

9-2134

<b>CCC-858</b> (09-23-14)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation	<b>1. Program Years: 2014 through 2018</b>  <b>2A. County FSA Office Name and Address (Including Zip Code)</b> WOODBURY COUNTY FARM SERVICE AGENCY 204 1ST ST. SUITE C2 SERGEANT BLUFF, IA 51054-0000
<b>BASE REALLOCATION AND YIELD UPDATE          DECISION FOR          AGRICULTURE RISK COVERAGE (ARC) AND          PRICE LOSS COVERAGE (PLC) PROGRAMS</b>		<b>2B. County FSA Office Telephone Number (Including Area Code)</b> (712)943-2727
		<b>2C. County FSA Office FAX Number (Including Area Code)</b> (655)218-8887
		<b>3. State Code</b> 19
		<b>4. County Code</b> 193
		<b>5. Farm Number</b> 8353

**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. 113-70). 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. 113-70, Title I, Subtitle F, Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

**THE BASE ACRE REALLOCATION AND YIELD UPDATE DECISION is made by the undersigned current owner of the farm identified above. If FSA receives conflicting yield update or base acre reallocation requests from another current owner, all current owners will be required to resolve their dispute providing CCC with written evidence of the dispute resolution by the end of the yield update period or reallocation period.**

FARM BASE ACRE REALLOCATION					
<input type="checkbox"/> <b>6A. I agree to maintain the farm's 2013 base acres on the following crops, excluding cotton acres.</b>		<input checked="" type="checkbox"/> <b>6B. I agree to reallocate base acres on the following crops, excluding cotton base acres, not to exceed the total base acres in effect on September 30, 2013 (see page 2 for tract designation, if applicable)</b>			
	(1) Commodity	(2) Base Acres		(1) Commodity	(2) Base Acres
	Corn	134.6		Corn	163.68
	Soybeans	68.9		Soybeans	49.92
<b>6C. Tract Reallocation Method</b> <input checked="" type="checkbox"/> (1) Crop Land <input type="checkbox"/> (2) Owner Designation					

FARM YIELD UPDATE			
<b>7A. I agree to use the farm's 2013 Counter Cyclical (CC) yield for the PLC yield for the following crops.</b>		<b>7B. I agree to update the PLC yield for the following crops based on 80 percent of the farm's 2008 through 2012 average yield per planted acre, excluding any year(s) when no acreage was planted.</b>	
	(1) Commodity	(2) CC Yield	
			(1) Commodity
			(2) PLC Yield
			Corn
			Soybeans
			148
			47

**RECEIVED**  
 FEB 25 2015

<b>8. Owner's Name and Address (Including Zip Code)</b> WOODBURY COUNTY 4500 SIOUX RIVER RD SIOUX CITY, IA 51109-1857			<b>WOODBURY CO. FSA</b> <b>SERGEANT BLUFF, IOWA</b>
<b>8A. Signature of Owner (by)</b> 	<b>9B. Title/Relationship of the Individual Signing in the Representative Capacity</b> CHAIRMAN	<b>9C. Date (MM-DD-YYYY)</b> 2-25-15	
<b>10A. Signature of CCC Representative</b> 		<b>10B. Date (MM-DD-YYYY)</b> 2-26-15	

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.assc.usda.gov/complaint\\_filing\\_cust.html](http://www.assc.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-8999 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, 1600 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 850-7412 or email of [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider and employer.

AGRICULTURAL ACT OF 2014, FACT SHEET 2

## Updating Payment Yields, Reallocating Base Acres

Kent Olson, Applied Economics, March 2014, v.1.1

The "Agricultural Act of 2014," commonly called the farm bill, gives farmers the opportunity to update their base yields and reallocate their base acres. This fact sheet discusses these decisions on updating and reallocating. Others in the series describe other parts of the bill. Please note that the final rules and interpretations will come from the USDA at a future date.



### UPDATING PAYMENT YIELDS

Landowners have a one-time opportunity to update their current payment yields established under the 2008 farm bill to 90% of their 2008-2012 average yields. This can be done on crop by crop basis.

