FSA
HANDBOOK

Direct and Counter-Cyclical Program

To access the transmittal page click on the short reference.

For State and County Offices

SHORT REFERENCE

1-DCP
(Revision 1)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

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Farm Service Agency
Washington, DC 20250

Direct and Counter-Cyclical Program 1-DCP (Revision 1)	Amendment 2

Approved by: Acting Deputy Administrator, Farm Programs

Candace Thompson

Amendment Transmittal

A Reason for Amendment

Subparagraph 333 C has been amended to reference 2-CM for reconstituting farms with 10 base acres or less.

Subparagraph 402 D has been amended to provide instructions on when to update the automated enrollment and approval dates for CCC-509.

Paragraph 403 has been added to provide instructions for obtaining State Office administrative access to web-based DCP.

Paragraph 853 has been amended to provide additional references.

Paragraph 853.5 has been added to provide instructions for using State Office administrative access to update CCC-509's.

Exhibit 21 has been amended to remove chick-peas/garbanzo beans.

Page Control Chart		
TC	**Text**	**Exhibit**
1-4	6-5, 6-6 6-165, 6-166 6-167, 6-168 (add) 15-45 through 15-50 15-50.5 through 15-50.8 (add)	1, page 3 3, page 1 21, pages 1, 2

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Part 1 Basic Information

1 Handbook Coverage

A Handbook Purpose

This handbook provides instructions for implementing DCP authorized by the Food, Conservation, and Energy Act of 2008. Included in this handbook are instructions about the following:

- enrolling farms in an annual contract
- eligibility and compliance rules for participating in DCP
- automation procedure.

B Related Handbooks

Related handbooks include the following:

- 1-APP for appeals
- 1-CM for common provisions
- 2-CM for farm reconstitutions
- 3-CM for procedure to update farm, tract, and crop data through a maintenance application
- 2-CP for acreage reports
- 4-CP for acre-for-acre payment reductions and contract violations
- 6-CP for HELC and WC provisions
- 7-CP for equitable relief provisions

1 Handbook Coverage (Continued)

B Related Handbooks (Continued)

- 1-FI for issuing CCC-184's
- 3-FI for depositing remittances
- 6-FI for accounting controls
- 58-FI for claims and withholdings
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- 62-FI for reporting data to IRS
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- 2-INFO for availability of information
- 5-LP for commodity inspections
- 1-PL for payment limitations and payment eligibility provisions
- 2-PL for subsidiary files
- 3-PL for web-based eligibility files.

1 Handbook Coverage (Continued)

C Sources of Authority

Title I of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) provides authority for DCP. The regulations for:

- DCP are published in FR at 7 CFR Part 1412
- the notice to FR was published June 27, 2008.

D DCP Purpose

DCP provides producers an income safety net in the form of annual direct payments and, during depressed market conditions, counter-cyclical payments.

2 Automation

A Automation Used in This Handbook

Follow instructions in this handbook using the automated system to complete all processes **except** DCP payments.

3 STC Responsibilities

A Responsibility

STC shall ensure that STC representatives follow provisions in this handbook.

B Appeals

STC shall handle appeals according to 1-APP.

C Reviews

STC shall require reviews to ensure that County Offices comply with requirements established by the National and State Offices.

D Additional Reviews

STC's may require additional parameters of review as needed to ensure compliance with program requirements.

4 SED Responsibilities

A Responsibility

SED shall ensure that all County Offices follow provisions in this handbook.

B Reviews

SED shall require reviews to ensure that County Offices comply with requirements established by the National and State Office.

C Publicizing DCP Provisions

SED shall ensure that County Offices publicize DCP provisions according to subparagraph 6 C.

D Equitable Relief Authority

See 7-CP for equitable relief provisions.

5 DD Responsibilities

A Responsibility

DD's shall ensure that COC's and CED's follow provisions in this handbook.

B Reviewing County Office Procedures

DD's shall:

- review County Office procedures to ensure that County Offices comply with requirements established by the State Office
- review all CCC-509's disapproved by COC
- provide SED with a written report of all reviews.

C Printing DD Base and Yield Adjustment Report

DD's shall print a current Base Acreage and Yield Adjustment Report according to 3-CM. The Base Acreage and Yield Adjustment Report lists base acreage and payment yield adjustments made on farms during the date range selected for which the report was printed. Each adjustment on the Base Acreage and Yield Adjustment Report includes the following:

- farm number
- tract number
- crop name
- adjustment type
- adjustment reason
- date changed
- farm status.

5 DD Responsibilities (Continued)

D How to Review Adjustments

After preparing the DD Base Acreage and Yield Adjustment Report, review base acreage and yield adjustments according to the following.

Step	Action
1	Review all adjustments not included in the previous review.
2	Verify the following: • adjustments were authorized and approved according to procedure • amount of adjustment is correct • base acreage and/or yield is correct.
3	Verify that the frequency of each type of adjustment is reasonable considering: • type of adjustment • number of the same type of adjustments approved in other County Offices in the district.
4	Verify that the total number of adjustments is reasonable.
5	If an excessive number of adjustments for corrections were made, ensure that the cause of the error is: • recognized • alleviated.
6	Considering the type of adjustment, verify that adjustments were made in a timely manner.
7	Ensure that: • all errors are corrected • procedure is uniformly interpreted.

E When to Review Adjustments

For FY 2008 only, DD's shall review current year base acreage and yield adjustments only once before issuing final payments.

6 COC Responsibilities

A Responsibility

COC shall ensure that CED follows provisions in this handbook.

B Redelegation of Authority

COC may redelegate authority to approve CCC-505's and CCC-509's to CED, in routine cases. Redelegations of authority to sign for COC shall be in writing.

Note: Routine cases include approval of successor-in-interest cases.

C Providing Information

COC shall ensure that producers receive complete and accurate program information about DCP by providing information through the following:

- program leaflets, newsletters, and print media
- meetings
- radio, television, and video.

COC shall ensure that DCP provisions are publicized timely to include information about the following general provisions and other important items:

- planting flexibility, including whether the county is designated as a double-cropping region

- payment calculations

- limitations and restrictions on FAV and wild rice planting, including acre-for-acre payment reduction and violation provisions.

6 COC Responsibilities (Continued)

C Providing Information (Continued)

- signature requirement to enroll resulting farms, following a farm reconstitution

- signature requirements for **all** producers on a farm for designating CCC-509 shares, revising CCC-509 for successions-in-interest, and filing AD-1026, CCC-502, CCC-526, and any other applicable forms

- consequences of not meeting deadlines

- refunding of any unearned partial counter-cyclical payment when actual market prices exceed the projected market prices used in determining the partial payment rates.

Note: The Direct and Counter-Cyclical Program Information Fact Sheet (Exhibit 4) may be used to provide some of the information in this subparagraph.

D Appeals

COC shall:

- handle appeals according to 1-APP
- record and document determinations in the COC minutes.

E CCC-509 Review

COC shall review each CCC-509 before approval if the payment share requested for the owner is greater than the payment share received by the owner in the previous FY.

- Ensure that all provisions are met.

- Document the review in the COC minutes.

- This review shall be conducted any time owner payment shares increase from the previous FY's payment share, even though the number of tenants may not have decreased.

6 COC Responsibilities (Continued)

F Documenting Program Determinations

In a timely manner, COC shall:

- ensure thorough documentation of program determinations in the COC minutes
- include the following:
    - all factors considered
    - justification of all determinations
    - reference to applicable handbook procedures.

7 CED Responsibilities

A Responsibility

CED shall ensure that County Offices follow provisions issued by COC, DD, State Offices, and this handbook.

B Automated Processing

CED shall:

- ensure that all automated processes are completed in a timely manner
- report incorrect software calculations, discrepancies, and problems to SED, through DD.

C Handbook Procedure

CED shall report to SED and the State Office Program Specialist, through DD, incomplete or incorrect procedures in this handbook.

7 CED Responsibilities (Continued)

D Monitoring Signature Deadlines

CED shall ensure that all pertinent information and program deadlines are publicized according to subparagraph 6 C.

In addition to publicizing program information, CED's shall ensure that:

- signature deadlines are carefully monitored for reconstituted farms, designating payment shares, and necessary supporting documentation, such as AD-1026, CCC-502, and CCC-526

  Important: Although it is suggested that County Offices attempt to remind producers who have been notified of a deadline, but have not taken action, failure to provide the additional reminder does not constitute misaction/misinformation.

  Note: As allowed by time and resources, County Offices may attempt to contact applicable producers in advance of critical deadlines by using second reminder letters and/or telephone contacts. Those contacts or attempted contacts, if made, shall be documented.

- Producer Payment Selection Reports are processed, as often as necessary, to ensure that payments are issued timely and according to producer requests.

8 Program Technician Responsibilities

A Responsibility

Program technicians shall follow the provisions in this handbook.

B Reporting to CED

Program technicians shall report the following to CED:

- incorrect software calculations and discrepancies
- incomplete or incorrect procedures in this handbook.

9 Basic Program Information

A Covered Commodities

Crops eligible for participation in DCP are defined as covered commodities, which include the following:

- wheat, corn, barley, and oats
- grain sorghum, including dual purpose varieties that could be harvested as grain
- rice, other than wild rice
- pulse crops, which include the following:
    - dry peas
    - lentils
    - chickpeas
- soybeans and the following “other” oilseeds:
    - canola
    - crambe
    - flax
    - mustard
    - rapeseed
    - safflower
    - sesame
    - sunflowers, including oil and nonoil varieties
- upland cotton.

Note: **Peanuts** are **not** defined as a covered commodity in the statute. However, because the provisions are the same for peanuts as for covered commodities, they shall be treated as a covered commodity for DCP purposes.

9 Basic Program Information (Continued)

B Base Acres

Base acres are the number of acres of covered commodities and peanuts established for the farm.

The base acres on a farm are the same as the FY 2007 base acres on the farm, subject to any adjustment made according to this handbook.

The total base acres for a farm shall not exceed the effective DCP cropland on the farm by more than the eligible double-cropping acreage for the farm.

Note: Base acres can only be reduced and recorded on CCC-505.

C Payment Yield

Payment yield is the yield established for a farm for a covered commodity or peanuts. The 2008 payment yields on a farm are the same as the FY 2007 payment yields on the farm.

D Contract Period

The FY 2008 contract period is October 1, 2007, through October 15, 2008.

10 Direct and Counter-Cyclical Payments

A Payment Amounts

Direct payments are based on fixed rates. Counter-cyclical payments are authorized only when the effective price for a commodity falls below the target price.

The 2008 payment amount for direct and counter-cyclical payments is the result of multiplying the following, for each covered commodity:

- base acres
- 85 percent
- applicable payment yield
- applicable payment rate
- producer payment share.

B Issuing Payments

Producers may receive a 22 percent advance of the direct payment amount, beginning as soon as practical after enrolling the 2008 crop year. Final direct payments will be made after September 30, 2008.

Counter-cyclical payments may also be authorized for 1 or more covered commodities, depending on the market prices as follows:

- 40 percent of the projected payment rate to be paid after completing the first 180 calendar days of the marketing year for the covered commodity

- the final payment is the difference between the actual counter-cyclical payment and partial counter-cyclical payments already issued for the covered commodity, to be paid after the 12-month marketing year for the crop.

10 Direct and Counter-Cyclical Payments (Continued)

C Payment Limitations

The following payment limitations apply to DCP for the 2008 contract year:

- for all covered commodities, except peanuts:
  - $40,000 for direct payments
  - $65,000 for counter-cyclical payments
- for peanuts:
  - $40,000 for direct payments
  - $65,000 for counter-cyclical payments.

11 Contract Requirements

A Signing CCC-509

To participate in DCP, producers are required to designate shares and sign CCC-509 on a yearly basis. Signing CCC-509:

- represents agreement with the terms and conditions in CCC-509 Appendix
- acknowledges the applicability of any provisions of the Federal regulations found in 7 CFR Parts 718, 1400, and 1412 and the notice published in FR on June 27, 2008.

B CCC-509 Requirements

Producers signing CCC-509 for participation in DCP agree to:

- comply with HELC and WC provisions on all their land
- devote acreage equal to the base acreage to an agricultural or conserving use
- effectively control noxious weeds and otherwise maintain base acres according to sound agricultural practices
- not plant perennial FAV's or harvest annual FAV's (other than mung beans and pulse crops) or wild rice on base acres

  Exceptions: Double-cropping covered commodities or peanuts with wild rice, fruits, or vegetables shall be permitted in any region in which there is a history of this type of double-cropping.

- file acreage report with respect to all cropland on the farm
- notify FSA when there is a transfer of or change of interest of a producer.

  Note: See paragraph 398 for payments and refunds for predecessors and successor.

C Transfer of or Change in Farming Interest

A transfer of or change in the interest of all the producers on a DCP contract in a FY for a farm shall result in terminating the contract for FY, unless the producers succeeding to the acreage enter into a contract for the farm and agree to assume all obligations of the contract no later than October 15, 2008.

12 Eligible Producers

A Background

The Food, Conservation, and Energy Act of 2008 authorizes the Secretary to issue direct and counter-cyclical payments to producers. A producer is defined by statute as "an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced." The statute further requires the Secretary to "provide for the sharing of direct payments and counter-cyclical payments among the producers on a farm on a fair and equitable basis."

B Producers Eligible for Payment

The following producers on base acreage may share in the direct and counter-cyclical payments:

- an owner on an eligible farm who assumes all or part of the risk of producing a crop
- a producer, other than an owner, on an eligible farm with a share-rent arrangement or cash-lease agreement.

Note: An owner who cash leases land to another is not a producer and, therefore, is ineligible to share in direct and counter-cyclical payments for this land.

C Loss of Interest in a Farm

If a producer loses interest in the base acres on a farm, the producer is not eligible to retain payments for those acres. Any direct or counter-cyclical payments received on the acreage shall be immediately refunded as required by paragraph 398.

13 General DCP Signature Requirements

A Common Management Provisions

Signatures shall be accepted according to 1-CM.

14 Terminating Contracts

A Terminating CCC-509 Before October 15

Before October 15 of the year covered by CCC-509, CCC-509 may be terminated if all of the following are met:

- all producers receiving payment under CCC-509 agree in writing to terminate CCC-509
- each producer repays all payments received under CCC-509, plus claim interest
- there are no violations of the terms and conditions of CCC-509.

Notes: See subparagraphs C, E, and F for examples.

See Part 15 for instructions on canceling CCC-509 in the automated system.

B Terminating CCC-509

The contract period for CCC-509's is from October 1 2007, through October 15, 2008. CCC-509 may not be withdrawn or terminated after the end of the contract period.

Producers shall not terminate or withdraw CCC-509 after October 15 following FY of the contract.

Note: See subparagraph D for an example.

14 Terminating Contracts (Continued)

C Example 1

Situation

Mike Jones signs CCC-509 on July 1, 2008, for the 2008 crop year. Mr. Jones:

- requested 100 percent share of all DCP payments
- received advance direct payments.

On August 1, 2008, Mr. Jones:

- requests in writing to terminate CCC-509
- refunds all direct payments he received, plus interest.

COC determines that Mr. Jones:

- was not in violation of any of the terms and conditions of CCC-509 at the time the request to terminate was made

- requested to terminate CCC-509 during the contract period.

Result

Mr. Jones is allowed to terminate his CCC-509.

14 Terminating Contracts (Continued)

D Example 2

Situation

Jane Brown and Joe Green sign CCC-509 on July 15, 2008, for the 2008 crop year. Mrs. Brown and Mr. Green:

- each share 50 percent in the DCP payments
- received advance and final direct payments.

On October 20, 2008, Mrs. Brown and Mr. Green both request in writing to terminate CCC-509.

Result

Mrs. Brown and Mr. Green are not allowed to terminate or withdraw CCC-509 because the contract period ended October 15, 2008.

Important: CCC-509 cannot be terminated or withdrawn after the contract period has ended.

14 Terminating Contracts (Continued)

E Example 3

Situation

Jan Smith signs CCC-509 on July 1, 2008, for the 2008 crop year. Mrs. Smith:

- shares 100 percent in all DCP payments
- receives an advance direct payment.

On June 5, 2008, Mrs. Smith planted 100 acres of green beans. Neither the farm nor Mrs. Smith has a FAV history; therefore, if the green beans are harvested, Mrs. Smith will be in violation of the terms and conditions of CCC-509, unless she destroys FAV's before harvest and takes applicable steps through the County Office.

On July 15, 2008, before the green beans are harvested, Mrs. Smith:

- requests in writing to terminate CCC-509
- refunds all direct payments she received, plus interest.

COC determines that Mrs. Smith was not in violation of any of the terms and conditions of CCC-509 at the time the request to terminate CCC-509 was made.

Important: Mrs. Smith is not in violation of the FAV provisions because the green beans have not been harvested as of July 15, 2008.

Result

Mrs. Smith is allowed to terminate her CCC-509.

14 Terminating Contracts (Continued)

F Example 4

Situation

Jay Black signs CCC-509 on July 1, 2008, for the 2008 crop year. Mr. Black:

- shares 100 percent in all DCP payments
- received advance direct payments.

On June 8, 2008, Mr. Black planted 100 acres of green beans. Neither the farm nor Mr. Black has a FAV history; therefore, if the green beans are harvested, Mr. Black will be in violation of the terms and conditions of CCC-509.

On July 15, 2008, Mr. Black harvests the 100 acres of green beans.

On July 30, 2008, Mr. Black requests in writing to terminate CCC-509.

Result

Mr. Black is not allowed to terminate his CCC-509 because he was in violation of the terms and conditions of CCC-509 at the time the request to terminate CCC-509 was made.

15-63 (Reserved)

Part 2 Bases

64 Base Limitations

A Limitation

The total of the following shall not exceed the DCP cropland acreage on the farm, except to the extent there is an established double-cropping history on the farm:

- all base acres on the farm, including peanut base acres
- any cropland acreage enrolled in:
  - CRP
  - EWP
  - WBP
  - WRP
- any cropland or DCP cropland acreage enrolled in GRP
- any cropland acreage on the farm enrolled in any conservation program for which payments are made in exchange for not producing an agricultural commodity.

  Note: See subparagraph 426 I if the agreement allows haying and/or grazing on the land under normal conditions.

65 Base Acreage Reductions

A DCP Base Reduction

Owners may permanently reduce base acreage at any time. A reduction:

- shall be recorded on CCC-505

  Note: Complete and process CCC-505 according to subparagraph 66.

- may be for a part or all of 1 or more crops' base acreage

  Note: Base acreage for the farm and crop is recorded at the tract level. Therefore, owners must designate the tract level reduction on CCC-505.

- is effective for the program year entered in CCC-505, item 4, when all applicable owners' signatures, including the signatures of owners having an undivided ownership interest, are obtained on CCC-505

  Notes: If CCC-505 is being completed as a result of entering into a CRP agreement, the effective date of CCC-505 is equal to the effective date of CRP-1.

  File a copy of CCC-505 in the CRP folder.

- shall not be reinstated after the base reduction becomes effective

  Note: Reductions of base acreage are permanent

  Exception: Base acres reduced because of cropland enrollment into CRP may be restored to the farm if the CRP contract is voluntarily terminated before October 1, 2008.

- cannot be made to negate an FAV or wild rice violation or a violation found as the result of a spot check; however, all producers on a farm may choose to withdraw CCC-509 for the applicable year.

Note: Producers must refund any overpayments caused by a reduction.

B Producer Notification

Any change in base acres shall require issuing FSA-476 DCP according to 3-CM.

66 Completing CCC-505

A Instructions

Owners may request a voluntary permanent reduction of DCP base acreage by completing CCC-505 according to the following.

Item	Instruction	
1	Enter the State and county code where the farm is administratively located.	
2	Enter farm number where DCP base acres shall be reduced.	
3	**IF CCC-505 is…**	**THEN enter program year…**
	being prepared as a prerequisite for participation in CRP or GRP	• for CRP, equal to the effective date of CRP-1 **Note:** The program year on CCC-505 shall equal FY CRP-1 becomes effective. **Example:** Producer completed and signed CCC-505 during CRP signup 26. If the CRP offer is accepted: • CRP-1 will be effective October 1, 2007 • DCP base acre reduction is effective October 1, 2007 • CCC-505 program year is 2008. • for land enrolled in GRP under: • rental agreement, equal to date CCC-920 is approved by COC • easement, equal to date GRP easement is filed.
	completed for reasons other than CRP or GRP participation	equal to the fiscal year CCC-505 is approved by COC.
4	Enter the reason DCP base acres are being reduced. If “other”, specify reason.	
5	Enter the tract numbers where DCP base acres shall be reduced.	
6	For the tract numbers in item 5, enter commodity for which DCP base acres shall be reduced.	
7	Enter the tract level direct payment yield for the commodity entered in item 6. **Important:** The tract level yield may be different than the farm level yield for the commodity.	

66 Completing CCC-505 (Continued)

A Instructions (Continued)

Item	Instruction
8	Enter the tract level counter-cyclical yield for the commodity entered in item 6. **Important:** The tract level yield may be different than the farm level yield for the commodity.
9	For the tract numbers in item 5, enter the total DCP base acres for the commodity in item 6 before reduction.
10	Enter the total DCP base acres for the commodity in item 6 to be reduced on tract numbers in item 5.
11	For the tract numbers in item 5, enter the total DCP base acres for the commodity in item 6 after reduction (column 9 minus column 10).
12	Enter the total number of DCP base acres to be reduced for the farm number entered in item 2 (total of column 10).
13	Enter the total number of DCP base acres on the farm number in item 2 before reduction.
14	Enter the total number of DCP base acres on the farm number in item 2 after reduction (item 3 minus item 12).
15 A	Requestor, if other than owner, shall sign and date. Only the affected owner shall sign CCC-505.
15 B - D	All applicable affected owners shall sign and date.

16	If DCP base acres are being reduced because of enrollment into:
	
	• CRP, enter CRP-1 number and CRP-1 effective date
	• GRP, enter:
	
	  • CCC-920 number and beginning date of contract period for land enrolled under rental agreement
	
	  • System 36 application number and date easement is filed for land enrolled under an easement.
	
	Important: File copy of CCC-505 in DCP folder and CRP or GRP folder, as applicable.

17	COC shall indicate if CCC-505 is approved or disapproved.
18	COC, or representative, shall sign and date.
19	Enter County Office name, address, and telephone number.

66 Completing CCC-505 (Continued)

B Processing CCC-505

Process CCC-505's according to the following.

Step	Action
1	Ensure that all DCP base acreages and reductions are listed.
2	Ensure that all affected owner signatures are present and properly executed.
3	If all applicable affected owners do not sign CCC-505, within 30 calendar days, COC shall: • act on the request if a reduction is required to comply with DCP • disapprove, sign, and date, if a reduction is not required to comply with DCP. If all applicable signatures are obtained, COC or designee may approve CCC-505; however, approval is **not** necessary.
4	Reduce the base acreage that exceeds effective DCP cropland in farm maintenance according to 3-CM. **Note:** Ensure that CCC-505 is properly executed before making these reductions or processing CCC-509.
5	Date stamp and retain CCC-505.

66 Completing CCC-505 (Continued)

C Example of CCC-505

The following is an example of CCC-505.

This form is available electronically.

CCC-505 (06-30-04)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

VOLUNTARY PERMANENT DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP) BASE ACRES REDUCTION

1. STATE AND COUNTY CODE	2. FARM NO.	3. PROGRAM YEAR
28 139	630	2008

4. REASON FOR REDUCTION OF DCP BASE ACRES
☑ CRP Enrollment
☐ Other _____

NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995.

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Farm Security and Rural Investment Act of 2002, (Pub. L. 107-171). The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

PART A - REQUEST

The undersigned request a permanent reduction of the Direct and Counter-Cyclical Program (DCP) Base Acres established for the following crop(s) for the farm number entered in Item 2. I/We understand that, except for reductions because of enrollment into the Conservation Reserve Program (CRP), this reduction is a permanent reduction of DCP Base Acres, and the DCP Base Acres reduced shall not be returned to the farm.

I/We understand that when the reason for the reduction entered in Item 4 is because of enrollment of cropland into CRP, the reduced DCP Base Acres may be returned to the farm if the applicable CRP contract is voluntarily terminated on or before September 30, 2007, and all other eligibility requirements are met.

5. TRACT NO.	6. COMMODITY	7. DIRECT YIELD	8. COUNTER CYCLICAL YIELD	9. COMMODITY BASE ACRES ON TRACT BEFORE REDUCTION	10. COMMODITY BASE ACRES ON TRACT TO BE REDUCED	11. COMMODITY BASE ACRES ON TRACT AFTER REDUCTION (Column 9 MINUS Column 10)
1201	Cotton	754	754	26.7 -	10.0 =	16.7
				-	=	
				-	=	
				-	=	
12. Total DCP Base Acres to be Reduced (Total of Column 10)					10.0	

13. Total DCP Base Acres on Farm Before Reduction	14. Total DCP Base Acres on Farm After Reduction (Item 13 minus Item 12)
26.7	16.7

15A. REQUESTOR'S SIGNATURE	DATE (MM-DD-YYYY)	15B. OWNER'S SIGNATURE	DATE (MM-DD-YYYY)
Steve Farmer	07-01-2007		
15C. OWNER'S SIGNATURE	**DATE (MM-DD-YYYY)**	**15D. OWNER'S SIGNATURE**	**DATE (MM-DD-YYYY)**
Hazel Hammer	07-01-2007		

16. REMARKS *(If the DCP base acres are being reduced because of cropland enrollment into CRP on or after May 13, 2002, enter the CRP-1 number and the effective date of CRP-1).*

CRP Contract Number - 671
Effective Date of CRP-1 - October 1, 2007

PART B - APPROVAL *(COUNTY OFFICE USE ONLY)*

17. REDUCTION IS:
APPROVED ☑ DISAPPROVED ☐

18. COC'S SIGNATURE	DATE (MM-DD-YYYY)
Frank Committeeman	07-24-2007

19. COUNTY FSA OFFICE NAME AND ADDRESS *(Including Zip Code)*
George/Jackson County FSA Office
111 Ventura Ave., Suite 1
Lucedale, MS 39452

TELEPHONE NUMBER *(Area Code)*: (601) 766-3962

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination

A Policy

The same land cannot be enrolled in both DCP and CRP at the same time. However, when CRP-1 expires or is voluntarily terminated after September 30, 2007, and before October 1, 2008, producers may enroll the following acreage and applicable yields, previously enrolled under CRP-1 in FY 2008 DCP:

- CAB's reduced from applicable CRP-15
- PFC acreage that was reduced on CCC-505 to be enrolled in CRP under the expired or voluntarily terminated CRP-1
- DCP base acreage that was reduced on CCC-505 to be enrolled in CRP under the voluntarily terminated CRP-1.

Important: Only applicable acreage from CRP-1's that expire or are voluntarily terminated between **October 1, 2007,** and **September 30, 2008**, is eligible to be enrolled in FY 2008 DCP.

The applicable acreage:

- must be distributed to the tract from which it was removed
- shall receive a payment yield equal to the tract level yield for this crop at the time the applicable acreage was removed.

See 3-CM for updating the farm maintenance system.

Notes: When CAB's or previously reduced PFC acreage is enrolled in DCP, the CAB's and PFC acreage become DCP base acreage.

See Exhibit 2 for the definition of "voluntarily terminated."

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

B DCP Base Limitation

The total base acreage on a farm shall not exceed DCP cropland according to paragraph 64.

Applicable acreage previously under CRP-1 shall not be enrolled in DCP unless the total DCP cropland for the farm is sufficient to support the additional base acreage. Therefore, County Offices must determine the amount of CAB acreage, previously reduced PFC acreage, or previously reduced DCP base acreage that may be enrolled in DCP.

Before enrolling acreage previously under CRP-1, a farm may be combined with another farm to increase the amount of DCP cropland to support the additional acreage, if both of the following are met:

- all provisions of 2-CM for farm combinations are met
- the combination is completed before the final date to enroll the applicable acreage previously under CRP-1.

C Timing of DCP Adjustment and Payments

Producers who elect to voluntarily terminate CRP-1 before the CRP-1 expiration date:

- cannot receive both a CRP payment and DCP payment on the same land for the same FY
- must elect to receive **either** of the following for FY in which CRP-1 was voluntarily terminated:
    - direct and counter-cyclical payments
    - CRP payment, if applicable.

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

C Timing of DCP Adjustment and Payments (Continued)

Adjustments to DCP base acres on a farm because of CRP-1 that expires or is voluntarily terminated after September 30, 2007, and before October 1, 2008, may be made according to the following, if all other eligibility requirements are met.

IF CRP-1...	THEN...	AND...
expires before FY 2008	eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage: • after CRP-1 expires • no later than September 30, 2008	be paid **both** of the following: • a full CRP payment for FY in which acreage was enrolled in CRP • full DCP payments for FY in which acreage is enrolled in DCP. **Note:** All program eligibility requirements must be met before payments can be issued.
is voluntarily terminated in FY 2008 before CRP-1 expiration date	eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage no later than September 30, 2008	be paid **either** of the following but not both: • full DCP payments for FY in which acreage is enrolled in DCP • a CRP payment for FY in which acreage was enrolled in CRP. **Note:** All program eligibility requirements must be met before payments can be issued.
	eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage after September 30 of FY in which CRP-1 is voluntarily terminated, but no later than June 1 of the following FY	be paid **both** of the following: • a CRP payment for FY in which acreage was enrolled in CRP • full DCP payments for FY in which acreage is enrolled in DCP. **Note:** All program eligibility requirements must be met before payments can be issued.

Note: Eligible acreage must be enrolled by September 30, 2008, to be eligible for FY 2008 DCP payments. There is **no** late-filed fee for FY 2008.

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

D Example 1

Jane Smith enrolled 100 acres of cropland on FSN 56 in CRP during signup 26. CRP-1 became effective on October 1, 2007. Before enrollment of the 100 acres of cropland into CRP, FSN 56 had:

- 500 acres DCP cropland
- 410 DCP base acres
- 0 CRP acres.

The total amount of DCP base acres plus CRP acres cannot exceed the farm's DCP cropland. Accordingly, Jane Smith executed CCC-505 to reduce the DCP base acres on FSN 56 to 400 acres. After enrollment of the 100 acres of cropland into CRP, FSN 56 has:

- 500 acres DCP cropland
- 400 DCP base acres
- 100 CRP acres
- 10 DCP wheat base acres reduced on CCC-505.

On July 1, 2008, Jane Smith voluntarily terminates 2.3 acres from CRP. The 2.3 acres will be used for a horse pasture. The voluntary termination of 2.3 acres from CRP was approved by the applicable CCC official. Once the voluntary termination of the 2.3 acres of CRP is approved, and all other eligibility requirements are met, the County Office shall:

- notify all producers and owners in writing that the 2.3 wheat base acres are available for enrollment into DCP

- increase the DCP base acres on FSN 56 to 402.3 if the producer enrolls the base acres by June 1 of the applicable FY

- notate the 2.3 base acre reduction in the remarks section of CCC-505.

After the modifications to the applicable farm records have been completed, FSN 56 has:

- 500 acres DCP cropland
- 402.3 DCP base acres
- 97.7 CRP acres
- 7.7 DCP base acres reduced on CCC-505.

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

E Example 2

Mike Jones enrolled 100 acres of cropland on FSN 119 in CRP during signup 26. CRP-1 became effective on October 1, 2007. Before enrollment of the 100 acres of cropland into CRP, FSN 119 had:

- 500 acres DCP cropland
- 410 DCP base acres
- 0 CRP acres.

The total amount of DCP base acres plus CRP acres cannot exceed the farm's DCP cropland. Accordingly, Mike Jones executed CCC-505 to reduce the DCP base acres on FSN 119 to 400 acres. After enrollment of the 100 acres of cropland into CRP, FSN 119 has:

- 500 acres DCP cropland
- 400 DCP base acres
- 100 CRP acres
- 10 DCP wheat base acres reduced on CCC-505.

On July 1, 2008, Mike Jones voluntarily terminates 2.3 acres from CRP. The 2.3 acres will be used to build a house and out buildings. The voluntary termination of 2.3 acres from CRP was approved by the applicable CCC official. Because a house and out buildings do not meet the requirements to be considered DCP cropland, and the producer does not have enough available DCP cropland, the County Office shall not make any modifications to DCP base acres or acres recorded on CCC-505 for FSN 119.

After modifications have been made to CRP-1, FSN 119 has:

- 497.7 acres DCP cropland
- 400 DCP base acres
- 97.7 CRP acres
- 10 DCP wheat base acres reduced on CCC-505.

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

F Example 3

Joe Brown enrolled 10 acres of cropland on FSN 989 in CRP during signup 26. CRP-1 became effective on October 1, 2007. Before enrollment of the 10 acres of cropland into CRP, FSN 989 had:

- 25 acres DCP cropland
- 20 DCP base acres
- 0 CRP acres.

The total amount of DCP base acres plus CRP acres cannot exceed the farm's DCP cropland. Accordingly, Joe Brown executed CCC-505 to reduce the DCP base acres on FSN 989 to 15 acres. After enrollment of the 10 acres of cropland into CRP, FSN 989 has:

- 25 acres DCP cropland
- 15 DCP base acres
- 10 CRP base acres
- 5 DCP wheat base acres reduced on CCC-505.

On July 1, 2008, Joe Brown sold 15 acres of non-CRP land. As a result of the land sale, FSN 989 has:

- 10 acres DCP cropland
- 0 DCP base acres
- 10 CRP acres
- 5 DCP wheat base acres reduced on CCC-505.

On August 1, 2008, Joe Brown voluntarily terminates his CRP-1. Joe Brown will use 7 acres to build a house, out buildings, and a tennis court, and 3 acres will be returned to crop production. The voluntary termination from CRP was approved by the applicable CCC official. Once the voluntary termination of CRP-1 is approved, and all other eligibility requirements are met, the County Office shall:

- notify all producers and owners in writing that the 3 wheat base acres are available for enrollment into DCP

- increase the DCP base acres on FSN 989 to 3 if the producer enrolls the base acres by September 30, 2008

- notate the 3 base acre reduction in CCC-505, item 16.

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

F Example 3 (Continued)

After the modifications to the applicable farm records are completed, FSN 989 has:

- 3 acres DCP cropland
- 3 DCP base acres
- 0 CRP acres
- 2 DCP wheat base acres reduced on CCC-505.

68-99 (Reserved)

Part 3 (Reserved)

100-174 (Reserved)

Part 4 (Reserved)

175-254 (Reserved)

Part 5 (Reserved)

255-330 (Reserved)

Part 6 Signup

Section 1 General Information

331 Signup Period

A Signup Dates

The signup period for DCP for FY 2008 began June 25, 2008, and ends September 30, 2008.

B Farms With CRP-1

Farms with CRP-1's that expire or are voluntarily terminated after September 30, 2007, and before October 1, 2008, may enter into or expand a DCP contract to the extent:

- CAB's reduced under CRP-15 were released
- PFC acreage was reduced on CCC-505
- DCP base acreage reduced on CCC-505.

Note: See subparagraph 67 C for adjustments to DCP base acres and yields because of CRP-1 that expires or is voluntarily terminated. See 3-CM for updating the farm maintenance system.

C Late-Filed Provisions

There are **no** late-filed provisions for FY 2008. At least 1 signature **must** be obtained by **September 30, 2008**. The remaining signatures **must** be obtained by **October 15, 2008**.

D Reconstitution of Enrolled Farms

Farms enrolled during the prescribed annual signup period are no longer considered to be enrolled following a farm reconstitution. Farms resulting from a reconstitution are not deemed to have a DCP contract and, therefore, may not earn benefits associated with DCP.

Resulting farms may be enrolled into DCP by September 30, 2008. If a resulting farm is not enrolled during this period, DCP benefits are not available for FY 2008.

332 Overview of CCC-509 and CCC-509 Appendix

A CCC-509

CCC-509 includes the following:

- base acres, payment acres, and payment yields
- producer payment shares
- advance direct and counter-cyclical payment selections
- signatures of the producer and County Office representative.

B CCC-509 Appendix

CCC-509 Appendix contains the terms and conditions of CCC-509. All signatories to CCC-509 shall be provided a copy of CCC-509 Appendix. By signing CCC-509, producers:

- acknowledge receiving CCC-509 Appendix
- agree to abide by the terms of CCC-509 Appendix.

332 Overview of CCC-509 and CCC-509 Appendix (Continued)

C Example of CCC-509

The following is an example of CCC-509.

This form is available electronically.

CCC-509
(06-20-08)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

2008 DIRECT AND COUNTER-CYCLICAL PROGRAM CONTRACT

NOTE: The authority for collecting the following information is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed,and completing and reviewing the collection of information.

1. PROGRAM YEAR: 2008

2A. COUNTY FSA OFFICE NAME AND ADDRESS *(Including Zip Code)*
George/Jackson County FSA Office
111 Ventura Dr., Suite A
Lucedale, MS 39452

2B. COUNTY OFFICE TELEPHONE NUMBER *(Including Area Code)*
(601) 766-3962

3. STATE CODE	4. COUNTY CODE	5. FARM NUMBER
28	039	670

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. ***RETURN THE COMPLETED FORM TO THE FSA COUNTY OFFICE.***

THIS CONTRACT TO PARTICIPATE is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers on the farm identified above for the commodities identified in Item 6. The terms and conditions of the direct and counter-cyclical program contract and average Adjusted Gross Income Provisions are contained in the CCC-509 Appendix (06-20-08), entitled "Appendix to Form CCC-509, "2008 Direct and Counter- Cyclical Program Contract", and the Regulations in 7 CFR Part 1412 as they applied to 2007 crops. By signing this contract, the undersigned producers on the farm identified in Item 5 are participating in the Direct and Counter-Cyclical Program for the commodities identified in Item 6. By signing this contract, producers: (1) acknowledge receipt of the CCC-509 Appendix (06-20-08), and agree to abide by the terms contained therein, and (2) agree to comply with the regulations governing the applicable program and payment eligibility and limitation provisions; and certify to the accuracy of the information set out on this form.

Items 6 through 9 details the commodity, base acres, and yields for the farm in Item 5.

6. Commodity	7. Base Acres	8. Payment Acres	9. Payment Yield A. Direct	9. Payment Yield B. Counter-Cyclical	6. Commodity	7. Base Acres	8. Payment Acres	9. Payment Yield A. Direct	9. Payment Yield B. Counter-Cyclical
Cotton	26.7	22.7	754	754					

10. Owner or Producer's Name and Address *(Including Zip Code)*
Farmer Farms
24750 Farmer Rd
Lucedale, MS 39452

Identification Number *(Last 4 Digits)*: 1234

11. Commodity	12. Payment Share	11. Commodity	12. Payment Share
Cotton	100		

13A. Refused Payment Information:
- [ ] All Direct Payments are Refused
- [ ] All Counter-Cyclical Payments are Refused

13B. Item 10 identifies an owner who is:
- [ ] Socially Disadvantaged Farmer or Rancher
- [ ] Limited Resource Farmer or Rancher *(See CCC-509 Appendix for definitions)*

13C. Producer's Initials

13D. Date Initialed *(MM-DD-YYYY)*

14. Advance Payment Selections (for all commodities):

A. Advance Direct Payments July *(Month requested for receipt of Direct Payment.)*

B. Partial Counter-Cyclical Payment: YES [✓] NO [ ]

15A. SIGNATURE OF OWNER OR PRODUCER
Farmer Farms by Steve Farmer PTR

15B. DATE *(MM-DD-YYYY)* 07-10-2008

FOR FSA/USE ONLY

16A. SIGNATURE OF CCC REPRESENTATIVE
Farmer Ced

16B. DATE *(MM-DD-YYYY)* 07-15-2008

17. REMARKS

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

332 Overview of CCC-509 and CCC-509 Appendix (Continued)

C Example of CCC-509 (Continued)

CCC-509 (06-20-08) Page 2

1. PROGRAM YEAR	3. STATE CODE	4. COUNTY CODE	5. FARM NUMBER
2008	28	039	670

CONTINUATION OF OWNERS OR PRODUCER'S CROP INFORMATION *(From Page 1)*

10. Owner or Producer's Name and Address *(Including Zip Code)*	11. Commodity	12. Payment Share	11. Commodity	12. Payment Share
Hazel Hammer 13116 Old Fort Pond Rd Vancleave, MS 39565	Cotton	0		
Identification Number *(Last 4 Digits)*: 4321				

13A. Refused Payment Information:	13B. Item 10 identifies an owner who is:	13C. Producer's Initials
☐ All Direct Payments are Refused	☐ Socially Disadvantaged Farmer or Rancher	13D. Date Initialed *(MM-DD-YYYY)*
☐ All Counter-Cyclical Payments are Refused	☐ Limited Resource Farmer or Rancher *(See CCC-509 Appendix for definitions)*	

14. Advance Payment Selections (for all commodities):

A. Advance Direct Payments _____ *(Month requested for receipt of Direct Payment.)*

B. Partial Counter-Cyclical Payment: YES ☐ NO ☐

15A. SIGNATURE OF OWNER OR PRODUCER	15B. DATE *(MM-DD-YYYY)*
Hazel Hammer	

10. Owner or Producer's Name and Address *(Including Zip Code)*	11. Commodity	12. Payment Share	11. Commodity	12. Payment Share
Identification Number *(Last 4 Digits)*:				

13A. Refused Payment Information:	13B. Item 10 identifies an owner who is:	13C. Producer's Initials
☐ All Direct Payments are Refused	☐ Socially Disadvantaged Farmer or Rancher	13D. Date Initialed *(MM-DD-YYYY)*
☐ All Counter-Cyclical Payments are Refused	☐ Limited Resource Farmer or Rancher *(See CCC-509 Appendix for definitions)*	

14. Advance Payment Selections (for all commodities):

A. Advance Direct Payments _____ *(Month requested for receipt of Direct Payment.)*

B. Partial Counter-Cyclical Payment: YES ☐ NO ☐

15A SIGNATURE OF OWNER OR PRODUCER	15B. DATE *(MM-DD-YYYY)*

10. Owner or Producer's Name and Address *(Including Zip Code)*	11. Commodity	12. Payment Share	11. Commodity	12. Payment Share
Identification Number *(Last 4 Digits)*:				

13A. Refused Payment Information:	13B. Item 10 identifies an owner who is:	13C. Producer's Initials
☐ All Direct Payments are Refused	☐ Socially Disadvantaged Farmer or Rancher	13D. Date Initialed *(MM-DD-YYYY)*
☐ All Counter-Cyclical Payments are Refused	☐ Limited Resource Farmer or Rancher *(See CCC-509 Appendix for definitions)*	

14. Advance Payment Selections (for all commodities):

A. Advance Direct Payments _____ *(Month requested for receipt of Direct Payment.)*

B. Partial Counter-Cyclical Payment: YES ☐ NO ☐

15A. SIGNATURE OF OWNER OR PRODUCER	15B. DATE *(MM-DD-YYYY)*

332 Overview of CCC-509 and CCC-509 Appendix (Continued)

D CCC-509 Appendix

CCC-509 Appendix (06-20-08) is available at
http://165.221.16.90/dam/ffasforms/currentforms.asp.

333 Enrollment of Reconstituted Farms

A Authorized Reconstitutions

The following reconstitutions are allowed, if the request for reconstitution is made before August 1 of the effective FY and all payments for the parent farm or farms made during the current FY, if applicable, have been refunded:

- divisions of all farms
- farm combinations in limited situations.

See 2-CM for approving and processing reconstitutions.

B Enrollment Eligibility

A farm resulting from a reconstitution may be enrolled in DCP if all signatures on CCC-509 are obtained by October 15, 2008.

Note: CCC-509 **must** be initiated by **September 30, 2008**.

C Reconstitution of Farms With 10 Base Acres or Less

--**County Offices shall follow 2-CM for reconstitutions of farms with 10 base acres or less.**--

334 Effect of CLU Certification on Active CCC-509's

A Basic Rules

The DCP cropland may increase, decrease, or remain the same after CLU is certified. The following are situations that can occur after CLU certification that may affect CCC-509. The DCP cropland:

- increases on a farm that has an active CCC-509; therefore, the base acres are not affected
- decreases on a farm that has an active CCC-509, but the base acres still remain lower than the effective DCP cropland plus double-cropped acres
- decreases on a farm that has an active CCC-509 and the base acres must be reduced on CCC-505 to be equal to or less than the effective DCP cropland plus double-cropped acres.

Note: A farm combination may be requested to avoid reducing base acres on a farm that has a reduction in DCP cropland after CLU is certified.

B When to Update CCC-509

CCC-505 shall not be completed and CCC-509 shall not be updated until the next FY following CLU certification when the farm has an active CCC-509 that will be affected because of a decrease in DCP cropland.

CCC-509 shall be updated immediately after CLU certification in the following situations.

- A reconstitution is requested on a farm that has a reduction in DCP cropland after CLU is certified and as a result a reduction of base acres is required.

  Note: A farm combination may be requested to avoid reducing base acres on a farm that had a reduction in DCP cropland after CLU was certified.

- The producers on the farm with the active CCC-509 request that the reduction of DCP cropland be immediately completed in the system.

CCC-509 is not required to be updated when the DCP cropland increases after CLU certification.

334 Effect of CLU Certification on Active CCC-509's (Continued)

C Reconstitutions

When a reconstitution other than those described in subparagraph D is requested on a farm that has a reduction in DCP cropland after CLU is certified and a reduction of base acres is required, the following actions shall be taken before completing the reconstitution:

- cancel CCC-509 according to Part 15
- request a refund of any DCP payments that have been issued
- adjust the DCP cropland in farm maintenance according to 3-CM
- have the owners complete CCC-505 to permanently reduce base acres and/or CCC-517 to redistribute base acres
- adjust the base acres in farm maintenance according to 3-CM
- after all DCP payments have been refunded, process the reconstitution
- process CCC-509 on the resulting farms according to Part 15.

D Farm Combinations

After CLU certification, a farm that is going to require a reduction of base acres may be combined with a farm that has excess effective DCP cropland to avoid losing base acres. The resulting farm of the combination must meet the definition of a farm according to 2-CM. The following actions shall be taken when a farm combination is requested:

- cancel CCC-509's on each farm involved in the combination according to Part 15
- request a refund of any DCP payments that have been issued on each of the farms involved in the combination

334 Effect of CLU Certification on Active CCC-509's (Continued)

D Farm Combinations (Continued)

- adjust the DCP cropland in farm maintenance on the affected farms according to 3-CM
- after all DCP payments have been refunded, process the farm combination according to 2-CM
- have the owners complete CCC-505 to permanently reduce base acres and/or CCC-517 to redistribute base acres, if applicable
- process CCC-509 on the resulting farm according to Part 15.

