

FSA
HANDBOOK

Agriculture Risk Coverage and
Price Loss Coverage Program

For State and County Offices

SHORT REFERENCE

1-ARCPLC
(Revision 1)

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

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Agriculture Risk Coverage and Price Loss Coverage Program 1-ARCPLC (Revision 1)	Amendment 1
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Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Issuance

This handbook has been issued to provide policy and procedure for the Agriculture Risk Coverage and the Price Loss Coverage programs as amended by the 2018 Farm Bill for the 2019 through 2023 program years.

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Part 1 Basic Information

1 Overview

A Objective of this Handbook

This handbook provides instructions for implementing the ARC and PLC Program authorized by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) (the 2018 Farm Bill). Included in this handbook are instructions about the following:

- detailed provisions of ARC-CO, ARC-IC, and PLC
- election procedure for the ARC and PLC Program
- enrollment procedure for the ARC and PLC Program
- updating PLC yields
- eligibility and compliance rules for participating in ARC and/or PLC.

B ARC and PLC Purpose and Eligibility

The 2014 and 2018 Farm Bills include choices between an income support program where the revenue target can move up and down with the market, and an income support price-based program where the reference price is fixed for the duration of the respective Farm Bill.

The ARC program establishes revenue targets, **not** price targets. The revenue target for ARC-CO is based on county average yields and U.S. crop MYA prices. A 5-year Olympic average is used for yields (removing high and low) of the previous 5 years under ARC-CO. ARC-CO uses a 5-year Olympic average (removing high and low) for price. This means that under ARC-CO, the revenue target moves with the market (increasing when market revenue is increasing and decreasing when market revenue is decreasing).

The revenue target for ARC-IC is based on average revenues at the farm level. The revenue target for ARC-IC is the farm's individual benchmark revenue based on the 5-year average of the annual benchmark revenues, **excluding** the years with the highest and lowest annual revenues, then averaging against all crops on the farm.

ARC covers only part of the revenue target.

PLC is a modified version of the CC portion of DCP from the 2008 Farm Bill. PLC prices are set in the 2018 Farm Bill for the duration of the 2018 Farm Bill, similar to the former CC payment program. For PLC, these are called reference prices. PLC makes payments based on historical base acres, although the base acres of covered commodities under the 2014 Farm Bill may differ from the 2018 Farm Bill based on seed cotton added as a covered commodity.

1 Overview (Continued)

B ARC and PLC Purpose and Eligibility (Continued)

A significant difference between the 2014 and 2018 Farm Bills is the election between ARC and PLC that is made. Under the 2014 Farm Bill, an election was irrevocably made by **all current producers on a farm that was irrevocable for the life of the 2014 Farm Bill**.

Under the 2018 Farm Bill, the election decision will be made in 2019 and producers then have the option of changing the election in 2021, 2022, or 2023. Under the 2014 Farm Bill, all current producers on farm are **required to affirmatively and unanimously** elect ARC or PLC during a single election period, and, if an election is **not** made, the farm will be ineligible for payments in the 2014 crop year and default to PLC for the 2015 through 2018 crop years. Under the 2018 Farm Bill, the producers on farm are **required to affirmatively and unanimously** elect ARC or PLC during the first election period for crop year 2019, and, if an election is **not** made, the farm will be ineligible for payments in the 2019 crop year and default to the election that was made for the 2015 through 2018 crop years. Farms with producers who do **not** make a valid election in the election period announced in this rule will **not** be eligible for 2019 crop year payments.

Under the 2014 Farm Bill, producers were ineligible for payments under ARC and PLC payments if the sum of base acres of covered commodities and peanuts on a farm was 10 acres or less. The 10-acre limitation did **not** apply to producers on a farm that were SDA farmer or rancher or a limited resource farmer or rancher. The 2018 Farm Bill, likewise, has a 10-acre limitation; however, producer payment eligibility on a farm having 10 or less base acres is no longer dependent on just the single farm. The producer on a farm with 10 base acres or less may remain eligible for payment if the total base acres from all enrolled farms in which the producer has an interest is greater than 10 base acres. Under the 2018 Farm Bill, any SDA farmer or rancher, limited resource farmer or rancher, beginning farmer, or veteran producer remains eligible for ARCPLC payments on farms having 10 acres or less base acres.

C Sources of Authority and Funding

Authority for ARC and PLC is the Agricultural Act of 2014 (Pub. L. 113-79) as amended by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and the regulations found at 7 CFR Part 1412.

1 Overview (Continued)

D Related Handbooks

Related handbooks include:

- 1-APP for appeals
- 1-CM for common provisions
- 2-CP for acreage and compliance provisions and determinations
- 3-CM for procedure to update farm, tract, and crop data through a maintenance application
- 10-CM for farm reconstitutions
- 6-CP for HELC and WC provisions
- 7-CP for finality and equitable relief provisions
- 2-CRP for the Agricultural Resource Conservation Program
- 1-FI for issuing payments
- 58-FI for debts and claims
- 61-FI for prompt payment interest
- 62-FI for reporting data to IRS
- 63-FI for Financial Services Web Application
- 2-INFO for Freedom of Information Act
- 3-PL for web-based subsidiary files
- 5-PL for payment limitation and payment eligibility provisions.

1 Overview (Continued)**E Administration**

[7 CFR 1412.2] (a) The program is administered under the general supervision of the Executive Vice-President, CCC, and will be carried out by Farm Service Agency (FSA) State and county committees (State and county committees).

(b) State and county committees, and representatives and their employees, do not have authority to modify or waive any of the provisions of the regulations of this part.

(c) The State committee may take any action required by the regulations of this part that the county committee has not taken. The State committee will also:

Correct, or require a county committee to correct, any action taken by such county committee that is not according to the regulations of this part; or

Require a county committee to withhold taking any action that is not according to this part.

(d) No provision or delegation to a State or county committee will preclude the Executive Vice President, or the Deputy Administrator, or a designee, from determining any question arising under the program or from reversing or modifying any determination made by a State or county committee.

(e) The Deputy Administrator has the authority to permit State and county committees to waive or modify deadlines (except statutory deadlines) and other non-statutory requirements, in cases where lateness or failure to meet such other requirements does not adversely affect operation of the program. Producers and participants have no right to a decision requesting an exception under this provision. The Deputy Administrator's refusal to consider waiver or modification cases or circumstances or a decision not to exercise this discretionary authority under this section will not be considered an adverse decision and is not appealable. Further, because participants have no right to a waiver or modification under this section, they likewise have no right to a decision on a request for waiver or modification, CCC's declination to consider a case under this section will not constitute a failure to act under any law or regulation.

(f) A representative of CCC may execute the FSA application form entitled "Application for Transition Assistance for Producers of Upland Cotton" only under the terms and conditions determined and announced by the Executive Vice President, CCC. Any application or contract that is not executed according to such terms and conditions, including any purported execution before or after the dates authorized by the Executive Vice President, CCC, is null and void and will not be considered to be an application or contract between CCC and the operator or any other producer on the farm.

2 DAFP, STC, and SED Responsibilities

A DAFP Responsibilities

DAFP will:

- issue internal operating guidelines and procedure to conduct the ARC and PLC Program and determine matters of general applicability
- determine any question arising under the ARC and PLC Program and may reverse or modify or require a STC or COC or other FSA official to reverse or modify any program decision determined to be inconsistent with regulations or this handbook
- establish deadlines **not** otherwise prescribed by statute or regulation
- at DAFP's sole discretion, determine if equitable relief or ARC and PLC Program exceptions are warranted
- choose whether to exercise discretion to waive or modify nonstatutory ARC and PLC Program deadlines
- respond to State Office requests for ARC and PLC Program guidance, requests for waivers, or requests for application of equitable relief or finality, as applicable.

B STC Responsibilities

STC will:

- direct administration of ARC and PLC
- ensure that State and County Offices follow ARC and PLC provisions
- require reviews at any time to ensure County Offices comply with requirements established by the National Office
- thoroughly document all actions and decisions in STC minutes
- handle appeals according to 1-APP.

2 DAFP, STC, and SED Responsibilities (Continued)

C SED Responsibilities

SED will:

- direct the administration of ARC and PLC
- ensure that State and County Offices follow ARC and PLC regulations and provisions
- ensure that County Office employees and COC's are adequately trained
- require County Offices to publicize ARC and PLC Program information and deadlines
- thoroughly document all STC actions and decisions in STC minutes
- make 7-CP determinations as necessary and as authorized
- ensure that County Offices adequately publicize ARC and PLC Program information by efficient means
- handle appeals and requests for appealability according to 1-APP.

3 DD Responsibilities

A Responsibilities

DD will:

- make certain that County Offices and COC are aware of ARC and PLC information and eligibility provisions
- ensure that County Offices publicize ARC and PLC by efficient means and that publication efforts are documented
- verify that ARC and PLC Program provisions are available for review and inspection in County Offices
- ensure that COC and County Office follow regulations and handbook procedure
- perform reviews of County Office procedures to ensure that County Offices are complying with the provisions of this handbook and regulations
- review County Office procedures to ensure that County Offices comply with requirements established by the State Office
- review all CCC-862's and CCC-866's disapproved by COC
- ensure the COF has reviewed the report "Producers with Base Acres interest Greater than Reported Interest" prior to the end of the contract period
- ensure the COC or designee has approved all CCC-862's and CCC-866's within 30 days of the end of the enrollment period
- provide SED with a written report of all reviews
- review the Base Acreage and Yield Adjustment Report to identify unauthorized base acre and yield adjustments every 90 days and prior to rollover.

3 DD Responsibilities (Continued)

B Printing Base Acreage and Yield Adjustment Report

Printing Base Acreage and Yield Adjustment Report.

DD's will print a current Base Acreage and Yield Adjustment Report according to 10-CM, paragraph 294. The Base Acreage and Yield Adjustment Report lists base acreage and payment yield adjustments made on farms during the date range selected for which the report was printed. Each adjustment on the Base Acreage and Yield Adjustment Report includes the following:

- farm number
- tract number
- crop name
- adjustment type
- adjustment reason
- date changed
- farm status.

3 DD Responsibilities (Continued)

C How to Review Adjustments

After preparing the Base Acreage and Yield Adjustment Report, DD's will review base acreage and yield adjustments according to the following.

Step	Action
1	Review all adjustments not included in the previous review.
2	Verify the following: <ul style="list-style-type: none"> • adjustments were authorized and approved according to procedure • amount of adjustment is correct • base acreage and/or yield are correct.
3	Verify that the frequency of each type of adjustment is reasonable considering: <ul style="list-style-type: none"> • type of adjustment • number of the same type of adjustments approved in other County Offices in the district.
4	Verify that the total number of adjustments is reasonable.
5	If an excessive number of adjustments for corrections were made, ensure that the cause of the error is: <ul style="list-style-type: none"> • recognized • alleviated.
6	Considering the type of adjustment, verify that adjustments were made in a timely manner.
7	Ensure that: <ul style="list-style-type: none"> • all errors are corrected • procedure is uniformly interpreted.

D When to Review Adjustments

DD's will review current year base acreage and yield adjustments before issuing ARCPLC payments.

Note: The Base Acreage and Yield Adjustment Report may be run as often as necessary.

4 COC, CED, and PT Responsibilities

A COC Responsibilities

COC will:

- ensure CED and County Office follow the provisions of this handbook and regulations
- publicize details of ARC and PLC, including but **not** limited to, providing information about deadlines, signature requirements, payment calculation, payment limitation and payment eligibility provisions (acreage reporting, HEL and WC compliance, AGI compliance, and actively engaged in farming), details on ARC and PLC including the necessary ARC and PLC Program documents that producers **must** file by established deadlines to be eligible for payment. Publication efforts include, but are **not** limited to, posting information in County Offices and in any media that is economically or practicably feasible

Notes: FSA will assist persons by providing information in a variety of different ways. However, because of limits on resources, publication efforts by FSA may or may **not** be by direct mail or on an individual producer basis. FSA satisfies its responsibility of publication by making broad program announcements (press releases, public internet sites, print and electronic media, Federal register documents, radio and television announcements) and in posting program information in USDA County Offices.

The reality of limited resources has increased a participant's responsibility for being aware or making themselves aware of program information that is available in the public domain. FSA is **not** responsible for reaching out to every potential program participant with all program information. Participants **must** seek information on program details from FSA and **not** wait for FSA to write or communicate with them about ARC and PLC Program provisions.

- ensure that all producer eligibility and ARC and PLC Program determinations are according to this handbook
- make factual determinations of eligibility based on information provided by producers, this handbook, and pertinent regulations

4 COC, CED, and PT Responsibilities (Continued)

A COC Responsibilities (Continued)

- document producer ARC and PLC Program decisions and appeals in COC minutes and the producer's farm file, including referencing program procedure and all factors relevant to decisions
- notify producers of eligibility and extent of eligibility decisions in writing and, if an adverse decision is made, issue the decision in writing and afford applicable administrative rights of review according to 1-APP
- in questionable cases, determine that a producer has the right and authority to participate in ARC or PLC on a farm in question. COCs may request supporting documentation, such as a lease, to support a producer's claimed share of base acres on a farm
- elect whether or **not** to redelegate authority to CED to approve ARC and PLC Program documents and contracts in routine cases.

Note: Routine cases include approval of successor-in-interest cases and late-file contracts through the same date by which COC is authorized to approve late-filed applications.

If re delegation is approved:

- CED's authority to act is the same as COC's authority
- the re delegation **must** be recorded in COC minutes
- any CED approved applications under the redelegated authority **must** be recorded in COC minutes as actions taken between COC meetings.

4 COC, CED, and PT Responsibilities (Continued)

B CED Responsibilities

CED will:

- ensure that County Office employees are trained and familiar with the provisions of this handbook and the ARC and PLC Program
- make certain that the provisions of this handbook are followed
- publicize ARC and PLC Program information and deadlines for the COC consistent with COC responsibilities
- immediately notify SED through DD and State Office of ARC and PLC Program administration problems including but **not** limited to software problems
- if redelegated authority by COC, act on completed applications and record actions taken under delegation in COC minutes
- review the report “Producers with Base Acres interest Greater than Reported Interest” prior to the end of the contract period
- **not** take any action or authorize taking any action that is **not** consistent with this handbook or ARC and PLC Program regulations
- respond to questions from producers, employees, and committee members regarding details of the ARC and PLC Program
- report to SED and the State Office program specialists, through DD, discrepancies and problems
- notify producers of determinations and handle appeals according to 1-APP.

4 COC, CED, and PT Responsibilities (Continued)

C CED Signature Deadline Monitoring Responsibilities

CED will ensure that ARC and PLC Program information and deadlines are publicized and copies of publication efforts are maintained in appropriate file.

In addition to publicizing program information, CED's will ensure that:

- forms and applications are completed before being presented to producers sign the form or application
- blank forms are not presented to and signed by producers
- signature deadlines are carefully monitored for reconstituted farms, designating payment shares, and necessary supporting documentation, such as AD-1026, CCC-902's, and CCC-941.

Important: County Offices are encouraged to remind producers of deadlines; however, a failure to provide a reminder to any producer will **not** constitute or be construed to be misaction/misinformation.

Note: As allowed by time and resources, County Offices may attempt to contact producers in advance of critical deadlines by using reminder letters and/or telephone contacts. Those contacts or attempted contacts, if made, **must** be documented.

D PT Responsibilities

PT's will assist producers and process ARC and PLC Program documents necessary for administering ARC and PLC according to this handbook and FSA policy.

PT's assist producers by presenting them with forms, applications, and contracts necessary for ARC and PLC Program benefits or compliance. However, PT's are **not** responsible for the accuracy of any certifications made by producers on forms, applications, and contracts.

Note: Producers are responsible for the accuracy of information on any form, application, or contract the producer signs.

PT's will consult with CED, as necessary, when questions or problems arise.

5 Basic ARC and PLC Program Information

A Covered Commodities

[7 CFR 1412.3] **Covered commodity** means:

- wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts
- crops for which base acres have been established according to statute or regulation.

Covered commodities, including the following, are eligible for ARC and PLC Program benefits.

Covered Commodities			
Barley	Canola	Chickpeas, Large	Chickpeas, Small
Corn	Crambe	Flaxseed	Grain Sorghum
Lentils	Mustard	Oats	Peanuts
Peas, Dry	Rapeseed	Rice, Long Grain	Rice, Medium Grain
Safflower	Seed Cotton	Sesame	Soybeans
Sunflower Seed	Wheat		

5 Basic ARC and PLC Program Information (Continued)**B Base Acres**

[7 CFR 1412.3] Base acres mean, with respect to a covered commodity on a farm, the number of acres in effect under sections 1001 and 1301 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702, 8751), as adjusted pursuant to sections 1101, 1108, and 1302 of such Act (7 U.S.C. 8711, 8718, 8752), as in effect on September 30, 2013, subject to any reallocation, adjustment, or reduction under Subpart B of this part. The term ‘base acres’ includes any generic base acres planted to a covered commodity.

Base acres may be increased if CRP-1 applicable to the farm expires or is released by the Secretary. The adjustment in the base acres of a crop, if any, will be determined by the Secretary. With some exception for double-cropped acres, total base acres on a farm for all covered commodities and peanuts **cannot** exceed the amount equal to the currently available cropland minus the amount of that cropland which is any of the following:

- in CRP
- in WRP
- enrolled in a Federal conservation program for which payments are made in exchange for **not** producing an agricultural commodity on the acreage.

Note: Base acres can only be reduced on CCC-505.

5 Basic ARC and PLC Program Information (Continued)

C Payment Acres

[7 CFR 1412.3] **Payment acres** mean:

(1) For the purpose of PLC and ARC when county coverage has been selected under Subpart D, but subject to §1412.46, the payment acres for each covered commodity on a farm will be equal to 85 percent of those base acres for the covered commodity on the farm.

(2) In the case of ARC when individual coverage has been selected under Subpart D, but subject to §1412.46, the payment acres for a farm will be equal to 65 percent of the base acres for all of the covered commodities on the farm.

D Payment Yield

[7 CFR 1412.3] **Payment yield** means for a farm for a covered commodity the yield established under subpart C of this part.

E Basic Summary Comparison of PLC, ARC-CO, and ARC-IC

The following table provides a basic comparison of PLC, ARC-CO, and ARC-IC.

PLC	ARC-CO	ARC-IC
Uses effective reference price and the PLC yield established on the farm.	Uses MYA price plus county yield.	Uses MYA price plus the producer's yield from the farm.
Payments determined by individual covered commodity base acres.	Payments determined by individual covered commodity base acres.	Payments determined by all covered commodities combined planted on the farm.
Payments made on 85 percent of base acres by crop base acreage.	Payments made on 85 percent of base acres by crop base acreage.	Payments made on 65 percent of total base acres.
Production report not required.	Production report not required.	Must report annual production of covered commodities.
May elect PLC or ARC-CO on the same farm on a covered commodity by covered commodity basis.	May elect ARC-CO or PLC on the same farm on a covered commodity by covered commodity basis.	Planted acres used to attribute base acres. ARC-IC election applies to entire farm and all 22 covered commodities.

5 Basic ARC and PLC Program Information (Continued)

F Deadlines

The following table lists some important deadlines.

Date	Event
2-CP	Acreage reporting date.
July 15	Final date to report production for the preceding crop year for farms enrolled in ARC-IC.
September 3, 2019	Election and enrollment begin for crop year 2019.
October, 2019	Election and Enrollment begin for crop year 2020.
March 15, 2020	Election and enrollment end for crop year 2019.
June 30, 2020	Election and Enrollment end for crop year 2020.
October of each contract year after 2020	Election and enrollment begin for the applicable year.
March 15 of each contract year after 2020	Election and enrollment end for the applicable year.

6 Payments and Limitations

A ARC and PLC Payment Calculation

Subject to an annual \$125,000 per person or legal entity limit for persons or legal entities “actively engaged” in farming, and assuming all other payment eligibility and average AGI compliance provisions are met, payments for:

- PLC, are equal to the product of multiplying 85 percent of the farm’s specific crop base acres times the farm’s specific PLC yield times the difference between the effective reference price and the effective price.
- ARC-CO, are equal to the product of multiplying 85 percent of the farm’s specific crop base acres times the difference between the specific crop’s ARC-CO Guarantee minus the ARC-CO Actual crop year revenue, **not** to exceed 10 percent of the ARC-CO Benchmark Revenue, times the producer’s share on the approved contract
- for ARC-IC, are equal to the product of multiplying 65 percent of the farm’s **total** base acres times the difference between the ARC-IC Guarantee minus the ARC-IC Actual crop year revenue, **not** to exceed 10 percent of the ARC-IC Benchmark Revenue, times the producer’s share certified on the crop acreage report, FSA-578, of covered commodities. The ARC-IC Guarantee and the ARC-IC Actual crop year revenue are based on a calculation of ALL covered commodities planted on all FSN’s the producer has enrolled in ARC-IC within the State.

B Advance ARC and PLC Payments

There are no advance payments authorized for ARC and PLC.

6 Payments and Limitations (Continued)

C Final ARC and PLC Payments

Final ARCPLC payments will be made to eligible producers satisfying the ARC and PLC Program compliance, contract, and eligibility requirements on or after October 1 of the following year of the crop year after the MYA price has been determined for each specific covered commodity.

D Payment Limitations

[7 CFR 1412.51] Limitation of payments.

(a) The provisions of part 1400 of this chapter apply to this part. Payments under this part cannot exceed the amounts specified in part 1400 of this chapter.

(b) For all covered commodities other than peanuts, the total amount of ARCPLC payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year cannot exceed \$125,000.

(c) For peanuts, the total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year cannot exceed \$125,000.

E 10-Acre Rule Provision

A producer on a farm will **not** receive ARCPLC payments if the sum of the base acres or unassigned generic base acres on the farm is 10 acres or less. The 10-acre rule provision will **not** apply to a producer who is a SDA farmer or rancher, a limited resource farmer or rancher, beginning farmer or rancher, or veteran farmer or rancher.

The 10-acre provision also does not apply if the sum of the base acres on the farm, when combined with the base acres of other farms in which the producer has an enrolled producer share interest greater than zero, is more than 10 acres.

6 Payments and Limitations (Continued)

F Refunds of Unearned Payments

A producer **must** refund any payment to CCC which exceeds the amount actually earned under the contract. Interest on such refunds will be assessed according to 58-FI.

Note: Interest only accrues from date of disbursement in cases where COC determines misrepresentation, scheme, or device.

G Sequestration Reduction

In general, sequestration entails the permanent cancellation of budgetary resources by a uniform percentage. This uniform percentage reduction is applied to all programs, projects, and activities within a budget account.

For ARC and PLC payments, a sequestration percentage will be applied to the payment amount determined after all reductions have been applied, including payment limitation provisions. The sequestration amount is reduced from the determined payment amount for the producer receiving the payment as the last step before sending the payment information to NPS. The sequestered amount is applied to the producer receiving the payment after payments have been attributed for payment limitation purposes.

Example: Corporation A, an entity receiving a payment on FSN 1, had a PLC payment that computed to be \$147,000. After the payment limitation was applied, the net payment was \$125,000. The payment was then sequestered at 6.8 percent. After the sequestration was applied, the payment that the entity received was \$116,500.

The sequestered amount is equal to the computed payment multiplied by the percentage as shown in the following table.

FOR contracts approved in FY...	THE sequestration will be...
2019	6.2 percent
2020	5.9 percent
2021	TBA
2022	TBA
2023	TBA
2024	TBA

7 Contract Requirements

A Signing CCC-862, ARC-IC Contract and CCC-866 ARC-CO and PLC Contract

To participate on FSN's having valid elections including default elections, for:

- ARC-CO and PLC, all the farm's producers sharing in contract base acres are required to designate shares and sign CCC-866 for each FSN enrolled
- ARC-IC, all producers sharing in any of the covered commodities planted on the ARC-IC elected FSN **must** sign CCC-862 for that FSN to be considered ARC-IC elected and enrolled.

Note: Final payment shares will be determined by using the producer's share of all covered commodities certified on FSA-578 on each ARC-IC elected and enrolled FSN in the State.

Reminder: ARC is administered based on the physical location of base acres.

B CCC-866, ARC-CO and PLC Contract and CCC-862, ARC-IC Contract Requirements

Producers signing CCC-862 and CCC-866 agree to:

- comply with HELC and WC provisions
- file a farm operating plan for payment limitation and actively engaged in farming for the ARC and PLC Program year participation, according to 5-PL
- devote acreage equal to the base acres to an agricultural or conserving use
- effectively control noxious weeds on the farm according to sound agricultural practices
- file an acreage report with respect to all crops and all cropland on the farm

Note: The farm is considered to have met the requirement of reporting all crops and cropland if the certified cropland on the farm is within the larger of 1 percent of the cropland on the farm or 0.5 acre.

- notify FSA when there is a transfer of or change of interest of a producer

Note: See paragraph 6 for payments and refunds for predecessors and successor.

- a certification of compliance with AGI provisions by the producer's persons and legal entities according to 7 CFR Part 1400.

7 Contract Requirements (Continued)

C Transfer of or Change in Farming Interest or Change in Base Acres

A transfer of or change in the interest of any producer or change in any base acres in a FY for a farm will result in cancellation of CCC-862 or CCC-866 for the FY, unless the producers succeeding to the acreage enter into CCC-862 or CCC-866 for the farm and agree to assume the CCC-862 or CCC-866 no later than September 30 of the program year.

8 Eligible Producers

A Background

The 2014 Farm Bill authorizes the Secretary to issue ARCPLC payments to eligible producers. A producer is defined by law as “an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced.” The 2014 Farm Bill further requires the Secretary to “provide for the sharing of payments among the producers on a farm on a fair and equitable basis.”

B Individuals and Legal Entities Who Are Producers Eligible for Payment

The following individuals and legal entities may share in ARCPLC payments if the individual or legal entity is entitled to an ownership share of agricultural commodity or conserving use and is:

- an owner on an eligible farm who assumes all or part of the risk of producing a crop on base acres (if participating in PLC or ARC-CO) or who assumes all or part of producing covered commodities planted on the farm (if participating in ARC-IC)
- a producer, other than an owner, on an eligible farm with a share-rent arrangement or cash-lease agreement.

Note: An owner whose only interest is that the owner cash leases land to another is **not** a producer on that land and, therefore, is ineligible to share in ARCPLC payments for this land.

C Loss of Interest in Base Acres on a Farm

If a producer loses interest in the base acres on a farm, for ARC-CO, PLC, or planted acres on ARC-IC, the producer is **not** eligible to retain ARCPLC payments for those acres. Any payments issued to that producer or that were received by the producer on the acreage **must** be immediately refunded as required by paragraph 6.

9 General Signature Requirements and Withdrawing or Terminating CCC-866, ARC-CO and PLC Contract and CCC-862, ARC-IC Contract

A Common Management Provisions

Follow 1-CM for policy concerning signatures.

B Withdrawing CCC-862, ARC-IC Contract and CCC-866, ARC-CO and PLC Contract During the Enrollment Period

The end of the enrollment period for each ARCPLC program year:

- 2019 is March 15, 2020
- 2020 is June 30, 2020
- 2021 through 2023, March 15 of each ARCPLC program year.

C Terminating CCC-862, ARC-IC Contract and CCC-866, ARC-CO and PLC Contract

CCC-862 or CCC-866 will be terminated if there is a transfer or change in the interest of any producer or change in any of the base acres on the farm occurring by:

- September 30, 2020, for each of the 2019 and 2020 program years
- September 30 of the program year for each of the 2021 and subsequent program years.

CCC-862 or CCC-866 may be canceled for violations and other reasons.

10-20 (Reserved)

Part 2 Base Acres

Section 1 Base Modifications

21 Definition and Limitation

A Definition of Base Acres

[7 CFR 1412.3] *Base acres* means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. The term “base acres” includes any unassigned base acres.

