 1/
(C) Higher of (A) or (B)	44	51	~~65~~	~~32~~	46	47
(E) MYA Price 2/	4.87	5.70	7.24	7.77	6.50	(H) ARC-CO
(F) Reference Price 4/	5.50	5.50	5.50	5.50	5.50	Benchmark Price 3/
(G) Higher of (E) or (F)	~~5.50~~	5.70	7.24	~~7.77~~	6.50	6.48
(I) ARC-CO Benchmark Revenue, (D) times (H) 4/						**304.56**
Step 2. Calculation of Actual Revenue						
(J) 2014 Price						6.50
(K) 2014 Loan Rate						2.94
(L) Higher of (J) or (K)						6.50
(M) 2014 County Yield						29.00
(N) Actual County Revenue, (L) times (M)						**188.50**
Step 3. Calculation of ARC-CO Payment Rate						
(O) ARC-CO Guarantee, (I) times 0.86 5/						261.92
(P) Maximum ARC-CO Payment Rate, (I) times 0.10 6/						30.46
(Q) Revenue Shortfall, (O) minus (N)						73.42
(R) ARC-CO Payment Rate, Lesser of (P) or (Q)						**30.46**

1/ The ARC-CO Guarantee Yield is the 2009-2013 Olympic average of the higher of the county yield or 70 percent of T-yield for each year.
2/ The Market Year Average (MYA) price is the season average farm price for the covered commodity as published by NASS or determined by the WAOB.
3/ The ARC-CO Benchmark Price is the 2009-2013 Olympic average of the higher of the Market year Average (MYA) Price or the 2014 loan rate for each year.
4/ ARC-CO Benchmark Revenue is the product of ARC-CO Guarantee Yield and ARC-CO Benchmark Price.
5/ ARC-CO Guarantee is 86 percent of the ARC-CO Benchmark Revenue.
6/ The maximum ARC-CO payment rate is 10 percent of the ARC-CO Benchmark Revenue.

ARC-CO Payment Rate Determination: Corn Example

Crop Year	2009	2010	2011	2012	2013	**2014 Payment Factors**
Step 1. Calculation of Benchmark Revenue						
(A) County Yield (bu/acre)	125	100	165	110	95	(D) ARC-CO County Guarantee Yield 1/
(B) 70 percent of T-yield	84	84	84	84	84	
(C) Higher of (A) or (B)	125	100	~~165~~	110	~~95~~	112
(E) MYA Price 2/	3.55	5.18	6.22	6.89	4.50	(H)ARC-CO Benchmark Price 3/
(F) Reference Price 4/	3.70	3.70	3.70	3.70	3.70	
(G) Higher of (E) or (F)	~~3.70~~	5.18	6.22	~~6.89~~	4.50	5.30
(I) ARC-CO Benchmark Revenue 4/						**593.60**
Step 2. Calculation of Actual Revenue						
(J) 2014 Price						5.25
(K) 2014 Loan Rate						1.95
(L) Higher of (J) or (K)						5.25
(M) 2014 County Yield						140.00
(N) Actual County Revenue, (L) times (M)						**735.00**
Step 3. Calculation of ARC-CO Payment Rate						
(O) ARC-CO Guarantee 5/						510.50
(P) Maximum ARC-CO Payment Rate 6/						59.36
(Q) Revenue Shortfall, (O) minus (N)						-
(R) ARC-CO Payment Rate, Lesser of (P) or (Q)						-

1/ The ARC-CO Guarantee Yield is the 2009-2013 Olympic average of the higher of the county yield or 70 percent of T-yield for each year.
2/ The Market Year Average (MYA) price is the season average farm price for the covered commodity as published by NASS or determined by the WAOB.
3/ The ARC-CO Benchmark Price is the 2009-2013 Olympic average of the higher of the Market year Average (MYA) Price or the 2014 loan rate for each year.
4/ ARC-CO Benchmark Revenue is the product of ARC-CO Guarantee Yield and ARC-CO Benchmark Price.
5/ ARC-CO Guarantee is 86 percent of the ARC-CO Benchmark Revenue.
6/ The maximum ARC-CO payment rate is 10 percent of the ARC-CO Benchmark Revenue.

Note that in the above examples, wheat base on Joe's farm receives an ARC-CO payment even though he did not plant wheat on the farm, and conversely, corn base on his farm will not receive an ARC-CO payment.

Calculation of Payment:

Calculation of Farm Total Payment: Joe Farmer Example

Crop	Base Acres	Payment Percentage	Payment Rate	ARC-CO Payment
Wheat	100.00	85 percent	$30.46	$ 2,589.10
Corn	100.00	85 percent	0.00	0
Total ARC-CO Payments for Joe Farmer				**$2,589.10**

INDIVIDUAL AGRICULTURE RISK COVERAGE (ARC-IC)

The ARC-IC program provides revenue loss coverage at a farm level. An ARC-IC farm is defined as the sum of the interests of a producer in all FSA farms that are enrolled in the individual coverage option for ARC in a state. Producers that have interests in multiple farms in multiple states that are enrolled in ARC-IC have a separate ARC-IC farm in each state.

ARC-IC revenue loss payments are made to the ARC-IC farm when the current year revenue for all covered commodities planted on the ARC-IC farm falls below 86 percent of the farm benchmark revenue.

All ARC-IC farms in the state in which the producer has an interest are included in a single ARC-IC revenue calculation to determine a payment rate. The payment rate for the ARC-IC farm is capped at 10 percent of the farm's benchmark revenue.

The ARC-IC farm's guarantee equals 86 percent of the ARC-IC farm's individual benchmark guarantee, defined as the five-year average of a ARC-IC farm's annual ARC-IC benchmark revenue (farm's yield for each crop year, multiplied by the higher of the reference price or the MYA price) for all covered commodities, excluding the high and low annual revenues. Actual revenue is computed using the ARC-IC farm's actual yield times the higher of the MYA price or the national average loan rate.

ARC-IC payments are calculated by multiplying:

- The ARC-IC payment rate, multiplied by
- The total base acres of the ARC-IC farm(s), multiplied by 65 percent.

Producers on farms that have both elected and enrolled into ARC-IC will need to work with FSA to establish yields for each of the current year planted covered commodities on the ARC-IC farm(s) for the immediately preceding five years. The yields established for the immediately preceding five years are known as the **benchmark yields**. If prior yields are not available for each of the current year covered commodities, a yield will be assigned by FSA for each of the missing years, up to five years, to allow the farm benchmark revenue to be calculated for the farm.

After harvest in the current year, the producer is <u>required</u> to report current production to FSA for calculation of the current year revenue on the farm. The reported production multiplied by the higher of the reference price or the national marketing year average (MYA) price for all covered commodities on the ARC-IC participating farm(s) are totaled and then divided by the total planted acreage of <u>all</u> covered commodities on the participating ARC-IC farm(s), resulting in an actual revenue per acre. The result will be either a revenue loss or gain per acre. If a loss is determined, the ARC-IC revenue loss per acre is the ARC-IC payment rate and it is used to make the ARC-IC payment on the farm.

The ARC-IC payment on the farm will be calculated as follows:

- The ARC-IC payment rate, multiplied by
- The total base acres of the ARC-IC farm(s), multiplied by 65 percent.

Payment shares are then taken into account for each producer who had an interest in the covered commodities on the farm.

ARC-IC Example:

The following is an example of a how an ARC-IC payment is calculated. Payments are made on base acres in proportion to the planting of covered commodities on the farm; however, payment acres are limited to 65 percent of the total base acres on the farm.

Consider the following farm information for the 2014 crop. Jane Farmer has 100 percent interest in this farm, which is her only farm enrolled in ARC-IC. Jane planted three covered commodities on her farm in 2014, and the farm has 200 acres of covered commodity base and no generic base. This ARC-IC farm information for Jane Farmer is shown in the following chart, including the production of the covered commodities for the 2014 crop.

Crop	Base Acres	2014 Planted Acres	Percentage of Crop Planted 1/	2014 Crop Production
Corn	100.00	110.00	36.67 percent	11,550 bushels
Soybeans	100.00	25.00	8.33 percent	1,000 bushels
Grain Sorghum	0.0	165.00	55.00 percent	9,900 bushels
Total	200.00	300.00	100.00 percent	

<u>1</u>/ Percentage of covered commodity for each crop is the planted and considered planted acres divided by the total acres of covered commodities planted and considered planted on the ARC-IC farm.

The following charts illustrate how Jane Farmer's benchmark revenue, ARC-IC guarantee, maximum ARC-IC payment rate are calculated for her ARC-IC enrolled farm. Each of these ARC-IC program factors are calculated on a per acre basis. Thus, each factor reflects a value weighed by the plantings of covered commodities on the farm for the 2014 crop.

ARC-IC Benchmark Revenue: Calculations for Jane Farmer's ARC-IC Farm

Crop/Program Year	2009	2010	2011	2012	2013	
Step 1. Calculation of the 5-Year Olympic Average Revenue for Covered Commodities						
Corn						
(A) Yield	125	100	165	110	95	5-Year
(B) 70 percent of T-Yield	~~85~~	~~85~~	~~85~~	~~85~~	~~85~~	Olympic
(C) MYA Price 1/	~~3.55~~	5.18	6.22	6.89	4.50	Average
(D) Reference Price	3.70	~~3.70~~	~~3.70~~	~~3.70~~	~~3.70~~	Revenue 2/
(E) Annual Revenue 3/	462.50	518.00	~~1,026.30~~	757.90	~~427.50~~	**579.47**
Soybeans						
(A) Yield	38	41	29	48	33	5-Year
(B) 70 percent of T-Yield	~~27~~	~~27~~	~~27~~	~~27~~	~~27~~	Olympic
(C) MYA Price	9.59	11.30	12.50	14.40	12.95	Average
(D) Reference Price	~~8.40~~	~~8.40~~	~~8.40~~	~~8.40~~	~~8.40~~	Revenue
(E) Annual Revenue	364.42	463.30	~~362.50~~	~~691.20~~	427.35	**418.36**
Grain Sorghum						
(A) Yield	90	~~40~~	75	80	99	5-Year
(B) 70 percent of T-Yield	~~65~~	65	~~65~~	~~65~~	~~65~~	Olympic
(C) MYA Price	~~3.22~~	5.02	5.99	6.33	4.25	Average
(D) Reference Price	3.95	~~3.95~~	~~3.95~~	~~3.95~~	~~3.95~~	Revenue
(E) Annual Revenue	355.50	~~326.30~~	449.25	~~506.40~~	420.75	**408.50**

Step 2. Calculation of Benchmark Revenue, Guarantee, and Maximum Payment Rate.			
Crop	Olympic Avg. Rev.	2014 Percent Planted	Weighted Revenue (F) 4/
Corn	579.47	36.67	212.49
Soybeans	418.36	8.33	34.85
Grain Sorghum	408.50	55.00	224.68
(G) ARC-IC Benchmark Revenue (per acre), Sum items (F)			**472.02**
(H) ARC-IC Guarantee, (G) times 86 percent			**405.94**
(I) Maximum ARC-IC Payment Rate, 10 percent times (G)			**47.20**

1/ MYA price is the season average farm price for the covered commodity as published by NASS or determined by the WAOB.

2/ The 5-year Olympic Average Revenue is the average of the 2009-2013 crop revenues dropping the years with the highest and lowest revenue.

3/ The annual revenue for a crop is the higher of the crops actual yield (A) or 70 percent of the T-Yield (B) times the higher of the MYA price (C) or the crop's reference price (D). Strike throughs indicate the values excluded in the calculations.

4/ Weighted Revenue is Olympic average revenue for a crop times the percent planted.

The ARC-IC actual revenue is also calculated on a per acre basis by determining the total revenue for the farm and dividing it by the total planted acres on the farm. The per acre ARC-IC revenue for Jane Farmer's ARC-IC farm is illustrated in the following chart.

Actual Revenue Calculation: Jane Farmer's ARC-IC Farm, 2014 Crop

Crop	2014 Production	MYA Price 1/	National Average Loan Rate	Crop Revenue 2/
Corn	11,550	5.25	~~1.95~~	60,637.50
Soybeans	1,000	8.50	~~5.00~~	8,500.00
Grain Sorghum	9,900	4.98	~~1.95~~	49,302.00
(A) Total Farm Revenue, sum of crop revenues				118,439.50
(B) ARC-IC Actual Revenue, (A) divided by total planted acres 3/				**394.80**

1/ MYA price is the season average farm price for the covered commodity as published by NASS or determined by the WAOB.
2/ Crop revenue is the product of planted acres times the higher of the MYA Price or the national average loan rate. The national average loan rate is struck out because it is lower than the MYA price.
3/ Total planted acres of covered commodities on the ARC-IC farm for the 2014 Crop.

To determine if Jane Farmer earns ARC-IC payments on her farm for the 2014 crop, the farm's actual revenue is compared to the ARC-IC guarantee. If the ARC-IC actual revenue is less than the guarantee, then Jane earns ARC-IC payments. The ARC-IC payment on a farm may be limited by the maximum ARC-IC payment rate. The determination and calculation of payments that Jane Farmer is due on her ARC-IC farm are illustrated in the chart below. For 2014, Jane's ARC-IC payment rate is $11.40 per acre which is below the maximum payment rate.

ARC-IC Payment Calculation: Jane Farmer's ARC-IC Farm

ARC-IC Payment Item	
(A) Benchmark Revenue, Item (G) from Benchmark Revenue Chart	472.02
(B) ARC-IC Guarantee, Item (H) from Benchmark Revenue Chart	405.94
(C) ARC-IC Actual Revenue, Item (B) from Actual Revenue Chart	394.80
(D) ARC-IC Revenue Shortfall, Item (B) minus (C)	11.14
(E) Maximum ARC-IC Payment Rate, Item (I) from Benchmark Revenue Chart	47.20
(F) ARC-IC Payment Rate, Lessor of (D) or (E)	11.14
(G) 2014 Base Acres (Jane Farmer's ARC-IC Farm)	200
(I) ARC-IC Payment Percentage	0.65
(J) ARC-IC Payment, (F) times (G) times (I)	**1,448.20**

FOR MORE INFORMATION

For more information on ARC/PLC, contact your local USDA Service Center, Farm Service Agency (FSA) office, or online at www.fsa.usda.gov.