E Producer Request

The owners on the farm may request that the reduction of DCP cropland and base acreage be immediately completed. In this situation, the following actions shall be taken:

- adjust the DCP cropland in farm maintenance according to 3-CM
- owners shall complete CCC-505 to permanently reduce base acres and/or CCC-517 to redistribute base acres
- adjust the base acres in farm maintenance according to 3-CM
- revise CCC-509 according to Part 15
- request a refund of any DCP overpayments.

All signatures must be obtained on the new CCC-509 by September 30, 2008.

334 Effect of CLU Certification on Active CCC-509's (Continued)

F Example 1

Farm number 153 is located in County A and consists of:

- 55 DCP cropland acres
- 55 effective DCP cropland plus double-cropped acres
- 40 base acres.

CCC-509 has been approved on farm number 153. After the CLU certification, farm number 153 consists of:

- 65 DCP cropland acres
- 65 effective DCP cropland plus double-cropped acres
- 40 base acres.

The DCP cropland shall be increased in farm maintenance according to 3-CM . Because the effective DCP cropland increased after CLU was certified, the base acres will not be affected. CCC-505 is not required and CCC-509 does not require an adjustment.

G Example 2

Farm number 10 is located in County A and consists of:

- 60 DCP cropland acres
- 60 effective DCP cropland plus double-cropped acres
- 45 base acres.

CCC-509 has been approved on farm number 10. After the CLU certification, farm number 10 consists of:

- 55 DCP cropland acres
- 55 effective DCP cropland plus double-cropped acres
- 45 base acres.

Even though there was a decrease in the effective DCP cropland, the base acres are not affected; therefore, CCC-509 does not require an adjustment.

334 Effect of CLU Certification on Active CCC-509's (Continued)

H Example 3

Farm number 1 is located in County A and consists of:

- 75 DCP cropland acres
- 75 effective DCP cropland plus double-cropped acres
- 75 base acres.

CCC-509 has been approved on farm number 1. After the CLU certification, farm number 1 consists of:

- 65 DCP cropland acres
- 65 effective DCP cropland plus double-cropped acres
- 75 base acres.

Procedure in 3-CM instructs County Offices not to adjust the DCP cropland in farm maintenance until the next FY because CCC-509 was approved on farm number 1 before the CLU certification. Unless a farm combination is requested according to subparagraph D or the producer requests the change be made according to subparagraph E, immediately after farm records rollover the next FY the County Office must adjust the DCP cropland according to 3-CM. This will cause the farm to be out-of-balance and the owners must complete CCC-505 before CCC-509 enrollment to permanently reduce 10 base acres.

After CCC-505 has been processed and the base acres have been reduced in farm maintenance according to 3-CM, CCC-509 shall be processed according to Part 15.

334 Effect of CLU Certification on Active CCC-509's (Continued)

I Example 4

Farm number 60 is located in County A and consists of:

- 100 DCP cropland acres
- 100 effective DCP cropland plus double-cropped acres
- 100 base acres.

CCC-509 has been approved on farm number 60. After the CLU certification, farm number 60 consists of:

- 86 DCP cropland acres
- 87 effective DCP cropland plus double-cropped acres
- 100 base acres.

A reconstitution, other than described in subparagraph D, has been requested on farm number 60.

Procedure in 3-CM instructs County Offices to adjust the DCP cropland in farm maintenance immediately upon request of a reconstitution. The County Office shall take the following action:

- cancel CCC-509 according to Part 15
- request a refund of any DCP payments that have been issued
- adjust the DCP cropland in farm maintenance according to 3-CM
- have owners complete CCC-517 to redistribute base acres among the tracts, if applicable
- have owners complete CCC-505 to permanently reduce 13 base acres
- adjust the base acres in farm maintenance according to 3-CM
- after all DCP payments have been refunded, process the reconstitution
- process CCC-509 on the resulting farms according to Part 15.

334 Effect of CLU Certification on Active CCC-509's (Continued)

J Example 5

Farm number 643 is located in County A and consists of:

- 55 DCP cropland acres
- 55 effective DCP cropland plus double-cropped acres
- 55 base acres.

CCC-509 has been approved on farm number 643. After the CLU certification, farm number 643 consists of:

- 45 DCP cropland acres
- 45 effective DCP cropland plus double-cropped acres
- 55 base acres.

A farm combination has been requested to avoid losing base acres. Farm number 643 will be combined with farm number 644 which consists of 100 DCP cropland acres, 100 effective DCP cropland plus double-cropped acres, and 50 base acres. CCC-509 has been approved on farm number 644.

Procedure in 3-CM instructs County Offices to adjust the DCP cropland in farm maintenance immediately upon request of a reconstitution. The County Office shall take the following action:

- cancel CCC-509's on farm numbers 643 and 644 according to Part 15

- request a refund of any DCP payments that have been issued on both farms

- adjust the DCP cropland in farm maintenance on farm number 643 according to 3-CM

- after all DCP payments have been refunded, process the farm combination according to 2-CM

- process CCC-509 on the resulting farm according to Part 15.

334 Effect of CLU Certification on Active CCC-509's (Continued)

K Example 6

Farm number 200 is located in County A and consists of:

- 125 DCP cropland acres
- 125 effective DCP cropland plus double-cropped acres
- 125 base acres.

CCC-509 has been approved on farm number 200. After the CLU certification, farm number 200 consists of:

- 115 DCP cropland
- 115 effective DCP cropland plus double-cropped acres
- 125 base acres.

Procedure in 3-CM instructs County Offices not to adjust the DCP cropland in farm maintenance until the next FY when CCC-509 will be affected by the change; however, the owners on farm number 200 requested an immediate change in DCP cropland. The County Office shall take the following action:

- adjust the DCP cropland in farm maintenance according to 3-CM
- have owners complete CCC-517 to redistribute base acres among tracts, if applicable
- have the owners complete CCC-505 to permanently reduce 10 base acres
- adjust the base acres in farm maintenance according to 3-CM
- revise CCC-509 according to Part 15
- request a refund of any DCP overpayments.

335 Inaccurate Representation and Misrepresentations and Scheme or Device

A Inaccurate Representation

Producers are required to report and certify to program matters accurately. However, from time to time, errors in reporting or certification are detected which may impact eligibility or extent of eligibility.

If an error was made by a producer that did not meet the requirements of DCP, but the producer made a good faith effort to fully comply, equitable relief provisions in 7-CP may be considered.

Program benefits and eligibility determinations shall be based on the most correct information available. Producers shall be responsible for refunding any program benefits were paid based on incorrect information.

B Misrepresentations and Scheme or Device

COC's are given the discretion and authority to determine when an inaccurate representation or certification rises to the level of misrepresentation, scheme, or device.

A producer is ineligible to receive DCP payments and shall have the producer's interest in all contracts terminated if it is determined that such producer has done any of the following:

- adopted any scheme or device that tends to defeat the purpose of DCP
- made any fraudulent representation under DCP
- misrepresented any fact affecting a DCP program or person determination
- violated or been determined ineligible under 7 CFR Section 1400.5.

See 1-CM, paragraph 821 when COC suspects fraud.

336-351 (Reserved)

Section 2 Division of Payments

352 Eligibility to Receive Payments

A Sharing of Payments by Producers

All producers on base acres must share in direct and counter-cyclical payments. Producers eligible to share in direct and counter-cyclical payments are:

- an owner on an eligible farm who meets the definition of producer on base acres
- a producer (other than an owner) on base acres with a share-rent arrangement or cash-lease agreement.

Note: A land-owner who cash leases land to another is not a producer on the cash rent land.

A producer on a farm with an interest in only nonbase acres shall not share in direct or counter-cyclical payments.

Important: The amount of nonbase acres available to be planted to FAV and wild rice without resulting in a payment reduction or contract violation may be reduced when there is a producer on a farm with interest in only nonbase acres. See:

- paragraph 472 for examples
- 4-CP to calculate nonbase acres on a farm available to be planted to FAV or wild rice without resulting in a payment reduction or contract violation.

352 Eligibility to Receive Payments (Continued)

B Eligibility to Receive Payment

Each eligible producer on a farm shall have the opportunity to annually enroll in a DCP contract. The type of farm lease and the terms of the lease will define the appropriate sharing of direct and counter-cyclical payments.

The following defines the general DCP eligibility to receive payment on a farm.

Situation	Eligible to Receive DCP Payment?	
	Lessor	Lessee
Landowner cash leases entire farm to lessee.	No, because the base acres have been cash leased to another. Landowner has no risk in the crop.	Yes, if all other eligibility requirements are met.
Landowner leases grazing or haying rights or privileges on base acres to another, but land itself is not leased.	Yes, if all other eligibility requirements are met, because the land itself has not been leased, only the right to graze or hay.	No, because the land has not been leased, only the right to graze or hay.
Landowner cash leases all base acres and lessee grazes or hays the land.	No, because all the base acres have been cash leased to the lessee.	Yes, if all other eligibility requirements are met, because the lessee has leased the land, not just grazing or haying rights. The fact that the lessee uses the land for grazing or haying is not relevant.
Landowner share leases all base acres to lessee.	Yes, if all other eligibility requirements are met. However, neither the lessor nor the lessee may receive 100 percent of DCP payments.	Yes, if all other eligibility requirements are met. However, neither the lessor nor the lessee may receive 100 percent of DCP payments.
Landowner leases (cash or share lease) only nonbase acres to lessee.	Landowner may be eligible to receive DCP payments depending on lease arrangements for base acres on the farm.	No, because the lessee leases only nonbase acres.

Notes: See paragraph 447 if a crop subject to a commercial grower contract is grown on DCP base acreage.

COC shall review grazing and haying leases to determine fair treatment of tenants/sharecroppers.

352 Eligibility to Receive Payments (Continued)

C Lease Expiration and DCP Eligibility

The time period for lease arrangements vary significantly by different regions and by different crops.

If crops are produced on base acres:

- to be eligible to receive payments, producers must share in the risk of production of those crops
- all persons that share in the risk of production of crops on base acres shall share in the payments.

An annual crop year lease may have a beginning date in one FY, and an ending date in another FY. However, because the lease is an annual lease for 1 crop year, it shall not be used to claim payments in more than 1 crop year. A producer is only eligible for DCP payments applicable for that 1 crop year, if the lease if for only 12 months.

D Supporting Documentation

Supporting documentation that includes AD-1026, CCC-502, CCC-526, FSA-578, and any other document necessary for the producer to be eligible for payment, must be received before DCP payments are issued.

Note: See 2-CP for acreage reporting requirements.

The following is considered supporting documentation even if received after October 15 of the applicable contract period:

- signatures from landowners signing CCC-509 to zero shares
- a copy of the cash lease agreement
- cash rent certification statement from the producer.

Reminder: COC's shall **not** approve CCC-509's until the signature from the landowner, a copy of the cash lease, or a cash rent certification statement is received.

353 Approval of CCC-509

A Approval of CCC-509 for Enrollment and Payment

CCC-509 may be approved if all of the following are met:

- all producers on base acres on the farm:
  - agree to the payment shares
  - sign CCC-509
- owner signature requirements for cash-rented land according to paragraph 395 are met
- COC determines that:
  - producers and payment shares do not attempt to circumvent payment limitation rules
  - interest of tenants, sharecroppers, and landowners are protected according to paragraph 355
  - payment shares:
    - are not in dispute
    - meet division of payment guidelines according to paragraph 354.

B Revising CCC-509

Revisions to CCC-509 shall **not** be made after October 15, 2008.

Note: See Part 15 for County Office procedure for revising CCC-509.

354 Division of Payments, Rules, and Examples

A Division of Payment Guidelines

There are multiple factors that may influence the proper division of direct and counter-cyclical payments. In reviewing the DCP contract division of payment and shares, COC's should consider the following:

- past history on a farm
- whether the producers claiming a DCP payment share have control of sufficient DCP cropland to support the claimed payment share on CCC-509
- the level of risk in the production of the crop being grown on base acreage
- whether the CCC-509 shares provide equitable treatment to all of the producers on the farm.

B Example

A landowner has leased his or her farm for a half share of the crop (inputs were divided equally) for the years 1996 through 2007, and the acreage was shared equally by the landowner and tenant. The farm grows 700 acres of winter wheat each year and 700 acres are summer fallowed.

The landowner and tenant agree to the following shares and have signed CCC-509:

	Landowner	Tenant
Wheat	100 percent	0 percent

The landowner is leasing only the 700 acres planted to wheat to the tenant for a 50 percent share of the crop. The landowner will operate the 700 acres of summer fallow.

COC shall **not** approve this contract because of the past history of the farming operation. Shares do not have to be divided equally, but should be consistent with the farm's present operation status.

355 Protecting Interests of Tenants, Sharecroppers, and Landowners

A COC Determinations

7 CFR Part 1412 requires the Secretary to "provide adequate safeguards to protect the interests of tenants and sharecroppers." In addition, COC is charged with ensuring fair treatment of landowners. COC's shall use the following to determine whether CCC-509 shares protect the interests of tenants and sharecroppers.

- COC shall not approve CCC-509 payment shares if COC determines any of the following apply:
  - a landowner or operator denies tenants and sharecroppers an opportunity to participate in DCP if the tenant or sharecropper would have shared in the crop planted on base acreage
  - a State court determines a signatory violated State law concerning farm and agricultural property lease provisions
  - a landowner or operator adopts a scheme or device to deprive tenants or sharecroppers of payments that tenants or sharecroppers would otherwise be entitled to receive under DCP.
- To assist COC's in determining whether producers meet landlord and tenant provisions, COC's may:
  - on an annual basis, determine customary crop share rental rates for all crops produced in the county, excluding FAV crops
  - establish a parameter for the county using the lowest owner crop share percentage for any crop in the county as the low end and the highest owner crop share percentage for any crop as the high end of the parameter, excluding FAV shares when establishing the parameter

355 Protecting Interests of Tenants, Sharecroppers, and Landowners (Continued)

A COC Determinations (Continued)

- review landlord DCP payment shares for the farm to see whether they are less than the lowest, or exceed the highest customary crop share rental rates for any crop in the county.

  Note: COC's shall recognize that DCP payment divisions that do not fall within the aforementioned parameters may be justifiable and do not necessarily reflect unfair treatment of tenants and sharecroppers.

  Example: COC determines landlord share rental rates for all crops, other than FAV, range from .3333 to .5000. Therefore, COC shall review landlord DCP payment shares to see whether the landlord shares are less than .3333 or greater than .5000. All landlord shares for any crop outside these parameters must be thoroughly documented in the COC minutes.

- If a landowner or operator reduces the number of tenants from the preceding year, the landlord or operator may still earn current year's DCP payment if the reason for the reduction is any of the following:

  - the landlord or operator purchased the farm for the current year

  - the tenant's lease expired or was legally terminated, and tenant has no further rights to the farm

  - a producer leaves the farm voluntarily.

355 Protecting Interests of Tenants, Sharecroppers, and Landowners (Continued)

B Contract Intimidation

Do not approve DCP payments for FY 2008 if there exists between the operator or landlord, and any tenant or sharecropper, any lease, contract, agreement, or understanding, required or unfairly exacted by the operator or landlord, entered into in anticipation of participating in the program that does any of the following:

- forces tenants or sharecroppers to pay the landlord or operator any payment earned under DCP

- changes the status of tenants or sharecroppers to deprive tenants or sharecroppers of any payment or right otherwise received under DCP

- unfairly requires a reduction in the size of the tenant or sharecropper producer share.

COC shall use information obtained from tenants and sharecroppers. Do **not** accept the following statements from the landowner or operator at face value without supporting documentation:

- tenants left voluntarily and, therefore, need not be replaced
- tenants requested assignment to a smaller share of the total farm acreage.

356 Division of Payment Disputes

A Policy

COC's shall not settle division of payment disputes.

B DCP Payment Shares Dispute

DCP payment shares are considered in dispute when there is a disagreement on payment shares, and either of the following applies:

- available evidence does not show which producers should share in the DCP payment
- available evidence shows which producers should share in the DCP payment; however, the evidence does not indicate what the DCP payment shares should be.

Note: Successions-in-interest are not considered payment disputes. See paragraph 395 for successions-in-interest.

C Determining Valid Disputes

There are some cases where it is obvious that CCC-509 payment shares are not in dispute. To determine whether a valid DCP payment share dispute exists, COC's shall:

- determine whether available evidence supports who should share in DCP payment on the farm
- determine whether the available evidence supports what the DCP payment shares should be
- review lease agreements and use them as a guide in determining who should share in the DCP payment on a farm and what the DCP payment shares should be, unless the lease agreement is in conflict with other provisions of this part

  Note: Lease agreements, which specifically provide for who is to share in the DCP payment and what the DCP payment shares should be, shall be used as a basis for dividing DCP payments, unless the lease agreement is in conflict with other provisions of this part.

356 Division of Payment Disputes (Continued)

C Determining Valid Disputes (Continued)

- review past history to determine how payments were shared in previous years

- compare previous year's rental agreement to the current year's rental agreement to determine whether rental rates are similar or have changed for the type of acreage being rented.

Disputes are considered to be valid when the available evidence supports who should share in the DCP payment, but does not support what the DCP payment shares should be.

Disputes are not considered to be valid when:

- it is obvious that the available evidence supports who should share in the DCP payment and what the DCP payment shares should be

- all provisions of this part are met.

D Documenting Whether a Dispute Is Valid

COC shall thoroughly document the review in the COC minutes, and include the following:

- all factors considered, including evidence reviewed in determining whether a dispute is valid

- justification of how the decision was derived.

Producers shall be notified of the decision that there is a valid dispute and that the participants will not be paid until the dispute is resolved.

356 Division of Payment Disputes (Continued)

E COC Assistance

COC's may assist landowners, sharecroppers, and tenants in settling valid DCP division of payments disputes by providing suggestions according to this paragraph.

All farms, except CRP farms, must be enrolled during the FY 2008 signup period. Therefore, if payment shares are in dispute, encourage the producers to agree to shares before the enrollment deadline. All parties in dispute shall sign DCP contract. If all shares have not been signed by October 15, 2008, the contract will be considered incomplete for FY 2008 and shall **not** be approved by COC.

If there is failure to agree to payment shares on DCP, COC may use any combination of, and shall not be limited to, the following methods to arrive at suggested payment shares:

- determine the estimated cash-rent value of the cropland on the farm, and divide that amount by the sum of DCP payments for the farm and the estimated total value of the crop production for the farm

  Example: A landlord and tenant cannot agree on shares for a 200-acre farm with 100 corn base acres and 50 rice base acres. The normal cash rent for the farm would be $45 per acre. The estimated value of the corn and rice DCP payments, plus the crop's value average $135 per acre. The cash rent ($45) divided by the average value of the crops and DCP payments ($135) equals .3333 payment share for the landlord and .6667 DCP payment share for the tenant.

- use the prior year's DCP payment share for the crops if the landowners, tenants, and sharecroppers are the same for the current year, and the farm is operated and cropped the same as it was for the prior year

- suggest shares that reflect changes on the farm from high to low, or low to high input crops.

  Example: A tenant operated the farm for FY's 2005 and 2006 on an 80/20 tenant/landowner share for rice and a 75/25 tenant/landowner share for cotton. The FY 2007 DCP payment shares corresponded with the crop shares. For FY 2008, the farm will be planted to soybeans and the landowner and tenant will share equally production expenses and crop proceeds. COC may approve CCC-509 with 75 percent rice and cotton payment shares to the landowner.

356 Division of Payment Disputes (Continued)

F DCP Payment When Disputes Are Settled

Approval of CCC-509 and DCP payments should be handled in the normal manner for disputes resolved before September 30, 2008.

If the dispute is settled after September 30, 2008, CCC-509 may be approved and DCP payments issued accordingly only if CCC-509 was filed before September 30 of the applicable FY with the correct payment shares for all producers sharing in the base acreage.

Note: All interested parties who might be third parties according to 1-APP must receive a copy of determinations and be provided appeal rights.

G Signature Requirements for Disputed Shares

CCC-509 shall not be approved unless all producers sharing in the base acreage have signed to the correct DCP payment shares for the farm. CCC-509 must be signed by September 30, 2008, if shares are disputed or late-filed signature provisions in paragraph 395 apply.

Reminder: CCC-509 shall **not** be approved until the dispute is settled.

H COC Suggested DCP Payment Shares Not Appealable

Because the suggested DCP payment shares that COC's provide to landowners, tenants, and sharecroppers who cannot agree are only suggestions, not COC determinations, the suggestions are not appealable.

357 Division of Payment Dispute Examples

A Basic Farm Data

Unless otherwise annotated, assume the following is applicable for each of the examples in this paragraph.

Farm Data

200 acres of cropland
100 acres of base acreage enrolled in DCP
Participated in the prior FY

B Example 1

For FY 2008, a landowner cash leases the entire farm to Producer A. Producer A enrolls the farm in DCP claiming 100 percent of the FY 2008 DCP payment. The landowner disputes Producer A's share and enters into DCP for FY 2008 claiming 100 percent of the DCP payment. The County Office generates CCC-509's for FY 2008, one with 100 percent shares to the landowner and another with 100 percent shares to Producer A.

Under DCP, the landowner who cash leases an entire farm cannot receive a share of the DCP payment for any contract crop. The landowner's dispute of payment shares is not valid and COC shall approve the FY 2008 CCC-509 for Producer A, and issue payments accordingly. The landowner's CCC-509 will be disapproved, and shall be notified of their appeal rights.

357 Division of Payment Dispute Examples (Continued)

C Example 2

Producer A share rents from Landowner B. Producer A enrolls the farm in DCP claiming 75 percent of the FY 2008 DCP payment. The landowner disputes Producer A's share and enters into DCP for FY 2008 claiming 33.33 percent of the DCP payment. The County Office generated CCC-509's with 75 percent share of the DCP payment to Producer A, 25 percent to Landowner B, and another CCC-509 with 66.67 percent of the DCP payment to Producer A, and 33.33 percent to Landowner B.

Available evidence supports that Producer A and Landowner B should share in the FY 2008 DCP payment. The available evidence does not support what the payment shares should be; therefore, FY 2008 DCP payment shares are in dispute. Producer A and Landowner B shall be informed the payment shares are in dispute. Producer A and Landowner B must resolve the share dispute before issuing any payments.

If share disputes are not resolved, DCP payments will **not** be made.

358 COC Review, DD Concurrence, and Disapproval of CCC-509 Payment Shares

A DCP Review

COC shall review each CCC-509 before approving payment shares if the payment share requested for the owner is greater than the payment share received by the owner in the previous FY.

- Ensure that all provisions of this part are met.
- Document the review in the COC minutes.
- This review shall be conducted any time an owner's DCP payment shares increase from previous FY's payment share, even though the number of tenants may not have decreased.

B DD Concurrence

DD shall review all cases when both of the following apply:

- tenants, sharecroppers, and landowners agree to DCP payment shares
- COC disapproves the DCP shares.

IF DD...	THEN...
does not concur with COC	cases shall be submitted to STC for review.
concurs with COC	producers shall be notified and appeal rights provided.

358 COC Review, DD Concurrence, and Disapproval of CCC-509 Payment Shares (Continued)

C DCP Payment Shares' Disapproval

If, for any FY, COC determines that an owner or operator does not meet the terms and conditions of the rules in this section, COC shall:

- not approve CCC-509 for payment for such FY
- obtain DD concurrence according to subparagraph B
- notify the owner, operator, and all other persons signing CCC-509 of the payment disapproval
- document COC findings in the COC minutes and file in the farm folder
- provide applicable appeal rights.

359-369 (Reserved)

Section 3 Producer Shares

370 Determining Cash or Share Leases

A Cash Lease Provisions

A lease is a cash lease if the lease provides for only a guaranteed sum certain cash payment, or a fixed quantity of the crop (cash, pounds, or bushels per acre).

See subparagraph E to determine fixed quantity.

B Share Lease Provisions

A lease is a share lease if the lease bases the amount of rent on the quantity of crop produced or the proceeds derived from the crop, or the interest a producer would have had if the crop had been produced.

C Combination Lease Determinations

A lease, including a lease that provides for the greater amount or share of the crop or crop proceeds, shall be considered a share lease if the lease provides for both of the following:

- guaranteed amount, such as a fixed dollar amount or quantity
- share of the crop or crop proceeds.

Note: STC representative shall review all combination leases.

370 Determining Cash or Share Leases (Continued)

D Scheme or Device

If a cash lease landlord received any part of DCP, see 1-PL to determine whether a scheme or device occurred.

E Definition of Fixed or Standing Commodity Payment

If the lessor receives a fixed quantity of the crop, refer to this definition.

A fixed or standing commodity payment is the payment a tenant or operator provides a landlord for use of land and the landlord's reduced risk on the crop, including the following:

- a fixed amount of production, such as 10,000 bushels or pounds
- an amount of production per acre, such as 40 bushels or pounds per acre.

371-394 (Reserved)

Section 4 Signature Requirements

395 Who Must Sign

A CCC-509 Signatures

All producers, including owners and operators, sharing in base acres on the farm must sign CCC-509 before COC can approve the contract for payment.

Exceptions: The following provides exceptions when CCC-509 may be approved without all producers' signatures.

Producer	Exception
Landowner with a divided ownership interest	All base acres on the farm owned by landowner are cash leased. See subparagraph F for evidence of cash lease required when owner does not sign CCC-509.
Landowner with an undivided ownership interest	All base acres on the farm owned by landowner are cash leased and evidence of cash lease is provided according to subparagraph F.
Tenant	Both of the following are met: • all other required signatures are obtained • shares are not in dispute and are acceptable to COC.

B Signature Deadlines for CCC-509

The final date for participants to provide all necessary signatures on CCC-509 is October 15, 2008, to be eligible for payment for FY 2008.

395 Who Must Sign (Continued)

C Signatures of Owners Certifying Socially Disadvantaged or Limited Resource Farmers or Ranchers

Owners that are applying for the socially disadvantaged or limited resource farmer or rancher exception, so that a producer on the farm may receive payment, must sign or initial, as applicable, CCC-509, items 13 B, C, D and 15 A and B if all of the following apply:

- the farm has 10 base acres or less
- that owner is an individual and is a socially disadvantaged or limited resource farmer or rancher
- that owner is an entity and all members of the entity are socially disadvantaged or limited resource farmers or ranchers
- the participant on the contract wishes to receive benefits.

Note: State and County Offices should **not** provide guidance to an owner about either of the following:

- their inclusion in a socially disadvantaged or limited resource group
- propriety of the owner seeking an exception.

If the owner wants to certify that the owner is in a socially disadvantaged or limited resource group, then the owner shall be provided CCC-509 Appendix (6-20-08) and be allowed to make that certification.

D Late-Filed Signup Fee

There is **no** late-filed signup fee for FY 2008.

395 Who Must Sign (Continued)

E Cash Lease Signature Requirements

COC shall determine whether a lease is considered a cash lease according to paragraph 370. If the lease is a cash lease, COC's shall require either of the following if the landowner or landowners receive a zero share of the crop:

- written lease, rental arrangement, or other document signed by the owner that proves that the producer has the land cash leased for FY

  Notes: Keep a copy of the document in the County Office folder.

  If the farm is a multiple ownership farm, and none of the tracts owned by an owner have DCP cropland on them, the signature of that landowner or proof of cash lease provisions do not apply.

- the landowner's signature on CCC-509.

  Note: When both spouses are joint owners of a farm and proof of a cash lease is not provided, the signature of 1 spouse is sufficient for a "0" share, unless the spouse has notified FSA that the other spouse may not sign for both.

- CCC-510 is authorized for payments instead of a written lease, rental arrangement, or landowner signature, only if the farm was cash leased by the producer in the previous FY and the producer was designated to receive payment on CCC-509 for that same year.

  Exception: This provision is **not** applicable if an ownership change has occurred since the previous FY.

See Exhibit 17 for additional information about using CCC-510.

396 Other Signature Requirements

A Approving CCC-509 for Advance Payments

Producers may receive a 22 percent advance direct payment at anytime after sign up, but no later than September 30, 2008. COC can approve contracts for payments if:

- all signature requirements have been met according to paragraph 395
- all required documents have been provided
- the producer has specified the month payments are requested.

Note: See Part 15 for entering requests for advances in the system.

B Processing Revised CCC-509's

If it is necessary to revise shares on an approved CCC-509 before issuing payments and before September 30, 2008, follow the following.

Step	Action
1	Use automated procedures in Part 15 to remove COC approval date when producer signature requirements have not been met.
2	Use the automated procedure in Part 15 to process share revisions.
3	Print a revised CCC-509 and obtain signatures for producers revising shares.
4	On the revised CCC-509, ENTER "See Attached" in the signature block for owners who previously designated shares and producers whose shares were not affected by a transfer or change in interest of land.
5	Attach the revised CCC-509 to the original CCC-509.

COC shall approve payment shares on the revised CCC-509.

Note: COC contract approval date should reflect the date COC approves the revised CCC-509 for payment.

397 Missing Owner Signatures

A Undivided Ownership Shares

If all producers other than an owner having less than a majority **undivided ownership** interest in the farm sign, COC may approve CCC-509 if all of the following apply:

- owners representing a majority of the undivided ownership interest shares of the farm signed CCC-509

  Note: Majority interest is greater than 50 percent of the collective undivided interest owners' share.

- shares are acceptable to COC

- documentation indicates the signatories expended a reasonable effort to obtain missing signatures.

Note: Set a refuse payment flag in the CCC-509 automated process for the owner with the missing signature.

B Example for Undivided Ownership Shares

The following example illustrates when to approve payments if all owners with undivided ownership interest do not sign.

Operator A has a 60 percent payment share.
Owner A has a 10 percent payment share.
Owner B has a 10 percent payment share.
Owner C has a 10 percent payment share.
Owner D has a 10 percent payment share.

Each owner has a 25 percent interest of the owners' undivided collective share of the farm. Owners A, B, and C signed CCC-509. Owner D did not sign CCC-509. Because Owners A, B, and C have a majority share of the owners' interest of the farm, approve payments for the owners who signed. Set the refuse payment flag for Owner D.

C Ownership Shares

COC shall not approve CCC-509 for payment if an owner having an ownership interest share does not sign.

398 Succession-in-Interest

A Basic Rule

The regulations provide that a transfer of, or change in, the interest of the producers on a farm in base acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under the contract. These transfers or changes are successions-in-interest.

Successions, as defined in this paragraph, are changes that occur within the same FY.

After CCC-509 is approved, changes made to the contract for any of the following are successions-in-interest:

- a transfer or change in the interest of a producer on the farm
- sale of land
- foreclosure, bankruptcy, or involuntary loss of the farm
- change in producer shares to reflect changes in shares originally approved on CCC-509.

Notes: Successors are not eligible for DCP payments in any FY in which they do not meet the definition of a producer according to paragraph 352.

See paragraph 400 if a producer who is entitled to a contract payment dies, becomes incompetent, or disappears.

B Deadline for Notification of Succession

A producer or owner must inform COC of changes in interest when the change occurs, but no later than October 15, 2008, if:

- producers remain the same but shares change
- a new producer is being added to the contract.

398 Succession-in-Interest (Continued)

B Deadline for Notification of Succession (Continued)

If a change in interest occurs requiring a succession to CCC-509, but CCC-509 is not revised and signed by successors by October 15, 2008:

- neither the predecessors nor the successors are eligible for the applicable year DCP payments on the farm

- all DCP payments issued to the predecessor for the applicable year shall be refunded

  Note: See subparagraph F for assessing refunds.

- the successors may sign CCC-509 for subsequent FY's, if applicable.

  Note: If there are multiple producers on CCC-509, producers not affected by the succession may retain and receive applicable DCP payments based on their respective share.

C Signatures on New CCC-509

The producers or owners affected by the succession-in-interest shall sign the revised CCC-509 no later than October 15, 2008. Before approving CCC-509 for payment, COC's shall ensure that all:

- shares represented on CCC-509 have a valid signature on CCC-509

- payments have been refunded or debt collection activities have been initiated for the predecessor according to subparagraphs D and E.

Attach a copy of the original CCC-509 to the succession-in-interest CCC-509.

D Payment Issued, Full Succession

Producers who received payments on a farm and subsequently fail to meet the definition of a producer on the farm for the applicable contract year **shall refund** the payments. Debt collection activities shall be initiated immediately upon loss of interest by the predecessor.

Note: A refund is required, including cases where the predecessor was considered to be a producer at the time payments were issued. See subparagraph I.

398 Succession-in-Interest (Continued)

E Payment Issued, Partial Succession

Producers who received payments on a farm, and subsequently agreed to a reduced payment share on a revised CCC-509 because of a partial succession-in-interest, are required to immediately refund the amount of advance direct payments they cannot earn for the applicable contract year, based on the revised payment shares.

Note: A refund is required, including cases where the predecessor was considered to be a producer at the time payments were issued. See the example in subparagraph J.

F Refunds From Predecessors

Debt collection activities shall be initiated for predecessors according to subparagraph D or E, as applicable, **before** COC approves revised CCC-509 for succession.

G Payments to Successors

Successors may earn direct payments and counter-cyclical payments on a farm with respect to payment shares acquired from a predecessor. Debt collection activities shall be initiated for the predecessor according to subparagraph D or E **before** the contract can be approved for the successor.

H Foreclosure Rule

A producer who signs CCC-509 shall be required to make repayment if the farm was foreclosed on and the producer lost control of the farm.

Foreclosure does not void the contract nor the responsibilities of the producer under the contract if the producer continues or resumes operation or control of the farm.

Succession-in-interest rules shall apply to foreclosure.

398 Succession-in-Interest (Continued)

I Example 1: Sale of Land or New Cash Lease

Producer A, the owner of FSN 22, received the FY 2008 advance direct payment. On July 1, 2008, Producer A sold or cash leased FSN 22 to Producer X. Producer X succeeds to CCC-509.

Producer A is required to refund the FY 2008 advance DCP payment. After debt collection activities have been initiated for Producer A, Producer X may receive the advance payment, and the FY 2008 final DCP payment, if Producer X meets all other eligibility requirements and the payment limitation is not exceeded.

Note: See paragraph 446 for payment limitation.

J Example 2: New Share Lease

Producer A, the owner of FSN 22, received a 22 percent advance of the FY 2008 direct payment, or $8,000. On July 15, 2008, Producer A and Producer X entered into a share lease arrangement (40 percent, Producer A; 60 percent, Producer B) on the entire farm. Producer A signs a revised CCC-509 with a 40 percent payment share, and Producer X signs CCC-509 for the acquired 60 percent share.

Producer A's calculated direct payment amount is now $6,400, based on the revised payment shares. Accordingly, Producer A must immediately refund $1,600, which represents the amount by which the calculated direct payment amount exceeds Producer A's advance payment.

Note: Debt collection activities shall be initiated for the predecessor according to subparagraphs D and E.

Producer X may receive an advance payment, based on a 60 percent payment share, after debt collection activities have been initiated for the predecessor; all other eligibility requirements are met; and the payment limitation is not exceeded for Producer X.

Note: See paragraph 446 for payment limitation.

399 Succession-in-Interest Examples

A Example 1

The following data applies to Examples 1 through 6:

FSN:	10
Farmland:	125
DCP Cropland:	100
DCP Base Acres:	100

Producer A, owner/operator of FSN 10, plants 100 acres of wheat for harvest. In April, the wheat failed. Producer A received the advance direct payment. In May, Producer A cash leases FSN 10 to Producer B. Producer B plants 100 acres of cotton.

Producer A is required to refund the FY advance direct payment. After debt collection activities have been initiated for Producer A, Producer B would be entitled to the FY DCP payments because there was a total succession on the base acres for the crop year.

B Example 2

Producer A, owner/operator, plants 100 acres of wheat for harvest in May 2003. In April, the wheat failed. Producer A received the advance direct payment. In May, Producer A share leases 50 acres of FSN 10 to Producer B. Producer B plants 50 acres of cotton. Producer A and Producer B are sharing in the crop:

- 75 percent for Producer B
- 25 percent for Producer A.

Both Producer A and Producer B are entitled to share in the DCP payments for the farm. Producer A does not have to refund the FY advance direct payment because he retained sufficient interest in base acres for the FY to cover the amount. However, there has been a partial succession on base acres for the crop year. Therefore, Producer A is not entitled to receive 100 percent of the DCP payments.

C Example 3

Producer A, owner/operator, plants no crops. Producer A received the advance direct payment. In March, Producer A share leases FSN 10 to Producer B. Producer B plants 50 acres of cotton.

Assuming Producer A cash-leased all 100 acres of FSN 10 to Producer B, a succession on all the base acres on the farm has occurred for the year. Producer B is entitled to 100 percent of the DCP payments. After debt collection activities have been initiated for Producer A, Producer B would be entitled to the DCP payments because there was a total succession on the base acres for the crop year.

399 Succession-in-Interest Examples (Continued)

D Example 4

Producer A, owner/operator, plants no crops. Producer A received the advance direct payment. In March, Producer A share-leased FSN 10 to Producer B. Producer B plants 50 acres of cotton. Producer A and Producer B are sharing in the cotton:

- 75 percent for Producer B
- 25 percent for Producer A.

Producer A and Producer B are entitled to share in the DCP payments. Assuming the entire farm has been share-leased, Producer A has only retained an interest in 25 percent of the base acres and would have to repay half of the payment he or she received.

E Example 5

Producer A, owner/operator, plants no crops. Producer A received the advance direct payment. In March, Producer A cash leases FSN 10 to Producer B. Producer B does not plant a crop.

The fact that Producer B did not plant a crop is not the determining factor. Producer A cash-leased the farm to Producer B in March and a crop could have been planted and harvested for the current year. Therefore, Producer B would meet the definition of a producer on the farm for the crop year. After debt collection activities have been initiated for Producer A, Producer B would be entitled to the DCP payments.

F Example 6

Producer A, owner/operator, plants and harvests wheat for grain. Wheat harvest is completed in May. Producer A received the advance direct payment. Producer A voluntarily leaves the farm after the completion of the wheat harvest. Producer B cash leases the farm effective June 1. Producer B may or may not plant a crop. It is, however, possible to plant a crop and harvest it before September 30 in this area.

Producer A and Producer B may have a valid dispute of shares. See paragraph 356.

Note: As provided in subparagraph 352 C, an annual crop year lease may have a beginning date in one FY, and an ending date in another FY. Since the lease is an annual lease for 1 crop year, it shall not be used to claim payments in more than1 crop year. A producer is only eligible for DCP payments applicable for that 1 crop year if the lease is for only 12 months. It, therefore, must be determined for what year Producer B is a producer on the farm and eligible to receive DCP payments.

400 Producers Who Are Deceased, Incompetent, or Have Disappeared

A Basic Rule

An individual who has died, disappeared, or been declared incompetent, but meets the definition of a producer for the contract period, is eligible for payments. However, if payment is not to be issued to the producer, FSA-325 must be completed according to this paragraph. This situation is not considered a succession.

B Requesting Payments

FSA-325 must be completed, according to 1-CM, by the individuals or entities requesting payments **earned** by a producer who has died, disappeared, or been declared incompetent. Payments shall be issued to the individuals or entities requesting payment using the deceased, missing, or incompetent producer's ID number. A revised CCC-509 is not required to be completed when payments are issued under the deceased, missing, or incompetent producer's ID number.

401 Review of CCC-509's Modified After September 30

A Introduction

1-DCP, subparagraph:

- 353 B specifies that revisions to CCC-509 shall **not** be made after October 15 of FY
- 845 B provides procedure or updating producer signature and enrollment date information in the system.

To accommodate the policy provisions about enrollment in DCP, DCP CCC-509 software has been modified to:

- allow the enrollment date to be entered after October 15 of the applicable CCC-509 period
- ensure that the actual date entered is **not** later than October 15 of the applicable CCC-509 period.

401 Review of CCC-509's Modified After September 30 (Continued)

B Updates Affecting CCC-509 Enrollment Date

The enrollment date associated with CCC-509's is automatically removed when any of the following changes are made to data in the farm records management system:

- operator is changed
- other tenant with CCC-509 share is removed from the farm
- owner is added to a tract associated with the farm
- base acres are modified
- direct and/or counter-cyclical payment yields are modified
- an out-of-balance condition is created because of changes to DCP cropland.

In addition, the enrollment date will be removed if CCC-509 shares are revised for the applicable CCC-509.

Note: Changes to counter-cyclical advance payment request information will **not** result in the enrollment date being removed from CCC-509's.

Updates to the system for any of these reasons constitute a modification of existing CCC-509's; therefore, the enrollment date is automatically removed from the system when the update occurs.

401 Review of CCC-509's Modified After September 30 (Continued)

C State Office Review Process

Subparagraph 353 B specifies that revisions to CCC-509's shall **not** be made after October 15, 2008. Therefore, the All Farms with Enrollment Date Modifications After October 15 Report will be available to State Office specialists that identifies all CCC-509's with an enrollment date that was updated during the previous month. This report is available to State and National Office users **only**. See paragraph 853 for instructions for printing the report.

Reminder: The enrollment date can be entered in the system after October 15 of the applicable CCC-509 period; however, the date actually entered cannot be later than October 15 of the applicable CCC-509 period. See paragraph 402 for additional information about valid situations where the enrollment date should be updated to a date later than October 15 of the applicable CCC-509 period.

State Offices are required to review the All Farms with Enrollment Date Modifications After October 15 Report listing all CCC-509's where the enrollment date has been updated during the previous month. State Offices shall:

- conduct a thorough review of each CCC-509 listed on the monthly report to ensure that DCP policy has been administered properly

- take corrective action, if applicable, with County Offices if CCC-509's were updated in error.

402 Updating Producer Signature and Enrollment Dates After September 30

A Introduction

County Offices shall ensure that all information recorded in the automated system accurately reflects actual signature, enrollment, and approval date information. See paragraph 845 for additional information about how data shall be entered in the web-based system.

However, if the signature or enrollment date information is actually **received** after October 15 of the applicable CCC-509 period, the system is designed to prevent County Office users from updating the system with that information.

Example: Landowner signed CCC-509 to zero shares on October 30, 2008. The system will **not** allow any date after October 15, 2008, to be entered as a producer signature date.

Because there are some instances where a date after October 15, should be entered in the system for a producer signature or enrollment date, a process has been developed that allows the system to be updated properly with the producer signature and enrollment date information.

B Situations That Warrant Producer Signature or Enrollment Dates To Be Later Than October 15

The enrollment date in the system is determined by the later of the following:

- the last signature date that was obtained for all producers on CCC-509
- date the cash lease or cash rent certification statement is provided to the County Office.

As specified in subparagraph 352 D, the following documentation is considered supporting documentation even if received after October 15 of the applicable CCC-509 period:

- landowner signing CCC-509 to zero shares
- a copy of a cash lease agreement
- cash rent certification statement.

However, DCP contract system validations do **not** allow County Offices to enter a producer signature or enrollment date later than October 15, 2008. Therefore, these cases require State Office intervention so the system can be updated to accurately reflect when the signature was actually obtained and/or when CCC-509 was actually enrolled in DCP.

402 Updating Producer Signature and Enrollment Dates After September 30 (Continued)

C County Office Action

For situations described in subparagraph B, County Offices shall:

- **not** manipulate the system by entering a date before October 16, 2008, as the signature date for any signature that was obtained after October 15, 2008

- **not** manipulate the system by entering an incorrect enrollment date for signatures or cash lease documentation that were obtained after October 15, 2008

- submit a copy of the completed CCC-509 and cash lease documentation, if applicable, to the State Office with a cover memorandum requesting that the system be updated with either or both of the following:

  - landowner's signature date
  - CCC-509 enrollment date.

D State Office Action

***--**After verifying that the situation warrants intervention, State Offices shall update the enrollment and/or approval dates for situations described in subparagraph B **only**. All other situations require National Office intervention.

Note: See paragraph 853.5 for instructions on updating the enrollment and/or approval dates for automated CCC-509's.**--***

*--403 Web-Based DCP State Office Administrative Access

A Requesting Web-Based DCP State Office Administrative Access

State Offices may request that 2 users be granted State Office administrative access to web-based DCP. The State Office program specialist in charge of DCP shall select 2 State Office employees who are to have State Office administrative access to DCP, and submit the following information to SLR:

- State Office name
- employee's legal first and last name
- employee's job title
- employee's USDA eAuthentication user ID.

Note: The State Office program specialist in charge of DCP may be 1 of the 2 submitted names. DD's may **not** be 1 of the 2 submitted names.

SLR's shall do 1 of the following:

- disapprove and return the request to the State Office specialist in charge of DCP
- approve the request and FAX the information to 202-690-2130.

  Note: The subject of the FAX should be "Requesting DCP State Office Administrative Access".

SLR may contact Brent Orr, PECD, DCP Program Manager by e-mail to **brent.orr@wdc.usda.gov** with any questions or concerns.

B Changing or Terminating User Roles with DCP State Office Administrative Access

No more than 2 State Office users may be granted DCP State Office administrative access. If a user needs to be changed, use the process outlined in subparagraph A. The request shall include the user information to be added, and the user information to be removed.**--***

404-424 (Reserved)

Part 7 Eligibility and Compliance Rules

Section 1 Farm Eligibility

425 General Information

A Contract Period Compliance

Producers on a farm may receive FY 2008 direct payments and counter-cyclical payments with respect to the farm, if the producers agree to comply with program requirements. The FY 2008 contract period is October 1, 2007, through October 15, 2008

B Farm Eligibility

A farm is eligible to participate in DCP if 1 of the following applies:

- the farm has a FY 2008 base calculated for the farm
- the land on the farm was enrolled in CRP-1 that expired or was voluntarily terminated after September 30, 2007, and either of the following applies:
  - CRP-15 was protecting crop acreage bases
  - CCC-505 was used to reduce PFC acres or DCP base acres, as applicable.

    Note: See subparagraph 331 B.

426 Eligible and Ineligible Land Uses for Base Acreage

A Cropland and DCP Cropland Requirement

Land subject to the contract must be used for an agricultural or related activity for the applicable FY, and not for a nonagricultural, commercial, or industrial use.

DCP cropland and effective DCP cropland will be determined and updated according to 3-CM for DCP purposes, including base determinations.

If land use changes in subsequent years:

- the land use shall be updated according to 3-CM
- base reductions shall be processed using CCC-505, as applicable, according to subparagraph D.

Note: Any change in base acres on a farm shall result in issuing FSA-476 DCP.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

B Eligible Uses

To remain eligible as DCP base acreage, a quantity of land equal to the total base acres for the farm, and any base acres of peanuts for the farm, shall be used for an agricultural or conserving use. This following provides examples of land use, considered agricultural or related use, and nonagricultural use.

