

ACRE and DCP: Fruit, Vegetable, and Wild Rice Provisions (FAV/WILD RICE)

Overview

The American Taxpayer Relief Act of 2012, enacted on Jan. 2, 2013, amends the Food, Conservation, and Energy Act of 2008 and provides for a one-year extension of the Average Crop Revenue Election (ACRE) and Direct and Counter-cyclical (DCP) programs. These programs are administered by USDA's Farm Service Agency (FSA). DCP provides payments to eligible producers for the 2008 to 2013 crop years. ACRE provides payments to eligible producers for the 2009 to 2013 crop years.

Producers who participate in ACRE and DCP are subject to certain restrictions on the planting of fruits, vegetables and wild rice on base acres.

Applicable Crops

FAV/WILD RICE planting provisions apply to the following commodities:

- fruits (including nuts);
- vegetables, other than mung beans and pulse crops; and
- wild rice.

FAV/WILD RICE Planting Provisions on Base Acreage

In general, harvesting FAV/WILD RICE on base acres is a violation of the ACRE and DCP contracts. Also, planting perennial FAV/WILD RICE on base acres is a violation of the ACRE and DCP contracts even if the FAV/WILD RICE is destroyed without benefit before harvest.

FAV/WILD RICE may be planted on base acres and an ACRE or DCP contract violation will not occur if any of the following three exceptions to the planting restriction rule apply:

Double-Cropping Exception

FAV/WILD RICE may be planted in a double-cropping practice with a crop eligible for ACRE or DCP payments. The following provisions apply to this exception:

- Direct and counter-cyclical payment acres are not reduced for such plantings.
- The farm must be in a region approved for double-cropping eligible commodities with FAV/WILD RICE. These regions were established by FSA state committees and are published in the Federal Register (7 CFR 1412).

Farm History Exception

FAV/WILD RICE may be planted on a farm with an established history of planting FAV/WILD RICE. The following provisions that apply to this exception are farm-specific:

- Although no contract violation will result, the direct and counter-cyclical payment acres will be reduced by an acre for each acre of base acreage planted to FAV/WILD RICE.
- FAV/WILD RICE farm history is based on the farm's plantings for crop years 1991-1995 or 1998-2001.

Producer History Exception

A producer with an interest in planting a specific FAV/WILD RICE has an established history of planting that specific FAV/WILD RICE. The following provisions apply to this exception:

- Although no contract violation will result, the direct and counter-cyclical payment acres will be reduced by an acre for each acre of base acreage planted to FAV/WILD RICE.
- The planting must not exceed the producer's average annual planting history for the specific FAV/WILD RICE for either (but not both) the 1991-1995 or 1998-2001 crop years, as chosen by the producer and determined by FSA.

Failure to Comply with FAV/WILD RICE Planting Restrictions

In general, if FAV/WILD RICE are planted on base acres and one of the above three exceptions does not apply, the ACRE or DCP contract has been violated and may be terminated by FSA.

If FSA determines the violation does not warrant contract termination, the farm's direct and counter-cyclical payment acres will be reduced by an acre for each acre of FAV/WILD RICE planted on base acres. FSA will also assess an additional payment reduction based on the market value of the FAV/WILD RICE. FSA state committees establish the per-acre market value of the FAV/WILD RICE

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planted. The reductions cannot exceed the total amount of direct and counter-cyclical payments for the farm for that crop year.

FAV/WILD RICE Planting Provisions on Non-Base Acreage

Planting FAV/WILD RICE on acres that are not considered base acres is not an ACRE or DCP contract violation and will not result in payment reductions. This rule applies regardless of whether or not the farm or producer has a FAV/WILD RICE history.

FAV/WILD RICE Planting Provisions for Non-Enrolled Farms

- If a farm is eligible to participate in ACRE or DCP but is not enrolled in ACRE or DCP for a particular year, unlimited FAV/WILD RICE can be planted and harvested for that year;
- The farm will not receive any ACRE or DCP payments for the applicable year; and
- Production of loan commodities from the farm is eligible for marketing assistance loans and loan deficiency payments.

For More Information

For additional information on FAV/WILD RICE rules or other ACRE or DCP program matters, please contact your local USDA Service Center, or visit FSA's Web site at: www.fsa.usda.gov.

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