TABLE 2. PROJECTED 2014 PRICE LOSS (PLC) COVERAGE PAYMENT RATES
BASED ON STATUTORY REFERENCE PRICES, PROJECTED 2014/15 MARKET YEAR AVERAGE (MYA) PRICES AND 2014 NATIONAL AVERAGE LOAN RATES
JANUARY 12, 2015 1/

A	B	C	D	E	F	G	H Higher of (F or G)	I Higher of (E-H or zero)	J (E-G)
Commodity	**Marketing Year**	**Publishing Months for the Final 2014/15 MYA Price and 2014 PLC Effective Price**	**Unit**	**Statutory Reference Price**	**Projected (P) or Final (F) 2014/15 MYA Price 2/**	**2014 National Loan Rate**	**Projected (P) or Final (F) 2014 Effective Price**	**Projected (P) or Final (F) 2014 PLC Payment Rate**	**Maximum PLC Payment Rate**
Wheat	Jun. 1-May 31	Jun. 29, 2015	Bushel	$5.50	$6.10 P	$2.94	$6.10 P	$0.00 P	$2.56
Barley	Jun. 1-May 31	Jun. 29, 2015	Bushel	$4.95	$5.25 P	$1.95	$5.25 P	$0.00 P	$3.00
Oats	Jun. 1-May 31	Jun. 29, 2015	Bushel	$2.40	$3.25 P	$1.39	$3.25 P	$0.00 P	$1.01
Peanuts	Aug. 1-Jul. 31	Aug. 31, 2015	Pound	$0.2675	$0.2150 P	$0.1775	$0.2150 P	$0.0525 P	$0.0900
Corn	Sep. 1-Aug. 31	Sep. 29, 2015	Bushel	$3.70	$3.65 P	$1.95	$3.65 P	$0.05 P	$1.75
Grain Sorghum	Sep. 1-Aug. 31	Sep. 29, 2015	Bushel	$3.95	$3.80 P	$1.95	$3.80 P	$0.15 P	$2.00
Soybeans	Sep. 1-Aug. 31	Sep. 29, 2015	Bushel	$8.40	$10.20 P	$5.00	$10.20 P	$0.00 P	$3.40
Dry Peas	Jul. 1-Jun. 30	Sep. 29, 2015	Pound	$0.1100	$0.1175 P	$0.0540	$0.1175 P	$0.0000 P	$0.0560
Lentils	Jul. 1-Jun. 30	Sep. 29, 2015	Pound	$0.1997	$0.2300 P	$0.1128	$0.2300 P	$0.0000 P	$0.0869
Large Chickpeas	Sep. 1-Aug. 31	Nov. 27, 2015	Pound	$0.2154	$0.2850 P	$0.1128	$0.2850 P	$0.0000 P	$0.1026
Small Chickpeas	Sep. 1-Aug. 31	Nov. 27, 2015	Pound	$0.1904	$0.2100 P	$0.0743	$0.2100 P	$0.0000 P	$0.1161
Sunflower Seed	Sep. 1-Aug. 31	Nov. 27, 2015	Pound	$0.2015	$0.2150 P	$0.1009	$0.2150 P	$0.0000 P	$0.1006
Canola	Jul. 1-Jun. 30	Nov. 27, 2015	Pound	$0.2015	$0.1675 P	$0.1009	$0.1675 P	$0.0340 P	$0.1006
Flaxseed	Jul. 1-Jun. 30	Nov. 27, 2015	Bushel	$11.28	$11.90 P	$5.65	$11.90 P	$0.00 P	$5.63
Mustard Seed	Sep. 1-Aug. 31	Nov. 27, 2015	Pound	$0.2015	$0.3155 P	$0.1009	$0.3155 P	$0.0000 P	$0.1006
Rapeseed	Jul. 1-Jun. 30	Nov. 27, 2015	Pound	$0.2015	$0.2370 P	$0.1009	$0.2370 P	$0.0000 P	$0.1006
Safflower	Sep. 1-Aug. 31	Nov. 27, 2015	Pound	$0.2015	$0.2350 P	$0.1009	$0.2350 P	$0.0000 P	$0.1006
Crambe	Sep. 1-Aug. 31	Nov. 27, 2015	Pound	$0.2015	$0.3320 P	$0.1009	$0.3320 P	$0.0000 P	$0.1006
Sesame Seed	Sep. 1-Aug. 31	Nov. 27, 2015	Pound	$0.2015	$0.4700 P	$0.1009	$0.4700 P	$0.0000 P	$0.1006
Rice (long grain)	Aug. 1-Jul. 31	Jan. 29, 2016	Pound	$0.1400	$0.1220 P	$0.0650	$0.1220 P	$0.0180 P	$0.0750
Rice (med/short grain) 3/	Aug. 1-Jul. 31	Jan. 29, 2016	Pound	$0.1400	$0.1510 P	$0.0650	$0.1510 P	$0.0000 P	$0.0750
Rice (temporate japonica)	Oct. 1-Sep. 30	Jan. 29, 2016	Pound	$0.1610	$0.2050 P	$0.0650	$0.2050 P	$0.0000 P	$0.0960

MYA Price=national average price received by producers during the 12-month marketing year.

Reference price (column E)=statutory price levels apply for crop years 2014-2018.

1/ Calculations and methodology are preliminary.

2/ F= Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates listed under column C. Exact publishing dates for 2014/15 MYA prices are unavailable, but are generally published near the end of the month. P=Projected MYA prices--Source: USDA's World Agricultural Supply and Demand Estimates or Interagency Commodity Estimates Committee Minutes. MYA price projections are the mid-point of the price forecast range, when applicable.

3/ Excludes temporate japonica rice.

TABLE 3. PROJECTED 2014 BENCHMARK AND ACTUAL PRICE CALCULATIONS FOR COUNTY AGRICULTURAL RISK COVERAGE (ARC-CO)
USING 2009/10-2013/14 MARKET YEAR AVERAGE (MYA) PRICES AND STATUTORY REFERENCE PRICES
JANUARY 12, 2015 1/

A	B	C	D	E	F	G	H	I	J	K	L	M	N
					Annual Benchmark Prices 2/ 3/					5-year avg, dropping high and low prices	Actual ARC-CO Price Calculations		Higher of (L or M)
Commodity	Marketing Year	Publishing Months for the Final 2013/14 MYA Price and 2014 ARC-CO Benchmark Price	Unit	Statutory Reference Price	Final 2009/10 Annual Benchmark Price	Final 2010/11 Annual Benchmark Price	Final 2011/12 Annual Benchmark Price	Final 2012/13 Annual Benchmark Price	Projected (P) or Final (F) 2013/14 Annual Benchmark Price	Projected (P) or Final (F) 2014 ARC-CO Benchmark Price 4/	Projected (P) or Final (F) 2014/15 MYA Price	2014 National Loan Rate	Projected (P) or Final (F) 2014 Actual ARC-CO Price 5/
Wheat	Jun. 1-May 31	Jun. 27, 2014	Bushel	$5.50	~~$5.50~~	$5.70	$7.24	~~$7.77~~	$6.87 F	$6.60 F	$6.10 P	$2.94	$6.10 P
Barley	Jun. 1-May 31	Jun. 27, 2014	Bushel	$4.95	~~$4.95~~	$4.95	$5.35	~~$6.43~~	$6.06 F	$5.45 F	$5.25 P	$1.95	$5.25 P
Oats	Jun. 1-May 31	Jun. 27, 2014	Bushel	$2.40	~~$2.40~~	$2.52	$3.49	~~$3.89~~	$3.75 F	$3.25 F	$3.25 P	$1.39	$3.25 P
Peanuts	Aug. 1-Jul. 31	Aug. 28, 2014	Pound	$0.2675	~~$0.2675~~	$0.2675	~~$0.3180~~	$0.3010	$0.2675 F	$0.2800 F	$0.2150 P	$0.1775	$0.2150 P
Corn	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$3.70	~~$3.70~~	$5.18	$6.22	~~$6.89~~	$4.46 F	$5.29 F	$3.65 P	$1.95	$3.65 P
Grain Sorghum	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$3.95	~~$3.95~~	$5.02	$5.99	~~$6.33~~	$4.28 F	$5.10 F	$3.80 P	$1.95	$3.80 P
Soybeans	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$8.40	~~$9.59~~	$11.30	$12.50	~~$14.40~~	$13.00 F	$12.27 F	$10.20 P	$5.00	$10.20 P
Dry Peas	Jul. 1-Jun. 30	Sep. 29, 2014	Pound	$0.1100	~~$0.1100~~	$0.1100	$0.1530	~~$0.1570~~	$0.1460 F	$0.1400 F	$0.1175 P	$0.0540	$0.1175 P
Lentils	Jul. 1-Jun. 30	Sep. 29, 2014	Pound	$0.1997	~~$0.2680~~	$0.2570	$0.2500	$0.2070	~~$0.1997~~ F	$0.2400 F	$0.2300 P	$0.1128	$0.2300 P
Large Chickpeas	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2154	~~$0.2910~~	$0.3050	~~$0.4210~~	$0.3790	$0.3120 F	$0.3300 F	$0.2850 P	$0.1128	$0.2850 P
Small Chickpeas	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.1904	~~$0.2030~~	$0.2080	$0.2150	~~$0.2740~~	$0.2290 F	$0.2200 F	$0.2100 P	$0.0743	$0.2100 P
Sunflower Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	~~$0.2015~~	$0.2330	~~$0.2910~~	$0.2540	$0.2140 F	$0.2300 F	$0.2150 P	$0.1009	$0.2150 P
Canola	Jul. 1-Jun. 30	Nov. 26, 2014	Pound	$0.2015	~~$0.2015~~	$0.2015	$0.2400	~~$0.2650~~	$0.2060 F	$0.2200 F	$0.1675 P	$0.1009	$0.1675 P
Flaxseed	Jul. 1-Jun. 30	Nov. 26, 2014	Bushel	$11.28	~~$11.28~~	$12.20	~~$13.90~~	$13.80	$13.80 F	$13.27 F	$11.90 P	$5.65	$11.90 P
Mustard Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	$0.3040	~~$0.2590~~	$0.3360	$0.3580	~~$0.3720~~ F	$0.3300 F	$0.3155 P	$0.1009	$0.3155 P
Rapeseed	Jul. 1-Jun. 30	Nov. 26, 2014	Pound	$0.2015	$0.2630	~~$0.2340~~	~~$0.2700~~	$0.2610	$0.2510 F	$0.2600 F	$0.2370 P	$0.1009	$0.2370 P
Safflower	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	~~$0.2015~~	$0.2015	$0.2440	$0.2760	~~$0.2790~~ F	$0.2400 F	$0.2350 P	$0.1009	$0.2350 P
Crambe	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	$0.3680	~~$0.3280~~	~~$0.3780~~	$0.3650	$0.3510 F	$0.3600 F	$0.3320 P	$0.1009	$0.3320 P
Sesame Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	~~$0.2800~~	$0.3060	$0.3500	$0.3200	~~$0.4400~~ F	$0.3300 F	$0.4700 P	$0.1009	$0.4700 P
Rice (long grain)	Aug. 1-Jul. 31	Jan. 30, 2015	Pound	$0.1400	~~$0.1400~~	$0.1400	$0.1400	$0.1450	~~$0.1540~~ P	$0.1400 P	$0.1220 P	$0.0650	$0.1220 P
Rice (med/short grain) 2/	Aug. 1-Jul. 31	Jan. 30, 2015	Pound	$0.1400	$0.1570	$0.1500	$0.1430	$0.1470	~~$0.1580~~ P	$0.1500 P	$0.1510 P	$0.0650	$0.1510 P
Rice (temporate japonica)	Oct. 1-Sep. 30	Jan. 30, 2015	Pound	$0.1610	$0.1950	~~$0.2080~~	$0.1840	~~$0.1840~~	$0.1990 P	$0.1900 P	$0.2050 P	$0.0650	$0.2050 P

MYA Price=national average price received by producers during the 12-month marketing year.

Reference price (column E)=statutory price levels apply for crop years 2014-2018.

1/ Calculations and methodology are preliminary.

2/ F= Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates listed under column C. Exact publishing dates for 2014/15 MYA prices are unavailable, but are generally published near the end of the month. P=Projected MYA prices--Source: USDA's World Agricultural Supply or Demand Estimates report or Interagency Commodity Estimates Committee Minutes. MYA price projections are the mid-point of the price forecast range, when applicable.

3/ The annual benchmark price (columns F-J) equals the higher of the reference price or the respective MYA price. Highlighted annual benchmark prices note when reference prices replace MYA prices. ARC-CO benchmark revenue equals the final ARC-CO benchmark price (column K) multiplied by the benchmark county yield (5-year average of county yields, exluding the high and low yields. The ARC-CO revenue guarantee equals 86% of the ACRE-CO benchmark revenue.

4/ The ARC-CO benchmark price (column K) equals the 5-year average of the 2009/10-2013/14 annual benchmark prices, excluding the high and low prices (noted with a strikeout line through the prices). The ARC-CO benchmark revenue equals the ARC-CO benchmark price multiplied by the ARC-CO county yield (5-year average of county yields, excluding the high and low yields). The ARC-CO revenue guarantee equals 86% of the ARC-CO benchmark revenue.

5/ The ARC-CO price (column N) equals the higher of the: (a) 2014/15 MYA price (column L), or (b) 2014 national average loan rate (column M). The actual ARC revenue equals the actual ARC-CO price multiplied by the actual ARC-CO county yield. The ARC-CO payment rate is the lesser of: (a) 10% of the ARC-CO benchmark revenue, or (b) the ARC-CO revenue guarantee minus the actual ARC-CO revenue.

3/ Excludes temporate japonica rice.

TABLE 4. PROJECTED 2014 BENCHMARK AND ACTUAL PRICE CALCULATIONS FOR INDIVIDUAL AGRICULTURAL RISK COVERAGE (ARC-IC)
USING 2009/10-2013/14 MARKET YEAR AVERAGE (MYA) PRICES AND STATUTORY REFERENCE PRICES
JANUARY 12, 2015 1/

A	B	C	D	E	F	G	H	I	J	K	L	M Higher of (K or L)
					Annual Benchmark Prices for Computing ARC-IC Benchmark and Revenue Guarantees					Actual ARC-IC Price Calculations		
Commodity	**Marketing Year**	**Publishing Months Dates for the Final 2013/14 MYA Price and 2013 ARC-IC BM Price**	**Unit**	**Statutory Reference Price**	**Final 2009/10 Annual Benchmark Price**	**Final 2010/11 Annual Benchmark Price**	**Final 2011/12 Annual Benchmark Price**	**Final 2012/13 Annual Benchmark Price**	**Projected (P) or Final (F) 2013/14 Annual Benchmark Price 2/ 3/**	**Projected (P) or Final (F) 2014/15 MYA Price 2/**	**2014 National Loan Rate**	**Projected (P) or Final (F) 2014 Actual ARC-IC Price 4/**
Wheat	Jun. 1-May 31	Jun. 27, 2014	Bushel	$5.50	$5.50	$5.70	$7.24	$7.77	$6.87 F	$6.10 P	$2.94	$6.10 P
Barley	Jun. 1-May 31	Jun. 27, 2014	Bushel	$4.95	$4.95	$4.95	$5.35	$6.43	$6.06 F	$5.25 P	$1.95	$5.25 P
Oats	Jun. 1-May 31	Jun. 27, 2014	Bushel	$2.40	$2.40	$2.52	$3.49	$3.89	$3.75 F	$3.25 P	$1.39	$3.25 P
Peanuts	Aug. 1-Jul. 31	Aug. 28, 2014	Pound	$0.2675	$0.2675	$0.2675	$0.3180	$0.3010	$0.2675 F	$0.2150 P	$0.1775	$0.2150 P
Corn	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$3.70	$3.70	$5.18	$6.22	$6.89	$4.46 F	$3.65 P	$1.95	$3.65 P
Grain Sorghum	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$3.95	$3.95	$5.02	$5.99	$6.33	$4.28 F	$3.80 P	$1.95	$3.80 P
Soybeans	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$8.40	$9.59	$11.30	$12.50	$14.40	$13.00 F	$10.20 P	$5.00	$10.20 P
Dry Peas	Jul. 1-Jun. 30	Sep. 29, 2014	Pound	$0.1100	$0.1100	$0.1100	$0.1530	$0.1570	$0.1460 F	$0.1175 P	$0.0540	$0.1175 P
Lentils	Jul. 1-Jun. 30	Sep. 29, 2014	Pound	$0.1997	$0.2680	$0.2570	$0.2500	$0.2070	$0.1997 F	$0.2300 P	$0.1128	$0.2300 P
Large Chickpeas	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2154	$0.2910	$0.3050	$0.4210	$0.3790	$0.3120 F	$0.2850 P	$0.1128	$0.2850 P
Small Chickpeas	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.1904	$0.2030	$0.2080	$0.2150	$0.2740	$0.2290 F	$0.2100 P	$0.0743	$0.2100 P
Sunflower Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	$0.2015	$0.2330	$0.2910	$0.2540	$0.2140 F	$0.2150 P	$0.1009	$0.2150 P
Canola	Jul. 1-Jun. 30	Nov. 26, 2014	Pound	$0.2015	$0.2015	$0.2015	$0.2400	$0.2650	$0.2060 F	$0.1675 P	$0.1009	$0.1675 P
Flaxseed	Jul. 1-Jun. 30	Nov. 26, 2014	Bushel	$11.28	$11.28	$12.20	$13.90	$13.80	$13.80 F	$11.90 P	$5.65	$11.90 P
Mustard Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	$0.3040	$0.2590	$0.3360	$0.3580	$0.3720 F	$0.3155 P	$0.1009	$0.3155 P
Rapeseed	Jul. 1-Jun. 30	Nov. 26, 2014	Pound	$0.2015	$0.2630	$0.2340	$0.2700	$0.2610	$0.2510 F	$0.2370 P	$0.1009	$0.2370 P
Safflower	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	$0.2015	$0.2015	$0.2440	$0.2760	$0.2790 F	$0.2350 P	$0.1009	$0.2350 P
Crambe	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	$0.3680	$0.3280	$0.3780	$0.3650	$0.3510 F	$0.3320 P	$0.1009	$0.3320 P
Sesame Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2015	$0.2800	$0.3060	$0.3500	$0.3200	$0.4400 F	$0.4700 P	$0.1009	$0.4700 P
Rice (long grain)	Aug. 1-Jul. 31	Jan. 30, 2015	Pound	$0.1400	$0.1400	$0.1400	$0.1400	$0.1450	$0.1540 P	$0.1220 P	$0.0650	$0.1220 P
Rice (med/short grain) 5/	Aug. 1-Jul. 31	Jan. 30, 2015	Pound	$0.1400	$0.1570	$0.1500	$0.1430	$0.1470	$0.1580 P	$0.1510 P	$0.0650	$0.1510 P
Rice (temporate japonica)	Oct. 1-Sep. 30	Jan. 30, 2015	Pound	$0.1610	$0.1950	$0.2080	$0.1840	$0.1840	$0.1990 P	$0.2050 P	$0.0650	$0.2050 P

MYA Price=national average price received by producers during the 12-month marketing year.

