

FSA
HANDBOOK

Direct and Counter-Cyclical Program

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For State and County Offices

SHORT REFERENCE

1-DCP

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**

Amendment 42

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 5 C has been amended to indicate Base Acreage and Yield Adjustment Report shall now be printed according to 3-CM.

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Part 1 Basic Information**1 Handbook Coverage****A Handbook Purpose**

--This handbook provides instructions for implementing DCP and HWWIP authorized by-- the Farm Security and Rural Investment Act of 2002. Included in this handbook are instructions relating to the following:

- calculating bases and yields for contract commodities
- the owner's 1-time election of base and yield options
- enrolling farms in an annual contract
- peanut DCP for 2002
- eligibility and compliance rules for participating in DCP
- automation procedure
- *--HWWIP.

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
- 61-FI for handling prompt payment interest penalties
- 62-FI for reporting data to IRS
- 63-FI for assignments
- 2-IC for DD review responsibilities
- 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.

C Sources of Authority

Title I of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) provides *--authority for DCP and HWWIP. The regulations for:

- DCP are published in the FR at 7 CFR Part 1412
- HWWIP are published at 7 CFR Part 1413.--*

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.

***--E HWWIP Purpose**

HWWIP provides an incentive for producers to plant hard white wheat of winter and spring varieties, which would subsequently increase production for both domestic and export markets.--*

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 and HWWIP provisions according to-- subparagraph 6 C.

D Equitable Relief Authority

The Farm Security and Rural Investment Act of 2002 provides authority for relief if a participant is determined not in compliance with the requirements of a covered program and, therefore, ineligible for a loan, payment, or other benefit under the covered program.

SED's are provided equitable relief authority according to 7-CP.

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 and CCC-490's disapproved by COC
- provide SED with a written report of all reviews.

C Preparing 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 provides base acreage and payment yield adjustments made on farms during the date range selected for which the Base Acreage and Yield & Adjustment 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 this table.

Step	Action
1	Review all adjustments not included in the previous review.
2	Verify the following: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • recognized • alleviated.
6	Considering the type of adjustment, verify that adjustments were made in a timely manner.
7	Ensure that: <ul style="list-style-type: none"> • all errors are corrected • procedure is uniformly interpreted.

E When to Review Adjustments

DD’s shall review current year base acreage and yield adjustments as often as possible but no less than twice each FY for each County Office.

- The first review shall be completed at least 2 weeks before November 30 of each FY.
- The second review shall be completed at least 2 weeks before August 1 of each FY.
- Additional reviews may be made as determined necessary by DD or STC.--*

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.--

C Providing Information

COC shall ensure that producers receive complete and accurate program information about DCP and HWWIP 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 at least twice during each FY, 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
- 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 CCC-502, AD-1026, CCC-526, and any other applicable forms for DCP peanut buyout purposes
- 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.

6 COC Responsibilities (Continued)

D Appeals

COC shall:

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

E CCC-509 Review

Beginning in 2003, 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.

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, through DD, incomplete or incorrect procedures in this handbook.

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 CCC-502, AD-1026, and CCC-526
- Producer Payment Selection Reports are processed, as often as necessary, to ensure that payments are issued timely and according to producer requests.

Note: As allowed by time and resources, it is suggested that County Offices attempt to contact applicable producers several days in advance of critical deadlines by using second reminder letters and/or telephone contacts. Document those contacts or attempted contacts.

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.

8 Program Technician Responsibilities

A Responsibility

County Office Program Technicians shall follow the provisions in this handbook.

B Reporting to CED

County Offices 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
- 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 for FY’s 2003 through 2007. For 2002 Peanut DCP information, see Part 4.

B Base Acres

Farm owners have several options to determine base acreage for direct and counter-cyclical payment calculations.

The term “base acres”, with respect to a covered commodity on a farm, means the number of acres of the crop established by the election of the owner or owners.

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.

9 Basic Program Information (Continued)

C Summary of Base and Yield Options

The following is a summary of base and yield options available to owners.