Covered Commodities			
Barley	Canola	Chickpeas, Large	Chickpeas, Small
Corn	Crambe	Flaxseed	Grain Sorghum
Lentils	Mustard	Oats	Peanuts
Peas, Dry	Rapeseed	Rice, Long Grain	Rice, Long Medium
Safflower	Seed Cotton	Sesame	Soybeans
Sunflower Seed	Wheat		

B Adjustments to Base Acres

Base acres may be increased if CRP-1 applicable to the farm expires, is voluntarily terminated, or is released by the Secretary.

21 Definition and Limitation (Continued)**C Limitation on Base Acres**

The total of the following **must not** exceed the DCP cropland acreage on a farm, **except** to the extent there is an established double-cropping history on the farm as follows:

- all base acres on the farm
- any cropland acreage enrolled in:
 - CRP
 - WRP
- any cropland acreage on the farm enrolled in any **Federal** conservation program for which payments are made in exchange for **not** producing an agricultural commodity.

Notes: Enrollment in State conservation programs has no impact on ARC and PLC

Base acres can only be reduced on CCC-505. If the farm is **not** over based but the tract is out of balance a CCC-517 may be used to redistribute the base.

22 Base Acre Reductions**A Voluntary Permanent Base Acres Reduction**

Owners may permanently reduce base acreage at any time. A reduction:

- **must** be recorded on CCC-505

Note: Complete and process CCC-505 according to 10-CM.

- may be for a part or all of 1 or more crops' base acres

Note: Each crop's base acres are recorded at the tract level. Therefore, owners **must** designate the tract level reduction on CCC-505.

- is effective for the ARC and PLC Program year entered in CCC-505, item 4, when all applicable owners' signatures, including the signatures of owners having an undivided ownership interest, are obtained on CCC-505
- will **not** be reinstated after the reduction in base acres becomes effective.

Note: Reductions of base acres are permanent, when the base reduction was made for reasons other than CRP enrollment.

Exception: Base acres reduced because of cropland enrollment into CRP may be restored to the farm for a program year, if CRP-1 is voluntarily terminated, expired, or early released by the end of the CTAP application period or ARC and PLC enrollment period for that ARCPLC program year.

Note: Participants **must** refund any overpayments caused by a reduction.

22 Base Acre Reductions (Continued)**B Producer Requested Base Acres Reduction**

The owners on the farm may request that the reduction of cropland and base acreage be immediately completed. In this situation, the following actions will be taken:

- adjust the cropland in farm maintenance according to 10-CM
- owners **must** complete CCC-505 to permanently reduce base acres and/or CCC-517 to redistribute base acres
- adjust the base acres in farm maintenance according to 10-CM
- revise contract according to this handbook
- request a refund of any overpayments.

23-40 (Reserved)

Section 2 Methods for Base Acre Reallocation

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release

A Policy

The same land **cannot** be enrolled in ARCPLC and CRP at the same time and receive both ARCPLC and CRP payments on the same acres. However, if during the program or contract year CRP-1 expires, is voluntarily terminated, or is early released, and **before** the established application or enrollment deadline established for ARCPLC, producers may enroll the base acres that were reduced on CCC-505 to be enrolled in CRP into ARCPLC.

Important: Only reinstated base acreage from CRP-1's that expire, are voluntarily terminated, or early released after September 30, 2018, are eligible to be enrolled into the applicable year's CCC-862 or CCC-866 providing base acreage reinstatement, enrollment, or application are completed by the applicable enrollment or application deadline.

If base acres were eligible to be restored, the reinstated base acres:

- will be distributed to the tract previously enrolled in CRP or to the tract from which the base acres were removed
- will receive a PLC yield equal to the tract level CC yield for this crop at the time the applicable acreage was removed
- if a CC yield was **not** assigned or **cannot** be found for the applicable crop on the farm, then the county average CC yield will be assigned for the applicable crop
- are subject to the program election made for the farm and/or crop by the election deadline according to Part 7

See 10-CM for updating CRM and FRMS.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

A Policy (Continued)

- if the covered commodity to be restored has base acres that exist on the farm before the restoration, then:
 - restore the base acres to the applicable tract and farm
 - the covered commodity's election is the election that is in place and will apply for that covered commodity on the farm
 - the covered commodity will receive the PLC yield currently established for the crop on the farm

Note: No further yield update is allowed.

- if the covered commodity to be restored does **not** have base acres that exist on the farm before the restoration, then:
 - restore the base acres to the applicable tract and farm once the current producers have completed an election for the applicable covered commodity on CCC-866-1 according to paragraph 42

Note: The election must be completed within 30 calendar days of notification. Failure to make the election within 30 calendar days results in the default election of PLC for the farm and all covered commodities on the farm.

Exception: Restored base acres on ARC-IC farms are not required to make an election.

Note: As required in paragraph 186, a resulting farm from a parent farm that made a PLC or ARC-CO election cannot make an ARC-IC election.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

A Policy (Continued)

- the covered commodity will receive a PLC yield equal to the **higher of** the following:
- CC yield for the crop at the time the applicable base acreage was reduced
- county average CC yield for the applicable crop.

Notes: County average CC yield information may be found at <http://www.fsa.usda.gov/arc-plc>, under ARC/PLC Program Data, and will be displayed as “Counter-Cyclical Payment Yields by County (XLS, 761 KB).

The owner will have the opportunity to update the yield using the farm’s actual yield per planted acre for the 2013 through 2017 crop years. The opportunity to update the yield must be completed during the 30-calendar-day notification period.

Notes: When CAB’s or previously reduced PFC acreage is included in an ARCPLC enrollment, CAB’s and PFC acreage become base acres.

See Exhibit 2 for the definition of voluntarily terminated.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

B Limitation on Base Acres

The total base acres on a farm **must not** exceed DCP cropland according to paragraph 21.

Base acres reinstated under the previous CRP-1 **must not** be enrolled in ARCPLC **unless** the total DCP cropland for the farm is sufficient to support the additional base acres. Therefore, County Offices **must** determine the amount of previously reduced base acres that may be enrolled in ARCPLC.

Before enrolling base acres into ARCPLC acreage previously under CRP-1, a farm may be combined with another farm to increase the amount of DCP cropland to support the additional base acreage, if both of the following are met:

- all provisions of 10-CM for farm combinations are met
- the combination is completed before the final date to enroll the reinstated base acres.

C Timing of Adjustments and Payments

Participants who elect to voluntarily terminate CRP-1 or who have acres affected by early release before the CRP-1 expiration date:

- **must** choose to receive **either** of the following for FY in which CRP-1 was voluntarily terminated:
 - ARC and PLC payments
 - CRP payment, if applicable
- **cannot** receive ARCPLC payments together with CRP payments on the same acreage for the same FY.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

C Timing of Adjustments and Payments (Continued)

Adjustments to base acres on a farm because of CRP-1 that expires, is voluntarily terminated, or early released after September 30, 2013, and before October 1, 2018, may be made according to the following, if all other eligibility requirements are met.

IF CRP-1 expires, is voluntarily terminated or is early released...	THEN eligible farms may...	AND be paid full ARCPLC in FY...
before September 30, 2019	have base acres reinstated to the farm to be used for: <ul style="list-style-type: none"> • election of ARC or PLC • enrollment into 2019 ARC or PLC 	2019, subject to CCC-862 or CCC-866 if applicable.
September 30, 2019 through September 30, 2023	have base acres reinstated to the farm for the applicable year, 2020 through 2023, to be used for: <ul style="list-style-type: none"> • election of ARC or PLC (2021 through 2023) • enrollment into CCC-862 or CCC-866 for the applicable year 	in which base acres are reinstated and subject to CC-862 or CCC-866.

Note: Eligible acreage **must** be included on CCC-862 or CCC-866 by the applicable ARCPLC enrollment deadline established for the applicable year to be eligible for ARCPLC.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

D Example 1

Jane Smith enrolled 100 acres of cropland on FSN 56 in CRP. CRP-1 became effective on October 1, 2020. Before enrollment of the 100.00 acres of cropland into CRP, FSN 56 had:

- 500.00 acres cropland
- 410.00 base acres
- 0.00 CRP acres.

The total amount of base acres plus CRP acres **cannot** exceed the farm's cropland plus double-cropping history. Accordingly, Jane Smith executed CCC-505 to reduce the base acres on FSN 56 to 400.00 acres. After enrollment of the 100.00 acres of cropland into CRP, FSN 56 has:

- 500.00 acres cropland
- 400.00 base acres
- 100.00 CRP acres
- 10.00 wheat base acres reduced on CCC-505.

On September 1, 2021, Jane Smith voluntarily terminates 2.30 acres from CRP. The 2.30 acres will be used for a horse pasture. The voluntary termination of 2.30 acres from CRP was approved by the applicable CCC official. After the voluntary termination of the 2.30 acres of CRP is approved, and all other eligibility requirements are met, the County Office will:

- notify all producers and owners, in writing, that the 2.30 wheat base acres are available for enrollment into ARCPLC
- increase the base acres on FSN 56 to 402.3
- notate the 2.30 base acre reinstatement in the CCC-505 "Remarks" section.

After the modifications to FY 2021 FRMS have been completed, FSN 56 has:

- 500.00 acres cropland
- 402.30 base acres
- 97.70 CRP acres
- 7.70 base acres reduced on CCC-505.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

E Example 2

Mike Jones enrolled 100 acres of cropland on FSN 119 in CRP during signup. CRP-1 became effective on October 1, 2022. Before enrollment of the 100 acres of cropland into CRP, FSN 119 had:

- 500.00 acres cropland
- 410.00 base acres
- 0.00 CRP acres.

The total amount of base acres plus CRP acres **cannot** exceed the farm's cropland. Accordingly, Mike Jones executed CCC-505 to reduce the base acres on FSN 119 to 400.00 acres. After enrollment of the 100 acres of cropland into CRP, FSN 119 has:

- 500.00 acres cropland
- 400.00 base acres
- 100.00 CRP acres
- 10.00 wheat base acres reduced on CCC-505.

On July 1, 2023, Mike Jones voluntarily terminates 2.30 acres from CRP. The 2.30 acres will be used to build a house and out buildings. The voluntary termination of 2.30 acres from CRP was approved by the applicable CCC official. Because a house and out buildings do **not** meet the requirements to be considered cropland, and the producer does **not** have enough available cropland, the County Office **must not** make any modifications to base acres or acres recorded on CCC-505 for FSN 119.

After modifications have been made to CRP-1, FSN 119 has:

- 497.70 acres cropland
- 400.00 base acres
- 97.70 CRP acres
- 10.00 wheat base acres reduced on CCC-505.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)

F Example 3

Joe Brown enrolled 10.00 acres of cropland on FSN 989 in CRP during signup. CRP-1 became effective on October 1, 2020. Before enrollment of the 10.00 acres of cropland into CRP, FSN 989 had:

- 25.00 acres cropland
- 20.00 base acres
- 0.00 CRP acres.

The total amount of base acres plus CRP acres **cannot** exceed the farm's cropland. Accordingly, Joe Brown executed CCC-505 to reduce the base acres on FSN 989 to 15.00 acres. After enrollment of the 10 acres of cropland into CRP, FSN 989 has:

- 25.00 acres cropland
- 15.00 base acres
- 10.00 CRP base acres
- 5.00 wheat base acres reduced on CCC-505.

On May 1, 2021, Joe Brown sold 15.00 acres of non-CRP land. As a result of the land sale, FSN 989 has:

- 10.00 acres cropland
- 0.00 base acres
- 10.00 CRP acres
- 5.00 wheat base acres reduced on CCC-505.

41 Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)**F Example 3 (Continued)**

On May 15, 2021, Joe Brown voluntarily terminated his CRP-1. Joe Brown will use 7 acres to build a house, out buildings, and a tennis court; and 3.00 acres will be returned to crop production. The voluntary termination from CRP was approved by the applicable CCC official. After the voluntary termination of CRP-1 is approved, and all other eligibility requirements are met, the County Office **must**:

- notify all producers and owners, in writing, that the 3.00 wheat base acres are available for enrollment into ARCPLC
- increase the base acres on FSN 989 to 3.00 base acres, if the producer enrolls the base acres into ARCPLC by the applicable ARCPLC enrollment deadline
- notate the 3 base acre reinstatement in CCC-505.

After the modifications to the applicable FY 2021 FRMS are completed, FSN 989 has:

- 3.00 acres cropland
- 3.00 base acres
- 0.00 CRP acres
- 2.00 wheat base acres reduced on CCC-505.

42 CCC-866-1

A Instructions for CCC-866-1

The following are instructions for completing CCC-866-1. When all the producers of a farm sign CCC-866-1, those producers are indicating the election of a covered commodity when base acres are returned to a farm when a CRP-1 expired, was voluntarily terminated, or was subject to an early out.

Item	Instructions
1	Enter the program year that the base acres are returned to the farm, one of the years between and including 2019 through 2023.
2A	Enter administrative County Office's name and address.
2B	Enter administrative County Office's Phone Number (optional).
2C	Enter administrative County Office's Fax Number (optional).
3	Enter administrative County Office's State code.
4	Enter administrative County Office's county code.
5	Enter applicable farm's FSN.
6	Enter the applicable covered commodity returned to the farm.
7	Enter the applicable covered commodity recorded in 6 and all the producers on the farm will elect either PLC or ARC-CO. If: <ul style="list-style-type: none"> • there were no covered commodities on the farm prior to this restoration, producers may elect ARC-IC • if all the producers on the farm had elected ARC-IC prior to this election, then ARC-IC must be selected.
8A	Enter the producer's name and address.
8B	For the producer listed in item 8A, enter that producer's e-mail address (optional).
8C	For the producer listed in item 8A, enter the producer's phone number (optional).
8D	Producer listed in item 8A shall sign.
8E	If the person who signed on behalf of the producer in item 8A signed in a representative capacity, enter the title of the person who signed in a representative capacity.
8F	Enter date the person signed in item 8D.
9A	The CCC representative shall sign indicating acceptance of CCC-866-1.
9B	Enter the date the CCC representative signed in 9A.

B Example of CCC-866-1

The following is an example of CCC-866-1.

This form is available electronically. CCC-866-1 U.S. DEPARTMENT OF AGRICULTURE (07-23-19) Commodity Credit Corporation				1. Program Years:			
ELECTION FOR BASE ACRES RETURNED TO THE FARM				2A. County FSA Office Name and Address (Including Zip Code)			
				2B. County FSA Office Telephone No. (Including Area Code)			
				2C. County FSA Office FAX No. (Including Area Code)			
3. State Code		4. County Code		5. Farm Number		6. Covered Commodity	
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9015) as amended by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1412. The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program.</p> <p>Paperwork Reduction Act (PRA) Statement: The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p>							
PART A - FARM ELECTION							
<p>THIS ELECTION must be unanimously made by the PRODUCERS on the farm and must occur within 30 days of being notified by FSA to be effective for this farm beginning in the crop year identified in Item 1, under the terms of 7 CFR Part 1412. If an ARC or PLC election is not made or is not made by the election deadline, the election for the covered commodity shall default to PLC on the farm for the crop year identified in Item 1 through 2023. If the farm currently has an ARC-IC election, the farm will remain in ARC-IC. All producers on the farm must sign this election, and by doing so, unanimously agree and acknowledge that: (1) this election is irrevocable for the covered commodities on the farm, or any resulting farm(s) of a reconstitution; (2) this farm may not be combined with any other farm that has base acres and does not have the same program election applicable for each and all covered commodities on all farms intended to be combined; (3) even though they may have made an election, they must enroll the farm in the ARC or PLC program in order to receive ARC or PLC income support; (4) they must comply with the regulations at 7 CFR Part 1412; and (5) that ARC or PLC income support is subject to change based upon changes to law. In addition, by signing this form, all producers on the farm certify as to the accuracy of the election information set out on this form. FSA's acceptance of this signed form and use of the form does not equate to FSA's approval of the election. If FSA later determines this election was invalid under 7 CFR Part 1412, the elections on this form will not apply to the farm. Enrollment in the ARC or PLC program is a separate action from this election and must be performed to participate in the ARC or PLC program.</p>							
7. To indicate the election, check only ONE box.							
Covered Commodity		PLC		ARC-CO		ARC-IC	
		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
PART B - PRODUCER'S INFORMATION							
8A. Producer's Name and Address (Including Zip Code)				8B. Email Address			
				8C. Telephone Number (Including Area Code)			
8D. Signature of Producer (By)				8E. Title/Relationship of the Individual Signing in the Representative Capacity		8F. Date (MM-DD-YYYY)	
8A. Producer's Name and Address (Including Zip Code)				8B. Email Address			
				8C. Telephone Number (Including Area Code)			
8D. Signature of Producer (By)				8E. Title/Relationship of the Individual Signing in the Representative Capacity		8F. Date (MM-DD-YYYY)	
PART C - FOR FSA USE ONLY							
9A. Signature of CCC Representative						9B. Date (MM-DD-YYYY)	

42 CCC-866-1

B Example of CCC-866-1 (Continued)

CCC-866-1 (07-23-19)		Page 2 of 2
PART D - PRODUCER'S INFORMATION		
8A. Producer's Name and Address (Including Zip Code)	8B. Email Address	
	8C. Telephone Number (Including Area Code)	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address (Including Zip Code)	8B. Email Address	
	8C. Telephone Number (Including Area Code)	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address (Including Zip Code)	8B. Email Address	
	8C. Telephone Number (Including Area Code)	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address (Including Zip Code)	8B. Email Address	
	8C. Telephone Number (Including Area Code)	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)
8A. Producer's Name and Address (Including Zip Code)	8B. Email Address	
	8C. Telephone Number (Including Area Code)	
8D. Signature of Producer (By)	8E. Title/Relationship of the Individual Signing in the Representative Capacity	8F. Date (MM-DD-YYYY)

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

43-60 (Reserved)

Parts 3-6 (Reserved)

61-180 (Reserved)

8-29-19

1-ARCPLC (Rev. 1) Amend. 1

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Part 7 ARC or PLC Election

181 Election

A Overview

[7 CFR 1412.71] Election of ARC or PLC

(a) All of the producers on a farm must make a one-time election that is both:

(1) Unanimous, and

(2) Irrevocable through 2020.

(b) The election by producers is to obtain—

(1) Either PLC or ARC-CO on a covered commodity-by-covered-commodity basis on the farm; or

(2) ARC-IC for all covered commodities on the farm.

(c) In general, a valid election will also apply to any subsequent year parent to the farm reconstitution as well as farms resulting from the parent farm as specified in §1412.73. Neither the requesting of a farm reconstitution nor the reconstitution of any farm will impact either the requirement that all producers on a farm must make the unanimous irrevocable election in the defined election period or the valid election that was previously made by those producers.

The 2018 Farm Bill authorizes an **irrevocable** and unanimous election by all producers of record in 2019 to obtain ARC or PLC for crop years 2019 and 2020. In each subsequent year, starting in 2021, an election may be completed annually by the producers on the farm.

An important distinction is recognizing the producers on a farm. It is the producers in years 2019 and 2021 through 2023 who **may** make the election decision between PLC and ARC-CO on a covered commodity-by-covered commodity basis on the farm or ARC-IC for all covered commodities and the farm.

181 Election (Continued)

B Processing Elections

[7 CFR 1412.71] (d) FSA will process elections from producers on a farm based on the election as submitted. For example, if the producers of a farm attest that they are all or the only producers on the farm and FSA later learns that there was another producer at the time of election who did not agree to the election, the election is invalid. If at any time FSA determines that an election fails to satisfy the requirements of this subpart because it did not include the unanimous agreement of all producers on the farm at the time of election, the election will immediately be invalid. This is not a compliance provision. Only valid elections by all producers will be recognized and used by CCC. All ARC and PLC payments that were issued to any producers on a farm based on an election later determined by CCC to be invalid, for whatever reason, regardless of whether those producers who were issued unearned payments personally made or participated in the invalid election, must be refunded with interest.

(e) Election is separate from enrollment; producers on farms that have validly completed an election by the producers in the prescribed election period must still annually enroll as specified in subpart D for PLC and ARC payments, as applicable.

(f) Except for those farms specified under § 1412.26, for the 2021 and each subsequent crop year, all producers on a farm may change the election under paragraph (a) of this section.

FSA's acceptance and processing of an election does **not** signify approval of the election nor does it mean FSA has determined the election to be valid. At any time following the processing of an election, FSA can determine the election invalid if it is invalid. If FSA determines an election is invalid, the election will be viewed as invalid for the farm until the next election period. All ARC and PLC payments that were issued to any producers on a farm, based on an election later determined by COC to be invalid, must be refunded with interest.

Election is **not** enrollment. Producers **must** enroll farms each contract year to make themselves eligible for benefits.

181 Election (Continued)

B Processing Elections (Continued)

FSA is under no obligation to notify producers or owners, or new producers or owners of whether or not a valid election exists or is in place, whether any producer has rescinded or terminated an election, or whether a previously filed election has been invalidated. FSA will respond to inquiries about the status of election of a farm by any producer or owner on a farm, including a producer or owner who gains a producer or owner interest on the farm during the election period.

County Offices will process elections from producers on a farm based on the election filed.

181 Election (Continued)

C Failure of All Current Producers to Make Election Decision

[7 CFR 1412.71] (d) FSA will process elections from producers on a farm based on the election as submitted. For example, if the producers of a farm attest that they are all or the only producers on the farm and FSA later learns that there was another producer at the time of election who did not agree to the election, the election is invalid. If at any time FSA determines that an election fails to satisfy the requirements of this subpart because it did not include the unanimous agreement of all producers on the farm at the time of election, the election will immediately be invalid. This is not a compliance provision. Only valid elections by all producers will be recognized and used by CCC. All ARC and PLC payments that were issued to any producers on a farm based on an election later determined by CCC to be invalid, for whatever reason, regardless of whether those producers who were issued unearned payments personally made or participated in the invalid election, must be refunded with interest.

CCC-862 or CCC-866 on file for the farm during the applicable election and enrollment period, is valid unless FSA determines the election is invalid. FSA may consider an election invalid if the following occurs:

- producer notifies FSA in writing, within 30 calendar days of the date FSA issues the notice of base acres, yields, and election for the farm, that they disagree with the election made.

Notes: The election will be invalid and will be considered as an election **not** made as described in paragraph 182.

If no producer files a dispute over the election made for the farm, the election for the farm that was made is considered final.

Example: On February 1, 2021, Producer B completes CCC-866.

On June 15, 2021, Producer S completes 2021 acreage report on the farm, indicating he had the farm under lease on February 1, 2021.

Producer S does not object to the election made by Producer B. Producer S is subject to Producer B's election decision for 2020. Producer S may complete a new election in 2022.

181 Election (Continued)**D Interaction of Election and Enrollment**

For 2019, 2021, 2022, and 2023, farms may elect ARC or PLC in each year. Because an election has a bearing on the specific program the covered commodity is enrolled, the election and enrollment are tied together. The producers on the farm must elect and then enroll each covered commodity on the farm.

An election not made means the covered commodity (or farm for ARC-IC) has, in effect, elected the program that was in effect for the covered commodity for the previous year. For crop years 2021, 2022, and 2023 there are no ramifications of not making an election except the covered commodity (or farm for ARC-IC) remains in the previous year's program. For 2019, if an election is not made for the farm, that farm is ineligible to receive payments.

Since election and enrollment are performed by the same producers on the farm, the election and enrollment are made on the same form, CCC-862 for ARC-IC and CCC-866 for PLC and ARC-CO and are made during the same time period for every year 2019 through 2023, however, an election is not made in 2020.

Unlike enrollment, there are no late-filed periods for election. COC's in consultation with the DD or other State Office representative may approve late-filed enrollments. There are **no** late-filed elections.

182 Election Period**A Time of Election**

[7 CFR 1412.72] (a) The election period will be conducted in a defined period as announced by FSA. During the election period, all producers on a farm must unanimously make the irrevocable election as described in §1412.71 to preserve the payment eligibility of all producers on the farm for 2014 and determine whether the default election (PLC) or elected option (either a combination of ARC-CO and PLC or ARC-IC) will apply to the farm.

(b) If an election is submitted by all current producers on a farm as specified in §1412.71 and paragraph (a) of this section, that election will be recognized as valid for the farm unless any of the following occur:

(1) The election is rescinded or terminated by any producer on the farm in accordance with paragraph (c) of this section during the election period;

(2) The valid election is modified and replaced by another valid election by all producers during the election period;

(3) A subsequent valid election by all producers is made with FSA during the election period; or

(4) FSA determines the election at the time it was made was invalid for any reason.

(c) At any time during an election period, a producer can rescind or terminate an election by providing written notice to FSA during the election period. The written notice to rescind or terminate must be physically received by FSA for CCC during the election period in order to be recognized. Immediately following receipt of such notice to rescind or terminate, the farm will be viewed as not having any effective valid election (in other words, no valid election will be determined to exist—even if there was another previous election in effect before the election that is rescinded, or terminated as specified in with this paragraph).

(d) FSA is under no obligation to notify producers, owners, producers, or owners on a farm that an election has been rescinded or terminated. Producers of a farm are solely responsible for filing a valid election during the election period or in whatever time remains in an election period following the rescission or termination of an election.

182 Election Period

A Time of Election (Continued)

(e) FSA is under no obligation to notify producers, owners, producers, or owners or new producers or owners of whether or not a valid election exists or is in place or whether any producer has rescinded or terminated an election. However, FSA will respond to inquiries regarding the status of election of a farm by any producer or owner on a farm including a producer or owner who gains a producer or owner interest on the farm during the election period.

(f) The election period and final day in that election period in which producers can unanimously and irrevocably elect are not a compliance requirement or provision. The requirement of an election is mandated in the 2014 Farm Bill as amended and as such is not subject to any of the equitable relief provisions of 7 CFR part 718, subpart D. Further, because the requirement of a unanimous irrevocable election and ramifications for not having a valid election are specified in the 2014 Farm Bill as amended, FSA will not consider any equitable relief. There are no late-file provisions for election.

Producers of record in 2019 on farms with base acres have the opportunity to elect ARC or PLC that will be in effect for the 2019 through 2020 crop years.

The election period is **September 3, 2019 through March 15, 2020**. The election **must** have been made by all 2019 producers during the election period on CCC-862 or CCC-866.

For 2021 through 2023, producers will have the opportunity to change the elections on the farm. The existing election will be in effect if a new election is not filed.

182 Election Period (Continued)

B Rescinding or Terminating an Election

[7 CFR 1412.72] (c) At any time during an election period, a producer can rescind or terminate an election by providing written notice to FSA during the election period. The written notice to rescind or terminate must be physically received by FSA for CCC during the election period in order to be recognized. Immediately following receipt of such notice to rescind or terminate, the farm will be viewed as not having any effective valid election (in other words, no valid election will be determined to exist—even if there was another previous election in effect before the election that is rescinded, or terminated as specified in with this paragraph).

Immediately following receipt of the written notice to rescind or terminate an election during the election period, the farm will be viewed as **not** having any valid election made (in other words, no election exists, even if there was another previous election in effect before the election that is rescinded or terminated as specified in this subparagraph). Elections, including subsequent elections following rescission or revocation of a previous election, could have been made only by all producers on the farm by the end of the applicable election period.

183 Completing Election**A Who Must Sign**

All 2019 producers on a farm at the time of ARC or PLC election **must** sign CCC-862 or CCC-866 making an election for 2019 and 2020 as described in paragraph 181. An election **not** having all required signatures of producers on a farm filed with FSA by March 15, 2020 would **not** have been considered valid. See subparagraph 181 C. Beginning with the 2021 crop year, and each crop year thereafter through 2023, the producers on a farm may change the election of PLC or ARC on a year-to-year basis.

B Receiving Election in the County Office

As stated in subparagraph 182 A, the election is completed on CCC-862 or CCC-866. The ARC or PLC election for 2019 and 2020 is a decision by all 2019 producers on a farm. Subsequent election changes are made by the current producers on the farm beginning in 2021.

