ARCPLC Program
Generic Base Acres
&
Base Reallocation
ARC/PLC Program

ARC/PLC Program Process has three PARTS:

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

   ✓ September 29, 2014 through February 27, 2015
ARC/PLC Program

ARC/PLC Program Process has three PARTS:

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

- November 17, 2014 through March 31, 2015
ARC/PLC Program

ARC/PLC Program Process has three PARTS:

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

✓ Mid-April 2015 through Summer 2015
Base Acres

[7 CFR 1412.3] “Base acres”:

- the number of acres, with respect to a covered commodity on a farm
- in effect on September 30, 2013, subject to any reallocation, adjustment, or reduction
- The term ‘base acres’ includes any generic base acres planted to a covered commodity
What Happened to Cotton Base?
Generic Base Acres

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

Generic Base Acres may:

- receive payment under ARCPLC for the acres planted to a covered commodity

- be planted to any crop including covered commodities, fruits, vegetables, minor oilseeds, or other crops
Generic Base Acres

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

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

- Generic base acres are attributed to base acres when an acre of a covered commodity is planted.

- The first acre of a covered commodity planted will apply toward generic base acres.
Generic Base Acres

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

- If a single covered commodity is planted:

  - the generic base acres are attributed to that covered commodity in an amount equal to the total number of generic base acres on the farm
Generic Base Acres

- If multiple covered commodities are planted and the total number of acres planted exceed the generic base acres:

  - the generic base acres will be attributed to each of the covered commodities on the farm on a pro rata basis
Generic Base Acres - Example 1

- FSN 1111

- 2014 Base Acres
  - Wheat 50.0
  - Corn 10.0
  - Generic 100.0

- 2014 Planted Acres
  - Wheat 75.0
Generic Base Acres - Example 1

- 2014 ARC-CO or PLC Base Acres
  - 50.0 wheat base acres
  - + 75.0 wheat planted (< 100 generic base acres)
  - 125.0 wheat base acres
  - and
  - 10.0 corn base acres
Generic Base Acres - Example 2

- FSN 1234

2014 Base Acres
- Wheat 150.0
- Corn 100.0
- Rice - Long 250.0
- Generic 75.0

2014 Planted Acres
- Wheat 200.0
- Rice - Long 250.0
Generic Base Acres - Example 2

- Prorate to Base Acres
  - 200 (planted wheat) / 450 total planting = 44.4%
  - 250 (planted rice) / 450 total planting = 55.6%

- 75.0 Generic X 44.4% = 33.3 Wheat
- 75.0 Generic X 55.6% = 41.7 Rice
Generic Base Acres - Example 2

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

Wheat 150.0 + 33.3 = 183.3
Rice – Long 250.0 + 41.7 = 291.7
Corn 100.0
The Agricultural Act of 2014 (the 2014 Farm Bill) authorizes current OWNERS of a farm the one time opportunity to either:

- **retain** all the farm’s 2013 base acres, as of September 30, 2013, **excluding** upland cotton

- **reallocate** base acres, **excluding** cotton bases, based on the four year average P&CP (including prevented planted acres) for the 2009 through 2012 crop years
Base Reallocation Decision

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

- If no decision is made during the reallocation period the farm will **retain** the base acres on the farm as of **September 30, 2013**
The option to retain or reallocate base acres is an “all or nothing” proposition.

Must be reallocated based on the Planted & Considered Planted (P&CP) or Subsequently planted crop acreage.
FSA Website – ARC/PLC

Go to:  fsa.usda.gov

Under “Popular Topics”, click on:

“Agricultural Risk Coverage / Price Loss Coverage”
Base Reallocation - Example 1

Farm #4927
September 30, 2013

Cropland: 200.0 acres
Corn Base: 200.0 acres

<table>
<thead>
<tr>
<th>Crop</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Wheat</td>
<td>100.0</td>
<td>100.0</td>
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<td>100.0</td>
</tr>
</tbody>
</table>
Base Reallocation - Example 1

- FSN 4927
- Before Reallocation –
  - 200.0 acres Corn Base
- After Reallocation –
  - 100 acres Corn Base
  - 100 acres Wheat Base
Base Reallocation - Example 2