Base Election	Yield Options			
	Direct		Counter-Cyclical	
	PFC Crops	Oilseeds	PFC Crops	Oilseeds
Option 1 PFC	PFC Yield	1998-2001	PFC Yield	Direct Yield
Option 2, 3, or 5 PFC + Oilseeds		Average yield for FSN, factored to a historical yield.		
Option 4 1998-2001 Average Planting (and Prevented Planting)	PFC Yield	1998-2001 Average yield for FSN, factored to a historical yield.	Use 1 method for all crops on FSN: <ul style="list-style-type: none"> • Direct Payment Yield • 70.0% Partial Update Method (1998-2001 Average Yield) • 93.5% Partial Update Method (1998-2001 Average Yield) 	

D Failure of Owner to Make Election

If an owner fails to make an election, or all owners do not agree to the election, during the authorized time period, the bases will be the following:

- the contract acreage used to calculate the FY 2002 PFC payment for covered commodities on the farm
- the 4-year average of eligible oilseed acreage on the farm for the 1998 through 2001 crop years, if applicable.

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 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 50 percent advance of the direct payment amount, beginning on December 1 of the contract year for the 2003 through 2007 crop years. Final direct payments will be made on or after October 1 following the contract period.

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

- 35 percent of the projected payment rate to be paid on or after October 1 following the contract period
- 70 percent of the revised projected payment rate, minus any counter-cyclical payment already issued for the covered commodity, to be paid after February 1 following the contract period
- the final payment is the difference between the actual calculated 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 each 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.

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 lentils, mung beans, and dry peas) 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 393 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 fiscal year for a farm shall result in terminating the contract for the fiscal year, unless the producer(s) succeeding to the acreage enter into a contract for the farm and agree to assume all obligations of the contract.--*

12 Eligible Producers

A Background

The Farm Security and Rural Investment Act of 2002 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 393.--*

13 General DCP Signature Requirements

A Common Management Provisions

Signatures shall be accepted according to 1-CM.

B Undivided Ownership Interests

Various references in this handbook require the signatures of all owners on a farm or tract. In the case of undivided ownership interests, the owner signature requirements shall be considered met for DCP purposes, including CCC-509, CCC-515, CCC-517, and CCC-522, when signatures are obtained from owners with a majority interest.

Exception: DCP **payments** may be issued only to producers who sign CCC-509. See subparagraph 390 A.

14 HWWIP

A HWWIP Requirements

Refer to Part 11 for provisions specific to HWWIP.

15 Terminating Contracts**A Terminating CCC-509 Before September 30**

On or before September 30 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 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 After September 30

The contract period for CCC-509's is from October 1 through September 30 of the applicable FY represented by CCC-509. CCC-509 may not be withdrawn or terminated after the end of the contract period.

Producers shall not terminate or withdraw CCC-509 after September 30 of the year covered by CCC-509.

Note: See subparagraph D for an example.

***--15 Terminating Contracts (Continued)**

C Example 1

Situation

Mike Jones signs CCC-509 on January 2, 2004, for the 2004 crop year. Mr. Jones:

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

On February 4, 2004, Mr. Jones:

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

COC determines that Mr. Jones:

- is not in violation of any of the terms and conditions of CCC-509 at the time the request to terminate is made
- requested to terminate CCC-509 during the contract period.

Result

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

***--15 Terminating Contracts (Continued)**

D Example 2

Situation

Jane Brown and Joe Green sign CCC-509 on January 2, 2004, for the 2004 crop year.

Mrs. Brown and Mr. Green:

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

On October 12, 2004, 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 September 30, 2004.

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

--15 Terminating Contracts (Continued)*E Example 3****Situation**

Jan Smith signs CCC-509 on January 2, 2004, for the 2004 crop year. Mrs. Smith:

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

On May 5, 2004, 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 the FAV's before harvest and takes applicable steps through the County Office.

On June 1, 2004, 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 is 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 June 1, 2004.

Result

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

***--15 Terminating Contracts (Continued)**

F Example 4

Situation

Jay Black signs CCC-509 on January 2, 2004, for the 2004 crop year. Mr. Black:

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

On May 5, 2004, 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 June 1, 2004, Mr. Black harvests the 100 acres of green beans.