Agricultural	Nonagricultural
• land meeting DCP cropland definition • sod • farm ponds • aquaculture ponds • nursery acreage devoted to in-ground plants • wildlife habitats • pasture • acreage used to raise domesticated game for restaurants • trees planted for harvest, conservation purposes, or recreational uses • temporary hoop houses for nursery agriculture • temporary nonagricultural uses, such as parking for a field day, etc.	• golf courses and other recreational facilities • land used for commercial development, buildings, or parking lots • strip mines • permanent structures, including those for agricultural uses

Note: COC's shall submit questionable uses to DAFP, through the State Office, for determinations.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

C Eligible Land

DCP base acreage cannot exceed effective DCP cropland except for established double-cropping. In addition to meeting other eligibility requirements for DCP, a farm, before enrollment, must have effective DCP cropland available on the farm greater than or equal to the total base acres for the farm. See 3-CM for the definition of DCP cropland.

D Converting to Nonagricultural Use

DCP cropland converted to nonagricultural use:

- shall be removed from cropland and DCP cropland according to 3-CM
- is not eligible as DCP base acres from the date of conversion.

When conversion of DCP cropland to nonagricultural use results in DCP base acres exceeding effective DCP cropland for the farm, COC shall notify the farms owners and operator, in writing, of the options available according to the following.

IF the conversion is discovered…	**THEN within 30 calendar days of COC notification…**
before October 15 of FY in which the conversion occurred	all owners must do either of the following: • complete CCC-505 to permanently reduce applicable base acres • withdraw the farm from CCC-509. Failure to reduce applicable base acres or withdraw the farm from CCC-509 shall result in COC terminating CCC-509. Producers cannot withdraw a farm from CCC-509 after CCC-509 has expired (October 15 of the applicable FY). If there are less than 30 calendar days remaining in before October 15 at the time of COC notification, base acres must be reduced or the farm withdrawn from CCC-509 by October 15.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

D Converting to Nonagricultural Use (Continued)

IF the conversion is discovered…	THEN within 30 calendar days of COC notification…
after October 15 of FY in which the conversion occurred	all: • owners must complete CCC-505 to permanently reduce applicable base acres effective for FY the conversion occurred • producers must refund all unearned DCP payments made, plus interest. If owners fail to reduce applicable base acres, COC shall permanently reduce applicable base acres, and conduct a thorough review of the situation to determine whether the case involves misrepresentation and/or a scheme or device that defeats the purpose of the program. See subparagraph 335 A for additional information. **Note:** Because CCC-509 in effect when the conversion occurred has expired, producers do not have the option to withdraw from CCC-509, nor can COC terminate the expired CCC-509.

Important: Reduction in base acres or withdrawal of farm from CCC-509 may result in unearned DCP payments. All unearned DCP payments shall be refunded, plus interest.

Example 1: A farm with 200 acres of DCP cropland and 200 base acres is enrolled in FY 2008 DCP. FY 2008 advance payments have been made to the producers on the farm. On August 1, 2008, COC discovers 10 acres on the farm had been converted to a nonagricultural building site on May 4, 2008. COC shall notify the owner and operator they must do either of the following within 30 calendar days:

- withdraw the farm from the FY 2008 CCC-509, and refund all DCP payments made for the farm, plus interest

- owner must permanently reduce base acres by 10 acres, and refund the unearned DCP payments made, plus interest if applicable.

If the producers do not elect either of the options within 30 calendar days, COC shall terminate CCC-509 and request refund of all DCP payments made, plus interest.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

D Converting to Nonagricultural Use (Continued)

Example 2: A farm with 200 acres of DCP cropland and 200 base acres was enrolled in FY 2008 DCP and is enrolled in FY 2008 DCP. All FY 2008 DCP payments have been made for the farm. FY 2008 advance payments have been made to the producers on the farm. COC discovers 10 acres on the farm were converted to a nonagriculture building site on August 4, 2007. COC shall notify the owner and operator they must permanently reduce base acres by 10 acres, and refund the unearned DCP payments made, plus interest within 30 calendar days.

If the producers do not permanently reduce applicable base acres within 30 calendar days, COC shall:

- permanently reduce 10 base acres
- terminate the FY 2008 CCC-509
- request refund of all unearned DCP payments made for FY 2008, plus interest.

E Land Enrolled in WBP

Land enrolled in WBP shall not be enrolled in DCP. County Offices shall record land enrolled in WBP according to 3-CM.

All land enrolled in WBP may not be cropland. County Offices shall ensure land enrolled in WBP is recorded according to 3-CM.

Important: Enrollment of land into WBP may require the permanent reduction of DCP base acres. DCP base acreage shall **not** exceed effective DCP cropland plus double-cropped acres.

Note: Subparagraph I does not apply to land enrolled in WBP.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

F Land Enrolled in WRP

There are 2 separate statutory provisions affecting producers enrolling land in WRP.

- The DCP statutory provisions of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) Section 1101(b) requires a reduction of base acres if the sum of the base acres for a farm, together with the following acreage, exceeds the actual cropland for the farm:
  - any acreage on the farm enrolled in CRP or WRP
  - any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.
- WRP provisions require that, in some situations, owners and operators of land subject to WRP conservation easements agree to the permanent retirement of any existing base acres for this land.

NRCS has a policy requiring producers to complete CCC-505 when offering land for enrollment in WRP. NRCS will provide FSA offices with a copy of CCC-505 when WRP easement is recorded. However, DCP base acre reduction is not effective until NRCS notifies FSA that WRP easement has been recorded.

FSA County Offices shall ensure that the provisions of **both of the statutory provisions** specified are met for producers enrolling land in WRP to ensure that USDA is not compensating producers for the value of the base acres retired under WRP and issuing farm program payments on the same acreage under DCP. However, a coordinated effort is required with NRCS with certain responsibilities applying to each Agency.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

F Land Enrolled in WRP (Continued)

NRCS requires producers to complete CCC-505 when the producer offers land for enrollment in WRP. FSA County Offices are not responsible for, **and shall not assist** producers in, completing CCC-505 for land being offered in WRP. However when requested, FSA County Offices shall provide producers with:

- a copy of FSA-156-EZ with information about the number of DCP base acres applicable to the farm or farms
- a **blank** FSA-910 with instructions
- a **blank** CCC-505
- aerial maps for the applicable farm or farms.

Although NRCS is responsible for notifying FSA when WRP easements are closed, producers also bear responsibility for notifying FSA of changes that affect DCP eligibility. CCC-509 Appendix, subparagraph 3 F specifies that changes in the farming operation that may affect any determination after CCC-509 is signed shall be reported to CCC by all applicable producers by signing a revised CCC-509 to reflect the change no later than October 15, 2008.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

F Land Enrolled in WRP (Continued)

Once the WRP easement is **closed**, NRCS will provide documentation about the WRP agreement including CCC-505 to the applicable FSA County Office. FSA County Offices shall follow the provisions of this table.

Note: If adequate documentation is not provided by NRCS to determine DCP base acreage reductions, acres on cropland, and acres on noncropland, FSA County Offices shall immediately contact the applicable NRCS Office to obtain the documentation necessary to update FSA records.

Step	Action
1	**Immediately** update the farm records management system according to 3-CM to record the number of acres enrolled in WRP that are on DCP cropland. See 3-CM for additional information. **Note:** Acres enrolled in WRP that are on non-DCP cropland shall not be included in the WRP field in the farm records management system.
2	• **Immediately** update the farm records management system according to 3-CM to reduce the DCP base acreage as specified on CCC-505 **received from NRCS** for FY in which the WRP easement was recorded or WRP cost-share restoration agreement is approved. CCC-505 includes the number of DCP base acres that shall be retired, even if the number of base acres being retired is zero. **Note:** Producers may have elected to reduce DCP base acres to increase the value of the WRP appraisal for a WRP easement. FSA County Offices shall reduce the DCP base acres as specified on CCC-505. In some cases, there may be excess acreage on the farm that may not require base reduction, but the acreage shall be reduced as specified on CCC-505 because those acres were designated for retirement through the WRP easement. • Notify all producers on the farm that a revised DCP contract must be filed by October 15, 2008, that reflects the reduced DCP base acreage. **Note:** This step is required; however an additional reduction may be required as determined in steps 3 through 5. County Offices shall ensure that all steps in this table are followed.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

F Land Enrolled in WRP (Continued)

Step	Action
3	After steps 1 and 2 have been completed, County Offices shall determine if the number of DCP base acres exceeds the effective DCP cropland plus double-cropped acreage according to subparagraph 428 D. If the DCP base acres still exceed the effective DCP cropland plus double-cropped acreage, then: • an additional reduction to DCP base acres is required • the DCP contract for the applicable FY cannot be enrolled until the reduction of the base acres is completed • County Offices shall follow the provisions of step 4.
4	If an additional base reduction is required according to step 3, County Offices shall: • notify the owners of the farm that an additional reduction of base acres is required within 30 calendar days • notify all producers on the farm that a revised DCP contract must be filed by October 15, 2008, that reflects the reduced DCP base acreage • ensure that all provisions of 3-CM are met for updating the farm records management system and notifying applicable producers of the revision to the farm records. **Note:** Signatures must be received no later than October 15, 2008.
5	If CCC-505 is not filed by the owners of the farm within 30 calendar days according to step 4: • COC shall initiate CCC-505 reducing the base acreage according to 3-CM • COC shall not approve a revised CCC-509 unless all signature requirements are met by June 1 of the applicable FY **Note:** Signatures must be received no later than October 15, 2008. • County Office shall notify the producers associated with the farm of the COC determination of the reduction of base acres • County Office shall ensure that all provisions of 3-CM are met for updating the farm records management system and notifying applicable producers of the revision to the farm records.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

G Land Under EWP Flood Plain Easements

Land under the EWP Flood Plain Easement is **not** eligible to be enrolled in DCP beginning the date the EWP Flood Plain Easement is filed.

Exception: Cropland under EWP Flood Plain Easement may be eligible for DCP in the FY the EWP Flood Plain Easement is filed, provided **both** of the following are met:

- written documentation from NRCS which allows the acreage to be planted to an annual crop for harvest in the FY the easement is filed, is submitted

  Note: Depending on the date the easement is filed, the applicable NRCS manual may not allow planting an annual crop in FY the easement is filed.

  Important: Neither haying nor grazing is considered planting an annual crop.

- all other requirements to enroll the acreage in DCP are met.

Cropland acreage under EWP Flood Plain Easement shall be recorded according to 3-CM. The date EWP Flood Plain Easement acreage is recorded in the automated system is dependent upon:

- date EWP Flood Plain Easement is filed
- whether NRCS allows the planting an annual crop for harvest in FY.

All land under EWP Flood Plain Easement may not be cropland. County Offices shall ensure land under EWP Flood Plain Easement is recorded according to 3-CM.

Important: Placement of land under EWP Flood Plain Easement may require the permanent reduction of DCP base acres. DCP base acreage shall **not** exceed effective DCP cropland plus double-cropped acres.

Note: Subparagraph I does not apply to land under EWP Flood Plain Easements.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

H Land Under State or Other Conservation Programs or Restrictive Easements Other Than WRP, WBP, or EWP Flood Plain Easements

Land under a restrictive easement or agreement that prohibits **all** of the following shall **not** be enrolled in DCP:

- annual planting of a crop for harvest as grain or lint
- haying
- grazing.

Note: See subparagraph I for easement/agreements that allow haying and/or grazing.

Land under a restrictive easement or agreement shall be ineligible for DCP beginning FY the cropping, haying, and grazing restrictions are effective.

Cropland acreage under a restrictive easement or agreement shall be recorded according to 3-CM.

Important: Land under a restrictive easement or agreement may require the permanent reduction of DCP base acres. DCP base acreage shall **not** exceed effective DCP cropland plus double-cropped acres.

The placement of land under a restrictive easement or agreement may result in a refund of DCP payments received by the applicable producers.

Example 1: Land is placed under an easement that prohibits all cropping, haying, and grazing of the acreage. The restrictions prohibiting cropping, haying, and grazing are effective beginning the date the easement is filed.

The easement is filed on November 4, 2007. The land under easement is ineligible for DCP beginning FY 2008.

Once the land under easement is not eligible for DCP, County Office shall:

- record the cropland acreage under easement according to 3-CM
- require a reduction in DCP base acres, if applicable
- request a refund of DCP payments, if applicable.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

H Land Under State or Other Conservation Programs or Restrictive Easements Other Than WRP, WBP, or EWP Flood Plain Easements (Continued)

Example 2: Land is placed under a restrictive easement that prohibits all cropping, haying, and grazing of the acreage. The restrictions prohibiting cropping, haying, and grazing are effective when the producer signs the applicable program agreement.

Note: The program agreement is signed before the easement is filed.

The program agreement is signed on September 1, 2007. The easement is filed on November 4, 2007. The land under easement is ineligible for DCP beginning FY 2007.

Once the land under easement is not eligible for DCP, County Office shall:

- record the cropland acreage under easement according to 3-CM
- require a reduction in DCP base acres, if applicable
- request a refund of DCP payments, if applicable.

I Haying and Grazing of Cropland Under State Conservation Program, Other Conservation Program, or Restrictive Easement Except WRP, WBP, and EWP Flood Plain Easements

Land under any of the following may be eligible for DCP provided the easement or agreement, as applicable, allows haying and/or grazing of the acreage on an annual basis under “normal” circumstances.

- easements other than WRP, WBP, or EWP
- State conservation programs
- other conservation programs.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

I Haying and Grazing of Cropland Under State Conservation Program, Other Conservation Program, or Restrictive Easement Except WRP, WBP, and EWP Flood Plain Easements (Continued)

For the purposes of this paragraph, "normal" circumstances allow haying and/or grazing on an annual basis, including situations where haying and/or grazing is limited to a specific time period of the year.

Important: The following haying/grazing provisions are **not** considered "normal" circumstances:

- limited only to when emergency conditions exist
- not allowed on an annual basis.

Example 1: Land is placed under an easement that prohibits all cropping. The easement prohibits all haying. However, the easement allows grazing of the acreage every third year of the life of the easement.

The easement terms do not allow grazing on an annual basis; therefore, the land is **not** eligible for DCP.

Example 2: Land is placed under an easement that prohibits all cropping. The easement prohibits haying and grazing of the acreage, except in emergency situations, as determined by the easement terms. Accordingly, the land is **not** eligible for DCP.

Example 3: Land is placed under an easement that prohibits all cropping. The easement prohibits haying and grazing of the acreage except for the time period of August 1 through September 30 of each year.

The easement terms allow haying or grazing except for specific time period; therefore, the land is eligible for DCP, provided **all** other requirements are met.

Land enrolled in CRP or GRP is **not** eligible to be enrolled in DCP, see subparagraph J. Land under CRP easement or practice lifespan requirements is **not** eligible to be enrolled in DCP, see subparagraph K.

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

J Land Enrolled in CRP or GRP

Land enrolled in CRP or GRP is **not** eligible to be enrolled in DCP.

Enrollment of land into CRP or GRP may require:

- reduction of DCP base acres

  Note: See paragraph 428.

- refund of DCP payments.

Note: Subparagraph I does not apply to land under CRP or GRP.

K Land Under CRP Easement or Practice Lifespan Requirement

Land under CRP easement or practice lifespan requirement:

- is **not** eligible to be enrolled in DCP
- shall be maintained in the automated system according to 3-CM.

For CRP signups 10, 11, and 12, participants that enrolled land in CRP to be devoted to certain CRP practices agreed to place the land under 1 of the following:

- 15- or 30-year easement
- 15- or 30-year practice lifespan requirement.

The terms and conditions of the CRP easement and practice lifespan requirements continue:

- after the CRP-1 expires, for the life of the easement or practice lifespan
- the prohibition of cropping, haying, and grazing the acreage.

Note: Subparagraph I does not apply to land under CRP easement or practice lifespan requirement.

427 Acre Reductions for CRP, GRP, or WRP Enrollment

A General Rule

The sum of the following shall not exceed DCP cropland on the farm, except to the extent there is an established double-cropped history on the farm:

- all DCP base acres, including peanut base acres
- cropland enrolled in:
  - CRP
  - EWP
  - WBP
  - WRP
- cropland or DCP cropland enrolled in GRP
- cropland enrolled in any conservation program for which payments are made in exchange for not producing an agricultural commodity.

B When to Determine Reduction Acres for CRP and GRP

County Offices shall calculate the number of acres on a farm that may be enrolled in CRP or GRP without requiring a reduction to DCP base acres at the time the producer submits AD-1153, CRP-2, or CRP-2C.

When the producer determines to reduce DCP base acres on a farm because of enrollment into CRP or GRP, the producer must complete CCC-505 at the time the acres are being offered for CRP or GRP.

Note: Some producers may elect to modify the number of acres to be offered for CRP or GRP instead of reducing DCP base acres on the farm.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

C When to Determine Reduction Acres for WRP

County Offices shall follow the provisions on subparagraph 426 F immediately upon notification from NRCS that the WRP easement is closed or the cost-share restoration agreement is approved.

Reminder: There are 2 separate statutory provisions affecting producers enrolling land in WRP and County Offices shall ensure that DCP base acres are reduced, if necessary, to satisfy both provisions.

D Determining Reduction Acres

County Offices shall use the following to determine whether enrolling land into:

- CRP or GRP will require a reduction in any of the following:
  - DCP base acres
  - number of acres offered for CRP
  - number of acres offered for GRP
- WRP will require a reduction in base acres according to the Food, Conservation, and Energy Act of 2008 statutory provisions.

Step	Action
1	Print FSA-156-EZ for farm on which the acres are being offered for enrollment into CRP, GRP, or WRP. See 3-CM to print FSA-156-EZ.
2	From FSA-156-EZ, determine the number of double-cropped DCP base acres by subtracting total DCP base acreage from effective DCP cropland acres.
3	Add: • effective DCP cropland from the FSA-156-EZ, plus • result of step 2. **Note**: If the result of step 2 is negative, use the effective DCP cropland.
4	From FSA-156-EZ, determine the total DCP base acres for the farm.
5	Subtract result of step 3 from result of step 4.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

D Determining Reduction Acres (Continued)

Step	Action		
6	**IF the result of step 5 is…**	**AND the program is…**	**THEN…**
	negative		• 1 or more tracts on the farm are out-of-balance • correct out-of-balance tracts according to 3-CM and return to step 1.
	zero	CRP or GRP	no cropland or DCP cropland acres on the farm can be enrolled into CRP or GRP unless DCP base acres are reduced in an amount equal to the number of acres offered for CRP or GRP. An additional reduction may be required if the farm has double-cropped acreage included in the DCP base acres. See 3-CM for additional information on updating acreage information in the farm records management system. **Note:** Land that does **not** meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following: • total cropland on the farm • total DCP cropland on the farm • DCP base acres.
		WRP	no cropland or DCP cropland acres on the farm can be devoted to WRP unless DCP base acres are reduced by the number of acres being recorded for the WRP easement or cost-share restoration agreement. An additional reduction may be required if the farm has double-cropped acreage included in the DCP base acres. See 3-CM for additional information on updating acreage information in the farm records management system.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

D Determining Reduction Acres (Continued)

Step	Action		
6 (Cntd)	**IF the result of step 5 is…**	**AND the program is…**	**THEN…**
	greater than zero	CRP or GRP	• cropland acres or DCP cropland acres in an amount equal to the result of step 5 may be enrolled in CRP or GRP without a reduction to DCP base acres on the farm • cropland acres or DCP cropland acres in an amount exceeding the result of step 5 may **not** be enrolled in CRP or GRP without a corresponding reduction in DCP base acres on the farm. **Note:** Land that does **not** meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following: • total cropland on the farm • total DCP cropland on the farm • DCP base acres.
		WRP	• cropland acres or DCP cropland acres in an amount equal to the result of step 5 may be devoted to WRP without reduction to DCP base acres on the farm **Note:** NRCS may require the producer to file CCC-505 to reduce the DCP base acres. See subparagraph 426 F. • cropland acres or DCP cropland acres in an amount exceeding the result of step 5 cannot be devoted to WRP unless DCP base acres are reduced on the farm.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

E Producer Options

When enrollment in CRP or GRP will result in a reduction of DCP base acres on the farm, the owner shall, at the time AD-1153, CRP-2, or CRP-2C is submitted, elect 1 of the following:

- reduce the number of acres offered for CRP or GRP to an amount that results in no reduction to DCP base acres
- execute CCC-505 to reduce applicable number of DCP base acres on the farm
- reduce a combination of the number of acres offered for CRP or GRP and the number of DCP base acres on the farm.

Note: When CCC-505 is executed because of land offered for enrollment in CRP or GRP, DCP base acres shall not be reduced until:

- applicable CRP-1 becomes effective
- CCC-920 is approved.

If acres offered for CRP or GRP are not accepted in CRP or GRP, applicable DCP base acres shall **not** be reduced.

Example 1: FSN 1 consists of the following:

- 100 acres effective DCP cropland
- 100 acres cropland
- 0 double-cropped acres
- 90 DCP base acres.

Owner of FSN 1 offers 15 cropland acres for enrollment in CRP during CRP signup 29. The number of cropland acres that may be enrolled in CRP on FSN 1 without requiring a reduction to DCP base acres is 10 acres (100 + 0 – 90 = 10). Therefore, the owner must elect 1 of the following at the time CRP-2 is submitted:

- reduce the number of cropland acres offered for CRP by at least 5 acres
- execute CCC-505 to reduce DCP base acres by at least 5 acres
- reduce a combination of the number of acres offered for CRP and the number of DCP base acres by a total of 5 acres.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

E Producer Options (Continued)

Example 2: FSN 200 consists of the following:

- 100 acres effective DCP cropland
- 75 cropland acres
- 25 double-cropped acres
- 125 DCP base acres.

Owner of FSN 200 offers 15 cropland acres for enrollment in CRP during CRP signup 29. The number of cropland acres that may be enrolled in CRP on FSN 200 without requiring a reduction to DCP base acres is 0 acres (100 + 25 – 125 = 0). Therefore, the owner must elect 1 of the following at the time CRP-2 is submitted:

- not offer any cropland acres for enrollment in CRP

- execute CCC-505 to reduce DCP base acres by at least 15 acres

- reduce a combination of the number of acres offered for CRP and the number of DCP base acres by a total of 15 acres.

Example 3: FSN 50 consists of the following:

- 60 acres effective DCP cropland
- 50 acres cropland
- 0 double-cropped acres
- 50 DCP base acres.

Owner of FSN 50 offers 20 cropland acres for enrollment in GRP. The number of cropland acres that may be enrolled in GRP on FSN 50 without requiring a reduction to DCP base acres is 10 acres (60 + 0 – 50 = 10). Therefore, the owner must elect 1 of the following at the time AD-1153 is submitted:

- reduce the number of acres offered for GRP by at least 10 acres

- execute CCC-505 to reduce DCP base acres by at least 10 acres

- reduce a combination of the number of acres offered for GRP and the number of DCP base acres by a total of 10 acres.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

E Producer Options (Continued)

Example 4: FSN 300 consists of the following:

- 60 acres effective DCP cropland
- 50 acres cropland
- 0 double-cropped acres
- 50 DCP base acres.

Owner of FSN 300 offers 10 acres of DCP cropland that does not meet the definition of cropland for enrollment in GRP. The number of acres of DCP cropland acres that may be enrolled in GRP on FSN 300 without requiring a reduction to DCP base acres is 10 acres (60 + 0 – 50 = 10). Therefore, the owner is not required to reduce either DCP base acres or the number of acres offered to enroll in GRP.

Example 5: FSN 400 consists of the following:

- 60 acres effective DCP cropland
- 60 acres cropland
- 0 double-cropped acres
- 60 DCP base acres.

Owner of FSN 400 offers 40 noncropland/non-DCP cropland acres for enrollment in GRP. The number of DCP cropland acres that may be enrolled in GRP on FSN 400 without requiring a reduction to DCP base acres is 0 acres (60 + 0 – 60 = 0). However, the acres offered for enrollment in GRP are noncropland/non-DCP cropland acres. Therefore, the owner is not required to reduce either DCP base acres or the number of acres offered to enroll in GRP.

F When to Complete CCC-505 to Reduce DCP Base Acres

When the producer elects to reduce DCP base acres because of enrollment in CRP or GRP, the producer shall complete CCC-505 at the time the acres are offered for CRP or GRP.

If the producer elects to retire base acres for enrollment in WRP, the producer will provide CCC-505 to NRCS. NRCS will provide CCC-505 to FSA when the easement is closed.

Reminder: Even if the producer files CCC-505 with NRCS, FSA is still required to ensure that benefits are not issued to the producer for both programs. County Offices shall follow the provisions of subparagraph 426 F to ensure that base acres are reduced properly.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

G Effective Date of DCP Base Acre Reduction for CRP

DCP base acre reductions required because of CRP participation shall become effective for FY the corresponding CRP-1 becomes effective.

The program year entered on CCC-505 shall be the program year in which the corresponding CRP-1 becomes effective. Service Center shall file copy of CCC-505 in both applicable DCP farm folder and CRP folder, when DCP base acres are reduced because of CRP participation.

Example: Cropland was offered for enrollment in CRP on May 5, 2007. CRP-1 was effective October 1, 2007. CCC-505 to reduce DCP base acres was signed by all owners at the time CRP-2 was submitted (May 5, 2007) with a program year of 2008 (equal to FY of CRP-1).

DCP base acre reductions will become effective October 1, 2007 (FY 2008). If acres offered for CRP are **not** accepted, DCP base acres shall **not** be reduced.

Important: Reduction of DCP base acres may result in DCP overpayment and request for refund.

H Effective Date of DCP Base Acre Reduction for GRP

DCP base acre reductions because of GRP participation shall be effective as follows:

- date GRP easement is filed, if land was enrolled using an easement
- date CCC-920 is approved by CCC.

Service Center shall file copy of CCC-505 in both applicable DCP farm folder and GRP folder.

Important: Reduction of DCP base acres may result in DCP overpayment and request for refund.

427 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)

I Effective Date of DCP Base Acre Reduction for WRP

DCP base acre reduction because of enrollment in WRP shall be effective as follows:

- date WRP easement is closed
- date WRP cost-share restoration agreement is approved.

County Offices shall file a copy of CCC-505 in the DCP farm folder.

Important: Reduction of DCP base acres may result in DCP overpayment and request for refund.

J Restoration of DCP Base Acres Reduced for Enrollment in CRP After September 30, 2007

DCP base acres reduced because of cropland enrollment into CRP after September 30, 2007, may be restored to the farm if the CRP contract is voluntarily terminated, provided there is sufficient DCP cropland available and all other requirements are met.

Note: There is no authority to restore base acres after September 30, 2012.

Important: **To ensure the applicable base acres may be restored to a farm, CCC-505 must include all information required according to paragraph 66, including the information required in CCC-505, item 16. Incomplete CCC-505's may result in base acres not being restored to a farm.**

K Restoration of DCP Base Acres Reduced for Enrollment in GRP

DCP base acres reduced because of enrollment into GRP may be restored to the farm when both of the following are met, provided there is sufficient DCP cropland available and all other requirements are met:

- land is no longer enrolled in GRP
- life of easement has expired.

Important: **To ensure the applicable base acres may be restored to a farm, CCC-505 must include all information required according to paragraph 66, including the information required in CCC-505, item 16. Incomplete CCC-505's may result in base acres not being restored to a farm.**

428 Protection of Base Acreage

A Requirement

All base acreage shall be protected from erosion, including providing sufficient cover as determined necessary by COC. Weeds shall be controlled.

Note: See 4-CP, paragraph 33 if base acres are not properly maintained.

B Approved Covers and Practices

STC shall determine measures necessary to protect all planted and idle DCP base acreage from erosion and propagation of weeds, including noxious weeds, throughout the crop year. Determine, on a State-by-State basis, as follows:

- COC, in conjunction with the District Conservationist of NRCS, may recommend the cover crops or practices
- STC shall consult with State technical committees to determine whether additional practices that further the goals of these organizations and groups can be developed.

C Suggested Covers

Suggested covers include, but are not limited to:

- annual, biennial, or perennial grasses and legumes, including sweet sorghums, sorghum grass crosses, and sudans
- volunteer stands, other than weeds
- crop residue from using no till or minimum till practices
- perennial covers approved for cost-share assistance.

429 Highly Erodible Land Conservation and Wetland Conservation

A HELC/WC Compliance

Producers must certify HELC/WC compliance on AD-1026 and meet the requirements according to 6-CP to qualify for DCP benefits.

COC shall follow procedure in 6-CP for producers determined ineligible because a HELC/WC violation occurred.

B Terminating CCC-509 Shares for HELC/WC Violation

In addition to denying benefits for HELC/WC violations, COC shall determine whether the violation is serious enough to warrant terminating the contract, with respect to the producer determined ineligible according to 6-CP, on each farm in which the producer has an interest.

Producers whose shares are terminated shall be notified by letter of the following:

- CCC-509 is in violation and will be terminated with respect to the producer on each farm in which the producer has an interest
- the producer shall forfeit all rights to receive contract payments, for any year in which they are determined ineligible, on each farm in which the producer has an interest
- the producer shall refund all contract payments received by the producer on each farm the producer has an interest in during the period of the violation, plus interest
- reason for violation
- appeal rights according to 1-APP.

430 Planting Flexibility

A Plantings on DCP Base Acreage

Any commodity may be planted on:

- any land, including base acres, on a farm **not** enrolled in a DCP contract
- nonbase acres of a farm enrolled in a DCP contract
- base acres of a farm enrolled in a DCP contract, except for the following:

  - fruits
  - vegetables, other than mung beans and pulse crops
  - wild rice.

See Part 8 for exceptions to FAV and wild rice planting limitations.

431 Farm With 10.0 Base Acres or Less

A Rule

A producer on a farm may **not** receive direct or counter-cyclical payments if the sum of the base acres on the farm is 10 acres or less **unless** that farm is **wholly** owned by socially disadvantaged or limited resource farmers or ranchers.

B Definitions

A socially disadvantaged farmer or rancher is a farmer or rancher who is a member of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.

A limited resource farmer or rancher is a farmer or rancher who meets **both** of the following:

- directly or indirectly has gross farm sales not more than $100,000 in both of the previous 2 years

  Note: The limit is increased annually beginning in 2004 to adjust for inflation using the Prices Paid by Farmer Index compiled by NASS.

- has a total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in **both** of the previous 2 years, to be determined annually using Commerce Department Data.

  Note: Limited resource producer status can be determined in an automated system using the USDA Limited Resource Farmer and Rancher Online Self Determination Tool at **http://www.lrftool.sc.egov.usda.gov/tool.asp**. The automated system calculates and displays the adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

432-444 (Reserved)

Section 2 Producer Eligibility

445 General Information

A Eligible Producer

Producers eligible to enter into a contract for an FY are:

- an owner of a farm who assumes all or part of the risk of producing a crop on base acres
- a producer (other than an owner) on base acres with a share- or cash-rent lease for the crop year covered by the FY contract.

Important: A producer on a farm with an interest in only nonbase acres is not eligible to enter into CCC-509 on that farm.

The amount of nonbase acres available to be planted to FAV and wild rice without resulting in a payment reduction or contract violation may be reduced when there is a producer on a farm with interest in only nonbase acres. See:

- paragraph 472 for examples
- 4-CP to calculate nonbase acres on a farm available to be planted to FAV or wild rice without resulting in a payment reduction or contract violation.

B Terms of Enrollment

Producers who participate in DCP must fully comply with the terms and conditions of CCC-509, and in return will receive direct payments and counter-cyclical payments, if applicable.

445 General Information (Continued)

C DCP Signup Dates and Requesting Advance Payments

Eligible producers on a farm with established bases and yields have an opportunity to initiate a 2008 DCP contract for FY 2008 from June 25 through September 30, 2008. DCP contracts must be initiated by September 30, 2008. DCP contracts initiated by September 30, 2008, must have all signatures of producers with shares by October 15, 2008.

Important: Producers who elect to enroll a farm in DCP shall enroll **all** base acres of the farm. COC shall **not** approve CCC-509 unless all base acres on the farm are enrolled.

Advance direct and counter-cyclical payments may be issued to producers who have an approved CCC-509 and meet all other eligibility requirements. County Offices shall follow 2-DCP, paragraph 17 to determine when advance direct and counter-cyclical payments can be elected and issued.

D Approving Late-Filed CCC-509's

There are **no** late-filed provisions for FY 2008. A contract must be initiated by September 30, 2008. A late-filed fee does **not** apply to FY 2008. All producers with shares must sign CCC-509 by October 15, 2008.

Note: Equitable relief provisions of failure to fully comply (7-CP, Part 3, Section 3) do **not** apply to enrollment signup, contract, or application deadlines because the failure to enroll, signup, or contract is **not** a compliance violation or discrepancy. However, depending on individual case circumstances, equitable relief under misaction/misinformation provisions (7-CP, Part 3, Section 2) may apply.

445 General Information (Continued)

E Producer Agreement to Program Requirements

Before producers on a farm may receive direct or counter-cyclical payments, with respect to the farm, the producers shall agree, during the crop year for which payments are made and in exchange for the payments to:

- maintain compliance with HELC/WC provisions on all their land
- use acreage equal to the base acreage for an agricultural or conserving use
- not plant perennial FAV's or harvest annual FAV's (other than lentils, mung beans, and dry peas) or harvest wild rice on base acres

  Note: See Part 8 for exceptions to FAV and wild rice planting limitations.

- timely submit a report of all cropland acreage on the farm on an annual basis.

F Enrollment of Base Acres on a Farm

Producers who enroll a farm in DCP shall enroll all base acres on the farm. Enrollment of only part of the base acres of a farm is not allowed.

446 Payment Limitation

A Payment Limitations

The following per "person" payment limitations are effective for the 2008 DCP crop year:

- $40,000 for direct payments
- $65,000 for counter-cyclical payments.

447 Commodities Grown Under Contract on DCP Acreage

A Background

In recent years, the number of and kinds of commercial grower contracts have increased. These contracts differ greatly in the amount of risk borne by the company and the grower.

Under commercial grower contracts, the following may occur:

- the grower has no risk and is actually an independent contractor or custom farmer for the company
- both the company and the grower share in the crop and in the risk of producing the crops
- only the grower shares in the crop and in the risk of producing the crops.

Note: This paragraph does **not** apply to hybrid seed contracts.

B Eligibility for DCP Payments

The following table provides guidance for determining eligibility for DCP payments when crops under a commercial grower contract are produced on DCP base acreage.

IF the grower bears...	**THEN, if otherwise eligible, the grower who has a share of the crop is...**
all of the risk in producing the crop or crops grown on DCP base acreage	eligible to receive all of DCP payment for those acres.
none of the risk in producing a crop that is grown on DCP base acreage	not eligible to receive a DCP payment for those acres because the grower does not meet the definition of a producer on those acres.
some, but not all of the risk in producing a crop that is grown on DCP base acreage	• eligible to receive a portion of DCP payment if all other requirements are met • not eligible to receive the entire DCP payment for those acres.

Note: Growers who have no share of a crop are always ineligible, regardless of risk.

447 Commodities Grown Under Contract on DCP Acreage (Continued)

C COC Review of Commercial Grower Contracts

COC shall:

- determine:
  - whether the signatories to a commercial grower contract meet the definition of producer provided in Exhibit 2 and 7 CFR Part 1412
  - whether a crop that is subject to a commercial grower contract is grown on DCP base acreage
  - who shares in the crop and in the risk of producing a crop that is subject to a commercial grower contract and grown on DCP base acreage
- ensure that the payment shares on DCP are fair and equitable considering the grower's actual crop share and risk in producing the crop.

Note: In determining whether a grower of hybrid seed is a producer, COC shall not take into consideration the existence of a hybrid seed contract.

D COC Approval of Payment Shares

COC shall approve DCP payment shares if all other eligibility requirements are met and both of the following apply:

- producers with a designated DCP payment share meet the definition of producer on all of DCP base acreage on the farm that payment is being requested
- DCP payment shares are established according to this paragraph and criteria in Part 6.

Note: All producers on the farm must sign the contract designating payment shares to be eligible for payment.

448 Minor Child

A Eligibility of Minor Child

A minor is eligible to participate in DCP if the requirements of 1-CM, paragraph 677 are met.

449 Handling Bankruptcy

A Introduction

This paragraph explains how to handle CCC-509 when a producer files for bankruptcy.

B If Bankruptcy Occurs Before CCC-509 Approval

COC shall follow this table when a producer files for bankruptcy before CCC-509 approval.

Step	Action
1	Contact the regional attorney through the State Office for guidance.
2	Approve CCC-509 if both of the following apply: • regional attorney authorizes CCC-509 approval • producer submitted CCC-509 in a timely manner.
3	See 1-CM for producer signature requirements.

C If Bankruptcy Occurs After CCC-509 Approval

When bankruptcy occurs after CCC-509 approval, contact the regional attorney through the State Office for instructions.

450 Federal Agencies and Land

A Eligibility of Federal Agencies

Federally-owned land may be enrolled in DCP. However, with the exception of BIA, Federal agencies are ineligible for payments. Other eligible producers on the farm may receive payments.

BIA may accept program payments for eligible producers on tribal and allotted land.

451-469 (Reserved)

Part 8 FAV's and Wild Rice

470 Basic Information

A Statutory Provisions

Producers may plant any crop on base acres enrolled in DCP, except the following:

- fruits
- vegetables, other than mung beans and pulse crops
- wild rice.

Important: FAV's and wild rice shall be considered planted for harvest at the time of planting. See paragraph 471 for destroying acres before harvest to become compliant with the planting prohibition.

The planting of FAV's or wild rice on base acres enrolled in DCP is prohibited unless the commodity is destroyed without benefit before harvest.

However, producers may plant FAV's and wild rice on base acres enrolled in DCP, if 1 of the following applies:

- in a double-cropping practice with covered commodities or peanuts in any region designated as having a history of double-cropping covered commodities or peanuts with fruits, vegetables, or wild rice (see paragraph 473)

- on a farm with a history of planting FAV's or wild rice, except that direct and counter-cyclical payments shall be reduced by an acre for each acre of base acreage planted to a fruit, vegetable, or wild rice (see paragraph 476)

- if the producer has an established history of planting a specific fruit, specific vegetable, or wild rice, except that:

  - such plantings on base acreage cannot exceed the producer's average annual planting history for the specific commodity (specific fruit, specific vegetable, or wild rice) for the 1991 through 1995 or 1998 through 2001 crop years, as determined by the producer, excluding years in which the producer did not plant the specific fruit, specific vegetable, or wild rice

  - direct and counter-cyclical payments shall be reduced by an acre for each acre of base acreage planted to the specific fruit, specific vegetable, or wild rice (see paragraph 478).

470 Basic Information (Continued)

A Statutory Provisions (Continued)

Failure to comply with FAV and wild rice provisions of this Part is a DCP contract violation. This violation shall result in DCP contract termination or a reduction in direct and counter-cyclical payments according to 4-CP.

See paragraph 471 for compliance determinations, including when prohibited commodities are destroyed before harvest.

B Flexibility Limitation

The exceptions to the FAV and wild rice prohibitions shall be administered as 3 distinctly separate situations. Any perceived limitation in 1 exception shall not limit flexibility in another exception. Using 1 exception does not preclude or limit the use of the other exceptions.

C Farms Not Enrolled in DCP

Base acres are established for each farm according to Part 2. The base acres on a farm are maintained and remain connected to the farm regardless of whether the farm is enrolled in DCP.

Planting and harvesting FAV's or wild rice on base acres on a farm that is not enrolled in DCP is not a violation of the FAV and wild rice prohibitions.

470 Basic Information (Continued)

D Determining Available Acres for FAV Planting

The County Office shall determine available free acres on the farm according to the following.

Reminder: Producers wishing to reduce DCP base acres to avoid an FAV violation or acre-for-acre reduction must do so before planting the FAV crop.

Step	Action	
1	Determine the effective DCP cropland on the farm	
2	Total the base acreage for all covered commodities for the farm.	
3	Subtract the result of step 2 from the result of step 1.	
4	**If the result of step 3 is…**	**THEN…**
	equal to zero or negative	there are not any available free acres on the farm for FAV planting. Producers that elect to reduce DCP base acreage to plant FAV must reduce the base acreage by the following: • number of FAV acres intended to be planted, plus • total double-cropped acreage for the farm. **Note:** The total double-cropped acreage for the farm must be included in the number of acres to be reduced because FAV cannot be planted on base acres and without the reduction to the double-cropped acreage, the producer may be earning DCP payments on acres that are planted to FAV.
	greater than zero	the result is the number of available acres for FAV planting without a violation or acre-for-acre payment reduction. A DCP base reduction is required if the total intended FAV acres exceeds the available acres determined in step 3.

471 Compliance Determinations

A Exceptions

Wild rice and all FAV's, including FAV's grown for seed or ornamentals, planted on base acres enrolled in DCP shall be considered when determining compliance and payment reductions, with the following exceptions:

- FAV's that are designated as and meet the definition of a home garden

- FAV's **planted and reported** with an intended use of green manure or forage and the producer pays a fee to cover the cost of a farm visit to verify that the crop has not been harvested as FAV

  Note: Forage includes haying, silage, haylage, grazing, and green chop.

- mung beans and pulse crops.

  Notes: Pulse crops include:

  - dry peas
  - lentils
  - small chickpeas (desi garbanzo beans)
  - large chickpeas (kabuli garbanzo beans)

  Dry peas include:

  - Austrian
  - wrinkled seed
  - green
  - yellow
  - umatilla.

Important: Not all peas are dry peas and, therefore, not included in the FAV exception. Peas grown for the following markets are not dry peas, and are **not** eligible for the FAV dry pea exception:

- fresh
- canning
- frozen.

Example: Green snap peas intended for the fresh market are not dry peas. Planting green snap peas intended for the fresh market on base acres enrolled in DCP is a violation of the FAV prohibition unless 1 of the 3 exceptions in paragraph 470 applies.

471 Compliance Determinations (Continued)

A Exceptions (Continued)

These intentions must be declared when the acreage report is filed. These exceptions shall **not** be used to negate a DCP contract violation or payment reduction. Producers cannot subsequently change the intended use of reported FAV acreage to home garden, green manure, or forage to negate a violation or payment reduction.

See 2-CP for instructions on how to report the acres of:

- peas grown for the fresh, canning, or frozen market
- FAV's with an intended use of home garden, forage, or green manure.

B Timing of Violations

FAV and wild rice violations occur at planting. FAV's and wild rice are considered planted for harvest at the time of planting. Producers **cannot** negate the violation by:

- subsequently filing CCC-505 to reduce base acreage
- withdrawing part of the base acres from DCP contract
- changing the intended use of the crop.

Note: See paragraph 14 for terminating CCC-509 during the contract period.

Compliance determinations are based on when the fruit, vegetable, or wild rice is planted, not when the crop is harvested.

Examples: FAV's planted in:

- September 2008 will be a 2008 compliance determination
- October 2008 will be a 2009 compliance determination.

471 Compliance Determinations (Continued)

C Multiple FAV's on Same Acreage in Same FY

Multiple plantings of any FAV on the same acreage in a FY shall be considered only once for compliance purposes. However, FAV's must be planted on the same acreage.

Example: A producer plants and harvests 20 acres of tomatoes. After the tomatoes are harvested, the producer plants and harvests carrots on the same 20 acres. For compliance and payment reduction purposes, only 20 acres of FAV's are considered.

If the carrots and tomatoes were planted on different acreage, there would have been 40 acres of FAV's when determining acreage for compliance and payment reductions.

D Perennial FAV's

Perennial FAV's, such as apples, oranges, strawberries, and nut crops, shall be considered FAV's beginning FY in which they are planted and each succeeding year they are on base acreage enrolled in DCP. Nut crops are considered FAV's.

Note: See Exhibit 21 for a list of FAV's.

471 Compliance Determinations (Continued)

E Destruction of Nonperennial FAV's and Wild Rice Before Harvest

Nonperennial FAV's and wild rice planted on base acres enrolled in DCP that are destroyed without benefit before harvest shall **not** be considered a DCP violation nor shall direct and counter-cyclical payments for the farm be reduced for such plantings, if **all** of the following are met:

- producer notifies COC the commodity has been or will be destroyed without benefit **before** harvest
- COC conducts a paid-for farm visit and verifies that the commodity was destroyed without benefit **before** harvest
- producer revises FSA-578 to record the acres remaining for harvest according to 2-CP.

Unless the destruction of the commodity is verified with a paid-for farm visit, COC shall consider FAV and wild rice harvested for compliance and payment reduction purposes.

Important: Left standing is **not** considered destroyed.

Example 1: FSN 25 has 225 acres of cropland with the following:

- 80 acres of wheat base acres
- 80 acres of corn base acres
- 40 acres of soybean base acres.

Neither the farm nor the producer has a history of planting FAV's or wild rice.

Joe Brown enrolls all 200 base acres in FY 2008 DCP. Mr. Brown plants 198 acres of soybeans and 27 acres of potatoes. Mr. Brown notifies COC that 2 acres of potatoes have been destroyed without benefit before harvest and pays for a COC farm visit to verify the destruction.

COC conducts a paid-for farm visit, and verifies that 2 acres of potatoes were destroyed without benefit before harvest. Mr. Brown revises FSA-578 to indicate 25 acres of potatoes planted.

In this example, there is no DCP violation. The FY 2008 direct and counter-cyclical payments for the farm are not affected by the 2 acres of destroyed potatoes on base acres.

471 Compliance Determinations (Continued)

E Destruction of Nonperennial FAV's and Wild Rice Before Harvest (Continued)

Example 2: FSN 365 has 225 acres of cropland with the following:

- 80 acres of wheat base acres
- 80 acres of corn base acres
- 40 acres of soybean base acres.

Neither the farm nor the producer has a history of planting FAV's or wild rice.

Mary White enrolls all 200 acres of base acres in FY 2008 DCP. Mrs. White plants 195 acres of corn and 30 acres of cucumbers. Mrs. White notifies COC that 5 acres of cucumbers have been destroyed before harvest and pays for a COC farm visit to verify destruction.

COC conducts a paid-for farm visit; however, it **cannot** verify that 5 acres of cucumbers were destroyed before harvest. Mrs. White is in violation DCP. COC shall **not** modify FSA-578 for farm 365. COC shall handle the 5-acre FAV violation according to 4-CP.

471 Compliance Determinations (Continued)

F Destruction of Perennial FAV's and Wild Rice Before Harvest

FAV and wild rice planting violations occur at planting. For compliance determinations, FAV's and wild rice are considered planted for harvest at the time of planting.

The destruction of perennial FAV's or wild rice before harvest does **not** negate the planting violation.

Example: FSN 1101 has 225 acres of cropland with the following:

- 80 acres of wheat base acres
- 80 acres of corn base acres
- 40 acres of soybean base acres.

Neither the farm nor the producer has a history of planting FAV's or wild rice.

Jack Green enrolls all 200 base acres in FY 2008 DCP. Mr. Green plants 195 acres of corn and 30 acres of apple trees. Mr. Green notifies COC that 5 acres of apple trees have been destroyed.