Farm #2555
September 30, 2013

Cropland: 250.0 acres
Rice (long grain) Base: 200.0 acres

<table>
<thead>
<tr>
<th>Crop</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soybeans</td>
<td>0.0</td>
<td>250.0</td>
<td>0.0</td>
<td>0.0</td>
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</tbody>
</table>
## Base Reallocation - Example 2

**Instructions:** Enter information in the yellow cells

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<td>Barley</td>
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<td>Dry Peas</td>
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<td>Flaxseed</td>
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<td>Grain Sorghum</td>
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<td>Large Chickpeas</td>
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<td>Lentils</td>
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<td>Mustard Seed</td>
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<td>Oats</td>
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<td>Peanuts</td>
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<td>Rapeseed</td>
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<tr>
<td>Rice (Long Grain)</td>
<td>200.00</td>
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<td>Rice (Medium/Short Grain)</td>
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<td>Safflower</td>
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<td>Sesame Seed</td>
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<td>Small Chickpeas</td>
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<td>Soybeans</td>
<td>250.00</td>
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<tr>
<td>Sunflower Seed (All)</td>
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<td>Wheat</td>
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<td><strong>Totals</strong></td>
<td>200.00</td>
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<td>Upland Cotton (Generic)</td>
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</table>

Note: Total base acres may not exceed the cropland on the farm, except for approved double-cropping practices.
Base Reallocation - Example 2

- FSN  2555
- Before Reallocation -
  - 200 acres Rice (long grain) Base
- After Reallocation -
  - 200 acres Soybean Base
## Base Reallocation - Example 3

Farm #2323 – as of September 30, 2013

<table>
<thead>
<tr>
<th>Cropland:</th>
<th>220.0 acres</th>
<th>Double Crop:</th>
<th>100.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn Base:</td>
<td>50.0 acres</td>
<td>Soybean Base:</td>
<td>100.0</td>
</tr>
<tr>
<td>Wheat Base:</td>
<td>150.0 acres</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Crop History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop</td>
</tr>
<tr>
<td>Wheat</td>
</tr>
<tr>
<td>Peanuts</td>
</tr>
<tr>
<td>Soybeans</td>
</tr>
</tbody>
</table>
### Base Reallocation - Example 3

#### Instructions: Enter information in the yellow cells

<table>
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</thead>
<tbody>
<tr>
<td>Barley</td>
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<td></td>
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<tr>
<td>Canola</td>
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<td></td>
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<tr>
<td>Corn</td>
<td>50.00</td>
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<td></td>
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</tr>
<tr>
<td>Soybeans</td>
<td>100.00</td>
<td></td>
<td>120.00</td>
<td>200.00</td>
<td>70.00</td>
<td>100.00</td>
<td>122.50</td>
<td>36.30%</td>
<td>106.90</td>
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<tr>
<td>Peanuts</td>
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<td>100.00</td>
<td>150.00</td>
<td>120.00</td>
<td></td>
<td>92.50</td>
<td>27.40%</td>
<td>82.20</td>
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<tr>
<td>Wheat</td>
<td>150.00</td>
<td></td>
<td>120.00</td>
<td>200.00</td>
<td>70.00</td>
<td>100.00</td>
<td>122.50</td>
<td>36.30%</td>
<td>108.90</td>
</tr>
<tr>
<td>Totals</td>
<td>300.00</td>
<td></td>
<td>340.00</td>
<td>400.00</td>
<td>290.00</td>
<td>320.00</td>
<td>337.50</td>
<td>100.00%</td>
<td>300.00</td>
</tr>
<tr>
<td>Upland Cotton (Generic)</td>
<td>NA</td>
<td></td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

### Remarks:
Base Reallocation - Example 3

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

➤ Signature Requirements for Base Election

➤ The current Owner of record will make the Base Acres Reallocation Decision

➤ Base Election applies to the farm

➤ Will apply to the farm through the end of the 2014 Farm Bill
Base Reallocation Update

- Only **ONE** owner of the farm must sign for the base reallocation

- Person with Power Of Attorney can sign for Owner if POA document is checked with:
  - ✓ All Current and Future Programs, and
  - ✓ All Actions
Base Update Disputes

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

Go to: fsa.usda.gov

Under “Popular Topics”, click on:

“Agricultural Risk Coverage / Price Loss Coverage”