

Goal: Getting Payments Right

Program or Activity
FSA Agriculture Risk and Price Loss Coverage

Reporting Period
Q4 2020

Change from Previous FY (\$M)

N/A

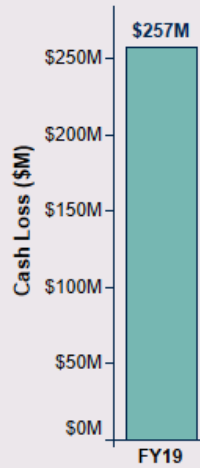


FSA Agriculture Risk and Price Loss Coverage

Brief Program Description:

ARC provides income support when crop revenue falls below specified guarantee levels. PLC provides income support when covered commodity prices fall below effective reference price.

Cash Loss by FY (\$M)



| Key Milestones | Status | ECD |
|-------------------------------------------------------------------------|----------|--------|
| 1 Develop mitigation strategies to get the payment right the first time | On-Track | Oct-20 |
| 2 Evaluate the ROI of the mitigation strategy | On-Track | Oct-20 |
| 3 Determine which strategies have the best ROI to prevent cash loss | On-Track | Oct-20 |
| 4 Implement new mitigation strategies to prevent cash loss | On-Track | Oct-20 |
| 5 Analyze results of implementing new strategies | On-Track | Nov-20 |

| Quarterly Progress Goals | | | Status | Notes | ECD |
|--------------------------|---------|---------------------------------------------------------------------------------------------------------------------|-----------|-------|--------|
| 1 | Q4 2020 | Synthesize and analyze the detailed error data from IPIA and similar reviews in preparation for 2019 payment cycle. | On-Track | N/A | Nov-20 |
| 2 | Q4 2020 | Completed national training. Conducting ongoing refresh trainings | Completed | N/A | Dec-20 |

| Recent Accomplishments | | Date |
|------------------------|-------------------------------------------------------------------------------|--------|
| 1 | Completed national ARC/PLC training. ongoing refresh weekly Oct-Dec 2020 | Oct-20 |
| 2 | Continue to hold conference call weekly to address deficiencies. | Oct-20 |
| 3 | Issued IA-3 detailing improper payments identified from previous fiscal year. | Oct-20 |

| Amt(\$) | Root Cause | Root Cause Description | Mitigation Strategy | Anticipated Impact of Mitigation |
|---------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$250M | Administrative or process errors made by: federal agency | Administrative or Process Error Made by Federal Agency relates to late filed acreage reports, contracts not approved/on file or enrolled without producer signature, and historical irrigated percentage (HIP) not calculated. | Training | Error rates did decline based on the latest audit |
| \$8M | Failure to verify: financial data | Relates to the unauthorized signatures accepted on contracts, insufficient control of cropland, and eligibility documents not on file | Training | Error rates did decline on the latest audit. program is now below the \$100 Million dollar reporting threshold based on FY2020 FSA Payment Integrity Review Cycle |

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.