

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Farm Reconstitutions
2-CM (Revision 6)**

Amendment 9

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 42 A has been amended to provide that the OGC Regional Attorney shall review any documentation a State allows for proof of ownership that is not listed as an example.

Subparagraph 70 C has been amended to reference the Farm Constitution Review Report.

Subparagraph 71 E has been added to include policy for farms with PTPP acres.

Subparagraph 89 B has been amended to add that only the operator must agree in writing if all owners have previously agreed to the combination of land under separate ownership of multiple-ownership farms.

Subparagraph 286 B has been amended to provide an updated example of the Report Selection Screen.

Subparagraph 286 C has been amended to include the Base Acreage & Yield Adjustment Report and Farm Constitution Review Report.

Page Control Chart		
TC	Text	Exhibit
	3-3 through 3-14 4-3 through 4-8 5-3, 5-4 11-19, 11-20 14-1 through 4-6	1, pages 1, 2

42 Definitions

A Definition of Owner

[7 CFR 718.2] An owner is an individual or entity who has legal ownership of farmland, including individuals or entities that are any of the following:

- buying farmland under a contract for deed

***--Note:** The OGC Regional Attorney shall review contracts that are questionable before--* changing FSA ownership records.

- retaining a life estate in the property
- purchasing a farm in a foreclosure proceeding and both of the following apply:
 - the redemption period has not passed
 - the original owner has not redeemed the property
- a spouse in community property States
- spouses owning property jointly.

Note: COC shall require specific proof of ownership when land ownership is transferred.

Examples: Proof of ownership may include:

- copy of the deed, if recorded
- unrecorded deed, if specific program does not require a recorded deed
- land contract
- FSA employee's check of the record at the county land records office
- proof of gift tax
- real estate tax assessment or bill.

***--Note:** If a State allows documentation that is not listed, then the OGC Regional Attorney shall review. If the OGC Regional Attorney determines that the documentation is adequate, then FSA ownership records may be changed.--*

42 Definitions (Continued)

B Definition of Operator

[7 CFR 718.2] An operator is an individual, entity, or joint operation who is determined by COC as being in * * * control of the farming operations on the farm.

43-54 (Reserved)

69 Substantive Change in Farming Operations and Changes to Legal Entities (Continued)**C STC Approval**

Unless otherwise approved by STC with the concurrence of DAFP, when COC determines that a corporation, trust, or other legal entity is formed primarily for the purpose of obtaining additional benefits under the commodity programs, the farm shall remain as constituted or shall be reconstituted, as applicable, when the farm is owned and operated by 1 of the following:

- a corporation having more than 50 percent stock owned by members of the same family living in the same household
- corporations having more than 50 percent of the stock owned by stockholders common to more than 1 corporation
- trusts in which the beneficiaries and trustees are family members living in the same household.

70 Who May Initiate

A Who May Initiate a Reconstitution

[7 CFR 718.203] A reconstitution may be initiated by:

- the farm operator with the concurrence of the owner or owners of the farm
- the farm owner
- COC.

B FSA-155 Signatures

Signatures required on FSA-155 vary depending on the:

- type of reconstitution
- method of division, if applicable.

Notes: FSA-155's initiated by COC are not required to have owner or operator signatures. However, the County Office shall use the signature lines provided in item 15 to include a statement that the reconstitution is being initiated by COC. A date shall be included with this statement.

An operator may request a reconstitution without the owner's signature if the reconstitution would be required by COC.

C Annual Review

COC shall:

- *--annually review Farm Constitution Review Report to determine that land is properly constituted--*
- process reconstitution if a farm is improperly constituted.

71 When to Initiate**A Required Reconstitutions**

[7 CFR 718.201] A reconstitution of a farm either by division or by combination is required and shall be initiated when any of the following occur.

- A change has been made in the operation of the land since the last constitution or reconstitution, and the farm no longer meets the definition of a farm in paragraph 56. As applicable, initiate either of the following:
 - a farm combination according to paragraph 88
 - a farm division according to paragraph 111.

Note: Restrictions in paragraph 68 apply.

- The farm was not properly constituted under the applicable regulations in effect at the time of the last reconstitution. Make corrections according to paragraph 74.
- COC determines that the farm was reconstituted on a basis of false information provided by the owner or farm operator.
- COC determines that the tracts of land included in a farm are not being operated as a single farm according to paragraph 56.
- An owner requests in writing that the owner's land no longer be included in a farm that is composed of tracts under separate ownership. See paragraph 111 for farm divisions.
- Farms are participating in DCP, have the same owner, are located in the same county, and are operated as 1 farm.

* * *

71 When to Initiate (Continued)

B Timing of Farm Reconstitutions

[7 CFR 718.204] To be effective for the current FY, farm combinations and farm divisions must be requested by August 1 of the FY for farms subject to DCP.