On June 8, 2004, Mr. Black requests in writing to terminate CCC-509.

Result

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

16-50 (Reserved)

Part 2 Bases

51 Acreage History

A Using Acreage History

Acreage history for a crop is used in determining:

- oilseed bases
- all covered commodities when the owner elects to update all bases for the farm.

B Determining Acreage History

The acreage history of covered commodities on a farm is determined by using the following:

- acreage planted to the commodity on the farm for harvest, grazing, haying, silage, or other similar purposes for the 1998 through 2001 crop years
- any acreage, documented to COC's satisfaction, on the farm that producers were prevented from planting to the covered commodity during 1998 through 2001.

Note: If acreage that was planted or was prevented from being planted to a covered commodity was devoted to another covered commodity in the same crop year (other than a covered commodity produced under an established practice of double-cropping), the owner must elect the commodity to be used for that crop year, but **may not** include both the initial commodity and the subsequent commodity.

The Summary Acreage History Report provides the farm's planting history for all covered commodities for 1998 through 2001.

C Reconstituted Farms

Acreage history is determined for the farm as it is constituted for 2002. If a 2002 farm is a resulting farm of a 1998 through 2002 reconstitution, acreage history is based on the planted and prevented planted acreage of covered commodities on the land comprising the 2002 farm.

52 Late-Filed Acreage Reports

A Late-Filed Acreage Reports for History Purposes Only

Late-filed acreage reports for acreage history purposes **only** will be accepted when the producer provides acceptable evidence of the existence and disposition of the crop according to the following table. Late-filed reports accepted according to this paragraph shall **not** be used to document disposition of the crop for DCP yield purposes according to Part 3.

Note: There will be no charge for the late-filed acreage reports. Refer to 3-DAP, paragraph 35 for further information.

IF the evidence is to prove...	THEN COC may accept nonphysical evidence, such as...
existence of the crop	<ul style="list-style-type: none"> • seed receipts showing the amount, variety, and date purchased • receipts for cleaning, treating, etc., for the seed planted • documentation obtained and certified by another Government agency indicating the acreage, location, and crop year • written contract or documentation of an oral contract to produce a specific crop • aerial slides, if a positive determination can be made of the crop’s identity and boundaries.
disposition of the crop for acreage history purposes	<ul style="list-style-type: none"> • receipts, ledger sheets, diary, log book, or similar producer records showing the number of units sold • a written contract or documentation of an oral contract to produce a specific crop • if unharvested, producer must provide a statement that shall include final use, date of destruction, method of destruction, and any supporting farm records • records showing the crop was fed to livestock • positive documentation of payment for custom harvesting, indicating acreage, location, and crop year.

Note: Third party verification may be used to document either the existence or disposition of the crop, not both.

Example: A producer may document the:

- existence of the crop with a written certification from the Extension Agent (third party verification)
- disposition through a ledger sheet accounting for sale of the crop.

52 Late-Filed Acreage Reports (Continued)**B Who May File FSA-578**

County Offices shall accept FSA-578 certification from 1 of the following:

- 2002 farm operator
- farm owner
- person authorized by power of attorney
- 2002 tenants and share croppers, but only for crop acreage for which the person has a share.

53 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

Note: See paragraph 54 for establishing base acreage for a farm.

- *--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.

54 Base Election

A Election by Owner of Base Acres

Owners of a farm have until April 1, 2003, to make an election of the base acreage by selecting 1 of the following options.

- **Option 1.** Retain 2002 PFC acreage.
- **Option 2.** Retain 2002 PFC acreage, and add oilseed acreage **without** PFC offset. The ***--eligible oilseed acreage for each crop year** from 1998 through 2001 is the total planted and prevented planted acres of covered commodities on the farm for the applicable crop year, minus the 2002 PFC acres.

Note: If this calculation results in a negative number, the eligible oilseed acreage for that crop year shall be **0.0** acres.