COC will **not** make a decision on the validity or completion of the election when received in the County Office.

The employee receiving CCC-862 or CCC-866 will sign and date indicating the election was received in the County Office. The act of receiving the election does **not** require delegation by COC or redelegation by CED.

184 Election Options

A ARC or PLC

As discussed in paragraph 181, the 2019 producers on a farm, with an interest in the farm's cropland, have a 1-time opportunity to collectively and unanimously elect 1 of the following to be in effect for 2019 and 2020:

- ARC-IC for all 22 covered commodities and the farm
- ARC-CO or PLC on a covered commodity-by-covered commodity basis on the farm.

Producers on a farm with an interest in the farm's cropland, **may** collectively and unanimously change the election on the farm in each year, 2021 through 2023 during the applicable election and enrollment period.

B Election Options and Description

The following table summarizes election options along with a description.

Election Decision	Description
ARC-IC	If all producers on a farm elect ARC-IC, then that election is for all 22 covered commodities and for the farm. No further election decision (on a covered commodity-by-covered commodity basis) is required because ARC-IC is a “whole farm” and “all covered commodities” election.
ARC-CO or PLC	Only applicable if all the producers on a farm have not elected ARC-IC. ARC-CO and/or PLC election decision must be made by all producers on the farm and is on a covered commodity-by-covered commodity basis. The election decision will only be made for each and all of the covered commodities with base acres on the farm.

185 Election Not Made

A [7 CFR 1412.74] Failure to make election.

(a) If all producers on a farm do not make a unanimous election during the period specified in §1412.72, that farm will not have a valid election and any producer on the farm is not eligible for 2014 ARC or PLC enrollment or payments.

(b) If a valid election is not made for a farm in the 2019 crop year, FSA will not make any payments with respect to the farm for the 2019 crop year and the producers on the farm will, subject to § 1412.71(f), default to the same coverage for each covered commodity on the farm for the 2020 through 2023 crop years as was applicable for the 2015 through 2018 crop years.

Producers of record in 2019 on farms who, for whatever reason, did **not** file an ARC or PLC election by March 15, 2020:

- rendered the farm and all covered commodities and producers **ineligible** to receive any 2019 payment under the ARC and PLC Program
- caused the farm to be deemed as having the election in effect for 2018 apply to all covered commodities on the farm for 2019 and 2020.

In subsequent years, 2021 through 2023, there is no requirement to file a new ARC or PLC election during the election and enrollment period. If no new election is filed, the existing election on the farm will continue to be in effect.

185 Election Not Made (Continued)

B COC and STC Action on Elections Not Made or Incomplete

[7 CFR 1412.72] (f) The election period and final day in that election period in which producers can unanimously and irrevocably elect are not a compliance requirement or provision. The requirement of an election is mandated in the 2014 Farm Bill as amended and as such is not subject to any of the equitable relief provisions of 7 CFR part 718, subpart D. Further, because the requirement of a unanimous irrevocable election and ramifications for not having a valid election are specified in the 2014 Farm Bill as amended, FSA will not consider any equitable relief. There are no late-file provisions for election.

COC or STC will take no action on any ARC or PLC election that is **not** timely filed or is incomplete. Accordingly, with regard to CCC-862's or CCC-866's, FSA Offices, STC's, and/or COC's must **not** do any of the following:

- consider or make any sort of adverse decision or relief decision on CCC-862's or CCC-866's signed by anyone after the election period has passed, **regardless** of the reason the individual or entity did **not** request to elect ARC or PLC by the applicable election period deadline
- forward to DAFP any recommendation of approval or relief for anyone who filed CCC-862 or CCC-866 after the election period closed
- provide any right of appeal or appealability to anyone making an inquiry about election or the election period.

Notes: County Offices will **not** discourage any producer from signing CCC-862's or CCC-866's for election purposes at any time. However, FSA is **not** required to issue a determination on CCC-862's or CCC-866's filed for election. CCC-862's or CCC-866's filed for election will be viewed as either valid or invalid. In addition to other reasons CCC-862's or CCC-866's filed for election may later be determined invalid by FSA, CCC-862's or CCC-866's for election purposes submitted after the election period ends are invalid.

STC's and COC's will follow this subparagraph for all CCC-862's or CCC-866's submitted for election purposes after the election period ends. No letter of determination will be issued to producers who choose to submit CCC-862's or CCC-866's after the end of the election period.

185 Election Not Made (Continued)**C Communicating To Those Submitting CCC-862's or CCC-866's For Election Purposes Only After The Election Period Ends**

FSA will acknowledge receipt of CCC-862's or CCC-866's submitted for election purposes after the end of the election period with a communication stating the following.

Dear *[Enter names of all those signing CCC-862 or CCC-866 for election purposes submitted after the end of the election period.]*

This letter acknowledges receipt of a request to make a program election on Form CCC-862 or CCC-866.

You submitted the request to elect after the end of the election period.

7 CFR § 1412.72(f) specifies that election is **not** allowed after the end of the election period.

If this election request was made for 2019, the election from 2015 - 2018 applies to crop years 2019 and 2020 and no payments are made for crop year 2019. If this election request is for 2021, 2022, or 2023, then the election from the previous crop year applies.

The Farm Service Agency (FSA) appreciates your interest. Your request to elect after the end of the election period will be kept on file; however, FSA **cannot** process the election because of the limitations set forth in the Agriculture Improvement Act of 2018 (the 2018 Farm Bill).

Thank you again for your interest.

Sincerely,

County Executive Director

186 Impact of Transfers of Land, Successions-in-Interest, Reconstitutions, and CCC-505's for CRP

A Transfers, Succession-in-Interest, and Reconstitutions

[7 CFR 1412.73] Reconstitutions of farms and election.

(a) If a new producer or new owner gains an interest in a farm after the filing of a valid election on that farm during the election period, that new producer or new owner, whether or not known to FSA or the other producers or owners on the farm, will be subject to any previously submitted valid election under §§1412.71 and 1412.72 unless that new producer or new owner modifies, rescinds, or terminates the election as a producer or owner as specified in §1412.72(c) during the remaining time in the election period.

(b) Any reconstitution request initiated after August 1, 2019, will not be made until after the end of the election period specified in §1412.72. Following the close of the election period in §1412.72, a valid election on any farm cannot be changed by any reconstitution. This means that valid elected farms can only be combined with farms having an identical election for each and every covered commodity on the farm regardless of whether there are any base acres for any and all covered commodities on the farm. Reconstitutions will not be permitted to alter a valid election or the default election that may apply to a farm.

A valid election is unaffected by subsequent changes in:

- producers on the farm
- the constitution of the farm or tracts on the farm.

If a change to a farm's constitution occurs, a copy of the parent farm's valid election **must** be placed in each resulting farm's folder. Follow 10-CM for reconstitutions. Farms can only be combined with farms having identical elections for crops requiring election.

186 Impact of Transfers of Land, Successions-in-Interest, Reconstitutions, and CCC-505's for CRP (Continued)

A Transfers, Succession-in-Interest, and Reconstitutions (Continued)

[7 CFR 1412.26] Treatment of base acres on farms entirely in pasture, grass, idle, or fallow (G/I/F).

(a) A farm on which all of the cropland was planted to grass or pasture, including cropland that was idle or fallow, as determined by FSA, from January 1, 2009, through December 31, 2017, will have base acres and yields maintained for the covered commodities on the farm, except that no payment will be made with respect to those base acres under this part for the 2019 through 2023 crop years.

(b) The producers on a farm for which all of the base acres are maintained under paragraph (a) are:

(i) Ineligible to change the election applicable to the producers on the farm under subpart G of this part, and

(ii) Not permitted to reconstitute the farm to void or change the treatment of base acres under paragraph (a).

When a farm is designated as G/I/F, that farm is unaffected by subsequent changes in:

- producers on the farm
- the constitution of the farm or tracts on the farm.

When a farm is designated as G/I/F follow 10-CM for reconstitutions. Farms where all cropland acres have been planted entirely to grass, including cropland that was idle or fallow from January 1, 2009 through December 31, 2017, will be ineligible for ARC and PLC payments. Identified farms meeting these criteria cannot be combined with an eligible farm in order to circumvent these provisions.

186 Impact of Transfers of Land, Successions-in-Interest, Reconstitutions, and CCC-505's for CRP (Continued)

B CCC-505 Reductions for CRP

Farms exist that have CCC-505 reductions for CRP that reduced the base acres to zero

In these situations, the ARC or PLC election of that specific covered commodity will **not** be made until the program year that the base acres are restored to the farm when CRP-1 is voluntarily terminated, expires, or is early released.

187 ARC and PLC Program Election Examples**A Example 1, Election Decision**

Farm 1 has base acres of:

- corn
- soybeans
- wheat.

All 2019 producers decide PLC is the best option for 2019 and 2020; therefore, the election decision for the farm is:

- corn, PLC
- soybeans, PLC
- wheat, PLC.

In 2021, all producers decide that ARC-CO is the best option for soybeans and PLC is the best option for wheat and corn. Therefore, the election decision for the farm is:

- corn, PLC
- soybeans, ARC-CO
- wheat, PLC.

In 2022, all producers decide that no change is needed. The elections remain in place with no action required from the producers.

187 ARC and PLC Program Election Examples (Continued)**B Example 2, Election Decision**

Farm 3 has base acres of:

- corn
- soybeans
- wheat.

All producers decide ARC-IC is the best option for 2019 and 2020; therefore, ARC-IC is elected for the farm. This decision is **not** at the covered commodity level because ARC-IC is a “whole farm” election.

C Example 3, No 2019 Election Decision

Farm 4 has base acres of:

- corn
- soybeans
- wheat.

All crops were elected to ARC-CO in 2018. The 2019 producers on the farm fail to complete an election for 2019 and 2020. Therefore, the election decision will be:

- corn, ARC-CO
- soybeans, ARC-CO
- wheat, ARC-CO.

These default elections will be in effect for 2019 and 2020. No payments will be made with respect to this farm for 2019.

187 ARC and PLC Program Election Examples (Continued)**D Example 4, Reconstitutions**

Farm 8 has base acres and elections of:

- corn, ARC-CO
- soybeans, PLC
- wheat, PLC.

A reconstitution request, to divide Farm 8 that has 2 tracts into 2 farms, is received in the County Office. Farm 8 is divided into the following 2 farms:

- Farm 9 (Tract 1) with the following base acres and elections:
 - corn, ARC-CO
 - soybeans, PLC
 - wheat, PLC
- Farm 10 (Tract 2) with the following base acres and elections:
 - corn, ARC-CO
 - soybeans, PLC
 - wheat, PLC.

Note: The election follows to each resulting farm.

187 ARC and PLC Program Election Examples (Continued)

E Example 5, Reconstitutions

A request to combine Farm 11 and 12 is received in the County Office.

Farm 11 (Tract 3) with the following base acres and elections:

- soybeans, ARC-CO
- wheat, PLC
- corn, ARC-CO

Farm 12 (Tract 4) with the following base acres and elections:

- soybeans, PLC
- wheat, PLC
- corn, ARC-CO.

Farm 11 and 12 **cannot** be combined because the election of soybeans on Farm 11 does **not** match the election of soybeans on Farm 12. Farms can **only** be combined with farms having the identical elections.

187 ARC and PLC Program Election Examples (Continued)

F Example 6, Reconstitutions

Farm 100 has base acres and elections of:

- 50.00 base acres of corn with an ARC-CO election
- 100.00 base acres of wheat with an ARC-CO election
- 100.00 base acres of canola with a PLC election.

A reconstitution request is received to divide Farm 100 into 2 farms as the landowner sold one tract from the farm. The tract that was sold consists of 500.00 grazing acres, zero cropland, and zero base acres.

The resulting farms are as follows:

- Farm 200 with base acres and election of:
 - 50.00 base acres of corn with an ARC-CO election
 - 100.00 base acres of wheat with an ARC-CO election
 - 100.00 base acres of canola with a PLC election
- Farm 201 with base acres and election of:
 - 0.00 base acres of corn with an ARC-CO election
 - 0.00 base acres of wheat with an ARC-CO election
 - 0.00 base acres of canola with a PLC election.

Note: Program elections made on a parent farm will follow to the resulting farms even if base acres of the applicable covered commodity do **not** exist.

188 CCC-862

A Instructions for CCC-862

The following are instructions for completing CCC-862. When all the producers of a farm sign CCC-862, those producers are indicating the election of ARC-IC for the farm.

Item	Instructions
1	Auto-filled with program years 2019 through 2023.
2	Enter administrative County Office's State code.
3	Enter administrative County Office's County code.
4	Enter applicable farm's FSN.
5A	Enter administrative County Office's name and address.
5B	Enter administrative County Office's Phone Number (optional)
5C	Enter administrative County Office's Fax Number (optional)
6	If the current producers on the farm elect ARC-IC, check (✓).
6	The farm's covered commodities will print.
7	The applicable covered commodity's base acres will print.
8	65% of the applicable covered commodity's base acres will print.
9A	Enter the producer's name and address.
9B	For the producer listed in item 9A, enter that producer's e-mail address (optional)
9C	For the producer listed in item 9A, enter the producer's phone number (optional).
10A	The producer will check (✓) this box to indicate refusing the payment.
10B	The producer that refused the payment in 10A will initial.
10C	Enter the date the person who initialed in 10B.
11A	The producer listed in item 9A shall sign.
11B	If the person who signed on behalf of the producer in item 9A signed in a representative capacity, enter the title of the person who signed in a representative capacity.
11C	Enter date the person signed in item 11A.
12A	The CCC representative authorized to approve CCC-862 shall sign indicating approval of CCC-862 and acceptance of the ARC-IC election for the farm.
12B	Enter the date the CCC representative signed in 12A
13	Enter any remarks.
14	The employee accepting CCC-862 may initial (optional).

188 CCC-862 (Continued)

B Example of CCC-862

The following is an example of CCC-862.

This form is available electronically.			(See Page 3 for Privacy Act and Paperwork Reduction Act Statements)		
CCC-862 (07-23-19)			U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		
AGRICULTURAL RISK COVERAGE – INDIVIDUAL OPTION (ARC-IC) CONTRACT			1. Program Year:		
2. State Code		3. County Code		4. Farm Number	
5A. County FSA Office Name and Address (Including Zip Code)					
5B. County Office Telephone Number (Including Area Code)			5C. County Office Fax Number (Including Area Code)		
<p>THIS ANNUAL ARC-IC CONTRACT is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers on the farm identified in Item 4. Upon approval, this farm and the producers on the farm are enrolled in ARC-IC for the program year identified in Item 1. All producers with a share in covered commodities planted on the farm must execute this contract by the announced enrollment date of the applicable program year in order to participate and make themselves potentially eligible to receive payments.</p> <p>The terms and conditions of the ARC-IC contract are contained in the CCC-862 and CCC-866 Appendix and the regulations at 7 CFR Part 1412. By signing this contract producers: (1) acknowledge receipt and agree to abide by the terms of the CCC-862 and CCC-866 Appendix; (2) agree to comply with the terms and conditions of the program and those governing payment limitation and eligibility and adjusted gross income limitation provisions; (3) agree that the terms and benefits of this program are subject to changes in law; (4) affirm that the producers on this farm have elected ARC-IC for the applicable contract period and (5) certify that all the information contained on this form, whether or not personally entered by the producer, is true, correct, and accurate.</p>					
6. Commodity	7. Base Acres	8. 65% of Base Acres	6. Commodity	7. Base Acres	8. 65% of Base Acres
9A. Producer's Name and Address (Including Zip Code)			9A. Producer's Name and Address (Including Zip Code)		
9B. Email Address			9B. Email Address		
9C. Telephone No. (Include Area Code):			9C. Telephone No. (Include Area Code):		
10A. Refused Payment Information: <input type="checkbox"/> All ARC-IC Payments are Refused		10B. Producer's Initials 10C. Date Initialed (MM-DD-YYYY)			
11A. Producer's Signature (By)		11A. Producer's Signature (By)			
11B. Title/Relationship of the Individual Signing in the Representative Capacity		11B. Title/Relationship of the Individual Signing in the Representative Capacity			
11C. Date (MM-DD-YYYY)		11C. Date (MM-DD-YYYY)			
FOR FSA USE ONLY					
12A. Signature of CCC Representative					12B. Date (MM-DD-YYYY)
13. Remarks					
14. Employee's Initials:					

188 CCC-862 (Continued)

B Example of CCC-862 (Continued)

CCC-862 (07-23-19)		Page 2 of 3	
1. Program Year	2. State Code	3. County Code	4. Farm Number
CONTINUATION OF PRODUCER'S CROP INFORMATION (From Page 1)			
9A. Producer's Name and Address (Including Zip Code)		9A. Producer's Name and Address (Including Zip Code)	
9B. Email Address		9B. Email Address	
9C. Telephone No. (Include Area Code):		9C. Telephone No. (Include Area Code):	
10A. Refused Payment Information:	10B. Producer's Initials	10A. Refused Payment Information:	10B. Producer's Initials
<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)	<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)
11A. Producer's Signature (By)		11A. Producer's Signature (By)	
11B. Title/Relationship of the Individual Signing in the Representative Capacity		11B. Title/Relationship of the Individual Signing in the Representative Capacity	
11C. Date (MM-DD-YYYY)		11C. Date (MM-DD-YYYY)	
9A. Producer's Name and Address (Including Zip Code)		9A. Producer's Name and Address (Including Zip Code)	
9B. Email Address		9B. Email Address	
9C. Telephone No. (Include Area Code):		9C. Telephone No. (Include Area Code):	
10A. Refused Payment Information:	10B. Producer's Initials	10A. Refused Payment Information:	10B. Producer's Initials
<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)	<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)
11A. Producer's Signature (By)		11A. Producer's Signature (By)	
11B. Title/Relationship of the Individual Signing in the Representative Capacity		11B. Title/Relationship of the Individual Signing in the Representative Capacity	
11C. Date (MM-DD-YYYY)		11C. Date (MM-DD-YYYY)	
9A. Producer's Name and Address (Including Zip Code)		9A. Producer's Name and Address (Including Zip Code)	
9B. Email Address		9B. Email Address	
9C. Telephone No. (Include Area Code):		9C. Telephone No. (Include Area Code):	
10A. Refused Payment Information:	10B. Producer's Initials	10A. Refused Payment Information:	10B. Producer's Initials
<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)	<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)
11A. Producer's Signature (By)		11A. Producer's Signature (By)	
11B. Title/Relationship of the Individual Signing in the Representative Capacity		11B. Title/Relationship of the Individual Signing in the Representative Capacity	
11C. Date (MM-DD-YYYY)		11C. Date (MM-DD-YYYY)	
9A. Producer's Name and Address (Including Zip Code)		9A. Producer's Name and Address (Including Zip Code)	
9B. Email Address		9B. Email Address	
9C. Telephone No. (Include Area Code):		9C. Telephone No. (Include Area Code):	
10A. Refused Payment Information:	10B. Producer's Initials	10A. Refused Payment Information:	10B. Producer's Initials
<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)	<input type="checkbox"/> All ARC-IC Payments are Refused	10C. Date Initialed (MM-DD-YYYY)
11A. Producer's Signature (By)		11A. Producer's Signature (By)	
11B. Title/Relationship of the Individual Signing in the Representative Capacity		11B. Title/Relationship of the Individual Signing in the Representative Capacity	
11C. Date (MM-DD-YYYY)		11C. Date (MM-DD-YYYY)	

188 CCC-862 (Continued)

B Example of CCC-862 (Continued)

CCC-862 (07-23-19)

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NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9015) as amended by the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1412. The information will be used to determine eligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Agriculture Risk Coverage Program and Price Loss Coverage Program.

Paperwork Reduction Act (PRA) Statement: The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

189 CCC-866

A Instructions for CCC-866

The following are instructions for completing CCC-866. When all the producers of a farm sign CCC-866, those producers are indicating the election of each covered commodity with base acres on the farm as indicated on the form.

Item	Instructions
1	Auto-filled with program years 2019 through 2023.
2	Enter administrative County Office's State code.
3	Enter administrative County Office's County code.
4	Enter applicable farm's FSN.
5A	Enter administrative County Office's name and address.
5B	Enter administrative County Office's Phone Number (optional)
5C	Enter administrative County Office's Fax Number (optional)
6	If the producers wish to utilize the multi-year contract option, check (✓) the box.
7	The applicable covered commodities on the farm will print.
8	The applicable covered commodity's ARC-CO or PLC election will print.
9	The applicable covered commodity's base acres will print.
10	The applicable covered commodity's PLC yield will print.
11 YES	A check (✓) will be made if the applicable covered commodity is participating in the program year.
11 NO	A check (✓) will be made if the applicable covered commodity is NOT participating in the program year.
12A	Enter the producer's name and address.
12B	For the producer listed in item 12A, enter that producer's e-mail address (optional)
12C	For the producer listed in item 12A, enter the producer's phone number (optional).
13	Enter the covered commodity that the producer in 12A will receive a share.
14	Enter the payment share of the covered commodity's base acres for the producer in 12A.
15A	The producer will check (✓) this box to indicate refusing the payment.
15B	The producer that refused the payment in 10A will initial.
15C	Enter the date the person who initialed in 10B.
16A	The producer listed in item 12A shall sign.
16B	If the person who signed on behalf of the producer in item 12A signed in a representative capacity, enter the title of the person who signed in a representative capacity.
16C	Enter date the person signed in item 12A.
17A	The CCC representative authorized to approve CCC-866 shall sign indicating approval of CCC-866 and acceptance of the ARC-CO and/or PLC election for the farm.
17B	Enter the date the CCC representative signed in 12A
18	Enter any remarks.
19	The employee accepting CCC-866 may initial (optional).

189 CCC-866

B Example of CCC-866

The following is an example of CCC-866.

This form is available electronically. (See final page for Privacy Act and Paperwork Reduction Act Statements)				
CCC-866 U.S. DEPARTMENT OF AGRICULTURE (07-23-19) Commodity Credit Corporation				
AGRICULTURAL RISK COVERAGE – COUNTY OPTION (ARC-CO) AND PRICE LOSS COVERAGE (PLC) ELECTION AND CONTRACT				
1. Program Year:		2. State Code		3. County Code
				4. Farm Number
5A. County FSA Office Name and Address				
5B. County Office Telephone No. (Including Area Code)		5C. County Office Fax No. (Including Area Code)		
<p>THIS ARC-CO AND PLC ELECTION AND CONTRACT is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers on the farm identified in Item 4. Upon approval, this farm and the producers on the farm are enrolled in ARC-CO and/or PLC for the program year identified above in Item 1. All producers with a share in base acres must sign this contract by the announced enrollment deadline of the applicable program year in order to participate and make themselves potentially eligible to receive payments for the applicable program year.</p> <p>The terms and conditions of the ARC-CO and PLC contract are contained in the CCC-862 and CCC-866 Appendix and the regulations at 7 CFR Part 1412. By signing this contract producers: (1) acknowledge receipt and agree to abide by the terms of the CCC-862 and CCC-866 Appendix; (2) agree to comply with the terms and conditions of the program and those governing payment limitation and eligibility and adjusted gross income limitation provisions; (3) agree that the terms and benefits of this program are subject to changes in law; and (4) certify that all the information contained on this form, whether or not personally entered by the producer, is true, correct, and accurate. All producers agree to participating or not participating on a covered commodity by covered commodity basis in Item 11.</p> <p>All producers on the farm must agree to the election made in Item 8. If an ARC or PLC election is not made the election defaults to the election for the farm that was effective under the previous Farm Bill, and no payments will be earned under this contract and farm for 2019. All producers on the farm agree and acknowledge that: (1) this election is irrevocable for the covered commodities and the farm, or any resulting farm(s) of a reconstitution; (Beginning in 2021, owners may change the election on the farm); (2) this farm may not be combined with any other farm that has base acres and does not have the same program election applicable for each and all covered commodities on all farms intended to be combined; (3) even though the producers on the farm may have made an election, producers must still annually enroll the farm and covered commodity in the ARC or PLC program in order to be eligible to receive ARC or PLC benefits for that covered commodity and crop year; (4) they must comply with the regulations at 7 CFR Part 1412; and (5) ARC or PLC benefits are subject to change based upon changes to law. FSA's acceptance of this signed form and use of the form does not equate to FSA's approval of the election. If FSA later determines this election was invalid under 7 CFR Part 1412, the elections indicated on this form are invalid and will not apply to the farm.</p> <p>NOTE: PLC yields in Item 10 are only used in the payment calculation of covered commodities that have elected PLC.</p>				
6. Multi-year Contract (2019 - 2023) <input type="checkbox"/>				
7. Commodity	8. Program Elected	9. Base Acres	10. PLC Yield	11. Participating YES NO
				<input type="checkbox"/> <input type="checkbox"/>
				<input type="checkbox"/> <input type="checkbox"/>
				<input type="checkbox"/> <input type="checkbox"/>
12A. Owner or Producer's Name and Address		13. Commodity		14. Payment Share
12B. Email Address				
12C. Telephone No. (Including Area Code):				
15A. Refused Payment Information:				15B. Producer's Initials
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused				15C. Date Initialed (MM-DD-YYYY)
16A. Producer's Signature (By)		16B. Title/Relationship of the Individual Signing in the Representative Capacity		16C. Date (MM-DD-YYYY)
FOR FSA USE ONLY				
17A. Signature of CCC Representative				17B. Date (MM-DD-YYYY)
18. Remarks				19. Employee's Initials

189 CCC-866

B Example of CCC-866 (Continued)

CCC-866 (07-23-19)		Page 2 of 3	
1. Program Year	2. State Code	3. County Code	4. Farm Number
CONTINUATION OF OWNER'S OR PRODUCER'S CROP INFORMATION (From Page 1)			
12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity
12B. Email Address			
12C. Telephone No. (Including Area Code):			
15A. Refused Payment Information:		15B. Producer's Initials	
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused		15C. Date Initialed (MM-DD-YYYY)	
16A. Producer's Signature (By)	16B. Title/Relationship of the Individual Signing in the Representative Capacity		16C. Date (MM-DD-YYYY)
12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity
12B. Email Address			
12C. Telephone No. (Including Area Code):			
15A. Refused Payment Information:		15B. Producer's Initials	
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused		15C. Date Initialed (MM-DD-YYYY)	
16A. Producer's Signature (By)	16B. Title/Relationship of the Individual Signing in the Representative Capacity		16C. Date (MM-DD-YYYY)
12A. Owner or Producer's Name and Address	13. Commodity	14. Payment Share	13. Commodity
12B. Email Address			
12C. Telephone No. (Including Area Code):			
15A. Refused Payment Information:		15B. Producer's Initials	
<input type="checkbox"/> All ARC-CO Payments are Refused <input type="checkbox"/> All PLC Payments are Refused		15C. Date Initialed (MM-DD-YYYY)	
16A. Producer's Signature (By)	16B. Title/Relationship of the Individual Signing in the Representative Capacity		16C. Date (MM-DD-YYYY)

189 CCC-866

B Example of CCC-866 (Continued)

CCC-866 (07-23-19)

Page 3 of 3

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Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

190-200 (Reserved)

Part 8 ARCPLC Enrollment**Section 1 General Information****201 General Rules for ARCPLC Enrollment****A Introduction**

The 2018 Farm Bill allows producers an opportunity to enroll, on a crop-by-crop basis, consistent with the farm's program election, in the ARC-CO, PLC, or ARC-IC programs. The decision to enroll the farm in an annual program must be made by the applicable producers on the farm to receive ARC-CO, PLC, or ARC-IC payments.

The one-time option to enroll in a multi-year contract for 2019 through 2023, is available in 2019; otherwise enrollment must be completed annually. The multi-year contract will remain valid as long as there are no changes to farm records or producers associated with the farm. Once a change occurs, the multi-year contract is cancelled, and enrollment must be completed on an annual basis in subsequent years.