Mr. Green is in violation of the FAV and wild rice prohibitions for the 5 acres of apples in 2008. There is no provision to allow the destruction of perennial FAV's or wild rice planted on base acres to negate the planting violation. COC shall **not** modify FY 2008 FSA-578 for Farm 1101. COC shall handle the 5-acre FAV violation according to 4-CP.

472 Examples of Basic Rule

A Basic Farm Data

The following farm data applies to examples 1 through 6 of the basic rule:

- 300 acres of cropland
- 100 base acres for corn
- 100 base acres for wheat
- base acres are enrolled in DCP
- there is only 1 producer on the farm
- neither the farm nor the producer has a history of planting FAV's or wild rice
- farm is not administratively located in FAV and wild rice double-cropping region.

B Example 1

Corn Base Acre	Wheat Base Acre	Other Cropland
100 acres corn	100 acres wheat	100 acres carrots harvested

There is no FAV or wild rice violation in this example. Any FAV or wild rice may be planted on nonbase acres. The direct and counter-cyclical payments are unaffected.

472 Examples of Basic Rule (Continued)

C Example 2

Corn Base Acre	Wheat Base Acre	Other Cropland
50 acres lentils 50 acres mung beans	50 acres oats 50 acres dry peas	100 acres carrots harvested

Producers may plant mung beans and pulse crops on base acres. Nonbase acres may be planted to carrots (or any fruit, vegetable, or wild rice). There is no FAV or wild rice violation in this example. The direct and counter-cyclical payments are unaffected.

Note: Lentils and dry peas are a pulse crop.

D Example 3

Corn Base Acre	Wheat Base Acre	Other Cropland
100 acres corn	100 acres wheat	50 acres carrots harvested followed by 50 acres lettuce harvested followed by 50 acres watermelons harvested 50 acres wild rice harvested

There is no FAV or wild rice violation in this example. FAV's and wild rice are permitted on nonbase acres.

In this example, the same 50 acres were planted and harvested 3 times to a fruit or vegetable (carrots, lettuce, and watermelons). For compliance purposes, there are only 100 acres of FAV's and wild rice on the farm in this example.

The direct and counter-cyclical payments are unaffected.

472 Examples of Basic Rule (Continued)

E Example 4

Corn Base Acre	Wheat Base Acre	Other Cropland
100 acres corn	100 acres wheat	50 acres carrots planted June 15 and harvested July 30
		50 acres watermelon planted August 15 and harvested September 30

There is no FAV or wild rice violation in this example. FAV's and wild rice are permitted on nonbase acres.

In this example, there were never more than 50 acres of fruits or vegetables (carrots and watermelons) on the farm at any given time. However, for compliance purposes, there are 100 acres of FAV's on the farm in this example.

The direct and counter-cyclical payments are unaffected.

472 Examples of Basic Rule (Continued)

F Example 5

Corn Base Acre	Wheat Base Acre	Other Cropland
100 acres wheat	50 acres mung beans 50 acres wild rice harvested	100 acres carrots harvested

This is an example of an FAV and wild rice violation. Planting mung beans on base acres is permitted. Planting carrots (or any fruit, vegetable, or wild rice) is permitted on nonbase acres. Because neither the farm nor the producer has a history of FAV or wild rice plantings, the planting of wild rice (or any fruit, vegetable, or wild rice) on base acres enrolled in DCP is prohibited.

A violation, caused by FAV's or wild rice on base acres, may result in penalties ranging from termination of the contract to direct and counter-cyclical payment reductions based on the per acre value of the fruit, vegetable, or wild rice beginning with FAV or wild rice with the highest per acre value.

See 4-CP for payment reductions because of FAV's or wild rice violations on base acres enrolled in DCP.

472 Examples of Basic Rule (Continued)

G Example 6

Corn Base Acre	Wheat Base Acre	Other Cropland
100 acres wheat	98 acres mung beans 2 acres carrots planted, but destroyed before harvest	100 acres carrots harvested

There is no FAV or wild rice violation in this example. Planting mung beans on base acres is permitted. Planting carrots (or any fruit, vegetable, or wild rice) is permitted on nonbase acres. Because neither the farm nor the producer has a history of FAV or wild rice plantings, the 2 acres of carrots (or any fruit, vegetable, or wild rice) on base acres enrolled in DCP is prohibited.

However, in this example:

- the producer destroyed the 2 acres of carrots planted on base acres before harvest
- COC conducted a paid-for farm visit and verified the 2 acres of carrots were destroyed before harvest
- FSA-578 was modified to record the 2 acres of carrots destroyed without benefit.

The direct and counter-cyclical payments are unaffected because the FAV planted on base acres enrolled in DCP was destroyed before harvest and verified by a paid-for farm visit.

472 Examples of Basic Rule (Continued)

H Example 7

The following farm data applies to example 7 of the basic rule:

- 300 acres of DCP cropland
- 100 base acres for corn
- 100 base acres for wheat
- base acres are enrolled in DCP
- John Smith is the farm owner and is also the farm operator
- Mr. Smith cash rents 60 acres to Tim Jones (Mr. Jones is listed as another tenant)
- Mr. Smith signs CCC-509 for 100 percent of the DCP payments
- neither the producer nor the farm has a history of planting FAV's or wild rice
- farm is not administratively located in FAV and wild rice double-cropping region.

Corn Base Acre	Wheat Base Acre	Other DCP Cropland
100 acres corn (Mr. Smith)	75 acres wheat (Mr. Smith)	60 acres soybeans (Mr. Jones)
	25 acres sweet corn (Mr. Smith)	40 acres sweet corn (Mr. Smith)

This is an example of a FAV violation because 25 acres of sweet corn were planted on base acres.

Mr. Smith has 100 percent share of the DCP payments; therefore, although there is another producer on the farm, Mr. Smith has 100 percent of the base acres on the farm. Because Mr. Smith has all of the base acres on the farm, the 60 acres he cash rented to Mr. Jones has to be nonbase acres. Mr. Jones has no interest in or control of any base acres on the farm, is not a signatory to CCC-509, and does not receive any share of DCP payments for the farm.

Important: If the 60 acres rented to Mr. Jones were base acres, Mr. Jones would have been required to sign CCC-509 and receive a share of the DCP payments for the farm. See Parts 6 and 7 for signature and payment eligibility requirements.

Because Mr. Jones planted a commodity other than FAV's or wild rice on the nonbase acres he cash rents, the amount of nonbase acres available to be planted to FAV's or wild rice without resulting in a violation for the farm is reduced by 60 acres. Accordingly, there are only 40 acres (300 – 200 – 60 = 40) of nonbase acres available to be planted to FAV's or wild rice in this example.

472 Examples of Basic Rule (Continued)

H Example 7 (Continued)

Planting sweet corn (or any fruit, vegetable, or wild rice) is permitted on nonbase acres. Because neither the producer nor the farm has a history of FAV or wild rice plantings, the planting of sweet corn (or any fruit, vegetable, or wild rice) on base acres enrolled in DCP is prohibited.

A violation, caused by FAV's or wild rice on base acres, may result in penalties ranging from termination of CCC-509 to direct and counter-cyclical payment reductions based on the per acre market value of the fruit, vegetable, or wild rice beginning with FAV or wild rice with the highest per acre value.

See 4-CP for:

- calculating amount of FAV and wild rice plantings on base acres
- determining FAV and wild rice per acre market values to apply
- payment reductions because of FAV's or wild rice planting violations.

I Example 8

The same farm data in example 7 applies to this example, except Mr. Smith rents the 60 acres to Mr. Jones for one-third of the crop produced on the 60 acres.

Corn Base Acre	Wheat Base Acre	Other DCP Cropland
100 acres corn (Mr. Smith)	75 acres wheat (Mr. Smith)	60 acres soybeans (Mr. Jones and Mr. Smith)
	25 acres sweet corn (Mr. Smith)	40 acres sweet corn (Mr. Smith)

This is an example of a FAV and wild rice violation because 25 acres of sweet corn were planted on base acres.

472 Examples of Basic Rule (Continued)

I Example 8 (Continued)

Mr. Smith has 100 percent share of the DCP payments; therefore, although there is another producer on the farm, Mr. Smith has 100 percent of the base acres on the farm. The fact that Mr. Smith shares in the soybeans does not mean the soybeans are on base acres, only that he shares in the crop. Mr. Jones has no interest in or control of any base acres on the farm, is not a signatory to CCC-509, and does not receive any share of DCP payments from the farm.

Important: If the 60 acres rented to Mr. Jones were base acres, Mr. Jones would have been required to sign CCC-509 and receive a share of the DCP payments for the farm. See Parts 6 and 7 for signature and payment eligibility requirements.

Because a commodity other than FAV's or wild rice was planted on the nonbase acres share rented to Mr. Jones, the amount of nonbase acres available to be planted to FAV's or wild rice without resulting in a violation for the farm is reduced by 60 acres. Accordingly, there are only 40 acres (300 – 200 – 60 = 40) of nonbase acres available to be planted to FAV's or wild rice in this example.

Planting sweet corn (or any fruit, vegetable, or wild rice) is permitted on nonbase acres. Because neither the producer nor the farm has a history of FAV or wild rice plantings, the planting of sweet corn (or any fruit, vegetable, or wild rice) on base acres enrolled in DCP is prohibited.

A violation, caused by FAV's or wild rice on base acres, may result in penalties ranging from termination of CCC-509 to direct and counter-cyclical payment reductions based on the per acre market value of the fruit, vegetable, or wild rice beginning with FAV or wild rice with the highest per acre value.

See 4-CP for:

- calculating amount of FAV and wild rice plantings on base acres
- determining FAV and wild rice per acre market values to apply
- payment reductions because of FAV's or wild rice planting violations.

472 Examples of Basic Rule (Continued)

J Example 9

FSN 400 has:

- 100 acres of effective DCP cropland
- 20 acres of double-cropped acres
- 120 acres of DCP base acres including 10 for wheat, 80 for corn, and 30 for soybeans.

Producer A informs the County Office of the intent to plant 10 acres of FAV. None of the FAV exceptions apply to the farm or producer, therefore the producer is required to reduce DCP base acreage before FAV is planted to avoid an FAV planting violation.

FAV's cannot be planted on base acreage unless 1 of the exceptions applies. Therefore in cases where the base acreage exceeds the effective DCP cropland on the farm, the base reduction must include the double-crop acreage and not just the acres being planted to FAV.

In this example, the producer must reduce the DCP base acreage by 30 acres.

473 FAV and Wild Rice Double-Cropping Region Exception

A Double-Cropping Exception

The first exception to the prohibition of FAV's and wild rice on base acres enrolled in DCP is the double-cropping exception.

The double-cropping exception provides that FAV's and wild rice may be planted on base acres enrolled in DCP without violation or payment reduction if FAV or wild rice, as applicable, is planted in a double-cropping cycle with a covered commodity or peanuts planted in a designated double-cropping region established by STC.

Note: See subparagraph C for double-cropping regions.

B Determining Double-Cropping FAV's/Wild Rice With Covered Commodity/Peanuts

For the purpose of determining FAV and wild rice double-cropping regions, double-cropping FAV's or wild rice with covered commodities or peanuts means planting and harvesting of a covered commodity or peanuts **for grain or lint** in cycle with the planting and harvesting of FAV or wild rice on the same acreage in a 12-month period with the ability to plant and harvest the same 2 crops in the immediately succeeding 12-month period, under normal growing conditions.

FAV or wild rice may be planted before or after the covered commodity or peanuts to be considered double-cropped.

C Double-Cropping Regions

FAV and wild rice double-cropping regions were established by STC, in consultation with CSREES, Land Grant Universities, and other agencies, based on the planting history for the region before the 2008 crop year.

Note: Double-cropping of FAV's or wild rice in cycle with covered commodities or peanuts must be customary for the region.

473 FAV and Wild Rice Double-Cropping Region Exception (Continued)

C Double-Cropping Regions (Continued)

Established FAV and wild rice double-cropping regions:

- must be, at a minimum, an entire county
- borders must follow county lines
- were determined on a county-by-county basis
- shall not be an area greater than the entire county.

To be eligible for this exception, the farm must be administratively located in a county established as FAV and wild rice double-cropping region. Do not consider the physical location of the farm in this determination.

D COC Determining FAV and Wild Rice Double-Cropping

COC, in designated FAV and wild rice double-cropping regions, shall, each FY, consider acreage double-cropped for determining FAV/wild rice double-cropped exception if **both** of the following are met:

- a fruit, vegetable, or wild rice is planted in cycle with a covered commodity or peanuts on the same acreage

- both crops were planted with reasonable expectations and realistic possibilities of harvesting each crop in a 12-month period.

Important: For covered commodities, harvesting means **harvested as grain or lint.**

Example 1: Upland cotton is planted, but because of adverse weather, the cotton is abandoned and the acreage is planted to green beans. If this occurs in a designated FAV and wild rice double-cropping region where upland cotton can be planted, harvested for lint, and followed by the planting and harvesting of green beans in a double-cropping situation within a 12-month period, this may be considered double-cropped even though the green beans were planted early.

If the same situation occurs in a designated double-cropping region where upland cotton cannot be planted, harvested for lint, and followed by the planting and harvesting of green beans in a double-cropping situation within a 12-month period, it is **not** double-cropping.

473 FAV and Wild Rice Double-Cropping Region Exception (Continued)

D COC Determining FAV and Wild Rice Double-Cropping (Continued)

Example 2: Wheat is planted and taken for hay before disposition. Carrots are then planted on the same base acres. If this occurs in a designated double-cropping region where carrots could have been planted and harvested following the harvest of the wheat for grain, this may be considered double-cropping.

If wheat cannot be carried to harvest as grain followed by the planting and harvesting of carrots on the same acreage in the same 12-month period, it is **not** double-cropping.

Any fruit, vegetable, or wild rice may be double-cropped with any covered commodity or peanuts; however, COC must be satisfied that both crops could be harvested within a 12-month period, and again during the immediately succeeding 12-month period under normal growing conditions for the county. If COC determines both crops could **not** be harvested in a 12-month period double-cropping cycle under normal growing conditions, the crops shall not be considered double-cropped and this exception shall **not** apply.

E FAV and Wild Rice Double-Cropping Flexibility

FAV's or wild rice planted in a double-cropping situation with a covered commodity or peanuts on a farm administratively located in an established FAV and wild rice double-cropping region is not a violation of the FAV and wild rice prohibitions and shall not affect direct and counter-cyclical payments.

Neither the individual farm nor the producer needs to have an established history of double-cropping FAV's or wild rice in cycle with a covered commodity or peanuts to meet the requirements of this exception.

Any farm administratively located in an established FAV and wild rice double-cropping region may double-crop FAV's or wild rice in cycle with a covered commodity or peanuts.

Provisions of this exception are **not** crop specific. Any fruit or vegetable or wild rice may be double-cropped with any covered commodity or peanuts.

474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception

A Purpose of Prevented Planted Credit

The purpose of prevented planted credit is to allow a farm to remain eligible for the FAV and wild rice double-cropping exception when a natural disaster or a quarantine imposed by a State or local agency prevents the covered commodity from being planted.

Prevented planting provisions only apply to the covered commodity in a double-cropping practice with FAV or wild rice in an established double-cropping region.

B Definition of Prevented Planting

Prevented planting is the inability to plant crop acreage with proper equipment during the established planting period for the crop. A producer must be able to prove, to COC's satisfaction, that the:

- producer intended to plant the eligible crop acreage
- eligible crop acreage could not be planted because of a natural disaster or a quarantine imposed by a State or local agency.

C Final Planting Dates

The FCIC-established final planting dates shall be used for prevented planting determinations.

Note: Spring wheat does not need to be planted as a replacement for winter wheat when the winter wheat is prevented from planting.

If FCIC-established final planting dates are not available, STC shall establish the final planting date consistent with 1-NAP.

474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

D Applying for Prevented Planting Credit

To apply for prevented planted credit, the producer shall:

- within 15 calendar days after the final planting date for the crop, submit CCC-576 according to subparagraph G
- file FSA-578 according to 2-CP
- have attempted to plant the applicable acreage to the crop through the final planting date for the crop
- not have later planted acreage to the same crop in the same crop year for which CCC-576 is filed.

Important: If acreage was later planted to the same crop in the same crop year, County Offices shall:

- void CCC-576 for the planted acreage
- notify producer that CCC-576 was voided for the applicable acreage.

E Conditions for Approving CCC-576 for DCP Purposes Only

COC shall **not** approve CCC-576 unless all of the following apply:

- a significant number of producers in the area were prevented from planting the crop
- all cropland feasible to plant and prevented from being planted was affected by a natural disaster
- preliminary efforts made by the producer to plant the crop are evident

Note: Preliminary efforts include, but are not limited to, the following:

- land disked
- orders for purchase or delivery of seed, chemicals, and fertilizer.

474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

E Conditions for Approving CCC-576 for DCP Purposes Only (Continued)

- the acreage was prevented from being planted because of a natural disaster rather than managerial decisions

  Note: The unavailability of equipment, seed, or fertilizer is not an eligible cause of prevented planting, even if the unavailability is because of or related to the natural disaster.

- CCC-576 has been completed according to subparagraph H.

Note: A farm visit may be necessary to collect information for COC to make a decision.

COC shall also consider the history of planting the crop on the farm in the past 3 years when determining whether to approve CCC-576.

F Approval for Late-Filed CCC-576's for DCP Purposes Only

A late-filed CCC-576's may be approved for DCP purposes only if:

- the producer pays the cost of a farm visit to:

  - verify the natural disaster
  - determine the acreage prevented from being planted

- CCC-576 contains sufficient information to determine that a recognized natural disaster condition prevented the crop from being planted

- evidence of the natural disaster is still apparent.

Exemption: Late-filed CCC-576's may be approved by COC without a farm visit only if:

- COC has knowledge that disaster conditions exist

- CCC-576 contains sufficient information to determine that a recognized disaster condition prevented the producer from planting the crop.

474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

G Filing CCC-576 for DCP Purposes

County Offices shall file CCC-576 submitted for prevented planted acreage credit for covered commodities to maintain eligibility for the FAV and wild rice double-cropping exception in the applicable farm folder with CCC-509.

H Completing CCC-576 for DCP Purposes

County Offices shall complete:

- CCC-576 so that COC has adequate information to determine eligibility for prevented planting credit according to this paragraph
- a separate CCC-576 for each crop
- CCC-576, items 1 through 7.

Item	Instructions
Items 1 through 7 shall be completed by the County Office.	
1A	Enter the County Office's name, address, and telephone number.
1B	Enter the State and administrative county code.
2	Leave blank.
3	Enter the date CCC-576 is completed.
4	Enter the name and address of the producer requesting prevented planting credit.
5A	Enter the telephone number, including area code, of the producer entered in item 4.
5B	Enter the e-mail address of the producer entered in item 4, if available.
6	Enter the farm number of the requested prevented planted credit.

474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

H Completing CCC-576 for DCP Purposes (Continued)

Item	Instructions
7A	Enter the alpha crop abbreviation according to 2-CP. **Important:** Only covered commodities are eligible for prevented planted acreage credit. See Exhibit 2 for the definition of covered commodities.
7B through 7D	Leave blank.
Items 8 through 21 shall be completed by the producer.	
8A	Enter the crop name that was prevented from being planted by a natural disaster.
8B	Leave blank.
9	Enter the natural disaster that caused the crop to be prevented from being planted.
10A and 10B	Enter the beginning and ending dates of the natural disaster entered in item 9.
11 and 12	Leave blank.
13	Check the "Prevented Planting" box.
14	Check the applicable practice for the crop entered in item 8A. If both practices are used, check both boxes.
15A	Enter the number of acres intended to be planted, but prevented because of the natural disaster entered in item 9.
15B	Enter the number of acres planted.
16A and 16B	For the acreage intended to be planted but prevented (item 15A), indicate whether: • purchase or delivery arrangements were made for seed, chemicals, and fertilizer • land preparation measures were performed. **Note:** COC may require attachment of expense receipts to verify: • purchase or delivery arrangements • preparation measures.

474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

H Completing CCC-576 for DCP Purposes (Continued)

Item	Instructions
17 and 18	Leave blank.
19	Describe what **has been** done with the affected acreage (include dates), such as planted to another crop or left idle. Be as specific as possible.
20	Describe what **will be** done with the affected acreage (include dates), such as planted to another crop or left idle. Be as specific as possible.
21A and 21B	The producer shall sign and date to: • certify the accuracy of all information provided • acknowledge receiving copy of CCC-576. **Note:** If **not** signed and dated by the producer: • CCC-576 is **not** considered complete • COC shall **not** approve request for prevented planted acreage credit.
Item 22 shall be completed by COC for approval or disapproval.	
22	If all requirements of this paragraph are: • met, COC may approve CCC-576 for prevented planted acreage credit in item 22D **Important:** If CCC-576 is approved, COC shall write "for prevented planted acreage credit to maintain eligibility for FAV/wild rice double-cropping exception only" on the bottom of CCC-576, below COC's signature. • **not** met, COC shall disapprove CCC-576 for prevented planted acreage credit in item 22D. **Important:** If CCC-576 is disapproved, COC shall document the reason for disapproval. COC shall sign and date all CCC-576's submitted requesting prevented planted acreage credit for covered commodities to maintain eligibility for the FAV and wild rice double-cropping exception.
23 through 62	Leave blank.

474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

I Example of CCC-576 for DCP Purposes

The following is an example of CCC-576.

This form is available electronically. Form Approved - OMB No. 0560-0175

CCC-576 (08-06-02) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

NOTICE OF LOSS AND APPLICATION FOR PAYMENT NONINSURED CROP DISASTER ASSISTANCE PROGRAM

See Page 2 for Privacy Act and Public Burden Statements.

PART A - GENERAL INFORMATION *(To be completed by County Office)*

1A. COUNTY FSA OFFICE NAME & ADDRESS *(Including Zip Code)*
Adair County FSA Office
1101 S. Muskogee Ave
Tahelequah OK 74464

Telephone Number *(Area Code)* (918) 456-1924

2. NAP UNIT NO.

1B. STATE & COUNTY CODE: 01003

3. DATE RECEIVED BY COUNTY FSA OFFICE *(MM-DD-YYYY)*: 11-20-2002

4. PRODUCER'S NAME AND ADDRESS *(Include street, city, State and Zip Code)*
John Doe
Any Street
Any Place USA 12345

5A. TELEPHONE NO. (Area Code): (999) 999-9999

5B. E-MAIL ADDRESS:

6. FARM NUMBERS ASSOCIATED WITH UNIT: 123

7A. CROP ABBREVIATION: WHEAT

7B. PAY CROP:

7C. PAY TYPE:

7D. PLANTING PERIOD:

PART B - NOTICE OF LOSS *(To be completed by Producer)*

8. For loss suffered, enter:
A. Crop Name: wheat
B. Crop Type:

9. What disaster event(s) caused loss? flood

10A. Beginning date of disaster *(MM-DD-YYYY)*: 10-15-2002

10B. Ending date of disaster *(MM-DD-YYYY)*: 11-20-2002

11. When was loss apparent? *(MM-DD-YYYY)*:

12. For the crop type entered in Item 8, was there any agreement or contract for payment for growing the crop, as opposed to delivery of production?
YES [ ] NO [ ]
If "YES", provide a copy of such agreement, contract, or a written narrative explanation of agreement or contract.

13. Check type of loss suffered as a result of event identified in Item 9.
Prevented Planting [X]
Low Yield [ ]

14. Was the crop in Item 8 Irrigated or Non-Irrigated? *Check the applicable practice(s) used for the crop identified in Item 8.*
IR [ ] NI [X]

15. If "Prevented Planting" is checked in Item 13, enter the following:
A. Intended but Prevented Acreage: 250.0
B. Planted Acreage: 75.0

16. For the intended but prevented acreage entered in Item 15, complete the following entries:

A. Purchased, Delivery, or Arranged for:	YES	NO	B. If "YES", Explain and attach copies.
(1) Seed, Chemical, and Fertilizer	X		Seed and fertilizer was purchased. See receipts.
(2) Land Preparation Measures	X		Disked land to prepare for seeding.

17. If "Low Yield" is checked in Item 13, enter the following:
A. Total Crop Acreage:
B. Affected Acreage:

18. What cultivation practices have been and will be employed on damaged crop acreage *(e.g., fertilizer, seeding, irrigation, pesticide and herbicide applications; before and after date of damage)*?

19. What has been done with prevented planted or damaged crop acreage *(include dates crop was destroyed, harvested, or replanted, as applicable)*
Left idle.

20. What will be done with damaged crop acreage (e.g., destroyed, replanted to another crop, unharvested, harvested, or not planted)?
NOTE: *Appraisal required for damaged crop acreage prior to destruction. Complete Part D.*
May plant oats in spring.

21. Producer certifies that all information in Part B is correct and acknowledges receipt of copy of this form.

A. PRODUCER'S SIGNATURE: */s/ John Doe*
B. DATE *(MM-DD-YYYY)*: *11-20-2002*

PART C - COC APPROVAL OR DISAPPROVAL OF LOSS

22. COC must approve or disapprove for low yield and or prevented yield, as applicable.

A. For Low Yield: APPROVED [ ] DISAPPROVED [ ]
B. COC SIGNATURE:
C. DATE *(MM-DD-YYYY)*:

D. For Prevented Planted: APPROVED [X] DISAPPROVED [ ]
E. COC SIGNATURE: */s/ COC member*
F. DATE *(MM-DD-YYYY)*: *11-21-2002*

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474 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

I Example of CCC-576 for DCP Purposes (Continued)

CCC-576 (08-06-02) *Page 2*

23. Producer's Name	24. Identification No.	25. Unit Number	26. Pay Crop	27. Pay Type	28. Planting Period

PART D APPRAISAL OR REPORT OF PRODUCTION *(To be completed by FSA representative)*

29. Crop Type	30. Share(s)	31. Acres	32. Practice	33. Stage	34. Production	35. Intended Use	36. Final Use	37. Secondary Use or Salvage Value	38. Production Not to Count	COC Use Only: 39. Assigned or Adjusted Production	COC Use Only: 40. Secondary Use or Salvage Value

PART E - VALUE LOSS CROPS *(To be completed by FSA representative)*

41. Crop Type	42. Share(s)	43. Beginning Inventory or Dollar Value	44. Inventory or Dollar Value After Disaster	45. Ineligible Inventory or Dollar Value	46. Salvage Value

47. REMARKS *(Any other pertinent information, e.g., Secondary Use, Salvage Value, etc.)*:

PART F - GRAZING "AUD" LOSS CALCULATIONS

48. Crop Type	49. Share(s)	50. Acres	51. Practice	52. Unseeded Land: Federal	52. Unseeded Land: State	53. Stage	54. Carrying Capacity	55. Grazing Period	COC Use Only: 56. AUD Adjustment Factor	COC Use Only: 57. AUD Loss Factor	COC Use Only: 58. AUD Assigned

PART G - CERTIFICATION AND APPLICATION FOR PAYMENT

THIS PORTION MUST BE COMPLETED PRIOR TO PAYMENT. Attach Appraisal Worksheet, actual production evidence, CCC-576-1, and, if applicable FCI-6, Statement of Facts. Do not use appraisal when harvested production is available. If destroyed prior to appraisal, crop acreage is ineligible.

The undersigned producers apply for NAP payment on the unit identified in Item 2 in accordance with 7 CFR Part 1437. The producers signing certify that all the information provided is true and correct, and, the production is accurately identified to the unit, share relationship, pay crop, pay type, and year shown. I understand this report may be spot-checked and failure to certify accurately may result in a loss of program benefits. Additionally, I direct the purchaser, warehouse operator, ginner, or any person who otherwise, stores or purchases crop production listed on this form to disclose the production records of such crops to USDA representatives for the purpose of verification. The producer has not chosen or received another USDA benefit that is subject to the multiple benefit exclusion (7 CFR Part 1437.12).

59A. PRODUCER SIGNATURE	59B. Date Signed *(MM-DD-YYYY)*	
60A. LA OR FSA REPRESENTATIVE SIGNATURE *(Final)*	60B. Date Signed *(MM-DD-YYYY)*	61. Code Number

PART H - COC APPROVAL OR DISAPPROVAL OF APPLICATION FOR NAP PAYMENT

62A. COC ACTION: APPROVED ☐ DISAPPROVED ☐	62B. COC SIGNATURE	62C. DATE *(MM-DD-YYYY)*

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is Pub. L. 93-86. The information will be used to determine eligibility for disaster program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for disaster benefits. This information may be provided to other agencies, IRS, Department of Justice or other State and Federal Law enforcement agencies and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001, 15 USC 714m, and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0175. The time required to complete this information collection is estimated to average 1 hour and 20 minutes per response including the time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

475 Examples of Double-Cropping Region Exception

A Basic Farm Data

The following farm data applies to the double-cropping examples:

- 100 acres of cropland
- 100 base acres for wheat
- base acres are enrolled in DCP
- neither the farm nor producer has a history of FAV or wild rice plantings.

B Example 1

The farm in this example is administratively located in an established FAV and wild rice double-cropping region. COC determined that both commodities (wheat followed by carrots) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

Wheat Base Acres
100 acres wheat harvested for grain followed by 100 acres carrots harvested

There is no FAV or wild rice violation in this example because all the following are met:

- the farm is administratively located in an established FAV and wild rice double-cropping region

- the carrots were double-cropped with a covered commodity (wheat)

- COC determined both commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

The direct and counter-cyclical payments are not affected.

475 Examples of Double-Cropping Region Exception (Continued)

C Example 2

The farm in this example is administratively located in an established FAV and wild rice double-cropping region. COC determined that all commodities (lettuce and carrots followed by soybeans and grain sorghum) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

Wheat Base Acres
50 acres lettuce harvested and 50 acres carrots harvested followed by 75 acres soybeans harvested for grain and 25 acres grain sorghum harvested for grain

There is no FAV or wild rice violation in this example because all the following are met:

- the farm is administratively located in an established FAV and wild rice double-cropping region
- both the lettuce and carrots were double-cropped with a covered commodity (soybeans or grain sorghum)
- COC determined all commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

The direct and counter-cyclical payments are not affected.

475 Examples of Double-Cropping Region Exception (Continued)

D Example 3

The farm in this example is **not** administratively located in an established FAV and wild rice double-cropping region.

Wheat Base Acres
100 acres carrots harvested followed by 100 acres corn harvested for grain

This is an example of a violation of the FAV and wild rice prohibition. The carrots were harvested in a double-cropping situation with a covered commodity; however, the farm is **not** administratively located in an established FAV and wild rice double-cropping region.

To meet the requirements of this exception, the fruit, vegetable, or wild rice must be double-cropped with a covered commodity or peanuts on a farm administratively located in an established FAV and wild rice double-cropping region.

This violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable, or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

See 4-CP for payment reductions because of FAV's or wild rice violations on base acres enrolled in DCP.

475 Examples of Double-Cropping Region Exception (Continued)

E Example 4

The farm in this example is administratively located in an established FAV and wild rice double-cropping region. COC determined that both commodities (carrots followed by corn) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

Wheat Base Acres
100 acres carrots harvested followed by 70 acres corn harvested for grain

The farm in this example is located in an established FAV double-cropping region; however, only 70 of the 100 acres of carrots were planted in a double-cropping situation with a covered commodity (corn).

In this example, planting 30 acres of carrots on base acres that is not in a double-cropping situation with a covered commodity or peanuts is a violation of the FAV and wild rice prohibitions. Accordingly, there **is** an FAV violation on 30 acres in this example.

This violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

See 4-CP for payment reductions because of FAV's or wild rice violations on base acres enrolled in DCP.

475 Examples of Double-Cropping Region Exception (Continued)

F Example 5

The farm in this example is administratively located in an established FAV and wild rice double-cropping region. COC determined that the 2 commodities (upland cotton followed by tomatoes) **cannot** be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

Wheat Base Acres
100 acres upland cotton failed followed by 100 acres tomatoes harvested

The farm in this example is located in an established FAV and wild rice double-cropping region. The producer planted 100 acres of upland cotton that failed. After the upland cotton failed, the producer planted and harvested 100 acres of tomatoes on the failed upland cotton acreage.

In this example, there is a violation of the FAV and wild rice prohibition for the 100 acres of tomatoes on base acres because COC determined that upland cotton could not be harvested for lint followed by tomatoes in a double-cropping situation within a 12-month period, and again during the immediately succeeding 12-month period under normal growing conditions.

This violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable, or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

See 4-CP for payment reductions because of FAV's or wild rice violations on base acres enrolled in DCP.

475 Examples of Double-Cropping Region Exception (Continued)

G Example 6

The farm in this example is administratively located in an established FAV and wild rice double-cropping region. COC determined that both commodities (wheat followed by carrots) can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

Wheat Base Acres
100 acres prevented planted wheat followed by 100 acres carrots harvested

In this example, the producer submitted a request for prevented planted acreage credit for 100 acres of wheat according to paragraph 474. COC approved CCC-576 for 100 acres of prevented planted wheat, and the farm maintained eligibility for the FAV and wild rice double-cropping exception.

The harvesting of 100 acres of carrots on base acres enrolled in DCP in this example is not a violation of the FAV and wild rice prohibitions because all of the following are met:

- the farm is administratively located in an established FAV and wild rice double-cropping region
- COC approved CCC-576 for prevented planted acreage credit for the farm to maintain eligibility for the FAV and wild rice double-cropping exception
- COC determined that both commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

Note: The direct and counter-cyclical payments are not affected.

476 FAV and Wild Rice Farm History Exception

A Farm History Exception

The second exception to the prohibition of FAV's and wild rice on base acres enrolled in DCP is the farm history exception.

The farm history exception provides that FAV's and wild rice shall not be limited on a farm with a history of planting fruits, vegetables or wild rice, except that direct and counter-cyclical payments shall be reduced by an acre for each acre of the fruit, vegetable, or wild rice planted on base acres enrolled in DCP.

B Established History of Planting FAV's or Wild Rice for the Farm

For the purposes of this exception, the farm has a history of planting FAV's or wild rice if the farm had a history of such plantings under AMTA or there is a record of such plantings on the farm in at least 1 of the 1998 through 2001 crop years.

FAV and wild rice plantings on a farm after 2001 shall **not** establish a history of such plantings for the provisions of this exception.

Provisions of this exception are **farm** specific. The FAV and wild rice planting history is established for the **farm**, not the producer, county, or area.

Provisions of this exception are **not** crop or acreage specific. The specific type of fruit, vegetable, or wild rice and the number of acres planted are not considered when determining the farm's history nor does it limit the type of FAV's or number of acres that may be planted to FAV's or wild rice on the farm's base acres.

476 FAV and Wild Rice Farm History Exception (Continued)

C FAV and Wild Rice Farm History Flexibility and Payment Reductions

FAV's or wild rice on base acres of a farm enrolled in DCP that has an established FAV and wild rice planting history:

- is **not** a violation of the FAV and wild rice prohibitions
- shall result in an acre for acre reduction in the direct and counter-cyclical payments.

FAV's and wild rice on base acres enrolled in DCP will be used to calculate direct and counter-cyclical payment reductions only for FY in which they were planted, except for perennials.

Perennial FAV's planted on base acres will be used to calculate direct and counter-cyclical payment reductions beginning FY in which they are planted and each succeeding year they are on base acreage enrolled in DCP.

Provisions of this exception allow planting of any fruit, vegetable, or wild rice on base acres enrolled in DCP with a corresponding reduction in direct and counter-cyclical payments. The farm does not have to be in an established FAV and wild rice double-cropping region nor must the producer on the farm have a history of planting any FAV's or wild rice.

477 Examples of Farm History Exception

A Basic Farm Data

The following farm data applies to the farm history examples:

- 300 acres of cropland
- 100 base acres for wheat
- 100 base acres for soybeans
- base acres are enrolled in DCP
- the farm has a history of planting FAV's and wild rice based on the 1999 acreage report indicating 2 acres of pumpkins planted for harvest.

B Example 1

The farm in this example is **not** administratively located in an established FAV and wild rice double-cropping region nor does the producer have a history of planting FAV's or wild rice.

<table>
<tr><th>Soybean Base Acres</th><th>Wheat Base Acres</th><th>Other Cropland</th></tr>
<tr><td rowspan="2">100 acres wheat</td><td>50 acres wheat</td><td rowspan="2">100 acres carrots harvested</td></tr>
<tr><td>50 acres carrots harvested</td></tr>
</table>

Because the farm has a history of FAV and wild rice plantings, the 50 acres of carrots on base acres is not a violation of the FAV and wild rice prohibitions. Under the FAV and wild rice farm history exception, an unlimited amount of any fruit, vegetable, or wild rice may be planted on base acres enrolled in DCP regardless of what fruit or vegetable or wild rice was planted to establish the farm's history.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of the FAV and wild rice (carrots in this example) on base acreage. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

477 Examples of Farm History Exception (Continued)

C Example 2

The farm in this example is **not** administratively located in an established FAV and wild rice double-cropping region nor does the producer have a history of planting FAV's or wild rice.

Soybeans Base Acre	Wheat Base Acre	Other Cropland
20 acres lettuce harvested	20 acres wild rice harvested	100 acres carrots harvested
80 acres corn	80 acres wheat	

Because the farm has a history of FAV and wild rice plantings, the 20 acres of lettuce and 20 acres of wild rice on base acres is not a violation of the FAV and wild rice prohibitions. Under the FAV and wild rice farm history exception, any fruit or vegetable or wild rice may be planted on the base acreage regardless of what fruit, vegetable or wild rice was planted to establish the farm's history.

The direct and counter-cyclical payments will be reduced by an acre for each acre of FAV and wild rice (lettuce and wild rice in this example) on the base acreage. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

477 Examples of Farm History Exception (Continued)

D Example 3

The farm in this example is not administratively located in an established FAV and wild rice double-cropping region nor does the producer have a history of planting FAV's.

Soybeans Base Acre	Wheat Base Acre	Other Cropland
100 acres peanuts	100 acres wheat followed by 50 acres watermelons harvested	100 acres carrots harvested

Because the farm has a history of FAV and wild rice plantings, the 50 acres of watermelons on base acres is not a violation of the FAV and wild rice prohibitions.

In this example, double-cropping watermelons with a covered commodity results in an acre-per-acre reduction in direct and counter-cyclical payments because the farm is **not** administratively located in an established FAV and wild rice double-cropping region.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (watermelons in this example) on the base acreage. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

477 Examples of Farm History Exception (Continued)

E Example 4

The farm in this example is **not** administratively located in an established FAV and wild rice double-cropping region nor does the producer have a history of planting FAV's or wild rice.

Soybean Base Acres	Wheat Base Acres	Other Cropland
100 acres onions harvested followed by 100 acres squash harvested followed by 50 acres tomatoes harvested	100 acres carrots harvested followed by 100 acres watermelons harvested	100 acres cantaloupes harvested followed by 100 acres lettuce harvested

Because the farm has a history of FAV and wild rice plantings, planting the entire acreage of the farm to FAV's is not a violation of the FAV and wild rice prohibitions.

Under this provision, the number of acres of fruits, vegetables, and wild rice on base acres is not limited.

In this example:

- the entire farm acreage is planted, harvested, replanted and harvested to FAV's
- for compliance purposes, there are only 300 acres of FAV's on the farm
- the entire base acreage being devoted to FAV's results in zero direct and counter-cyclical payments.

See 4-CP for processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

477 Examples of Farm History Exception (Continued)

F Example 5

The farm in this example is **not** administratively located in an established FAV and wild rice double-cropping region nor does the producer have a history of planting FAV's or wild rice.

Soybean Base Acres	Wheat Base Acres	Other Cropland
100 acres soybeans	98 acres wheat 2 acres watermelons planted but destroyed before harvest	100 acres watermelons harvested

Because the farm has a history of FAV and wild rice plantings, the 2 acres of watermelons on base acres is not a violation of the FAV and wild rice prohibitions.

Any fruit or vegetable or wild rice may be planted on the base acreage regardless of what fruit, vegetable or wild rice was planted to establish the farm's history.

In this example the producer did not want to incur a 2 acre direct and counter-cyclical payment reduction for the 2 acres of watermelons on base acres enrolled in DCP. Therefore, the producer destroyed the 2 acres of watermelons on base acres enrolled in DCP before harvest and paid for a farm visit to verify the destruction.

There is no acre for acre direct and counter-cyclical payment reduction because all of the following are met:

- the producer destroyed the 2 acres of watermelons on base acres before harvest
- COC conducted a paid-for farm visit and verified the 2 acres of watermelons were destroyed before harvest
- FSA-578 was modified to record the 2 acres of watermelons destroyed without benefit.

478 FAV and Wild Rice Producer History Exception

A Producer History Exception

The third exception to the prohibition of FAV's and wild rice on base acres enrolled in DCP is the producer history exception.

The producer history exception provides that a specific fruit, specific vegetable, or wild rice shall not be limited for a producer with an established planting history of that specific fruit, specific vegetable or wild rice, except that:

- the quantity planted may not exceed the producer's average annual planting history of the specific fruit, specific vegetable or wild rice in the 1991 through 1995 or 1998 through 2001 crop years, as determined by the producer, excluding any crop year with no plantings

- direct and counter-cyclical payments shall be reduced by an acre for each acre of the specific fruit, specific vegetable, or wild rice on base acres enrolled in DCP.

B Basic Information

The **producer history exception is producer, crop, and acreage specific**.

For the purposes of this exception, the producer history is determined based on the producer's average annual plantings of the specific fruit, specific vegetable, or wild rice.

The producer's average annual plantings for each applicable commodity shall be determined using:

- FSA-578 or FCI-19 report of FAV and wild rice plantings
- either of the following time periods, as determined by the producer:

  - 1991 through 1995 crop years
  - 1998 through 2001 crop years.

The producer history is based on the number of acres of a **specific** fruit, vegetable, or wild rice, in which the producer had an interest, which was reported as planted for harvest on a farm in at least 1 of the 1991 through 1995 or 1998 through 2001 crop years.

Important: The producer must elect which crop year period, 1991 through 1995 or 1998 through 2001, to use to calculate the average annual plantings.

478 FAV and Wild Rice Producer History Exception (Continued)

B Basic Information (Continued)

If a producer elects 1991 through 1995 crop year period, FAV's and wild rice reported as "ghost crops" in 1991 through 1995 shall be included when determining the producer's FAV and wild rice planting history.

The following crop years shall not be used to determine a producer's FAV and wild rice planting history:

- before 1991
- 1996
- 1997
- after 2001.

FAV's and wild rice on base acres enrolled in DCP will be used to calculate direct and counter-cyclical payment reductions only for FY in which they were planted, except for perennials.

Perennial FAV's planted on base acres will be used to calculate direct and counter-cyclical payment reductions beginning FY in which they are planted and each succeeding year they are on base acreage enrolled in DCP.

Provisions of this exception allow a specific amount and type of fruit or vegetable or wild rice on base acres enrolled in DCP with a corresponding acre for acre reduction in direct and counter-cyclical payments. The farm does not have to be in an established FAV and wild rice double-cropping region nor must the farm have an established FAV and wild rice planting history.

Provisions of this exception limit the acreage amount of specific fruits, vegetables, or wild rice on all base acres of all farms enrolled in DCP in which the producer has an interest, excluding farms meeting the double-cropping or farm history exception.

Important: This provision includes all farms enrolled in DCP in other counties in which the producer has an interest.

478 FAV and Wild Rice Producer History Exception (Continued)

B Basic Information (Continued)

The producer with the specific fruit, vegetable, or wild rice producer history must have an interest in the FAV or wild rice planted on DCP base acres for this exception to apply. Other producers on the farm:

- cannot use a producer's FAV or wild rice producer history
- may have an interest in the FAV or wild rice planted on DCP base acres, and not be in violation, provided the producer with the FAV or wild rice producer history also has an interest in the FAV or wild rice planted acreage.

See paragraph 480, examples 7 through 10, for examples of applying the FAV and wild rice producer history exception when there is more than one producer on the farm.

C When to Calculate Producer History

COC shall manually calculate producer history only when both the following are met:

- producer plants FAV's or wild rice on base acreage enrolled in DCP
- the exceptions in paragraph 473 or 476 do **not** apply.

Examples: A producer plants FAV's on a farm with an FAV and wild rice planting history (paragraph 476). Do not calculate a producer history because the provisions of paragraph 476 apply.

A producer double-crops FAV's with a covered commodity on a farm administratively located in an established FAV and wild rice double-cropping region (paragraph 473). COC determined both crops were planted with reasonable expectations and realistic possibilities of harvesting each crop in a 12-month period. Do not calculate a producer history because the provisions of paragraph 473 apply.

A producer plants FAV's for harvest on base acreage of a farm enrolled in DCP that is not administratively located in an established FAV and wild rice double-cropping region. The farm does not have an FAV and wild rice planting history. COC shall determine if the producer history exception is met before notifying the producer of an FAV violation.

478 FAV and Wild Rice Producer History Exception (Continued)

C When to Calculate Producer History (Continued)

COC shall:

- calculate producer history according to this paragraph before notifying producers of FAV or wild rice violations

- inform producers, through the county newsletter, to contact the County Office to calculate producer history if they intend to plant fruits, vegetables, or wild rice on base acreage enrolled in DCP and the exceptions in paragraph 473 or 476 do not apply to such plantings.

D How to Calculate Producer History

To determine producer history for a specific fruit, specific vegetable, or wild rice using the 1991 through 1995 crop years:

- review FSA-578's for all farms in which the producer had an interest in any year 1991 through 1995 to determine the specific crops and acreage to attribute to the producer

  Note: Include only the producer's share of the acreage planted and ghost acres.

- for each crop, divide the sum of the acreage for all years 1991 through 1995 by the number of years having planted acreage or ghost acreage of the specific FAV or wild rice as applicable

  Note: Do **not** include prevented planted acreage or years with zero planted acreage.

- for multi-county producers, contact other counties to determine the producer's reported plantings and producer history for 1991 through 1995 crop years.

478 FAV and Wild Rice Producer History Exception (Continued)

D How to Calculate Producer History (Continued)

To determine producer history for a specific fruit, specific vegetable or wild rice using the 1998 through 2001 crop years:

- review FSA-578's for all farms in which the producer had an interest in any year 1998 through 2001 to determine the specific crops and acreage to attribute to the producer

  Note: Include only the producer's share of the planted acreage.

- for each crop, divide the sum of the acreage for all years 1998 through 2001 by the number of years having planted acreage of the specific FAV or wild rice as applicable

  Note: Do **not** include prevented planted acreage or years with zero planted acreage.

- for multi-county producers, contact other counties to determine the producer's reported plantings and producer history for 1998 through 2000 crop years.

County Offices shall not sum the average annual plantings calculated for the commodity using the different crop year periods.

Example: The average annual planting for Mr. White for lettuce using 1991 through 1995 crop years is 18 acres. The average annual planting for Mr. White for lettuce using 1998 through 2001 crop years is 13.8 acres. Mr. White must elect either 18 acres or 13.8 acres as his producer planting history for lettuce.