As an example, consider a farm that has a current payment yield for corn of 142 bushels per acre. This farm owner has the opportunity to keep this payment yield of 142 bushels or update to 90% of the average yield per planted acre on the farm for the 2008 through 2012 crop years. This example farm has had corn yields of 188, 195, 185, 178, and 154 in 2008 through 2012 for an average yield of 180 bushels per planted acre. The potentially new payment yield is 90% of this 2008-12 average or 162 bushels per acre ( $180 \times 0.90$ ). Since 162 is obviously larger than the current payment yield of 142, this is an easy decision to update the payment yield to 162.

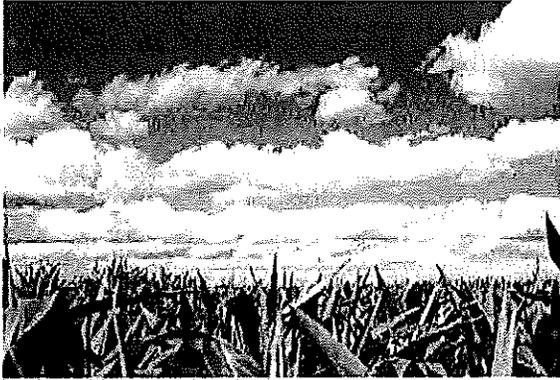
Since the potential payment yield is easy to calculate from historical yields, the comparison to the current payment yield is straightforward and the decision to update or not will be just as straightforward. For many farms, the current payment yields are 93.5% of their 1998-2001 average yields, so if the 2008-2012 average yield is more than 3.9% higher ( $0.935/0.90$ ) than the 1998-2001 average, the choice will be to update. For most crops in most locations, yields have increased more than this so this chance to evaluate and probably update payment yields should not be missed.

### REALLOCATING BASE ACRES

Landowners also have a one-time opportunity to reallocate their current base acres to reflect their cropping pattern in 2009-2012. Landowners can choose to keep their current base acres for their covered commodities

(typically the average of their 1998-2001 acreages) or reallocate their current base acre total according to the mix of crops in 2009-2012. The current total cannot be increased.

This reallocation choice is not as straightforward as the choice to update payment yields. If the acreage has changed, the decision to reallocate depends on the projection of whether payments for one crop will be higher in 2014-18 than other crops. The base acre allocation does not affect the choice of what to plant in a specific year, but it does affect potential payments.



As an example, consider a farm that has a current of total base acreage of 936 allocated to 468 acres for corn and 468 acres for soybeans. Because of economic conditions and other considerations, this example farm increased the acreage of corn and decreased the acreage of soybeans over the years. For 2009-2012, this example farm has had an average of 495 acres of corn and 441 acres of soybeans. The total acreage is the same. This farm owner has the opportunity to change the allocation of base acres from 468 acres of corn and 468 acres of soybeans to 495 acres of corn and 441 acres of soybeans.

As a second example, consider a farm that has increased the acreage of both crops and changed the mix of corn and soybeans. This

farm has a current of total base acreage of 828 allocated to 406 acres for corn and 422 acres for soybeans.

The acreages of both corn and soybeans have increased over the years. For 2009-2012, this example farm has had an average of 576 acres of corn and 407 acres of soybeans for a total of 983 which works out to 58.6% corn and 41.4% soybeans.

The farm bill does not allow the total base acreage of 828 to be increased, but the allocation can be adjusted based on the mix of crops in 2009-2012. Multiplying the 2009-2012 percentages by the current total base acres of 828, this example farm owner has the opportunity to change the allocation of base acres to 485 acres of corn and 343 acres of soybeans.

If the owner(s) of this example farm think future payments under the 2014 farm bill will be higher for corn than for soybeans (and considering only this information), the best decision is to reallocate the base towards corn and its higher expected payments. However, if their expectation is for higher payments to soybeans, then the best decision is not to reallocate.

Current planting decisions, for 2014, for example, should not affect the decision to reallocate base acres or not. Base acres are used to calculate the payment under PLC or either ARC option, not planted acres. Current planted acres are used to calculate actual revenue per acre for ARC-Individual, but total base acres are used in the payment calculation, not the allocation of base acres. So if market conditions signal a change in the crop mix during 2014-2018, go ahead; this shift will not affect farm bill payments.