Reference price (column E)=statutory price levels apply for crop years 2014-2018.

1/ Calculations and methodology are preliminary.

2/ F= Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates listed under column C. Exact publishing dates for 2014/15 MYA prices are unavailable, but are generally published near the end of the month. P=Projected MYA prices--Source: USDA's World Agricultural Supply and Demand Estimates report or Interagency Commodity Estimates Committee Minutes. MYA price projections are the mid-point of the price forecast range, when applicable.

3/ The annual benchmark price equals the higher of the reference price or the respective MYA price and is used to compute annual ARC-IC benchmark revenues. The ARC-IC benchmark revenue equals the 5-year average of the annual benchmark revenues, excluding the high and low revenues. The ARC-IC revenue guarantee equals 86% of the ARC-IC benchmark revenue. Highlighted prices note when reference prices replace MYA prices.

4/ The actual ARC-IC price equals the higher of the: (a) 2014/15 MYA price (column K), or (b) 2014 national average loan rate (column L). The actual ARC-IC prices are multiplied by the actual ARC-IC yields and used to determine the ARC-IC actual revenue. The ARC-IC payment rate equals the average ARC-IC revenue guarantee weighted by plantings minus the average ARC-IC actual revenue weighted by plantings, but cannot exceed 10% of the benchmark revenue.

5/ Excludes temporate japonica rice.

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice ARCPLC-7

For: State and County Offices

Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Base Reallocation Provisions

Approved by: Acting Deputy Administrator, Farm Programs

1 Overview

A Background

The Agricultural Act of 2014 (2014 Farm Bill) authorizes owners of a farm the 1-time opportunity to do either of the following:

- retain all of the farm's base acres, as of September 30, 2013, for each covered commodity

- reallocate base acres, excluding cotton base acres, on a farm based on the 4-year average P&CP acres for the 2009 through 2012 crop years. An increase in **total** base acres on a farm is **not** allowed according to the statute. Examples of reallocation are in Exhibit 1.

The reallocation of base acres is based on the proportion of the 2009 through 2012 average of P&CP acres of covered commodities to the total of P&CP acres of all covered commodities on the farm, excluding cotton P&CP.

The following policy applies to the base reallocation determinations:

- upland cotton base acres are now known as generic base acres, which will be retained as such and moved to the 2014 farm record and **cannot** be reallocated

- in approved double-crop situations, both the initial covered commodity and the subsequent covered commodity are included in the reallocation calculation

- if a subsequent covered commodity was planted after an initial covered commodity and is **not** an approved double-cropping practice, the owner may select either the initial or subsequent crop as P&CP in the reallocation calculation

- each owner and operator will receive a letter that will include the farm's base acres, counter-cyclical yields, and P&CP of all covered commodities planted on the farm for each year 2008 through 2012

Disposal Date	**Distribution**
December 1, 2014	State Offices; State Offices relay to County Offices

1 Overview (Continued)

A Background (Continued)

- as indicated in Notice ARCPLC-5, letters to owners and the operator will be missing P&CP history of covered commodities where a tract division, tract combination, new tract, or farm transfer occurred between 2009 through 2014

- County Offices were provided instructions for researching and documenting missing P&CP acreage history that will be data-loaded into the Farm Bill Acreage History Software once available. This information will allow owners and operators to make an informed decision on whether to retain base acres or reallocate base acres.

Note: Total base acres on the farm cannot increase above the amount of total base acres in effect on September 30, 2013. Farms with zero bases will **not** have bases calculated or reallocated.

B Purpose

This notice provides the following:

- County Offices with additional information about the Base Acreage Reallocation process

- examples of the reallocation calculations (Exhibit 1)

- an example copy of the producer history letter issued to farm owners and operators (Exhibit 2)

- an example of the Reported Commodity Crop History Summary (Exhibit 3) attached to the producer history letter.

2 Researching P&CP History Data

A Guidance

The letter mailed to each owner and operator shown in Exhibit 2 states producers should carefully review the Reported Commodity Crop History Summary attached to the producer history letter for accuracy. The producer history letter:

- informs producers to contact their respective County Office if any of the data is incorrect or is missing as soon as possible, but no later than 60 calendar days from the date of the producer history letter

- states this verification process is the initial step required before owners and operators can reallocate base acres or retain their current base acres.

2 Researching P&CP History Data (Continued)

A Guidance (Continued)

Note: If the Reported Commodity Crop History Summary is accurate for the farm, the producer history letter states the producer does **not** need to take any action at this time. Additional information will be provided once the Reallocation Software and forms become available in County Offices.

B Missing Acreage History, Incorrect Acreage History, and Late-Filed Certification of Acreage History

As indicated in Notice ARCPLC-5, acreage history will be missing for tract divisions, tract combinations, new tracts, or farm transfers that occurred between 2009 and 2014. If the farm is constituted with more than 1 tract and 1 of those tracts changed because of the reasons outlined in Notice ARCPLC-5, the producer's summary acreage history will show a summary of the acreage history for the tracts that were **not** changed; however, the "broken" tract history will be missing. County Offices were provided instructions in Notice ARCPLC-5 on how to research the missing data. The missing data can be recorded on the Historical Acreage Excel Spreadsheet that will later be loaded into the Farm Bill Acreage History Software.

Producers may find the acreage history is incorrect or missing and may request to file a late-filed acreage report. County Offices can follow the provisions outlined in Notice CP-702. Once the acreage is corrected or reported properly in the Crop Acreage Reporting System (CARS), acreages will be updated in the Farm Bill Acreage History Software.

C Subsequent Crop Acreage Reallocation Provisions

For the purposes of determining a farm's covered commodity P&CP for use in the base reallocation calculation, an owner may select a subsequent crop.

The subsequent crop selection option ("J" code):

- applies in cases where both an initial covered commodity and a subsequent covered commodity are planted on the same field in the same year
- is **not** an approved double-cropping practice.

In those instances, the owner of the farm is allowed to select either of the 2 covered commodities, initial or subsequent, to be used in the 2009 through 2012 acreage history for the tract and farm. Under the subsequent crop selection option, the following applies:

- only applicable to tracts where a subsequent covered commodity crop was planted after an initial covered commodity crop in the same year

2 Researching P&CP History Data (Continued)

C Subsequent Crop Acreage Reallocation Provisions (Continued)

- the owner elects the initial or subsequent crop to be used in the base reallocation formula
- the election is final when the base reallocation and yield update is signed by the owner
- the selection of a subsequent crop is only used for base reallocation purposes
- crops planted in an established practice of double-cropping are **not** affected by this provision.

D County Office Action

The following table provides County Offices with instructions when producers inquire about the producer history letter.

IF the owner or operator…	THEN the County Office…
receives the producer history letter **and** determines that all farm data is accurate	has nothing further to do at this time until the Reallocation Software becomes available in mid/late September of 2014.
indicates there is **no** history recorded for a particular year or there is missing tract acreage history within the farm during the history period	will complete the acreage history research and load the missing data into the Farm Bill Acreage History Software. No further action is required until the Reallocation Software becomes available in mid/late September of 2014.
indicates there is incorrect history or wants to complete FSA-578 for a particular year within the history period	• will assist the producer in completing or revising FSA-578 for the farm according to instructions in Notice CP-702 • will load the information into CARS for the particular year requested. Once the information is loaded in CARS, the Farm Bill Acreage History Software will **automatically** be updated. No further action is required by the producer or County Office until the Reallocation Software becomes available in mid/late September of 2014.
requests to update the farm's counter-cyclical yield for 1 or more covered commodities with crop bases on the farm	can inform the owner or operator to compile the yield per crop per year, 2008 through 2012, but not submit the yields until yield software becomes available in the fall of 2014.

3 Producer History Letter and the Historical Acreage Excel Spreadsheet

A Producer History Letter Recipients and Timing

All owners and operators of farms with base acres greater than zero as of July 19, 2014, will receive a producer history letter providing the 2008 through 2012 reporting history. The producer history letters are expected to arrive by the end of the first week in August. The producer history letters will contain an exhibit that details all farming interests consolidated to the farm level in which the producer is an owner or operator for all States and County Offices in which they conduct business. The details will be based on the current 2014 farm structure. A copy of the producer history letter is displayed in Exhibit 2.

B Producer History Letter Details

The Reported Commodity Crop History Summary that is included with the producer history letter will display planting history for 2008 through 2012 at the farm level from CARS and Planting Transferability Pilot Project (PTPP) reductions from Farm Records. It will also display the current bases and counter-cyclical yields associated with the farm.

The producer history letters will **not** reflect "missing acreage history" for reconstituted tracts, farms that were transferred between 2009 through 2014, or new tracts on existing farms. Blanks will be present when all the tracts on the farm are **not** available because of tract recons or transfers. If the crop name is listed as a blank, then no planting history was found for a covered commodity on the farm. Producer history letters will show zeroes for crops when there was an active tract with no planting history.

Because the producer history letters contain the information summarized to the farm level, if the farm has multiple tracts, a tract with a complete history will display acres in a year when a different tract's information may be missing.

In the following example, even though tract 8910 was missing planted acreage data in the 2008 through 2012 years, the producer history letters will **not** display a blank since tract 4567 has complete acreage history for corn in the 2008 through 2012 crop years.

Farm	Tract	Crop	Crop Status	2008	2009	2010	2011	2012
1234	4567	Corn	Initial	125.46	164.58	134.80	50.00	129.25
1234	8910	Corn	Initial					
Total				125.46	164.58	134.80	50.00	129.25

It is very important that owners and operators carefully review all acreage totals and not only look for farms with missing information or "blanks". An example of the Reported Commodity Crop History Summary is in Exhibit 3.

The detailed list of crops and crop codes that were used to generate the Reported Commodity Crop History Summary are in Exhibit 4.

3 Producer History Letter and the Historical Acreage Excel Spreadsheet (Continued)

C Crop Status Code in the First Character Field

Only the following crops are eligible to receive P&CP acreage credit to be used towards reallocating base acres of covered commodities:

- initially planted covered commodities, including failed and prevented planted (“I”, “IF”, and “IP” codes)
- covered commodities involved in an approved double-cropping pattern, including failed and prevented planted (“D”, “DF”, “DP”, “E”, “EF”, “EP”, “G”, “GF”, and “GP” codes).

In addition, if a covered commodity was planted after another covered commodity that was failed or prevented (unapproved double-cropping situations), the subsequently planted covered commodity may be considered for P&CP credit only if the initially planted crop is **not** considered for P&CP credit (“J” code).

The producer history letter and the Historical Acreage Excel Spreadsheet do **not** properly record situations where a noncovered commodity was followed by a covered commodity in approved double-cropping situations. Crops in these situations would have been certified using the “G” crop status code in the first character field on FSA-578.

An Excel spreadsheet containing just these crops was disseminated to applicable State Offices. This data containing the “G” crop status codes was **not** corrected in the information mailed to the farm owners and operator or the Historical Acreage Excel Spreadsheet; however, the data will be correct in the software release commonly known as the “Hole” software.

Exhibits 4 and 5 contain a list of the applicable crop status codes that were contained in the producer history letter.

Note: Crops with an “M” code are **not** eligible for P&CP credit for purposes or reallocation of bases. The “M” code is defined as a “non-covered commodity/non-FAV followed by a covered commodity or vice versa - does not meet double-cropping definition”. For the “M” code, if the first commodity was **not** a covered commodity, then the second crop **cannot** be counted for P&CP purposes to reallocate base acres. If the first crop was a covered commodity, that covered commodity would be coded as “I” and would be eligible for P&CP credit for reallocation of base acres.

D Correcting Prefilled Entries on the Historical Acreage Excel Spreadsheet

Questions have arisen about corrections needed on acreages loaded on the Historical Acreage Excel Spreadsheet. Acreage displayed on the Historical Acreage Excel Spreadsheet is derived from CARS. Entries on the Historical Acreage Excel Spreadsheet needing correction can **only** be changed in CARS.

3 Producer History Letter and the Historical Acreage Excel Spreadsheet (Continued)

D Correcting Prefilled Entries on the Historical Acreage Excel Spreadsheet (Continued)

An updated printing of the Historical Acreage Excel Spreadsheet is **not** available. As such, the correction of data recorded on the Historical Acreage Excel Spreadsheet will **only** be reflected in the Farm Bill Acreage History software. Data on the Historical Acreage Excel Spreadsheet was extracted on **June 25, 2014**. The information being mailed to the operator and farm owners was extracted **July 19, 2014**. As a result, any changes made in CARS or Farm Records after these dates will **not** be reflected on letters being mailed to the operator and farm owners or the Historical Acreage Excel Spreadsheet.

E Late-Filed FSA-578's and P&CP Credit

Policy in 2-CP and Notice CP-702 **must** be followed to receive any late-filed P&CP credit.

F Copies of the Producer History Letter

A PDF copy of the producer history letters will be made available through State Office specialists at a later time.

4 Action

A County Office Action

County Office employees shall:

- review the details of this notice in preparation for producer questions about the producer history letters and the cropping history detailed on the producer history letters
- provide a revised acreage history to the owner and operator if requested after updating the Farm Bill Acreage History Software
- research missing acreage history and load into the Farm Bill Acreage History Software
- follow the contents of this notice when making corrections to the Historical Acreage Excel Spreadsheet
- update CARS to make corrections that were identified on the Historical Acreage Excel Spreadsheet
- use the additional spreadsheet containing only "G" status codes in determining the accuracy of acreages recorded in CARS.

4 Action (Continued)

B State Office Action

State Office employees shall:

- provide guidance as needed for employees in preparation for producer questions about the producer history letters and the cropping history detailed on the producer history letters

- forward questions about the producer history letter or Historical Acreage Excel Spreadsheet to both of the following:

  - Michael Walter at **michael.walter@wdc.usda.gov**
  - Brent Orr at **brent.orr@wdc.usda.gov**

- forward questions about the Farm Bill Acreage History Software to both of the following:

  - Jantrice Williams at **jantrice.williams@wdc.usda.gov**
  - Brent Orr at **brent.orr@wdc.usda.gov**.

Base Reallocation Examples

The following is an example of a base reallocation. The producer has acreage planted to covered commodities in the 2009 through 2012 base period. Corn was planted in 2009 and 2011 in rotation with soybeans planted in 2010 and 2012. Reallocation shall **not** occur until instructions are issued in a subsequent notice.

Instructions: Enter information in the yellow cells

ERASE PRINT

Farm Number:	1234

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	100.00	200.00		200.00		100.00	50.00%	100.00
Crambe								
Dry Peas								
Flaxseed								
Grain Sorghum								
Large Chickpeas								
Lentils								
Mustard Seed								
Oats								
Peanuts								
Rapeseed								
Rice (Long Grain)								
Rice (Medium/Short Grain)								
Safflower								
Sesame Seed								
Small Chickpeas								
Soybeans	50.00		200.00		200.00	100.00	50.00%	100.00
Sunflower Seed (All)								
Wheat	50.00							
Totals	200.00	200.00	200.00	200.00	200.00	200.00	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.

Remarks:	

The owner's base reallocation options are either of the following:

- retain 100.00 base acres of corn, 50.00 base acres of soybeans and 50.00 base acres of wheat
- reallocate base acres to 100.00 base acres of corn and 100.00 base acres of soybeans.

Note: The sum of the reallocated base acres must equal 200.00 base acres in this example.

Base Reallocation Examples (Continued)

The following is an example of a base reallocation. The producer has acreage planted to covered commodities in the 2009 through 2012 base period. Corn, peanuts, soybeans, and cotton were planted in 2009 through 2012. Cotton was planted in 2011, but is **not** recorded on this worksheet as cotton is no longer a covered commodity and cannot be reallocated. Reallocation shall **not** occur until instructions are issued in a subsequent notice.