The eligible oilseed acreage for a **farm** is the 4-year average of the eligible acreage for each crop year, as determined above, except that eligible oilseeds may not exceed the 4-year average of the total planted and prevented planted oilseed acres.--*

- **Option 3.** Retain 2002 PFC acreage, and add oilseed acreage **with maximum** PFC offset. The oilseed acreage is the 4-year average acreage of each oilseed planted and/or prevented planted on the farm from 1998 through 2001.
- **Option 4.** The farm's base will be the average of the acreage, from 1998 through 2001, of each covered commodity planted and/or prevented planted on the farm. This is the only option available to all farms having acreage history.

Note: The average acreage of each covered commodity is based upon a 4-year average from 1998 through 2001, regardless of the number of years the commodity has planting history.

- **Option 5.** Retain 2002 PFC acreage, and add oilseed bases with PFC offset between minimum (Option 2) and maximum (Option 3).

54 Base Election (Continued)

B Election Applies to All Commodities

Owners of a farm shall elect **1** option for **all** commodities on the farm.

Note: It is **not** permissible for:

- owners to elect 1 option for certain commodities and another option for other commodities on the same farm
- 1 owner to elect a base option and other owners to elect a different base option on the same farm.

55 Base Option Examples

A Option 1

Example 1: Owner A elects 2002 PFC acres (Option 1). The farm has no oilseed planting history.

Planted Acres	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Corn	40.0	50.0	40.0	50.0	45.0	50.0	50.0
Cotton	110.0	100.0	110.0	100.0	105.0	150.0	150.0
Grain Sorghum	20.0	30.0	20.0	30.0	25.0		
Total					175.0	200.0	200.0
Effective DCP Cropland							215.0

In this scenario, the owners' options were as follows.

- **Option 1:** Corn 50; Cotton 150
- **Option 2:** Not Applicable
- **Option 3:** Not Applicable
- **Option 4:** Corn 45; Cotton 105; Grain Sorghum 25
- **Option 5:** Not Applicable

55 Base Option Examples (Continued)

B Option 2

***--Example 1:** Owner A elects 2002 PFC acreage (50.0 corn, 150.0 cotton), plus oilseeds without PFC offset (Option 2). The total oilseed bases cannot exceed 5.0 acres without PFC offset. Owner A elects 0 acres of sunflowers and 5.0 acres of soybeans.

Planted Acres	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Corn	40.0	50.0	40.0	50.0	45.0	50.0	50.0
Cotton	110.0	100.0	110.0	100.0	105.0	150.0	150.0
Grain Sorghum	10.0	30.0	10.0	30.0	20.0		
Soybeans	10.0	20.0	10.0	20.0	15.0		5.0
Sunflowers	20.0	10.0	20.0	10.0	15.0		
Total Oilseeds	N/A	N/A	N/A	N/A	30.0		
Covered Commodities	190.0	210.0	190.0	210.0	N/A		
2002 PFC	200.0	200.0	200.0	200.0			
Covered Commodities Minus PFC	(-10.0) 0.0	10.0	(-10.0) 0.0	10.0	5.0		
Eligible Oilseeds	N/A	N/A	N/A	N/A	5.0 *		
Effective DCP Cropland							215.0

Notes: The total eligible oilseeds acreage is the **smaller of** the 4-year average of:

- covered commodities planted and prevented, minus 2002 PFC [5.0]
- oilseeds planted and prevented [30.0].

The base for each specific oilseed cannot exceed the 4-year average planted and prevented for that oilseed.--*

55 Base Option Examples (Continued)

B Option 2 (Continued)

In this scenario, the owners' options were as follows.

- **Option 1:** Corn 50.0; Cotton 150.0
- **Option 2:** Corn 50.0; Cotton 150.0; Total Oilseeds 5.0 (soybeans, sunflowers, or a combination)
- **Option 3:** Total Oilseeds 30.0 (soybeans 15.0, sunflowers 15.0); and the owner must reduce a total of 25.0 acres from the 50.0-acre corn base and/or the 150.0-acre cotton base
- **Option 4:** Corn 45.0; Cotton 105.0; Grain Sorghum 20.0; Soybeans 15.0; Sunflowers 15.0
- **Option 5:** The range for **total** oilseeds is from 5.1 acres to 29.9 acres, with a maximum soybean acreage of 15.0 and a maximum sunflower acreage of 15.0. For each oilseed acre in excess of 5.0, the owner shall reduce the 50.0-acre corn base and/or the 150.0-acre cotton base acre-for-acre.

