

For: State and County Offices

Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Election

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Agricultural Act of 2014, Title 1, Section 1115 (Pub. L. 113-79) (2014 Farm Bill) authorizes a 1-time **irrevocable** election to obtain ARC or PLC.

B Purpose

This notice provides guidance to State and County Offices on ARC and PLC elections.

The election period is from November 17, 2014, through March 31, 2015.

2 ARC and PLC Election Overview

A Election Period

Current producers on farms with base acres have the opportunity to elect ARC or PLC that will be in effect for the life of the 2014 Farm Bill. The election period is **November 17, 2014**, through **March 31, 2015**. The election will be made on CCC-857.

Notes: Current producer means the person or legal entity meeting the definition of producer on the day that person or legal entity is signing any form or performing any action required. For example, if a signature of a current producer is required, the person or legal entity **must** be a producer on the day the person or legal entity is signing or performing the action required.

Producer means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. A producer includes a grower of hybrid seed.

Disposal Date	Distribution
June 1, 2015	State Offices; State Offices relay to County Offices

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2 ARC and PLC Election Overview (Continued)

B Election Decision

The 2014 Farm Bill provides the current producers on a farm, with an interest in the farm's cropland, a 1-time opportunity to collectively, unanimously, and irrevocably elect 1 of the following:

- ARC-IC (individual coverage) for all 21 covered commodities and the farm for crop years 2014 through 2018
- PLC or ARC-CO (county coverage) on a covered commodity-by-covered commodity basis on the farm.

Election Decision	Description
ARC-IC Election	If all current producers on a farm elect ARC-IC, then that election is for all 21 covered commodities and for the farm. No further election decision is required or can be made for the farm or any covered commodity because ARC-IC is a “whole farm” and “all covered commodities” election.
PLC or ARC-CO Election (Generic base acre farms.)	Only applicable if all current producers on a farm have not elected ARC-IC. PLC and/or ARC-CO election decision must be made by all current producers on a farm and for each and all of the 21 covered commodities on a covered commodity-by-covered commodity basis, regardless of whether the farm has base acres of the covered commodity.
PLC or ARC-CO Election (Nongeneric base acre farms.)	Only applicable if all the current producers on a farm have not elected ARC-IC. PLC and/or ARC-CO election decision on the farm is on a covered commodity-by-covered commodity basis. The election decision will only be made for covered commodities on the farm having base acres.

C Election Irrevocability

Unless rescinded or terminated according to subparagraph D, the election made by **all** the current producers on a farm **cannot** be revoked, terminated, or modified and will remain valid for the 2014 through 2018 crop years.

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2 ARC and PLC Election Overview (Continued)

D Rescinding or Terminating an Election

At any time during the announced election period, any current producer can rescind or terminate the election by providing written notice to FSA during the election period. The written notice to rescind or terminate election **must** be physically received in the County Office during the election period to be valid and recognized. Immediately following receipt of notice to rescind or terminate, the farm will be viewed as **not** having any effective 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 with this subparagraph). Elections, including subsequent elections following rescission or revocation of a previous election, can be made by **March 31, 2015**.

E Failure to Make an Election

Current producers on farms who, for whatever reason, do **not** file an election by March 31, 2015:

- render the farm and all covered commodities and producers **ineligible** to receive any 2014 payment under the ARC and PLC Program
- cause the farm to be deemed as having a PLC election apply to all 21 covered commodities and farm for the 2015 through 2018 crop years.

F Who Must Sign

An election will not be approved unless all current producers on a farm, at the time of election, have signed CCC-857 making an election as described in subparagraph B. An election not having all requisite signatures of producers on a farm filed with FSA by **March 31, 2015**, will **not** be considered submitted for the purpose of election and will **not** be acted on or approved.

COC's will process elections from current producers on a farm based on the election filed. For example, if the current producers of a farm attest that they are all of the current producers on the farm and FSA later learns that there was another current producer at the time of election who did not sign the election, the election is **invalid**. If at any time COC determines that an election fails to satisfy the election requirements because it did not include the unanimous agreement of all current 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 current producers will be recognized. 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, 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.

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2 ARC and PLC Election Overview (Continued)

F Who Must Sign (Continued)

The election period ends **March 31, 2015**. The election period and its ending date are **not** a compliance requirement or provision. The requirement of an election is specified in the 2014 Farm Bill. The election requirement is **not** subject to any equitable relief provisions. Relief **cannot** be used to create a valid election where there is no valid election or to circumvent any of the statutory election provisions. Because the requirement of a unanimous irrevocable election and ramifications for not having a valid election are specified in the 2014 Farm Bill, COC's will refrain from acting on or considering relief requests related to elections.