Instructions: Enter information in the yellow cells

ERASE PRINT

Farm Number:	53

Crop	2013 Base Acres	Planted and Considered Planted (P&CP) Acres 2009	2010	2011	2012	2009-12 Average P&CP	Reallocation Percentage	2014 Reallocated Base Acres
Barley								
Canola								
Corn		21.70				5.43	13.94%	
Crambe								
Dry Peas								
Flaxseed								
Grain Sorghum								
Large Chickpeas								
Lentils								
Mustard Seed								
Oats								
Peanuts		28.70	8.50			9.30	23.87%	
Rapeseed								
Rice (Long Grain)								
Rice (Medium/Short Grain)								
Safflower								
Sesame Seed								
Small Chickpeas								
Soybeans			43.60		53.30	24.23	62.19%	
Sunflower Seed (All)								
Wheat								
Totals		50.40	52.10		53.30	38.96	100.00%	
Upland Cotton (Generic)	50.50	NA	NA	NA	NA	NA	NA	50.50

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

Remarks:	

The owner has no reallocation decision because upland cotton base acres become generic base acres and are automatically retained.

Example of Producer History Letter

The following is an example of the producer history letter mailed to farm owners and operators.

WARD COUNTY FSA OFFICE
1920 13TH ST SE
MINOT ND 58701-6059

July 28, 2014

Producer A
12345 Any Place
Any town ND 1111-1111

Dear PRODUCER A

On February 7, 2014, the President signed the Agricultural Act of 2014 (the 2014 Farm Bill), which provides owners with an option to reallocate base acres and update yields for "covered commodities". The reallocation of base acres and the updating of counter-cyclical yields for covered commodities are in preparation for producers to enroll in the Price Loss Coverage (PLC) and/or Agriculture Risk Coverage (ARC) programs authorized by the 2014 Farm Bill. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (includes short grain rice and temperate japonica rice), safflower seed, sesame, soybeans, sunflower seed, and wheat. **Note:** Upland cotton is no longer a covered commodity.

The attached Summary Acreage History Report shows the acreage of covered commodities reported to the Farm Service Agency (FSA) for farm(s) in which FSA's records reflect that you are currently the owner and/or operator of the farm(s) listed. For each covered commodity, the report shows the farm's 2014 base acres and counter-cyclical (CC) yields, and for 2008-2012 the planted acres, the acres prevented from being planted, and acres planted after failed or prevented acres (called subsequent acres).

Please review the attached information and carefully examine the data for each crop, year, and farm. If you determine the information is both complete and accurate, do not take any action at this time.

If you determine that any of the data is incorrect, incomplete, or missing, you must contact the county office where the farm is administratively located to provide verifiable documentation of your acreage as soon as possible, but no later than 60 days from the date of this letter.
Early submission of this information will result in a timelier update of base and yield history.

Verifying the accuracy of a farm's acreage history is the initial step that is required to ensure the 2014 base acres of a covered commodity are accurate for PLC and/or ARC program purposes. Verifiable documentation for previously unreported and/or prevented planted acreage may include your crop insurance records, if applicable. All verifiable documentation is subject to FSA County Committee review and approval.

Additional information will be provided to you in the near future for reallocating base acres, updating yields, and electing and enrolling in PLC and/or ARC.

Sincerely,

Juan M. Garcia
Administrator

Reported Commodity Crop History Summary

The following is an example of the Reported Commodity Crop History Summary attached to the producer history letter in Exhibit 2.

Reported Commodity Crop History Summary

Producer A

Ward, North Dakota	Farm Number 11		Operator Producer B		
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	263.50	30.00			

Crop		History 2008	2009	2010	2011	2012
Canola	Planted	38.10	0.00	0.00	0.00	32.60
Canola	Prevented	0.00	0.00	0.00	0.00	0.00
Canola	Double	0.00	0.00	0.00	0.00	0.00
Canola	Subsequent	0.00	0.00	0.00	0.00	0.00
Corn	Planted					133.90
Corn	Prevented					9.00
Corn	Double					0.00
Corn	Subsequent					0.00
Peas	Planted	0.00	38.12	0.00	0.00	0.00
Peas	Prevented	0.00	0.00	0.00	0.00	0.00
Peas	Double	0.00	0.00	0.00	0.00	0.00
Peas	Subsequent	0.00	0.00	0.00	0.00	0.00
Soybeans	Planted	0.00	131.54	0.00	0.00	129.50
Soybeans	Prevented	0.00	0.00	0.00	0.00	0.00
Soybeans	Double	0.00	0.00	0.00	0.00	0.00
Soybeans	Subsequent	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

Ward, North Dakota	Farm Number 12		Operator Producer B		
2014 Commodity	**2014 Base Acres**	**2014 CC Yield**	**2014 Commodity**	**2014 Base Acres**	**2014 CC Yield**
Barley	25.70	42.00	Canola	8.70	1144.00
Wheat	112.60	28.00			

Crop		History 2008	2009	2010	2011	2012
Barley	Planted	128.78	0.00	0.00	0.00	0.00
Barley	Prevented	0.00	0.00	0.00	0.00	0.00
Barley	Double	0.00	0.00	0.00	0.00	0.00
Barley	Subsequent	0.00	0.00	0.00	0.00	0.00
Peas	Planted	0.00	129.78	0.00	0.00	109.40
Peas	Prevented	0.00	0.00	0.00	0.00	13.00
Peas	Double	0.00	0.00	0.00	0.00	0.00
Peas	Subsequent	0.00	0.00	0.00	0.00	0.00
Wheat	Planted	0.00	0.00	117.28	99.70	24.90
Wheat	Prevented	0.00	0.00	22.50	40.70	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

Ward, North Dakota	Farm Number 13		Operator Producer C		
2014 Commodity	**2014 Base Acres**	**2014 CC Yield**	**2014 Commodity**	**2014 Base Acres**	**2014 CC Yield**
Sunflowers	154.80	1066.00	Wheat	947.80	29.00

Crop		History 2008	2009	2010	2011	2012
Canola	Planted	375.91	0.00	0.00	281.20	172.20
Canola	Prevented	0.00	0.00	0.00	2.50	0.00
Canola	Double	0.00	0.00	0.00	0.00	0.00
Canola	Subsequent	0.00	0.00	0.00	0.00	0.00
Flax	Planted	0.00	227.50	246.50	0.00	235.10
Flax	Prevented	0.00	0.00	3.50	0.00	0.00
Flax	Double	0.00	0.00	0.00	0.00	0.00
Flax	Subsequent	0.00	0.00	0.00	0.00	0.00
Peas	Planted	171.41	238.66	226.30	0.00	322.00
Peas	Prevented	0.00	0.00	12.00	0.00	0.00
Peas	Double	0.00	0.00	0.00	0.00	0.00
Peas	Subsequent	0.00	0.00	0.00	0.00	0.00
Wheat	Planted	714.19	793.10	713.57	616.60	446.70
Wheat	Prevented	0.00	0.00	18.00	291.60	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

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List of Covered Commodities Eligible for Base Acre Update

The following table contains the eligible covered commodities, types, and intended uses identified in the spreadsheet from Notice ARCPLC-5.

<table>
<tr><th>Covered Commodity</th><th>FSA-578 Crop Name</th><th>FSA-578 Type Code</th><th>FSA-578 Type Name</th><th>Intended Use</th></tr>
<tr><td>Barley</td><td>Barley</td><td>All</td><td>All</td><td>FG, GR, GZ, GS, SD</td></tr>
<tr><td>Large Chickpeas (GAR)</td><td>Beans</td><td>GAR</td><td>Garbanzo – Kabuli (large chickpea)</td><td>DE, FG, FH, PR, SD</td></tr>
<tr><td rowspan="2">Small Chickpeas (GAS, GAD)</td><td rowspan="2">Beans</td><td>GAS</td><td>Garbanzo – Kabuli (small chickpea)</td><td rowspan="2">DE, FG, FH, PR, SD</td></tr>
<tr><td>GAD</td><td>Garbanzo – Desi (small chickpea)</td></tr>
<tr><td rowspan="2">Canola</td><td rowspan="2">Canola</td><td rowspan="2">All</td><td rowspan="2">All</td><td>FG, SD</td></tr>
<tr><td>FG, PR, SD</td></tr>
<tr><td rowspan="3">Corn</td><td rowspan="3">Corn</td><td>POP</td><td>Popcorn</td><td>FG, FH, GR, GZ, PR, SD</td></tr>
<tr><td>WHE</td><td>White</td><td rowspan="2">FG, GR, GZ, PR, SD</td></tr>
<tr><td>YEL</td><td>Yellow</td></tr>
<tr><td>Crambe</td><td>Crambe</td><td></td><td></td><td>SD</td></tr>
<tr><td rowspan="5">Flaxseed</td><td rowspan="5">Flax</td><td rowspan="2">COM</td><td rowspan="2">Common</td><td>OL, SD</td></tr>
<tr><td>OL, PR, SD</td></tr>
<tr><td>LWB</td><td>Lewis/Wild Blue</td><td>SD</td></tr>
<tr><td rowspan="2">LIN</td><td rowspan="2">Linola</td><td>OL, PR</td></tr>
<tr><td>OL, PR, SD</td></tr>
<tr><td rowspan="7">Grain Sorghum</td><td rowspan="6">Sorghum</td><td>GRS</td><td>Grain</td><td rowspan="2">FG, GR, GZ, SD, SG</td></tr>
<tr><td>HIG</td><td>Hybrid</td></tr>
<tr><td>HIF</td><td>Hybrid Interplanting Forage</td><td rowspan="4">FG, GR, GZ, SD</td></tr>
<tr><td>HSF</td><td>Hybrid Standardplant Fg</td></tr>
<tr><td>HSG</td><td>Hybrid Standardplant Gr</td></tr>
<tr><td>HSS</td><td>Hybrid Standardplant Su</td></tr>
<tr><td>Sorghum, Dual Purpose</td><td></td><td></td><td>FG, GR, GZ, SD, SG</td></tr>
</table>

List of Covered Commodities Eligible for Base Acre Update (Continued)

Covered Commodity	FSA-578 Crop Name	FSA-578 Type Code	FSA-578 Type Name	Intended Use
Dry Peas	Peas	AUS	Austrian	DE, FG, GR, GZ, SD
		GRN	Green	
		WSD	Wrinkled Seed	
		YEL	Yellow	
		UMA	Umatilla	DE, FG, GZ, SD
Lentils	Lentils	All	All	DE, FG, GZ
				DE, FG, GZ, SD
Mustard Seed	Mustard Seed	All	All	PR, SD
Oats	Oats	All	All	FG, GR, GZ, GS, SD
Peanuts	Peanuts	All	All	GP, HP, NP
Rapeseed	Rapeseed			FG, GZ, SD
Rice – Long (LGR)	Rice	LGR	Long Grain	Blank
Rice – Medium (MGR, SGR)	Rice	SGR	Short Grain	Blank
		MGR	Medium Grain	
Safflower	Safflower			FG, FH, SD
Sesame Seed	Sesame Seed			LF, LV, SD
Soybeans	Soybeans	All	All	FG, FH, GR, GZ, SD, PR
Sunflower	Sunflower Seed	All	All	FG, GR, SD
Wheat	Wheat	All	All	FG, GR, GZ, GS, SD

Crop Status Code in the First and Second Character Fields

The following table contains the eligible crop status codes used to generate the Reported Commodity Crop History Summary.

Category	First Letter Code	Second Letter Code
Initial/Planted	I	F
Prevented	I	P
Double Crop	D, E, G 1/	F and P
Subsequent Crop	J	F and P

1/ The "G" code was **not** included in the producer history letter. Farms with crops certified using the "G" code will be provided in a subsequent spreadsheet.

September 29, 2014 – February 27, 2015

EVALUATE your safety-net options using webtools and upcoming educational opportunities

After reviewing your basic information and making sure your documents are in order, FSA encourages you to evaluate whether you intend to update your yields, reallocate your base, and how those decisions will affect their upcoming decision to choose ARC/PLC options.

Base Acre Reallocation and Yield Updates

Between September 29, 2014 and February 27, 2015, owners of farms have a one-time opportunity to: (1) maintain the farm's 2013 base acres of covered commodities through 2018; or (2) reallocate base acres among those covered commodities planted on the farm at any time during the 2009 - 2012 crop years (excluding upland cotton bases). Before updating your yields and reallocating your base acres, study your options.

Study Your Base and Yield Options

Before updating your yields and reallocating your base acres, study your options.

Base reallocation

Click here for a base reallocation tool (Version 2) to compare a farm's current bases with its reallocated bases. **(.ZIP**, 25 KB)

To use the tool, producers must know a farm's 2013 base acres and 2009-2012 planting history. FSA producers received this in the mail in August 2014. For an example of the letter please see page 11 of this FSA Notice by clicking this link.

Yield Update

Click here for a Yield Update tool to compare a farm's current program yields to update yields. (.ZIP, 36 KB)

Note that the file contains substitute yields for covered commodities that are based on data available from the National Agricultural Statistics Service. The file will be updated as additional data becomes available.

Program payment yields are used to determine payment amounts for Price Loss Coverage (PLC). An owner's opportunity to update yields is not contingent on Agricultural Risk Coverage (ARC) or PLC election or enrollment. Note: Upland cotton is no longer considered a covered commodity, and the upland cotton base acres on the farm become "generic" base acres for purposes of the ARC and PLC programs discussed below. Producers may receive ARC or PLC payments on generic base acres if those acres are planted to a covered commodity.

Study Your Base and Yield Options with ARC/PLC

USDA Farm Service Agency has partnered with agricultural experts at land-grant universities to develop web tools to help you learn about these important new safety-net programs. The new resources will help you make an educated choice regarding ARC/PLC coverage for your farming operation. These tools, listed below, will allow you to input data unique to your specific farming operation, combined with factors like the geographical diversity of crops, soils, weather and climates across the country, to test a variety of financial scenarios. This information will be helpful to you before you officially choose later this year which type of coverage is best for your farming operation. ***You will formally elect (choose) your coverage between November 17, 2014 and March 31, 2015.***

Webtool[1]: National Association of Agricultural and Food Policy (NAAFP) led by the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri, and the Agricultural and Food Policy Center (AFPC) at Texas A&M University

Webinar on this Webtool: https://afpc.tamu.edu/podcasts/fpm/

Webtool[2]: National Coalition for Producer Education (NCPE), led by the University of Illinois

Webinar on this Webtool: www.farmdoc.illinois.edu.

Learn More at Upcoming Community Meetings

USDA Farm Service Agency is partnering with local Cooperative State Extension Services in communities throughout your state to conduct informational meetings for farmers like you who are interested in learning more about ARC/PLC, what it means for your farming operation, and how to prepare to choose your coverage.

Contact Your FSA County Office for an Appointment

Should you decide to update your yield or reallocate your base acres, you have between September 29, 2014 and February 27, 2015 to do so. Contact your local FSA county office for an appointment. To find your local FSA county office click this link.

October 30, 2014

[1] In addition to NAAFP, FAPRI and AFPC, webtool contributors include Texas Tech University, University of Missouri, Iowa State University, University of Nebraska, Kansas State University, Mississippi State University, Oklahoma State University, Tennessee State University, University of Georgia, and Fresno State University.

[2] In addition to NCPE, contributors include Michigan State University, Montana State University, Watts & Associates, Delaware State University, University of Arkansas at Pine Bluff, North Carolina A&T University, University of Wisconsin, Cornell University, Pennsylvania State University, Ohio State University, and University of Minnesota.

ELECT

November 17, 2014 – March 31, 2015

ELECT your safety-net approach for 2014 through 2018

After you have evaluated whether you intend to update your yields, reallocate your base, and how those decisions will affect your coverage under ARC/PLC, you will need to formally elect (choose) your coverage.

ARC / PLC Election Required

From November 17, 2014 until March 31, 2015, all of the producers and owners with a share of production on a farm must make a one-time, unanimous and irrevocable election of the following coverage that remains in effect from 2014–2018:

1. PLC or ARC County on a covered commodity-by-commodity basis; or

    - (If you elect PLC/ARC-CO, then producers and owners must also make a one-time election to select which base acres on the farm are enrolled in PLC and which base acres are enrolled in ARC - CO.)

2. ARC Individual for all covered commodities on the farm.

    - (If you elect ARC-IC, then every covered commodity on the farm must participate in ARC - IC.)

Producers enrolling in PLC, and who also participate in the federal crop insurance program, may, beginning with the 2015 crop, make the annual choice as to whether to purchase additional crop insurance coverage called the **Supplemental Coverage Option** (SCO), if available. (USDA's Risk Management Agency administers the federal crop insurance program.) SCO provides the producer the option of covering a portion of his or her crop insurance deductible and is based on expected county yields or revenue. The cost of SCO is subsidized and indemnities are determined by the yield or revenue loss for the county or area.