55 Base Option Examples (Continued)

B Option 2 (Continued)

***--Example 2:** Owner A elects 2002 PFC base acreage (50.0 corn, 150.0 cotton), plus oilseeds without PFC offset (Option 2). The total oilseed bases cannot exceed 12.5 acres without PFC offset. Owner A elects 5.0 acres of soybeans and 7.5 acres of sunflowers.

Planted Acres	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Corn	40.0	50.0	40.0	50.0	45.0	50.0	50.0
Cotton	110.0	100.0	110.0	100.0	105.0	150.0	150.0
Grain Sorghum	20.0	30.0	20.0	30.0	25.0		
Soybeans	5.0	5.0	5.0	5.0	5.0		5.0
Sunflowers	35.0	30.0	35.0	30.0	32.5		7.5
Total Oilseeds	N/A	N/A	N/A	N/A	37.5		
Covered Commodities	210.0	215.0	210.0	215.0	N/A		
2002 PFC	200.0	200.0	200.0	200.0			
Covered Commodities Minus PFC	10.0	15.0	10.0	15.0	12.5		
Eligible Oilseeds	N/A	N/A	N/A	N/A	12.5 *		
Effective DCP Cropland							215.0

Notes: The total eligible oilseeds acreage is the **smaller of** the 4-year average of:

- covered commodities planted and prevented, minus 2002 PFC [12.5]
- oilseeds planted and prevented [37.5].

The base for each specific oilseed cannot exceed the 4-year average planted and prevented for that oilseed.--*

55 Base Option Examples (Continued)**B Option 2 (Continued)**

In this scenario, the owners' options were as follows.

- **Option 1:** Corn 50.0; Cotton 150.0
- **Option 2:** Corn 50.0; Cotton 150.0; Total Oilseeds 12.5 (maximum soybeans 5.0, maximum sunflowers 12.5)
- **Option 3:** Total Oilseeds 37.5 (soybeans 5.0, sunflowers 32.5); and the owner shall reduce a total of 25.0 acres from the 50.0-acre corn base and/or the 150.0-acre cotton base
- **Option 4:** Corn 45.0; Cotton 105.0; Grain Sorghum 25.0; Soybeans 5.0; Sunflowers 32.5
- **Option 5:** The range for **total** oilseeds is from 12.6 acres to 37.4 acres, with a maximum soybean acreage of 5.0 and a maximum sunflower acreage of 32.5. For each oilseed acre in excess of 12.5, the owner shall reduce the 50.0-acre corn base and/or the 150.0-acre cotton base acre-for-acre.

55 Base Option Examples (Continued)

B Option 2 (Continued)

***--Example 3:** Owner A elects 2002 PFC acreage (120.0 corn, 15.0 barley), plus oilseeds without PFC offset (**Option 2**). The total oilseed bases cannot exceed 65.0 acres without PFC offset in this example. Owner A elects 65.0 acres of soybeans and 0.0 acres of canola.

Planted Acres (and Prevented)	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Corn	200.0	0.0	200.0	0.0	100.0	120.0	120.0
Barley	0.0	0.0	0.0	0.0	0.0	15.0	15.0
Alfalfa	15.0	15.0	15.0	15.0	N/A		
Soybeans	0.0	200.0	0.0	160.0	90.0		65.0
Canola	0.0	0.0	0.0	40.0	10.0		0.0
Total Oilseeds	N/A	N/A	N/A	N/A	100.0		
Covered Commodities	200.0	200.0	200.0	200.0	N/A		
2002 PFC	135.0	135.0	135.0	135.0			
Covered Commodities Minus PFC	65.0	65.0	65.0	65.0	65.0		
Eligible Oilseeds	N/A	N/A	N/A	N/A	65.0 *		
Effective DCP Cropland							215.0

Notes: The total eligible oilseeds acreage is the **smaller of** the 4-year average of:

- covered commodities planted and prevented, minus 2002 PFC [65.0]
- oilseeds planted and prevented [100.0].