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For more information:  
[extension.umn.edu/agriculture/business/farm-bill](http://extension.umn.edu/agriculture/business/farm-bill)

For: State and County Offices

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

Approved by: Deputy Administrator, Farm Programs



I Overview

A Background

The Agricultural Act of 2014 (2014 Farm Bill) and pertinent regulations at 7 CFR Part 1412 authorize owners of a farm the 1-time opportunity to:

- retain all of the farm's base acres, as of September 30, 2013, of each covered commodity
- reallocate base acres, excluding cotton base acres, on a farm based on the 4-year average P&CP acres for the 2009 through 2012 crop years

**Note:** An increase in **total** base acres on a farm is **not** allowed.

- retain a covered commodity's counter-cyclical (CC) yield
- update the covered commodity CC yield using 90 percent of the farms 2008 through 2012 average yield per planted acre, **excluding** any year in which the covered commodity was not planted.

<b>Disposal Date</b>	<b>Distribution</b>
December 1, 2014 9-26-14	State Offices; State Offices relay to County Offices

## Notice ARCPLC-12

### 1 Overview (Continued)

#### A Background (Continued)

Base acre and yield update decisions **must** be made by any current owner in the base reallocation and yield update period before the farm program election (PLC or ARC) is made by a farm's current producers. Program election will be discussed in other directives.

**Notes:** A "current owner" is the person or legal entity who meets the definition of landowner on the day that person or legal entity is signing any form or performing any action required of the owner. For example, if a signature of a "current owner" is required, the person or legal entity **must** be an owner on the day the person or legal entity is signing the form or performing the action required of the owner.

On the day a base acre reallocation or yield update is made during the base reallocation period, any "current owner" may make the base acre reallocation.

FSA-211 may be used to complete the base reallocation decision or yield update on behalf of any current owner. FSA-211 **must** be marked "All Current and Future Programs" and "All Actions" to be used to make the base acre reallocation decision.

If a person or legal entity acquires ownership of a farm that has already had a base acre reallocation or yield update decision made by the current producers, FSA will provide the election status to that person or legal entity on request.

If none of a farm's current owner reallocate base acres or update yields in the base acre reallocation or yield update period, the farm and tract base acres and yields will remain as they were before the beginning of the reallocation or update period.

#### B Purpose

This notice provides:

- information and policy about base acre reallocation
- information about yield updates
- instructions for completing and an example of CCC-858 (Exhibit 1) related to the base reallocation or yield update decision.

## Notice ARCPLC-12

### 2 Base Acre Reallocation

#### A Policy

Notices ARCPLC-5 and ARCPLC-7 provided information about researching County Office files for missing acreage data. This data was to be loaded in the Acreage History software in preparation for an owner making the base reallocation decision.

Beginning **September 29, 2014**, any current owner on a farm may reallocate base acres and/or update yields on the farm.

The reallocation of base acres is based on the proportion of the 2009 through 2012 average of planted and considered planted (P&CP) acres or subsequently planted crop acreage of covered commodities to the total of P&CP acres or subsequently planted crop acreage of all covered commodities on the farm. Upland cotton is **not** involved in reallocation of covered commodities nor can a cotton CC yield be updated.

The following applies to base acre reallocation:

- upland cotton base acres are generic base acres under ARCPLC and **cannot** be reallocated
- in approved double-crop situations, both the initial covered commodity and the subsequent covered commodity are included in the reallocation calculation
- if subsequently planted crop acreage of a covered commodity was planted after an initial covered commodity and is **not** an approved double-cropping practice, the owner may select either the initial P&CP crop acreage or subsequently planted crop acreage in the reallocation calculation

**Note:** Subsequently planted crop acreage means planted acres of a covered commodity following an initial P&CP covered commodity.

- base acres are maintained at the tract level.

**Note:** To move the farm's base acre reallocation to the tract level, the following 2 options are allowed:

- cropland option
- owner designation option.

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

The base acre reallocation will be made on CCC-858 (Exhibit 1).