Crops/counties for which the producer has elected to receive ARC are not eligible to purchase SCO.

Producers who enroll their 2015 crop of winter wheat in SCO may elect to withdraw from SCO prior to their acreage reporting date without any penalty. This allows producers additional time to make an informed ARC/PLC participation decision. If they choose ARC, they will not be charged a crop insurance premium so long as they withdraw from SCO prior to their acreage reporting date.

Why It Matters

The choice that you make will remain in effect for the 2014-2018 crop years.

If producers and owners with a share of production on a farm fail to make a valid election during the prescribed election period, the farm will be ineligible for any 2014 payments and the farm will be deemed to have elected PLC starting in the 2015 crop year.

Election is not enrollment. Producers must still enroll their farm (sign a contract) to receive program benefits. The enrollment period will occur mid-April 2015 through summer 2015.

If the sum of the base acres on a farm is 10 acres or less, including generic base acres, a producer on that farm may not receive PLC or ARC payments, unless the producer is a socially disadvantaged farmer or rancher or is a limited resource farmer or rancher. Payments for PLC and ARC are issued after the end of the respective crop year, but not before Oct. 1.

For More Information

More information on electing ARC/PLC coverage will be posted to this website when it becomes available. You may also wish to consult the **ARC/PLC Program Fact sheet here**

And

ARC/PLC Frequently Asked Questions

USDA

UNITED STATES DEPARTMENT OF AGRICULTURE
RISK MANAGEMENT AGENCY

2014 Farm Bill

FACT SHEET

April 2014

New Farm Bill Offers Modifications to Crop Insurance Programs

OVERVIEW

The 2014 Farm Bill, signed by President Obama on Feb. 7, 2014, continues programs with modifications and authorizes several new programs administered by the Risk Management Agency (RMA).

The Farm Bill strengthens crop insurance by providing more risk management options for farmers and ranchers and by making crop insurance more affordable for beginning farmers. It continues the growth of the crop insurance program, and provides avenues to expand farm safety net options for organic producers and specialty crop producers. It provides for increased program integrity, guaranteeing that tax dollars are used effectively and efficiently as we expand the farm safety net.

There are many changes to the crop insurance program. Some of the major changes are outlined below.

EXPANSION AND INNOVATION

Supplemental Coverage Option (SCO)

SCO is a county level revenue or yield based optional endorsement that covers a portion of losses not covered by the same crop's underlying crop insurance policy. Indemnities will be payable once a 14 percent loss has occurred in the county, and individual payments will depend upon coverage levels selected by producers. Any crop on a farm that you elect to participate in the Agriculture Risk Coverage (ARC) program (a new program started in the 2014 Farm Bill, administered by the Farm Service Agency) is not eligible for SCO coverage.

The Farm Bill requires SCO to be made available beginning with the 2015 crop year. Producers who enroll their winter wheat in SCO may elect to withdraw from SCO prior to their acreage reporting date without any penalty. This allows producers additional time to make an informed decision related to whether to enroll in the ARC or the Price Loss Coverage (PLC) program. If they choose ARC, they will not be charged a crop insurance premium so long as their SCO coverage is voided prior to their acreage reporting date.

RMA is making every effort to offer SCO to as many producers as possible. SCO will be available for corn, cotton, grain sorghum, rice, soybeans, spring wheat, and winter wheat in selected counties for the 2015 crop year. Program details and eligible counties will be made available in the summer of 2014.

STAX

STAX is a standalone/supplemental insurance policy for cotton only. STAX protects against county-wide revenue losses and can supplement a producer's underlying cotton policy, or be purchased as a standalone policy. Producers can elect coverage of up to 20 percent of expected county revenue, depending on the coverage level of their individual cotton insurance policy. STAX payments begin when county revenue falls below 90 percent of its expected level. The premium subsidy for this coverage is 80 percent.

RMA is making every effort to offer STAX to as many producers as possible. STAX will be available in selected counties for the 2015 crop year. Program details and eligible counties will be made available in the summer of 2014.

Crops enrolled in ARC (as well as acreage when enrolled in STAX) will not be eligible for SCO coverage.

Whole Farm Policy

The Federal Crop Insurance Corporation Board of Directors approved a new Whole-Farm Revenue Protection policy on May 8, 2014. Whole-Revenue Protection combines Adjusted Gross Revenue and Adjusted Gross Revenue-Lite with improvements to target the following types of farms: (1) Highly diversified farms and (2) Farms selling 2-5 commodities to wholesale markets.

The new product takes into consideration direction provided in the Farm Bill. Whole-farm insurance covers all commodities on the farm including specialty crops. The new whole-farm insurance product was sent for a contracted external expert review by the FCIC Board which is part of the new product development process.

RMA will continue to work on developing a whole farm policy that meets the needs of producers that grow diverse crops. The Farm Bill provides specific requirements for the whole farm policy if the Board does not approve a policy by 2016.

Beginning Farmer Provisions

Beginning farmers will receive increased assistance, which will give them access to risk management tools that are vitally important for beginning farmers. Changes will exempt beginning farmers from paying the $300 administrative fee for catastrophic policies and provide them, in certain instances, the ability to use the production history of entities where they were previously employed or helped to manage. It will also increase the premium subsidy rates for beginning farmers by ten percentage points during their first five years of farming.

If covered beginning farmers experience a poor yielding crop, they may replace the poor yield in their yield history for determining next year's guarantee with 80 percent of the county T-Yield, which is 20 percentage points higher than they previously would have received.

Coverage Level by Practice

This change provides a producer that produces an agricultural commodity on both dry land and irrigated land the option to elect a different coverage level for each production practice.

Change in T-Yield

When a crop in a county suffers over a 50 percent yield loss, producers in that county and adjacent counties may omit their yield for that year's production. For this provision, the Federal Crop Insurance Corporation may make a separate determination for irrigated and non-irrigated acreage.

Organic Expansion

Previous to the passage of the Farm Bill. RMA had taken steps to improve coverage for organic producers. These steps continue to be strengthened by the bill.

RMA has removed the 5 percent surcharge for organic price options. RMA has extended policies for organic price coverage. The agency added organic price elections for 2014 for eight additional crops (oats, peppermint, apricots, apples, blueberries, almonds, pears, and grapes for juice), bringing the total number of crops with organic price elections to sixteen. This allows producers the option to choose to insure their crops at an organic or conventional policy coverage price set by RMA.

RMA has issued The Contract Price Addendum (CPA) that allows an organic producer who has a written contract from a buyer by the acreage reporting date, the ability to insure an organic crop at the contract price. Producers can now buy a Federal crop insurance guarantee that is more reflective of the actual value of your organic crop.

Peanut Revenue Policy

RMA was directed to provide a revenue crop insurance policy for peanut producers. A private submitter has been working on a policy and if the submission is approved by the FCIC Board this spring it is possible to have this available in the future.

ENVIRONMENTAL BENEFIT

Conservation Compliance

In order to receive premium assistance from the federal government for crop insurance, producers will have to comply with highly erodible land and wetland conservation requirements that most already have to comply with as a result of participating in FSA and NRCS programs. RMA will work to utilize the verification process in place to ensure that producers are not overly burdened by this requirement.

The 2014 Farm Bill built on the conservation practices underway on farms and ranches by re-linking conservation compliance with the premium subsidy provided under the crop insurance program. Conservation compliance requires producers to have a conservation plan if they plant annually tilled crops on highly erodible soil and prohibits producers from planting on or destroying wetlands for crop production.

Producers who do not comply with conservation compliance can still purchase crop insurance, however, they will no longer be eligible to receive the government paid premium subsidy. Producers who destroy a wetland after enactment of the 2014 Farm Bill (February 7, 2014) risk losing their crop insurance premium subsidy, consistent with the new conservation compliance requirements of the 2014 Farm Bill. This affects eligibility not only for crop insurance premium subsidies but also commodity, conservation, and disaster program benefits. Producers who were eligible for commodity, conservation, or disaster programs under FSA or NRCS will remain eligible for the government paid crop insurance premium subsidy. The changes related to the crop insurance premium subsidy do not change the existing conservation compliance requirements and ramifications for violations for commodity, disaster, or conservation programs offered by FSA or NRCS.

In the fall of 2014, USDA will publish a rule that will provide the details involved with connecting conservation compliance with crop insurance.

USDA United States Department of Agriculture

A Risk Management Agency Fact Sheet

Supplemental Coverage Option for Federal Crop Insurance

October 2014

What Is The Supplemental Coverage Option?

The Supplemental Coverage Option (SCO) is a new crop insurance option that provides additional coverage for a portion of your underlying crop insurance policy deductible. You must buy it as an endorsement to either the Yield Protection, Revenue Protection, or Revenue Protection with the Harvest Price Exclusion policies. The Federal Government pays 65 percent of the premium cost for SCO.

SCO is available, starting with the 2015 crop year, in select counties for spring barley, corn, soybeans, wheat, sorghum, cotton, and rice.

How Do I Buy SCO?

First, you must choose;

- Yield Protection;
- Revenue Protection; or
- Revenue Protection with the Harvest Price Exclusion.

This is your 'underlying policy'.

Next, you choose SCO as an endorsement to the underlying policy. You must make this choice by the sales closing date for your underlying policy, and with the same insurance company. Any crop on a farm that you elect to participate in the Agriculture Risk Coverage (ARC) program (a new program started in the 2014 Farm Bill, administered by the Farm Service Agency) is not eligible for SCO coverage.

How Does SCO Work?

SCO follows the coverage of your underlying policy. If you choose Yield Protection, then SCO covers yield loss. If you choose Revenue Protection, then SCO covers revenue loss.

The amount of SCO coverage depends on the liability, coverage level, and approved yield for your underlying policy. However, SCO differs from the underlying policy in how a loss payment is triggered. The underlying policy pays a loss on an individual basis and an indemnity is triggered when you have an individual loss in yield or revenue. SCO pays a loss on an area basis, and an indemnity is triggered when there is a county level loss in yield or revenue.

It is easiest to explain how coverage is determined through an example. Suppose a grower's corn crop has an expected value of $765.00 per acre (170 bushels at $4.50 per bushel). Assume the grower buys a Revenue Protection policy with a 75-percent coverage level (this is the 'underlying policy'). The underlying policy covers 75 percent (or $573.75) of the expected crop value and leaves 25 percent (or $191.25) uncovered as a deductible.

At this point, the grower has the option to buy SCO coverage. Since the underlying policy is Revenue Protection, SCO will also provide revenue protection, except that payments will be determined at a county level. SCO revenue coverage is described in the following table.

Step	SCO Coverage Calculation	
A	SCO Endorsement begins to pay when county revenue falls below this percent of its expected level (the percent is the same for all SCO policies – set by law)	86%
B	SCO Endorsement pays out its full amount when county revenue falls to the coverage level percent of its expected level (always equal to the coverage level of the underlying policy)	75%
C	Percent of expected crop value covered by SCO (A – B, or 86% – 75%)	11%
D	Amount of SCO Protection (C • Expected Crop Value, or 11% • $765)	$84.15

The SCO Endorsement begins to pay when county average revenue falls below 86 percent of its expected level. The full amount of the SCO coverage is paid out when the county average revenue falls to the coverage level of the underlying policy - in this example, it is 75 percent (shown on line B in the table).

SCO payments are determined only by county average revenue or yield, and are not affected by whether you receive a payment from your underlying policy. So it is possible for you to experience an individual loss but to not receive an SCO payment, or vice-versa.

The dollar amount of SCO coverage is based on the percent of crop value covered. In this example there are

11 percentage points of coverage (from 86 percent to 75 percent). Eleven percent of the expected crop value is $84.15 (or 11 percent • $765.00). The SCO policy can cover up to $84.15 of the $191.25 deductible amount not covered by your underlying policy.

How Much Does SCO Cost?

The Federal Government pays 65 percent of the premium. The exact premium cost depends on the crop, county, coverage level you choose, and the type of coverage you choose, such as Yield Protection or Revenue Protection. You should talk to your crop insurance agent for more information.

How Do I Decide If I Should Buy SCO?

When considering SCO, you must first consider whether to elect to participate in the ARC program. Crops for which ARC is elected on a farm are not eligible for SCO coverage.

For those crops and farms eligible for SCO coverage, the type and amount of SCO coverage are determined by the type and coverage level you choose for the underlying policy. You should talk to your crop insurance agent to determine what best meets your individual risk management needs.

Where Is SCO Available?

SCO is available, starting with the 2015 crop year, in select counties for spring barley, corn, soybeans, wheat, sorghum, cotton, and rice.

The choice of counties selected for 2015 is based on the availability of county yield data from USDA's National Agricultural Statistics Service (NASS), subject to the following criteria designed to maximize the availability of SCO while maintaining actuarial soundness and program integrity. These criteria are similar to what is used for area-based, insurance programs administered by the Risk Management Agency (RMA). In general, the criteria are:

- NASS county yield estimates are available for at least 20 of the last 30 years. This provides a minimum amount of data needed to establish expected yields similar to the existing yield trend approaches used for related area-based insurance programs;
- NASS county yield estimates are available for at least 8 of the last 10 years, with an average of at least 10,000 planted acres over those years. This limits SCO to counties where county yield data has been consistently available, so that there is a reasonable expectation that a county yield will be available at the end of the growing season to determine losses; and
- There are at least 50 or more farming entities for the crop in the county according to the most recent Census of Agriculture. This limits the possibility for a single producer (or small group) to skew or influence the county estimate for a given year and limits SCO to counties where NASS is likely to receive adequate reports to publish a county estimate.

Will SCO Be Available for More Crops?

Starting with the 2016 crop year, RMA will be making greater use of crop insurance data to expand SCO coverage into more areas, more crops, and to make SCO coverage more practice-specific, (for example, irrigated in comparison to non-irrigated). RMA will expand the program to more crops (and counties) as the program continues.

What Happens If I Choose SCO and Sign Up for ARC?

SCO will first be available for the 2015 crop year's winter wheat, where you must make your crop insurance coverage decisions for fall-planted crops (including SCO) by the sales closing date (generally September 30). If you have applied for SCO for your winter wheat for 2015 you may choose to withdraw coverage on any farm where you intend to choose ARC for winter wheat by the earlier of your acreage reporting date or December 15 without penalty or being charged a premium. This allows you additional time to make an informed decision related to whether to choose to participate in either the ARC or Price Loss Coverage (PLC) programs for your winter wheat, which will happen later this winter.

To withdraw coverage, you must notify your agent of your intended election for ARC by the earlier of your winter wheat acreage reporting date or December 15. This is a one-time exemption that is only allowed for the 2015 crop year's winter wheat to coordinate with ARC program sign-up rules.

After this one-time exemption for 2015 crop year fall-planted winter wheat, if you choose SCO and ARC on the same crop on a farm, your SCO coverage for that crop on that farm will be cancelled and you will forfeit 20 percent of your SCO premium on that crop and farm to cover administrative expenses. However, your underlying policy will still be in effect.

Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection and SCO policies, are available from crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: **www3.rma.usda.gov/apps/agents/**.

Contact Us

USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW
Washington, DC 20250-0801
Website: www.rma.usda.gov
E-mail: RMA.CCO@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at: www.rma.usda.gov/pubs/rme/fctsht.html.

UofA
DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

Understanding the 2014 FARM BILL

THE SUPPLEMENTAL COVERAGE OPTION (SCO)

Training Presentation

This presentation highlights features of Risk Management Agency Programs and is not intended to be comprehensive. The information presented neither modifies or replaces terms and conditions of the basic policy, the crop provisions, or the county actuarial documents. Consult a crop insurance agent for further details

OVERVIEW

What is SCO?

- SCO provides area-based coverage for a portion of your insurance deductible
- SCO is an endorsement to the following plans
  - Yield Protection (YP)
  - Revenue Protection (RP)
  - Revenue Protection with the Harvest Price Exclusion (RP-HPE)
- The endorsement will be available in select counties for corn, soybeans, wheat, sorghum, cotton, spring barley and rice starting with the 2015 crop year

What is SCO?