G Impact of Transfers of Land, Successions-in-Interest, and Reconstitutions

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 farms folder.

Follow 2-CM for reconstitutions. Farms can **only** be combined with farms having similar elections.

H CCC-505 Reductions for CRP

Farms exist that have **both** of the following for a specific covered commodity:

- CCC-505 reductions for CRP that reduced the base acres to zero
- no planting history of that covered commodity from 2009 through 2012.

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.

3 ARC and PLC Program Examples

A Example 1, Election Decision

In this example, Farm 1 has base acres of:

- corn
- soybeans
- wheat.

All current producers decide ARC-CO or PLC is the best option for the life of the 2014 Farm Bill; therefore, the election decision for the farm is:

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

B Example 2, Election Decision

In this example, Farm 2 has base acres of:

- corn
- soybeans
- wheat
- generic.

All current producers decide ARC-CO or PLC is the best option for the life of the 2014 Farm Bill; therefore, all current producers must elect ARC-CO or PLC for all 21 covered commodities.

C Example 3, Election Decision

In this example, Farm 3 has base acres of:

- corn
- soybeans
- wheat.

All current producers decide ARC-IC is the best option for the life of the 2014 Farm Bill; 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.

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3 ARC and PLC Program Examples (Continued)

D Example 4, Determining Current Producer

In this example, the current producers must be determined. Farm 4 has base acres of:

- corn
- soybeans
- wheat.

Farm owner is Bob and the farm operator is Bill who has a 2-year cash lease.

The current producer is Bill. **Only** Bill makes the election of the life of the 2014 Farm Bill.

E Example 5, Determining Current Producer

In this example, the current producers must be determined. Farm 5 has base acres of:

- corn
- soybeans
- wheat.

Farm owners are Fred and Karen, and the farm operator is Bill. Bill cash leases Fred's land and share leases Karen's land.

The current producers are Bill and Karen. **Only** Bill and Karen make the election for the life of the 2014 Farm Bill.

F Example 6, Determining Current Producer

In this example, the current producers must be determined. Farm 6 has base acres of:

- barley
- grain sorghum
- small chickpeas.

Farm owners are Fred and Karen, farm operator is Bill, and the tenant is Shelia. Bill cash leases Fred and Karen's land. Shelia subleases 50 acres from Bill to plant alfalfa.

The current producers are Bill and Shelia. **Only** Bill and Shelia make the election for the life of the 2014 Farm Bill.

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3 ARC and PLC Program Examples (Continued)

G Example 7, Determining Current Producer

In this example, the current producers must be determined. Farm 7 has base acres of:

- corn
- wheat.

Farm owners are Fred and Karen and farm operator is Bill who share leases from both Fred and Karen. Fred, Karen, and Bill shall make the farm election.

H Example 7, Determining Current Producer

Fred and Karen sell the farm to Sam, for which Bill is the farm operator, **before** March 31, 2015. Bill and Sam may do either of the following:

- take no action and maintain the existing election
- complete another election **before** March 31, 2015.

Note: FSA is under **no** obligation to provide election information to Sam, **unless** requested by Sam.

I Example 8, Reconstitutions

In the following example, a reconstitution request to divide Farm 8 that has 2 tracks, into 2 farms is received in the County Office. Farm 8 has base acres and elections of:

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

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 with base acres.

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3 ARC and PLC Program Examples (Continued)

J Example 9, Reconstitutions

In the following example, 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 same elections.

4 Action

A County Office Action

County Office employees shall follow the policy in this notice when processing farm elections.

B State Office Action

State Office employees instruct County Office employees with the policy in this notice to complete farm election processing.

Example of CCC-857

The following are instructions for completing CCC-857.