The enrollment period for the 2019 contract period begins on September 3, 2019. The enrollment period for 2020 contract period begins in October 2019. The 2019 annual contract period ends September 30, 2019 before the end of the enrollment period. Accordingly, the enrollment for 2019 is the only program year a retroactive contract can be approved.

For the subsequent contract years (2021 through 2023), annual contract enrollment periods will be held each year by a deadline set for each specific year.

This section will provide instructions for completing CCC-862 or CCC-866 for the 2019 through 2023 years.

201 General Rules for ARPLC Enrollment (Continued)**B Interaction of Election and Enrollment**

Producers on farms in 2019, 2020, 2021, 2022, and 2023, farms may **enroll** in ARC or PLC in each year. Because an election has a bearing on the specific program the covered commodity is enrolled, the election and enrollment are tied together. The producers on the farm must elect and then enroll each covered commodity on the farm.

Election by the 2019 producers on a farm impacts the farm for 2019 and 2020: even if the producers are the same or different producers. Therefore, the 2019 election by 2019 producers must be performed at the same time or before the following:

- 2019 enrollment
- 2020 enrollment.

An election not made means the covered commodity (or farm for ARC-IC) has, in effect, the election of PLC, ARC-CO, or ARC-IC that was in effect for the covered commodity for the previous year. For crop years 2021, 2022, and 2023 there are no ramifications of not making an election except the covered commodity (or farm for ARC-IC) remains in the previous year's program. For 2019, if an election is not made for the farm, that farm is ineligible to receive payments.

Since election and enrollment are performed by the same producers on the farm, the election and enrollment are made on the same form, CCC-862 for ARC-IC and CCC-866 for PLC and ARC-CO and are made during the same time period for every year 2019 through 2023, however, an election is not made in 2020.

Enrollment has late-filed provisions. COC's in consultation with the DD or other State Office representative may approve late-filed enrollments. There are **no** late-filed elections.

202 Enrollment Dates for ARC and PLC Programs**A Enrollment Dates**

Enrollment under CCC-862 or CCC-866 will be held annually, as follows:

- 2019 enrollment period will be September 3, 2019, through March 15, 2020
- 2020 enrollment period will be October 2019 through June 30, 2020
- 2021 enrollment period will be October 2020 through March 15, 2021
- 2022 enrollment period will be October 2021 through March 15, 2022
- 2023 enrollment period will be October 2022 through March 15, 2023.

B Multi-year Contract Enrollment

For 2019 only, following election, producers have the option to enroll in a multi-year contract that will remain enrolled through the 2023 crop year. The multi-year enrollment will continue unless a producer on the farm voluntarily makes one of the following changes:

- a change to the farm's constitution
- a change to any of the farm's base acres or PLC yield of any covered commodity
- a change to any of the producers having greater than zero share of base acres
- a change in any producer's share greater than zero of covered commodities on the farm
- a change in either the election or enrollment of any covered commodity on the farm
- a change in the refuse payment indicator
- any change that would require producers on the farm to re-affirm enrollment, as determined by FSA

Once a change is made to multi-year enrollment, enrollment must occur on an annual basis for each subsequent year until 2023.

202 Enrollment Dates for ARC and PLC Programs (Continued)**C Enrolling Base Acres on a Farm**

Following election as is applicable, eligible producers who enroll a farm in ARC-CO and/or PLC under a CCC-866 may do so on a covered commodity by covered commodity basis. Enrollment of less than 100 percent of a covered commodity is not allowed. Producers who annually enroll a farm in ARC-IC under a CCC-862 must enroll all base acres of all covered commodities on the farm.

For CCC-866, all producers having a share in the base acres must sign the contract by the end of the ARCPLC enrollment period, or the enrollment is **not** complete.

For ARC-IC contracts, all producers having a share in the covered commodities planted on the farm must sign the contract by the end of the enrollment period or the enrollment is **not** complete.

CCC and FSA are under no obligation and are not responsible for ensuring that producers enroll.

D ARC-CO and PLC Contract Enrollments and Exception

All producers having more than a zero share of base acres must sign CCC-866 by the end of the enrollment period. CCC-866's that are **not** signed by all producers having more than a zero share of base acres by the enrollment deadline are incomplete and will **not** be considered submitted to FSA or CCC for any purpose and will **not** be acted on or approved.

Exception: An exception applies to ARC-CO and PLC offers of enrollment. In those instances where COC is satisfied that there is no dispute of shares or other disagreement between producers, ARC-CO and PLC offers of enrollment can be approved, with State Office representative concurrence, to permit payment to only those eligible producers who did enroll and without regard to those shares that do **not** have signatures. This exception applies only if, in the sole judgment and discretion of FSA, FSA is satisfied that those producers who did sign for a share of base acres are in compliance with all contract provisions and requirements. Additionally, this exception is **not** applicable to ARC-IC enrollments.

When using this exception, County Offices will ensure that the producer's shares, signature type, and enrollment date are blank in CCC-866 software.

202 Enrollment Dates for ARC and PLC Programs (Continued)**E Timeline for Enrollment**

The following tables provide the timeline for 2019 through 2023 ARC and PLC enrollment.

IF 2019 and 2020 enrollments occur....	THEN contract approval authority is....	AND authority to load dates in software is....
For 2019 only, September 3, 2019 through March 15, 2020	COC or CED, if delegated	County Office
For 2020 only, October 2019 through June 30, 2020	COC or CED, if delegated	County Office

IF 2021 through 2023 enrollments occur in the contract year from....	THEN contract approval authority is....	AND authority to load dates in software is....
October 1 through March 15	COC or CED, if delegated	County Office
March 16 through September 30	COC or CED, if delegated with DD concurrence or other State Office representative	

203 Late-Filed Contracts**A Late-Filed ARC-CO and PLC Contracts or ARC-IC Contracts**

The ARC-CO and PLC contract or ARC-IC contract enrollment deadline for FY 2019 is March 15, 2020; for FY 2020 is June 30, 2020. The enrollment deadline for FY's 2021, 2022 and 2023 is March 15 of the applicable contract year.

Late-filed ARC-CO and PLC contracts or ARC-IC contracts may be accepted through the end of the enrollment period (September 30 of each applicable contract year) except for crop year 2019 (the late filed period for 2019 extends through September 30, 2020). COC's have been delegated authority by DAFP to approve late-filed contracts that are completed by producers through the September 30th deadline.

Late-filed contracts may be approved by COC with DD concurrence (State Office concurrence in the absence of the DD). The late-filed approval authority is not delegated to the CED.

Valid reasons for the COC to consider late-filed contracts are:

- lease executed after the end of the enrollment period
- health of the applicable producer
- other reasons as deemed appropriate by COC that are outside of the control of the producer.

The decision to approve or disapprove a late-filed contract is strictly the decision of the COC and concurred by the DD or other State Office representative. This decision is not subject to review by any other authority.

Producers have a right of review or appeal **only** on adverse decisions and **only** where there are legitimate disputes of fact. Any right of appeal is limited to FSA's decision that the offer of enrollment was **not** received by FSA by the end of the enrollment period. See 1-APP.

Late-filed contracts filed before the end of the contract period which cannot be approved by COC according to this paragraph may be subject to the relief provisions of paragraph 251. Enrollment after the end of the contract period is not allowed.

203 Late-Filed Contracts (Continued)

B Prohibition on Contract Year 2020, 2021, 2022, or 2023 Enrollments After Contract Year Ends

The contract period for ARC-CO and PLC contracts or ARC-IC contracts ends September 30 of the applicable program year.

Offers and attempts to enroll farms in each of the 2020 through 2023 contract years after September 30 of a contract year will **not** be considered by COC or STC. Offers to enroll in 2020 through 2023 after the end of the contract period will be considered ineligible offers **not** eligible for approval or disapproval by COC. FSA can make a factual determination as to whether or not enrollment occurred by the end of the contract period; however, under no circumstances will equitable relief provisions apply or be applied to cause FSA to bind CCC into contracts for a contract period that has already elapsed or passed.

For each of the 2020 through 2023 contract years, when offers of enrollment are filed after the end of the contract period, the reviewing authority must **not**:

- consider or render any sort of adverse decision or relief decision on ARC-CO and PLC contracts or ARC-IC contracts if the contract was signed by anyone after the applicable contract year had ended, **regardless** of the reason the person or legal entity signed after the contract period passed
- forward any recommendation of approval or relief for anyone who offered to enroll a contract after the contract period passed
- provide any right of appeal or appealability to anyone making an inquiry about enrollment after the contract period has passed.

Notes: Producers have a right of review or appeal **only** on adverse decisions and **only** where there are legitimate disputes of fact. Any right of appeal is limited to FSA's decision that the offer of enrollment was **not** received by FSA by the end of the contract period. See 1-APP. FSA is unable to exercise any sort of discretion to obligate CCC to contracts that were offered to CCC for enrollment after the end of a contract period.

Under **no** circumstances will FSA discuss enrolling farms after the end of a contract period, nor will FSA exercise any discretion of relief for these offers

203 Late-Filed Contracts (Continued)**B Prohibition on Contract Year 2020 through 2023 Enrollments After Contract Year Ends (Continued)**

Actions permitted by a reviewing authority when ARC-CO and PLC contract or ARC-IC contract is received after September 30 (2020, 2021, 2022 or 2023) of the contract year, include the following:

- file the original ARC-CO and PLC contract or ARC-IC contract with producers' signatures in the farm file
- **do not** act on, approve, or disapprove ARC-CO and PLC contracts or ARC-IC contracts for the previous contract year
- send a letter advising producers attempting to enroll after the end of the contract period that ARC-CO and PLC contracts or ARC-IC contracts will **not** be processed by FSA. See subparagraph C.

County Offices will **not** discourage any producer from signing ARC-CO and PLC contract or ARC-IC contract at any time. However, FSA is **not** required to issue an approval or disapproval determination on ARC-CO and PLC contract or ARC-IC contract submitted after the contract year ends. STC's and COC's **must** follow this subparagraph for **all** ARC-CO and PLC contracts or ARC-IC contracts submitted after the contract year expires.

No letter of determination of approval or disapproval will be issued to producers who choose to submit ARC-CO and PLC contracts or ARC-IC contracts after the end of a contract year. This is true regardless of the reason or reasons the offer of enrollment was submitted after the end of the contract year. For these situations, County Offices will follow subparagraph C.

203 Late-Filed Contracts (Continued)

C Communication to Producers Submitting ARC-CO and PLC Contract or ARC-IC Contract After the 2020 through 2023 Contract Period, as Applicable, Has Ended

FSA offices will follow this paragraph in acknowledging offers to enroll in 2020 through 2023 contract years after the end of each applicable contract period. FSA will acknowledge receipt of CCC-862 or CCC-866 submitted after the end of the contract period with a communication stating the following.

Note: Offices will not deviate from the language in the “set” part of the following text. The italicized portion and portions within brackets must be modified for the specific farms and producers.

Dear [*Enter names of all those signing CCC-862 or CCC-866 submitted after September 30 of a contract period.*]

This letter acknowledges receipt of an offer to enter into a contract with the Commodity Credit Corporation under a form [*enter CCC-862 or CCC-866 contract, as applicable*]. You submitted the request to enroll after the end of the contract period.

7 CFR § 1412.41 specifies that enrollment is **not** allowed after September 30 of FY in which the ARC and PLC Program payments are requested.

The Farm Service Agency (FSA) appreciates your interest. Your offer to enroll after the end of the contract period will be kept on file; however, FSA **cannot** process the offer because there is no contract period remaining for enrollment.

Thank you again for your interest.

Sincerely,

County Executive Director

Note: FSA’s letter advising that the offer of enrollment **cannot** be processed is **not** an ARC and PLC program approval or disapproval decision and, therefore, it is **not** appealable. It is merely communicating that the offer cannot be processed. Any subsequent administrative review, if performed, is limited to whether or not the communication is accurate.

204 ARC-CO and PLC Contract or ARC-IC Contract

A ARC-CO and PLC Contract or ARC-IC Contract Provisions

The following provisions apply to farms that do not have a new election of ARC-CO and PLC or ARC-IC for 2019.

If a farm does **not** have an election for 2019, the farm and all producers on that farm are **not** eligible for a 2019 payment. All covered commodities are defaulted to the elections in effect on the farm for 2018, with payment eligibility reinstated in 2020. Producers will be permitted to enroll farms not having elections even though there will be no payments issued for 2019. Enrollment of either 2019 or 2020 will be consistent with whatever default election applies according paragraph 181. The fact producers on such an enrolled and unelected farm are ineligible for 2019 payments is not an adverse decision for any enrolled producer on that farm. It is the function of the statute.

B COC Actions

COC will:

- only consider and act on CCC-862 or CCC-866 that is enrolled in the ARC-CO and PLC or ARC-IC program, as applicable, according to this paragraph and consistent with the applicable election for the farm according to paragraph 181
- neither approve nor disapprove CCC-862's or CCC-866's that do **not** have the signatures of all producers sharing in base acres on the farm

Note: Contracts not having all the signatures of all producers are considered incomplete and, if not signed by the end of the enrollment period, are considered withdrawn.

Exception: See subparagraph 202 D for other exceptions.

- **not** consider or recommend equitable relief under any provision for a CCC-862 or CCC-866 that is **not** completely enrolled.

Note: The failure of a producer to sign CCC-862 or CCC-866 is **not** a compliance discrepancy, or failure to fully comply.

204 ARC-CO and PLC Contract or ARC-IC Contract (Continued)

C Zero Share Signature Requirements

Unless specifically established as requirement by STC or COC, **FSA will no longer require landowner signatures on CCC-862 and CCC-866.** Only signatures for shares greater than zero must be obtained.

At any time COC has the option to require landowner signatures or other documentation to support the producer's cash lease arrangement and eligibility for ARCPLC payments. If the COC decision is to require zero-share signatures or cash lease documentation from some or all producers, process according to the following:

If COC determines the lease is a cash lease according to paragraph 216, COC's **may accept** any of the following if the landowner or landlord receives a zero share of the crop:

- the landowner's or landlord's signature on CCC-862 or CCC-866 to zero share

Notes: By signing CCC-862 or CCC-866, the producer is certifying that the cash lease arrangement with the landowner meets the criteria in this paragraph. Because the producer's signature is a certification, documentation supporting the lease is not required in the current year's farm folder.

When both spouses are joint owners of a farm and proof of a cash lease is **not** provided, the signature of 1 spouse is sufficient for a zero share, **unless** the spouse has notified FSA in writing that the other spouse may **not** sign for both.

- written lease, rental arrangement, or other document signed by the landowner or landlord that proves that the producer has cash-leased the land for FY

Notes: Keep a copy of the document in the County Office folder.

COC always has the right to verify cash lease certifications.

If the farm is a multiple ownership farm, and none of the tracts owned by the landowner or controlled by the landlord have cropland on them, the signature of that landowner or landlord or proof of cash-lease provisions do **not** apply.

- for 2019 and subsequent years, a written statement by the landowner(s) or their representative stating the land is cash leased.

204 ARC-CO and PLC Contract or ARC-IC Contract (Continued)**C Zero Share Signature Requirements (Continued)**

The final date to perfect a contract, meaning the deadline to complete all requirements for payment, such as zero-share signatures and supporting documentation, including payment eligibility forms, is the second March 1 after the end of the contract period for the contract in question.

Note: This provision may be used by each landowner on the farm with zero share whose share has not changed from the previous year, even though the farm may have been affected by a reconstitution where 1 or more landowners were either added or removed from the farm. In this case, only new owners added must either sign for zero share or the producer must provide a copy of the lease.

D Partial Enrollments

[7 CFR 1412.41(a)(3)] Except for enrollments of ARC-IC, eligible producers who choose to enter into a contract with FSA must do so on a covered commodity by covered commodity basis. If the decision is made to enroll a covered commodity on a farm, producers having not less than 100 percent of the interest in those base acres must enroll all base acres of the covered commodity on the farm. Enrollment of fewer than all base acres of the covered commodity by all the producers having a share interest in that covered commodity on the farm is not allowed and such covered commodity will not be considered enrolled unless all producers who share in the base acres complete enrollment by the end of the enrollment period.

E Withdrawing Enrollment

[7 CFR 1412.41(b)] Any eligible producer of an enrolled covered commodity or ARC-IC contract may withdraw from a contract at any time by the end of the contract period. The withdrawal must be filed in writing and submitted to CCC and FSA by the end of the contract period. If any producer of a covered commodity or ARC-IC contract submits a written request to withdraw, FSA will consider the enrollment of that covered commodity or ARC-IC contract withdrawn.

See paragraph 203 for late-filed enrollment provisions. Late-filed enrollment provisions similarly apply to withdrawals of enrollment.

205 Missing Signatures

A Incomplete Enrollments With a Share Greater Than Zero

If a producer with a share greater than zero of base acres has **not** signed CCC-862 or CCC-866, follow subparagraph 202 D after March 15, 2020 for the 2019 contract year; June 30, 2020 for the 2020 contract year and March 15 for 2021, 2022 and 2023.

Note: See paragraph 203 for late-filed enrollment provisions.

If a person or legal entity has an FSA-578 share of a covered commodity and the person or legal entity wants to make themselves potentially eligible for ARC-IC payments under an ARC-IC contract, the individual or entity **must** sign CCC-866 by March 15, 2019 for the 2019 contract year; June 30, 2019 for the 2020 contract year and March 15 for 2021, 2022 and 2023.

A producer who has a share of base acres on a farm enrolled under ARC-CO and PLC contract or of covered commodities reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on a farm enrolled under an ARC-IC contract, who does not sign during the contract period, will not be eligible for payment consideration, nor will any other producer be eligible for that share of the payment. Additionally, if the ARC-IC contract does not contain signatures of all the producers who share in covered commodities reported planted (or eligible subsequently planted crop acreage following the approved prevented planting of a covered commodity) on the farm, the ARC-IC contract enrollment is **not** considered complete.

B Incomplete Enrollments of Persons With an Interest, But a Zero Share

FSA no longer requires signatures of producers with zero share of base acres, but COC has the option to require such signatures if they deem necessary.

If COC exercises this option, any CCC-862 or CCC-866 contract with missing signatures of producers with an interest, but a zero share of base acres or any covered commodities, may be acted on and approved.

Notes: The last date to submit missing signatures substantiating a zero share is the second March 1 following the end of the applicable contract period.

205 Missing Signatures (Continued)**B Incomplete Enrollments of Persons With an Interest, But a Zero Share (Continued)**

If anyone who has an interest, but a zero share of base acres for ARC-CO or PLC or, for ARC-IC, covered commodities reported planted on the farm, fails to satisfy the provisions of this paragraph, COC will take no action on CCC-862 or CCC-866. CCC-862 or CCC-866 will be considered incomplete and require no action or decision from FSA. FSA does not act on, approve, or disapprove partial offers of enrollment.

C Cash-Rent Owners With Missing Signatures

FSA no longer requires signatures or other documentation for zero shares, unless the COC determines they are necessary to ensure program integrity.

If COC determines that zero share signatures are required and if all producers with a share greater than zero sign CCC-862 or CCC-866, COC may approve the contract if all of the following apply:

- owners representing a majority of the undivided ownership interests of the farm sign the contract

Note: Majority interest is greater than 50 percent of the collective undivided interest owners' share.

- shares are acceptable to COC
- documentation indicates the signatories expended a reasonable effort to obtain missing signatures.

Exception: If a majority of the zero share owners, as determined by COC, sign CCC-862, the farm may be approved for payment for those producers having a share greater than zero. CCC-866's however, must have signatures of all producers who share in covered commodities reported planted on the farm. CCC-866's not having signatures of all producers sharing in reported planted covered commodities on the farm cannot be approved and will be considered a partial enrollment.

205 Missing Signatures (Continued)**D Fractionated Property - Ownership Land**

Contracts contain fractionated ownership where a de minimus share of the cropland acreage on the farm cannot be determined.

COC may approve CCC-862 or CCC-866 with 100 percent share of all base acres providing COC determines that 1 or all of the following are met:

- past history on a farm
- whether the producers claiming a share have control of sufficient cropland and an entitlement to a crop share interest to support the claimed payment share on ARC-CO and PLC contract, ARC-IC contract, or FSA-578
- the level of risk in the production of the crop being grown
- whether the shares provide equitable treatment to all of the producers on the farm.

E Heir Property - Ownership Land

COC will follow provisions of 1-CM for contracts containing land owned by a deceased producer or estate of the deceased producer who does not have an heir or representative and is cash-leased. These contracts may be approved if COC determines that provisions of 1-CM and this handbook have been met.

206 Reconstitution of ARC-CO, PLC, and ARC-IC Farms**A Reconstitution of Enrolled Farms**

Farms enrolled during the prescribed annual enrollment period that are subsequently reconstituted are no longer considered to be enrolled.

Farms resulting from a reconstitution are **not** deemed to have enrolled the CCC-862 or CCC-866 and may **not** earn benefits associated with the ARC and PLC programs, **unless** the resulting farm is timely enrolled on CCC-862 or CCC-866.

The validity of an ARC or PLC election is **not** impacted by reconstitution. Valid ARC and PLC elections will continue to be recognized following reconstitution. The resulting farms will have the ARC or PLC election that is consistent with the parent farm or farms.

206 Reconstitution of ARC-CO, PLC, and ARC-IC Farms (Continued)

B Authorized Reconstitutions and Transfers

Subject to the provisions of subparagraph A, the following reconstitutions are allowed for 2019 and each subsequent program year, if FSA-155 or FSA-179 is initiated **by** August 1 of the effective FY:

- divisions of all farms
- farm combinations in limited situations
- completed farm transfers.

Note: Combinations of ARC-CO and PLC parent farms with other ARC-CO and PLC parent farms can only be approved if there are no conflicting elections between common base crops or HIP between parent farms.

Combinations of eligible parent farms with farms determined to be ineligible for payment where all of the cropland was grass, idle or fallow from January 1, 2009 through December 31, 2017, are prohibited to prevent changing the eligibility of base acres.

An ARC-CO and PLC parent farm can never be combined with an ARC-IC parent farm or vice versa.

A parent farm that has zero base acres and has no election can be combined with any parent farm that has elected an ARC-CO and PLC or ARC-IC program. Examples include, but are not limited to:

- noncropland farm
- cropland farm with zero base acres
- CRP farm with base acres reduced to zero.

Operators, producers, and owners **must** understand that when farms are combined, the resulting farm and its election that applied to the parent farms of the reconstitution will continue to apply to child farms following any subsequent division of that farm, even if the division is in the same year.

Example: Farm 1 has a valid election of ARC-CO for corn and grain sorghum. The operator of Farm 1 requests to combine Farm 1 with Farm 3, which has an election of ARC-CO for corn, no base acres of grain sorghum, and PLC elected for wheat. Farms 1 and 3 can be combined as there are no conflicting elections; however, the resulting farm (and child farms if split from that farm later) will have ARC-CO election apply corn and grain sorghum and PLC for wheat.

206 Reconstitution of ARC-CO, PLC, and ARC-IC Farms (Continued)

C Enrollment Following Reconstitutions

Child farms resulting from reconstitutions that had 1 or more parent farms enrolled must be enrolled by August 1 of the contract period or 30 calendar days following the issuance of the notification completion of the reconstitution. Child farms resulting from reconstitutions of 1 or more parent farms that were enrolled for 2020 must be enrolled by September 30, 2020, or 30 calendar days following issuance of the notification completion of the reconstitution.

207 Base Restoration Because of CRP**A Farms With CRP-1's**

Farms with CRP-1's that expire, are voluntarily terminated, or are early released after September 30, 2013, and **before** the enrollment deadline established for the ARC and PLC program year, may enter into or increase the base acres on the ARC-CO and PLC contract or ARC-IC contract to the extent:

- PFC or DCP acreage was reduced on CCC-505
- base acres were reduced on CCC-505
- partial CRP payments that may have been issued on the farm (paragraph 41).

B Adjustments to Base Acres

See 10-CM for updating base acres for CRP-1's that expire, are voluntarily terminated, or are early released.

208 Relief for Producers When Interest in Base Acres Exceed Their Interest in Cropland on a Farm**A Background**

DAFP delegates programmatic relief authority to SED's to allow (with limitations) contracts to be considered enrolled even though a producer(s) on a farm did not have control of enough DCP cropland to support the claimed share of base acres.

Absent the relief, a contract containing shares of producers not having control of enough DCP cropland to support the claimed share must be considered invalid under regulations and the contract appendix.

The relief allows the contract to remain enrolled in the applicable year's ARC/PLC program; however, producers that were not enrolled or that did not enroll a share supported by control of enough DCP cropland will be limited to the smaller of the share that was timely enrolled or the share of base acres supported by adequate DCP cropland.

B Relief Delegated

SED's are delegated the authority to approve programmatic relief when one or more producers on a farm do not have control of adequate DCP cropland to support the requested payment share of base acres on enrolled ARC/PLC farms. Any other relief issue or question not specifically mentioned in that memorandum must be forwarded to DAFP for consideration.

This relief allows farms to continue to participate in the applicable year's ARC/PLC program; however, producers that were not enrolled or did not enroll a share supported by control of enough DCP cropland will have payments limited to the smaller of the share that was timely enrolled or the share of base acres supported by adequate DCP cropland. Without the granting of this relief, the contract for the farm would be terminated and **all** payments would be required to be refunded from all producers on the farm (even those with shares supported by adequate DCP cropland).

208 Relief for Producers When Interest in Base Acres Exceed Their Interest in Cropland on a Farm

C Overpayments from Relief Granted

Situations will arise when, although relief is granted to allow the contract to remain enrolled (as discussed in subparagraph B), some producers on the contract will be overpaid because they did not have adequate DCP cropland to support their enrolled share. Payments issued as a result of the producer's claim of an erroneous share are unearned and cannot be written off or forgiven under any relief provision or finality rule. These overpayments were benefits paid to a producer on a farm when that producer was never entitled to receive that benefit. Further, producers on an ARC/PLC contract are responsible for accurate certifications of all information, including share, on the ARC/PLC contract.

Special SED equitable relief provisions (7-CP, paragraph 48) cannot be used to extend programmatic relief. Further, special SED equitable relief provisions are only applicable to equitable relief under misaction/misinformation and failure to fully comply provisions. In the cases discussed in subparagraph A, the matter does not involve either misaction/misinformation or a failure to fully comply. Rather, the ARC/PLC contract was enrolled with erroneous claims of shares of contract participants. FSA has no obligation to verify if participant claims of shares on ARC/PLC contracts are valid before contract approval or issuing payments. However, if at any time enrolled ARC/PLC participants are unable to substantiate anything claimed or certified to (whether on an ARC/PLC contract or other program document), FSA must require refunds of payments that are unearned as a result of the erroneous (even innocently erroneous) representation.

D Special Equitable Relief Authority for SED's

According to 7-CP, paragraph 48, provided all requirements are met including but not limited to OGC concurrence, SED's may exercise discretion to approve relief cases for misaction/misinformation or failure to fully comply. Programmatic relief is reserved for DAFP. This relief specifies that the programmatic relief is not special equitable relief authority for SED's. This authority does not authorize SED's to provide monetary relief to any participant who received unearned ARC/PLC payments because of circumstances discussed in subparagraph A.

209-215 (Reserved)

Section 2 Division of Payments

216 At Risk, Shares, and Cash Leases for ARC and PLC

A Review of Leases [7 CFR 1412.54(e)]

A lease will be considered to be a cash lease for FSA program purposes if the lease provides for:

- only a guaranteed cash payment for a specified amount, or a fixed quantity of the crop

Example: Pounds or bushels per acre.

- a guaranteed amount and a share of the crop or crop proceeds. The agreement will be considered a cash lease.

Note: If the lease is a cash lease, the landlord is **not** eligible for payments.