- Must be purchased with an underlying individual crop policy
- Liability (max payout) based on expected crop value for the individual grower
  - But the amount paid out is based on how well the county does
  - Payment generally occurs later than for individual policy
    - Based on when county data becomes available
    - Similar to Area Risk Protection Insurance (ARPI)
- 65% premium subsidy
  - Regardless of coverage level of the underlying policy

Overview of SCO

- SCO coverage type follows underlying plan of insurance
  - If underlying policy is yield-based (YP or APH), SCO also provides yield coverage
  - If underlying policy is revenue-based (RP or RP-HPE), SCO provides revenue coverage
- Separate Premium and Administrative Fees for SCO by crop/county
  - In addition to fees for underlying individual policy
- Separate insurance offers by irrigation practice (where actuarially sound)
  - Follows underlying policy

Overview of SCO

- The amount of SCO coverage depends on the liability, coverage level, and approved yield of your underlying policy
  - If there are multiple types or practices for the insured crop in the county, the supplemental protection will be determined separately for each coverage level, type, and practice
- Indemnity payments for SCO is based on whether the yield or revenue for an area (generally county) falls below its expected level
  - Payment begins: Final Area Revenue (Yield) < 86% of Expected Area Revenue (Yield)
  - Max payout: Final Area Revenue <= Coverage Level% of Expected Area Revenue (Yield)

Example:

Grower purchases an individual revenue policy, 75% coverage

SCO Coverage

Percent of Expected Grower Revenue	Individual Loss	Area-Based Loss
100%		
95%		
90%		
86%		
80%		SCO Revenue (86% to 75%)
75%		
70%		
65%		
60%		
55%		
50%		
45%		
40%		
35%	Individual Revenue Policy (75% coverage)	
30%		
25%		
20%		
15%		
10%		
5%		
0%		

Example:

Grower purchases an individual revenue policy, 80% coverage

SCO Coverage

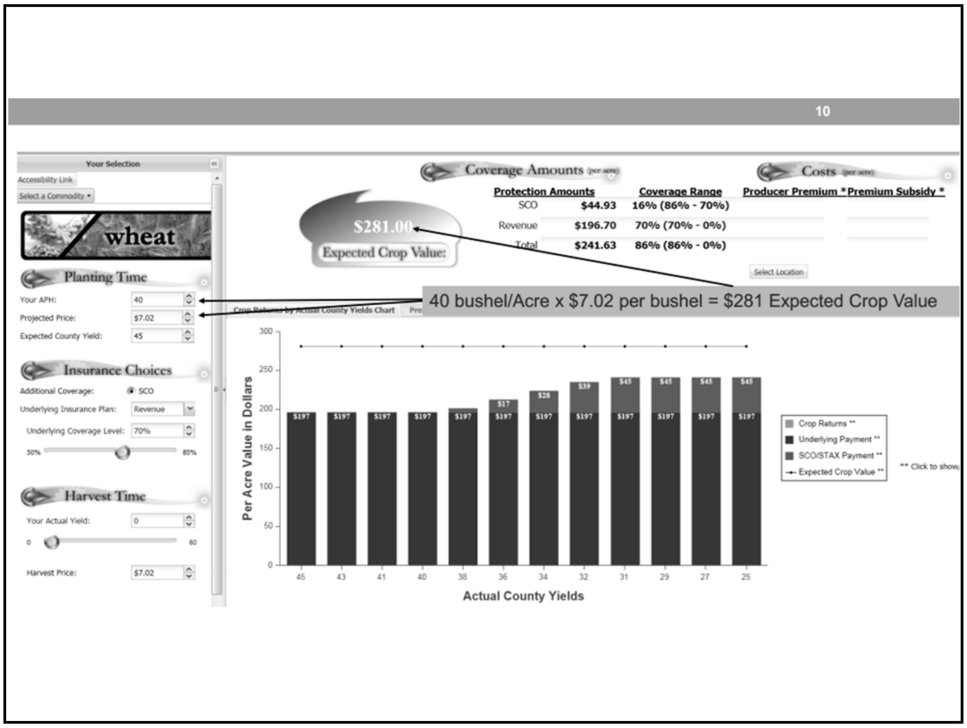
Percent of Expected Grower Revenue	Individual Loss	Area-Based Loss
100%		
95%		
90%		
86%		SCO Revenue (86% to 80%)
80%		
75%	Individual Revenue Policy (80% coverage)	
70%		
65%		
60%		
55%		
50%		
45%		
40%		
35%		
30%		
25%		
20%		
15%		
10%		
5%		
0%		

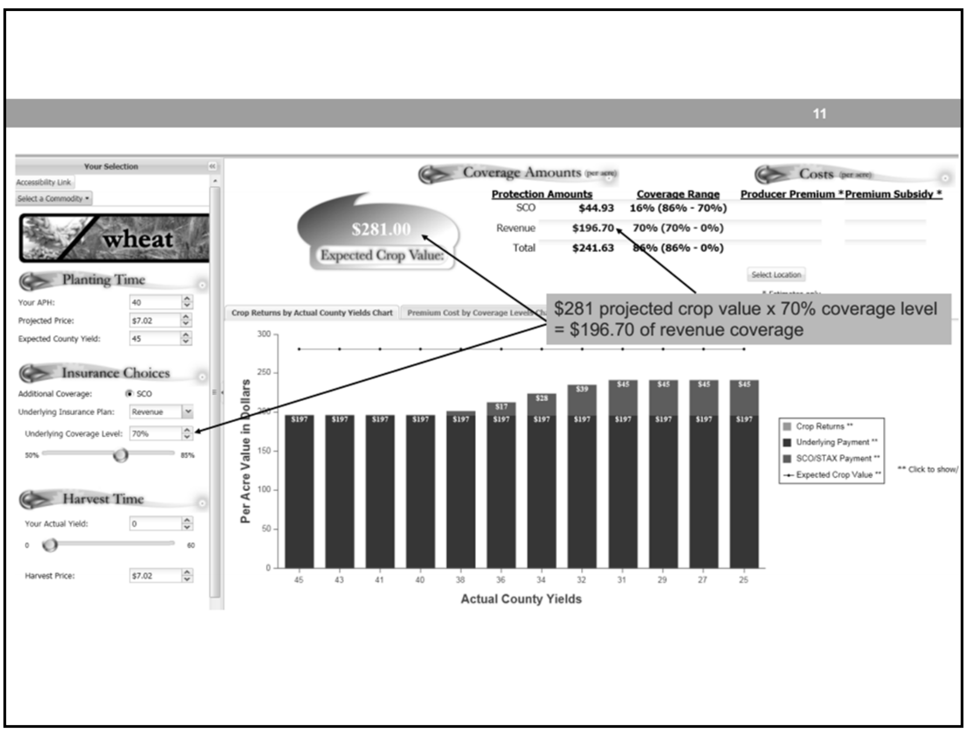
Example:

Grower purchases an individual revenue policy, 60% coverage

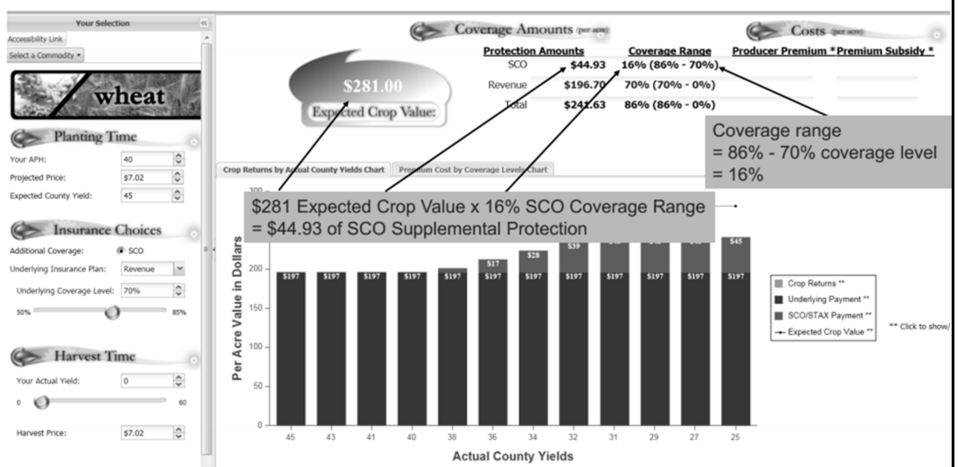
SCO Coverage

Percent of Expected Grower Revenue	Individual Loss	Area-Based Loss
100%		
95%		
90%		
86%		SCO Revenue (86% to 60%)
80%		
75%		
70%		
65%		
60%		
55%	Individual Revenue Policy (60% coverage)	
50%		
45%		
40%		
35%		
30%		
25%		
20%		
15%		
10%		
5%		
0%		


10
Your Selection
wheat
Planting Time
Your APH:
Projected Price:
Expected County Yield:
Insurance Choices
Additional Coverage:
Underlying Insurance Plan:
Underlying Coverage Level:
Harvest Time
Your Actual Yield:
Harvest Price:
Coverage Amounts
Costs
Protection Amounts
Coverage Range
Producer Premium *
Premium Subsidy *
SCO $44.93 16% (86% - 70%)
Revenue $196.70 70% (70% - 0%)
Total $241.63 86% (86% - 0%)
$281.00
Expected Crop Value:
40 bushel/Acre x $7.02 per bushel = $281 Expected Crop Value
Per Acre Value in Dollars
Actual County Yields
Crop Returns **
Underlying Payment **
SCO/STAX Payment **
Expected Crop Value **

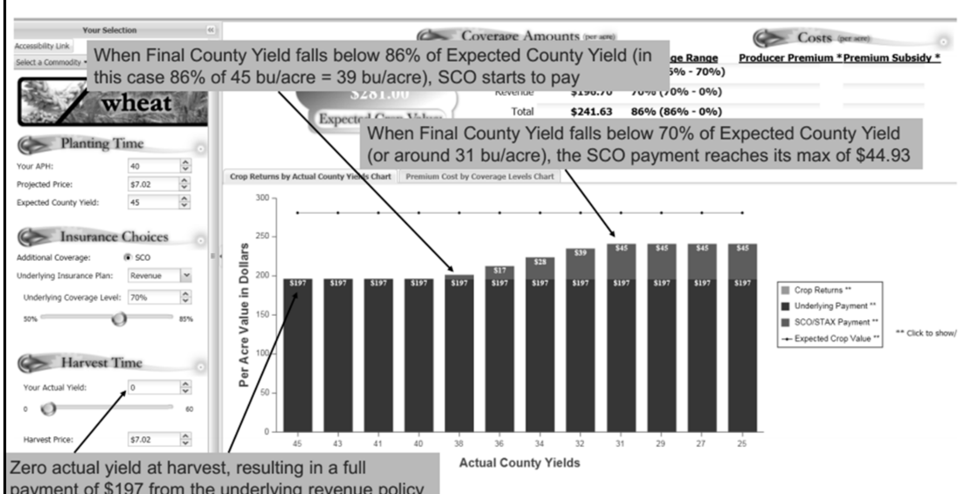

11
Your Selection
wheat
Planting Time
Insurance Choices
Harvest Time
Coverage Amounts
Costs
Protection Amounts
Coverage Range
Producer Premium *
Premium Subsidy *
SCO $44.93 16% (86% - 70%)
Revenue $196.70 70% (70% - 0%)
Total $241.63 86% (86% - 0%)
$281.00
Expected Crop Value:
$281 projected crop value x 70% coverage level
= $196.70 of revenue coverage
Per Acre Value in Dollars
Actual County Yields

12

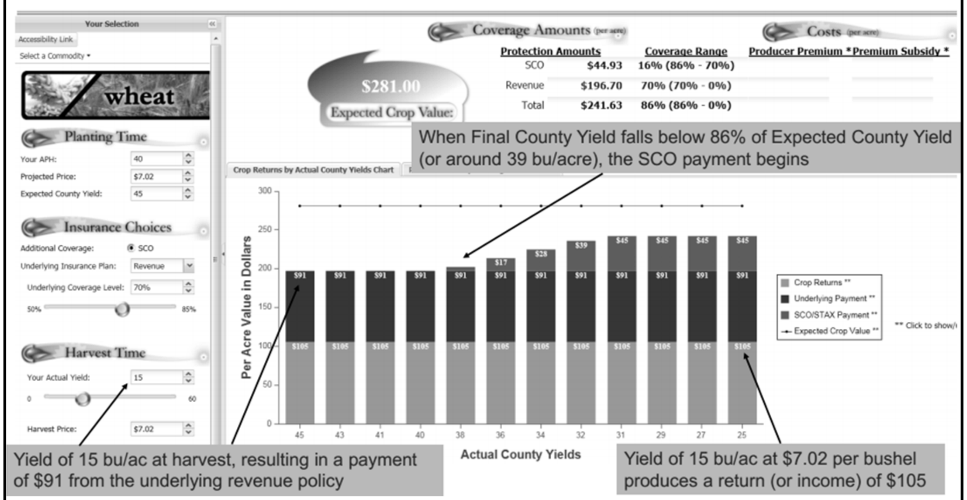


$281 Expected Crop Value x 16% SCO Coverage Range
= $44.93 of SCO Supplemental Protection
Coverage range
= 86% - 70% coverage level
= 16%
Coverage Amounts
Costs
Protection Amounts
Coverage Range
Producer Premium * Premium Subsidy *
SCO $44.93 16% (86% - 70%)
Revenue $196.70 70% (70% - 0%)
Total $241.63 86% (86% - 0%)
$281.00
Expected Crop Value:
wheat
Planting Time
Insurance Choices
Harvest Time
Per Acre Value in Dollars
Actual County Yields

13



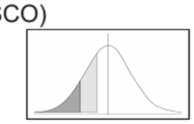
When Final County Yield falls below 86% of Expected County Yield (in this case 86% of 45 bu/acre = 39 bu/acre), SCO starts to pay
When Final County Yield falls below 70% of Expected County Yield (or around 31 bu/acre), the SCO payment reaches its max of $44.93
Zero actual yield at harvest, resulting in a full payment of $197 from the underlying revenue policy
wheat
Planting Time
Insurance Choices
Harvest Time
Per Acre Value in Dollars
Actual County Yields



AVAILABILITY AND COST

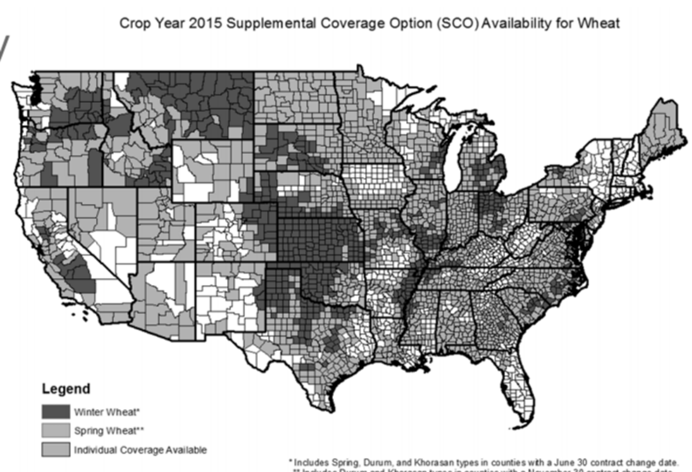
SCO Data Source and Availability (excluding cotton)

- Follow ARPI, use NASS county estimates, expand (but just SCO)
  - ARPI program guidelines generally restrict to primary growing regions
  - Guidelines can be revised for SCO given its program design



- General Guidelines to establish coverage for a county or district:
  - At least 20 of the most recent 30 years reported
  - At least 8 of 10 most recent years with an average of 10,000 or more planted acres
  - At least 50 farms for the crop/county according to the most recent Census of Agriculture
- Considering use of crop insurance yield data beginning with 2016
  - Additional counties for current SCO crops (aggregation)
  - Additional practice-specific insurance offers
  - Additional crops (primary areas)

Availability



SCO Data Source and Availability (Cotton)

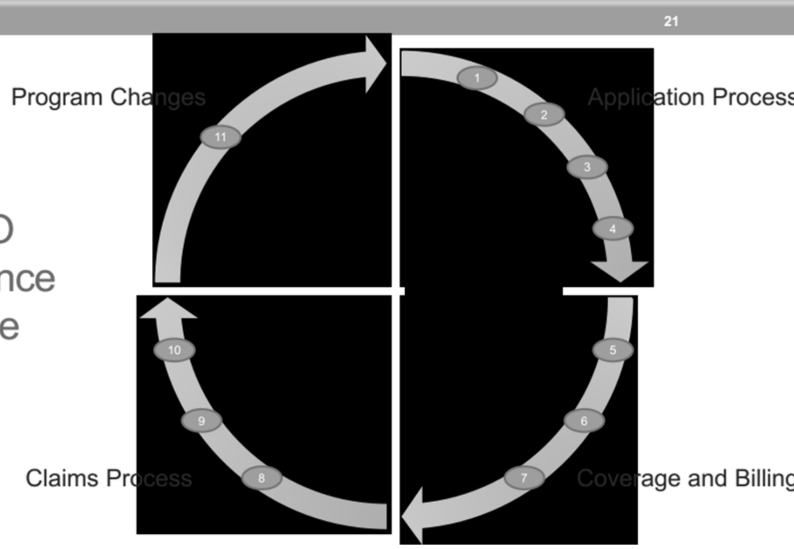
- Use crop insurance yield data
  - Allows for practice-specific (i.e. irrigated vs. non-irrigated) coverage in more areas
- General Guidelines to establish coverage for a county/practice:
  - At least 10 most recent years of data available
  - Most recent 5 years with 20 distinct producer reports per year and an average of 10,000 acres or more
- Otherwise, combine counties to meet the standards:
  - Combine target county with a qualifying neighboring county
  - County group (target county plus surrounding counties)
  - District or other groupings of counties