## Notice ARCPLC-12

### 2 Base Acre Reallocation (Continued)

#### B Conflicting Base Acre Reallocation Requests

If multiple CCC-858's are submitted containing conflicting base acre reallocation decisions, FSA will take no action on any of the CCC-858's. It is the owner's responsibility to make the base acre reallocation decision during the base reallocation period. If owners cannot resolve any dispute, they may have and arrive at a reallocation decision by the conclusion of the base acre reallocation period, then the farm will be deemed to have retained base acres as in effect on September 30, 2013.

If current owners arrive at a mutual decision to reallocate base acres by the end of the reallocation period, written evidence of that mutual agreement or resolution signed by all current owners must be provided to the County Office by the end of the base acre reallocation period. This written notification can be provided to FSA through CCC-858 reflecting the mutually agreed decision signed by all current owners during the base reallocation period.

#### C Effect of Reallocation Decisions

Reallocation of base acres will apply to the farm **unless** the base acre reallocation is withdrawn, rescinded, or modified by any current owner on the farm in the base reallocation period, or there are multiple CCC-858's reflecting conflicting base acre reallocation decisions and the dispute is **not** resolved as described in subparagraph B. Base acre reallocation may also, at any time, be invalidated by FSA, if FSA determines the base acre reallocation to be invalid under pertinent regulations.

Neither FSA nor CCC is under any obligation to notify any owner on a farm if a base acre reallocation has been filed, rescinded, modified, or withdrawn.

If a person or legal entity acquires ownership of a farm that has already had a base acre reallocation made by the then current owner, FSA will provide the election status to that person or legal entity upon request.

If an owner's decision is **not** to reallocate base acres, the farm's and tract's base acres will remain as they were before the beginning of the reallocation period.

## Notice ARCPLC-12

### 2 Base Acre Reallocation (Continued)

#### D Base Acre Reallocation Options

There are 2 base acre reallocation options, as follows:

- the cropland option, that is the default base reallocation option, distributes the reallocated base acres to the tract level based on the percentage of effective DCP cropland on each tract
- the owner designation option:
  - distributes the reallocated base acres to the tract level, based on the owner's request
  - was intended to expedite using CCC-517 and 10-CM provisions to allow owners the ability to move base acres from tract to tract within a farm
  - may be chosen by the current owner instead of the cropland option.

**Note:** 10-CM may still be used to move base acres from tract to tract after the base acre reallocation and election process have completed.

#### E Examples of Base Acre Reallocation

**Example 1:** John and Sam own FSN 1121 on October 13, 2014. On October 13, 2014, Sam makes the base acre reallocation. As a current owner on the day he reallocates base acres, Sam is eligible to make the base acre reallocation.

**Example 2:** Sam owns FSN 1121 on October 13, 2014. On October 13, 2014, Sam makes the base acre reallocation. As the current owner, Sam is eligible to make the base acre reallocation.

On December 8, 2014, Sam sells the farm to John. As the current owner, John may change the base acre reallocation decision during the remainder of the base reallocation period or not take any action, thereby allowing the previously filed base reallocation to stand.

## Notice ARCPLC-12

### 3 Yield Update

#### A Policy

Owners of a farm also have the 1-time opportunity to update the yield for crops with base acres.

**Notes:** A yield in any of the 2008 through 2012 years that is less than 75 percent of the county average yield can be substituted in the calculation with a yield equal to 75 percent of the county average yield. This provision applies to low yields or yields that are missing or not available.

The retained or updated yield becomes the PLC yield, similar to CC yields in previous years, for the farm for the 2014 through 2018 crop years. Direct payment yields will no longer be used.

The PLC yield may be:

- retained or updated, on a covered commodity by covered commodity basis
- updated for each covered commodity on each farm, regardless of any decision to reallocate base acres or not, or the subsequent PLC, ARC-County Coverage (ARC-CO), or ARC-Individual Coverage (ARC-IC) election for the covered commodity or farm.

Any current owner of the farm can make the decision to retain or update the PLC yield for the covered commodity during the base and yield update period.

#### B Conflicting Yield Update Requests

If multiple CCC-858's are submitted containing conflicting yield update decisions, FSA will take no action on any of the CCC-858's. It is the owner's responsibility to make the yield update decision during the yield update period. If owners cannot resolve any dispute, they may have and arrive at a yield update decision by the conclusion of the yield update period, then the farm will be deemed to have retained the yield in effect on September 30, 2013.

