

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice CP-716**

**For:** State and County Offices

**Failed Acreage Credit Reminders**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Reports have been received that casual advice is being provided to producers to plant a covered commodity, intentionally destroy that covered commodity, and then plant a different crop, possibly cotton. Specifically, this acreage is on farms that contain generic base acres, thereby attributing base acres of the planted covered commodity.

**B Purpose**

This notice:

- instructs COC's to reference 2-CP when reviewing applications for failed acreage credit
- provides guidance to COC's and County Office employees on spot-checking reports of acreage.

**Disposal Date**

December 1, 2016  
3-11-16

**Distribution**

State Offices; State Offices relay to County Offices

## 2 Failed Acreage Credit

### A Approving Failed Acreage Credit

According to 2-CP failed acreage is acreage that was timely planted with the intent of harvest, but because of disaster related conditions, the crop failed before it could be brought to harvest.

COC's shall review 2-CP, paragraph 24.5 before approving failed acreage credit and be completely satisfied that the:

- crop was planted with the intent to harvest using farming practices consistent for the crop and area
- acreage failed because of disaster-related conditions.

### B Verifying Failed Acreage

For failed acreage to receive acreage credit, the acreage in question must be verified. According to 2-CP the verification may be made by one of the following methods:

- crop insurance data if the data supports FSA-578
- COC knowledge
- field visit.

**Note:** If crop insurance is unavailable for the crop and practice, then a field visit must be performed.

For crop acreage that is destroyed for reasons other than a natural disaster, the acreage will not receive credit for any purpose, including attribution of generic base acres under the ARC or PLC program.

### C Reviewing CCC-576

According to 2-CP, failed acreage determinations shall be made on a case-by-case basis. To comply with subparagraph A, producers shall be required to document that the crop was planted with the intent to harvest using farming practices consistent for the crop and area. COC's may review the following items to determine if the crop fulfills that requirement:

- insurability of the crop and practice in the county
- past history of the crop and practice in the county
- previous history of the farm.

**Example:** Producer A plants non-irrigated peanuts by the final planting date in a county where it is not a normal farming practice to plant dryland peanuts. The producer later files CCC-576 on the peanuts. The peanut acreage is replanted to cotton and reported on FSA-578.

COC will have to determine if the peanuts receive acreage credit using the provisions in subparagraph A.

## 2 Failed Acreage Credit (Continued)

### D Disapproving Requests for Failed Acreage Credit

COC shall disapprove any request for failed acreage credit not meeting the requirements in 2-CP.

**Note:** This is not an adverse decision according to 1-APP. As a result, no appeal (or appealability review) rights apply; however, if additional information is available the producer may provide the information to COC for further review.

## 3 Reviewing Reported Acreage

### A Spot-Checks

Acreage reported to FSA is subject to spot-check.

2-CP, Part 3 provides instructions for the National compliance review and spot check selections. In addition, COC's are responsible for ensuring the accuracy of acreage reported on FSA-578.

In response to certain program provisions, producers may attempt to plant acres of covered commodities that have no realistic expectation of being harvested.

**Example 1:** Producer B plants non-irrigated peanuts by the final planting date in a county where it is not a normal farming practice to plant dryland peanuts. The producer did not file CCC-576. No other crop is planted on the peanut acreage.

A spot-check must be performed because it is not a normal farming practice in the county to plant dryland peanuts.

Follow 2-CP to record the results of the spot-check. If the spot-check results in a determination that the peanuts:

- are not on acreage as certified, then manually notate the disapproved acreage on CCC-576

**Note:** Further guidance will be provided for loading into CARS.

- are on the acreage as certified, then the determined acres will be loaded into CARS.

### 3 Reviewing Reported Acreage (Continued)

#### A Spot-Checks (Continued)

**Example 2:** Producer C plants non-irrigated peanuts by the final planting date in a county where it is not a normal farming practice to plant dryland peanuts. The producer destroys the peanuts before the normal harvest date. The producer does not file CCC-576. The peanut acreage is planted to cotton and reported on FSA-578.

COC must ensure the acreage is spot-checked because peanuts and cotton are not an approved double-cropping combination. If the spot-check reveals the peanuts do not exist, then acreage shall be manually notated as disapproved acreage on CCC-576.

**Note:** Further guidance will be provided for loading into CARS.

#### B Spot-Check Guidelines

With enactment of the 2014 Farm Bill, planted acres became important for farms that are either:

- participating in ARC-IC
- have generic base acres.

Because of the importance of ensuring planted acres of covered commodities are accurate, COC's should be aware that covered commodities may be planted to take advantage of program benefits rather than produce a normal crop. COC's must pay particular attention to farms that report a crop status that is not supported by a normal farming practice in the county. An example would be non-irrigated peanuts planted in a county where non-irrigated peanuts are typically not grown.

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### 4 Action

#### A County Office Action

County Office employees shall:

- remind producers that:
  - spot-check procedures exist for program integrity
  - acreage reports will be spot-checked for compliance with the provisions of 2-CP
  - provisions of program compliance prohibit producers from scheming or devising a plan to manipulate planted acres to take advantage of program benefits
- not provide casual advice to a producer on how to certify their acreage.

#### B State Office Action

State Office employees shall ensure that County Office employees and COC's understand the provisions of this notice.

**Note:** Additional guidance for covered commodities planted after the ending planted date and how to record subsequent crop acreage is forthcoming.