Cost

- Premium rates for SCO wheat, 70% revenue coverage for underlying policy:
  - Premium rate range from 15% to over 60%, average around 30%
    - Covers ‘active range’ of losses
    - Varies based on location and practice
- Assume 40 bu/acre, projected price of $7.02
  - Amount of SCO Coverage: $45 per acre
  - Average grower SCO premium: $4.70 per acre
  - Will vary significantly based on location and practice

INSURANCE CYCLE

SCO Insurance Cycle



1) Policy Renewal/Change Options/Application

- The Insurance Cycle begins each year with the insurance offer, and the actuarial documents published annually by the contract change date
- SCO, where available, will be a part of the underlying policy's actuarial documents for the plan of insurance, crop, type, and practice that may be insured in a state and county
- SCO will be a part of the underlying policy's Special Provisions and if applicable may have general and special statements which may further define, limit, or modify SCO coverage

2) Sales Closing/Cancellation/Termination Dates

- Insurance applications to add the SCO endorsement must be completed and signed no later than the sales closing date specified in the applicable crop actuarial documents
- The policyholder must have an underlying policy to purchase SCO

2) Sales Closing/Cancellation/Termination Dates

- The underlying policy and SCO coverage is continuous
  - Can be cancelled by providing a written notice no later than the cancellation date
  - Any changes a policyholder wishes to make to SCO coverage must be made by the applicable crop sales closing date
- The underlying policy and SCO insurance coverage may be terminated by the insurance provider for the following crop year for nonpayment of outstanding debt by the termination date

2) Sales Closing/Cancellation/Termination Dates

- SCO and Agricultural Risk Coverage (ARC)
  - According to the 2014 Farm Bill, producers may not purchase SCO coverage and participate in ARC for the same county/crop/farm
  - There are two forms of ARC
    - Individual ARC, applies to **all crops** ("covered commodities") on a given farm
    - County ARC, which covers specific crops on farms selected by the producer in the county
      - This election is made separately by crop for each farm
      - 'Farm' means all tracts and fields correlated to one Farm Serial Number
  - Producers that select individual ARC for a farm may not purchase SCO coverage on any crop for that farm
    - However, other farms may elect SCO if individual ARC has not been elected for farm or county ARC for that crop/farm

2) Sales Closing/Cancellation/Termination Dates

- SCO and ARC (continued)
  - Producers that elect county ARC for a given crop on a farm cannot purchase SCO coverage for that same crop on that farm
    - Eligibility for SCO is based on 'election', not annual 'enrollment' after election is made
  - Example: if a producer elects county ARC for the corn base acres on a given farm in a county, then none of the corn **on that farm** may be covered by SCO
    - However, a different crop planted on that same farm (like soybeans) may be covered by SCO, if ARC has not also been elected for that crop on that farm
    - Corn on a different farm in the same county may be covered by SCO – as long as ARC has not been elected for corn base acres on that farm

2) Sales Closing/Cancellation/Termination Dates

- SCO and ARC (continued)
  - Winter wheat: one-time opportunity to opt-out of their SCO coverage by farm, without penalty, by their acreage reporting date – generally November 15th, 2014
    - This provision recognizes that ARC program rules may not be available when farmers decide on SCO for fall planting
    - Decision must be made by December 15th, 2014 for counties with later acreage reporting dates
  - After 2015 winter wheat for other SCO crops: **producers who purchase SCO coverage for a crop will be ineligible for SCO on a farm where ARC has been elected for that crop.**
    - Their underlying crop insurance policy will still remain in effect
    - SCO on other crop/farms in the county is not affected – unless they are also covered ARC

2) Sales Closing/Cancellation/Termination Dates

- SCO coverage decision: Some factors to consider
  - Area coverage aspect – how closely does grower's yield move with county average yield ('basis risk')?
    - If they do not move together, greater chance of not getting paid when there is a loss, vice-versa
  - How much risk can the grower tolerate?
    - If the grower cannot tolerate significant losses, then a higher coverage level for the underlying policy (less SCO coverage) should be considered

3) Acceptance

- Upon receipt of the insurance application to add SCO, the insurance provider issues a confirmation of insurance applicable to the underlying policy and SCO
- The appropriate policy documents including the SCO endorsement will be issued to the applicant

4) Insurance Attaches

- Similar to the underlying policy SCO insurance attaches annually when planting begins on the insurance unit
- SCO covers planted acreage of the crop covered by the underlying Policy
  - Acreage prevented from planting is excluded from SCO
- Prevented planting and replanting provisions do not apply to SCO and will not impact the SCO coverage

4) Insurance Attaches

- SCO is only available when authorized by the actuarial documents and cannot be made available by written agreement
  - A written agreement to add the SCO Endorsement to an underlying policy is not authorized.

4) Insurance Attaches

- Impact of high risk land
  - High-risk acreage insured in an underlying policy is insured under SCO
  - Any high-risk acreage excluded from an underlying policy under the High Risk Land Exclusion Option is not insured under SCO, unless it is insured under a CAT policy
    - If SCO is selected for non-high risk land, it **may** also be selected for the high risk CAT policy
      - Grower must directly purchase SCO on the CAT policy – it doesn't happen automatically
  - Any high-risk acreage insured under a separate policy by the High Risk Alternate Coverage Endorsement (HR-ACE) must purchase the SCO Endorsement on the HR-ACE policy, when the insured purchased SCO on their underlying policy

5) Acreage Reports

- All planted acreage of the crop in the county insured by the underlying policy must be reported and insured by SCO
  - **EXCEPTION**: For cotton only, SCO will not apply to acreage designated for coverage by the Stacked Income Protection Plan (STAX) or covered by ARC.
- Acreage report will establish the amount of coverage and premium for the underlying policy and SCO
  - An insured is not required to submit an additional acreage report for the SCO policy
- Producers who purchase SCO and have ARC elected for the same crop must report farm/tract/field on their acreage report
  - **Misreported acres will lose their SCO coverage for that crop/farm and forfeit 20 percent of their premium to cover administrative expenses**

6) Summary of Coverage

- After the acreage report is processed, the policyholder is issued a summary of coverage that specifies:
  - Insured crop, acres, and amount of insurance or guarantee for each insurance unit
  - Amounts are shown separately for the underlying policy and the SCO endorsement
- SCO liability is established by coverage level, type, and practice for all the planted acreage of the crop in the county insured by the underlying policy

7) Premium Billing

- The annual premium is earned and payable at the time insurance coverage begins and is due by the premium billing date specified in the crop actuarial documents
  - The premium billing will specify the amount of premium and any administrative fees that may be due
- Separate administrative fees and premium by crop/county will be due for the SCO Endorsement and all information needed to calculate a premium rate will be contained in the actuarial documents
  - Waivers of the SCO administrative fee are applicable for insureds who qualify as a limited resource farmer or a beginning farmer/rancher

8) Notice of Damage or Loss of Production

For the Underlying Policy

- A written notice of damage or loss of production filed by the policyholder within 72 hours of the policyholder's initial discovery of damage or loss of production
- But not later than 15 days after the end of the insurance period unless otherwise stated in the individual crop policy.

For SCO

- Notice of loss provisions contained in the BP are not applicable to SCO
- Individual farm yields or revenues are not considered under SCO for determination of any indemnity

9) Inspection

For the Underlying Policy

- After the insurance provider receives the written notice of damage or loss, it will be processed and, if necessary, a loss adjuster will be sent to inspect the damaged crop and gather pertinent information concerning the damage

For SCO

- The inspection has no impact on the SCO coverage
  - **EXCEPTION**: If the inspection reveals that any acreage insured by the underlying policy was damaged solely by causes of loss not covered by the underlying policy then the same acreage will not be due an indemnity for SCO.

10) Indemnity Claim

For the Underlying Policy

- After the claim for indemnity is processed for the underlying policy, an indemnity check and a summary of indemnity payment will be issued showing any deductions to the amount of indemnity for outstanding premium, interest, or administrative fees

For SCO

- Any indemnities for SCO will be determined later than the indemnity process for the underlying policy, as the SCO indemnities are calculated following the release by FCIC of the final area yields and revenues
  - For most crops this will be in the spring of the subsequent year

10) Indemnity Claim

- The actuarial documents will specify the data source for the Final Area Yields/Payment Factors and the release dates
  - Payment factors will be calculated and published by RMA
  - Occurs later, after area yield data becomes available, similar to ARPI
- If an indemnity is due for SCO then the loss will be paid within 30 days after FCIC releases the Final Area Yields and Revenues
- Indemnities will not be paid on acreage that has been determined to have been solely damaged by causes of loss not insured by the underlying policy

10) Indemnity Claim

- Indemnities for SCO are not included in the calculation and notification process for AIP's on large claims ($500,000 or greater).

- The 2015 Large Claim Handbook states:

  For the purposes of a LC Review, the Eligible Crop Insurance Contract (ECIC) include:

  - "Any single claim on an individual policy that exceeds the large claim threshold for an ECIC due to prevented planting and/or production losses (losses under an area based endorsement are not included when determining the amount of the claim);"

11) Program Changes

- RMA changes to the underlying insurance policy and SCO are made not later than the contract change date contained in the applicable Crop Provisions

- The policyholder will have the opportunity to review the changes and, if desired:
  - Continue the insurance coverage for the following crop year
  - Change the policy coverage
  - Cancel the insurance coverage for either the underlying policy or the SCO coverage by the crop sales closing date

- If the policyholder wishes to cancel the SCO endorsement, then a written notice must be submitted to the insurance provider on or before the crop cancellation date

11) Program Changes

- If the insured's underlying policy for the crop is cancelled or terminated, coverage under the SCO Endorsement is automatically cancelled

- Other changes to the underlying policy do not cancel the SCO Endorsement
  - The SCO Endorsement will provide coverage based on the changes to the coverage level or plan of insurance of the underlying policy

  - Example: If the insured changes coverage level on the underlying policy from 80 percent to 70 percent. The SCO Endorsement coverage range will change from 6 percent to 16 percent.

Additional Clarifications

- Short-rated acres for SCO are handled the same as the underlying policy. Reduced premium for the underlying policy and SCO will be due and the underlying policy and SCO coverage will cease for those acres short-rated.

- 1st crop 2nd crop premium and indemnity reductions for SCO should be made in the same manner as the underlying policy.

- Late planting acres are insured under SCO and any reductions to the underlying policy's coverage must be made to SCO.

EXAMPLES

Example Scenario

Underlying Policy
- Insurance Plan - RP
- Coverage Level - 70%
- Acres - 100
- APH - 40
- Share - 100%
- Projected Price - $7.02
- **Underlying Liability = $19,656**

Supplemental Protection
- Area Loss Trigger - 86%
- Supplemental Coverage Range = 16%
- **Expected Crop Value = $28,080**
- **Supplemental Protection = $4,493**

Total Liability = $24,149

Premium
- SCO Premium Rate - 0.4171
- Producer Premium Rate ≈ 0.1460
- SCO Premium = $1,874
- Subsidy Amount = $1,218
- **Producer Premium = $656**

Indemnity
- Harvest Price - $7.02
- Expected Area Yield - 38
- Final Area Yield - 29
- Final Area Revenue - $203.58
- Area Performance ≈ 76.32%
- Payment Factor = 0.605
- **Indemnity = $2,718**

SCO Terminology

From the policy

Area Loss Trigger (always 86%)
- SCO indemnities are only due if the county (yield/revenue) is below 86%

Liability of the Underlying Policy
- The dollar value of the production or revenue guarantee provided by the underlying policy **for the unit**

Supplemental Coverage Range
- Different from Coverage Level, but serves a similar purpose

For example purposes

Producer Premium Rate
- Estimated cost per dollar of SCO coverage paid by the producer

Area Performance
- Estimate of actual outcome relative to expected outcome

Total Liability
- SCO liability added to the liability of the underlying policy.
- 86% of the Expected Crop Value

SCO Calculations – Supplemental Protection

- Expected Crop Value is the liability of the underlying unit divided by Coverage Level of the underlying policy
- Coverage Range of SCO is the Area Loss Trigger minus the Coverage Level of the underlying policy
- The Supplemental Protection for a unit is the Expected Crop Value multiplied by the Coverage Range

Underlying Liability = $19,656
- (40 x 70% x $7.02 x 100 x 100%)

Expected Crop Value = $28,080
- ($19,656 ÷ 70%)

Coverage Range = 16%
- (86% - 70%)

Supplemental Protection = **$4,493**
- ($28,080 x 16%)

SCO Calculations – Premium

- SCO Premium Rate is separate from the underlying policy (and usually much higher)
- Subsidy Factor for SCO is 65%
- SCO Premium is Premium Rate multiplied by the Supplemental Protection
- Producer owes about 35% of the Total Premium

SCO Premium Rate - 0.4171

Subsidy Factor - 65%

SCO Premium = $1,874
- ($4,493 x 0.4171)

Subsidy Amount = $1,218
- ($1,874 x 65%)

Producer Premium = **$656**
- ($1,874 - $1,218)

SCO Calculations – Indemnity (YP)

- SCO indemnities are driven by the area performance
  - Producer's individual experience is not considered
- Payment Factor is based on area performance and Coverage Range
  - Measures how far into the Coverage Range the area performance fell
  - Limited to 1.000
- Indemnity is Supplemental Protection times the Payment Factor

Expected Area Yield - 38

Final Area Yield - 29

Area performance ≈ 76.32%
- (29 ÷ 38)

Payment Factor = 0.605
- ((86% - (29 ÷ 38)) ÷ 16%)
- *(86% - 76.32%) ÷ 16%*

Indemnity = **$2,718**
- ($4,493 x 0.605)

SCO Calculations – Indemnity (RP)

$7.52 Harvest Price (▲ $0.50)

Adjusted Underlying Liability ▲ $21,056
- (40 x 70% x $7.52 x 100 x 100%)

Expected Crop Value ▲ $30,080

Supplemental Protection ▲ **$4,813**

Final Area Revenue ▲ $219.08

Payment Factor ► 0.605
- ((86% - ($219.08 ÷ (38 x $7.52))) ÷ 16%)

Indemnity ▲ **$2,912**

$6.52 Harvest Price (▼ $0.50)

Underlying Liability ► $19,656
- (40 x 70% x $7.02 x 100 x 100%)

Expected Crop Value ► $28,080

Supplemental Protection ► **$4,493**

Final Area Revenue ▼ $189.08

Payment Factor ▲ 0.945
- ((86% - ($189.08 ÷ (38 X $7.02))) ÷ 16%)

Indemnity ▲ **$4,246**

What if… Changes to APH

- The producer's APH is used to calculate the liability of the underlying policy unit
- Changes to the liability of the underlying policy unit are reflected in the Expected Crop Value, which is used to calculate the Supplemental Protection
- This applies to any change to the producer's production guarantee (e.g. Trend APH, Late Planting, Written Agreements, etc.)