The leasing of grazing or haying privileges or rights is not considered cash-leasing of land. The landlord is the crop producer who is at risk of crop loss, and the livestock owner is a purchaser of the grazed forage or hay. Grazing or haying rights are situations where land is not specifically leased for a per acre dollar amount for the crop year; rather, the landlord leases to a livestock owner the privilege or right to graze or hay while the crop grower and landlord retains control of the land during the crop year.

A lease will be considered a share lease if it contains provisions that require the payment of rent on the basis of the amount of crop produced or the proceeds derived from the crop, or the interest this producer would have had if the crop had been produced, or combination thereof.

Notes: Lease terms and FSA's view about whether a lease is cash or share impact a decision about who **must** sign CCC-862 or CCC-866.

There are no requirements in the ARC and PLC program or ARC-IC program that specify that leases conform to any reasonableness test. These matters could impact other decisions, such as payment limitation or eligibility provisions.

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

B Current Regulations About Division of Payment Shares

The following table summarizes regulations about lease types applicable for ARC and PLC program purposes.

Type of Lease	Definition
Cash	<p><u>Cash lease</u> means a guaranteed sum, certain cash payment, or fixed quantity of the crop.</p> <p>Example: Cash, pounds, or bushels per acre.</p> <p>A fixed or standing commodity payment is the payment a tenant or operator provides a landlord for using the land and the landlord's reduced risk on the crop, including the following:</p> <ul style="list-style-type: none"> • a fixed amount of production, such as 10,000 bushels or pounds • an amount of production per acre, such as 40 bushels or pounds per acre • a guaranteed amount and share of the crop or crop proceeds • both of the following: <ul style="list-style-type: none"> • guaranteed amount, such as a fixed dollar amount or quantity • share of the crop proceeds. <p>Note: Combination and flex leases are considered cash leases for the ARC and PLC program.</p>
Share	<p><u>Share lease</u> means provisions that require any of the following:</p> <ul style="list-style-type: none"> • payment of rent based on the amount of crop produced where both parties share in the risk of the crop produced • proceeds derived from the crop • interest the producer would have had if the crop had been produced.

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

C Example 1

In this example, the combination or flex lease agreement specifies that the rent is based on a share of the gross revenue of the crop proceeds. The rental amount is equal to \$142.80 per acre based on the following variables:

- rent equal to 40 percent of the gross crop value
- guaranteed minimum yield of 170 bu. per acre
- actual price of \$2.10 per bu.

Although the landowner does **not** actually receive 40 percent of the crop produced, this lease will be considered a cash lease because another rental amount is based on a guaranteed sum or minimum amount.

D Example 2

In this example, the combination or flex lease agreement specifies that there is a base, or minimum, cash-rent amount that **must** be paid, but the landowner receives a share of the gross revenue in excess of the base value. The rental amount is based on the following variables:

- base, or minimum, cash-rent amount is \$100 per acre
- additional rent is 50 percent of the gross revenue in excess of \$250 per acre
- yield of 52 bu. per acre
- price of \$6.50 per bu.

Although the landowner does **not** actually receive 50 percent of the crop produced, this lease **must** be considered a combination lease, or cash lease, because the lease agreement includes a guaranteed amount and an additional amount based on a share of the crop proceeds.

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)**E Example 3**

In this example, the combination or flex lease agreement specifies that the cash rent is based on a fixed number of bushels; however, the price is based on the value that will be set on a future date, but it is **not** based on the actual price received by the producer. The rental amount is based on the following variables:

- fixed number of bushels is 55 bu. per acre
- actual price is the price at the local elevator on December 1.

Note: This lease will be considered a cash lease.

F Cash Bonus Payments

Questions have been raised about how cash bonus payments to landowners impact ARC and PLC program eligibility. Tenants entering into agreements with landowners for the contract period may be considering paying landowners a bonus payment because of higher than expected yields or increased market prices. The bonus payment to a landowner, in itself, is **not** a violation of ARC and PLC program regulations and remains a cash-rent lease.

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

G Eligibility to Receive Payment

Each eligible producer on a farm will have the opportunity to enroll in an ARC and PLC program contract. The type of farm lease and the terms of the lease will define the appropriate sharing of payments.

The following table defines the general eligibility to receive payment on a farm.

Situation	Eligible to Receive Payment?	
	Lessor	Lessee
Landowner cash leases entire farm to lessee.	No, because the farm has been cash-leased to another. Landowner has no ownership share of any crop.	Yes, if all other eligibility requirements are met.
Landowner leases grazing or haying or hunting rights or privileges on base acres to another but land itself is not leased.	Yes, if all other eligibility requirements are met, because the land itself has not been leased, only the right to graze or hunt or hay has been leased.	No, the lessee is not leasing land. The lessee is only leasing the right to graze or hay.
Landowner cash leases all base acres, and lessee grazes or hays the land.	No, because all base acres have been cash-leased to the lessee.	Yes, if all other eligibility requirements are met, because the lessee has leased the land, not just grazing or haying rights. The fact that the lessee uses the land for grazing or haying is not relevant.
Landowner share leases all base acres to lessee.	Yes, if all other eligibility requirements are met. However, neither the lessor nor the lessee may receive 100 percent of ARC and PLC program payments.	Yes, if all other eligibility requirements are met. However, neither the lessor nor the lessee may receive 100 percent of ARC and PLC program payments.
Landowner leases (cash or share lease) only nonbase acres to lessee.	Landowner may be eligible to receive ARC and PLC program payments depending on lease arrangements for base acres on the farm.	No, because the lessee leases only nonbase acres. See subparagraph B. Exception: For ARC-IC and generic base acre farms, producers having a share of the crop with risk in planted or eligible subsequently planted crop acreage must share in the base acres. Shares of reported acres are on FSA-578.

Notes: A forthcoming amendment will provide information if a crop subject to a commercial grower contract is grown on base acres.

COC will review grazing and haying leases to determine fair treatment of tenants and sharecroppers.

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

H Lease Expiration and Eligibility

The time period for lease arrangements varies significantly by different regions and by different crops.

If crops are produced on base acres:

- to be eligible to receive payments, persons **must** have an entitlement to an ownership share of the crop and that person **must** share in the risk of production of those crops
- all persons who have an entitlement to an owner's share of the crop and who share in the risk of production of crops on base acres **must** share in the payments.

An annual crop year lease may have a beginning date in one FY and an ending date in another FY. However, because the lease is an annual lease for 1 crop year, it will **not** be used to claim payments in more than 1 crop year. A producer is only eligible for payments applicable for that 1 crop year if the lease is for only 12 months.

I Supportive and Necessary Contractual Documents

Supportive and necessary contractual documents, if required by COC, **must** be in the FSA office before approving CCC-862 or CCC-866.

The following may be considered acceptable supportive and necessary contractual documents even if received after the end of the enrollment period:

- signatures from landowners signing to zero shares
- copy of the cash lease agreement
- for 2019 and subsequent years, a written statement (or documentation, such as a copy of a negotiated lease payment or check) by the landowner(s) or their representative stating the land is cash-leased to the producers. The statement must be reviewed by COC.

Reminder: COC's will **not** approve CCC-862 or CCC-866 until the provisions of the subparagraph are met. See subparagraph 204 B for an exception.

The last date to perfect a contract is the second March 1 following the end of the contract period of the applicable program year.

216 At Risk, Shares, and Cash Leases for ARC and PLC (Continued)

J Documents Required for Payment Issuance

The following are **required** before payments can be issued to a producer with a share of base acres greater than zero:

- approved CCC-862 or CCC-866
- AD-1026 for the producer
- CCC-902 determination (CCC-903) for the producer
- CCC-941 for the person or legal entity and all shareholders thereof
- completely reported and certified FSA-578 for all cropland on the farm
- any other document necessary for a person or legal entity or producer to be eligible for payment.

Notes: See 2-CP for acreage reporting requirements. FSA-578 for all cropland acres on a farm is **required**.

Payments will **not** be issued to a person or legal entity that has not provided all required documents and until the person's or legal entity's or producer's eligibility forms are certified or approved. The final date to submit all required eligibility documents is the second March 1 following the end of the contract period of the program year in question.

These documents are not needed to approve CCC-862 or CCC-866. These documents are producer eligibility documents and do not preclude a contract from being approved.

217 Division of Payment Guidelines and Example

A Division of Payment Guidelines

There are various factors that may influence the proper division of payments. In reviewing CCC-862, CCC-866, or FSA-578 division of payment and shares, COC's should consider the following:

- history on a farm
- whether the producers claiming a share have control of enough cropland or DCP cropland, and an entitlement to a crop share interest to support the claimed payment share on CCC-862, CCC-866, or FSA-578

Note: In cases where a farm's base acres are greater than the farm's cropland or where the FSA-578 shares on FSA-578 reported land are not sufficient to substantiate question of control of all the base acres on the farm, the persons or legal entities claiming a share of base acres on CCC-862 or CCC-866 must provide documentation that they have control over land necessary to cover enrolled base acres.

Examples: A farm has 55.00 base acres on a farm with 50.00 acres of cropland and 250.00 acres of DCP cropland. The producer and landowner both signed the CCC-862 attesting to the producer's claimed share of 100 percent share of the 55.00 base acres. In this case, FSA can accept the producer's and owner's statement of shares on CCC-862 that the producer has control of sufficient land to cover the base acres on the farm.

A farm has 55.00 base acres on a farm with 50.00 acres of cropland and 250.00 acres of DCP cropland. In this case, the producer is the only one signing the CCC-862 claiming 100 percent share interest on the farm and the producer claims 100 percent interest in the cropland reported to FSA-578. The file contains a lease showing the producer leased 50.00 acres of cropland. In this case, the producer has not shown or provided documentation that the producer controls enough land to cover the producers claimed share of base acres on the farm.

- the level of risk in the production of the crop being grown
- whether the shares provide equitable treatment to all the producers on the farm.

Important: For ARC-IC final payment shares will be determined by using the producer's share of all covered commodities certified on FSA-578 on each enrolled FSN in the State. County Offices must **not** enter acreage certifications using default shares from CCC-862 or CCC-866, if the default share interest does **not** reflect the actual producer crop share of the covered commodity on the farm.

217 Division of Payment Guidelines and Example (Continued)

B Example

A landowner has leased his or her farm for a half share of the crop (inputs were divided equally) for the years 2016 through 2018, and the acreage was shared equally by the landowner and tenant. 700.00 acres of winter wheat are planted each year and 700.00 acres are summer fallowed.

The landowner and tenant agree to the following shares and have signed CCC-862 for 2019.

	Landowner	Tenant
Wheat	100 percent	0 percent

The landowner is leasing only the 700.00 acres planted to wheat to the tenant for a 50 percent share of the crop. The landowner will operate the 700.00 acres of summer fallow.

COC will **not** approve this contract because of the history of the farming operation. Shares do **not** have to be divided equally but should be consistent with the farm's present operation status.

C Exceptions

The regulations found at 7 CFR 1412 dictate that a combination lease is classified as a cash lease. In many instances, FSA-578 shares on farms with combination leases are recorded with shares. These two rules conflict.

In other situations, covered commodity base acres on a farm that are share rented, are typically rented for specific crop share; however, the covered commodity that is planted on the farm is typically share rented with a different percentage.

Example: A farm in Boone County, Iowa has soybean base acres. When land in Boone County, Iowa is planted in soybeans the lease is 1/3 to the owner and 2/3 to the producer. When land in Boone County, Iowa is planted to corn, the lease is 1/4 to the owner and 3/4 to the producer. If the farm is planted to corn, the contract shares could be different from the FSA-578 shares.

In order to accommodate these situations, COC may review and document each situation in the COC minutes. Documentation must support review of each situation to determine that this exception applies.

218 Succession-in-Interest**A Basic Rule**

After CCC-862 or CCC-866 is approved, any of the following changes may occur and be considered a basis for a succession-in-interest:

- transfer or change in the interest of a producer on the farm
- sale of land
- foreclosure, bankruptcy, or involuntary loss of the farm
- change in participant shares of contract base acres to reflect changes in shares originally approved on ARC-CO and PLC contract
- change in producers sharing in covered commodities as reported on FSA-578 for ARC-IC farms.

Notes: Successors are **not** eligible for payments in any FY in which they do **not** meet the provisions of paragraphs 237 and 240.

See paragraphs 243 and 244 if a participant who is entitled to a payment is declared dead, incompetent, or missing.

B Farm Reconstitutions or Transfers

This provision applies **only** if a contract for the parent farm (through reconstitution or farm transfer) was filed by the applicable contract filing deadline for the year, and FSA-155 or FSA-179 is completed by August 1 of the applicable year.

218 Succession-in-Interest (Continued)

C Deadline for Notification of Succession

After CCC-862 or CCC-866 has been approved, the farm operator, producer, owner, or participant **must** inform COC of changes in interest by:

- August 1 of the applicable year if the change requires a reconstitution
- September 30 if the change does **not** require a reconstitution.

Note: It is important that producers understand that if a revised CCC-862 or CCC-866 is generated, all necessary signatures **must** be entered on the revised CCC-862 or CCC-866 or the farm will **not** be considered enrolled. Producers should **not** wait until the end of an enrollment or contract period to report changes. Failure to report changes timely **and** enter all necessary signatures is a responsibility of all ARC or PLC participants. It is **not** FSA's responsibility to obtain signatures.

If a change occurs requiring a succession to CCC-862 or CCC-866, but a new CCC-862 or CCC-866 is **not** completed and signed by all producers sharing in the revised CCC-862 or CCC-866 by the end of the contract period, none of the predecessors or potential successors is eligible for the applicable year payments on the farm.

D Signatures on Succession ARC-CO and PLC Contract

A succession CCC-862 must be signed by all participants whose shares were changed in the succession. Signatures must be received no later than September 30 of the applicable year. September 30, 2020 is the final date for successors to sign for 2019 and 2020 contracts.

Note: See paragraph 203 for late-filed enrollment provisions.

Before approving the succession CCC-862, COC's will ensure that all shares represented on CCC-862 have a valid signature on the contract.

Attach a copy of the original CCC-862 to the succession-in-interest CCC-862 contract.

Reminder: The succession CCC-862 contract will **not** be considered for enrollment **unless** required participants sign the contract.

218 Succession-in-Interest (Continued)**E Signatures on Succession on ARC-IC Contract**

Participants having an interest in an ARC-IC contract impacted by a succession-in-interest **must** sign a succession CCC-866 no later than September 30 of the applicable year. For 2019 and 2020 ARC-IC contracts, the deadline for the successor to sign is September 30, 2020.

Note: See paragraph 203 for late-filed enrollment provisions.

If FSA-578 has been filed, COC's will ensure that all producers sharing in covered commodities reported on FSA-578 have a valid signature on the succession CCC-862 before approval. If FSA-578 has not yet been filed, the succession ARC-IC contract can be approved. However, if upon filing FSA-578 it is revealed that CCC-862 is incomplete with regard to enrollment, the enrollment is invalid.

Attach a copy of the original CCC-862 to the succession CCC-862.

Reminder: The succession CCC-862 will **not** be considered for enrollment **unless** required participants sign the CCC-862.

219 Examples of Succession-in-Interest for ARC-CO and PLC**A Example Basic Farm Data**

Unless otherwise noted, assume the following are applicable for each of the examples in this paragraph:

- FSN 10
- 125.00 acres of farmland
- 100.00 acres of DCP cropland
- 100.00 base acres.

B Example 1

Producer A, owner and operator of FSN 10, planted 100.00 acres of wheat for harvest. In April, the wheat failed. In May, Producer A cash-leased FSN 10 to Producer B. Producer B planted 100.00 acres of grain sorghum.

Producer B has obtained a share interest in the contract acreage effective with Producer B's date of lease.

Producers A and B **must** come to an agreement about dividing the base acre shares. See paragraphs 222 and 237.

Note: In this example, both Producers A and B could claim a share interest in the base acres based on the time each had this interest or other factors. COC will **not** involve itself in helping Producers A and B arrive at a distribution of shares. See paragraph 222.

C Example 2

Producer A, owner and operator, planted 100.00 acres of wheat in November for harvest. In April, the wheat failed. In May, Producer A share-leased 50.00 acres of FSN 10 to Producer B. Producer B planted 50.00 acres of grain sorghum. Producers A and B are sharing in the crop.

Both Producers A and B are entitled to share in the payments for the farm.

Producers A and B **must** come to an agreement about dividing the base acre shares. See paragraphs 222 and 237.

Note: In this example, both Producers A and B could claim a share interest based on the time each had this interest or other factors. COC will **not** involve itself in helping Producers A and B arrive at a distribution of shares. See paragraph 222.

219 Examples of Succession-in-Interest for ARC-CO and PLC (Continued)**D Example 3**

Producer A, owner and operator, planted no crops. In March, Producer A cash-leased all of FSN 10 to Producer B for the crop year. Producer B did **not** plant a crop.

The fact that Producer B did **not** plant a crop is **not** the determining factor. Producer A cash-leased the farm to Producer B for the crop year and a crop could have been planted and harvested for the year. Therefore, Producer B would meet the definition of a producer on the farm for the crop year. Producer B is entitled to 100 percent of the shares on the farm. Producer A cannot receive the payment on this farm.

E Example 4

Producer A, owner and operator, planted and harvested wheat for grain. Wheat harvest is completed in May. Producer A voluntarily leaves the farm after the completion of the wheat harvest. Producer B cash-leased the farm effective August 1 of the applicable year. Producer B may or may **not** plant a crop. It is, however, possible to plant a crop and harvest it in the crop year.

Producers A and B **must** come to an agreement about dividing the base acre shares. See paragraphs 222 and 237.

220 Example of Succession-in-Interest for ARC-IC**A Example Basic Farm Data**

Unless otherwise noted, assume the following are applicable for the example in this paragraph:

- FSN 10
- 125.00 acres of farmland
- 100.00 acres of DCP cropland
- 100.00 contract base acres.

B Example

Producer A, owner and operator of FSN 10, enrolled in ARC-IC and reported 50.00 acres of wheat on FSA-578. In June, Producer A cash-leased a portion of FSN 10 to Producer B. Producer B reported 50.00 acres of sunflowers on FSA-578. Producer B must enter into the CCC-862 for FSN 10 by September 30 of the applicable contract year.

ARC-IC payment shares will be based on the shares of covered commodities planted as reported on FSA-578.

221 Tenant Share-Cropper Rules

A Rules

CCC **must** provide adequate safeguards to protect the interests of tenants and sharecroppers. COC's will use the following to determine whether CCC-862 or CCC-866 shares meet ARC and PLC program requirements.

- COC must **not** approve CCC-862 or CCC-866 payment shares if COC determines any of the following apply:
 - a landowner or operator denies tenants and sharecroppers an opportunity to participate, if the tenant or sharecropper would have shared in the crop planted on base acreage
 - a State court determines a person violated State law about farm and agricultural property lease provisions
 - a landowner or operator adopts a scheme or device to deprive tenants or sharecroppers of payments that tenants or sharecroppers would otherwise be entitled to receive under the ARC and PLC program.
- To assist COC's in determining whether producers meet landlord and tenant provisions, COC's will:
 - on an annual basis, determine customary crop share rental rates for all crops produced in the county, **excluding** FAV crops
 - establish a parameter for the county using the lowest owner crop share percentage for any crop in the county as the low end of the parameter, and the highest owner crop share percentage for any crop as the high end of the parameter, **excluding** FAV shares when establishing the parameter
 - review landlord payment shares for the farm to see whether they are less than the lowest or exceed the highest customary crop share rental rates for any crop in the county.

Note: Payment share divisions that do **not** fall within the aforementioned parameters may nonetheless be justifiable and do **not** necessarily reflect unfair treatment of tenants and sharecroppers.

221 Tenant Share-Cropper Rules (Continued)

A Rules (Continued)

Example: COC determines landlord share rental rates for all crops, other than FAV, range from 33 percent to 50 percent. Therefore, COC will review landlord payment shares to see whether the landlord shares are less than 33 percent or greater than 50 percent. All landlord shares for any crop outside these parameters **must** be thoroughly documented in the COC minutes.

- If a landowner or operator reduces the number of tenants from the preceding year, the landlord or operator may still earn the current year's ARC and PLC program payment, if the reason for the reduction is any of the following:
 - the landlord or operator purchased the farm for the current year
 - the tenant's lease expired or was legally terminated, and tenant has no further rights to the farm
 - a producer leaves the farm voluntarily.

B Contract Intimidation

Do **not** approve CCC-862 or CCC-866 if there exists, between the operator or landlord and any tenant or sharecropper, any lease, contract, agreement, or understanding required or unfairly exacted by the operator or landlord, entered into in anticipation of participating in the ARC and PLC program that does any of the following:

- forces tenants or sharecroppers to pay the landlord or operator any ARC and PLC program payment earned by the tenant or sharecropper
- changes the status of tenants or sharecroppers to deprive tenants or sharecroppers of any payment or right otherwise received
- unfairly requires a reduction in the size of the tenant or sharecropper producer share.

COC will use information obtained from tenants and sharecroppers. Do **not** accept the following statements from the landowner or operator at face value without supporting documentation:

- tenants left the farm voluntarily and, therefore, do **not** need to be replaced
- tenants requested assignment to a smaller share of the total farm acreage.

222 Division of Payment Disputes**A Policy**

It is the responsibility of producers to:

- determine shares on CCC-866 and FSA-578
- submit all necessary signatures or supportive and necessary contractual documentation by deadlines.

Note: While FSA may assist producers, FSA is **not** responsible for determining what correct shares should be or for ensuring that producers meet ARC and PLC program requirements.

COC's must **not** be involved in, settle division of payment disputes, or act on disputed share for CCC-866.

Shares for ARC-IC are determined from FSA-578 and **cannot** be disputed.

B Payment Share Disputes

Payment shares are considered in dispute when there is a disagreement on base acre shares. A disagreement is evident by having a conflicting CCC-866 on file.

Note: Successions-in-interest are **not** considered payment disputes. See paragraph 218 for successions-in-interest.

Any CCC-866's **not** having all signatures of producers, with a share of base acres greater than zero, will **not** be approved or disapproved. Partial enrollments of farms are **not** allowed. FSA is under no obligation to contact producers about missing signatures. CCC-866's missing required signatures are considered incomplete and will **not** be approved or disapproved by FSA.

222 Division of Payment Disputes (Continued)

C Determining Disputes

There are some cases where it is obvious that payment shares are **not** in dispute. To determine whether a payment share dispute exists, COC's **must**:

- determine whether available documentation supports who shares in payments on the farm
- determine whether the documentation supports claimed payment shares
- review lease agreements and use them as a guide in determining who shares in the payments on a farm and what the correct payment shares should be, unless the lease agreement is in conflict with other provisions of this handbook

Exception: If landowner or landlord cash rents an entire farm to another for an entire crop year, COC can determine to approve CCC-866 signed by the cash-rent tenant.

- review past history to determine how payments were shared in previous years

Note: There could be good reasons why previous year shares no longer apply.

- compare previous year's rental agreement to the current year's rental agreement to determine whether rental rates are similar or have changed for the type of acreage being rented.

Disputes may exist when the available evidence does **not** support claimed payment shares.

Disputes generally do **not** exist when:

- everyone signing CCC-862 for a farm agrees on shares and there is no conflicting CCC-866 also containing all required signatures
- it is obvious that the available evidence supports who should share in payments
- all provisions of this handbook are met.

222 Division of Payment Disputes (Continued)

D Documenting a Dispute

If it is determined there is a disputed ARC-CO and PLC contract, COC will follow these instructions.

IF...	THEN notify...
<p>CCC-866 containing signatures of all producers claiming a share of the contract has been approved and is subsequently challenged by another CCC-866 containing signatures of all producers claiming a share</p>	<ul style="list-style-type: none"> all producers on the approved contract that COC's approval of the contract is withdrawn because of the dispute and will remain in a disputed status until documentation is provided to COC resolving the dispute all producers on the previously approved contract, and on the challenging contract, that there is a dispute of shares and that COC will not approve any contract for the farm until the dispute is settled <p>Notes: Send the same letter to all parties concerning this action and copy all parties to this action.</p> <p>COC notification that it will not act on or approve any contract, where there is a dispute of shares, is not an adverse decision giving rise to any sort of appeal or appealability review. Appeals or appealability reviews only occur if COC renders a decision to approve or disapprove a contract.</p> <ul style="list-style-type: none"> producers on all contracts that they are responsible for resolving the dispute of shares and obtaining all necessary signatures of contract participants by the end of the enrollment period.
<p>conflicting CCC-866's show that there is a dispute of shares and the contract has not yet been approved</p>	<ul style="list-style-type: none"> all interested producers that COC will not approve any contract for the farm until the dispute is settled <p>Notes: To the extent possible, send the same letter and copy all parties asserting shares, operators, landowners, etc., with this notification.</p> <p>COC notification that it will not act on or approve any contract, where there is a dispute of shares, will not be considered an adverse decision giving rise to any sort of appeal or appealability review. Appeal or appealability reviews only occur if COC renders a decision to approve or disapprove the contract.</p> <ul style="list-style-type: none"> producers on all contracts that they are responsible for resolving the dispute of shares and obtaining all necessary signatures of contract participants by the end of the enrollment period.

222 Division of Payment Disputes (Continued)

E Payment When Disputes Are Resolved for ARC-CO and PLC

Approval of CCC-866 will be handled the same as for contracts not having a dispute for cases of disputes resolved by the end of the enrollment period.

If a dispute is resolved after September 30 of the applicable FY (or after September 30, 2020, for 2019 or 2020 CCC-866), CCC-866 may be approved and payments issued accordingly, **only** if CCC-862 was filed by September 30 of the applicable FY (or by September 30, 2020, for 2019 or 2020 CCC-866) with payment shares and signatures for all producers sharing in the base acres.

Disputing parties requesting payment must have payment shares greater than zero to receive payment. Approved ARC-CO and/or PLC contract payment shares will be limited to not more than the payment shares requested on the disputed contract.

Example: Producers A and B both file 2021 CCC-866 requesting 100 percent of the farm's payment timely. After September 30, 2021, Producers A and B agree to shares of 50 percent each. COC may approve the contract for payment to Producers A and B if a CCC-866 requesting 50 percent shares for each producer is timely filed with both signatures prior to September 30, 2021.

CCC-866's will **not** be approved **unless** all producers sharing in the base acres have signed the ARC-CO and PLC contract. If there is a dispute that is preventing 1 or more producers from signing, producers are responsible for ensuring that, as a condition of contract eligibility, CCC-866 with all necessary signatures of producers with shares entered is submitted to FSA no later than:

- September 30, 2020 for 2019 and 2020 offers of enrollment
- for 2021, 2022, and 2023 contract years:
 - March 15 of the applicable year to be considered timely enrolled
 - the late-filed enrollment period ending according to paragraph 203
 - the end of the contract period to be considered at all.

In no case will a contract **not** containing all required and necessary producer signatures be considered for any purpose or determination. COC will render no determination or action on contracts **not** having all necessary signatures and supportive and necessary contractual documents. FSA cannot approve enrollments of parts of farms.

Note: See subparagraph 202 D for exceptions.

F Payment Disputes for ARC-IC Farms (2019 through 2023)

Shares for ARC-IC are generated from FSA-578. Producers who cannot come to an agreement with regard to shares of covered commodities reported planted on farms having an ARC-IC election must resolve their dispute before FSA will approve the contract for CCC.

223 Division of Payment Dispute Examples**A Example Basic Farm Data**

The following are examples and should **not** be construed to be actual situations or rules. The examples are intended to illustrate potential disputes and remedies.

Unless otherwise noted, assume the following are applicable for each of the examples in this paragraph:

- 200.00 acres of cropland
- 100.00 base acres enrolled on CCC-866
- participated in the prior FY.

B Example 1

The landowner cash leases the entire farm to Producer A. Producer A enrolls the farm in ARC-CO or PLC claiming 100 percent of the payment. The landowner-disputes Producer A's share and signs another CCC-866 claiming 100 percent of the payment. The County Office generates CCC-866, 1 with 100 percent share to the landowner and another with 100 percent share to Producer A.