Note: See paragraph 479 for examples of establishing producer history.

478 FAV and Wild Rice Producer History Exception (Continued)

E Basic Rules for the Producer History Exception

Producer history cannot be sold, transferred, inherited, gifted, or borrowed. No other producer shall use another producer's FAV or wild rice producer history. Producer history is based on the annual average plantings for the **producer**. The producer history remains with the producer until that producer ceases to exist.

The following are examples of the basic rules for producer history exception.

Example 1: Producer A has a producer history for 50 acres of tomatoes based on his 1991 through 1995 average annual tomato plantings. Producer A retires from farming. The 50-acre tomato history remains with Producer A. No other producer can use that producer history. When Producer A dies, the producer history no longer exists.

Example 2: Corporation A has a producer history of 50 acres of tomatoes based on its 1998 through 2001 average annual tomato plantings. The producer history is established for Corporation A, **not** the members of the corporation. Changes to the corporation, such as adding new members or changing members' shares, shall not affect the producer history. If the corporation dissolves, each member of the corporation **at the time of dissolution**, will receive a producer history for tomatoes based on their member share in the corporation.

Example 3: Producer B has a producer history for 50 acres of tomatoes based on his 1998 through 2001 average annual tomato plantings. Producer B forms a partnership with his son called Father & Son Partnership. The partnership operates Farm 1. Producer B acquires 100 percent interest in Farm 2. Neither farm has an FAV and wild rice history nor is either farm administratively located in an FAV and wild rice double-cropping region. Producer B may use his producer history both as an individual and as a member of the partnership; however, the combined tomato plantings on both farms cannot exceed 50 acres. If Producer B leaves the partnership, quits farming, or dies, the producer history can no longer be used by the partnership or the son. The son cannot inherit the producer history nor does it transfer to the partnership.

478 FAV and Wild Rice Producer History Exception (Continued)

E Basic Rules for the Producer History Exception (Continued)

Example 4: Partnership C has a producer history of 50 acres of tomatoes based on its 1991 through 1995 average annual tomato plantings. The producer history is established for Partnership C, **not** the members of the partnership. Changes to the partnership, such as adding new members or changing members' shares, shall not affect the producer history. If the partnership dissolves, each member of the partnership **at the time of dissolution**, will receive a producer history for tomatoes based on their member share in the partnership.

Example 5: Producer D has a producer history of 100 acres of potatoes and Producer E has a producer history of 50 acres of potatoes based on their 1998 through 2001 average annual potato plantings. Producers D and E form Corporation DE for FY 2003. The producer history is established for Producers D and E, not the corporation; therefore, the corporation may **not** use the members' producer history.

Example 6: Producer X has a producer history of 100 acres of potatoes based on her 1991 through 1995 average annual potato plantings. Owner Y has no producer history. Owner Y leased FSN 31 to Producer X for FY 2003 for a one-third share of the potato crop and one-third share of the direct and counter-cyclical payments. Neither producer has an interest in any other farm. The farm does not have FAV and wild rice history nor is the farm located in an FAV and wild rice double-cropping region. Producer X plants 100 acres of potatoes on base acres on FSN 31. Owner Y can share in the potato production on FSN 31 and not be considered in violation of FAV and wild rice planting prohibitions because Producer X's history of 100 acres of potatoes is sufficient to cover all 100 acres that he has an interest in.

However, Owner Y is not allowed to use Producer X's producer potato history on any other acreage on the farm that Producer Y does not share in.

479 Examples of Establishing Producer History

A Basic Data

The following examples provide a summary of FAV and wild rice acreage reported on FSA-578.

Assume in 1992 the producer planted 20 acres of lettuce followed by 20 acres of onions on the same acreage. As shown in the examples, 20 acres of each crop is considered planted in 1992 when determining producer history. Assume in 1991 the producer planted the same 5 acres to lettuce 4 times in the crop year. As shown in the examples, 20 acres of lettuce is considered planted in 1991 when determining producer history.

B Example 1

In the following example, the producer had 100 percent interest in FAV's and wild rice reported planted for harvest on the farm.

Year	Crops			
	Acreage Planted to Lettuce	**Acreage Planted to Onions**	**Acreage Planted to Watermelons**	**Acreage Planted to Wild Rice**
1991	20	10	10	20
1992	20	20	0	20
1993	10	0	0	0
1994	20	10	0	0
1995	20	5	0	35
Total	90	45	10	75
1991 through 1995 Annual Average (Excluding Years With No Plantings)	18 (90 ÷ 5)	11.3 (45 ÷ 4)	10 (10 ÷ 1)	25 (75 ÷ 3)

479 Examples of Establishing Producer History (Continued)

B Example 1 (Continued)

Year	Crops			
	Acreage Planted to Lettuce	**Acreage Planted to Onions**	**Acreage Planted to Carrots**	**Acreage Planted to Wild Rice**
1998	10	20	10	30
1999	30	20	0	10
2000	5	0	0	30
2001	10	0	25	10
Total	55	40	35	80
1998 through 2001 Annual Average (Excluding Years With No Plantings)	13.8 (55 ÷ 4)	20 (40 ÷ 2)	17.5 (35 ÷ 2)	20 (80 ÷ 4)

The producer in this example has the following producer history using:

- 1991 through 1995 crop years:
  - 18 acres of lettuce
  - 11.3 acres of onions
  - 10 acres of watermelons
  - 25 acres of wild rice
- 1998 through 2001 crop years:
  - 13.8 acres of lettuce
  - 20 acres of onions
  - 17.5 acres of carrots
  - 20 acres of wild rice.

The producer must elect which crop year period, 1991 through 1995 or 1998 through 2001, to use to determine the producer history for each crop.

The producer may elect a different crop year period for each crop.

Important: County Offices shall **not** sum the average annual plantings calculated for the different crop year periods to calculate a producer's history.

479 Examples of Establishing Producer History (Continued)

C Example 2

In the following example, Producers A and B shared an interest in FAV's and wild rice reported planted on the farm. Producer A had 75 percent interest and Producer B had 25 percent interest.

Year	Crops			
	Acreage Planted to Lettuce	**Acreage Planted to Onions**	**Acreage Planted to Watermelons**	**Acreage Planted to Wild Rice**
1991	20	10	10	20
1992	20	20	0	20
1993	10	0	0	0
1994	20	10	0	0
1995	20	5	0	35
Total	90	45	0	75
1991 through 1995 Annual Average (Excluding Years With No Plantings)	18 (90 ÷ 5)	11.3 (45 ÷ 4)	10 (10 ÷ 1)	25 (75 ÷ 3)
Annual Average for Producer A	13.5 (18 x .75)	8.5 (11.3 x .75)	7.5 (10 x .75)	18.8 (25 x .75)
Annual Average for Producer B	4.5 (18 - 13.5)	2.8 (11.3 - 8.5)	2.5 (10 - 7.5)	6.2 (25 - 18.8)

479 Examples of Establishing Producer History (Continued)

C Example 2 (Continued)

Year	Crops			
	Acreage Planted to Lettuce	**Acreage Planted to Onions**	**Acreage Planted to Carrots**	**Acreage Planted to Wild Rice**
1998	20	0	10	20
1999	40	40	20	30
2000	5	0	0	10
2001	20	20	0	0
Total	85	60	30	60
1991 through 1995 Annual Average (Excluding Years With No Plantings)	21.3 (85 ÷ 4)	30 (60 ÷ 2)	15 (30 ÷ 2)	20 (60 ÷ 3)
Annual Average for Producer A	16 (21.3 x .75)	22.5 (30 x .75)	11.3 (15 x .75)	15 (20 x .75)
Annual Average for Producer B	5.3 (21.3 - 16)	7.5 (30 - 22.5)	3.7 (15 - 11.3)	5 (20 - 15)

Producer A, in this example, has the following producer history using:

- 1991 through 1995 crop years:
  - 13.5 acres of lettuce
  - 8.5 acres of onions
  - 7.5 acres of watermelons
  - 18.8 acres of wild rice
- 1998 through 2001 crop years:
  - 16 acres of lettuce
  - 22.5 acres of onions
  - 11.3 acres of carrots
  - 15 acres of wild rice.

479 Examples of Establishing Producer History (Continued)

C Example 2 (Continued)

Producer B, in this example, has the following producer history using:

- 1991 through 1995 crop years
    - 4.5 acres of lettuce
    - 2.8 acres of onions
    - 2.5 acres of watermelons
    - 6.2 acres of wild rice
- 1998 through 2001 crop years:
    - 5.3 acres of lettuce
    - 7.5 acres of onions
    - 3.7 acres of carrots
    - 5 acres of wild rice.

Each producer must elect which crop year period, 1991 through 1995 or 1998 through 2001, to use to determine the producer history for each crop.

Each producer may elect a different crop year period for each crop.

Important: County Offices shall **not** sum the average annual plantings calculated for the different crop year periods to calculate a producer's history.

480 Examples of Producer History Exception

A Basic Farm Data

The following farm data applies to the producer history examples 1 through 9:

- 300 acres of cropland
- 100 base acres for wheat
- 100 base acres for corn
- base acres are enrolled in DCP
- is **not** administratively located in an FAV and wild rice double-cropping region
- does **not** have an established FAV and wild rice planting history.

Producer A has a producer history of 50 acres for carrots and 50 acres for lettuce.

B Example 1

Producer A in this example has no interest in any other farm.

<table>
<tr><th>Corn Base Acres</th><th>Wheat Base Acres</th><th>Other Cropland</th></tr>
<tr><td rowspan="2">100 acres wheat</td><td>50 acres wheat</td><td rowspan="2">100 acres tomatoes harvested</td></tr>
<tr><td>50 acres carrots harvested</td></tr>
</table>

There is no FAV and wild rice violation in this example. FAV's and wild rice are permitted on nonbase acres (100 acres of tomatoes in this example). The 50 acres of carrots on base acres is **not** a violation because Producer A has a producer history of 50 acres of carrots.

Planting FAV's or wild rice on this farm shall **not** establish an FAV or wild rice planting history for this farm for future years. Planting 100 acres of tomatoes shall **not** establish a producer history for tomatoes for Producer A.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (carrots in this example) on base acres. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

480 Examples of Producer History Exception (Continued)

B Example 1 (Continued)

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage on a farm enrolled in DCP.

C Example 2

Producer A in this example has no interest in any other farm.

Corn Base Acres	Wheat Base Acres	Other Cropland
100 acres corn	50 acres lettuce harvested	100 acres carrots harvested
	50 acres carrots harvested	

There is no FAV or wild rice violation in this example. FAV's and wild rice are permitted on nonbase acres (100 acres of carrots in this example. The 50 acres of carrots and 50 acres of lettuce on base acres is **not** a violation because Producer A has a producer history of 50 acres for each commodity.

Planting FAV's or wild rice on this farm shall not establish an FAV or wild rice planting history for this farm for future years. Planting 150 acres of carrots shall **not** increase the producer history for carrots for Producer A.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (carrots and lettuce in this example) on the base acreage. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage on a farm enrolled in DCP.

480 Examples of Producer History Exception (Continued)

D Example 3

Producer A in this example has no interest in any other farm.

Corn Base Acres	Wheat Base Acres	Other Cropland
100 acres corn	40 acres carrots harvested	100 acres carrots harvested
	60 acres lettuce harvested	

Producer A is in violation of FAV and wild rice prohibitions in this example because he planted 60 acres of lettuce on base acreage. His producer history for lettuce is only 50 acres. Producer A violated the FAV and wild rice prohibitions by planting 10 acres more lettuce, on base acres, than the producer's history allows.

Planting 60 acres of lettuce and 140 acres of carrots shall not establish or increase the producer history for such crops for Producer A.

A violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (carrots and lettuce in this example) on the base acreage. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See to 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

480 Examples of Producer History Exception (Continued)

E Example 4

Producer A in this example has no interest in any other farm.

Corn Base Acre	Wheat Base Acres	Other Cropland
100 acres corn	51 acres carrots planted but 1 acre destroyed before harvest 49 acres lettuce harvested	100 acres tomatoes harvested

There is no FAV or wild rice violation in this example. FAV's and wild rice are permitted on nonbase acres (100 acres of tomatoes in this example).

Producer A has a producer history of only 50 acres for carrots and only 50 acres for lettuce. Producer A planted 51 acres of carrots on base acres. However, in this example:

- the producer destroyed 1 acre of carrots planted on base acres before harvest
- COC conducted a paid-for farm visit and verified the 1 acre of carrots was destroyed before harvest
- FSA-578 was modified to record the 1 acre of carrots destroyed without benefit.

Therefore, there is no FAV or wild rice violation in this example.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (50 acres of carrots and 49 acres of lettuce in this example) on the base acreage. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

480 Examples of Producer History Exception (Continued)

F Example 5

Producer A in this example has no interest in any other farm.

Corn Base Acre	Wheat Base Acres	Other Cropland
100 acres corn	50 acres tomatoes harvest 50 acres lettuce harvested	100 acres watermelons harvested

Producer A is in violation of FAV and wild rice prohibitions in this example because he planted 50 acres of tomatoes on base acreage. Producer A's producer history is for 50 acres of lettuce and 50 acres of carrots. Producer A is in violation of the FAV and wild rice prohibitions because the producer does not have a producer history for tomatoes and the farm does not have an FAV and wild rice planting history.

Planting FAV's or wild rice on this farm shall not establish an FAV or wild rice planting history for this farm for future years. Planting 100 acres of watermelons and 50 acres of tomatoes shall **not** establish a producer history for such crops for Producer A.

A violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (carrots and lettuce in this example) on the base acreage. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

480 Examples of Producer History Exception (Continued)

G Example 6

Assume for this example that Producer A purchased a new farm (Farm 2) and operates it with 100 percent interest.

Farm 1 and 2:

- are **not** administratively located in an FAV and wild rice double-cropping region
- do **not** have an established FAV and wild rice planting history
- are both enrolled in DCP.

Farm 1 data is the same farm data as in Examples 1 through 5.

The following farm data applies to Farm 2:

- 100 acres of cropland
- 100 base acres for soybeans.

Farm 1:

Corn Base Acre	Wheat Base Acre	Other Cropland
100 acres corn	50 acres corn	100 acres carrots harvested
	40 acres carrots harvested	
	10 acres lettuce harvested	

480 Examples of Producer History Exception (Continued)

G Example 6 (Continued)

Farm 2:

Soybean Base Acre
50 acres wheat
40 acres lettuce harvested
10 acres carrots harvested

There is no FAV or wild rice violation in this example.

Producer A harvested a total of 150 acres of carrots (100 acres on nonbase acreage, 40 acres on base acreage of Farm 1, and 10 acres on base acreage of Farm 2) and a total of 50 acres of lettuce (10 acres on base acreage of Farm 1 and 40 acres on base acreage on Farm 2).

The producer history exception allows producers to plant the specific crop on any farm in which the producer has an interest; however, the total base acreage of all farms in which the producer has an interest devoted to the specific crop cannot exceed the producer history for such crop.

480 Examples of Producer History Exception (Continued)

G Example 6 (Continued)

Planting FAV and wild rice on these farms shall **not** establish an FAV and wild rice planting history for the farms in future years. Planting 150 acres of carrots shall **not** increase the producer history for carrots for Producer A.

The direct and counter-cyclical payments for each farm shall be reduced by an acre for each acre of FAV and wild rice (carrots and lettuce in this example) on the base acreage of the respective farm. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.

480 Examples of Producer History Exception (Continued)

H Example 7

Assume for this example that both Producer A and Producer B are on the farm. Neither Producer A nor Producer B has an interest in any other farm. Producer A has an FAV producer history of 50 acres of carrots.

Producer B has no FAV producer history.

Producer A and Producer B each:

- have a share in the acreage planted to wheat
- are signatories to CCC-509 and receive a share of DCP payments for the farm.

Producer A has 100 percent interest in the acreage planted to carrots.

Corn Base Acres	Wheat Base Acres	Other Cropland
100 acres wheat	50 acres wheat	100 acres carrots harvested
	50 acres carrots harvested	

There is no FAV and wild rice violation in this example. FAV's and wild rice are permitted on nonbase acres (100 acres of carrots in this example). The 50 acres of carrots on base acres is **not** a violation because Producer A has a producer history of 50 acres of carrots.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (50 acres of carrots in this example) on base acres. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

480 Examples of Producer History Exception (Continued)

I Example 8

Assume for this example that both Producer A and Producer B are on the farm. Neither Producer A nor Producer B has an interest in any other farm. Producer A has an FAV producer history of 50 acres of carrots.

Producer B has no FAV producer history.

Producer A and Producer B each:

- have a share in all acreage on the farm, including the acreage planted to carrots
- are signatories to CCC-509 and receive a share of DCP payments for the farm.

Corn Base Acres	Wheat Base Acres	Other Cropland
100 acres wheat	50 acres wheat	100 acres carrots harvested
	50 acres carrots harvested	

There is no FAV and wild rice violation in this example. FAV's and wild rice are permitted on nonbase acres (100 acres of carrots in this example). The 50 acres of carrots on base acres is **not** a violation because Producer A has a producer history of 50 acres of carrots.

Note: Producer B has no FAV producer history but does have an interest in the carrots harvested on base acres. However, because Producer A's 50 acres of producer history for carrots is applicable to those acres, there is no FAV violation on the farm in this example.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (50 acres of carrots in this example) on base acres. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

480 Examples of Producer History Exception (Continued)

J Example 9

Assume for this example that both Producer A and Producer B are on the farm. Neither Producer A nor Producer B has an interest in any other farm. Producer A has an FAV producer history of 50 acres of carrots.

Producer B has no FAV producer history. Producer B has 100 percent interest in the acreage planted to carrots. Producer A and Producer B each:

- have a share in the acreage planted to wheat
- are signatories to CCC-509 and receive a share of DCP payments for the farm.

Corn Base Acres	Wheat Base Acres	Other Cropland
100 acres wheat	50 acres wheat 50 acres carrots harvested	100 acres carrots harvested

There is a 50 acre FAV and wild rice violation on the farm in this example because the producer with the 50 acre producer history for carrots (Producer A) did not have an interest in the acreage planted to carrots.

Note: The producer with the FAV producer history for the FAV planted on base acres must have an interest in the FAV on base acres for the producer history exception to apply to those acres. Other producers on the farm cannot use other producer's FAV producer history.

A violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (50 acres of carrots in this example) on base acres. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre

- processing payment reductions because of FAV's or wild rice on base acres of a farm enrolled in DCP.

480 Examples of Producer History Exception (Continued)

K Example 10

The following farm data applies to this producer history example:

- 300 acres of cropland
- 200 base acres for wheat
- 100 base acres for corn
- base acres are enrolled in DCP
- is **not** administratively located in an FAV and wild rice double-cropping region
- does **not** have an established FAV and wild rice planting history.

Producer A has a producer history of 50 acres for carrots and 50 acres for lettuce. Producer B has no FAV producer history. Neither Producer A nor Producer B has an interest in any other farm. Producer A and Producer B each:

- have a share in the acreage planted to wheat
- are signatories to CCC-509 and receive a share of DCP payments for the farm.

Producer A has 100 percent interest in 40 acres planted to carrots.
Producer B has 100 percent interest in 10 acres planted to carrots.

Corn Base Acres	Wheat Base Acres	Wheat Base Acres
100 acres wheat	50 acres wheat	100 acres wheat
	50 acres carrots harvested	

There is a 10 acre FAV and wild rice violation on the farm in this example because the producer with the 50 acre producer history for carrots (Producer A) did not have an interest in 10 acres of carrots planted on base acres.

Note: The producer with the FAV producer history for the FAV planted on base acres must have an interest in the FAV on base acres for the producer history exception to apply to those acres. Other producers on the farm cannot use another producer's FAV producer history.

A violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable, or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

480 Examples of Producer History Exception (Continued)

K Example 10 (Continued)

The direct and counter-cyclical payments shall be reduced by an acre for each acre of FAV and wild rice (50 acres of carrots in this example) on base acres. The payment acreage will be reduced beginning with the covered commodity with the lowest value per acre.

See 4-CP for:

- calculating value per acre
- processing payment reductions because of FAV's or wild rice on base acres of a farm enrolled in DCP.

481-500 (Reserved)

Part 9 (Reserved)

501-550 (Reserved)

Part 10 (Reserved)

551-599 (Reserved)

Part 11 (Reserved)

600-659 (Reserved)

Part 12 (Reserved)

660-719 (Reserved)

Part 13 (Reserved)

720-779 (Reserved)

Part 14 (Reserved)

780-839 (Reserved)

Part 15 Web-Based CCC-509 Process

840 Web-Based Process

A Overview

The DCP contract software is intuitive web-based software with a centralized database. DCP contracts will be updated by:

- County Office employees
- FSA customers with Internet access and e-Authentication level 2 security access
- State Office employees that have requested access to DCP.

Notes: FSA customers will not be able to make modifications to applications that have been submitted. All application modifications must be processed by the FSA County Office.

All County Office and State Office employees that have requested access to DCP will be able to load a nationwide customer service application, which means that any user can load DCP contracts for any customer nationwide.

The DCP contract software will read farm and tract maintenance files.

In this part, the term “user” refers to County Office employees and producers except where specifically noted.

The term “home county” in the web-based environment is the same as administrative county.

840 Web-Based Process (Continued)

B State Office User Access

Obtain access to DCP nationwide customer service according to the following:

- provide the National Office with all State Office employees who are to have access, and include the following:

  - State
  - employee's legal first and last name
  - employee's USDA eAuthentication user ID

- FAX information to 202-720-0051, Attn: Neeru Gulati

  Note: Include on the FAX that the request is for "DCP access".

- contact PECD, Common Provisions Branch at 202-720-3464 with any question or concerns.

  Note: Additional employees can be added any time by requesting access according to this subparagraph.

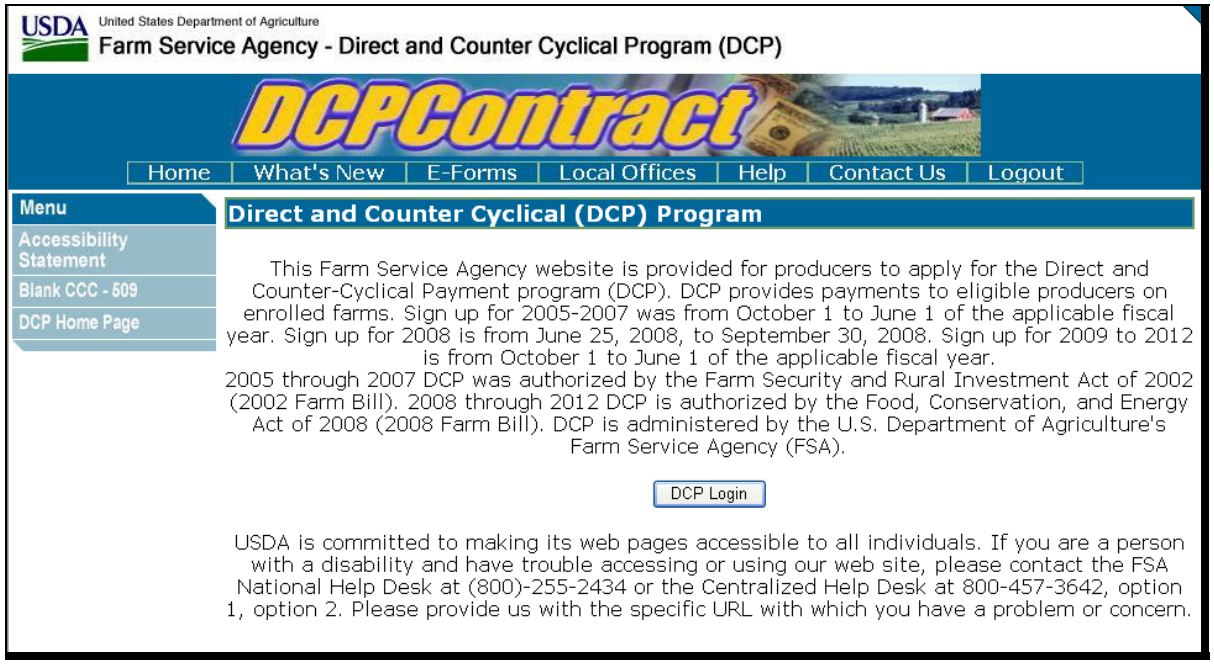
840 Web-Based Process (Continued)

C Accessing the DCP Web Site

Access the DCP Home Page from the Internet at **https://indianocean.sc.egov.usda.gov/DCP/index.jsp**.

Note: Internet Explorer shall be used when accessing the DCP Home Page.

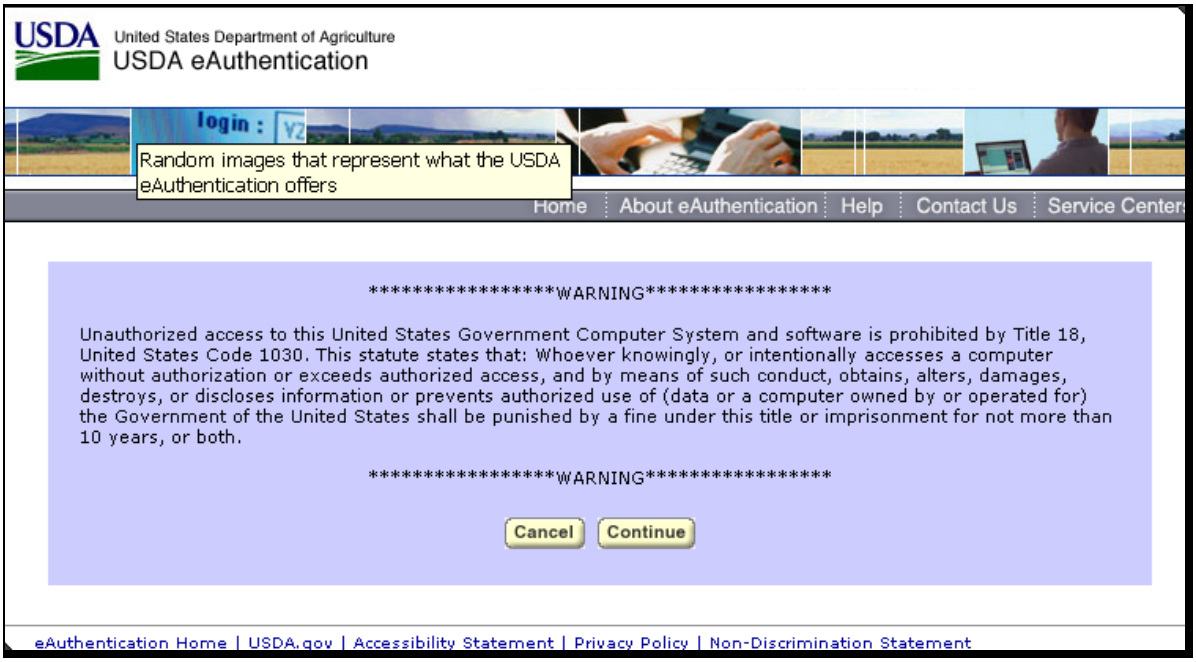
After entering the DCP web site location, users will be prompted with the following login screen. CLICK "DCP Login" to continue.



840 Web-Based Process (Continued)

C Accessing the DCP Web Site (Continued)

Once the user has clicked “DCP Login”, the USDA eAuthentication Warning screen will be displayed. Users must CLICK “Continue” to proceed, or “Cancel” to end the process.

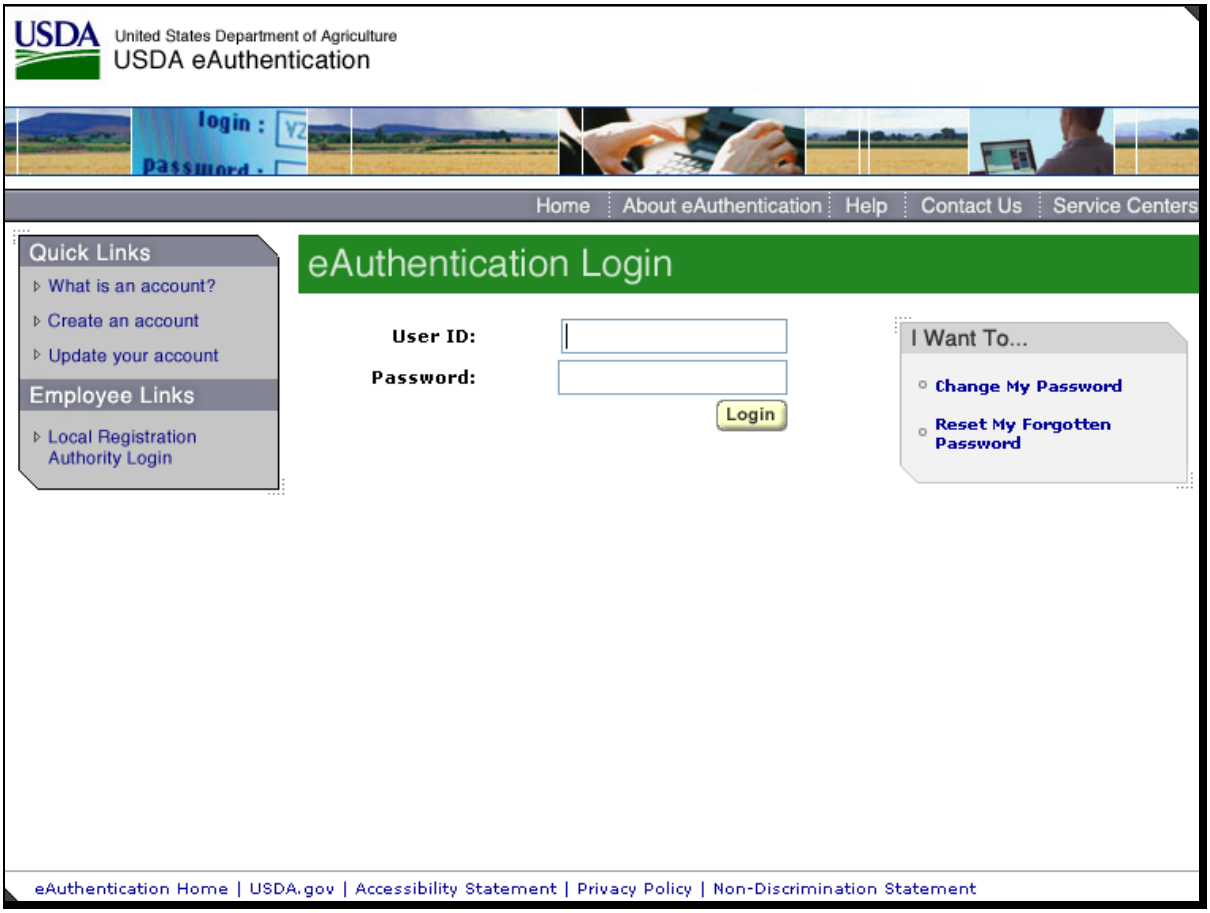


840 Web-Based Process (Continued)

C Accessing the DCP Web Site (Continued)

Users must:

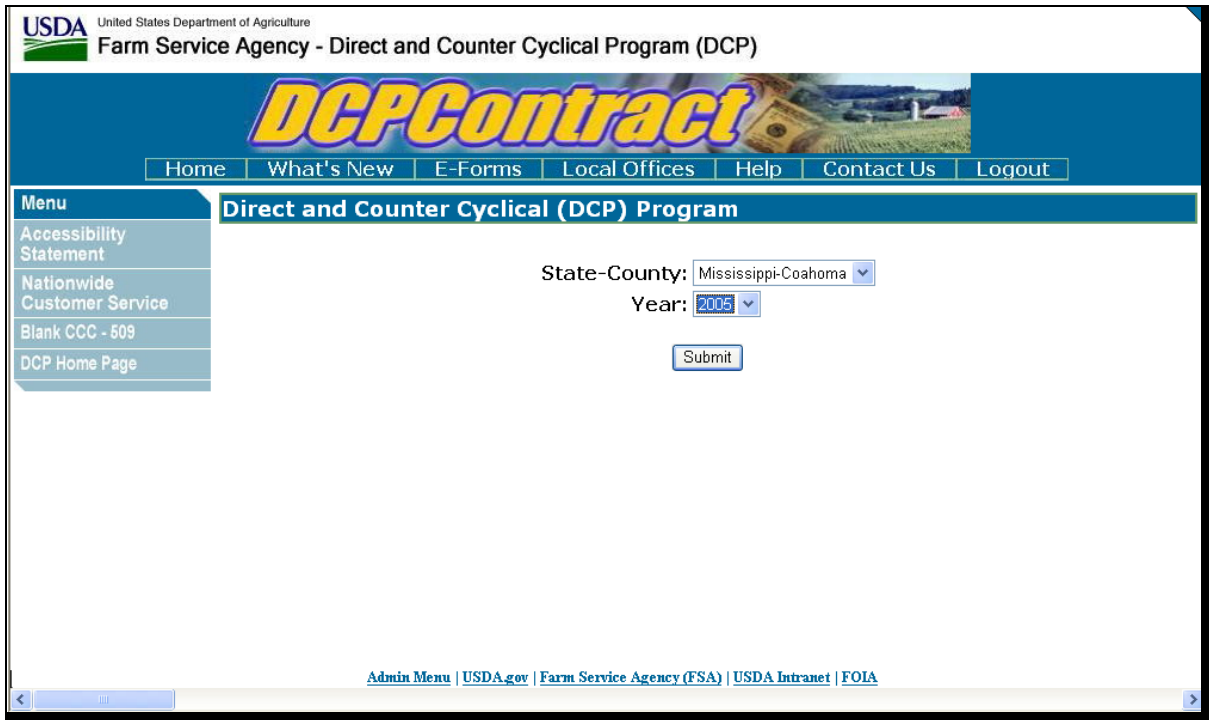
- enter eAuthentication user ID
- enter eAuthentication password
- CLICK “Login”.



841 Selecting State, County, and Year

A State, County, and Year Selection

Once a user is logged in and has been authenticated, users must select a State, county, and program year to process applications in their home counties. County Office users will have the option of selecting the "Nationwide Customer Service" button from the menu. This will provide County Offices the ability to take an application for a producer from any Service Center nationwide. See paragraph 852 for more details.



B Action

User shall use the drop-down menus to select the applicable:

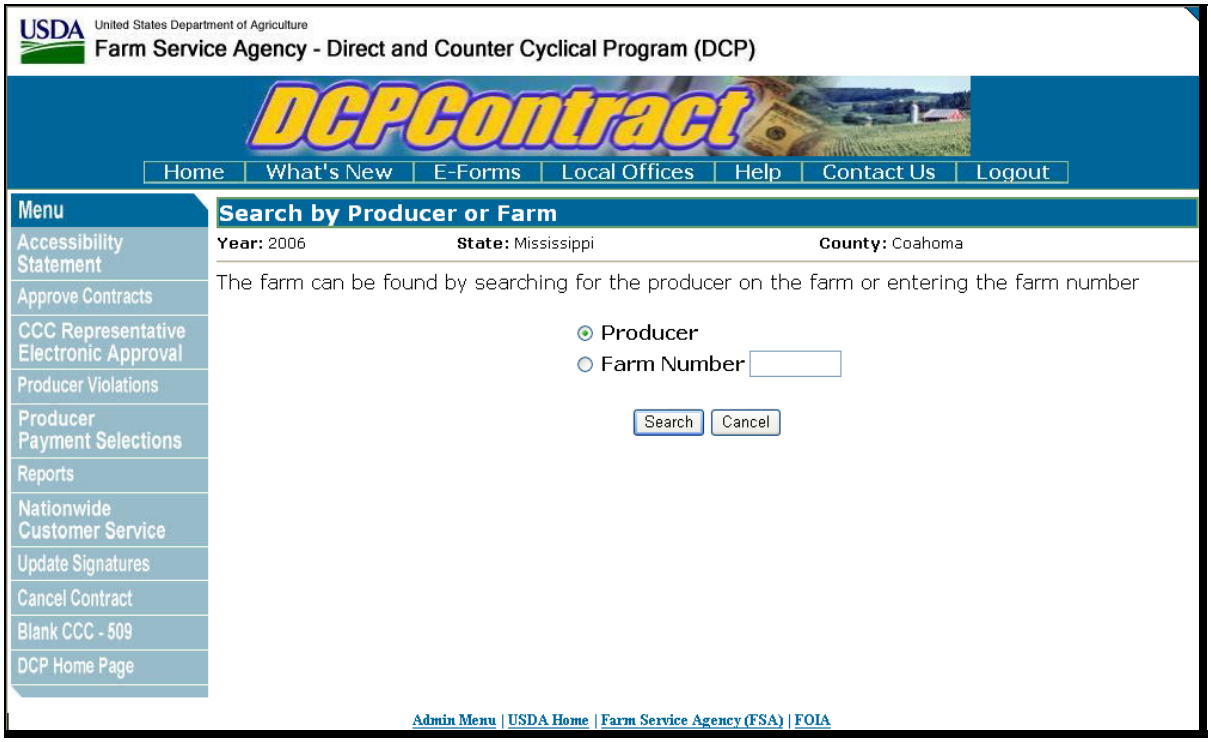
- State/county
- crop year.

CLICK "Submit". The Search by Producer or Farm Screen will be displayed.

842 Search by Producer or Farm Screen

A Overview

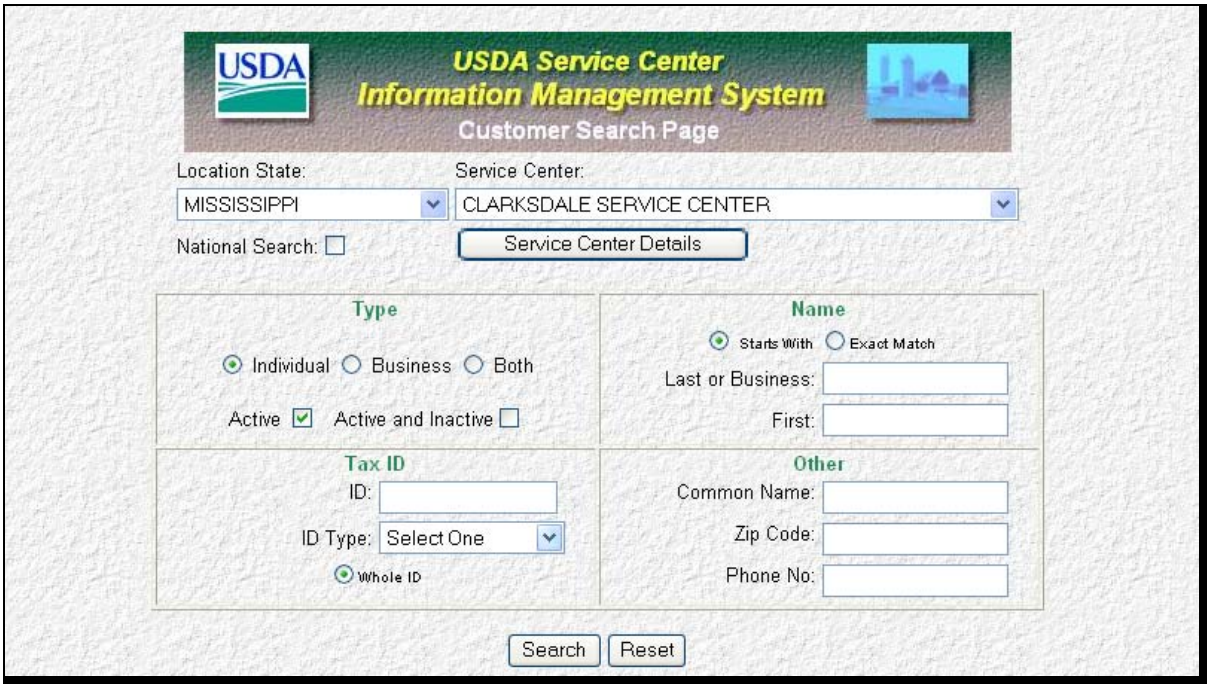
Users can access a farm by producer or by the specific farm number.



842 Search by Producer or Farm Screen (Continued)

B Access by Producer

If accessing by producer, click the circle in front of “Producer” and CLICK “Search”. USDA Service Center Information Management System Customer Search Page will be displayed. Producer can be selected by type, name, tax ID, or other. See 1-CM for additional information.



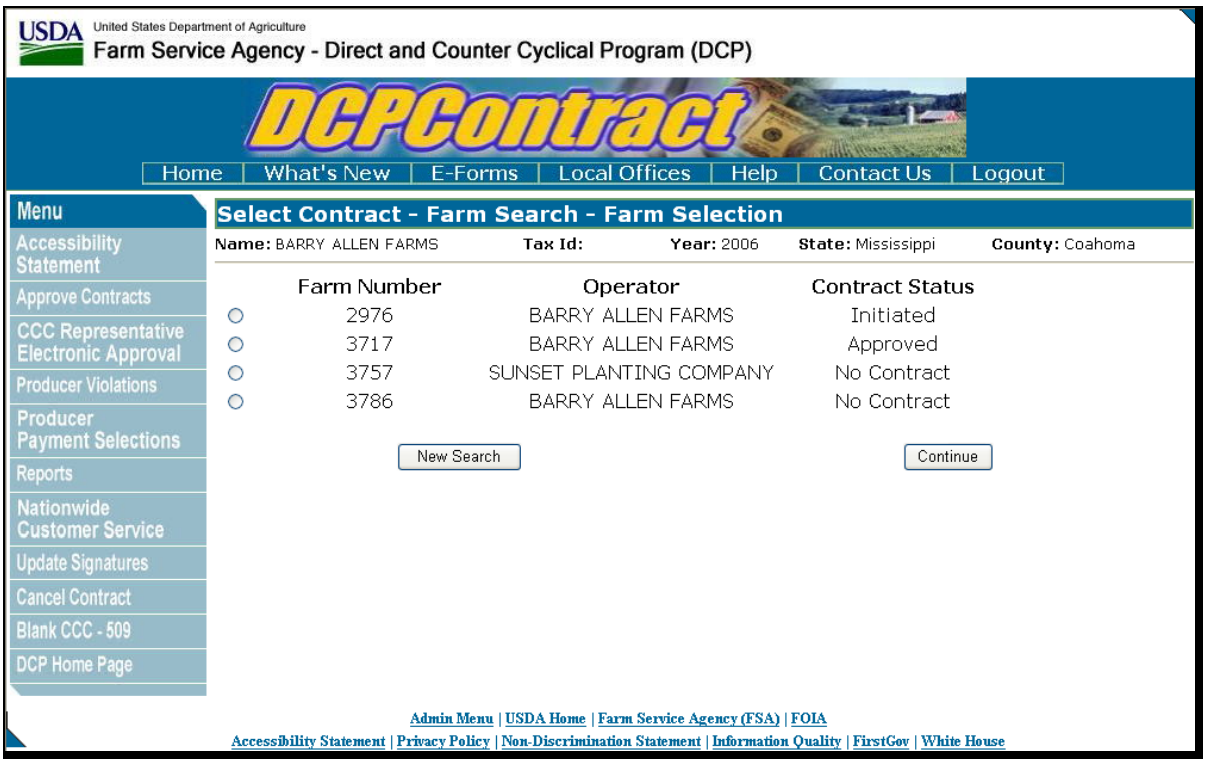
Note: User must select customer based on search results by clicking the applicable producer.

842 Search by Producer or Farm Screen (Continued)

B Access by Producer (Continued)

Once a producer has been selected, the Select Contract – Farm Search – Farm Selection Screen will be displayed with the farm numbers, operator name, and contract status for each farm associated with the selected producer. Following is an explanation of the options available on this screen.

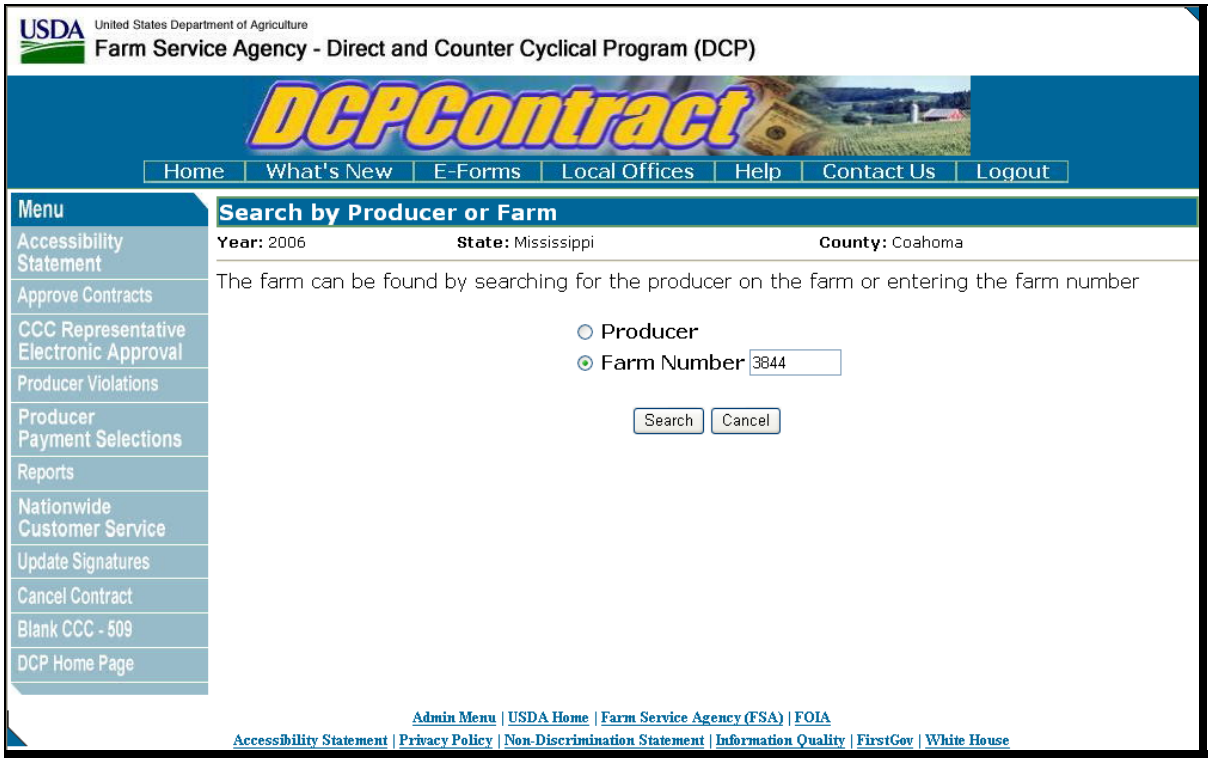
Option	Result
New Search	Search by Producer or Farm Screen will be displayed.
Continue	CLICK "Continue" after selecting the applicable contract to update. Only 1 farm can be selected at a time. Select Producer(s) – Contract Details Screen will be displayed. See paragraph 843.