APH ▼ 35

Underlying Liability ▼ $17,199
- (35 x 70% x $7.02 x 100 x 100%)

Expected Crop Value ▼ $24,570

Supplemental Protection ▼ $3,931

Producer Premium ▼ $574

Indemnity ▼ $2,378
- (Payment Factor ► 0.605)

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What if… Changes to Share Arrangement

- Like APH, the producer's share is used to calculate the liability of the underlying policy unit
- A reduced share will affect Expected Crop Value in the same manner as a reduced APH
- The reduced Expected Crop Value is reflected in the Supplemental Protection, Producer Premium, and Indemnity

Share ▼ 50%

Underlying Liability ▼ $9,828
- (40 x 70% x $7.02 x 100 x 50%)

Expected Crop Value ▼ $14,040

Supplemental Protection ▼ $2,246

Producer Premium ▼ $328

Indemnity ▼ $1,359
- (Payment Factor ► 0.605)

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What if… Changes to Price

- Like, APH and share, the price of the crop is used to calculate the liability of the underlying policy unit
- This applies to anything that affects the price of a crop (e.g. contract prices, percent of price election for YP, etc.)
- Note that changes to APH, share, and price do not affect the Payment Factor

Contract Price Premium = $0.25

Underlying Liability ▲ $20,356
- (40 x 70% x ($7.02 + $0.25) x 100 x 100%)

Expected Crop Value ▲ $29,080

Supplemental Protection ▲ $4,653

Producer Premium ▲ $679

Indemnity ▲ $2,815
- (Payment Factor ► 0.605)

What if… Changes to Coverage Level

- Underlying Liability changes with Coverage Level
  …but
- Expected Crop Value does not
- Coverage Range of SCO adjusts automatically
- Supplemental Protection is based on the higher Coverage Range
- Total Liability is still 86% of Expected Crop Value

Coverage Level ▼ 60%

Underlying Liability ▼ $16,848
- (40 x 60% x $7.02 x 100 x 100%)

Expected Crop Value ► $28,080
- ($16,848 ÷ 60%)

Coverage Range ▲ 26%

Supplemental Protection ▲ $7,301

Total Liability ► $24,149

What if… Changes to Coverage Level (*Continued*)

- Premium Rate is lower, reflecting a lower likelihood of full SCO payment
- Premium calculated on the higher Supplemental Protection
  - Note that a lower Coverage Level will result in an increase in SCO premium
- A change to Coverage Level affects the Payment Factor
- Indemnity unchanged (rounding)

Coverage Level ▼ 60%

SCO Premium Rate ▼ 0.3638

Producer Premium Rate ▼ ≈ 0.1273

Producer SCO Premium ▲ $929
- ($7,301 x 0.1273)

Payment Factor ▼ 0.372
- ((86% - ($203.58 ÷ (38 X $7.02))) ÷ 26%)

Indemnity ► $2,716

What if… CAT Coverage

- If authorized by the actuarial documents, producers may purchase SCO with CAT
- CAT is a change to both Coverage Level and percent of price
- Expected Crop Value is based on the liability of the underlying policy, including the percent of price

CAT Coverage

Underlying Liability ▼ $7,722
- (40 x 50% x ($7.02 x 55%) x 100 x 100%)

Expected Crop Value ▼ $15,444

Coverage Range ▲ 36%

Supplemental Protection ▲ $5,560

What if… CAT Coverage *(Continued)*

- SCO premium and admin fee are charged separately from CAT fee
- As with lower coverage levels, SCO with CAT has a lower premium rate
- Unlike just lowering the Coverage Level, indemnity is reduced due to the lower price percentage of CAT

CAT Coverage

SCO Premium Rate ▼ 0.2380

Producer Premium Rate ▼ ≈ 0.0833

Producer Premium ▼ $463

Payment Factor ▼ 0.269

Indemnity ▼ $1,496

What if… Short Rate Wheat

- If acreage qualifies for a reduced premium on the underlying policy, the SCO premium will be reduced by the same proportion
- SCO coverage ends concurrently with that of the underlying policy

Short Rate

Short Rate Adjustment - 0.3500

SCO Premium ▼ $656
- ($1,874 x 0.3500)

Subsidy Amount ▼ $426

Producer Premium ▼ $230

What if… 1st Crop / 2nd Crop Reduction

- If the premium and indemnity of the underlying policy are limited to 35 percent because the producer planted and insured a second crop, the SCO premium and indemnity will be subject to the same limit
- Remaining SCO premium and indemnity can be collected and paid as normal

1st Crop Limit = 35%

2nd crop planted…
Producer Premium Owed ▼ $230

Indemnity Payable ▼ $951

No loss on 2nd crop…
Remaining Premium = $426
- ($656 - $230)

Remaining Indemnity = $1,767
- ($2,718 - $951)

What if… Beginning Farmer

- If a producer qualifies as a beginning farmer, all authorized benefits apply to SCO
- SCO admin fee is waived and producer premium is reduced
- Supplemental Protection may increase if the APH of the underlying policy is affected

Beginning Farmer Premium

SCO Premium ► $1,874

Subsidy rate ▲ 75%

Subsidy ▲ $1,406

Producer Premium ▼ $468

ADDITIONAL INFORMATION

Additional Information

- See RMA's website www.rma.usda.gov
  - Policy and handbook
  - Web Decision Tool
    - Quick way to understand how SCO coverage, cost, and payments work
  - Cost estimator
  - Availability maps
  - Fact sheets

Popular Topics

- Appendix III/M-13
- Bulletins and Handbooks
- Crop Policies and Pilots
- Federal Crop Insurance Corp
- Field Offices: ROs | COs
- Frequently Asked Questions
- Information Browser
- Laws and Regulations
- Livestock Policies
- Reinsurance Agreements

Farm Bill - 2014 FAQs

Mar 14, 2014

Q. What exactly is the Supplemental Coverage Option (SCO)?
A: SCO is a county level revenue or yield based optional endorsement that covers a portion of losses not covered by the deductible of the same crop's underlying policy. Indemnities will be payable once a 14 percent loss has occurred in the county, and individual payments will depend upon coverage levels selected by producers. Any crop for which Agricultural Risk Coverage (ARC), which is offered by the Farm Service Agency (FSA), is elected on the farm will not be eligible for SCO coverage on that farm. The premium subsidy is 65 percent. Producers may not enroll a crop in both SCO and Agricultural Risk Coverage (ARC), which is offered by the Farm Service Agency (FSA). However, producers may participate in both SCO and Price Loss Coverage, another program administered by FSA.

Q. What if I decide I want to enroll into the ARC program after I've selected SCO coverage for winter wheat?
A: Producers who enroll their winter wheat in SCO may elect to withdraw from SCO prior to their acreage reporting date without any penalty. This allows producers additional time to make an informed decision related to whether to enroll in the Agricultural Risk Coverage (ARC) or the Price Loss Coverage (PLC) program. If they choose ARC, they will not be charged a crop insurance premium so long as they withdraw from SCO prior to their acreage reporting date.

Q. Is the one time opt-out of the SCO Endorsement for fall planted wheat (winter wheat) only available if the producer elects ARC?
A: The one-time opt-out can be used whether or not the producer actually elects ARC. The one time opt-out for fall planted wheat is intended for producers who elect or intend to elect ARC. However, the ARC/PLC election will most likely be made after the earlier of the acreage reporting date or December 15, 2014. Therefore, due to farm program timing, there will be no sanction or penalties for producers using this opt-out regardless of whether they elect ARC, PLC, or no FSA farm program at all.

Q. Will I be able to purchase SCO for the 2015 crop year?
A: It depends. RMA is making every effort to offer SCO to as many producers as possible. SCO will be available for corn, grain sorghum, rice, soybeans, spring wheat, and winter wheat in selected counties for the 2015 crop year. Program details and eligible counties will be made available in the early summer of 2014.

Q. What exactly is the Stacked Income Protection Plan for Producers of Upland Cotton (STAX)?
A: STAX protects against county wide revenue losses and can supplement a producer's underlying cotton policy, or be purchased as a standalone policy. Producers can elect coverage of up to 20 percent of expected county revenue, depending on the coverage level of their individual cotton insurance policy. STAX payments begin when county revenue falls below 90 percent of its expected level. The premium subsidy for this coverage is 80 percent. Any acres covered by a STAX policy may not be covered by a SCO optional endorsement.

Q. Will I be able to purchase STAX for the 2015 crop year?
A: It depends. RMA is making every effort to offer STAX to as many producers as possible. STAX will be available in selected counties for the 2015 crop year. Program details and eligible counties will be made available in the summer of 2014.

Q. I have heard that the farm bill has provisions that will both help new and beginning farmers purchase crop insurance and enhance the crop insurance beginning farmers already have.
A: Yes, a beginning Farmer and Rancher will be exempt from paying the $300 administrative fee for catastrophic coverage policies, and receive premium subsidy assistance for additional coverage policies that is 10 percentage points greater than what is otherwise available.

It defines a "beginning farmer and rancher" to be a person who has not actively operated and managed a farm or ranch with a bona fide interest in a crop or livestock as an owner-operator, landlord, tenant or sharecropper for more than 5 years. In addition, in certain instances, a beginning farmer may use the production history of another farm operation they were previously involved with in the decision making or physical involvement in the production of the crop.

Lastly, if the beginning farmer experiences a poor yielding crop, they may replace the poor yield in their yield history for determining next year's guarantee with 80 percent of the county T-Yield, which is 20 percentage points higher than they previously would have received.

Q. Is there anything available for Whole Farm policy coverage?
A: The Federal Crop Insurance Corporation Board of Directors approved a new Whole-Farm Revenue Protection policy on May 8, 2014. The new policy is being offered as a pilot program and is expected to be available for the 2015 crop year.

Q. Will there be a peanut revenue policy available?
A: RMA was directed to provide a revenue crop insurance policy for peanut producers. A private submitter has been working on a policy and if the submission is approved by the FCIC board this fall it is possible to have this available in the future.

Contact Information

For more information, contact **John Shea**.

Mid-April 2015 – Summer 2015

ENROLL in your safety-net approach by signing a contract.

After you formally elect (choose) ARC/PLC coverage, the final step is enrolling (signing the contract).

ARC/PLC Enrollment

Election is not enrollment. Producers must still enroll their farm (sign a contract) to receive program benefits. Producers sign contracts to participate in ARC/PLC for 2014 and 2015 crop years.

For More Information

More information on enrolling in ARC/PLC will be posted to this website when it becomes available. You may also wish to consult the **ARC/PLC Program Fact sheet**

and

ARC/PLC Frequently Asked Questions

ARC/PLC Definitions

Acreage report--An annual report for each insured crop in the county in which the producer has an ownership share. It indicates the crop planted, acreage prevented from planting, the producer's share in those crops, acres planted, the dates planted, and other information. Acreage reporting dates vary from crop to crop based on the production cycle. For example, the crop insurance acreage reporting date for many counties is November 15 for winter wheat.

Base acres-- A farm's crop-specific acreage of wheat, feed grains, rice, oilseeds, pulse crops, or peanuts eligible used for FSA program purposes. Base acres do not necessarily align with current plantings. Upland cotton base acres on the farm are renamed "generic" base acres.

Benchmark price—The higher of the reference price or the respective market year average price for the covered commodity. The benchmark price is used to compute annual ARC-Individual Coverage and ARC-County Coverage benchmark revenues.

Covered commodities--Include wheat, oats, barley, corn, grain sorghum, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed, dry peas, lentils, small chickpeas, large chickpeas and peanuts.

Effective price—For the specific covered commodity, the higher of the market year average price or the national average loan rate.

Generic base acres—Former upland cotton base acres. Generic base acres are not involved in, or subject to, base acre reallocation. If generic base acres are planted to a covered commodity in a given year, then those acres are considered base acres for that planted covered commodity in that crop year. For example, if a farm with 500 generic base acres plants 250 of those generic base acres to corn, and the farm elected ARC-County Coverage for corn, then those 250 generic base acres are treated as corn base in that crop year and receive an ARC-County Coverage payment if one is triggered.

Limited resource producer—Limited resource producer status may be determined using the USDA Limited Resource Farmer and Rancher Online Self Determination Tool located on the Limited Resource Farmer and Rancher page at **http://www.lrftool.sc.egov.usda.gov/**The automated system calculates and displays adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

Market year average (MYA) price-- Reflects the average price received by farmers across the nation at the point of first sale, across all grades and qualities of the crop. USDA publishes MYA price projections in the monthly **World Agricultural Supply and Demand Estimates report.**

Reference price—Prices for covered commodities set in Title I of the 2014 Farm Bill that apply for 2014-2018 crops and are used in the PLC and ARC programs. For example, the reference price for wheat is $5.50 per bushel for 2014-2018 crops.

Socially disadvantaged producer—Includes American Indians or Alaskan Natives, Asians or

Asian Americans, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

Supplemental Coverage Option--A county level revenue- or yield-based insurance optional endorsement that covers a portion of losses not covered by the deductible of the same crop's underlying insurance policy

TABLE 1. 2009/10-2014/15 MARKET YEAR AVERAGE (MYA) PRICES
JANUARY 12, 2015 1/

Commodity	Marketing Year	Publishing Dates for the Final 2013/14 MYA Price	Unit	Final 2009/10 MYA Price	Final 2010/11 MYA Price	Final 2011/12 MYA Price	Final 2012/13 MYA Price	Projected (P) or Final (F) 2013/14 MYA Price	Projected (P) or Final (F) 2014/15 MYA Price
Wheat	Jun. 1-May 31	Jun. 27, 2014	Bushel	$4.87	$5.70	$7.24	$7.77	$6.87 F	$6.10 P
Barley	Jun. 1-May 31	Jun. 27, 2014	Bushel	$4.66	$3.86	$5.35	$6.43	$6.06 F	$5.25 P
Oats	Jun. 1-May 31	Jun. 27, 2014	Bushel	$2.02	$2.52	$3.49	$3.89	$3.75 F	$3.25 P
Peanuts	Aug. 1-Jul. 31	Aug. 28, 2014	Pound	$0.2170	$0.2250	$0.3180	$0.3010	$0.2490 F	$0.2150 P
Corn	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$3.55	$5.18	$6.22	$6.89	$4.46 F	$3.65 P
Grain Sorghum	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$3.22	$5.02	$5.99	$6.33	$4.28 F	$3.80 P
Soybeans	Sep. 1-Aug. 31	Sep. 29, 2014	Bushel	$9.59	$11.30	$12.50	$14.40	$13.00 F	$10.20 P
Dry Peas	Jul. 1-Jun. 30	Sep. 29, 2014	Pound	$0.0898	$0.0977	$0.1530	$0.1570	$0.1460 F	$0.1175 P
Lentils	Jul. 1-Jun. 30	Sep. 29, 2014	Pound	$0.2680	$0.2570	$0.2500	$0.2070	$0.1980 F	$0.2300 P
Large Chickpeas	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2910	$0.3050	$0.4210	$0.3790	$0.3120 F	$0.2850 P
Small Chickpeas	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2030	$0.2080	$0.2150	$0.2740	$0.2290 F	$0.2100 P
Sunflower Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.1510	$0.2330	$0.2910	$0.2540	$0.2140 F	$0.2150 P
Canola	Jul. 1-Jun. 30	Nov. 26, 2014	Pound	$0.1620	$0.1930	$0.2400	$0.2650	$0.2060 F	$0.1675 P
Flaxseed	Jul. 1-Jun. 30	Nov. 26, 2014	Bushel	$8.15	$12.20	$13.90	$13.80	$13.80 F	$11.90 P
Mustard Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.3040	$0.2590	$0.3360	$0.3580	$0.3720 F	$0.3155 P
Rapeseed	Jul. 1-Jun. 30	Nov. 26, 2014	Pound	$0.2630	$0.2340	$0.2700	$0.2610	$0.2510 F	$0.2370 P
Safflower	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.1710	$0.1720	$0.2440	$0.2760	$0.2790 F	$0.2350 P
Crambe	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.3680	$0.3280	$0.3780	$0.3650	$0.3510 F	$0.3320 P
Sesame Seed	Sep. 1-Aug. 31	Nov. 26, 2014	Pound	$0.2800	$0.3060	$0.3500	$0.3200	$0.4400 F	$0.4700 P
Rice (long grain)	Aug. 1-Jul. 31	Jan. 30, 2015	Pound	$0.1290	$0.1100	$0.1340	$0.1450	$0.1540 P	$0.1220 P
Rice (med/short grain) 2/	Aug. 1-Jul. 31	Jan. 30, 2015	Pound	$0.1570	$0.1500	$0.1430	$0.1470	$0.1580 P	$0.1510 P
Rice (temporate japonica)	Oct. 1-Sep. 30	Jan. 30, 2015	Pound	$0.1950	$0.2080	$0.1840	$0.1840	$0.1990 P	$0.2050 P

MYA Price=national average price received by producers during the 12-month marketing year.

1/ F= Final MYA prices--Source: National Agricultural Statistics Service (NASS), Agricultural Prices on the publishing dates. Exact publishing dates for 2014/15 MYA prices are unavailable, but are generally published near the end of the month. P=Projected MYA prices--Source: USDA's World Agricultural Supply and Demand Estimates report or Interagency Commodity Estimates Committee Minutes. MYA price projections are the mid-point of the price forecast range, when applicable.

2/ Excludes temporate japonica rice.