Under the ARC and PLC program, the landowner who cash leases an entire farm **cannot** receive a share of the payment for any covered commodity. The landowner's dispute of payment shares is contrary to the lease agreement and regulations governing the ARC and PLC program. COC will approve the CCC-866 for Producer A and issue payments accordingly. The landowner's CCC-866 will be disapproved, and the landowner will be notified of appeal rights according to 1-APP. Producer A will be:

- copied with the adverse decision to the landowner
- noticed on all appeals as a third party.

223 Division of Payment Dispute Examples (Continued)**C Example 2**

Producer A share rents from Landowner B. Producer A enrolls the farm in PLC claiming 75 percent of the payment. Landowner B disputes Producer A's share and enters into PLC claiming 33 percent of the payment. At the request of Producer A and Landowner B, the County Office generated one CCC-866 with 75 percent share of the payment to Producer A and 25 percent to Landowner B. A second CCC-866 will be generated with 67 percent share of the payment to Producer A and 33 percent to Landowner B. To ensure eligibility to enroll, all signatures on this contract will be obtained timely in case the dispute is resolved after the contract year is over.

PLC payment shares are in dispute. Producer A and Landowner B will be informed that COC will **not** render any determination before the dispute is resolved. See paragraph 222. Producer A and Landowner B **must** resolve the share dispute **before** issuing any payments.

Note: If share disputes are **not** resolved, PLC payments, if triggered, will **not** be made.

224-234 (Reserved)

Section 3 Contract Requirements

235 10-Acre Farm Rule Exception

A Signatures of Owners Certifying SDA or Limited Resource Farmers or Ranchers on ARC-CO and PLC Contract or ARC-IC Contract

The 2018 Farm Bill **prohibits** ARC or PLC payments to a producer if the sum of the base acres on all farms associated with the producer is 10.00 acres or less, **including any unassigned base acres**, unless the producer receiving a share on the farm is SDA, limited resource farmer or rancher, beginning farmer or rancher, or veteran farmer or rancher.

Producers receiving a share of the base acres, who certify on CCC-860 they meet the SDA (including gender) or limited resource farmer or rancher, beginning farmer or rancher, or veteran farmer or rancher exception, may receive payment on completed CCC-862 or CCC-866. Producers who do not meet the SDA or limited resource farmer or rancher, beginning farmer or rancher, or veteran farmer or rancher exception are **not** eligible to receive ARC or PLC payments on enrolled farms where total base acres on all farms is 10.00 acres or less.

Note: State and County Offices will **not** provide guidance to a producer about their inclusion in SDA or limited resource group.

Any farm having any number of base acres can be enrolled and approved. Payment eligibility on farms having 10.00 acres or less base acres, **including unassigned base acres**, is limited to SDA or limited resource farmer or rancher, beginning farmer or rancher, or veteran farmer or rancher as a condition of payment eligibility. As an eligibility condition, the certification may be updated at any time before payment.

1-CM requires CCC-860 to be completed by producers requesting eligibility consideration based on the applicable certification. The certification is for the producer claiming a share on CCC-862 or CCC-866, not members of the producer.

Any person or legal entity seeking payment as a producer on a farm or farms enrolled with 10.00 base acres or less **must** have a valid CCC-860 on file **before** payment will be issued.

236 ARC-CO and PLC Contract Enrollment Requirements

A Enrolling Base Acres on a Farm With ARC-CO and PLC Contract

Producers who enroll a farm into an ARC-CO and PLC contract may enroll on a crop-by-crop basis.

B Prohibited Enrollments

Enrolling only a portion of a crop's base acres is **not** permitted.

237 ARC-CO and PLC Division of Payment Shares

A ARC-CO and PLC Payment Sharing [7 CFR 1412.54]

Each eligible producer on a farm may enroll annually on CCC-866, as applicable, and receive payments determined to be fair and equitable as agreed to by all the producers on the farm and approved by COC.

If COC chooses to require documentation for a lease agreement, then each person or legal entity leasing a farm that enrolls on CCC-866 is required to provide 1 of the following:

- copy of their written lease to COC
- complete written description of the terms and conditions of any oral agreement or lease
- owner's or landlord's signature affirming a zero share on the contract.

Instead of the criteria in this subparagraph for zero share signatures of landowners on the farm, if the farm was cash-leased, and the lease is in the second year or later, no signature is required for the zero share landowners on the farm that in a prior year:

- signed CCC-509, CCC-861, CCC-862, or CCC-957 to zero share
- provided a written document to support a zero share; for example, CCC-510 or CCC-855.

By signing CCC-866, the producer is certifying that the cash lease arrangement with the landowner meets the criteria in this paragraph. Because the producer's signature is a certification, documentation supporting the lease is **not** required in the current year's farm folder.

COC always has the right to verify cash lease certifications.

Note: This provision may be used by each landowner on the farm with zero share whose share has not changed from the previous year, even though the farm may have been affected by a reconstitution where 1 or more landowners are either added or removed from the farm. In this case, only new owners added must either sign for zero share or the producer must provide a copy of the lease.

237 ARC-CO and PLC Division of Payment Shares (Continued)**A ARC-CO and PLC Payment Sharing [7 CFR 1412.54] (Continued)**

CCC will approve CCC-866 for enrollment and the division of payment when CCC is satisfied and determines that all of the following apply:

- landlords, tenants, and sharecroppers sign CCC-866 and agree to the payment shares shown on CCC-866
- interests of tenants and sharecroppers are being protected
- payment shares shown on CCC-866 do **not** circumvent either the provisions of 7 CFR 1412.54 or the provisions of part 1400 of this chapter.

B Who Must Share in the ARC-CO and PLC Contract

Individuals or entities who are producers with an interest in base acres on the farm **must** have a share on CCC-866. Individuals and entities may share in payments if the individual or entity is entitled to a crop or commodity ownership share of a crop and is:

- an owner on an eligible farm who meets the definition of producer on either base acres or planted acres of a covered commodity on a farm
- a producer, other than an owner, on base acres or planted acres of a covered commodity on a farm enrolled on CCC-866.

Note: A landowner or landlord who leases land to another producer is **not** eligible for payment.

A producer on a farm with an interest in only nonbase acres will **not** share on the base acres of CCC-866.

238 Overview of CCC-866**A CCC-866**

CCC-866 includes the following for each covered commodity on the farm:

- base acres
- producer payment shares for base acres
- signatures of the producer and CCC representative.

CCC-866 is available at

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

B Instructions for Completing CCC-866

Complete CCC-866 according to subparagraph 189 A.

C Example of CCC-866

See subparagraph 189 B for an example of CCC-866.

D CCC-862 and CCC-866 Appendix

CCC-862 and CCC-866 Appendix contains the terms and conditions of CCC-862. By signing CCC-862, participants:

- acknowledge receiving CCC-862 and CCC-866 Appendix
- agree to abide by the terms of CCC-862 and CCC-866 Appendix.

CCC-862 and CCC-866 Appendix is available in paragraph 242 and from the FFAS Employees Forms/Publications Online Website at

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

CCC-862 and CCC-866 Appendix (07-23-19) will be used for all farms for crop years 2019 through 2023.

239 ARC-IC Enrollment and Contract Requirements**A Enrolling Base Acres on a Farm**

Producers who enroll a farm on CCC-862 **must** enroll **all** base acres on the farm and plant covered commodities on the farm to be included in the ARC-IC revenue calculation. If a farm is enrolled, there are **no** unenrolled base acres. Payment cannot be earned on unassigned generic base acres.

B Ineligible ARC-IC Farms

Producers enrolling a farm on CCC-862 where a covered commodity is not planted on the farm will **not** be eligible for an ARC-IC payment on that farm.

240 ARC-IC Division of Payment Policy

A ARC-IC Payment Sharing [7 CFR 1412.54]

Each eligible producer on a farm may enroll annually on CCC-862, as applicable, and receive payments determined to be fair and equitable as reported on FSA-578.

If COC chooses to require signatures for zero shares, then each person or legal entity leasing a farm that enrolls in ARC-IC is required to provide 1 of the following:

- copy of their written lease to COC
- complete written description of the terms and conditions of any oral agreement or lease
- owner's or landlord's signature affirming a zero share on the contract.

Instead of the criteria in this subparagraph for zero share signatures of landowners on the farm, if the farm was cash-leased, and the lease is in the second year or later, no signature is required for the zero share landowners on the farm that in a prior year:

- signed CCC-509, CCC-861, CCC-862, or CCC-957 to zero share
- provided a written document to support a zero share; for example, CCC-510 or CCC-855.

By signing CCC-862, the producer is certifying that the cash lease arrangement with the landowner meets the criteria in this paragraph. Because the producer's signature is a certification, documentation supporting the lease is **not** required in the current year's farm folder.

COC always has the right to verify cash lease certifications.

Note: This provision may be used by each landowner on the farm with zero share whose share has not changed from the previous year, even though the farm may have been affected by a reconstitution where 1 or more landowners are either added or removed from the farm. In this case, only new owners added must either sign for zero share or the producer must provide a copy of the lease.

CCC will approve CCC-862 for enrollment when CCC is satisfied and determines that both of the following apply:

- interests of tenants and sharecroppers are being protected
- producers are **not** circumventing either the provisions of 7 CFR 1412.54 or the provisions of part 1400 of this chapter.

240 ARC-IC Division of Payment Policy (Continued)**B Who Must Share in the ARC-IC Contract**

Individuals and entities may earn payments if the individual or entity is entitled to a crop or commodity ownership share of a covered commodity reported planted on FSA-578 and is:

- an owner on an eligible farm who meets the definition of producer on planted acres of a covered commodity on a farm
- a producer, other than an owner, with planted acres of a covered commodity on a farm enrolled on CCC-862.

Note: A landowner or landlord who leases land to another producer is **not** eligible for payment.

A producer on a farm with no interest in covered commodities as reported on FSA-578 will **not** share in ARC-IC payments on that farm.

241 Overview of CCC-862**A CCC-862**

CCC-862 includes the following for each covered commodity on the farm:

- base acres
- signatures of the producer and CCC representative.

CCC-862 is available at

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

The 07-23-19 version of CCC-862 is acceptable for each contract year.

B Instructions for Completing CCC-862

Complete CCC-862 according to subparagraph 188 A.

C Example of CCC-862

See subparagraph 188 B for an example of CCC-862.

D CCC-862 and CCC-866 Appendix

CCC-862 and CCC-866 Appendix contains the terms and conditions of CCC-866. By signing CCC-866, participants:

- acknowledge receiving CCC-862 and CCC-866 Appendix
- agree to abide by the terms of CCC-862 and CCC-866 Appendix.

CCC-862 and CCC-866 Appendix is available in paragraph 242 and from the FFAS Employees Forms/Publications Online Website at

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>.

CCC-862 and CCC-866 Appendix (07-23-19) will be used for all farms for crop years 2019 through 2023.

242 CCC-862 and CCC-866 Appendix

A Example of CCC-862 and CCC-866 Appendix

The following is an example of CCC-862 and CCC-866 Appendix.

**This form is available electronically.
CCC-862 and CCC-866 Appendix
(07-23-19)**

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation (CCC)
Farm Service Agency (FSA)

APPENDIX TO CCC-862, AGRICULTURE RISK COVERAGE WITH INDIVIDUAL OPTION (ARC-IC) PROGRAM CONTRACT and CCC-866, PRICE LOSS COVERAGE (PLC) and AGRICULTURE RISK COVERAGE WITH COUNTY OPTION (ARC-CO) PROGRAM CONTRACT

1 PURPOSE AND CHANGES IN LAW

This appendix sets forth terms and conditions of the Agriculture Risk Coverage Individual Option (ARC-IC) Program Contract (CCC-862) and Price Loss Coverage (PLC) and Agriculture Risk Coverage County Option (ARC-CO) Program Contract (CCC-866). For the purposes of this appendix, the term "program contract" means either the PLC and ARC-CO Program Contract or ARC-IC Program Contract or both, as may be applicable. A person or legal entity who signs a program contract agrees to follow the terms and conditions contained in this CCC-862 and CCC-866 Appendix and acknowledges the applicability of Federal regulations applicable to the contract including those at 7 CFR Parts 12, 718, 1400, and 1412. It is understood and agreed by the participants signing the program contract to which this appendix is referenced that benefits under the program contract are subject to changes in law and applicable regulations.

It is understood and agreed that producers on a farm may participate in the program only by enrolling in a contract that is consistent with the election previously made for the farm and covered commodities of that farm. Election does not enroll and the election that applies to a farm and the covered commodities of a farm applies without regard to whether or not producers choose to enroll some or all of the covered commodities on the farm. Enrollment is required in order to participate in ARC or PLC each and every contract year.

A farm on which all cropland was planted to grass or pasture, including cropland that was idle or fallow, as determined by FSA, from January 1, 2009, through December 31, 2017, will have base acres and yields maintained for the covered commodities on the farm; however, no ARC or PLC payment will be made with respect to those base acres for the 2019 through 2023 crop years; the producers on a farm for which all of the base acres are maintained are: (i) ineligible to change the election applicable to the producers on the farm, and (ii) not permitted to reconstitute the farm to void or change this treatment of base acres.

A PLC and ARC-CO Contract allows for a PLC payment to eligible participants on a farm with respect to covered commodities for which a PLC election applies and where PLC yield and base acres are established. PLC payments shall be made if the Secretary determines that, for an elected and enrolled covered commodity, when the effective price for the covered commodity in a crop year is less than the effective reference price for the covered commodity for that crop year. The PLC and ARC-CO Contract allows for an ARC-CO payment after the end of the applicable marketing year for the covered commodity to the eligible producers on an enrolled farm for a covered commodity in each crop year if all the following apply: (a) there are covered commodity base acres of the covered commodity, (b) the covered commodity was so elected and farm enrolled, and (c) the enrolled covered commodity ARC-CO actual crop revenue was less than the ARC-CO guarantee for the farm. Payment of PLC or ARC-CO will be as soon as practical, as determined by the Deputy Administrator, after October 1 following the end of the 12-month marketing year for the covered commodity as applicable. The ARC-IC Contract allows for an ARC-IC payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the farm if the farm was so elected and enrolled in ARC-IC and the ARC-IC actual crop revenue for that farm and the producer is less than the ARC-IC guarantee.

The final enrollment date is as announced by FSA. It is the producer's responsibility to ensure that enrollment occurs by the final enrollment date.

2 DEFINITIONS

A 2014 Farm Bill means the Agricultural Act of 2014 (Pub. L. 113-79), as amended.

B 2019 Farm Structure means the farm as it was constituted as of September 30, 2019.

242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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C Actual average county yield means the crop year production of a covered commodity in the county divided by the total planted acres for that commodity for a crop year in the county, as determined by FSA. For wheat, corn, grain sorghum, barley and oats, planted acres are defined as harvested acres plus unharvested acres. In determining the yield for a county, FSA uses data in order from the following sources: RMA (when available) and yields determined by State committee. Separate irrigated and non-irrigated yields for a covered commodity will be established when the following is available in a county:

- RMA irrigated and non-irrigated data for a covered commodity must be available in 3 of the 5 years between the years 2013 and 2017, or
- Both of the following:
 - FSA irrigated and non-irrigated data for a covered commodity must indicate the county had at least 10% irrigated and 10% non-irrigated acres of the covered commodity in the county between the years 2013 and 2017; and
 - an average of 5,000 acres of the covered commodity was planted in the county every year 2013 through 2017

FSA will reevaluate these counties beginning in 2021 and continue through the end of the farm bill, as determined by FSA. FSA will calculate and use a trend-adjusted yield factor to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)

D Average historical county yield means the 5-year Olympic average of actual average county yields for the most recent 5 years available, as determined by FSA, (substituting 80 percent of the county transitional yield as defined in this part in each year where the actual average county yield is less than 80 percent of the county transitional yield). Separate irrigated and non-irrigated yields will be established in a county having a sufficient number of farms as outlined in subsection 2 C above. At FSA's discretion, FSA will calculate and use a trend-adjusted yield factor to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under 7 U.S.C. 1501 et seq.

E Actual Crop Revenue means revenue calculated as follows for:

- ARC-CO, for a crop year of a covered commodity: The actual average county yield per planted acre of the covered commodity multiplied by the higher of either the market year average (MYA) price of the covered commodity or the national average loan rate for the covered commodity. If a county has separate irrigated and nonirrigated yields established for a covered commodity, the actual crop revenue calculated for a farm with that covered commodity will be weighted based on the farm's historical irrigated percentage, as determined by FSA.
- ARC-IC, for a producer on each elected and enrolled farm for a crop year, is based on the producer's enrolled share of planted acres of all covered commodities on all farms for which ARC-IC has been elected and enrolled in that year and in which the producer has an interest: the sum of the results of the following calculation for each covered commodity on the farm:
 - (1) The total production of the covered commodity for all enrolled farms in the State in which the producer has an interest; multiplied by
 - (2) The higher of either the MYA price or national loan rate for the covered commodity; divided by
 - (3) The producer's share of the planted acres of the covered commodity in the State.

F Administrative County means the county specified at 7 CFR § 718.8. FSA farm records and PLC yields are based on the administrative county of the farm. ARC-CO assistance will be determined for the enrolled covered commodity base acres based on the physical location of covered commodity base acres on a farm, weighted and summarized to the farm, as determined by FSA.

242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

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- G Administrative units** mean for the purposes of ARC-CO, as determined by FSA, for application in no more than 25 counties that are each larger than 1,400 square miles and have more than 190,000 base acres where FSA will divide that county into no more than two administrative units as determined appropriate based on the differences in weather patterns, soil types, and other factors.
- H ARC-CO** means the Agriculture Risk Coverage elected with the county option. For no more than 25 counties that FSA divides into administrative units, each administrative unit will be viewed as a county for ARC-CO purposes. ARC-CO benchmark guarantee and actual revenues are based on physical location of the base acres on the farm as well as the historical irrigated percentage, if applicable, weighted and summarized to the farm level to determine payment eligibility.
- I ARC Guarantee** means for a crop year for a covered commodity, 86 percent of the benchmark revenue for ARC-CO and ARC-IC, as is applicable, and as specified in 7 CFR part 1412.
- J ARC-IC** means the Agriculture Risk Coverage elected with the individual option.
- K ARC-IC Farm** means the calculation resulting from the sum of the producer's interests in all of the producer's farms having an ARC-IC election and enrollment in the State for the applicable year.
- L Average historical county yield** means the 5-year Olympic average of actual county yields for the most recent 5 years available, as determined by FSA, (substituting 80 percent of the county transitional yield as defined in this part in each year where the actual county yield is less than 80 percent of the county transitional yield). Separate irrigated and non-irrigated yields will be established in a county having a sufficient number of farms as outlined in subsection 2 C above. FSA will calculate and use a trend-adjusted yield factor to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under 7 U.S.C. 1501 et seq.
- M Base Acres** means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B, subject to any reallocation, adjustment, or reduction. The term "base acres" includes any unassigned base acres.
- N Beginning farmer or rancher** means a farmer or rancher as defined in 7 CFR part 718.
- O Benchmark Revenue for ARC-CO** means the result obtained by multiplying the Olympic average historical county yield by the Olympic average MYA price for the most recent 5 crop years available, as determined by FSA, excluding each of the crop years with the highest and lowest prices and substituting the effective reference price in each year where the MYA price is less than the effective reference price. If a county has separate irrigated and nonirrigated yields established for a covered commodity, the benchmark revenue calculated for that farm and covered commodity will be weighted based on the farm's historical irrigated percentage, as determined by FSA.
- P Benchmark Revenue for ARC-IC** means a producer's share of all covered commodities planted on all farms in the State for which individual ARC has been elected and enrolled and in which the producer has an interest. FSA will calculate the benchmark revenue for ARC-IC using the following three steps, based on the producer's planted commodities:
- (1) For each covered commodity for each of the most recent 5 crop years available, as determined by FSA:
 - (a) Yield per planted acre (substituting 80 percent of the county transitional yield in each year where the yield per planted acre is less than 80 percent of the county transitional yield); multiplied by
 - (b) The MYA price (substituting the effective reference price in each year where the MYA price is less than the effective reference price).
 - (2) For each covered commodity, the average of the revenues determined under paragraph (1) of this definition for the most recent 5 crop years available, as determined by FSA, excluding each of the crop years with the highest and lowest revenues; and

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(3) For each of the 2019 through 2023 crop years, the benchmark revenue for the ARC-IC farm is the sum of the amounts determined under paragraph (2) of this definition for all covered commodities on such farms, adjusted to reflect the ratio between the total number of P&CP acres on such farms to a covered commodity and the total P&CP acres of all covered commodities on such farms. If a producer has an interest in multiple farms that have enrolled in ARC-IC, the ARC-IC benchmark revenue for that producer is a weighted average of the benchmark revenue for those multiple farms.

- Q Contract Period** means the compliance period specified for the contract for the particular program year, as designated on the program contract. References to the “contract” period refer to the compliance period for the particular program year. The compliance period for each program year is October 1 through September 30. For example, for the 2019 contract (and therefore for the 2019 program), the contract period is the compliance period for the 2019 program year that begins on October 1, 2018 and ends on September 30, 2019.
- R County coverage** means agriculture risk coverage (ARC-CO) elected under 7 CFR subpart D with the county option.
- S Covered commodity** means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, seed cotton, pulse crops, soybeans, other oilseeds, and peanuts.
- T Covered Commodity base acres** mean base acres of any covered commodity. The term does not include unassigned base acres on the farm.
- U Crop year** means the relevant contract year. For example, the 2019 crop year for corn is the year that runs from October 1, 2018, through September 30, 2019, and payments for that year refer to payments made under contracts with the year that runs during those dates.
- V Deputy Administrator** means the Deputy Administrator for Farm Programs (DAFP), or a designee.
- W Effective price** means the higher of the—
- National average market price received by producers during the 12-month marketing year for the covered commodity (also known as the MYA price), as determined by FSA; or
 - National average loan rate as defined in this part for the covered commodity in effect for the crop year, which is the same as the loan rate for a marketing assistance loan for the commodity for that crop year.
- X Effective reference price** means the lesser of the following:
- (a) an amount equal to 115 percent of the reference price for such covered commodity; or
 - (b) an amount equal to the greater of—
 - (i) the reference price for such covered commodity; or
 - (ii) 85 percent of the average of the marketing year average price of the covered commodity for the most recent 5 crop years as determined by FSA, excluding each of the crop years with the highest and lowest marketing year average price.
- Y Fallow** means any cropland or DCP cropland that is not devoted to any crop or trees.
- Z Farm structure** means the constitution of the farm. References to “farm structure” can be by date or crop year. When references to farm structure are by crop year, that means the farm as was last constituted as specified in 7 CFR part 718 subpart C in that crop year. The constitution of the farm is the farm and tracts and land within that farm and tracts as specified in 7 CFR part 718.
- AA Generic base acres** means the number of base acres for upland cotton in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B, subject to any adjustment or reduction under 7 CFR part 1412. Generic base acres are subject to allocation in §1412.25.

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- AB Grass or pasture** means, with regard to crop acreage and land, any cropland or DCP cropland devoted to grass, native grass, mixed forage two or more interseeded grass mix and mixed forage native grass interseeded, as determined by FSA.
- AC Idle** means any cropland or DCP cropland that is not devoted to any crop or trees.
- AD Individual coverage** means ARC (ARC-IC) elected for all covered commodities and the farm with the individual option.
- AE Historical irrigated percentage** means the percentage of the covered commodity that was irrigated (P&CP, including subsequently planted crop acreage) divided by the total acreage of the covered commodity (P&CP, including subsequently planted crop acreage) between the years 2013 through 2017, as determined by FSA.
- AF Limited resource farmer or rancher** means a farmer or rancher as defined in 7 CFR part 718.
- AG Marketing year** means the 12-month period beginning in the calendar year the crop is normally harvested as follows:
- (1) Barley, oats, and wheat: June 1 through May 31;
 - (2) Canola, flax and rapeseed, lentils, and dry edible peas: July 1 through June 30;
 - (3) Peanuts, seed cotton, and rice: August 1 through July 31; and
 - (4) Corn, grain sorghum, soybeans, sunflowers, safflower, mustard, crambe, sesame, and chickpeas: September 1 through August 31.
- AH Market year average (MYA) price** means the national average price received by producers during the 12-month marketing year, as determined by FSA for the relevant crop of the covered commodity.
- AI Medium grain rice** means medium grain rice and includes short grain rice, temperate japonica rice, and sweet rice.
- AJ Most recent 5 crop years** means the 5 years preceding the most immediately preceding crop year, as determined by the Deputy Administrator.
- AK National average loan rate** means the loan rate established for a crop year of the covered commodity as specified in 7 CFR part 1421.
- AL Other oilseed** means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.
- AM Owner** means the person or legal entity meeting the definition of owner in 7 CFR part 718 for the applicable contract period for which that person or legal entity is signing any form or performing any action required under 7 CFR part 1412.
- AN Payment acres** means:
- (1) For the purpose of ARC-CO and PLC, subject to planting flexibility provisions as specified in §1412.46, the payment acres for each covered commodity on a farm are equal to 85 percent of the covered commodity base acres for the covered commodity on the farm.
 - (2) For the purpose of ARC-IC, subject to planting flexibility provisions as specified in §1412.46, the payment acres for a farm are equal to 65 percent of all the covered commodity base acres on the farm.
- AO Payment yield** means for a covered commodity, the yield established according to 7 CFR part 1412, subpart C.

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- AP Planted and considered planted (P&CP)** means with respect to an acreage amount, the sum of the planted and prevented planted acres on the farm approved by the FSA county committee for a crop. P&CP is limited to initially planted or prevented planted crop acreage, except for crops planted in an FSA approved double-cropping sequence. Subsequently planted crop acreage and replacement crop acreage are not included as P&CP.
- AQ Price Loss Coverage (or PLC)** means coverage provided under 7 CFR part 1412, subpart D.
- AR Producer** means the person or legal entity meeting the definition of producer in 7 CFR part 718 for the applicable contract period for which person or legal entity is signing any form or performing any action required under 7 CFR part 1412. For example, if a signature of a "producer" is required, the person or legal entity must be a producer for the applicable contract period for which the person or legal entity is signing the form or performing the action required. The person or legal entity must be an owner, operator, landlord, tenant, or sharecropper who is both entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced and who shares in the risk of producing that crop. In determining whether a grower using hybrid seed, under contract, to produce a covered commodity is eligible for a payment to which the contract applies, FSA will not consider the contract with the seed producer and allow the payment to the grower of the hybrid seed. The preceding sentence only applies, however, if the grower of the hybrid seed would, but for the contract, be eligible to be considered a producer of the crop.
- AS Pulse Crop** means dry peas, lentils, small chickpeas, and large chickpeas.
- AT Replacement crop** means the planting or approved prevented planting of any crop for harvest following the failure of planted crop acreage or prevented planted acreage of a covered commodity not in a recognized double-cropping sequence (as specified in this section). Replacement crops cannot generate payments unless the replacement crop acreage meets the definition of eligible subsequently planted crop acreage.
- AU Seed cotton** means unginned upland cotton that includes both lint and seed.
- AV Socially disadvantaged farmer or rancher** means a farmer or rancher as defined in 7 CFR part 718.
- AW Subsequently planted crop acreage** means planted acres of a covered commodity following an initial P&CP covered commodity.
- AX Temperate japonica rice** means rice that is grown in high altitudes or temperate regions of high latitudes with cooler climate conditions, in the Western United States, as determined by CCC, for the purpose of the—
- (1) Reallocation of base acres
 - (2) Establishment of a reference price of 115 percent times the established reference price of medium grain rice and determining temperate japonica rice's own effective price; and
 - (3) Determination of the actual crop revenue and ARC guarantee.
- AY Trend adjusted yield** means the yield computed by multiplying the benchmark yield by a factor determined by taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for that crop and county.
- AZ Unassigned base acres** means the number of acres resulting from the allocation of generic base acres where no ARC or PLC payments are generated or earned.
- BA Upland cotton** means cotton that is produced in the United States from other than pure strain varieties of the Barbados species, any hybrid thereof, or any other variety of cotton in which one or more of these varieties predominate. In other words, it means any cotton that is not extra-long staple cotton.
- BB Veteran farmer or rancher** means a farmer or rancher as defined in 7 CFR part 718.