842 Search by Producer or Farm Screen (Continued)

C Access by Farm

The following screen shows an example of selecting a contract by farm number.



To access a contract by a specific farm number:

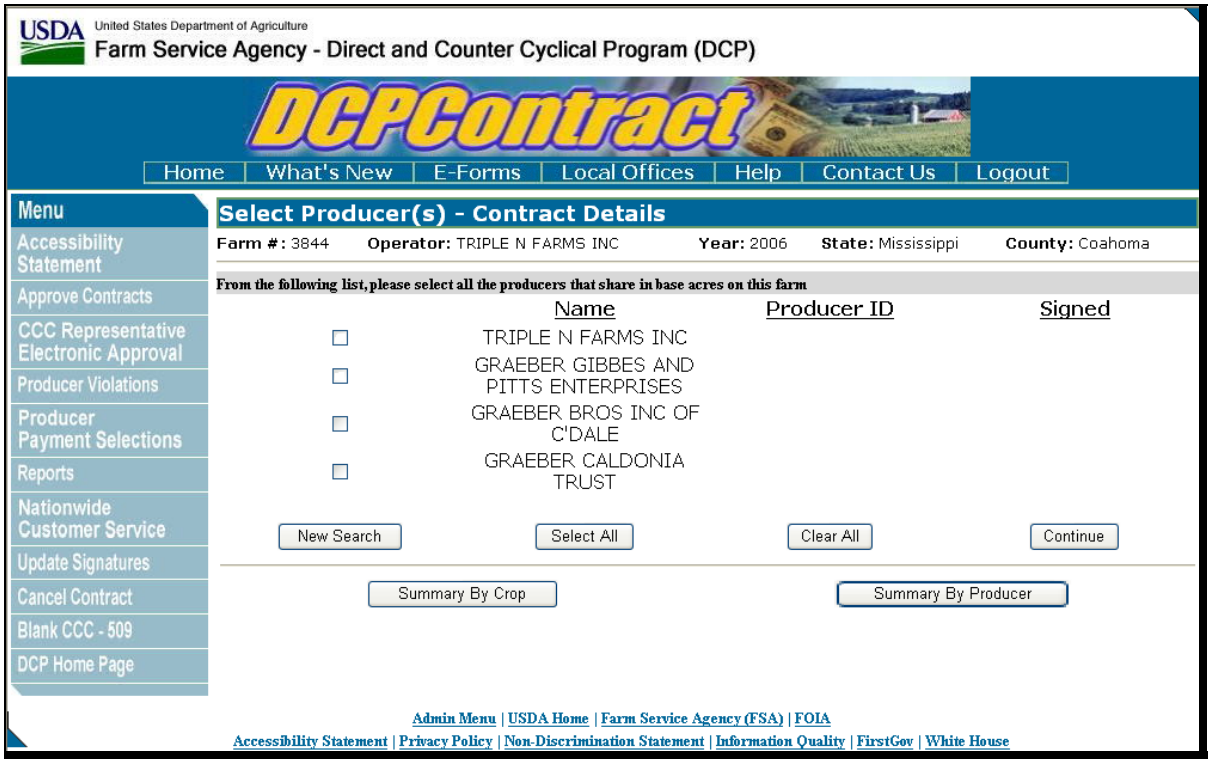
- CLICK “Farm Number”
- enter the applicable farm number
- CLICK “Search”.

Select Producer(s) – Contract Details Screen will be displayed. See paragraph 843.

843 Select Producer(s) – Contract Details Screen

A Overview

The Select Producer(s) – Contract Details Screen provides users the ability to select the producers that share in the contract. Following is an example of the screen.



This screen will be displayed with:

- all producers associated with the farm
- last 4 digits of each producer's ID number
- producers' signature status.

843 Select Producer(s) – Contract Details Screen (Continued)

B Options Available on Screen

The following explains the options available on the Select Producer(s) – Contract Details Screen.

Option	Result
New Search	Cancels all information entered into the system. Search by Producer or Farm Screen will be displayed.
Select All	All producers on the farm will be selected to receive shares. The system places a check (✓) in the box in front of each producer's name. User must CLICK "Continue" to continue. Assign Producer Shares/Payment Selections Screen will be displayed. See paragraph 844.
Clear All	Producers previously selected to share in the contract will be deselected.
Continue	Select: • individual producers to share in the contract by clicking on the box in front of the applicable producer's name • all producers by clicking "Select All". CLICK "Continue". Assign Producer Shares/Payment Selections Screen will be displayed. See paragraph 844. **Note:** If no producers are selected to share in the contract, when the "Continue" button is pressed, the Consolidated by Producer Screen will be displayed. See paragraph 845.
Summary by Crop	Consolidated by Crop Screen will be displayed. This is a summary screen that can be used to: • load/modify producer shares by crop • update payment selections • update producer signature types • update enrollment date • update approval date • cancel CCC-509. See paragraph 846.
Summary by Producer	Consolidated by Producer Screen will be displayed. This is a summary screen that can be used to: • load/modify producer shares by producer • update payment selections • update producer signature types • update enrollment date • update approval date • cancel CCC-509. See paragraph 845.

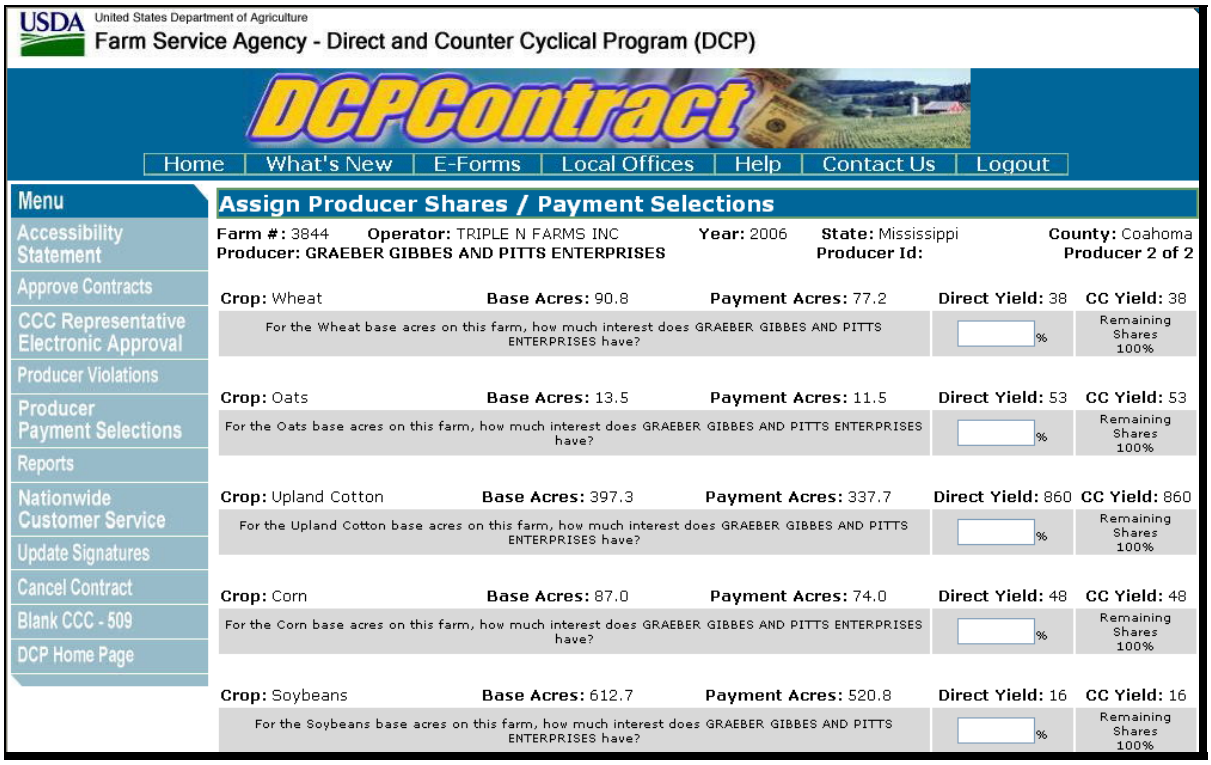
844 Assign Producer Shares/Payment Selections Screen

A Overview

The Assign Producer Shares/Payment Selections Screen provides a question/answer method of updating share and payment selection data. This screen will be very helpful to producers completing their own applications, as well as new County Office employees that are not familiar with DCP. This screen may be skipped over by clicking the:

- "Continue" on the Select Producer(s) – Contract Details Screen without selecting any producers to share in the contract
- "Summary by Producer"
- "Summary by Crop".

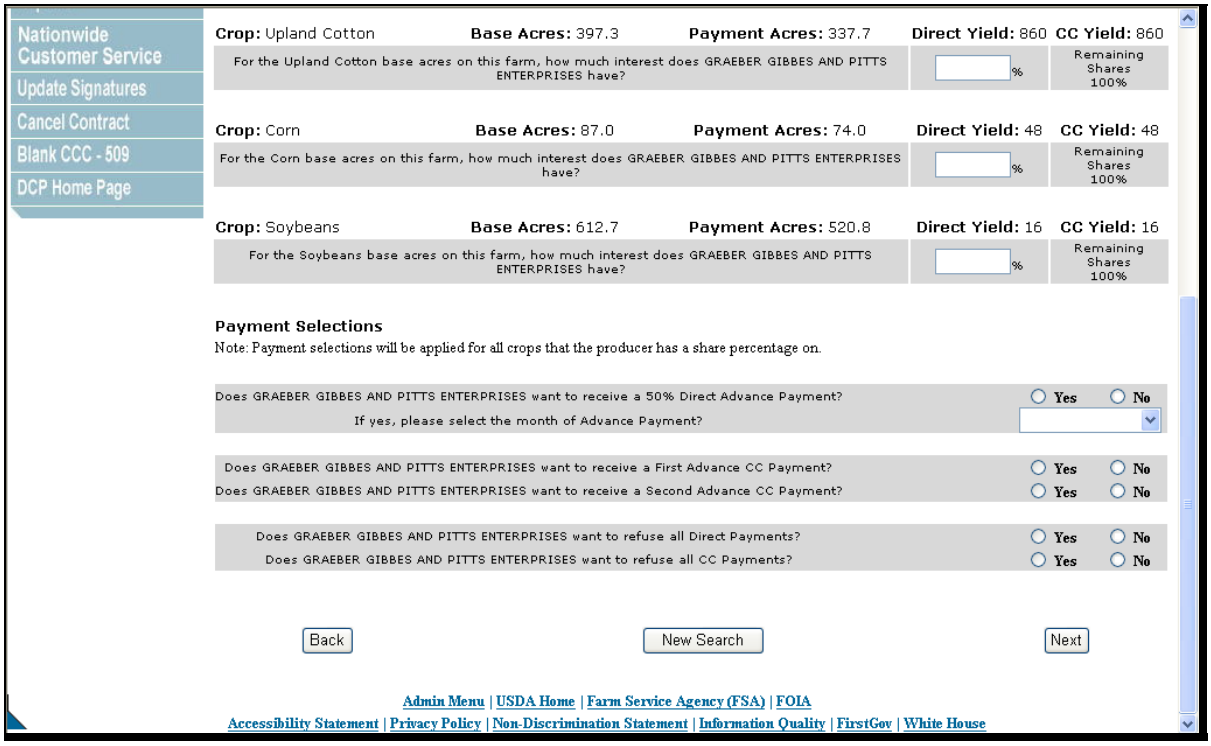
The following is an example of the top of the Assign Producer Shares/Payment Selections Screen.



844 Assign Producer Shares/Payment Selections Screen (Continued)

A Overview (Continued)

The following is an example of the bottom of the Assign Producer Shares/Payment Selections Screen.



844 Assign Producer Shares/Payment Selections Screen (Continued)

B Field Descriptions/Actions

The following table provides the field descriptions and actions for the Assign Producer Shares/Payment Selections Screen.

Field/Button	Description	Action
Farm Number	Farm number as selected.	
Operator	Operator on farm selected.	
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Producer	Producer sharing in crop. **Note:** A screen will be completed for each producer that was selected to share in the contract on the Select Producer(s) –Contract Details Screen.	
Producer ID	Last 4 digits of producer's ID number.	
Producer ? of ?	This field shows the number of producers that: • have been selected to share in this contract • are remaining. For example, if 5 producers were selected to share in the contract, it would say 1 of 5, 2 of 5 etc.	
Crop	Each DCP crop associated with the selected farm in farm maintenance will be displayed.	

844 Assign Producer Shares/Payment Selections Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
Base Acres	Base acres associated with each crop.	
Payment Acres	Payment acres associated with each crop (85 percent of the base acres).	
Direct Yield	Direct yield associated with each crop.	
CC Yield	Counter-cyclical yield associated with each crop.	
For the (crop name) base acres on this farm, how much interest does (producer name) have? Share	Manual entry field for entering producers share specific to applicable crop.	Enter the producer's share applicable to each crop. Enter share from 1 percent to 100 percent. 2 decimal places may be entered if needed. For example, Producer A and Producer B share 33 1/3 percent and 66 2/3 percent. Shares would be loaded as 33.33 and 66.67 percent. Shares for all crops must equal 100 percent before the farm can be enrolled or approved.
Remaining Shares	Subtracts shares as they are entered for each producer. This is a tool to keep user informed of how much of the share percentage has been used.	

844 Assign Producer Shares/Payment Selections Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
Does (producer name) want to receive a 50% Direct Advance Payment? If yes please select the month of Advance Payment.	Manual entry.	CLICK "Yes" or "No", as applicable. If: • "Yes", then select a month and year • "No", then a month and year shall not be selected.
Does (producer name) want to receive a First Advance CC Payment?	Manual entry field.	CLICK "Yes" or "No", as applicable.
Does (producer name) want to receive a Second Advance CC Payment?	Manual entry field.	CLICK "Yes" or "No", as applicable.
Does (producer name) want to refuse all Direct Payments?	Manual entry.	CLICK "Yes" or "No", as applicable.
Does (producer name) want to refuse all CC Payments?	Manual entry.	CLICK "Yes" or "No", as applicable.
Back	Select Producer(s) – Contract Details Screen will be displayed.	
Cancel	Search by Producer or Farm Screen will be displayed.	
Next	Either of the following will be displayed: • next producer • Consolidated by Producer Screen.	

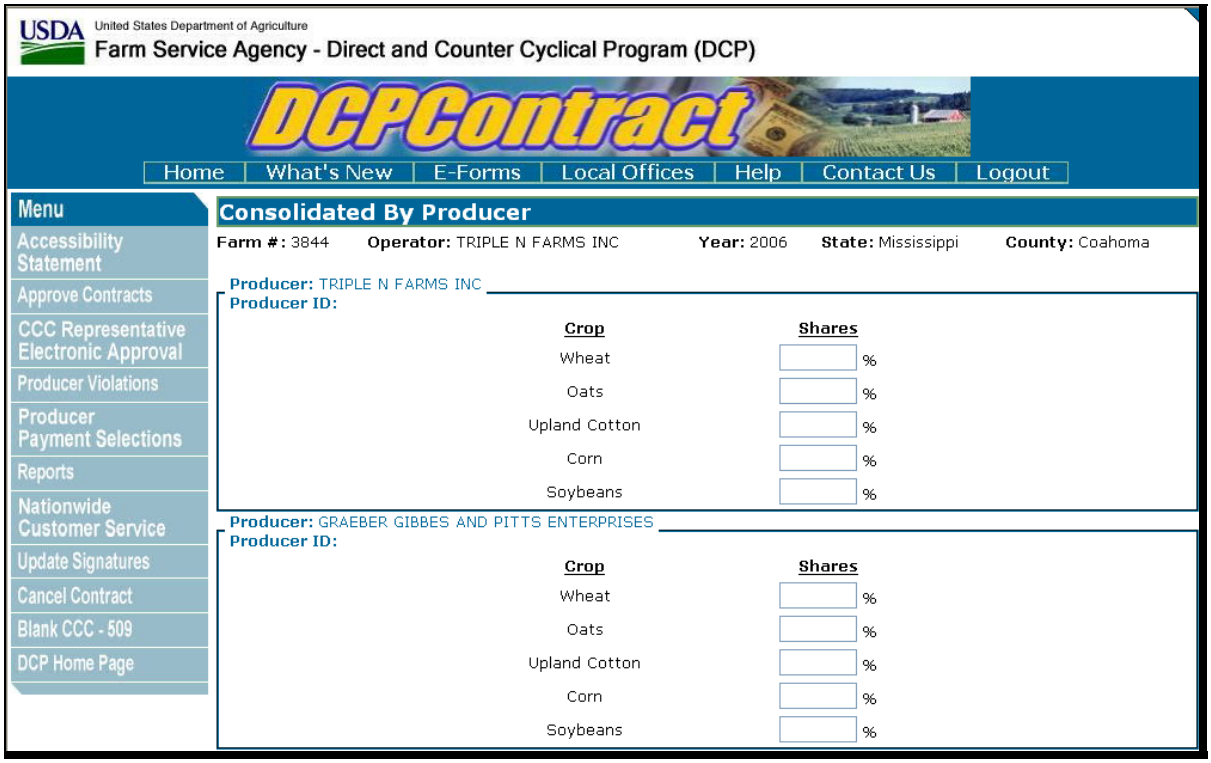
845 Consolidated by Producer Screen

A Overview

The Consolidated by Producer Screen will be displayed when:

- all producer share and payment selection data has been entered on the Assign Producer Shares/Payment Selections Screen
- "Continue" is clicked on the Select Producer(s) – Contract Details Screen without any producers being selected to share in the contract
- "Summary by Producer" is clicked on Select Producer(s) – Contract Details Screen.

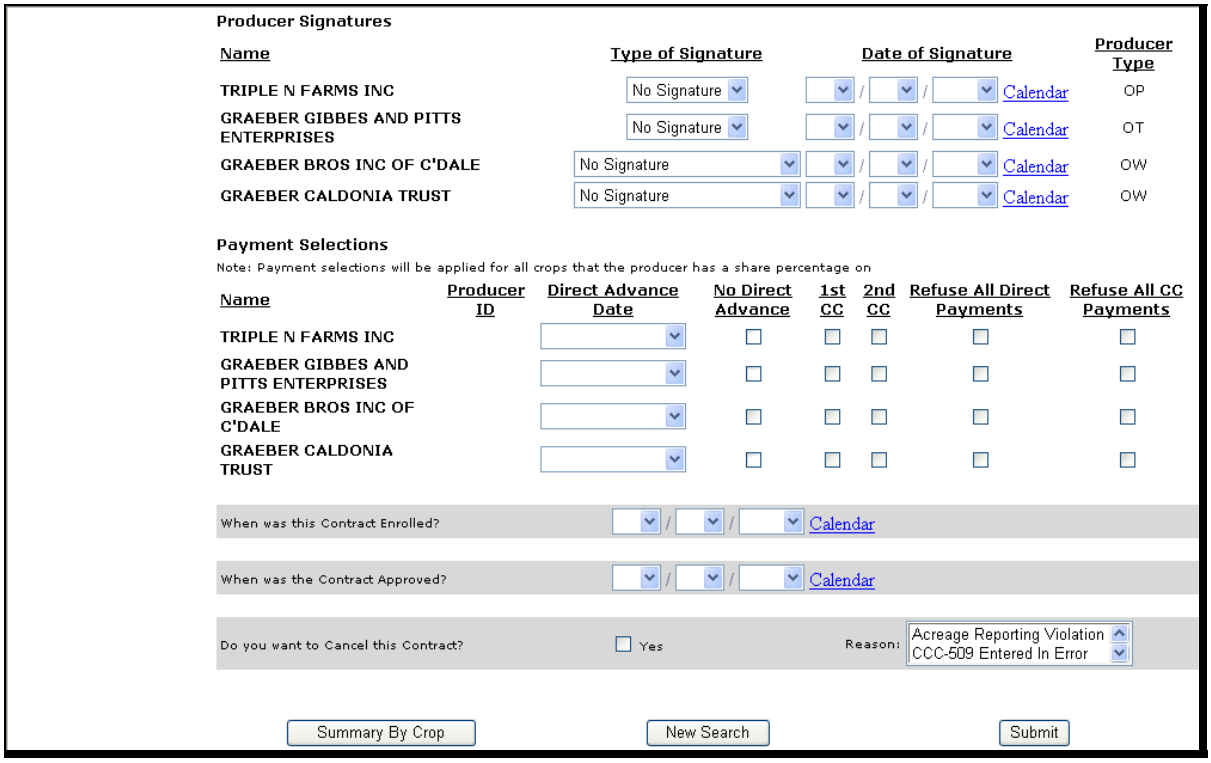
Following is an example of the top of the Consolidated by Producer Screen.



845 Consolidated by Producer Screen (Continued)

A Overview (Continued)

The following is an example of the bottom of the Consolidated by Producer Screen.



Producer Signatures

Name	Type of Signature	Date of Signature	Producer Type
TRIPLE N FARMS INC	No Signature	/ / Calendar	OP
GRAEBER GIBBES AND PITTS ENTERPRISES	No Signature	/ / Calendar	OT
GRAEBER BROS INC OF C'DALE	No Signature	/ / Calendar	OW
GRAEBER CALDONIA TRUST	No Signature	/ / Calendar	OW

Payment Selections

Note: Payment selections will be applied for all crops that the producer has a share percentage on

Name	Producer ID	Direct Advance Date	No Direct Advance	1st CC	2nd CC	Refuse All Direct Payments	Refuse All CC Payments
TRIPLE N FARMS INC			☐	☐	☐	☐	☐
GRAEBER GIBBES AND PITTS ENTERPRISES			☐	☐	☐	☐	☐
GRAEBER BROS INC OF C'DALE			☐	☐	☐	☐	☐
GRAEBER CALDONIA TRUST			☐	☐	☐	☐	☐

When was this Contract Enrolled? / / Calendar

When was the Contract Approved? / / Calendar

Do you want to Cancel this Contract? ☐ Yes Reason: Acreage Reporting Violation / CCC-509 Entered In Error

Summary By Crop | New Search | Submit

845 Consolidated by Producer Screen (Continued)

B Field Descriptions/Actions

The following provides the field descriptions and actions for the Consolidated by Producer Screen.

Field/Button	Description	Action
Farm Number	Farm number as selected.	
Operator	Operator on farm selected.	
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Producer	All producers associated with the selected farm.	
Producer ID	Last 4 digits of producer's ID number.	
Crop	All DCP crops associated with the selected farm.	
Shares	Share will be: • displayed, if previously entered • blank, if not previously entered. Shares can be entered or revised on this screen.	Enter or revise shares as applicable. Enter share from 1 to 100 percent. Two decimal places may be entered. **Example:** Producer A and producer B share 33 1/3 percent and 66 2/3 percent. Shares would be loaded as 33.33 percent and 66.67 percent. Shares for all crops must equal 100 percent before the farm can be enrolled or approved.

845 Consolidated by Producer Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
Producer Signatures	A method to keep track of producers' signatures is being incorporated into the web-based DCP program software. If a producer signs electronically the system will update the producer signature block. All other signature types must be updated by the County Office. This is a tool to keep track of signatures received for each contract. Producers are not authorized to update producer signature information.	
Type of Signature	Manual selection. The type of signature provided by the producer. The system will update electronic signatures. See subparagraph C for signature types.	If a producer has shares greater than zero, or a producer type of “OO” or “OW”, a signature type, other than no signature, must be updated. Contracts cannot be enrolled or approved until all signatures have been received. Specific program rules must be followed when determining when a producer must sign a contract. **Note:** Type of signature shall only be updated when the producer actually signs and dates CCC-509.

845 Consolidated by Producer Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
Date of Signature	Manual entry.	Enter date the producer signed the contract. See paragraph 402 for situations involving producers that did not sign CCC-509 before October 1 of applicable contract period. See subparagraph C for date of signature exceptions.
Producer Type	The producer type of the producer (such as OW, OP, OO, OT).	
Payment Selections	Summary of producer payment selections. Data will be: • displayed if previously entered • blank if not previously entered. Payment selection data may be entered or revised on this screen.	Enter or modify payment selections as applicable.
When was this Contract Enrolled?	Manual entry. Producers are not authorized to enter contract enrollment dates.	Enter the date all shares equal 100 percent and all required producer signatures have been received. See paragraph 402 for situations involving producers signatures received in the County Office after September 30 of applicable contract period. **Note:** All applicable signature types must be loaded before an enrollment date can be entered. See subparagraph C for signature type validations.

845 Consolidated by Producer Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
When was the Contract Approved?	Manual entry. Approval date can also be entered through Multiple CCC-509 Approval Process. See paragraph 848. Producers are not authorized to enter contract approval dates.	Enter COC approval date. Approval date: • cannot be entered if shares do not equal 100 percent for all crops • cannot be entered if all required signatures have not been received • will automatically be removed if shares are modified after approval date has been entered.
Do you want to Cancel this contract?	Manual entry. Producers are not authorized to: • cancel a contract • reinstate a contract on a canceled farm.	CLICK "Yes" if the contract is to be canceled.
Cancel Reasons	Manual entry	The following reasons are provided when canceling a contract: • Acreage Reporting Violation • CCC-509 Entered in Error • Farm Record Modification (automatic cancels will occur). See paragraph 847. • FAV Violation • Out Transfer • Producer Withdrew Contract • Reconstitution. **Note:** A reason must be selected if the contract is canceled.

845 Consolidated by Producer Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
Submit	Data is stored. Print screen is displayed.	
Summary by Crop	Summarizes data by crop instead of by producer. See paragraph 846.	
New Search	All actions are canceled. If data was not submitted, it will not be saved. Search by Producer or Farm Screen will be displayed.	

845 Consolidated by Producer Screen (Continued)

C Signature Types and Validations

The following provides the applicable signature types and validations.

Signature Type	Validations
No signature (default)	Do no enter a signature date unless the producer has signed. OT's with zero shares do not have to sign and therefore the signature type of no signature can remain.
Paper	• Enter date producer signed application. • Shares can be greater than or equal to zero.
FAX	• Enter date producer signed application. • Shares can be greater than or equal to zero.
Cash Lease	• Producer must have cash lease. • No signature date required. • Shares must equal zero. • Producer must be an owner, owner/operator, or operator. **Note:** See subparagraph 395 E for cash lease signature requirements.
Undivided Interest	• Producer must be an owner or owner/operator. • Shares must be greater than zero. • Refuse All Payments must be checked. • No signature date required. **Note:** See subparagraph 397 A for policy on undivided ownership shares.
Spouse/Joint Owner	• Producer must be an owner or owner/operator. • Shares must be zero. • No signature date required. **Note:** See subparagraph 395 E for policy on spouse/joint owner signature requirements.
Cash Rent Certification	• No signature date required. • Shares must equal zero. • Producer must be an owner or owner/operator. • Contract cannot be approved until after June 30 of each program year. **Note:** See subparagraph 395 E for policy on cash rent certifications.

845 Consolidated by Producer Screen (Continued)

C Signature Types and Validations (Continued)

Signature Type	Validations
No Interest in DCP Cropland	• Producer must be an owner or owner/operator. • Shares must equal zero. **Note:** See subparagraph 395 E for signature requirements for owners with no interest in the DCP cropland.
Electronic (defaulted by system)	When a producer signs electronically, the signature type will be defaulted to electronic.
Joint Venture/ No ID	• Producer must be an owner, owner/operator, or operator. • Shares must equal zero. **Note:** This option shall only be used for a joint venture without an ID number. See 1-CM for more information on signature requirements.

846 Consolidated by Crop Screen

A Overview

The Consolidated by Crop Screen will be displayed when “Summary by Crop” is clicked on either of the following:

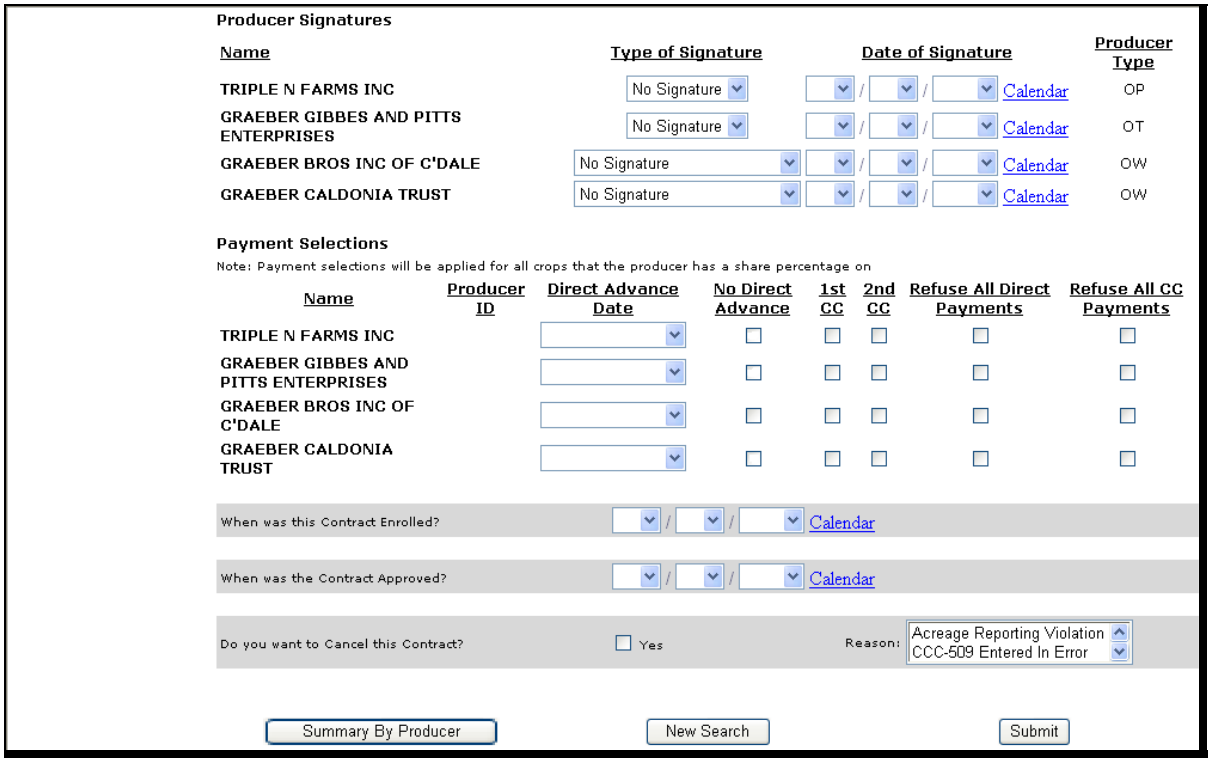
- Select Producer(s) – Contract Details Screen
- Consolidated by Producer Screen.

All the data elements and functions on this summary screen are identical to the data elements and functions on the Consolidated by Producer Screen. The following is an example of the top of the Consolidated by Crop Screen.

846 Consolidated by Crop Screen (Continued)

A Overview (Continued)

The following is an example of the bottom of the Consolidate by Crop Screen.



Producer Signatures

Name	Type of Signature	Date of Signature	Producer Type
TRIPLE N FARMS INC	No Signature	/ / Calendar	OP
GRAEBER GIBBES AND PITTS ENTERPRISES	No Signature	/ / Calendar	OT
GRAEBER BROS INC OF C'DALE	No Signature	/ / Calendar	OW
GRAEBER CALDONIA TRUST	No Signature	/ / Calendar	OW

Payment Selections

Note: Payment selections will be applied for all crops that the producer has a share percentage on

Name	Producer ID	Direct Advance Date	No Direct Advance	1st CC	2nd CC	Refuse All Direct Payments	Refuse All CC Payments
TRIPLE N FARMS INC			☐	☐	☐	☐	☐
GRAEBER GIBBES AND PITTS ENTERPRISES			☐	☐	☐	☐	☐
GRAEBER BROS INC OF C'DALE			☐	☐	☐	☐	☐
GRAEBER CALDONIA TRUST			☐	☐	☐	☐	☐

When was this Contract Enrolled? / / Calendar

When was the Contract Approved? / / Calendar

Do you want to Cancel this Contract? ☐ Yes Reason: Acreage Reporting Violation / CCC-509 Entered In Error

Summary By Producer | New Search | Submit

Note: To switch back to the Consolidated by Producer Screen, CLICK “Summary By Producer”.

847 Automatic Cancels of DCP Contracts When Farm Maintenance Is Modified

A Overview

The DCP contract software reads farm and tract records for base acres, direct yields, counter-cyclical yields, operators, owners, and other producers. The DCP contract will be automatically canceled if any of the following are changes in farm records:

- farm level base acres
- farm level direct yield
- farm level counter-cyclical yield
- operator
- owners
- other producers with shares greater than zero
- DCP cropland if reduced below the farm level base acres.

Note: Adding an other producer to a farm will not automatically cancel the DCP contract.

B Action

County Offices shall:

- initiate new DCP contract
- obtain applicable producers signatures
- provide new DCP contract to COC for approval.

C Report

A report to identify contracts that have been canceled is provided on the Reports Menu. Farm records modification will be listed as the cancel reason. See paragraph 854.

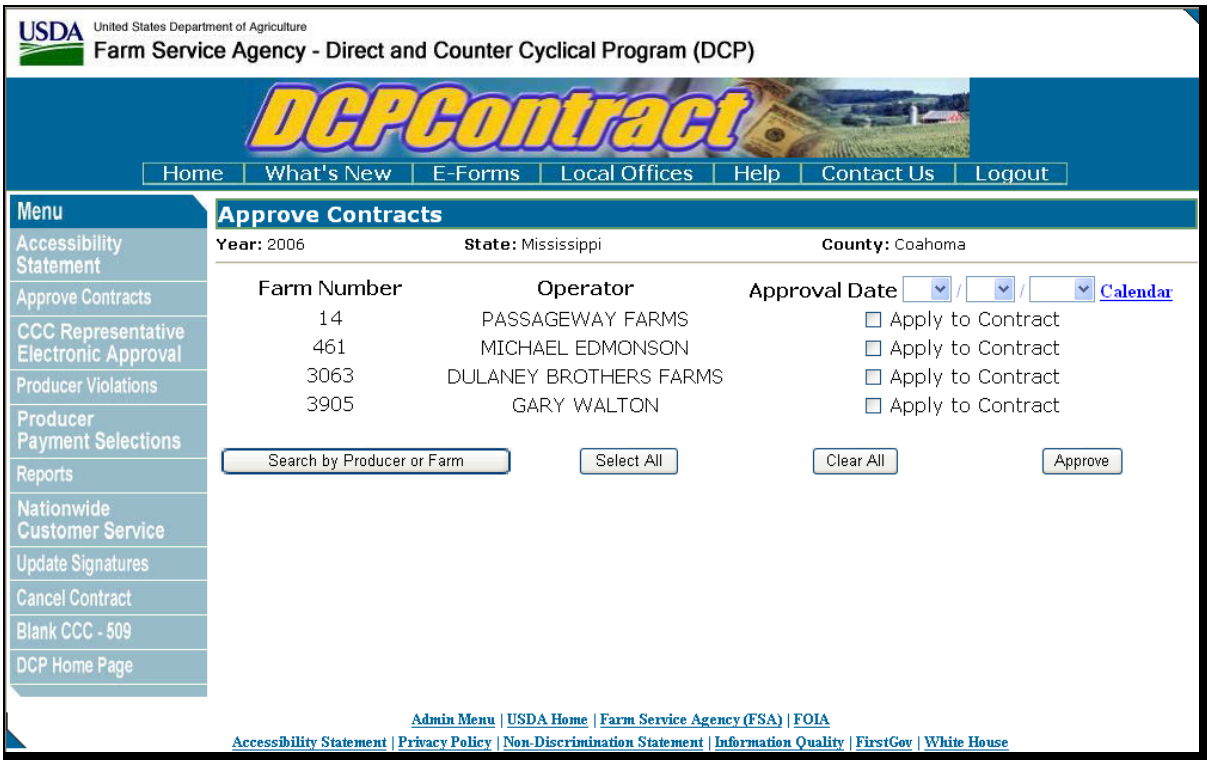
848 CCC-509 Approval Process

A Overview

A process to enter the same approval date to multiple contracts is being provided in the web-based software. To access the multiple CCC-509 approval process, under "Menu", CLICK "Approve Contracts.

Note: The CCC-509 approval date can also be entered by specific farm number on the Consolidated by Producer and Consolidated by Crop Screens.

The following is an example of the Approve Contracts Screen.



848 CCC-509 Approval Process (Continued)

A Overview (Continued)

The following criteria must be met for the farm to be included in the multiple approval process:

- all shares for all crops must equal 100 percent
- all applicable signature types and dates must be entered for all producers with shares greater than zero and all owners
- enrollment date must be entered.

Notes: Producers are **not** authorized to update contract approval dates.

Farms with a signature type of cash rent certification will not be displayed until after June 30.

B Field Descriptions/Actions

The following provides the field descriptions and actions for the Approve Contracts Screen.

Field/Button	Description	Action
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Farm Number	Farm numbers that meet the criteria in subparagraph A.	
Operator	Operator associated with each farm.	
Approval Date	Manual entry.	Enter the approval date to apply to the applicable contracts. Only 1 date can be entered at a time.
Apply to Contract	Manual entry.	CLICK "Apply to Contract" block for each contract that the approval date applies to.
Search by Producer or Farm	Search by Producer or Farm Screen will be displayed.	
Select All	All contracts on the screen will be selected. The system places a check (✓) in the box in front of each farm number.	
Clear All	All contracts that have been selected to be included in the multiple CCC-509 approval will be deselected.	
Approve	Applies the approval date to all contracts that have been selected. Search by Producer or Farm Screen will be displayed.	

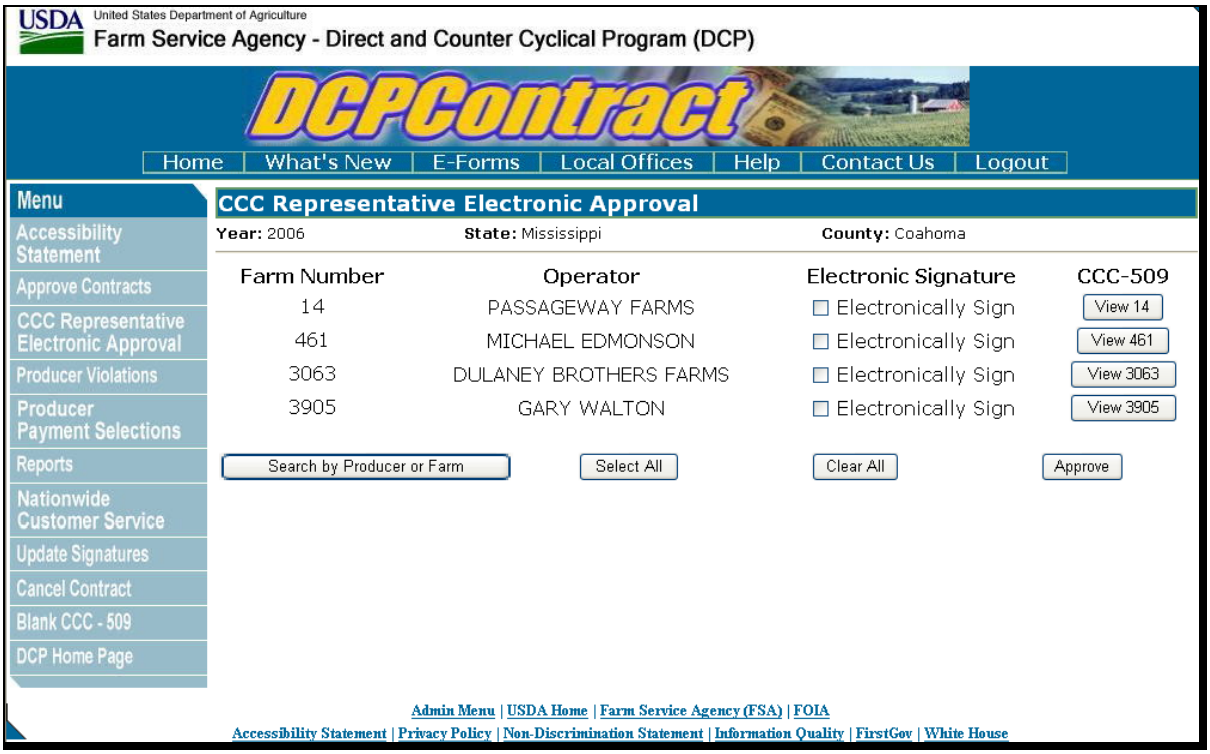
849 CCC Representative Electronic Approval

A Overview

An electronic CCC-509 approval process is being provided. All FSA County Office employees will have access to the CCC Representative Electronic Approval process; however, **only those employees that are designated to approve CCC-509's shall access and electronically approve CCC-509**.

The approving official's name will be printed in the CCC representative signature block and the system date will be entered for the approval date.

The following is an example of the CCC Representative Electronic Approval Screen after the option is selected from the navigation bar.



849 CCC Representative Electronic Approval (Continued)

A Overview (Continued)

The following criteria must be met for the farm to be included in the multiple approval process:

- all shares for all crops must equal 100 percent
- all signature types and dates must be entered for all producers with shares greater than zero and all owners
- enrollment date must be entered.

Note: Farms with a signature type of cash rent certification will not be displayed until after June 30.

B Field Descriptions/Actions

The following provides the field descriptions and actions for the Approve Contracts Screen.

Field/Button	Description	Action
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Farm Number	Farm numbers that meet the criteria in subparagraph A.	
Operator	Operator associated with each farm.	
Electronic Signature/ Electronically Sign	Manual entry.	Authorized CCC representative shall click the Electronically Sign block when electronically approving the farm CCC-509.
CCC-509/View "farm"	Provides for electronically viewing the farms CCC-509.	Click on view "farm number" to electronically view CCC-509. **Note:** This is only a pre-approved view. The approvers name and date will not be displayed through this view option.

849 CCC Representative Electronic Approval (Continued)

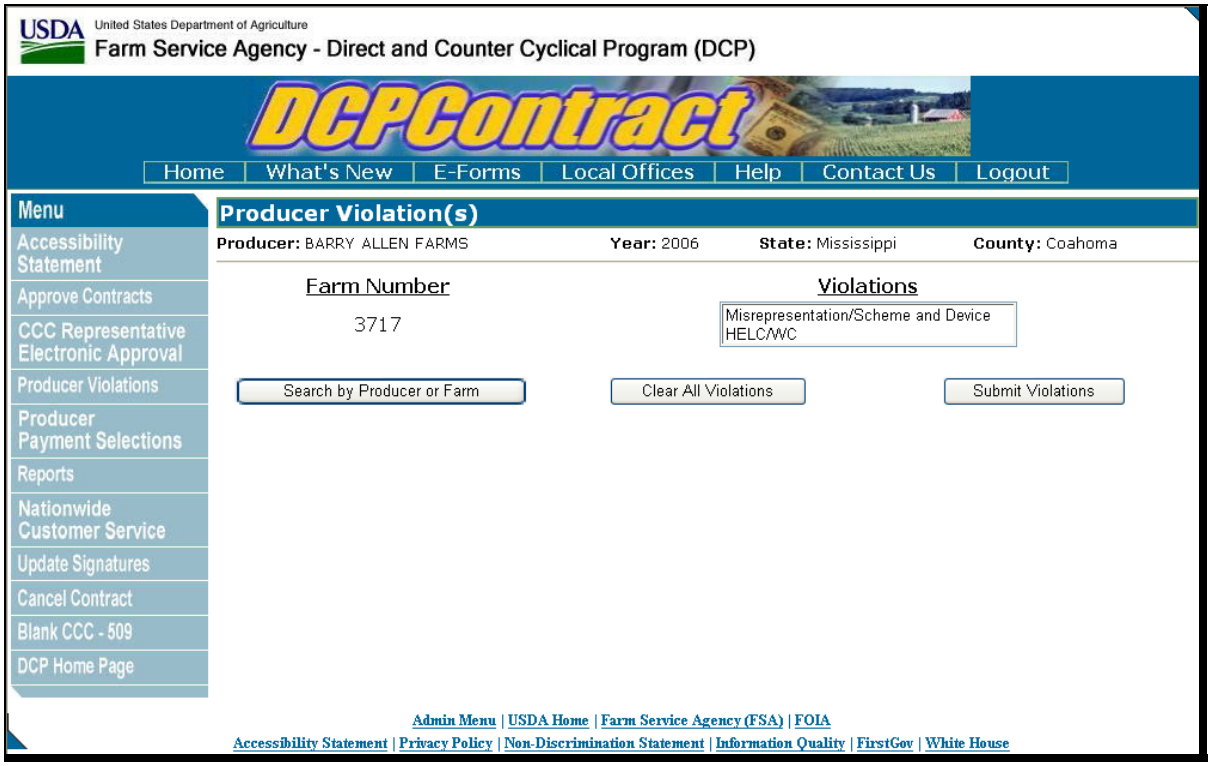
B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
Search by Producer or Farm	Search by Producer or Farm Screen will be displayed.	
Select All	All contracts on the screen will be selected. The system places a check (✓) in the box in front of each farm number.	
Clear All	All contracts that have been selected to be included in the electronic approval process will be deselected.	
Approve	Applies the system date to all contracts that have been selected to be electronically approved. Search by Producer or Farm Screen will be displayed.	

850 Producer Violation(s) Screen

A Overview

To access producer violations, under “Menu”, CLICK “Producer Violations”. The USDA Service Center Information Management System Customer Search Page will be displayed. Select the applicable producer and Producer Violation(s) Screen will be displayed. The following is an example of the Producer Violation(s) Screen.



Notes: Only farms with an approved contract will be displayed.

Producers are not authorized to update producer violations.