Item	Instructions	
1	Auto-filled with program years 2014 through 2018.	
2A	Enter administrative County Office 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	If the current producers on the farm elect ARC-IC, check (✓).	
7	IF the current producers on the farm do not elect ARC-IC in item 6 and the farm...	THEN the current producers must elect ARC-CO or PLC for...
	does not have generic base acres	any covered commodity with base acres on the farm.
	has generic base acres	each of the 21 covered commodities.
8A	Enter a current producer's name and address.	
8B	For the current producer listed in item 8A, enter that producer's e-mail address (optional)	
8C	For the current producer listed in item 8A, enter the producer's phone number (optional).	
8D	Current producer listed in item 8A shall sign.	
8E	If the current producer that signed 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 8A.	
9A	Enter name of CCC representative that accepted CCC-857.	
9B	Enter date the person in item 9A signed CCC-857.	
10	Enter remarks (optional).	
11A	Enter same number as recorded in item 5.	
11B	Enter same number as recorded in item 3.	
11C	Enter same number as recorded in item 4.	
11D	Enter same numbers as recorded in item 1	
12A	Enter a current producer's name and address.	
12B	For the current producer listed in item 12A, enter that producer's e-mail address (optional)	
12C	For the current producer listed in item 12A, enter the producer's phone number (optional).	
12D	Current producer listed in item 12A shall sign.	
12E	If the current producer that signed in item 12A signed in a representative capacity, enter the title of the person who signed in a representative capacity.	
12F	Enter date the person signed in item 12A.	

Example of CCC-857 (Continued)

The following is an example of CCC-857.

This form is available electronically.				(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)							
CCC-857 (10-31-14)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Program Years: 2014 through 2018							
AGRICULTURE RISK COVERAGE (ARC) AND PRICE LOSS COVERAGE (PLC) PROGRAM ELECTION				2A. County FSA Office Name and Address (Including Zip Code)							
				2B. County FSA Office Telephone Number (Including Area Code)		2C. County FSA Office FAX Number (Including Area Code)					
				3. State Code	4. County Code	5. Farm Number					
<p>THIS ELECTION must be made by all current producers on the farm, and must occur by the end of the election period announced by FSA to be effective for this farm beginning with the 2014 crop year, under the terms of 7 CFR Part 1412. If an ARC or PLC election is not made, the election shall default to PLC for all covered commodities on the farm, starting with the 2015 crop year, and the farm is not eligible for any 2014 ARC or PLC payments. All current 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 and 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 annually enroll the farm in the ARC or PLC program in order to receive ARC or PLC benefits for that crop year; (4) they must comply with the regulations at 7 CFR Part 1412; and (5) that ARC or PLC benefits are subject to change based upon changes to law. In addition, by signing this form, all current producers on the farm certify as to the accuracy of the 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. Annual enrollment in the ARC or PLC program is a separate action from this election and must be performed each crop year.</p>											
6. ARC-IC Election <input type="checkbox"/> Individual Agriculture Risk Coverage (ARC-IC) This election, if made, is applicable for the farm and all covered commodities. Program elections, by crop, in Item 7 cannot be made if ARC-IC is elected for the farm.											
7. Election for PLC and ARC-CO (Check only ONE box per crop, if no selection was made in Item 6.)											
Crop	PLC	ARC-CO	N/A	Crop	PLC	ARC-CO	N/A	Crop	PLC	ARC-CO	N/A
Barley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grain Sorghum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rice, Long Grain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canola	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lentils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rice, Medium Grain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mustard Seed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Safflower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crambe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oats	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sesame Seed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flaxseed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Peanuts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soybeans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garbanzo, Large	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Peas, Dry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sunflower Seed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garbanzo, Small	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rapeseed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wheat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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)			
FOR FSA USE ONLY											
9A. Signature of CCC Representative								9B. Date (MM-DD-YYYY)			
10. Remarks											
The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).											
If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov . USDA is an equal opportunity provider and employer.											

Example of CCC-857 (Continued)

CCC-857 (10-31-14)			Page 2 of 2
11A. Farm Number	11B. State Code	11C. County Code	11D. Program Year 2014 - 2018
PRODUCER'S INFORMATION			
12A. Producer's Name and Address (Including Zip Code)		12B. Email Address	
		12C. Telephone Number (Including Area Code)	
12D. Signature of Producer (By)		12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address (Including Zip Code)		12B. Email Address	
		12C. Telephone Number (Including Area Code)	
12D. Signature of Producer (By)		12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address (Including Zip Code)		12B. Email Address	
		12C. Telephone Number (Including Area Code)	
12D. Signature of Producer (By)		12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address (Including Zip Code)		12B. Email Address	
		12C. Telephone Number (Including Area Code)	
12D. Signature of Producer (By)		12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address (Including Zip Code)		12B. Email Address	
		12C. Telephone Number (Including Area Code)	
12D. Signature of Producer (By)		12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)
12A. Producer's Name and Address (Including Zip Code)		12B. Email Address	
		12C. Telephone Number (Including Area Code)	
12D. Signature of Producer (By)		12E. Title/Relationship of the Individual Signing in the Representative Capacity	12F. Date (MM-DD-YYYY)

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 7 CFR Part 1412, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). 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.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

*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.***