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3 PROGRAM CONTRACT

Each person or legal entity signing a CCC-862 or CCC-866 has acknowledged receipt of this appendix. Each person and legal entity signing the CCC-862 or CCC-866 understands and agrees that;

- A** Only a “producer,” as defined in part 2 of this appendix, is entitled to earn payments. Shares of PLC and ARC-CO Program Contract are determined based on the shares of the covered commodity base acres entered on the PLC and ARC-CO Program Contract. Shares of ARC-IC Program Contract payments are determined based on the shares recorded on the report of acreage filed as specified in §1412.66. Further, each eligible producer having a share of planted or eligible subsequently planted crop acreage of covered commodities has to do both of the following to be eligible for their share of a payment:
 - (1) Unless otherwise already enrolled on the program contract, sign the program contract during the contract period; and
 - (2) Have the producer's share recorded on the report of acreage filed as required by 7 CFR part 718 and 7 CFR §1412.66.
- B** A farm is limited in the number of payment acres as specified in part 2 of this appendix;
- C** The payment share for a person or legal entity asserting themselves as a producer may not exceed the person's or legal entity's applicable producer interest in a covered commodity or base acres as is applicable under this appendix and 7 CFR part 1412. An eligible producer's valid share of enrolled base acres on a farm are always limited to the producer's share of reported crop acreage on the farm. For example, if a producer enrolled with a 75 percent share of a farm's 1,000 base acres, the producer's enrollment would only be valid if the producer had 100 percent share interest in 750 or more reported crop acres on that farm. Valid claimed shares of base acres must always be supported by reported crop acres on the farm.
- D** Producers have until the enrollment deadline to timely file a program contract for that program year. Annual enrollment is required to earn payments in the applicable year.
- E** Except for enrollments of ARC-IC, eligible producers who choose to enter into a contract with FSA do so on a covered commodity by covered commodity basis. If the decision is made to enroll a covered commodity on a farm, producers having 100 percent of the interest in those base acres must enroll all base acres of the covered commodity on the farm. Enrollment of fewer than all base acres of the covered commodity by all the producers having a share interest in that covered commodity on the farm is not allowed and such covered commodity will not be considered enrolled unless all producers who share in the covered commodity base acres complete enrollment by the end of the enrollment period. CCC and FSA are under no obligation and are not responsible for ensuring that producers enroll.
- F** Producers who have enrolled are required to submit all documents necessary and required in order for FSA to make payment eligibility decisions from which the actual extent of payment eligibility can be determined by March 1 of the second contract year after the end of the contract period. This includes any payment eligibility document required under part 12 or part 1400 of this title. For example, for the 2019 contract year, the final date for submission of documents from which payment eligibility will be determined and apply is March 1, 2021. Payments to any person who fails to submit required forms and documents by this date will not issue to any person or legal entity. Further these payments will not be considered denied as the person or legal entity is presumed to have forfeited their interest in the payment according to §1412.51. This includes any documents related to compliance with §1412.67.
- G** Except as provided in 7 CFR §1412.41 for the 2019 program year only, or as determined necessary by CCC, requests for enrollment received after the end of a contract period will not be acted on or processed by FSA. FSA cannot contract on behalf of CCC after the end of the contract period.
- H** Contracts will not be approved unless all producers sharing in program contract acreage with more than a zero share have timely submitted all applicable signatures on the program contract and documentation necessary for FSA to make such approval, as determined by the Deputy Administrator. When required by FSA and as determined appropriate by FSA, for those producers with an interest but a zero share of program contract acreage

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(including, but not limited to, an owner cash renting owned land to a tenant), the program contract will not be approved before all producers have signed the program contract or furnished supportive and necessary contractual documents (such as cash leases in lieu of signing for a zero share).

A program contract not having all requisite signatures of producers having more than a zero share of contract acreage on or before the enrollment deadline are deemed incomplete and will not be considered submitted to FSA for any purpose and will not be acted on or approved. For ARC-IC Program Contracts there are no exceptions to this provision. Additionally, program contracts enrolled by a producer by the date specified in paragraph (a)(2)(i) of 7 CFR §1412.41 that were not signed by other producers are deemed withdrawn and will not be approved. An exception to this applies to PLC and ARC-CO Program Contract offers of enrollment. In those instances, at the discretion of the Deputy Administrator and where no dispute of shares or other disagreement between producers is evident or suspected, PLC and ARC-CO Program Contract offers of enrollment can be approved for the covered commodity to permit payment only to those eligible producers who did enroll and without regard to program contract shares that do not have signatures. In this instance, the covered commodity on the farm will be viewed as enrolled. This exception will be made only if, in the sole judgment and discretion of FSA, FSA is satisfied that those producers who did sign in accordance with this section ensure compliance with all contract provisions and requirements of this part. Producers have no right to payment on any farm that is not enrolled in the ARC or PLC Program Contract and they are not entitled to a decision to authorize the exception for PLC and ARC-CO Program Contract enrollments as discussed above, as that is discretionary.

- I** Neither CCC nor FSA are responsible for ensuring that producers annually enroll their farm. Producers on a farm are solely responsible for ensuring that enrollment occurs.
- J** Eligible producers who choose to enter into an ARC-IC program contract with FSA enroll all covered commodity base acres on the farm. Enrollment of fewer than all covered commodity base acres on the farm is not allowed for ARC-IC. For PLC or ARC-CO enrollments, eligible producers who choose to enter into a contract with FSA do so on a covered commodity by covered commodity basis. If the decision is made to enroll a covered commodity on a farm, producers having 100 percent of the interest in those covered commodity base acres must enroll all covered commodity base acres of the covered commodity on the farm. Enrollment of fewer than all base acres of the covered commodity by all the producers having a share interest in that covered commodity on the farm is not allowed and such covered commodity will not be considered enrolled unless all producers who share in the base acres complete enrollment by the end of the enrollment period.
- K** If a multiyear contract option is selected by all a farm's producers of covered commodity base acres, the enrollment of any covered commodity on a farm in such year and immediate subsequent crop year will be presumed by CCC and FSA to be the enrollment for following subsequent crop years unless any of the following, as determined by FSA, occur:
 - (1) A change to the farm's constitution;
 - (2) A change to any of the farm's base acres or PLC yield of any covered commodity;
 - (3) A change to any of the producers or producer shares of covered commodities on the farm;
 - (4) A change in either election or enrollment of any covered commodity on the farm;
 - (5) Any change, including a withdrawal of any enrolled producer, that would require producers on the farm to have to reaffirm enrollment, as determined by FSA.
- J** All contracts expire on September 30 of the fiscal year of the contract unless, before that date in the same program year, the contract is:
 - (1) Withdrawn in accordance with 7 CFR §1412.41(b);
 - (2) Terminated in accordance with 7 CFR §§ 1412.41(d) or (e); or
 - (3) Terminated at an earlier date by mutual consent of all parties, including FSA.

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- L** A program contract becomes effective when signed by an authorized representative of FSA; however, the contract period is from October 1 through September 30 for each program year irrespective of when the contract is signed by the FSA representative or the person applying for benefits. If a multiyear contract option is selected by all of the producers on a farm, the enrollment of the covered commodities on a farm in such year will have a contract period beginning October 1 of that contract year extending through September 30 of the subsequent crop year by CCC or FSA unless any of the following, as determined by FSA, occur:
- (1) A change to the farm's constitution;
 - (2) A change to any of the farm's base acres or PLC yield of any covered commodity;
 - (3) A change to any of the producers or producer shares of covered commodities on the farm;
 - (4) A change in either election or enrollment of any covered commodity on the farm;
 - (5) Any change, including a withdrawal of any enrolled producer, that would require producers on the farm to have to reaffirm enrollment, as determined by FSA.
- M** At any time through September 30 of a program year, the contract may be terminated upon written agreement of all producers eligible for payment under the contract. For ARC-CO and PLC contracts, at any time through September 30 of a program year, the contract for an enrolled covered commodity may be terminated upon the submission and approval by the County Committee or designee of a signed, written agreement of all producers eligible for payment for the covered commodity under the contract.
- N** An obligation will be terminated for a producer or owner whose interest in the crops or land on the farm is transferred during the contract period and will not be entitled to earn payments with respect to the farm for that contract period. The transferee may assume the obligation of the contract if the transferee is otherwise eligible to participate in the program by entering into a revised contract during the period of time prescribed by FSA. In the event a succession-in-interest occurs, and the contract obligation is not assumed timely for the contract year, the enrolled covered commodities on the farm will not be considered enrolled.
- O** Changes in the farming operation that may affect any program determination after the program contract is signed, including, but not limited to, ownership changes, producer changes, or changes in the crop share arrangements on the farm, must be reported to FSA by all applicable producers signing a revised program contract to reflect the changes no later than September 30 of the contract year. The failure of producers to timely report changes and file a revised program contract may result in the loss of payments for all producers on the farm for the crop year(s) covered by the program contract. In such event, all producers on the program contract must refund to CCC payments received for the crop year(s), plus interest, and the farm is considered not enrolled.
- P** A completed farm reconstitution which divides or combines farms will result in the termination of the initial program contract and, with respect to the base acreage assigned by the Secretary to the resulting farms of that reconstitution, the farm producers must enroll the base acres by signing a new program contract for the resulting farm(s) by the later of the final signup date, or 30 days after notification of the bases and yields for the resulting farm(s). A program contract not having all requisite signatures of producers on or before the final signup date, or 30 days after notification of the base acres and yields of the resulting farm, will not be considered submitted to FSA for any purpose and will not be acted on or approved. Those program contracts not enrolled by a producer on or before the final signup date, or 30 days after notification of the base acres and yields of the resulting farm will be deemed withdrawn and will not be approved. Producers on a farm are solely responsible for ensuring that enrollment occurs. In addition, after the enrollment deadline, neither the combination of a farm having enrolled covered commodities with any farm having covered commodities not enrolled nor the combination of farms with a conflicting election is allowed. The failure of producers and owners to timely enroll the base acres may result in the loss of payments for all producers on the original or new farm for the crop year. The provisions of this section of the appendix that allow for a new program contract after the normal signup date in the case of a reconstitution only apply to program contracts for the program year in which the reconstitution was requested.

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- Q** Each crop year producers are required to timely file in the manner prescribed by FSA with the FSA County Committee the following and agree to meet any other certification or filing requirements, as may be required by FSA, if not already on file:
- (1) A fully reported/fully certified acreage report of all cropland on the farm in accordance with 7 CFR Part 718; and
 - (2) A farm operating plan in accordance with 7 CFR Part 1400; and
 - (3) A certification of compliance with the highly erodible land and wetland conservation provisions set forth in 7 CFR Part 12; and
 - (4) A certification of compliance with the average adjusted gross income provisions in accordance with 7 CFR Part 1400 (together with any waivers as may be deemed needed by FSA to verify income with the Internal Revenue Service); and
 - (5) A report of production on the farm according to 7 CFR §1412.66, if enrolled in ARC-IC.
- R** Violations of the highly erodible land and wetland conservation provisions of 7 CFR Part 12 may result, at FSA's discretion, in termination of the payments with respect to each producer in violation (or considered in violation) or a reduction in the program contract payment. Upon termination, each producer shall forfeit all rights to receive program contract payments on each farm in which the producer has an interest and must refund to CCC all program contract payments received by such producer during the period of violation, plus interest. A producer considered in violation of those provisions may also lose other benefits.
- S** The payment limitation provisions of 7 CFR Part 1400 relating to payment limits and payment eligibility requirements apply to payments under this contract as indicated by relevant regulations. For all covered commodities other than peanuts, the total amount of ARC and PLC payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year cannot exceed \$125,000. For peanuts, the total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year cannot exceed \$125,000. Also, as permitted by 7 CFR Part 1403 payments to a producer can be setoff commensurately to the extent that persons with a direct or indirect ownership interest have a past due or collectable obligation to the United States or one of its agencies. Each producer determined by FSA to have adopted a scheme or device designed to evade, or which has the effect of evading such regulations, must refund any contract payment on all farms in which such producer has an interest and shall be ineligible for such payments for the following contract year. Further, no payment may be allowed which is prohibited by any applicable regulation or statute.
- T** The regulations at 7 CFR Parts 12, 718, 1400, and 1412 are incorporated by reference as part of this program contract.
- U** FSA representatives may enter the farm to determine if the producers are in compliance with this contract.
- Program contract participants agree to effectively control noxious weeds and otherwise maintain the land on the farm in accordance with sound agricultural practices; and use the land on the farm for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use.
- V** Payments are subject to the availability of funds, compliance with all applicable laws and statutory changes and to limits on payments as may be provided for in the program regulations. It is specifically understood that any payments under this appendix and the program to which it applies are subject to statutory and regulatory changes including those that occur after the signing of the program contract. Payments may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be required, FSA will provide notice about the required percent of payment reduction that applies to the payments.

242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

CCC-862 and CCC-866 Appendix (07-23-19)

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- W** A producer on a farm is not eligible to receive ARC or PLC payments if the sum of the base acres, including any unassigned base acres on the farm is 10 acres or less unless the sum of the base acres on the farm, when combined with the base acres of other farms in which the producer has an enrolled producer share interest greater than zero, is more than 10 acres. This 10-acre limitation will not apply to a socially disadvantaged farmer or rancher, a beginning farmer or rancher, a veteran farmer or rancher, or a limited resource farmer or rancher.
- X** Calculations provided for in this appendix are made by FSA farm serial number, as provided for in the program contract and each FSA farm serial number from which producer(s) seeks payments must have a separate program contract submitted and approved on file. There will only be one program contract from any farm serial number for any program year – that is, all producers on the farm serial number must, for each program year, submit for approval by FSA for CCC a single, new program contract.
- Y** If there is a discrepancy between terms of the program contract, the appendix, or any current or subsequent statutory or regulatory provisions, the statutory or regulatory language will apply.
- Z** Producers are not required to purchase crop insurance or participate in the Noninsured Crop Disaster Assistance Program (NAP) in order to participate in ARC or PLC.
- AA** In a case where a producer has failed to sign a program contract by the enrollment deadline or end of the contract period established for enrollment and participation for the producer's reported share of covered commodities on a farm enrolled as specified in this part, that producer's share will not be considered for payment and will not generate any payment to the producer or to any other producer on the farm.
- AB** If a farm is cash leased, that is the landowner receives a zero share of covered commodities planted on the farm or a zero share of any base acres, then the tenant(s) who enter a producer signature on CCC-862 or CCC-866 is deemed to have satisfied program requirements of landowner(s) signing to a zero share of CCC-862 or CCC-866. This provision is contingent upon FSA being satisfied that the producers signing the contract have the interest alleged on the contract and there are no undisclosed facts or circumstances that would require the application of a more restrictive rule regarding approval of the contract. FSA may require affirmation of the shares entered on a contract if FSA is not satisfied that the shares are as represented. If at any time FSA is not satisfied with shares or if there is any dispute between parties, FSA can elect not to approve the contract or disapprove the already approved contract.
- AC** Persons or legal entities who have signed program forms for which a signature certification is made for any purpose under 7 CFR part 1412 must retain records substantiating the certification or signature for 3 years after effective program year the person or legal entity signed the program document.

4 PLANTING FLEXIBILITY

- A** Any crop may be planted and harvested on base acres except as set out below. Any crop may be planted on cropland in excess of the base acres on a farm.
- B** Base acres may be hayed or grazed at any time.
- C** Except as specified below in paragraph D below, the planting or harvesting of perennial or harvesting of non-perennial fruits, vegetables (except mung beans and covered commodities), or wild rice, as determined by CCC, results in an acre for acre payment reduction when such crop or crops are planted and or harvested, as applicable, on more than:
 - (1) 15 percent of the base acres of a farm enrolled in PLC or ARC using county coverage plus any unassigned base acres; or
 - (2) 35 percent of the base acres of a farm enrolled in ARC using individual coverage, plus any unassigned base acres.

242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

CCC-862 and CCC-866 Appendix (07-23-19)

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- D** Notwithstanding the provisions of paragraph C above, perennial fruits, vegetables, and wild rice may be planted or harvested on base acres of a farm and non-perennial fruits, vegetables, and wild rice may be harvested on base acres of a farm if a producer double-crops fruits, vegetables, or wild rice with a covered commodity in any region described in paragraph E below, in which case payment acres will not be reduced for the planting or harvesting of the fruit, vegetable, or wild rice.
- E** Double-cropping for purposes of this section means planting for harvest non-perennial fruits, vegetables, or wild rice on the same acres in cycle with a planted covered commodity harvested for grain in a 12-month period under normal growing conditions for the region and being able to repeat the same cycle in the following 12-month period. The counties listed in 7 CFR §1412.46(e) have been determined to be regions having a history of double-cropping covered commodities or peanuts with fruits, vegetables, or wild rice.

5 PLC PAYMENTS

- A** Provided all provisions of the PLC and ARC-CO Contract and 7 CFR part 1412 including but not limited to election have been satisfied for each of the 2019 through 2023 contract years, a PLC payment will be made to eligible participants on a farm enrolled in PLC with respect to covered commodities for which a PLC yield and base acres are established:
 - (1) When the effective price for a covered commodity in a crop year is less than the effective reference price for the PLC enrolled covered commodity for that crop year as specified in this part; and
 - (2) As soon as practical, as determined by the Deputy Administrator, after October 1 following the end of the 12-month marketing year for the covered commodity as applicable.
- B** The effective price for a covered commodity is defined in section 2 W above.
- C** The payment rate used to calculate PLC payments with respect to a covered commodity for which PLC yields and base acres are attributed to the covered commodity on a farm enrolled in a PLC and ARC-CO contract is the effective reference price of the covered commodity minus the effective price of the covered commodity for the applicable crop year
- D** When PLC payments are triggered in accordance with section 5 A of this appendix, subject to the limitation in 7 CFR §1412.51 and in 7 CFR part 1400, the PLC payment to be paid to producers on a farm and covered commodity enrolled in a contract with respect to a covered commodity for which a PLC yield and base acres are attributed is equal to the product of:
 - (1) The payment rate determined in accordance with paragraph C of this section of the appendix, multiplied by
 - (2) The relevant payment acres of the covered commodity, as applicable, minus any payment acre reduction in accordance with part 4 of this appendix, multiplied by
 - (3) The PLC payment yield for the covered commodity on the farm enrolled in a PLC contract as determined in accordance with 7 CFR §1412.31, minus
 - (4) Any reduction calculated in accordance with 7 CFR part 1412, subpart F.
- E** A producer must refund to CCC any payment which exceeds the amount actually earned under the PLC and ARC-CO Contract, including the refund of unearned payments for a crop year resulting from another owner or producer assuming an interest in the base acres for the crop year. Interest on such refunds will be assessed in accordance with 7-CFR Part 1403 and will accrue from the date of disbursement.

242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

CCC-862 and CCC-866 Appendix (07-23-19)

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6 ARC PAYMENTS

- A** Provided all provisions of program contract and 7 CFR part 1412 have been satisfied for each of the 2019 through 2023 contract years, FSA will issue, as applicable and consistent with the election and enrollment:
- (1) An ARC-CO payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity to the producers on a farm for a covered commodity in each crop year if the covered commodity was enrolled in ARC-CO and the ARC-CO actual crop revenue was less than the ARC-CO guarantee.
 - (2) The payment is equal to the result of multiplying the payment acres for the covered commodity times the difference between the actual crop revenue and the ARC-CO guarantee not to exceed 10 percent of the ARC-CO benchmark revenue.
- B** Provided all provisions of the ARC-IC Program Contract and 7 CFR part 1412 have been satisfied for each of the 2019 through 2023 contract years, FSA will issue, as applicable and consistent with the election and enrollment:
- (1) An ARC-IC payment beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the farm if the farm was enrolled in ARC-IC and the ARC-IC actual crop revenue for that farm is less than the ARC-IC guarantee.
 - (2) Payment is equal to the result of multiplying the payment acres for the covered commodities times the difference between actual crop revenue and the ARC-IC guarantee, not to exceed 10 percent of benchmark revenue for ARC-IC.
- C** If a producer has an interest in multiple farms in the state that have enrolled under an ARC-IC Program Contract, the ARC-IC benchmark revenue for that producer used in the payment calculation is a weighted average of the benchmark revenue for those multiple farms.
- D** The effective price and guarantee for temperate japonica rice is based on the price that all medium and short grain (including glutinous) rice receives in California. The effective price and guarantee for medium grain rice outside California is based on the price that all medium and short grain rice receives outside California.

8 OTHER PAYMENT PROVISIONS

- A** A producer who declines to receive payments by indicating such on the program contract may subsequently decide to receive payments, provided that the producer signs a revised program contract or otherwise notifies the FSA County Committee in writing by the end of the contract period for that same contract and program year.
- B** Payments will not be earned by any producer on a program contract, unless payment shares are properly designated and all producers sign the program contract in accordance with 7 CFR part 1412. In cases where a payment share dispute exists, payments will not be earned by producers involved in the dispute on the farm unless the payment share in dispute is resolved by agreement of the parties and documented in writing to the satisfaction of the FSA County Committee by the end of the contract period for the program year, and the agreed upon payment shares are compliant with program regulations and provisions.
- C** Any payment or portion thereof due any producer is made by CCC without regard to any question of title under State law, and without regard to any claim or lien against the crop, or proceeds there from, which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to producers or their assignees.
- D** Payments can be denied to any signatory who FSA determines has violated State law provisions that affect a tenant's right to lease agricultural land, or any person (including a subsequent tenant) who would profit by such a violation.
- E** Interest on any refund due CCC accrues from the date of disbursement by CCC.

242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

CCC-862 and CCC-866 Appendix (07-23-19)

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- F** All payments are subject to the limits in this appendix or elsewhere that may apply and all payments are subject to changes in statutory and regulatory provisions (including any and all new statutory or regulatory provisions) irrespective of whether those amendments and provisions or changes occurred after the signing of this contract.
- G** A person or legal entity is ineligible for payments if the person's or legal entity's adjusted gross income (AGI) for the applicable compliance program year is in excess of \$900,000. If a person with an indirect interest in a legal entity has AGI in excess of \$900,000, the payments subject to AGI compliance provisions to the legal entity will be reduced as calculated based on the percent interest of the person in the legal entity receiving the payment. AGI is calculated based on the average income for the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the relevant years used to calculate AGI for 2019 are the 2015, 2016, and 2017 tax years. For 2020, the relevant years are the 2016, 2017, and 2018 tax years.

9 LOSS OF BENEFITS

- A** If FSA determines a person or legal entity erroneously represented any fact affecting a determination made by FSA under this program contract, payments will not be allowed on the farm with respect to the payment shares of that person or legal entity. If FSA determines that the misrepresentation was intentional or fraudulent, or if the person or legal entity knowingly adopted any scheme or device which tends to defeat the purposes of the program contract, the person or legal entity forfeits all rights to payments on each farm in which the person or legal entity has an interest and must refund to FSA all payments received by the person or legal entity during the period of the violation, plus interest. Schemes and devices and other actions to evade payment limitations can lead to ineligibility for payments, under the provisions of 7 U.S.C. 1308-2. Also, under those same statutory provisions, the filing of false documents or, to the extent provided by regulation, other serious actions can lead to a five year disqualification for payments. In addition, any scheme or device to increase the amount of the payment under a program contract will, irrespective of whether it is related to a maximum payment limitation or not, be grounds for denying payment under the program contract involved or for demanding repayment if payment has already been made.
- B** All producers sharing in program contract payments are jointly and severally liable for any refunds determined pursuant to section 9 A of this appendix and FSA will establish claims for the full amount of the refund against each producer in accordance with 7 CFR Part 1403 and this appendix. A signatory to the contract who does not receive any share of the contract payments will not be liable for the repayment of such refund.
- C** The provisions of this section are in addition to any liability which may be incurred under various criminal and civil statutes, including, but not limited to, 7 U.S.C. 1308-2, 15 U.S.C. 714m, 18 U.S.C. 286, 287, 371, 641, 1001; and 31 U.S.C. 3729.

10 MODIFICATIONS

FSA reserves the right to correct all errors in entering data on a program contract and the results of computations made pursuant thereto and to modify this agreement and appendix to reflect statutory and regulatory changes (including new statutory and regulatory provisions) in the program, including changes in program payments and program eligibilities. In the event of such modifications, producers are allowed to withdraw from the program contract, in which case all payments received under the program contract, if made, must be refunded with interest from the date the funds were disbursed. FSA also reserves the right to require refunds of payments as the result of determinations made in accordance with the maximum payment limitations in the regulations at 7 CFR Part 1400.

242 CCC-862 and CCC-866 Appendix (Continued)

A Example of CCC-862 and CCC-866 Appendix (Continued)

CCC-862 and CCC-866 Appendix (07-23-19)

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11 REFERENCE PRICES

The reference price is as follows for the following covered commodities:

- (A) Wheat, \$5.50 per bushel;
- (B) Corn, \$3.70 per bushel;
- (C) Grain sorghum, \$3.95 per bushel;
- (D) Barley, \$4.95 per bushel;
- (E) Oats, \$2.40 per bushel;
- (F) Long grain rice, \$14.00 per hundredweight;
- (G) Medium grain rice, \$14.00 per hundredweight;
- (H) Soybeans, \$8.40 per bushel;
- (I) Other oilseeds, \$20.15 per hundredweight;
- (J) Peanuts, \$535.00 per ton;
- (K) Dry peas, \$11.00 per hundredweight;
- (L) Lentils, \$19.97 per hundredweight;
- (M) Small chickpeas, \$19.04 per hundredweight;
- (N) Large chickpeas, \$21.54 per hundredweight;
- (O) Seed cotton, \$0.367 per pound.

12 PROJECTED PRICES AND OTHER RELEVANT MATERIAL

Additional information referenced by this appendix regarding the programs, including, but not limited to average and projected prices and market year average prices and national loan rates can be found at:

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

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

242 CCC-862 and CCC-866 Appendix (Continued)**B Distributing CCC-862 and CCC-866 Appendix**

Producers who enroll on CCC-862 or CCC-866 acknowledge receipt of CCC-862 and CCC-866 Appendix.

CCC-862 and CCC-866 Appendix will be provided by 1 of the following methods:

- providing the producer a copy of CCC-862 and CCC-866 Appendix
- providing the producer the web site link to CCC-862 and CCC-866 Appendix at **<https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>**
- e-mailing the producer a copy of CCC-862 and CCC-866 Appendix.

243 Participants Declared Deceased, Incompetent, or Missing for Contract Years 2019 through 2023

A Basic Rule

Individuals declared deceased, incompetent, or missing, but who met or meet the definition of a producer for the contract period, are eligible for payments if payments become available and a completed, timely submitted CCC-862 or CCC-866 was approved. However, if payment is **not** to be issued to the participant, FSA-325 **must** be completed according to this paragraph. The eligible payment will be issued under the deceased producer's ID number even if FSA-325 is completed. This situation is **not** considered a succession and CCC-862 or CCC-866 **must not** be altered.

B Contract and Payment Options for Deceased Producers

Following are the contract options for deceased producers before the end of the contract period:

- pay deceased producer

Note: The deceased producer was the producer on the farm during the contract period.