850 Producer Violation(s) Screen (Continued)

B Field Descriptions/Actions

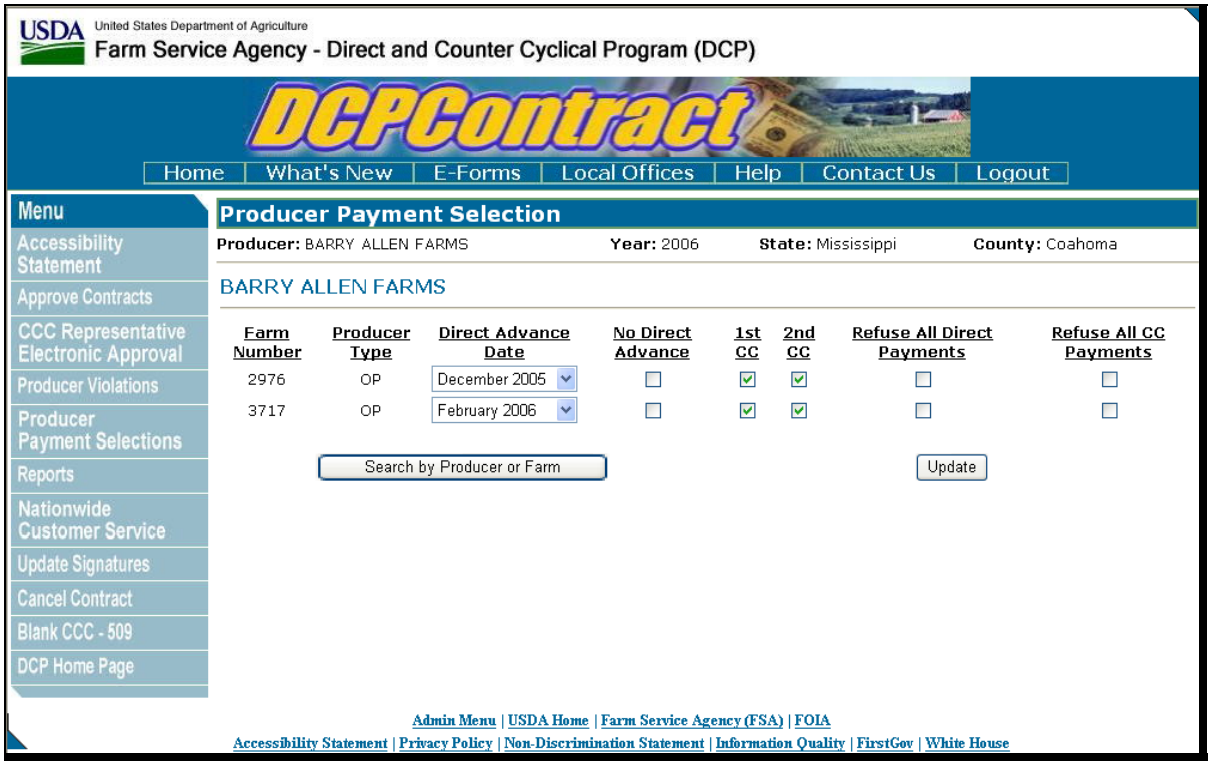
The following provides the field descriptions and actions on the Producer Violation(s) Screen.

Field/Button	Description	Action
Producer	Producer that was selected on USDA Service Center Information Management System Customer Search Page.	
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Farm Number	Farm numbers with initiated contracts associated with selected producer.	
Violations	The following violations are provided for selection: • Misrepresentation/Scheme and Device • HELC/WC.	Select the applicable violations by clicking on the violation. This is farm specific.
Search by Producer or Farm	Search by Producer or Farm Screen will be displayed.	
Clear All Violations	Deselects all violations previously selected.	
Submit Violations	Submit violations that were selected or deselected.	

851 Producer Payment Selection Screen

A Overview

The Producer Payment Selection Screen is being provided as a tool to view or update a specific producer's payment selection data in 1 place. All farms in which the producer has a share greater than zero will be displayed on the screen. To access the Producer Payment Selection Screen, under "Menu", CLICK "Producer Payment Selection". The USDA Service Center Information Management System Customer Search Page will be displayed. Select applicable producer and the Producer Payment Selection Screen will be displayed. The following is an example of the Producer Payment Selection Screen.



Note: Producers will be able to change and update their own payment selection information at any time, if their eAuthentication account has level 2 security access.

851 Producer Payment Selection Screen (Continued)

B Field Descriptions/Actions

The following provides the field descriptions and actions for the Producer Payment Selection Screen.

Field/Button	Description	Action
Producer	Producer that was selected on USDA Service Center Information Management System Customer Search Page.	
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Producer	Producer that was selected on USDA Service Center Information Management System Customer Search Page.	
Farm Number	All farms that the selected producer has shares greater than zero.	
Producer Type	Selected producers role on the farm of any of the following: • "OP" • "OO" • "OW" • "OT".	
Direct Advance Date	Manual entry. Will be populated with previously entered data. Date can be entered or changed and updated from this screen.	Enter or modify date as applicable.

851 Producer Payment Selection Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
No Direct Advance	Manual entry. This box will reflect the choices previously updated and will: • be checked if the producer previously elected not to receive a direct advance payment • not be checked if the producer previously elected to receive a direct advance payment.	Click on the box to: • remove check (✓) if producer has decided to receive a direct advance payment **Note:** A direct advance date must be entered. • add check (✓) to select no advance direct payment if the producer elects not to receive the advance payment.
Partial CC	Manual entry. Box will : • be checked if producer previously elected to receive a partial CC payment • not be checked if producer previously elected to not receive a partial CC payment.	Click on the box to: • remove check (✓) if producer has decided not to receive the partial CC payment • add check (✓) if producer has decided to receive the partial CC payment.
Refuse All Direct Payments	Manual entry. Box will : • be checked if producer previously elected to refuse all direct payments • not be checked if producer previously elected to not refuse all direct payments.	Click on the box to: • remove check (✓) if producer has decided to not refuse all direct payments • add check (✓) if producer has decided to refuse all direct payments.

851 Producer Payment Selection Screen (Continued)

B Field Descriptions/Actions (Continued)

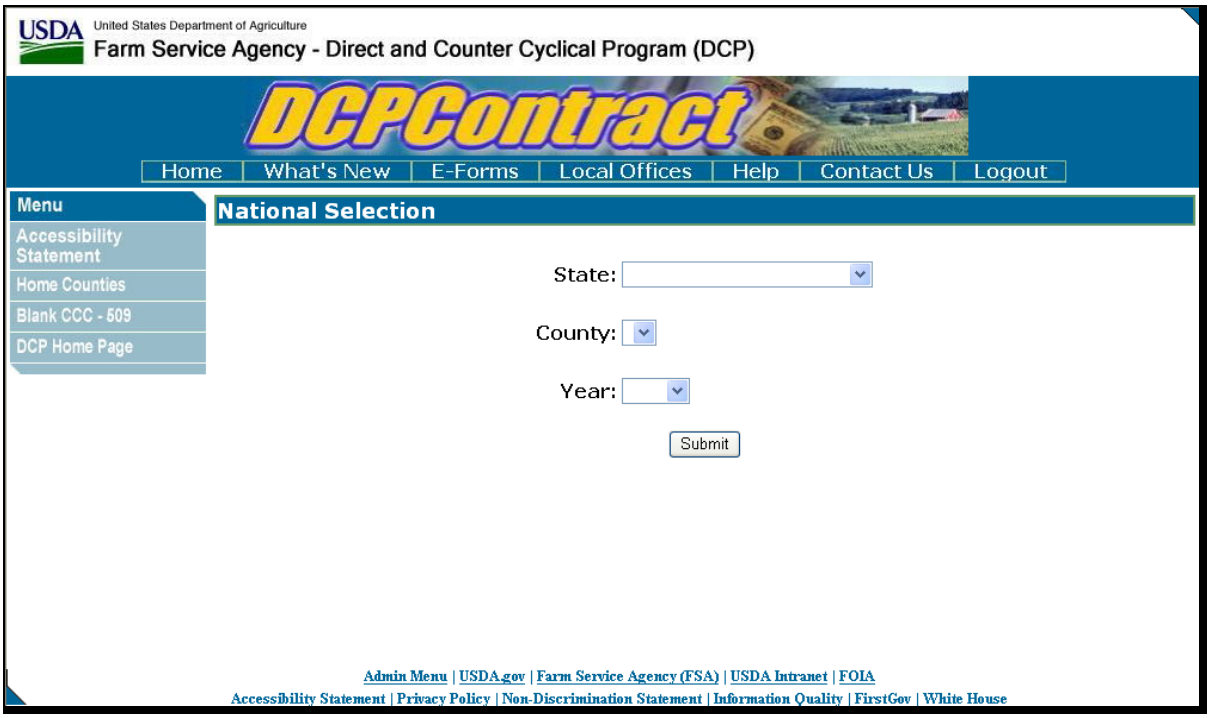
Field/Button	Description	Action
Refuse All CC Payments	Manual entry. Box will : • be checked if producer previously elected to refuse all CC payments • not be checked if producer previously elected to not refuse all CC payments.	Click on the box to: • remove check(✓) if producer has decided to not refuse all CC payments • add check (✓) if producer has decided to refuse all CC payments.
Search by Producer or Farm	Search by Producer or Farm Screen will be displayed.	
Update	Producer payment selection data will be updated.	

852 Nationwide Customer Service

A Overview

The web-based DCP software will allow for nationwide customer service. County Offices will have the ability to access and load an application for any producer nationwide. This service will be extremely beneficial for travelers, absentee landowners, etc. County Office employees loading nationwide applications will have limited authority.

On Producer Payment Selection Screen, to access nationwide customer service, under Menu, CLICK "Nationwide Customer Service". The National Selection Screen will be displayed. The following is an example of the National Selection Screen.



852 Nationwide Customer Service (Continued)

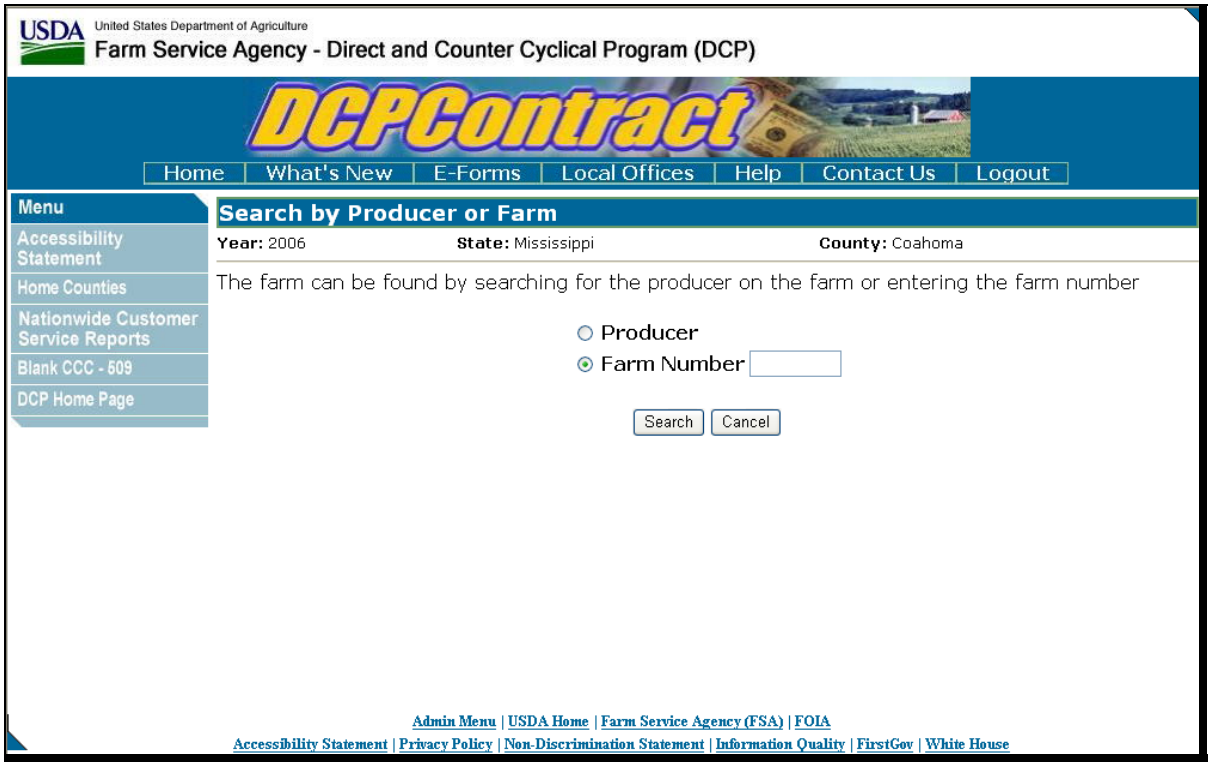
B Field Descriptions/Actions

The following provides the field descriptions and actions for the National Selection Screen.

Field/Button	Description	Action
State	Drop-down menu with State names.	Select the applicable State. Only 1 State can be selected at a time.
County	Drop-down menu with the county names applicable to the State that was selected.	Select the applicable county. Only 1 county can be selected at a time.
Year	Drop-down menu with program years.	Select the applicable program year.
Submit	Search by Producer or Farm Screen will be displayed.	

C Search by Producer or Farm Screen

The following is an example of the Search by Producer or Farm Screen that will be displayed when selecting Nationwide Customer Service.



852 Nationwide Customer Service (Continued)

C Search by Producer or Farm Screen (Continued)

To switch back to home counties, under “Menu”, CLICK “Home Counties”.

The functionality of the Search by Producer or Farm Screen in the Nationwide Customer Service Reports section is the same as applications being loaded in the Home Counties. See paragraph 842 for searching by producer or farm number. Once a farm has been selected, the Select Producer(s) – Contract Details Screen will be displayed.

D Select Producer(s) – Contract Details Screen

The functionality of the Select Producer(s) – Contract Details Screen in the Nationwide Customer Service Reports section is the same as applications being loaded in the Home Counties. See paragraph 843. One of the following screens will be displayed based on the actions taken on the Select Producer(s) – Contract Details Screen:

- Assign Producer Shares/Payment Selections
- Consolidated by Producer Screen
- Consolidated by Crop Screen.

E Assign Producer Shares/Payment Selections

The functionality of the Select Assign Producer Shares/Payment Selections Screen in the Nationwide Customer Service Reports section is the same as applications being loaded in the Home Counties. See paragraph 844.

F Consolidated by Producer Screen

The functionality of the Consolidated by Producer Screen in the Nationwide Customer Service Reports section is the same as applications being loaded in the Home Counties, with the following exceptions:

- enrollment date cannot be loaded
- approval date cannot be entered
- contract cannot be canceled.

All of these activities must be done in the producer’s home county.

See paragraph 845 for the functionality of the Consolidated by Producer Screen.

852 Nationwide Customer Service (Continued)

G Consolidated by Crop Screen

The functionality of the Consolidated by Crop Screen in the Nationwide Customer Service Reports section is the same as applications being loaded in the Home Counties, with the following exceptions:

- enrollment date cannot be loaded
- approval date cannot be entered
- contract cannot be canceled.

All of these activities must be done in the producer’s home county.

See paragraph 845 for the functionality of the Consolidated by Producer Screen.

H County Office Action

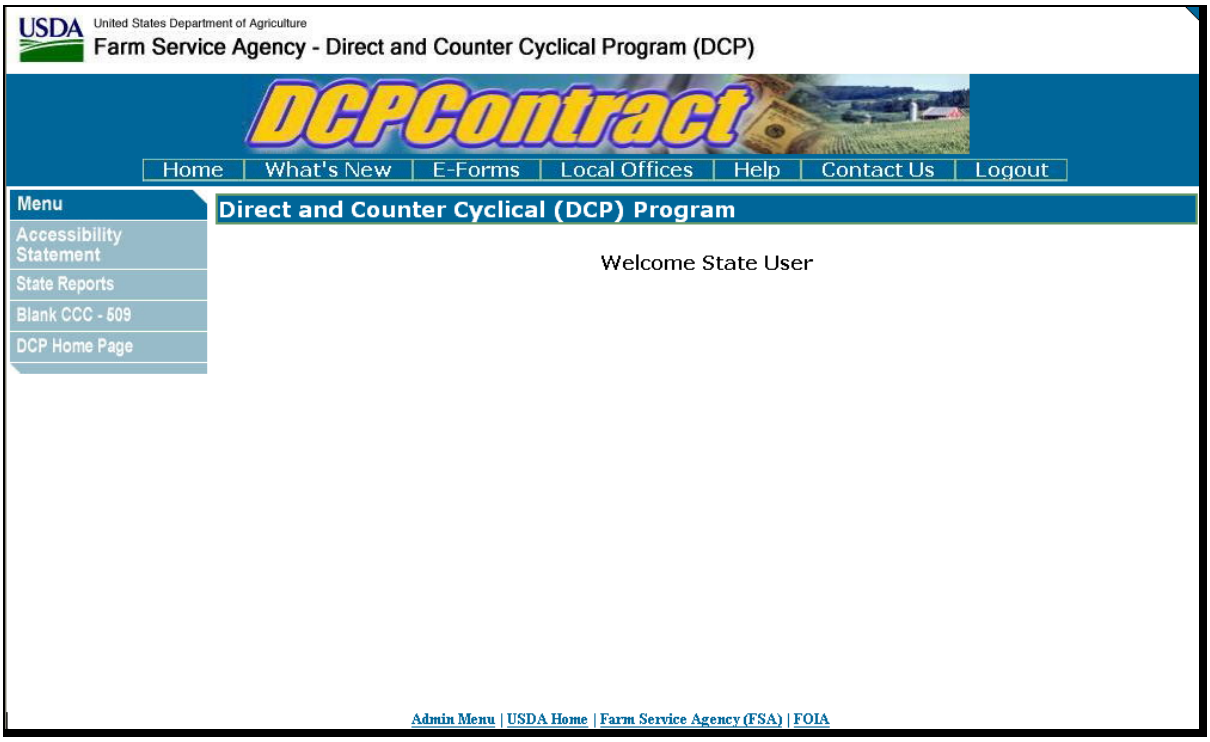
County Offices that process nationwide customer service applications must:

- immediately FAX a copy of the signed CCC-509 to the producer's home county
- mail the original signed CCC-509 to the producer's home county
- maintain a copy of the signed CCC-509.

--853 State Office Report Access--

A Overview

Web-based DCP software allows State Office access. State Office users can access web-based DCP software by entering their eAuthentication user ID and password. The DCP Welcome Screen will be displayed. The following is an example of the Welcome Screen.

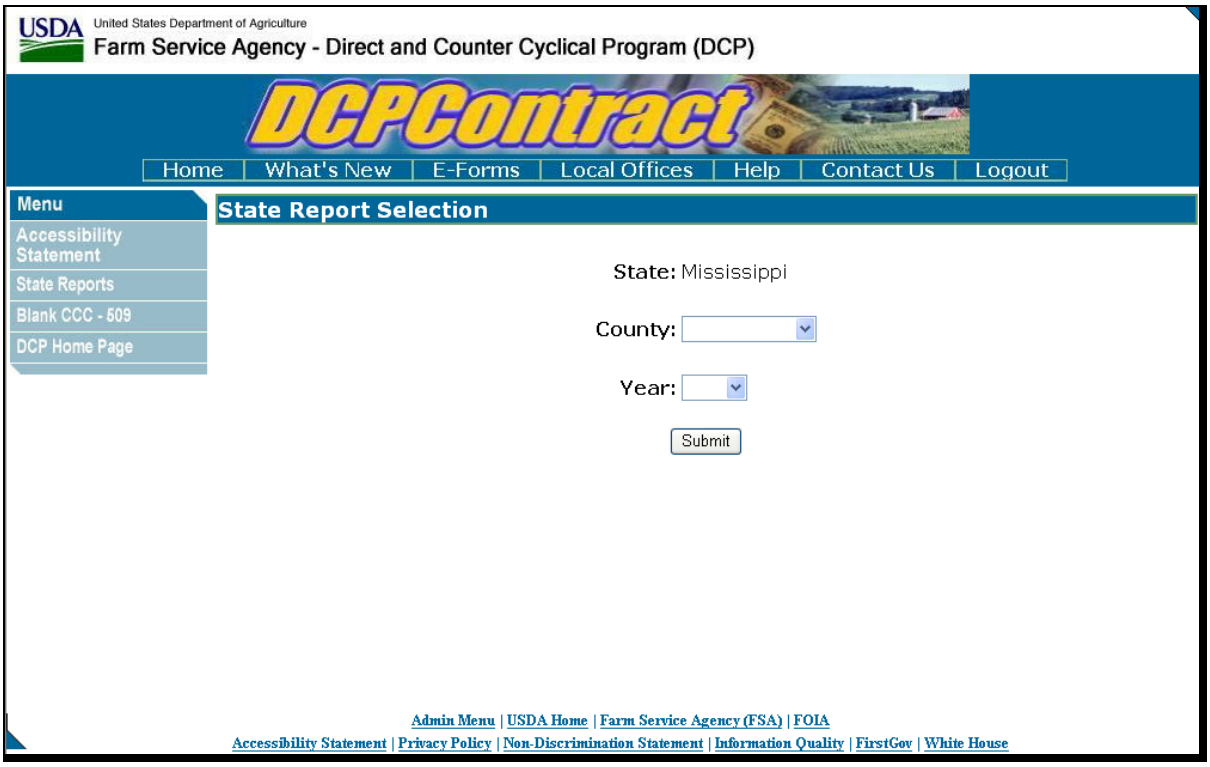


*--853 State Office Report Access (Continued)

A Overview (Continued)

State Office users will only have access to State Office reports if they have been given web-based DCP nationwide customer service access according to subparagraph 840 B or State Office administrative access according to paragraph 403. To access State Office reports, under Menu, CLICK "**State Reports**". The State Report Selection Screen will be displayed. The following is an example of the State Report Selection Screen.

Note: See paragraph 852 for instructions on using nationwide customer service and paragraph 853.5 for instructions on using State Office administrative access.--*



--853 State Office Report Access (Continued)--

B Field Descriptions/Actions

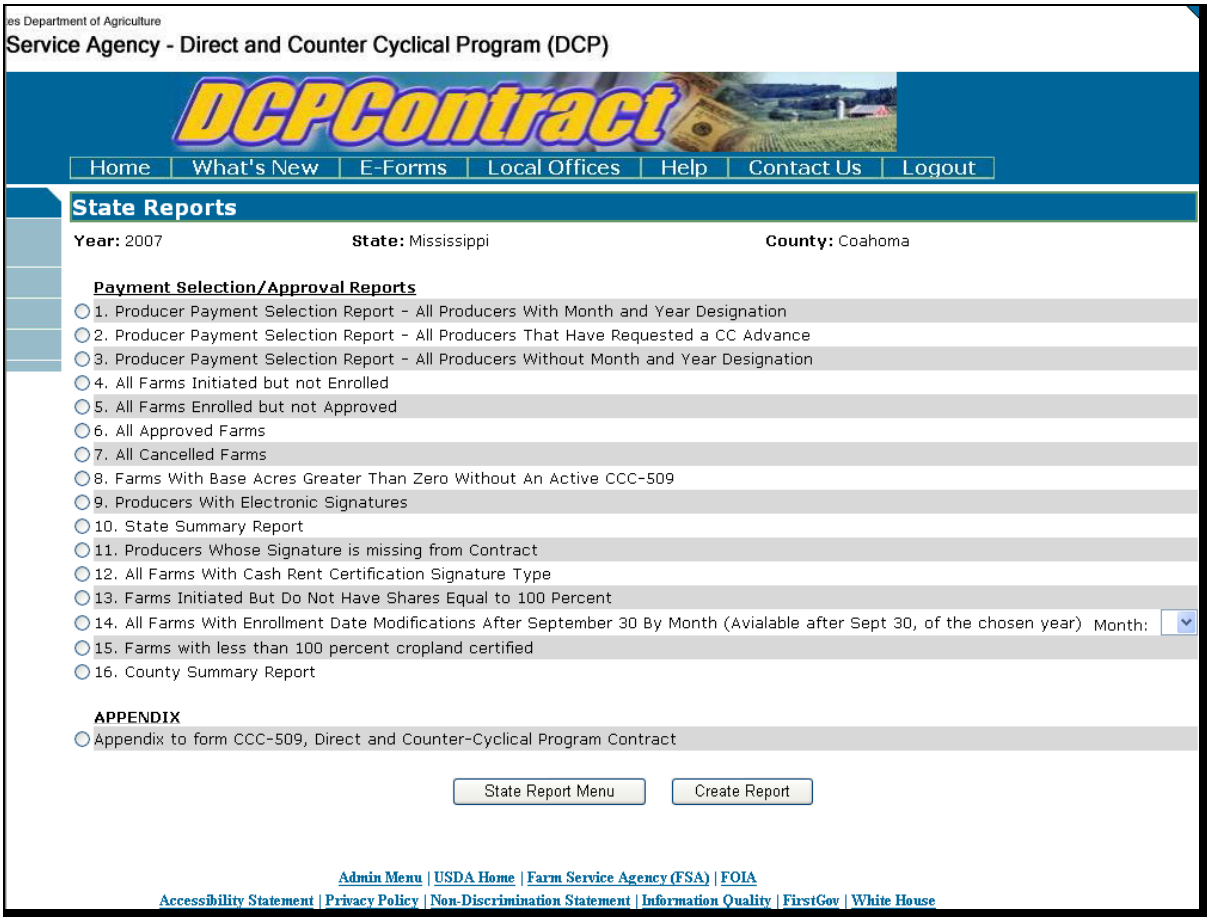
The following provides field descriptions and actions that can be taken on the State Report Selection Screen.

Field/Button	Description	Action
State	The State associated with the user.	
County	Drop-down menu with the county names applicable to the users State.	Select the applicable county. Only 1 county can be selected at a time.
Year	Drop-down menu with program years.	Select the applicable program year.
Submit	State Reports Screen will be displayed.	

--853 State Office Report Access (Continued)--

C State Reports Screen

The following is an example of the State Reports Screen.



--853 State Office Report Access (Continued)--

D Description of Reports

The following provides descriptions of each of the available reports. Only 1 report can be created at a time. The report will be displayed in Acrobat Reader and can be printed if needed.

IF user selects the following...	THEN the following will be displayed...
Producer Payment Selection Report – All Producers With Month and Year Designation	all producers with a month and year designation in the county selected on the State Report Selection Screen.
Producer Payment Selection Report – All Producers That Have Requested a CC Advance	all producers that have requested either a first or second counter-cyclical advanced payment in the county selected on the State Report Selection Screen.
Producer Payment Selection Report – All Producers Without Month and Year Designation	all producers that have shares greater than zero that have not selected a month and year for advance payment in the county selected on the State Report Selection Screen.
All Farms Initiated But Not Enrolled	all farms that have been initiated but have not been enrolled in the county selected on the State Report Selection Screen.
All Farms Enrolled But Not Approved	all farms that have an enrollment date entered but have not been approved in the county selected on the State Report Selection Screen.
All Approved Farms	all approved farms in the county selected on the State Report Selection Screen.
All Cancelled Farms	all farms that have been canceled by a County Office user or by farm maintenance changes in the county selected on the State Report Selection Screen.
Farms With Base Acres Greater Than Zero Without An Active CCC-509	all farms that have base acres greater than zero in farm maintenance but do not have an initiated CCC-509 in the county selected on the State Report Selection Screen.
Producers With Electronic Signatures	all producers that have electronically signed CCC-509 in the county selected on the State Report Selection Screen.
State Summary Report	a summary count of CCC-509's that are initiated, enrolled, approved, cancelled, and have electronic signatures for each county in the State.
Producers Whose Signature is Missing from Contract	all farms that are missing producer signatures in the county selected on the State Report Selection Screen.

--853 State Office Report Access (Continued)--

D Description of Reports (Continued)

IF user selects the following...	THEN the following will be displayed...
All Farms With Cash Rent Certification Signature Type	all farms that have 1 or more producers with a cash rent certification signature type in the county selected on the State Report Selection Screen.
Farms Initiated But Do Not Have Shares Equal to 100 Percent	all farms that do not 100 percent of shares designated in the county selected on the State Report Selection Screen.
All Farms With Enrollment Date Modifications After September 30 by Month **Note:** Select a county and a month.	all farms that had an enrollment date modified during the month selected in the county selected on the State Report Selection Screen. See paragraph 401 for additional information.
Farms With Less Than 100 Percent Cropland Certified	all farms that have an active CCC-509 but do not have 100 percent of cropland certified on FSA-578 in the county selected on the State Report Selection Screen.
County Summary Report	a summary count of eligible farms and CCC-509's that are initiated, enrolled, and approved in the county selected on the State Report Selection Screen.

*--853.5 State Office Administrative Access

A Overview

Paragraph 403 provides instructions for requesting State Office web-based DCP administrative access. State Office users that are granted administrative access will be able to update signature and enrollment dates that are later than the signature and enrollment date deadline.

B Welcome Screen

When a State Office user with web-based DCP administrative access logs in, the following screen will be displayed.

CLICK "**Waive Application**" to enter the administrative option.**--***

*--853.5 State Office Administrative Access (Continued)

C State Admin Waiving Application National Selection Screen

After users click “Waive Application”, the State Admin Waiving Application National Selection Screen will be displayed. From the drop-down menus, select the State, county, and year of CCC-509 to be updated.

Note: State Office administrative access users will **only** be able to update CCC-509’s within their State.

D Search by Producer or Farm Screen

The functionality of the Search by Producer or Farm Screen in State Office administrative access is the same as CCC-509’s being loaded in the home county (see paragraph 842). Once a farm has been selected, the Select Producer(s) – Contract Details Screen will be displayed.**--***

***--853.5 State Office Administrative Access (Continued)**

E Select Producer(s) – Contract Details Screen

The functionality of the Select Producer(s) – Contract Details Screen in State Office administrative access is the same as CCC-509's being loaded in the home county (see paragraph 843). One of the following screens will be displayed based on the actions taken on the Select Producer(s) – Contract Details Screen:

- Assign Producer Shares/Payment Selections
- Consolidated by Producer
- Consolidated by Crop.

F Assign Producer Shares/Payment Selections

The functionality of the Assign Producer Shares/Payment Selections Screen in State Office administrative access is the same as CCC-509's being loaded in the home county (see paragraph 844).

G Consolidated by Producer Screen

The functionality of the Consolidated by Producer Screen in State Office administrative access is the same as CCC-509's being loaded in the home county, **except** the signature and enrollment date can be later than the sign up deadline (see paragraph 845).

H Consolidated by Crop Screen

The functionality of the Consolidated by Crop Screen in State Office administrative access is the same as CCC-509's being loaded in the home county, **except** the signature and enrollment date can be later than the sign up deadline (see paragraph 846).

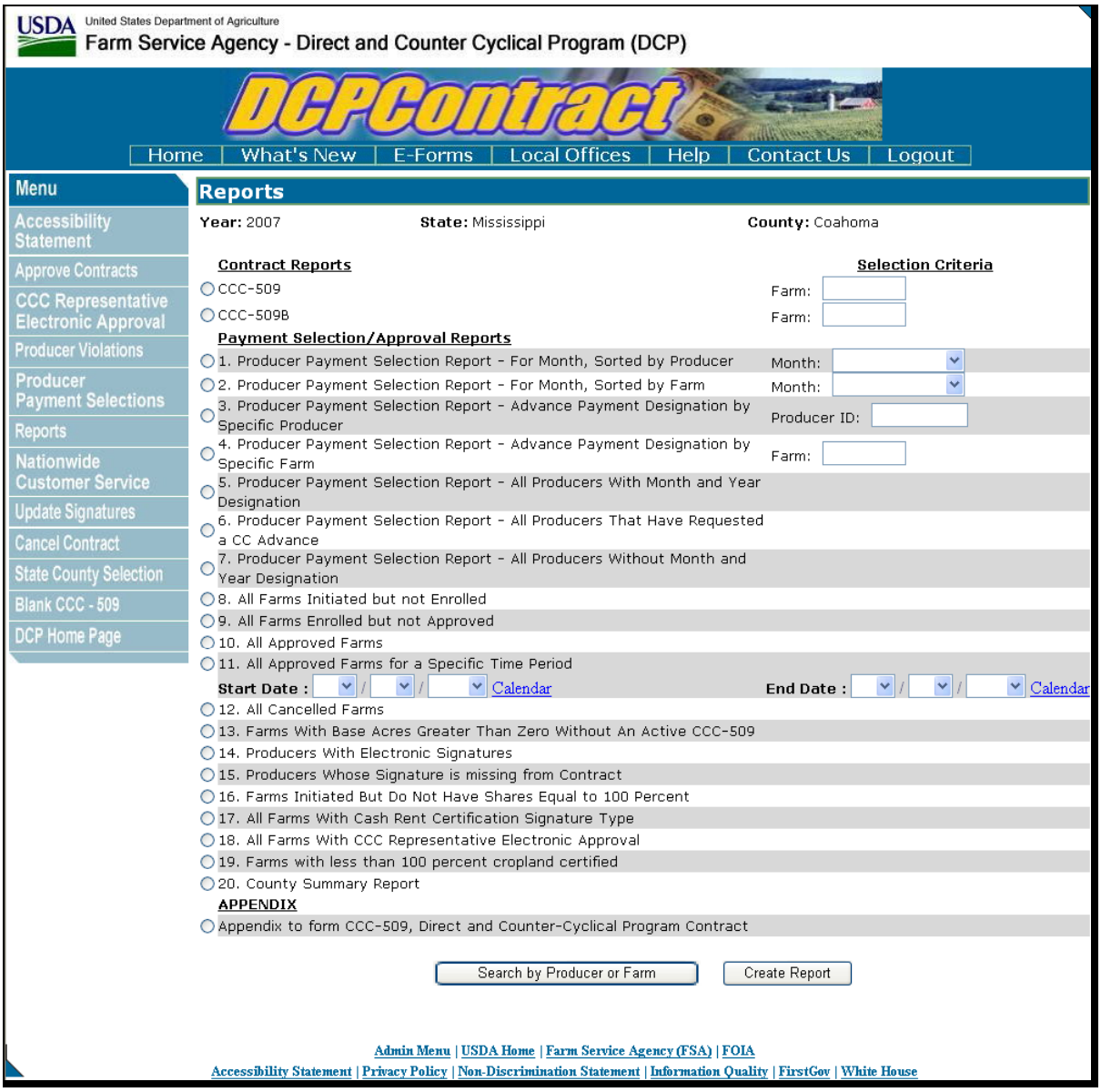
I State Office Action

State Offices that update CCC-509's through the State Office administrative access **must** immediately notify the County Office of actions that were taken on CCC-509.**--***

854 Reports

A Overview

Several standard reports are being provided for County Offices to use as tools for DCP signup. To access the Reports Menu, under “Menu”, CLICK “Reports”. The following is an example of the Reports Screen.



Note: Reports will be displayed as a view with the option to print.

854 Reports (Continued)

B Descriptions of Reports

The following provides the report, action required, and data elements on the report. Only 1 report can be created at a time. The report will be displayed in Acrobat Reader and can be printed if needed.

Note: All reports, **except** CCC-509, CCC-509B, and CCC-509 Appendix, are run against a reporting database; therefore, reports will print data that was updated as of the previous day.

Report	Action	Result
CCC-509	Select report and enter farm number.	Pre-filled CCC-509 will be displayed. **Note:** The text size in Internet Explorer must be set to medium for CCC-509 to print properly. To change the text size, click the following: • Internet Explorer • view • text size • medium.
CCC-509B	Select report and enter farm number.	Contract Report CCC-509B will be displayed.
Producer Payment Selection Report - For Month, Sorted by Producer	Select report and month.	All producers with selected month will be displayed. Report is printed alphabetically by producer's last or business name.
Producer Payment Selection Report - For Month, Sorted by Farm	Select report and month.	All producers with selected month will be displayed. Report is printed alphabetically in farm number order.
Producer Payment Selection Report – Advance Payment Designation by Specific Producer	Select report and enter producer ID number.	Producer specific report will be displayed listing the advance month and year the producer has selected for each farm.
Producer Payment Selection Report – Advance Payment Designation by Specific Farm	Select report and enter farm number.	Farm specific report will be displayed listing the advance month and year for each producer on the farm.

854 Reports (Continued)

B Descriptions of Reports (Continued)

Report	Action	Result
Producer Payment Selection Report – All Producers with Month and Year Designation	Select report.	Report will display all producers with a month and year designation.
Producer Payment Selection Report – All Producers that Have Requested a CC Advance	Select report.	Report will display all producers that have requested either a first or second counter-cyclical advanced payment.
Producer Payment Selection Report – All Producers Without Month and Year Designation	Select report.	Report will be displayed identifying all producers that have shares greater than zero that have not selected a month and year for advance payment.
All Farms Initiated but Not Enrolled	Select report.	Report will be displayed identifying all farms that have been initiated but have not been enrolled.
All Farms Enrolled but Not Approved.	Select report.	Report will be displayed identifying all farms that have an enrollment date entered but have not been approved.
All Approved Farms	Select report.	Report will be displayed identifying all approved farms.
All Approved Farms for a Specific Time Period.	Select report and enter start and end dates.	Report will be displayed identifying all farms that were approved within the selected dates.
All Canceled Farms	Select report.	Report will be displayed identifying all farms that have been canceled by a County Office user or by farm maintenance changes.
Farms with Base Acres Greater than Zero Without an Active CCC-509	Select report.	Report will be displayed identifying all farms that have base acres greater than zero in farm maintenance but do not have an initiated CCC-509.
Producers with Electronic Signature	Select report.	Report will be displayed with all producers that have electronically signed CCC-509.

854 Reports (Continued)

B Descriptions of Reports (Continued)

Report	Action	Result
Producers Whose Signature is Missing from Report.	Select report.	Report will be displayed identifying all farms that are missing producer signatures. Report prints the producers on each farm that are missing signatures.
Farms Initiated But Do Not Have Shares Equal to 100 Percent.	Select report.	Report will identify all farms that do not have 100 percent of the shares designated.
All Farms with Cash Rent Certification Signature Type	Select report.	Report will be displayed identifying all farms that have 1 or more producers with a cash rent certification signature type.
All Farms With CCC Representative Electronic Approval	Select report.	Report will be displayed identifying farms that have been approved through the CCC Representative Electronic Approval Process.
County Summary Report	Select report.	Report will be displayed providing a summary of DCP enrollment information in the county selected on the State Report Selection Screen.
Farms with less than 100 percent cropland certified	Select report.	Report will be displayed identifying all farms with less than 100 percent cropland certified on FSA-578.

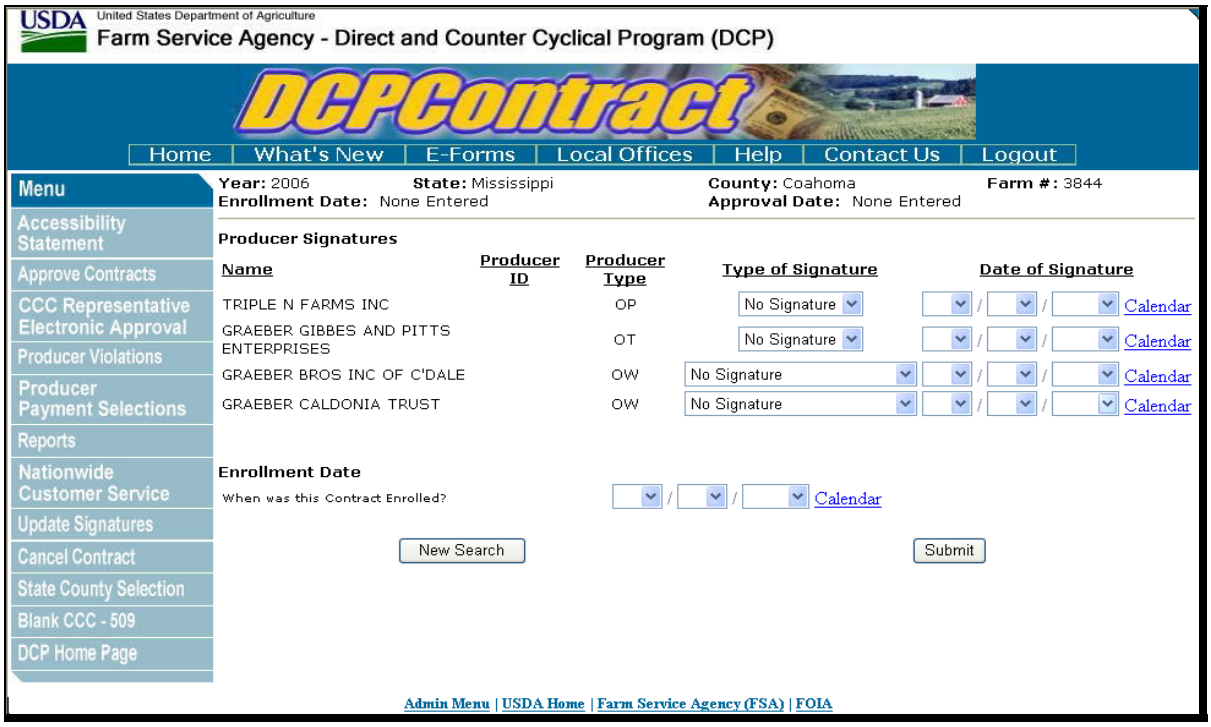
855 Update Signatures

A Overview

A process to update signatures without having to access the contract is being provided in the web-based software. To access the update signatures process, under “Menu”, CLICK “Update Signatures”.

Note: Signatures can also be updated on the Consolidated by Producer Screen and Consolidated by Crop Screen.

The following is an example of the Update Signatures Screen.



855 Update Signatures (Continued)

B Field Descriptions/Actions

The following provides the field descriptions and actions on the Update Signatures Screen.

Field Button	Description	Action
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Farm Number	Farm number as selected.	
Enrollment Date	Enrollment date as entered on the Consolidated by Producer or Consolidated by Crop Screen.	
Approval Date	Approval date as entered on the Consolidated by Producer, Consolidated by Crop, Approve Contracts, or CCC Representative Electronic Approval Screen.	
Producer Signatures	A method to keep track of producers' signatures is being incorporated into the web-based DCP program software. If a producer signs electronically, then the system will update the producer signature block. All other signature types must be updated by the County Office. This is a tool to keep track of signatures received for each contract. Producers are not authorized to updated producer signature information.	

855 Update Signatures (Continued)

B Field Descriptions/Actions (Continued)

Field Button	Description	Action
Type of Signature	Manual selection. The type of signature provided by the producer. The system will update electronic signatures. See subparagraph 845 C for signature types.	If a producer has shares greater than zero, or a producer type of "OO" or "OW", a signature type, other than no signature, must be updated. Contracts cannot be enrolled or approved until all signatures have been received. Specific program rules must be followed when determining when a producer must sign a contract. **Note:** Type of signature shall only be updated when the producer actually signs and dates CCC-509.
Date of Signature	Manual entry.	Enter date the producer signed the contract. See paragraph 402 for situations involving producers that did not sign CCC 509 before October 1 of applicable contract period. See subparagraph 845 C for date of signature exceptions.
When was this contract enrolled?	Manual entry.	Enter the date all shares equal 100 percent and all required producer signatures have been received. See paragraph 402 for situations involving producers signatures received in the County Office after September 30 of applicable contract period. **Note:** All applicable signature types must be loaded before an enrollment date can be entered. See subparagraph 845 C for signature type validations.
New Search	All actions are canceled. If data was not submitted, it will not be saved. Search by Producer or Farm Screen will be displayed.	
Submit	Data is stored. Print screen will be displayed.	

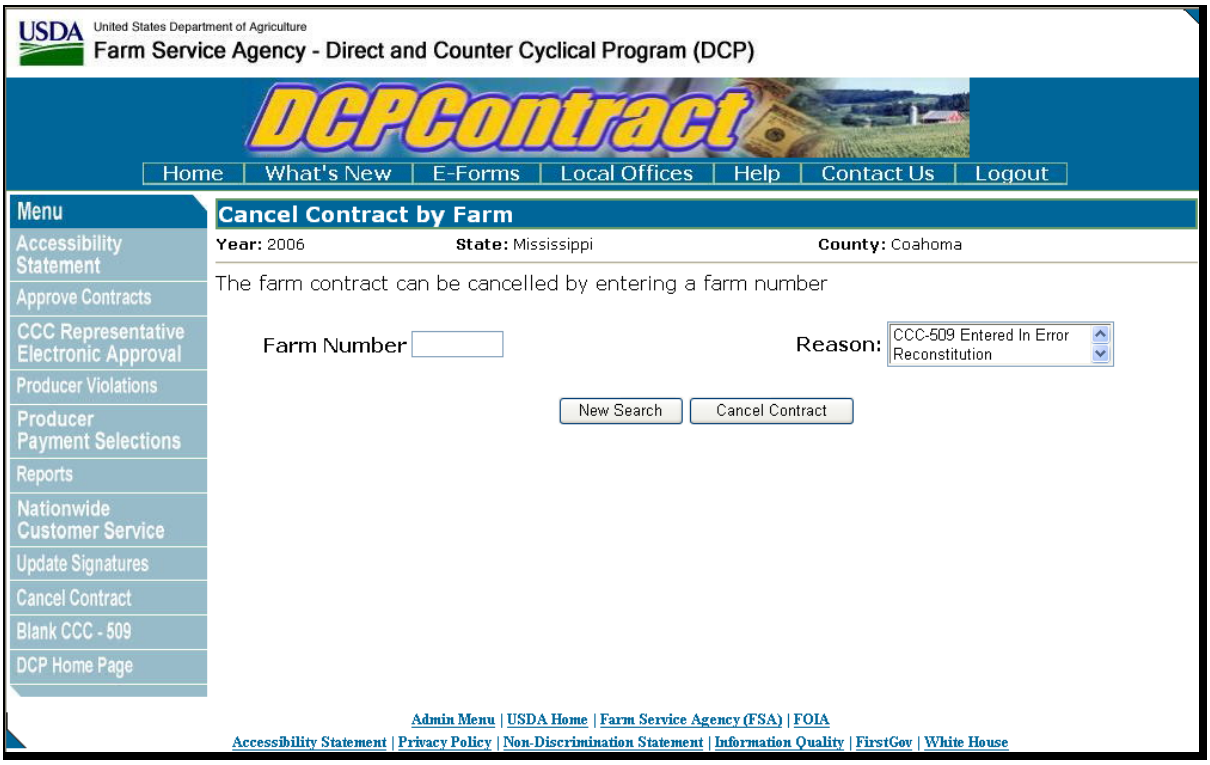
856 Cancel Contract

A Overview

A process to cancel a contract without having to access the contract is being provided in the web-based software. To access the contract cancellation process, under “Menu”, CLICK “Cancel Contract”.

Note: Contracts can also be canceled on the Consolidated by Producer Screen and Consolidated by Crop Screen.

The following is an example of the Cancel Contracts Screen.



856 Cancel Contract (Continued)

B Field Descriptions/Actions

The following provides the field descriptions and actions on the Cancel Contract Screen.

Field Button	Description	Action
Year	Year as selected.	
State	State as selected.	
County	County as selected.	
Farm Number	Manual entry.	Enter the farm number of the contract to be canceled.
Reason	Manual entry.	The following reasons are provided when canceling a contract. One of the following reason must be selected if the contract is canceled: • Acreage Reporting Violation • CCC-509 Entered in Error • Farm Record Modification (automatic cancels will occur) **Note:** See paragraph 847. • FAV Violation • Out Transfer • Producer Withdrew Contract • Reconstitution.
New Search	All actions are canceled. If data was not submitted, it will not be saved. Search by Producer or Farm Screen will be displayed.	
Cancel Contract	Contract is canceled. Contract Canceled Screen will be displayed.	