Notes: A request for a farm combination or farm division after current FY DCP payments have been made shall be processed in the subsequent FY. However, if the producer requests that the reconstitution not be processed in the subsequent FY, all payments shall be refunded. After the payment is refunded, the reconstitution may be processed.

When money has been received from the producers on the farm or farms to be reconstituted, cancel CCC-509. By canceling CCC-509, the producers who received payments will be listed on the overpayment register. The amounts listed on the overpayment register can then be transferred to CRS so the DCP refund can be processed.

County Offices **shall not** apply DCP payments issued on the resulting farm or farms to repay DCP payments issued on the parent farm or farms.

A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

C Timing of Tract Divisions

Tract divisions shall be processed at any time during FY to ensure tract record accuracy.

If a farm reconstitution is required, process the reconstitution according to subparagraph B and paragraph 73.

D Total CRP and Non-DCP Farms

The following farms may be reconstituted at any time:

- total CRP, without CRP reduction or CRP pending acres
- non-DCP.

71 When to Initiate (Continued)***--E Farms With PTPP Acreage**

PTPP is applicable only to farms participating in the following pilot project States:

- Illinois
- Indiana
- Iowa
- Michigan
- Minnesota
- Ohio
- Wisconsin.

The PTPP acres shall be reduced to zero and respective acreages added back into the applicable crop base before a reconstitution is initiated for a farm with PTPP acres.

After the reconstitution is approved, the PTPP acres must be recorded on the applicable resulting farm and the corresponding crop acreage bases reduced.--*

F Completion Date

County Offices shall update reconstitutions by August 31 of FY. This will allow sufficient time for producers to return signatures and documentation by the deadline for DCP.

G Software Lockout

Starting August 15, the reconstitution software will not allow a farm combination or farm division to be initiated for the current FY on a farm:

- with DCP bases
- protecting CAB's under a CRP contract.

Note: This means that farm reconstitutions on these farms must be initiated by COB August 14. A reconstitution cannot be initiated on August 15.

The software to initiate farm level reconstitutions will be opened for the following FY when farm record rollover is performed.

72 How to Initiate

A Requesting a Reconstitution

[7 CFR 218.203] Any request for a farm reconstitution shall be filed with COC. County Offices shall prepare FSA-155 for each requested reconstitution.

Note: A separate FSA-155 is not required for a tract division if the reconstitution also includes a farm division.

B Completing FSA-155

Complete FSA-155 according to this table.

Item	Instructions
1	*--Enter county FSA name and address.--*
2	Enter computer-assigned reconstitution number.
3	Check the appropriate box for the type of reconstitution. When the request is for a tract division and followed by a farm division, check both boxes.
4	Enter a brief explanation of the reason for the reconstitution. Examples: "Tract 100 sold." or "Operator change."
5	Enter approximate date of change, such as sale or lease date.
6	Enter the following data for each parent and resulting farm and/or tract: <ul style="list-style-type: none"> • farm data when item 3 indicates a farm combination or division • tract data when item 3 indicates a tract combination or division • tract and farm data when item 3 indicates a tract division and a farm division.
7 A	For divisions, enter each crop on the parent farm from FSA-156EZ.
7 B	For divisions, enter appropriate base for each crop on the parent farm.
7 C	Check appropriate method of division for each base on the parent farm.
8 A through D	Enter the appropriate farm number, tract number, crop, and base acres on the parent farm if the method of division is landowner designation or estate. ENTER "N/A" if not applicable.

89 Separate Ownership Farm Combinations**A Basic Rule**

Combinations of land under separate ownership:

- are voluntary
- shall not be encouraged.

B Criteria for Combinations

[7 CFR 718.201] Land under separate ownership may be combined if all of the following apply:

- the resulting farm meets the definition of a farm in paragraph 56
- all owners agree in writing
- the land is under a lease agreement of at least 1 year duration.

Exceptions: All owners who had previously agreed to the combination of land under separate ownership are **not** required to agree again in writing. Only owners contributing new land to the combination must agree in writing.

--If multiple ownership farms are involved, only the operator's signature is required if all owners on each farm had previously agreed to that farms constitution.--

Note: DCP and non-DCP farms may be combined.

90 Combinations Across State and County Lines

A Base and Non-Base Farms

[7 CFR 718.201] Farms across State or county lines may be combined upon request if all of the following conditions apply:

- *--the farms meet the criteria for being transferred according to 3-CM, paragraph 63--*
- the farms meet the criteria for combination according to paragraph 88 or 89
- any of the following:
 - counties that are contiguous; that is, touching at corners, sides, etc

Example: County A is contiguous to County B. County B is contiguous to County C.