- pay deceased producer ID number using a requested FSA-325

Note: FSA-325 **may** be completed, according to 1-CM, by the individual or entity requesting payments **earned** by a deceased producer. Payments will be issued to the individual or entity requesting payment using the deceased producer's ID number. A revised CCC-862 or CCC-866 will **not** be completed when payments are issued under the deceased, incompetent, or missing participant's ID number.

- complete a successor contract before the end of the contract period.

Notes: If the estate or heir is determined to be the producer on the farm, that estate or heir must succeed to the interest of the deceased producer before the end of the contract period.

CCC-862 or CCC-866 must **not** be revised to show the estate ID number after September 30 of the applicable year.

244 Deceased Producers for 2019 Program Year**A 2019 Deceased Producers and Dissolved Entities**

Authority to sign contracts, applications, and other documents on behalf of deceased, missing, or incompetent producers may vary according to State law. If an eligible producer in 2019 is now deceased or is a dissolved entity, then an authorized representative of the deceased producer or dissolved entity may sign CCC-862 or CCC-866 provided that the authorized representative has authority to enter into a contract for the deceased producer or dissolved entity.

Important: Persons and legal entities must sign contracts by deadlines without regard to the date the persons or legal entities obtain proof of authority to sign. Proof of authority to sign **must** be on file in the County Office before contract approval. See 1-CM, paragraph 779. Proof of authority includes any of the following:

- court order
- letter from Secretary of State
- document approved by OGC Regional Attorney.

Use FSA-325 **only** when it is requested that ARC or PLC payments earned by a deceased producer are issued in a name other than that of the deceased producer.

ARC or PLC payments will be issued to the respective qualified claimant's names using the deceased producer's TIN.

The State Office will consult with the OGC Regional Attorney on the following types of cases:

- documentation submitted does not clearly establish authority to enter into a contract or application on behalf of the deceased individual, closed estate, or dissolved entity
- requesting issuance of ARC or PLC payments to heirs of a deceased individual without documentation provided that establishes authority to enter into a contract or application on behalf of the deceased individual.

244 Deceased Producers for 2019 Program Year (Continued)**A 2019 Deceased Producers and Dissolved Entities (Continued)**

If ARC or PLC contract involving a deceased individual or closed estate is determined to have been signed by an authorized individual, payments:

- will be issued using TIN of the eligible individual or the individual's estate, as applicable
- may be issued in the names of the heirs, based on OGC's determination, according to 1-CM.

If a producer is a general partnership or joint venture that was dissolved, **all** members of the general partnership or joint venture at the time of dissolution, or their representatives, must sign the contract and associated forms.

Note: Only 1 contract will be submitted for the partnership or joint venture; however, all members must sign the applicable contract.

245 Approving CCC-866

A CCC-866 Approval

CCC-866 may be approved if **all** of the following are met:

- all producers sharing in base acres on the farm:
 - agree to the payment shares
 - sign CCC-866
- owner signature requirements for cash-rented land, according to paragraph 205, are met, if COC chooses to require
- COC determines that:
 - shares do **not** circumvent payment limitation rules
 - interest of tenants, sharecroppers, and landowners are protected according to paragraph 221
 - payment shares:
 - are **not** in dispute
 - meet division of payment guidelines according to paragraph 237.

Note: See paragraph 205 for guidance about missing signatures on CCC-866.

Approve CCC-866 after all the conditions in this subparagraph are met. CED's, with delegated authority from COC, can approve CCC-866. Redlegation of authority **must** be documented in the COC minutes **before** CED approves CCC-866.

All approvals must be documented in the COC minutes. This includes electronic approvals.

If a change, such as a change in FRMS, removes the approval date for CCC-866 that was approved electronically, the approving official may use the current date as the approval date on CCC-866. The change that removed the approval date may require the producer or County Office to take additional action on CCC-866 before approval.

Situations may occur when contract approval is not available in the software. Contract approval is also not allowed "on paper" during these times.

245 Approving CCC-866 (Continued)

B CCC-866 Disapproval

If, for any FY, COC determines that an owner or operator does **not** meet the terms and conditions of the ARC and PLC program, COC will:

- **not** approve CCC-866 for the applicable FY
- obtain DD concurrence according to paragraph 3
- notify the owner, operator, and all other persons signing CCC-866 of the disapproval
- document COC findings in the COC minutes
- provide applicable appeal rights.

Note: A decision by COC **not** to act or render a decision on CCC-866 is **not** an adverse decision giving rise to any appeal or appealability review.

C Revising CCC-866

Revisions to CCC-866 must **not** be made after:

- September 30, 2020, for FY 2019 and 2020 contracts
- September 30 of the applicable year for FY 2021 and subsequent years.

D Processing Revised CCC-866

If it is necessary to revise shares on an approved CCC-866 before the conclusion of the applicable contract period, follow these steps.

Step	Action
1	Use automated procedures in 2-ARCPLC to remove the COC approval date when producer signature requirements have not been met.
2	Use the automated procedure in 2-ARCPLC to process share revisions.
3	Print a revised CCC-866 and obtain signatures for producers revising shares.
4	On the revised CCC-866, ENTER “ See Attached ” in CCC-866, item 18 for producers whose shares were not affected by a transfer or change in interest of land.
5	Attach the revised CCC-866 to the original CCC-866.

COC will approve shares on the revised CCC-866.

Note: The approval date **must** reflect the date COC approves the revised CCC-866.

246 Approving CCC-862

A CCC-862 Approval

CCC-862 may be approved if **all** of the following are met:

- all producers sharing in covered commodities planted on the farm sign CCC-862
- owner signature requirements for cash-rented land are met, according to paragraph 205, if COC so chooses
- COC determines that:
 - shares do **not** circumvent payment limitation rules
 - interest of tenants, sharecroppers, and landowners is protected according to paragraph 221
 - payment shares, as reported on FSA-578:
 - are **not** in dispute
 - meet division of payment guidelines according to paragraph 237.

Note: See paragraph 205 for guidance about missing signatures on CCC-862.

Approve CCC-862 after all the conditions in this subparagraph are met. CED's, with delegated authority from COC, have the authority to approve CCC-862. Redelelegation of authority **must** be documented in the COC minutes **before** CED approves CCC-862.

If CCC-862 is approved before FSA-578 certification and a dispute is subsequently discovered, COC will disapprove CCC-862 and notify all parties.

If a change, such as a change in FRMS, removes the approval date for CCC-862 that was entered into the ARCPLC Contract software, the approving official may use the current date as the approval date on CCC-862. The change that removed the approval date may require the producer or County Office to take additional action on CCC-862 before approval.

Situations may occur when contract approval is not available in the software. Contract approval is also not allowed "on paper" during these times.

246 Approving CCC-862 (Continued)

B CCC-862 Disapproval

If, for any FY, COC determines that a producer does **not** meet the terms and conditions of the ARC program, COC will:

- **not** approve CCC-862 for the applicable FY
- obtain DD concurrence according to paragraph 3
- notify the producers signing CCC-862 of the disapproval
- document COC findings in the COC minutes
- provide applicable appeal rights.

C Revising CCC-862

Revisions to CCC-862 must **not** be made after:

- September 30, 2020, for FY 2019 and 2020 contracts
- September 30 of the applicable year for FY 2021 and subsequent years.

D Processing Revised CCC-862

If it is necessary to revise an approved CCC-862 before the conclusion of the applicable contract period, follow these steps.

Step	Action
1	Use automated procedures in 2-ARCPLC to remove the COC approval date when producer signature requirements have not been met.
2	Use the automated procedure in 2-ARCPLC to process revisions.
3	Print a revised CCC-862 and obtain signatures for producers who have not yet signed.
4	On the revised CCC-862, ENTER “ See Attached ” in CCC-862, item 13 for producers who previously signed CCC-862.
5	Attach the revised CCC-862 to the original CCC-862.

COC will approve the revised CCC-862.

Note: The approval date **must** reflect the date COC approves the revised CCC-862.

247 Inaccurate Representation and Misrepresentations and Scheme or Device

A Inaccurate Representation

Persons and legal entities are required to report and certify to program matters accurately. However, from time to time, errors in reporting or certification are detected, which may impact eligibility or extent of eligibility.

If an error was made by a person or legal entity that did not meet the requirements of ARC or PLC, but the person or legal entity made a good faith effort to fully comply, equitable relief provisions in 7-CP may be considered.

Program benefits and eligibility determinations must be based on the most accurate information available. Persons and legal entities are responsible for refunding any program benefits that were paid based on incorrect information.

247 Inaccurate Representation and Misrepresentations and Scheme or Device (Continued)

B Misrepresentations and Scheme or Device

COC's are given the discretion and authority to determine when an inaccurate representation or certification rises to the level of misrepresentation, scheme, or device.

A person or legal entity is ineligible to receive payments and will have the person's or legal entity's interest in all CCC-862's and CCC-866's canceled if it is determined that this person or legal entity has done any of the following:

- adopted any scheme or device to defeat the purpose of ARC or PLC
- made any fraudulent representation under ARC or PLC
- misrepresented any fact affecting an ARC, PLC, or payment limitation eligibility (including actively engaged in farming) person determination
- violated or been determined ineligible under 7 CFR 1400.5.

IF COC determines...	THEN...
a person or legal entity erroneously represented any fact affecting a determination to be made by CCC under CCC-862 or CCC-866	ARC and PLC payments will not be allowed on the farm with respect to the payment shares of that person or legal entity.
that the misrepresentation was intentional or fraudulent, or if the person or legal entity knowingly adopted any scheme or device to defeat the purposes of CCC-862 or CCC-866	<p>the person or legal entity:</p> <ul style="list-style-type: none"> • forfeits all rights to ARC and PLC payments on each farm in which the person or legal entity has an interest • must refund to CCC all payments received by the person or legal entity during the period of the violation, plus interest computed from the date of payment disbursement.

All persons and legal entities sharing in ARC and PLC payments on CCC-862 and CCC-866 are jointly and severally liable for any refunds determined according to subparagraph A, and CCC will establish claims for the full amount of the refund against each person or legal entity according to 7 CFR Part 1403. A signatory to CCC-862 or CCC-866 who does not receive any share of payments (a person or legal entity signing for a zero share) is **not** liable for the repayment of this refund.

248 CCC-862 and CCC-866 Modification After End of Contract Period**A Introduction**

The final date for participants to provide all necessary signatures for producers with an interest in CCC-862 and CCC-866 is March 15 (March 15, 2020 for FY 2019, June 30 for FY 2020) of the applicable FY.

Revisions to CCC-862 and CCC-866 will **not** be made after the conclusion of the contract period (September 30) for the applicable FY.

Note: See paragraph 203 for late-filed enrollment provisions.

2-ARCPLC provides procedure for updating producer signature and enrollment date information in FRMS.

B Updates Affecting Enrollment Date

The enrollment date is automatically removed when any of the following changes are made to data in FRMS:

- operator is changed
- other tenant with an interest in CCC-862 or CCC-866 is removed from the farm
- owner is added to a tract associated with the farm
- base acres are modified
- PLC payment yields are modified
- election is modified according to 10-CM
- out-of-balance condition is created because of changes to effective DCP cropland
- CCC-862 contract base acre shares are revised.

Updates to FRMS for any of these reasons constitute a modification of existing CCC-862 and CCC-866; therefore, the enrollment date is automatically removed from FRMS when the update occurs.

248 CCC-862 and CCC-866 Modification After End of Contract Period (Continued)**C State Office Review Process**

The All Farms With Enrollment Date Modifications After End of Contract Period Report will be available to State Office specialists to identify all CCC-862's and CCC-866's with an enrollment date that was updated during the previous month. This report is available to State and National Office users **only**. See 2-ARCPLC for instructions for printing the report.

Reminder: An enrollment date can be entered into the ARCPLC software at any time; however, if the enrollment date for the contract is after September 30 of the applicable contract year, the enrollment date **must** be recorded by the State Office. See paragraph 249 for additional information about situations where enrollment of the farm could occur after the conclusion of the contract period.

State Offices may review the All Farms With Enrollment Date Modifications After End of Contract Period Report detailing where the enrollment date has been updated during the previous month. State Offices may:

- conduct a review of farms listed on the monthly report to ensure that ARC and PLC program policy has been administered properly
- take corrective action, if applicable, with County Offices if contracts were updated in error.

Note: SED's may delegate the review to DD's.

249 Updating Producer Signature and Enrollment Dates After the End of Contract Period**A Introduction**

County Offices will ensure that all information recorded in ARCPLC contract software accurately reflects signature, enrollment, and approval date information. See 2-ARCPLC for additional information about how data will be entered in ARCPLC contract software.

If a valid signature of a producer with an interest in CCC-862 or CCC-866 or enrollment information is actually **received** after the conclusion of the contract period of the applicable year, ARCPLC contract software is designed to prevent County Office users from updating that information.

If a valid signature of a landowner with zero share or cash lease is actually **received** after the conclusion of the contract period of the applicable year, ARCPLC contract software is designed to prevent County Office users from updating that information.

Example: Landowner signed a 2020 CCC-866 to zero shares on October 13, 2020. ARCPLC contract software will **not** allow a zero share signature after September 30, 2020, to be entered by a County Office user as a producer signature date. The signature and enrollment dates must be updated by the State Office.

249 Updating Producer Signature and Enrollment Dates After the End of Contract Period (Continued)**B Situations That Warrant Producer Signature or Enrollment Dates After the Conclusion of the Contract Period**

The enrollment date in ARCPLC contract software is determined by the **later** of the following:

- date the last required signature was obtained on CCC-862 and CCC-866
- date the cash lease is provided to the County Office if required by COC.

Note: Use the later of the signature date or postmark/date stamp of when the contract is received in the County Office according to 1-CM.

The following is considered supporting documentation and can be submitted anytime:

- landowner signing CCC-862 or CCC-866 to zero shares
- copy of a cash lease agreement.

Some cases require State Office intervention so ARCPLC contract software can be updated to accurately reflect when the signature was obtained and/or when CCC-862 or CCC-866 was enrolled.

ARCPLC contract software validations do **not** allow County Office users to enter a producer signature date after the conclusion of the contract period, including zero share signatures.

**249 Updating Producer Signature and Enrollment Dates After the End of Contract Period
(Continued)****C County Office Action**

For situations described in subparagraph B, County Offices will:

- **not** manipulate ARCPLC contract software by entering invalid signature, enrollment, or approval dates
- submit a copy of the completed CCC-862 or CCC-866 and cash lease documentation, if applicable, to the State Office with a cover memorandum requesting that ARCPLC contract software be updated with either or both of the following:
 - landowner's signature date
 - enrollment date.

D State Office Action

After verifying that the situation warrants intervention based on supporting documentation, State Office program specialists will update the signature and/or enrollment date according to 2-ARCPLC.

250 ARC and PLC Relief**A Background**

Questions have risen on the applicability of finality and relief that may be requested by COC on ARC and PLC. The following information is being provided to assist the understanding of finality and relief as it relates to ARC and PLC. This guidance should be used to supplement preparing finality and relief cases according to 7-CP.

Participants have the right to challenge, to FSA or NAD, if FSA has its facts right with regard to a given program determination or extent of producer eligibility decision, or whether FSA correctly applied the rules of a program to that set of facts to arrive at a correct program eligibility, extent of eligibility, or producer compliance decision. The need to consider relief may occur when there has been some unintended or inequitable result in light of an error or oversight, by the producer or by FSA.

Relief provisions **cannot** be used to obtain results not otherwise attainable by producers who satisfy or meet every compliance provision or ARC and PLC program requirement. Relief is not a means of obtaining a review of the program, program's rules, or some means of seeking a different program.

250 ARC and PLC Relief (Continued)

B Determining the Need for Relief

There **must** be a decision on an ARC and PLC program matter, eligibility, or extent of eligibility at issue **before** deciding whether there is cause to consider relief. Reviewing authorities will not contemplate relief for hypothetical situations.

Examples: If COC wants to seek relief for a late-filed contract, the late-filed CCC-862 or CCC-866 **must** first be completed, signed, and submitted to FSA for action **before** FSA can make a determination. Without CCC-862 or CCC-866 submitted timely or otherwise, a request for relief is hypothetical as to what FSA would do in the event there was a contract completed and submitted. In this instance, there is no FSA decision (or relief consideration) required or due.

Producer A visits the County Office in September 2020, asking the status of their 2019 contract enrollment on a farm. FSA PT finds that Producer A did **not** enroll the farm for 2019. Producer A wants to meet with COC to discuss why they should be allowed to enroll in 2019.

Result: Unless Producer A signs CCC-862 or CCC-866 for 2019, and that CCC-862 or CCC-866 is signed by **all** others who might share CCC-862 or CCC-866, Producer A is **not** entitled to either a decision on CCC-862 or CCC-866, or relief consideration. When Producer A submits CCC-862 or CCC-866 with all signatures, timely or **not**, FSA will process that CCC-862 or CCC-866 according to this handbook, which may or may **not** result in consideration of relief.

Relief is **not** intended to be used to review the equity of ARC and PLC program rules. When something **not** otherwise anticipated by prescribed program rules occurs, relief under 1 or more of the forms of relief (misinformation/misaction, failure to fully comply, or programmatic relief) may be considered by FSA or NAD.

251 Types of Relief That Are Applicable to the ARC and PLC Program

A Availability

The following types of relief apply to the ARC and PLC program:

- finality
- programmatic equitable relief
- equitable relief from ineligibility, extent of eligibility, or noncompliance with program provisions under misinformation/misaction
- equitable relief from ineligibility, extent of eligibility, or noncompliance under failure to fully comply
- base restoration.

B Finality

Regulations governing finality (commonly known as the “finality rule”) are at 7 CFR 718.306. Instructions for finality are in 7-CP, Part 2.

Finality rule applicability may appear to have the same effect as relief; that is, under the finality rule a participant may be permitted to keep payments that were disbursed in error, through no fault of the participant. However, finality is **not** equitable relief.

The key test for application of finality is whether the participant (**not** FSA) had any reason to know the FSA decision was in error. Additionally, finality applies only to decisions of STC’s and COC’s, and employees of STC’s and COC’s. The finality rule does **not** apply to decisions by National Office employees, RMA, reinsured companies, or SED’s. Further, if it is applicable, the finality rule only pertains to whether or not FSA can recover an erroneous payment that was issued as a result of an erroneous decision. FSA will still correct incorrect decisions or errors and not affirmatively issue erroneous payments.

251 Types of Relief That Are Applicable to the ARC and PLC Program (Continued)**C Equitable Relief Under Misinformation/Misaction**

Claims for equitable relief under misinformation/misaction sometimes occur when producers fail to enroll timely. FSA can only assist participants with enrollment. FSA employees **cannot** enroll a farm for a participant. Participants are responsible for enrolling their farms and they are personally aware whether they have or have not yet enrolled. In fact, the participant usually is best suited to know what he or she has and has not done. FSA **cannot** enroll for producers. Additionally, the deadline for enrollment is publicized in the public domain and forums, such as GovDelivery, newsletters, Internet, press announcements, etc. Therefore, a participant is deemed to have reasonable knowledge of deadlines established for enrollment as well as actual knowledge about their own actions or whether they personally enrolled or **not**.

Example: A common theme is, “I asked the FSA employee if there was anything else I needed to sign”, and the employee said “no”.

While a person may interpret an FSA employee saying “no” to the question on whether there is anything else required as a communication from FSA that the person has already enrolled, the test under misinformation/misaction is whether there was any incorrect ARC and PLC program information or advice conveyed directly to the participant by FSA, and whether the participant had any reason to know that the information was incorrect.

In the example, FSA did **not** say or convey any incorrect information by answering “no”. Additionally, in the example, it appears the participant relied on the participant’s own understanding of the information conveyed. If the FSA employee had incorrectly stated that the participant had up to 3 weeks later to sign up, this communication might be considered a basis for a valid misinformation/misaction claim or request, provided the participant had no reason to question that advice or information and acted, to their own detriment and reliance, on incorrect information, such as signing up within 3 weeks of the deadline.

251 Types of Relief That Are Applicable to the ARC and PLC Program (Continued)**D Equitable Relief Under Failure to Fully Comply**

Failing to enroll or sign up on time is **not** a compliance violation or failure to fully comply. Compliance or performance violations can only occur with producers who are on enrolled farms and who are already subject to compliance or performance requirements.

Example: An enrolled farm may have to accurately report acreage and production. A spot check review indicates that the farm erred in reporting production (overstated or understated). The participant reported acreage timely and accurately and producers strived to report production accurately.

The error in reported production does **not** appear to be intentional and is **not** large enough to cause suspicion of ARC and PLC program malfeasance. However, determined production **must** be used. Even though the producer failed to accurately report production, allowing the farm to continue to receive benefits using determined production is an acceptable form of relief under a failure to fully comply.

E Programmatic Equitable Relief

In individual circumstances or cases, under 7 CFR 1412.2, DAFP has the authority to allow STC's and COC's to waive or modify deadlines, **except** statutory deadlines and basic contract law provisions, such as the end of a contract period, and other nonstatutory requirements where DAFP determines the lateness or failure to meet the requirement **not** adverse to the operation of the ARC and PLC program. The regulations specify that producers have no right to seek an exception under this relief provision. At FSA's discretion, FSA may (but does **not** have to) consider a request for programmatic equitable relief.

Example: An individual was involved in an automobile accident and suffered short-term memory loss that was documented by a physician. When COC disapproved CCC-862 or CCC-866 as being late-filed, COC recognized what it believed were extenuating circumstances and recommended that relief be granted to approve the late-filed enrollment. In turn, STC referred the case to DAFP for consideration.

Result: DAFP approved the case because it was determined that circumstances warranted that action and the relief approved did **not** give the producer any unfair advantage over others who met the ARC and PLC program requirements.

251 Types of Relief That Are Applicable to the ARC and PLC Program (Continued)**E Programmatic Equitable Relief (Continued)**

Example: FSA learns of a producer who had an interest in base acres on a farm, but did **not** sign the ARC or PLC contract and did **not** receive a share of the ARC or PLC payment.

Result: Depending on when the error was first discovered and why, and assuming no other factors, such as misinformation or misaction on the part of FSA, DAFP may, at its discretion, grant ARC and PLC program relief to producers on CCC-862 or CCC-866 as follows.

- Allow timely entered signatures of producers to retain and continue to receive payments based on corrected shares, if it can be determined that producers who did timely sign did **not** intentionally misrepresent themselves.

Note: In instances where a person or legal entity has **not** signed CCC-862 or CCC-866, that person or legal entity is **not** entitled to any sort of FSA decision, eligibility decision, or relief decision, and that person or legal entity has no standing to contest or challenge any decision of FSA, because the person or legal entity has made no application or requested a decision from FSA. See 1-APP, paragraph 10.

- If it can be determined that there was no intentional misrepresentation by any of the producers, provided there was a timely submitted CCC-862 or CCC-866, allow producers to sign a corrected CCC-862 or CCC-866 by the end of the contract period with correct shares and have payments recomputed.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (Includes Form AD-1026 Appendix)		4, 216
CCC-505	Voluntary Permanent Base Acre Reduction		Text
CCC-509	Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		237, 240
CCC-510	Cash Rent Certification Statement		237, 240
CCC-517	Tract Redistribution Form		21, 22
CCC-855	Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (LFP) Lease Agreement Certification Statement		237, 240
CCC-860	Socially Disadvantage, Limited Resource and Beginning Farmer or Rancher Certification		235
CCC-861	Agricultural Risk Coverage - County Option (ARC-CO) and Price Loss Coverage (PLC) Contract		237, 240
CCC-862	Agricultural Risk Coverage - Individual Option (ARC-IC) Contract	188	Text
CCC-862 and CCC-866 Appendix	Appendix to CCC-862, Agricultural Risk Coverage With Individual Option (ARC-IC) Program Contract and CCC-866, Price Loss Coverage (PLC) and Agricultural Risk Coverage With County Option (ARC-CO) Program Contract	242	Part 8
CCC-866	Agricultural Risk Coverage – County Option (ARC-CO) and Price Loss Coverage (PLC) Election and Contract	189	Text
CCC-866-1	Election for Base Acres Returned to the Farm	42	42

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		1, 216
CCC-903	Worksheet For Payment Eligibility and Payment Limitation Determinations		216
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information - Agricultural Act of 2014		4, 216
CCC-957	Cotton Transition Assistance Program (CTAP) Application		237, 240
CRP-1	Conservation Reserve Program Contract		Text
FSA-155	Request for Farm Reconstitution		206, 218
FSA-179	Transfer of Farm Records Between Counties		206, 218
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		243, 244
FSA-578	Report of Acreage		Text

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

Approved Abbreviations	Term	Reference
2008 Farm Bill	Food, Conservation, and Energy Act of 2008 (Pub. L. 110 246)	1, 5, 136
2014 Farm Bill	Agricultural Act of 2014, Title 1 (Pub. L. 113-79)	Text
2018 Farm Bill	Agriculture Improvement Act of 2018 (Pub. L. 115-334)	Text
ARC	agriculture risk coverage	Text
ARC-CO	agriculture risk coverage – county	Text
ARC-IC	agriculture risk coverage – individual	Text
CC	counter-cyclical	Text
CTAP	Cotton Transition Assistance Program	22
FRMS	Farm Records Management System	Text
HIP	historical irrigated percentage	206
MYA	marketing year average	1, 5, Ex. 2
PFC	production flexibility contract	41, 207
PLC	price loss coverage	Text

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)**Redelegations of Authority**

COC may redelegate authority to approve CCC-505's, CCC-862's and CCC-866's to CED, in routine cases. Redlegation must be documented in COC minutes.

SED's are delegated the authority to approve programmatic relief when one or more producers on a farm do not have control of adequate DCP cropland to support the requested payment share of base acres on enrolled ARC/PLC farms.

Note: Redlegation to CED from COC for the approval of a contract subject to the 2018 Farm Bill ARC and PLC (approving a 2019 and/or 2020 CCC-862 and/or CCC-866) must be recorded in the executive session minutes at the next COC meeting. This delegation may be retroactive for calendar year 2019.

Definitions of Terms Used in This Handbook

Base Acres

Base acres mean the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR Part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. Unless specifically stated otherwise, the term “base acres” includes any generic base acres that attribute base acres of a covered commodity when planted to a covered commodity or are eligible subsequently planted crop acreage.

Note: Generic and attributed base acres are not applicable for 2018.

Cash Lease

Cash lease means a guaranteed sum, certain cash payment, or fixed quantity of the crop.

Covered Commodity

[7 CFR 1412.3] Covered commodity means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts.

Notes: Cotton is **not** a covered commodity. What were cotton base acres on September 30, 2013, as adjusted, are generic base acres for ARC and PLC as of October 1, 2013.

Generic and attributed base acres are not applicable for 2018.

Market Year Average (MYA) Price

MYA price means the national average price received by producers during the 12-month marketing year, as determined by FSA, for the relevant crop of the covered commodity.

Payment Acres

[7 CFR 1412.3] Payment acres mean:

(1) For the purpose of PLC and ARC when county coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for each covered commodity on a farm will be equal to 85 percent of the base acres for the covered commodity on the farm.

(2) In the case of ARC when individual coverage has been selected under Subpart D, but subject to §1412.47, the payment acres for a farm will be equal to 65 percent of the base acres for all of the covered commodities on the farm.

Payment Yield

[7 CFR 1412.3] Payment yield means for a farm for a covered commodity the yield established under subpart C of this part.

Definitions of Terms Used in This Handbook (Continued)

Voluntarily Terminated

Share Lease

Share lease means provisions that require any of the following:

- payment of rent based on the amount of crop produced where both parties share in the risk of the crop produced
- proceeds derived from the crop
- interest the producer would have had if the crop had been produced.

Voluntarily Terminated

Voluntarily terminated means CRP-1 is terminated when either of the following apply:

- request for termination by applicable participants is received
- death of CRP participants with no succession to CRP-1.

Important: Terminating CRP-1 for any other reason, including the following, is not a voluntary termination:

- CRP-1 violation
- sale of land enrolled in CRP.