857 RLMS

A Overview

Web-based DCP contract software accesses and queries the data maintained in the RLMS database to determine whether a representative role exists for a customer who has accessed the application. Based on the information maintained in RLMS, the web-based DCP contract software determines whether a customer can electronically sign on behalf of another customer.

B Acceptable Representative Signatures

Electronic representative signatures shall only be accepted for individual members of an entity who have the authority to sign on behalf of the entity based on documentation considered acceptable according to 1-CM.

Note: Representative roles established through FSA-211 or non-FSA-211 power of attorney documents are not to be recorded in RLMS. Therefore, electronic representative signatures **shall not** be accepted for individual members of an entity who were given the authority to sign on behalf of the entity through an FSA-211 or non-FSA-211 power of attorney.

C County Office Action

County Offices shall **not** approve DCP contracts that contain electronic representative signatures for a representative role:

- that was loaded in RLMS based on incorrect documentation
- that was established through an FSA-211 or non-FSA-211 power of attorney
- of conservator or guardian.

857 RLMS (Continued)

D Examples

Example 1: John Smith is maintained in RLMS with a representative role of Corporation Agent for Smith Farms Inc. John Smith was given signature authority through an FSA-211; therefore, John Smith **shall not** be allowed to electronically sign the DCP contract for Smith Farms Inc.

Example 2: Bob Jones is maintained in RLMS with a representative role of General Partnership Agent for Jones and Sons Partnership. Bob Jones is listed in the articles of partnership showing that he is a general partner or member of the partnership; therefore, Bob Jones **shall** be allowed to electronically sign the DCP contract Jones and Sons Partnership.

Example 3: Laura Davis is maintained in RLMS with a representative role of Guardian for William Davis. Laura Davis's representative role is something other than an individual member of an entity; therefore, Laura Davis **shall not** be allowed to electronically sign the DCP contract for William Davis.

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-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		6, 7, 351, 429, Ex. 4
AD-1153	Application for Long-Term Contracted Assistance Through the _____ Program		427
CCC-184	CCC Check		1
CCC-490	2003 Crop Hard White Wheat Program Application		5
CCC-502	Farm Operating Plan for Payment Eligibility Review		6, 7, 352, Ex. 4
CCC-505	Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acreage Reduction	66	Text
CCC-509	2008 Direct and Counter-Cyclical Program Contract	332	Text, Ex. 2, 4, 17
CCC-509 Appendix (06-20-08)	Appendix to Form CCC-509, Direct and Counter-Cyclical Program Contract		Text, Ex. 2
CCC-510	Direct and Counter-Cyclical (DCP) Cash Rent Certification Statement	Ex. 17	395
CCC-517	Direct and Counter-Cyclical Program (DCP) Tract Redistribution Form		334
CCC-526	Payment Eligibility Adjusted Gross Income Certification		6, 7, 352, Ex. 4

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-576	Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program	474	475
CCC-920	Grassland Reserve Program Contract		66, 427
CRP-1	Conservation Reserve Program Contract		65, 66, 67, 331, 425, 427
CRP-2	Conservation Reserve Program Worksheet		427
CRP-2C	Conservation Reserve Program Worksheet (For Continuous Signup)		427
CRP-15	Agreement for Reduction of Bases, Allotments and Quotas		67, 331, 425
FCI-19	Crop Insurance Acreage Report		478
FSA-156-EZ	Abbreviated 156 Farm Record and Tract Listing		426, 427, Ex. 13
FSA-211	Power of Attorney		857
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Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviations	Term	Reference
CLU	common land unit	334
FAV	fruit and vegetable	Text, Ex. 21
GRP	Grassland Reserve Program	66, 426, 427
MPL	marginal pasture land	718
OT	other tenants	845
RLMS	Representative Link Manager System	857
SLR	Security Liaison Representative	403

Redelegations of Authority

COC may redelegate authority to approve CCC-505's and CCC-509's to CED, in routine cases.

Definitions of Terms Used in This Handbook

Agricultural Use Land

Agricultural use land is land for which either of the following apply:

- the land met the definition of cropland at the time it was enrolled in PFC and the land is currently being used for an agricultural or related activity

- the land met the definition of cropland on or after April 4, 1996, and the land continues to be devoted to an agricultural or related activity.

Approved Status

Approved status means a contract with:

- shares equal to 100 percent
- producer signatures for all shares
- an enrollment date entered in the system
- a COC approval date entered in the system.

Base Acres

Base acres means, with respect to:

- a covered commodity on a farm, the number of acres established under Section 1101 of the Farm Security and Rural Development Act of 2002 (7 U.S.C. 7911) as in effect on September 30, 2007, subject to any adjustment under Section 1101 of the Farm, Conservation, and Energy Act of 2008 (Pub. L. 110-246)

- peanuts, the number of acres assigned to a farm, according to Section 1302 of the Farm Security and Rural Development Act of 2002 (7 U.S.C. 7952) as in effect on September 30, 2007, subject to any adjustment under Section 1302 of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246).

Definitions of Terms Used in This Handbook (Continued)

Contract

Contract means CCC-509 and CCC-509 Appendix for DCP.

Corn

Corn means field corn or sterile high-sugar corn. Popcorn, corn nuts, blue corn, sweet corn, and corn varieties grown for decoration uses are not corn.

Counter-Cyclical Payment

Counter-cyclical payment means a payment made to eligible producers on a farm if the Secretary determines that the effective price for a covered commodity, except for "other oilseeds", is less than the target price for the covered commodity.

Covered Commodity

Covered commodity means a crop of wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium grain rice, (other than wild rice), soybeans, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame, sunflower seed lentils, dry peas, large chickpeas,(kabuli garbanzo beans), and small chickpeas (desi garbanzo beans).

Definitions of Terms Used in This Handbook (Continued)

Cropland

Cropland means land that COC determines meets one of the following conditions:

- is currently being tilled for the production of a crop for harvest

  Note: Land that is seeded by drilling broadcast or other no-till planting practices shall be considered tilled.

- is not currently tilled, but it can be established that this land has been tilled in a prior year and is suitable for crop production

- is currently devoted to a 1-row or 2-row shelter belt planting, orchard, or vineyard

- is in terraces that, were cropped in the past, even though they are no longer capable of being cropped

- is in sod waterways or filter strips planted to a perennial cover or is preserved as cropland in accordance with part 1410 of this title

- is land that has newly been broken out for purposes of being planted to a crop that the producer intends to, and is capable of, carrying through to harvest, using tillage and cultural practice that are consistent with normal practice in the area; provided further that, in the event that these practices are not used other than for reasons beyond the producer's control, the cropland determination shall be void retroactive to the time at which the land was broken out.

CRP Contract Expiration

CRP contract expiration means the land is no longer enrolled in CRP under the applicable contract because the CRP contract period has expired.

Definitions of Terms Used in This Handbook (Continued)

DCP Cropland

DCP cropland means land for which 1 or more of the following apply:

- the land currently meets the definition of cropland
- the land met the definition of cropland at the time it was enrolled in PFC and the land is currently being used for an agricultural or related activity
- the land met the definition of cropland on or after April 4, 1996, and the land continues to be devoted to an agricultural or related activity.

Direct Payment

Direct payment means a payment made to eligible producers on a farm with an approved contract for covered commodities and peanuts.

Dry Peas

Dry peas means Austrian, wrinkled seed, yellow, Umatilla, and green, excluding green peas grown for fresh, canning, or frozen market.

Effective Price

Effective price, with respect to a covered commodity for a crop year, means the price calculated by the Secretary to determine whether counter-cyclical payments are required to be made for that crop year. The calculation is the sum of the higher of the national average market price or the national loan rate, plus the direct payment rate.

Definitions of Terms Used in This Handbook (Continued)

Enrolled Status

Enrolled status means a contract with:

- shares equal to 100 percent
- producer signatures for all shares
- an enrollment date entered in the system
- **no** COC approval date entered in the system.

Extra Long Staple Cotton

Extra long staple cotton means cotton that is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

Farm

Farm means a tract, or tracts, of land that are considered to be a separate operation with the same operator and owner.

Fixed or Standing Commodity Payment

Fixed or standing commodity payment means the payment a tenant or operator provides a landlord for use of land and the landlord's reduced risk on the crop, including the following:

- a fixed amount of production, such as 10,000 bushels or pounds
- an amount of production per acre, such as 40 bushels or pounds per acre.

Definitions of Terms Used in This Handbook (Continued)

Grain Sorghum

Grain sorghum means sorghum of a feed grain or dual purpose variety, including any cross that, at all stages of growth, has most of the characteristics of a feed grain or dual purpose variety. Sweet sorghum is not considered a grain sorghum.

Home Garden

Home garden means an area of fruits or vegetables on a farm of 2.0 acres or less and is planted for the consumption and home use of a producer. Home gardens are excluded from acreage considered as FAV. If the total garden acreage on a farm is greater than 2.0 acres, the entire garden acreage will be considered as FAV.

Initiated Status

Initiated status means a contract that has been started in the automated system but does **not** have:

- shares equal to 100 percent
- producer signatures for all shares
- an enrollment date entered in the system.

Landlord

Landlord means someone who rents or leases farmland to another.

Loan Commodity

Loan commodity means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, soybeans, other oilseeds, wool, mohair, honey, dry peas, lentils, and small chickpeas.

Marketing Year

Marketing year means the 12-month period beginning in the current year and ending the next year as follows:

- barley, oats, and wheat - June 1 - May 31
- upland cotton, peanuts, and rice - August 1 - July 31
- corn, crambe, grain sorghum, mustard seed, safflower, sesame, soybeans, sunflower seed, large chickpeas, and small chickpeas - September 1 - August 31
- canola, dry peas, flaxseed, lentils, and rapeseed - July 1 - June 30.

Definitions of Terms Used in This Handbook (Continued)

Nonagricultural Commercial or Industrial Use

Nonagricultural commercial or industrial use means land that is no longer suitable for producing annual or perennial crops, including conserving uses, or forestry products.

Nonbase Acres

Nonbase acres means the number of DCP cropland acres on the farm minus the total number of base acres on the farm.

Normal Planting Period

Normal planting period means a period during which the crop is normally planted in the area with the expectation of producing a normal crop.

Oilseeds

Oilseeds means acreage of soybeans, sunflower seed, rapeseed, canola, crambe, safflower, flaxseed, mustard seed, sesame, or other oilseeds designated by CCC.

Operator

Operator means an individual, entity, or joint operation in general control of the farming operations on the farm during the current year as determined by COC.

Other Conservation Acres

Other conservation acres are cropland acres on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage. Other conservation acres include, but are not limited to, the following:

- county conservation programs
- municipality conservation programs
- corporation conservation programs.

Example: A corporation conservation program may prohibit the growth of certain crops under power lines.

Definitions of Terms Used in This Handbook (Continued)

Other Oilseeds

Other oilseeds means a crop of sunflower seed (oil and confectionary), rapeseed, canola, crambe, safflower, flaxseed, mustard seed, sesame, or, if designated by the Secretary, another oilseed.

Owner

Owner means one who has legal ownership of farmland.

Participant

Participant means someone who participates in, or receives payments or benefits in any program.

Pasture

Pasture means land that is used to, or has the potential to, produce food for grazing animals.

Payment Acres

Payment acres means, for a covered commodity and peanuts:

- for direct payments, 85 percent of the base acres on a farm for 2008
- for counter-cyclical payments, 85 percent of the base acres on a farm.

Payment Yield

Payment yield means the yield established for a farm for a covered commodity or peanuts.

Prevented Planting

Prevented planting is the inability to plant crop acreage with proper equipment during the established planting period for the crop.

Producer

Producer means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. A producer includes a grower of hybrid seed.

Definitions of Terms Used in This Handbook (Continued)

Pulse Crops

Pulse crops means dry peas, lentils, small chickpeas (desi garbanzo beans), and large chickpeas (kabule garbanzo beans).

Rice

Rice means rice excluding sweet, glutinous, or candy rice, such as Mochi Gomi.

Sharecropper

Sharecropper means an individual who performs work in connection with the production of a crop under the supervision of the operator and who receives a share for his or her labor.

Skip-Row or Strip-Crop Planting

Skip-row or strip-crop planting means a cultural practice in which strips or rows of the crop are alternated with strips or rows of idle land or another crop.

State Conservation Acres

State conservation acres are cropland acres on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the land.

Target Price

Target price means for peanuts, the price per ton; and for covered commodities, the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) used to determine the payment rate for counter-cyclical payments.

Tenant

Tenant means someone other than a sharecropper, who does either of the following:

- rents land from another in consideration of the payment of a specified amount of cash or amount of a commodity
- rents land from another in consideration of the payment of a share of the crops or proceeds therefrom.

Definitions of Terms Used in This Handbook (Continued)

Tract

Tract means a unit of contiguous land under 1 ownership, which is operated as a farm, or part of a farm.

Turn-Area

Turn-area means the area across the ends of crop rows which is used for operating equipment necessary to the production of a row crop. It is also known as turn row, headland, or end row.

Upland Cotton

Upland cotton means planted and stub cotton that is produced from other than pure strain varieties of the Barbadens species, any hybrid thereof, or any other variety of cotton in which 1 or more of these varieties predominate. For program purposes, brown lint cotton is considered upland cotton.

Voluntarily Terminated

Voluntarily terminated means the termination of CRP-1 when either of the following apply:

- request for termination by applicable participants
- death of CRP participants with no succession to CRP-1.

Important: Termination of CRP-1 for any other reason, including the following, is **not** a voluntary termination:

- violation of CRP-1
- sale of land enrolled in CRP.

WRP Acres

WRP acres are cropland acres on the farm enrolled in a Wetlands Reserve Program administered by NRCS according to 16 U.S.C. 3837, et. seq.

Menu and Screen Index

The following menus and screens are displayed in this handbook.

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2008 Direct and Counter-Cyclical Program Information Fact Sheet

USDA FACT SHEET FSA

UNITED STATES DEPARTMENT OF AGRICULTURE • FARM SERVICE AGENCY

JUNE 2008

Direct and Counter-cyclical Payment Program

Background

The Direct and Counter-cyclical Payment Program (DCP) provides payments to eligible producers on farms enrolled for the 2008 through 2012 crop years. There are two types of DCP payments -- direct payments and counter-cyclical payments. Both are computed using the base acres and payment yields established for the farm. DCP is authorized by the Food, Conservation and Energy Act of 2008 (2008 Farm Bill) and is administered by the U.S. Department of Agriculture's Farm Service Agency (FSA).

Eligible Producers

To be eligible for DCP payments, owners, operators, landlords, tenants, or sharecroppers must:

- share in the risk of producing a crop on base acres on a farm enrolled in DCP, and be entitled to share in the crop available for marketing from the base acres or would have shared had a crop been produced;
- annually report the use of the farm's cropland acreage;
- comply with conservation and wetland protection requirements on all of their land;
- comply with planting flexibility requirements;
- use the base acres for agricultural or related activities; and
- protect all base acres from erosion, including providing sufficient cover as determined necessary by the county FSA committee, and control weeds.

Eligible Commodities for 2008

Base acres and payment yields are established for the following commodities for 2008:

- barley;
- corn;
- grain sorghum, including dual purpose varieties that can be harvested as grain;
- oats;
- canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, including oil and non-oil varieties;
- peanuts;
- long grain rice, medium grain rice (which includes short grain rice), excluding wild rice;
- soybeans;
- upland cotton; and
- wheat.

Pulse crops will be added as an eligible commodity in the 2009 crop year. Pulse crops are defined as dry peas, lentils, small chickpeas (Garbanzo bean, Desi), and large chickpeas (Garbanzo bean, Kabuli).

Direct Payments

The 2008 Farm Bill continues the direct payments that began under the Farm Security and Rural Investment Act of 2002.

Direct payment rates for the eligible DCP commodities are as follows:

Barley: $0.24 per bushel
Corn: $0.28 per bushel
Grain sorghum: $0.35 per bushel
Oats: $0.024 per bushel
Other oilseeds: $0.80 per hundredweight
Peanuts: $36 per ton
Rice, long grain: $2.35 per hundredweight
Rice, medium/short grain: $2.35 per hundredweight
Soybeans: $0.44 per bushel
Upland cotton: $0.0667 per pound
Wheat: $0.52 per bushel

For each commodity, the total direct payment for 2008 for producters on a farm equals 85 percent of the farm's base acreage times the farm's direct payment yield times the direct payment rate. For 2009-2011, the payment percentage changes from 85 to 83.3 percent of the farm's base acreage. For 2012, the payment percentage reverts to 85 percent.

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2008 Direct and Counter-Cyclical Program Information Fact Sheet (Continued)

Fact Sheet
Direct and Counter-cyclical Payment Program

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The following is an example for 2008 corn:

Base acres planted to corn:
100 acres
x 85%
85 acres payment acres
x 110 bushels direct payment yield
x $0.28 per bushel direct payment rate
$2,618.00 direct payment

Direct payments are not based on producers' current production choices, but instead are tied to base acres and yields.

Counter-cyclical Payments

In addition to direct payments, the 2008 Farm Bill authorizes counter-cyclical payments, which provide support counter to the cycle of market prices as part of a "safety net" in the event of low crop prices. Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the target price for the commodity.

Target prices, as provided by the 2008 Farm Bill, for each commodity are as follows:

The counter-cyclical payment rate is the amount by which the target price of each commodity exceeds its effective price.

The effective price for each commodity equals the direct payment rate plus the higher of:

- the national average market price received by producers during the marketing year (see Example A); or
- the national loan rate for the commodity (see Example B).

Example A:

If the 2008 national average market price for soybeans is $5.10 per bushel:
$0.44 direct payment rate
+ $5.10 average market price*
$5.54 effective price
(*Average market price is used since it is higher than the 2008 national loan rate of $5.00)
$5.80 target price
-$5.54 effective price
$0.26 counter-cyclical payment rate

Example B:

If the 2008 national average market price for soybeans is $4.90 per bushel:
$0.44 direct payment rate
+$5.00 national loan rate*
$5.44 effective price
(*National loan rate is used since it is higher than the average market price)
$5.80 target price
- $5.44 effective price
$0.36 counter-cyclical payment rate

For each commodity, the total 2008 counter-cyclical payment for producers on a farm each crop year equals 85 percent of the farm's base acres *times* the farm's counter-cyclical payment yield *times* the counter-cyclical payment rate. An example for 2008 soybeans (using the counter-cyclical payment rate of $0.26) is:

100 acres base acres planted to soybeans
85 acres, payment acres
x 30 bushels per acre counter-cyclical payment yield
x $0.26 per bushel counter-cyclical payment rate
$663.00 counter-cyclical payment

Crop	2008	2009	2010 - 2012
Barley	$2.24/bu	$2.24/bu	$2.63/bu
Chickpeas, large (Garbanzo bean, Kabuli)	Not available	$12.81/cwt	$12.81/cwt
Chickpeas, small (Garbanzo bean, Desi)	Not available	$10.36/cwt	$10.36/cwt
Corn	$2.63/bu	$2.63/bu	$2.63/bu
Dry peas	Not available	$8.32/cwt	$8.32/cwt
Grain sorghum	$2.57/bu	$2.57/bu	$2.63/bu
Lentils	Not available	$12.81/cwt	$12.81/cwt
Oats	$1.44/bu	$1.44/bu	$1.79/bu
Other oilseeds	$10.10/cwt	$10.10/cwt	$12.68/cwt
Peanuts	$495/ton	$495/ton	$495/ton
Rice, long grain	$10.50/cwt	$10.50/cwt	$10.50/cwt
Rice, medium/ short grain	$10.50/cwt	$10.50/cwt	$10.50/cwt
Soybeans	$5.80/bu	$5.80/bu	$6.00/bu
Upland cotton	$0.7125/lb	$0.7125/lb	$0.7125/lb
Wheat	$3.92/bu	$3.92/bu	$4.17/bu

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2008 Direct and Counter-Cyclical Program Information Fact Sheet (Continued)

Fact Sheet
Direct and Counter-cyclical Payment Program

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For 2008 and 2009 crops, counter-cyclical payments are not available for other oilseeds (sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, and sesame seed) because the sum of their national loan rate and direct payment rate is equal to or greater than their target price. For 2010 through 2012, counter-cyclical payments are available for other oilseeds due to an increase in their target price.

Timing of Payments

For crop years 2008 through 2011, producers may elect to receive their direct payments in two installments:

- The first advance payment is:
  - For crop year 2008, as soon as practical after enrollment,
  - For crop years beginning 2009 through 2011, up to 22 percent of the total payment available beginning in December of the prior calendar year.
- The balance of the total direct payment is available in October of the crop year. Producers who do not elect to take the first direct payment will receive the entire direct payment in October.
- For 2012, there will be no advance direct payment.

For crop years 2008 through 2010, producers may elect to receive two counter-cyclical payments per year:

- A partial payment will be available after completion of 180 days of the marketing year for the crop. These payments cannot exceed 40 percent of the total projected payment.
- Final payments are made beginning October 1, or as soon as practicable thereafter, after the end of the marketing year for the crop. Producers who do not elect to take the partial payment will receive the entire counter-cyclical payment at this time.
- For fiscal years 2011 and 2012, there will be no partial counter-cyclical payments. Final payments are made beginning October 1, or as soon as practicable thereafter, after the end of the marketing year for the crop.

Producers must refund to FSA counter-cyclical payments that exceed the final and total counter-cyclical payment for each respective crop. This situation may occur when actual market prices exceed the projected market prices used in determining the partial counter-cyclical payment rates.

The DCP payment schedules for 2008 and 2009 crop years are in the following tables.

2008 Scheduled Timetable for DCP Payments

Month/Year	Commodity			
	Barley Oats Wheat	Peanuts Rice Upland Cotton	Corn Sorghum Soybeans	"Other" Oilseeds
Marketing Year	June 1 – May 31	Aug. 1 – July 31	Sept. 1 – Aug. 31	Sept. 1 – Aug. 31
Enrollment to September 2008	Advance Direct	Advance Direct	Advance Direct	Advance Direct
Beginning October 2008	Final Direct	Final Direct	Final Direct	Final Direct
Beginning December 2008	Partial CC 1\			
Beginning February 2009		Partial CC 1\		
Beginning March 2009			Partial CC 1\	
Beginning October 2009	Final CC	Final CC for Peanuts & Upland Cotton 2\	Final CC	
Beginning February 2010		Final CC for Rice		

1\ Producers must request advance counter-cyclical payments no later than 60 days prior to the end of the marketing year for that covered commodity.

2\ Final counter-cyclical payments for upland cotton are available after the National Agricultural Statistics Service publishes the October Crop Production Report containing the marketing year average price for upland cotton. The Crop Production Report will be published between October 9, 2009 and October 12, 2009.

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2008 Direct and Counter-Cyclical Program Information Fact Sheet (Continued)

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Direct and Counter-cyclical Payment Program

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2009 Scheduled Timetable for DCP Payments

Month/Year	Commodity					
	Barley Oats Wheat	Dry Peas Lentils	Peanuts Rice Upland Cotton	Corn Sorghum Soybeans	"Other" Oilseeds	Large Chickpeas Small Chickpeas
Marketing Year	June 1 – May 31	July 1 – June 30	Aug. 1 – July 31	Sept. 1 – Aug. 31	Sept. 1 – Aug. 31	Sept. 1 – Aug. 31
December 2008 to September 2009	Advance Direct		Advance Direct	Advance Direct	Advance Direct	
Beginning October 2009	Final Direct		Final Direct	Final Direct	Final Direct	
Beginning December 2009	Partial CC 1\					
Beginning January 2010		Partial CC 1\				
Beginning February 2010			Partial CC 1\			
Beginning March 2010				Partial CC 1\		Partial CC 1\
Beginning October 2010	Final CC	Final CC	Final CC for Peanuts & Upland Cotton 2\	Final CC		Final CC
Beginning February 2011			Final CC for Rice			

1\ Producers must request advance counter-cyclical payments no later than 60 days prior to the end of the marketing year for that covered commodity.

2\ Final counter-cyclical payments for upland cotton are available after the National Agricultural Statistics Service publishes the October Crop Production Report containing the marketing year average price for upland cotton. The Crop Production Report will be published between October 9, 2010 and October 12, 2010.

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2008 Direct and Counter-Cyclical Program Information Fact Sheet (Continued)

Fact Sheet
Direct and Counter-cyclical Payment Program

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Farms Ineligible for Payment

The 2008 Farm Bill provides that producers on farms with DCP base acres that total 10.0 acres or less will not receive a direct, counter-cyclical, or average crop revenue election program payment, unless the farm is wholly owned by a socially disadvantaged or a limited resource farmer or rancher.

For this provision's purpose, a socially disadvantaged farmer is a person who is a member of a group whose members have been subjected to racial, ethnic or gender prejudice because of their identity as members of a group without regard to their individual qualities.

Status as a limited resource farmer or rancher is one who directly or indirectly had gross farm sales of not more than $100,000 in each of the previous two years (to be increased beginning in fiscal year 2004 to adjust for inflation using Prices paid by Farmer Index as compiled by the National Agricultural Statistic Service) and has a total household income at or below the national poverty level for a family of four, OR less than 50 percent of county median household income in each of the previous years (to be determined annually using Commerce Department data).

A limited resources farmer or rancher can be determined in an automated system using the Website for USDA Limited Resource Farmer and Rancher Online Self Determination Tool at http://www.lrftool.sc.egov.usda.gov/tool.asp.

Sign-up Period

The DCP sign-up period for the 2008 crop began June 25, 2008, and will end September 30, 2008. Annual sign-ups for the 2009-2010 crops are from October 1 of the prior calendar year to June 1. The CCC-509 form, "Direct and Counter-cyclical Program Contract," includes base acres, payment acres, payment yields, producer payment shares, advance direct and counter-cyclical payment selections, and signatures of the producer and county office representative.

For the 2008 crop, the CCC-509 must be submitted by Sept. 30, 2008.

For 2009-2012 crops, the CCC-509 must be submitted by June 1 of the respective crop year. All owners and operators who will share in the DCP payments on the farm must sign the CCC-509. Forms with signatures that are obtained after June 1, but before September 30, will be accepted, but the farm will be assessed a late-file sign-up fee of $100. (The fee is waived for 2008.)

Farm producers must apply for DCP on an annual basis.

The following documents are required and applicable determinations must be made before the county committee can approve a producer's share on the CCC-509 for payment:

- a farm operating plan (CCC-502 and related forms);or 2012, there will be no advance direct payment.
- an average adjusted gross income certification (CCC-526);
- a certification of compliance with highly erodible land and wetland conservation provisions (AD-1026).

A certification of the acreage of all cropland on the farm (FSA-578) is needed before final payments can be issued.

Planting Flexibility Provisions

Producers who participate in DCP may plant cropland in excess of the total base acreage on the farm to any commodity. However, producers are subject to certain restrictions on the planting of wild rice, fruits, and vegetables. Information on wild rice, fruits and vegetable restrictions is contained in the FSA fact sheet "Direct and Counter-cyclical Payment Program: Wild Rice, Fruit, and Vegetable Provisions." A 2008 fact sheet will be available on FSA's Web site at: http://www.fsa.usda.gov; click on "find FSA fact sheets."

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2008 Direct and Counter-Cyclical Program Information Fact Sheet (Continued)

Fact Sheet
Direct and Counter-cyclical Payment Program

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Planting transferability Pilot Project

A pilot project has been developed for certain states to permit the planting of cucumbers, green peas, lima beans, pumpkins, snap beans, sweet corn, and tomatoes grown for processing on base acres during each of the 2009 through 2012 crop years. DCP base acres on a farm for a crop year will be reduced by an acre for each acre planted under the pilot program.

The number of base acres eligible during each crop year for the pilot year for the pilot project is:

Illinois: 9,000
Indiana: 9,000
Iowa: 1,000
Michigan: 9,000
Minnesota: 34,000
Ohio: 4,000
Wisconsin: 9,000

For More Information

For more information about FSA and its programs, visit your local FSA service center or online at: http://www.fsa.usda.gov.

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2008 Direct and Counter-Cyclical Program Information Fact Sheet (Continued)

Farm Specific Crop and Share Information

To participate in DCP, producers are required to **designate shares and sign the Direct and Counter-Cyclical Program Contract (CCC-509) on a yearly basis**. The annual DCP sign-up period for 2008 runs from June 25, 2008, to September 30, 2008. CCC-509 must be submitted by September 30, 2008. All supporting documentation, such as CCC-502, AD-1026, and CCC-526, must be submitted before payments can be issued. Annual acreage reports indicating uses of all cropland on a farm must be filed by the applicable established reporting dates. Acreage reports filed after the applicable final reporting date may be accepted if all requirements are met and a late-filed fee is paid.

Payment Options

Producers may receive a 22 percent advance of the direct payment amount, beginning on June 25, 2008. Final direct payments will be made on or after October 1 following the contract period. Counter-cyclical payments may also be authorized for one or more covered commodities, depending on the projected and actual market prices. Producers may elect to receive two counter-cyclical payments per year: (1) the partial payment, if any, is available 180 days after the beginning of the marketing yea for the crop, and cannot exceed 40 percent of the total projected payment; and (2) final payments, if any, are made after the end of the marketing year for the crop. Producers who do not elect to take the partial payment will receive the entire counter-cyclical payment at this time. The amount of a counter-cyclical payment is dependent upon the average of the actual prices received by farmers during the marketing year.

Planting Fruits and Vegetables or Wild Rice

Planting fruits, vegetables, or wild rice on base acres may adversely affect your program benefits. Please contact this office before you plant or lease land for production of fruits, including nut trees, vegetables or wild rice, to discuss acreage reporting requirements, prevention of possible violation of program provisions, payment reductions, and severe penalties.

Changes in Farming Operation

Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits. You should also be aware of Highly Erodible Land Conservation, Wetland Conservation, Payment Eligibility, and Payment Limitation provisions, which impact your eligibility for DCP payments. Changes to your farming operation may include, but are not limited to, a change in the structure of your farming operation or changes in your rental agreement. Any change to your farming operation must be reported to FSA when the change occurs, but **no later than September 30,** of the program year. Failure to timely report changes may result in ineligibility for DCP benefits.

For More Information

Further information on DCP and other FSA programs are available at local FSA offices or on FSA's website at **www.fsa.usda.gov**.

FSA-910, Wetland Reserve Program Projected DCP Base Reduction Worksheet

A Instructions for Completing FSA-910

Landowners shall use FSA-910 to determine whether a DCP base reduction is required based on a proposed number of cropland acres being offered for enrollment in WRP.

Reminder: FSA County Offices shall provide information to landowners with information needed to complete FSA-910. See subparagraph 426 F for additional information.

Landowners should complete FSA-910 according to the following.

Item	Action	
	Part A - Information About This Farm **Note:** Landowners should obtain a copy of FSA-156-EZ to assist with completing FSA-910.	
1	Enter "Cropland" acres for the farm from FSA-156-EZ.	
2	Enter "DCP Cropland" acres for the farm from FSA-156-EZ.	
3	Enter "Effective DCP Cropland" for the farm from FSA-156-EZ	
4	Enter "Double Cropped" acres for the farm from FSA-156-EZ.	
5	Enter "Total Base Acres" for the farm from FSA-156-EZ.	
6	Using FSA-156-EZ, determine whether there is more than 1 tract associated with the farm.	
	IF there is…	**THEN select…**
	1 tract on the farm	"No".
	more than 1 tract on the farm	"Yes".
7	Determine the available cropland acreage for the farm by subtracting: • effective DCP cropland determined in item 3, minus • total DCP base acreage determined in item 5. **Note:** If the result is negative, enter zero.	
8	Determine the double-cropped acreage included in DCP base acreage by subtracting: • total DCP base acreage determined in item 5, minus • effective DCP cropland determined in item 3.	

FSA-910, Wetland Reserve Program Projected DCP Base Reduction Worksheet (Continued)

A Instructions for Completing FSA-910 (Continued)

Item	Action	
	Part B – Projected DCP Base Reduction	
9	Enter the total number of proposed **cropland** acres, excluding CRP acres, that are being offered for WRP enrollment. **Note:** Do **not** include non-cropland acres that may also be offered for enrollment in WRP. Also, acreage currently in CRP that will be offered for enrollment for WRP shall excluded.	
10	Enter the available cropland acreage for the farm that was determined in item 7.	
11	Determine the initial DCP base reduction for the farm by subtracting: • proposed number of acres being offered in WRP entered in item 9, minus • available cropland acreage for the farm entered in item 10. **Note**: If the result is negative, enter zero.	
12	Determine the revised effective DCP cropland by subtracting: • effective DCP cropland entered in item 3, minus • initial DCP base reduction determined in item 11.	
13	Determine whether the available double-cropped acreage included in DCP base acres is greater than the revised effective DCP cropland.	
	IF the double-cropped acreage determine in item 8 is …	**THEN…**
	greater than the revised effective DCP cropland determined in item 12	select "Yes", and subtract: • revised effective DCP cropland determined in item 12, minus • available double-cropped acres determined in item 8.
	less than the revised effective DCP cropland determined in item 12	select "No" and enter zero.
14	Determine the projected DCP base reduction required for the farm based on the proposed WRP offer by adding: • initial DCP base reduction determined in item 11, plus • required reduction of double-cropped acreage determined in item 13.	
15	Landowners have the option of voluntarily retiring DCP base acres through WRP easement in addition to any required reduction. If applicable, enter the number of DCP base acres that are voluntarily retired through enrollment in WRP.	

FSA-910, Wetland Reserve Program Projected DCP Base Reduction Worksheet (Continued)

A Instructions for Completing FSA-910 (Continued)

Item	Action
16	Determine the total projected DCP base reduction for the farm based on the proposed WRP offer by adding: • required DCP base reduction determined in item 11, plus • required reduction of double-cropped acreage determined in item 13. Landowners should use the information determined in this item to complete CCC-505, which is required to be filed when an offer for enrollment in WRP is filed. If the proposed number of acres entered in item 9 for enrollment in WRP is increased or decreased, then landowners should prepare another FSA-910 to ensure the correct amount of DCP base acres are reduced. If "Yes" was selected in item 6 indicating there are multiple tracts on the farm, then landowners may also have the option to redistribute DCP base acres to other tracts on the farm to retain DCP base acres for higher valued crops. Landowners should contact the local FSA County Office to obtain additional information about the potential redistribution of DCP base acres.

FSA-910, Wetland Reserve Program Projected DCP Base Reduction Worksheet (Continued)

B Example of FSA-910

The following is an example of FSA-910.

This form is available electronically.

FSA-910 (12-04-06)	**U.S. DEPARTMENT OF AGRICULTURE** Farm Service Agency	A. State:
	WETLAND RESERVE PROGRAM PROJECTED DCP BASE REDUCTION WORKSHEET	B. County:
	This worksheet has been developed to assist landowners with determining whether a base reduction is required for the Direct and Counter-Cyclical Program due to an offer of acreage for enrollment into the Wetland Reserve Program. The use of this worksheet is voluntarily and is not a requirement to participate in either the Direct and Counter-cyclical Program or the Wetlands Reserve Program.	C. Farm Number:

PART A – INFORMATION ABOUT THIS FARM

Determine this information from the FSA-156EZ form obtained from the local FSA Office for the applicable farm.

1. CROPLAND	2. DCP CROPLAND	3. EFFECTIVE DCP CROPLAND	4. DOUBLE-CROPPED ACRES	5. TOTAL DCP BASE ACREAGE

6. Is there more than one tract associated with this farm? *If "YES", see the note in Item 16 if a projected DCP base reduction is required.*	☐ YES ☐ NO
7. Available cropland acreage for the farm. *Effective DCP cropland in Item 3 minus total DCP base acreage in Item 5. If the result is negative, enter 0.* ►	
8. Double-cropped acreage included in total DCP base acres. *Item 5 minus Item 3. If the result is negative, enter 0.* ►	

PART B – PROJECTED DCP BASE REDUCTION

9. Proposed total number of **cropland** acres being offered for WRP enrollment. **Note:** Acreage offered for enrollment in WRP may be on cropland and/or non-cropland acreage. Landowner(s) should only enter the number of acres that are on cropland in this field. Non-cropland acres should not be included on this worksheet.		
10. Available cropland acreage for the farm determined in Item 7.		
11. Initial DCP base reduction for the farm based on the proposed WRP offer recorded in Item 9. *Item 9 minus Item 10. If the result is negative, enter 0.*		
12. Revised effective DCP cropland. *(Item 3 minus Item 11)*		
13. Is the available double-cropped acreage determined in Item 8 greater than the revised effective DCP cropland determined in Item12? ☐ YES. Subtract the revised effective DCP cropland determined in Item12 from the available double-cropped acres for the farm determined in Item 8. ► **Note:** Double-cropped acreage cannot be greater than the effective DCP cropland. Therefore then an additional reduction to DCP base acres is required. ☐ NO. Enter zero. ►		
14. Total projected DCP base reduction required for the farm **based on the proposed WRP offer recorded in Item 9**. *(Item 11 plus Item 13)* ►		
15. Number of additional DCP base acres that are voluntarily retired through enrollment in WRP. ► **Note:** Landowners may opt to retire DCP base acres over and above the required reduction determined in Item 14. If so, enter the number of DCP base acres being retired through the WRP offer.		
16. Total projected DCP base reduction for the farm **based on the proposed WRP offer.** *(Item 14 plus Item 15)* ► **Note:** The number of acres determined in Item 16 should be used to complete the CCC-505 form, which is required to be filed when an offer for enrollment in WRP is filed. If the proposed number of acres entered in Item 9 for enrollment in WRP is increased or decreased, landowners should prepare another worksheet to ensure the correct number of DCP base acres are reduced. If "YES" was selected in Item 6 indicating there are multiple tracts on the farm, landowners may also have the option of redistributing DCP base acres to other tracts on the farm in order to retain DCP base acres for higher valued crops. Landowners should contact the local FSA county office to obtain additional information regarding the potential redistribution of DCP base acres.		

DISCLAIMER: Completion of this worksheet does not obligate the landowner to enroll acreage into WRP and should only be used as a guide to determine whether a DCP base reduction is required based on the proposed number of cropland acres that may be offered for WRP enrollment. If the landowner opts to enroll acreage into WRP, it is recommended that this worksheet be completed by the landowner to determine the number of DCP base acres that are required to be reduced based on the landowner's intentions. If DCP base acres are voluntarily retired through the WRP easement or are required to be reduced based on the acres being enrolled in WRP, landowners must complete a CCC-505, Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acres Reduction, form when the WRP offer is filed. Acres included on the CCC-505 will be reduced from the DCP base acres for the farm when the WRP easement is recorded. This reduction is permanent for the fiscal year in which the WRP offer is recorded and producers are not eligible for DCP payments on the reduced acreage. Reduction of DCP base acres included on a CCC-505 shall not be returned to the farm.

Landowners should contact the local FSA County Office to obtain a blank CCC-505 form, a copy of the FSA-156EZ for the farm, and copies of aerial maps associated with the farm or to obtain additional information regarding reductions of DCP base acres. A blank CCC-505 can also be obtained by visiting the following web site - http://forms.sc.egov.usda.gov/eforms/mainservlet.

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CCC-510, Direct and Counter-Cyclical (DCP) Cash Rent Certification Statement

A Introduction

Any document that collects data from a producer, regardless of whether the producer's signature is required, is subject to the Privacy Act and Information Collection Procedures, including clearance of these documents by the following offices:

- National Office program area
- MSD, Forms, Graphics, and Records Section
- OMB.

No State or County Office developed form, worksheet, or other document shall be used to collect information from producers for DCP unless it is approved by the National Office DCP Program Manager **before** use.

B Completing CCC-510

Producers that cash rent land can provide County Offices with a cash rent certification statement if the provisions of subparagraph 390 E about using the cash rent certification statement can be met. A number of State Offices have submitted cash rent certification statements for approval by the National Office, which has resulted in developing CCC-510. County Offices shall:

- discontinue using any other locally developed cash rent certification forms

- complete items 1 through 3 and reproduce the cash rent certification statement locally for use by producers

- **not complete items 4 through 12**.

  Note: This information shall be provided by the producer and shall **not** be completed by County Offices under any circumstance.

B Completing CCC-510 (Continued)

Complete CCC-510 according to this table.

Item	Instruction
	The following items can be pre-filled by the County Office before the form is locally reproduced.
1	Enter the State name where the farm is administratively located.
2	Enter the county name where the farm is administratively located.
3	Enter the applicable DCP contract period.
	The following items shall be completed by the operator or tenant (lessee). County Offices are authorized to provide the producer with the farm number for the applicable farm; however the form shall be completed by the producer.
4	Print name of the operator/tenant (lessee).
5	Print name of the landowner or landlord that is leasing the acreage to the lessee.
6	Enter farm number for the applicable farm.
7	Enter number of acres being leased by the lessee.
8	Enter beginning date for the lease.
9	Enter date that the lease expires.
10	Enter information about the terms (such as cash) of the lease.
11 and 12	Lessee shall sign and date the cash rent certification statement.

C Forms Accepted Before Issuance of CCC-510

If the producer provided a cash rent certification statement before issuance of CCC-510, that statement can be accepted if **all of the following apply**:

- the producer meets the requirements of subparagraph 390 E about using the cash rent certification statement
- adequate information has been provided on the statement to allow COC to make an informed determination about approving CCC-509
- statement was provided by the lessee.

If a statement was accepted before issuance of CCC-510 that does **not** meet these requirements, CCC-509 shall **not** be approved until all producer signature requirements have been met.

Note: Although the cash rent certification statement includes language that the producer is certifying that the farm was cash-leased in the previous FY and the producer was designated to receive the DCP payments, County Offices shall verify the accuracy of the statement by reviewing DCP contract and payment records for the prior contract period.

CCC-510, Direct and Counter-Cyclical (DCP) Cash Rent Certification Statement (Continued)

D Example of CCC-510

Following is an example of CCC-510.

This form is available electronically.

CCC-510
(05-10-07)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

DIRECT AND COUNTER-CYCLICAL (DCP)
CASH RENT CERTIFICATION STATEMENT

1. STATE NAME
2. COUNTY OFFICE NAME
3. CONTRACT PERIOD

NOTE: *The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Farm Security and Rural Investment Act of 2002, (Pub. L. 107-171). The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. ***RETURN THE COMPLETED FORM TO THE FSA COUNTY OFFICE.***

PART A - CASH RENT INFORMATION AND CERTIFICATION STATEMENT

4. Operator/Tenant (Lessee)
(Please Print):

5. Landowner/Landlord (Lessor)
(Please Print):

6. FSA Farm Number	7. Number of Acres Leased	8. Lease Commenced on	9. Lease Expires on

10. Terms of the Lease Agreement

I certify that I have a cash rent agreement, based on the definitions specified below, with the lessor identified above for the specified farm and that all information contained on this certification is true and correct. Further, I cash leased this farm in the previous fiscal year and I was designated to receive payment on CCC-509, Direct and Counter-Cyclical Program Contract, for that year. I understand that advance payments on this farm cannot be issued before July 1 of the contract period.

11. Signature of Lessee	12. Date *(MM-DD-YYYY)*

PART B - LEASE DEFINITIONS FOR DCP PROGRAM PURPOSES

The terms of the lease agreement between the lessee and the lessor determine whether the lease is considered as a share-rent or cash-rent arrangement for the purposes of participation in DCP. The following definitions are applicable.

Cash Lease - A lease will be considered to be a cash lease for DCP program purposes if the lease provides for only a guaranteed sum certain cash payment or a fixed quantity of the crop (for example, cash, pounds, or bushels per acre). A fixed or standing commodity payment is the payment a tenant provides a landlord for use of the land and the landlord's reduced risk in the crop, such as:

- a fixed amount of production, such as 10,000 bushels or pounds
- an amount of production per acre, such as 40 bushels or pounds per acre.

Share Lease - A lease will be considered a share lease for DCP program purposes if the lease contains provisions that stipulate the rental payment is based on the amount of crop produced, proceeds derived from the crop, and/or interest the producer would have had, if the crop had been produced. These types of leases may not result in the landowner actually receiving a percentage of the crop grown; however, if the rental payment is based on actual production or the value of the actual production after the crop is marketed, these leases meet the share lease definition.

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List of FAV's

The following crops are FAV's. The list may **not** be all inclusive.

acerola ("barbados cherry")	canary melon
antidesma	cantaloupes
apples	cardoon
apricots	casaba melon
aragula	cassava
aronia (chokeberry)	cherries
artichokes	* * *
asparagus	chinese bitter melon
atemoya ("custard apple")	chinese mustard
avocados	chicory
babaco papayas	chinese cabbage
bananas	chinese water chestnuts
beans (except soybeans, mung, adzuki, faba, and lupin)	chufes
beets (other than sugar)	citron
blackberries	citron melon
black-eyed peas	coffee
blueberries	collards
bok spare choy	cowpeas
boysenberries	crabapples
breadfruit	cranberries
broccoflower	cressie greens
broccolo-cavalo	crenshaw melons
broccoli	cucumbers
brussel sprouts	currants
cabbage	cushaw
cailang	daikon
caimito	dasheen
calabaza	dates
carambola ("star fruit")	dry edible beans
calaboose	dunga
carob	eggplant
carrots	elderberries elut
cascadeberries	endive
cauliflower	escarole
celeriac	etou
celery	feijoas
chayote	figs
cherimoyas ("sugar apples")	

List of FAV's (Continued)

gai lien	mongosteen
gailon	moqua
galanga	mulberries
genip	murcotts
gooseberries	mushrooms
grapefruit	mustard greens
grapes	nectarines
guambana	nuts (except peanuts)
guavas	ny yu
guy choy	okra
honeydew melon	olallieberries
huckleberries	olives
jackfruit	onions
jerusalem artichokes	opo
jicama	oranges
jojoba	papaya
kale	paprika
kenya	parsnip
kiwifruit	passion fruits
kohlrabi	peaches
kumquats	pears
leeks	peas
lemons	all peppers
lettuce	persimmon
limequats	persian melon
limes	pimentos
lobok	pineapple
loganberries	pistachios
longon	plantain
loquats	plumcots
lotus root	plums
lychee ("litchi")	pomegranates
mandarins	potatoes
mangos	prunes
marionberries	pummelo
mar bub	pumpkins
melongene	quinces
mesple	radiochio
mizuna	radishes

List of FAV's (Continued)

raisins	swiss chard
raisins (distilling)	sweet corn
rambutan	sweet potatoes
rape greens	tangelos
rapini	tangerines
raspberries	tangos
recao	tangors
rhubarb	taniers
rutabaga	taro root
santa claus melon	tau chai
salsify	tindora
saodilla	tomatillos
sapote	tomatoes
savory	turnip greens
scallions	turnips
shallots	watercress
shiso	watermelons
spinach	white sapote
squash	yams
strawberries	yu choy
suk gat	