County A	County B
	County C

Land in counties A, B, and C may be combined if there are parent farms located in all 3 counties.

If the land in County B is divided from the farm, separate the land in counties A and C, because counties A and C are not contiguous.

- farms within 20 road miles of each other
- counties divided by a river
- counties that do not touch because of a correction line adjustment.

245 Tract Division Crop Data Screen (Continued)

C Fields (Continued)

Field/Button	Description	Action	
Resulting Tracts			
Tract	Resulting tract number.		
Base Acres	Base acres being attributed to the resulting tract.	IF...	THEN...
Direct Yield	Direct yield being attributed to the resulting tract.	DCP cropland method was selected as the method of division	no action can be taken.
CC Yield	CC yield being attributed to the resulting tract.	estate method or owner designation method were selected as the method of division	Enter base acres, direct yield, and CC yield applicable to each tract.
CRP Yield	CRP yield attributed to the resulting tract.		
CRP Reduct	CRP reduction acres attributed to the resulting tract.		
CRP Pending	CRP pending acres attributed to the resulting tract.		
CCC-505	CCC-505 CRP Reduction data attributed to the resulting tract.	*--CLICK “CCC-505” to view CCC-505 CRP Reduction data--* attributed to the tract.	
Complete Tract Division	After all crops have been reviewed, the “Complete Tract Division” button will be available.	CLICK “Complete Tract Division” to complete the tract division.	
Cancel	Allows the user to cancel the request for tract division.	CLICK “Cancel” to cancel the initiation of the tract division. No data will be saved if “Cancel” is clicked.	

D Successfully Divided the Tract

Once the "Complete Tract Division" button is clicked and all validations are passed, the Tract Reconstitution Screen will be displayed with the message "Successfully divided the tract." The parent tract will be deleted and the resulting tracts will now be active.

246 Out-of-Balance Tracts From DCP Cropland Method**A Determining Out-of-Balance Tracts**

If the parent tract is fully based and divided by the DCP cropland method, resulting tracts may be out of balance by .1 or .2 acre. County Offices shall review all resulting tracts to determine whether an out-of-balance condition exists.

B Correcting Out-of-Balance Tracts

To correct the out-of-balance condition, County Offices shall:

- determine which tract is overbased
- determine which tract is underbased
- determine which crop on the parent tract had the most acres
- adjust the acres of that crop on the overbased and underbased tracts by the applicable amount on Crop Base Data, according to 3-CM, paragraph 170. Enter reason code "Relief Given".

C Excess Acres Because of Double-Crop History or CCC-517

This paragraph does not apply if the parent tract had excess base acres because of:

- double-cropped history
- CCC-517.

Part 14 Reports

286 Accessing Reports

A Accessing Reports

Reports can be accessed from the Farm Records Management System Home Page. Users must click on “Reports” to access the Report Selection Screen.

B Example of Report Selection Screen

Following is an example of the Report Selection Screen.

*--

USDA United States Department of Agriculture
Farm Service Agency

Farm Records
Management System

Links
 Farm Records Links
 Home Page
 Farm Data Management
 Reconstitutions Farm
 Tract
 Manual Download
 Log Out eAuth
 Exit Farm Records

Report Selection

STATE	COUNTY	YEAR	FARM	TRACT
Not selected	Not selected	Not selected	Not selected	Not selected

Reconstitution Reports

- CDC Report
- FSA-476DCP
- Pending Reconstitutions Report
- Specific Reconstitution Report
- Reconstitution History of a Farm
- Reconstitution History of a Tract
- Reconstitution Status Report

Farm, Tract and Crop Reports

- CCC-517 Tract Redistribution Form
- DCP FSA-156EZ
- CRP Cropland Out of Balance Report
- CRP Pending Acres Out of Balance Report
- CRP Reduction Acres Out of Balance Report
- CRP Pending Report
- Wetland Violation Report
- Out of Balance Tracts Report
- AD-1026A Report
- Tract Data Summary Report
- Base Acreage & Yield Adjustment Report
- Farm Constitution Review Report

Legend

- Live data
- Reporting database; data last updated on 10/26/08 6:42 AM Central Time

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286 Accessing Reports (Continued)

C Reports

The following table provides the available reports on the Reports Selection Screen.