If current owners arrive at a mutual decision to update yields by the end of the yield update period, written evidence of that mutual agreement or resolution signed by all current owners must be provided to the County Office by the end of the yield update period. This written notification can be provided to FSA through CCC-858 reflecting the mutually agreed decision signed by all current owners during the yield update period.

## Notice ARCPLC-12

### 3 Yield Update (Continued)

#### C Yield Update Decision

The following process will be used when owners decide to update yields for covered commodities.

Any current owner of a farm during the yield update period will:

- determine the covered commodities that will have yield updates

**Note:** The yield update decision could apply to historic or reallocated base acres.

- certify to the yields produced on planted acres of the covered commodity for each of the years the crop was planted, 2008 through 2012, for covered commodities that yield update is requested
- retain yield records used to certify the updated yields to provide to FSA for review, if requested by FSA.

### 4 Action

#### A County Office Action

County Office employees will:

- review the details of this notice to prepare for base reallocation and yield update decisions to be made in software according to Notice ARCPLC-11
- use this notice along with Notice ARCPLC-10 to allow an owner to update yields and reallocate base acres
- begin the reallocation process on **September 29, 2014**, if contacted by any farm owner;

#### B State Office Action

State Office employees shall:

- provide guidance as needed for employees in reallocating base acres and updating yields
- forward questions about the policy for updating yields and reallocating base acres to Brent Orr at [brent.orr@wdc.usda.gov](mailto:brent.orr@wdc.usda.gov)
- forward questions about the software for updating yields and reallocating base acres to Michael Walter at [michael.walter@wdc.usda.gov](mailto:michael.walter@wdc.usda.gov).

**CCC-858, Base Reallocation and Yield Update Decision for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs**

**A Completing CCC-858**

Complete CCC-858 according to this table.

Item	Action
1	Prefilled with the effective dates of the base acre reallocation and yield update.
2A	Insert the applicable administrative County Office name and address.
2B	Insert the applicable administrative County Office's telephone number (optional).
2C	Insert the applicable administrative County Office's FAX number (optional).
3	Insert the State code for the applicable farm in item 5.
4	Insert the county code for the applicable farm in item 5.
5	Insert the applicable FSN.
6A	Check (✓) if an owner has chosen to maintain the base acres as in effect on September 30, 2013.
6A(1)	If item 6A is checked (✓), insert the name of all covered commodities that existed on the farm as of September 30, 2013.
6A(2)	Insert the number of base acres of the applicable covered commodity listed in item 6A(1).
6B	Check (✓) if an owner has chosen to reallocate base acres.
6B(1)	If item 6B is checked (✓), insert the name of all reallocated covered commodities on the farm.
6B(2)	Insert the number of base acres of the covered commodity listed in item 6B(1).
6C(1)	Check (✓) if an owner chooses the default "cropland" option to move the reallocated base acres to tracts on the farm.
6C(2)	Check (✓) if an owner chooses the "owner designation" option to move the reallocated base acres to tracts on the farm.
7A	List crops in (1) and applicable CC yields in (2) where an owner chose to maintain the existing CC yields on the farm.
7B	List crops in (1) and applicable updated yields in (2) where an owner chose to update the program payment yield on the farm according to Notice ARCPLC-10.
8	Insert the applicable owner's name and address.
9A	A current owner or representative must sign.
9B	If: <ul style="list-style-type: none"> <li>• the current owner signing is <b>not</b> signing in the representative capacity, leave blank</li> <li>• anyone other than the current owner is signing in a representative capacity for the current owner, enter the title or relationship of the person signing on the current owner's behalf.</li> </ul>
9C	Enter date signed.
10A	CCC representative receiving the CCC-858 <b>must</b> sign.
10B	Enter date received by the CCC representative.
11	Enter same FSN as in item 5.
12A	Enter same State code as in item 3.
12B	Enter same county code as in item 4.
12C	Enter same program years as in item 1.
13A	Enter applicable tract number for the farm identified in item 11.
13B	Enter applicable commodity with base acres that exist on the tract identified in 13A.
13C	Enter applicable base acres for the commodity identified in item 13B.
13D	Enter yield for the applicable commodity identified in item 13C.