Report	Description
Reconstitution Reports	
COC Report	<p>COC Report provide the following parent and resulting farm data:</p> <ul style="list-style-type: none"> • farm and tract level data • crop data. <p>* * *</p>
FSA-476DCP	Notice of contract acreage, payment yields and CRP reduction.
Pending Reconstitutions Report	<p>Provides the following data for all pending reconstitutions in the county:</p> <ul style="list-style-type: none"> • reconstitution number • *--parent farm number or numbers • resulting farm number or numbers • crops.
Specific Reconstitution Report	<p>Provides the following data if applicable to the requested reconstitution:</p> <ul style="list-style-type: none"> • year • reconstitution number • type of reconstitution • parent farm number or numbers • parent tract number or numbers • reconstitution status • approval date • completion date • resulting farm number or numbers • resulting tract number or numbers • associated tract or tracts • crops.
Reconstitution History of a Farm	<p>Provides the following data if applicable to the entered farm:</p> <ul style="list-style-type: none"> • farm number • identifier • current status • operator • year • reconstitution number • approval date • parent farm or farms • resulting farm or farms.--*

286 Accessing Reports (Continued)

C Reports (Continued)

Report	Description
Reconstitution Reports (Continued)	
Reconstitution History of a Tract	Provides the following data if applicable to the entered tract: <ul style="list-style-type: none"> • tract number • description • current status • year • reconstitution number • completion date • type of reconstitution • parent tract or tracts • resulting tract or tracts.
Reconstitution Status Report	Provides the following data if applicable to the entered farm, tract, or all for the date range selected: <ul style="list-style-type: none"> • selection criteria that includes year, reconstitution level, and date range • reconstitution number • type of reconstitution • status of reconstitution • reconstitution date • approval date • parent farm or farms • parent tract or tracts • resulting farm or farms • resulting tract or tracts.
Farm, Tract, and Crop Reports	
CCC-517 Tract Redistribution Form	See 3-CM.
DCP FSA-156EZ	
CRP Cropland Out-of-Balance	
CRP Pending Acres Out-of-Balance	
CRP Reduction Acres Out-of-Balance	
CRP Pending	
Wetland Violation	
Out-of-Balance Tracts	
AD-1026A	
Tract Data Summary Report	
*--Base Acreage & Yield Adjustment Report	
Farm Constitution Review Report--*	

287 Printing COC Reports

A Printing COC Reports

COC reports will be displayed after completing a reconstitution; the report **will not** be automatically printed. COC reports may be reprinted for the current FY for a:

- pending farm combination
- pending farm division
- completed tract combination
- completed tract division.

Note: When a farm reconstitution is approved, COC reports for the farm reconstitutions and any prior tract reconstitutions on the farms are no longer available to be reprinted.

B Reprinting COC Reports

Reprint a COC report according to the following table.

Step	Action
1	For multiple County Offices only , select the applicable County Office.
2	Enter reconstitution number to be printed and CLICK “Submit”.
3	When the COC report opens in the Adobe PDF window, do either of the following: <ul style="list-style-type: none"> • select the browsers print button to print the report • save the report to your computer.

C Example of COC Report Selection Screen

Following is an example of COC Report Selection Screen.

The screenshot displays the 'Farm Records Management System' interface. On the left is a 'Links' sidebar with options: Farm Records Links, Home Page, Farm Data Management, Reconstitutions (Farm, Tract), and Log Out. The main content area is titled 'COC Report' and contains a table for selection:

STATE	COUNTY	YEAR	FARM	TRACT
MS	Coahoma	2007	Not selected	Not selected

Below the table, there are input fields for 'County:' (a dropdown menu showing 'Coahoma') and 'Recon Number:' (a text box). At the bottom, there are three buttons: 'Select Other Counties', 'Submit', and 'Cancel'.

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-1026A	Supplemental to AD-1026		286
CCC-505	Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acreage Reduction		Text
CCC-509	Direct and Counter-Cyclical Program Contract		Text
CCC-517	Direct and Counter-Cyclical Program Tract Redistribution Form		121, 122, 135, 246, 286
CRP-1	Conservation Reserve Program Contract		Text, Ex. 2, 10
CRP-15	Agreement for Reduction of Bases, Allotments, and Quotas		152
FSA-155	Request for Farm Reconstitution	72	Text, Ex. 10
FSA-156EZ	Abbreviated 156 Farm Record and Tract Listing		Text, Ex. 10
FSA-476DCP	Notice of Contract Acreage, Payment Yields and CRP Reduction		Text, Ex. 10
FSA-578	Report of Acreage		185, 267, Ex. 10

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
CC	counter-cyclical	Text
CRS	Common Receivable System	71, 73
EWP	Emergency Watershed Protection	213, 227, 242, 253
FAV/WR	fruits and vegetables or wild rice	Text
HELC	highly erodible land conservation	2, 29
MOU	memorandum of understanding	Text
MPL	marginal pasture land	Text
PTPP	Planting Transferability Pilot Project	71
SCIMS	State and County Information Management System	Text, Ex. 10
WC	wetland conservation	2, 29

Redelegations of Authority

This table lists redelegations of authority in this handbook.

Redelegation	Reference
COC may redelegate to CED the authority to approve or disapprove reconstitutions.	262