The base for each specific oilseed cannot exceed the 4-year average planted and prevented for that oilseed.--*

55 Base Option Examples (Continued)**B Option 2 (Continued)**

*--In this scenario, the owners' options were as follows:

- **Option 1:** Corn 120.0; Barley 15.0
- **Option 2:** Corn 120.0; Barley 15.0; Total Oilseeds 65.0 (soybeans, canola, or a combination; maximum soybeans 65.0; maximum canola 10.0)
- **Option 3:** Total Oilseeds 100.0 (90.0 soybeans and 10.0 canola) and the owner must reduce a total of 35.0 acres from the 15.0-acre barley base and/or the 120.0-acre corn base
- **Option 4:** Corn 100.0; Soybeans 90.0; Canola 10.0
- **Option 5:** The range for **total** oilseeds is from 65.1 acres to 99.9 acres, with a maximum soybean acreage of 90.0 and a maximum canola acreage of 10.0. For acreage in excess of 65.0, the owner shall reduce the excess acreage from the 15.0-acre barley base and/or the 120.0-acre corn base.--*

55 Base Option Examples (Continued)

C Option 3

Example 1: Owner A elects 2002 PFC acreage, plus maximum oilseeds that require PFC offset (Option 3). The oilseed base may not exceed 15.0 acres of soybeans and 15.0 acres of sunflowers. Owner A elects to maximize the oilseed base that requires PFC offset. In this case, the owner elects to offset 25.0 acres of oats.

Planted Acres	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Oats	40.0	50.0	40.0	50.0	45.0	50.0	25.0
Cotton	110.0	100.0	110.0	100.0	105.0	150.0	150.0
Grain Sorghum	20.0	30.0	20.0	30.0	25.0		
Soybeans	10.0	20.0	10.0	20.0	15.0		15.0
Sunflowers	20.0	10.0	20.0	10.0	15.0		15.0
Total					205.0	200.0	205.0
Total Oilseed Planted	30.0	30.0	30.0	30.0	30.0		
Total Acreage Planted	200.0	210.0	200.0	210.0			
PFC Acres	200.0	200.0	200.0	200.0			
Planted Acres Minus PFC Acres	0.0	10.0	0.0	10.0			
Oilseed Acres	0.0	10.0	0.0	10.0	5.0		
Effective DCP Cropland							215.0

55 Base Option Examples (Continued)

C Option 3 (Continued)

In this scenario, the owners' options were as follows.

- **Option 1:** Oats 50.0; Cotton 150.0
- **Option 2:** Oats 50.0; Cotton 150.0; Total Oilseeds 5.0 (soybeans, sunflowers, or a combination)
- **Option 3:** Total Oilseeds 30.0 (soybeans 15.0, sunflowers 15.0); and the owner shall reduce a total of 25.0 acres from the 50.0-acre oats base and/or the 150.0-acre cotton base
- **Option 4:** Oats 45.0; Cotton 105.0; Grain Sorghum 25.0; Soybeans 15.0; Sunflowers 15.0
- **Option 5:** The range for **total** oilseeds is from 5.1 acres to 29.9 acres, with a maximum soybean acreage of 15.0 and a maximum sunflower acreage of 15.0. For each oilseed acre in excess of 5.0, the owner shall reduce the 50.0-acre oats base and/or the 150.0-acre cotton base acre-for-acre.

55 Base Option Examples (Continued)

D Option 4

Example 1: All owners on the farm elect the average 1998 through 2001 acreage history for all bases on the farm (Option 4).

Planted Acres	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Corn	10.0	10.0	10.0	10.0	10.0	30.0	10.0
Cotton	150.0	140.0	150.0	140.0	145.0	150.0	145.0
Grain Sorghum	20.0	30.0	20.0	30.0	25.0		25.0
Soybeans	10.0	20.0	10.0	20.0	15.0		15.0
Sunflowers	20.0	10.0	20.0	10.0	15.0		15.0
Total					210.0	180.0	210.0
Effective DCP Cropland							215.0

In this scenario, the owners' options were as follows.

- **Option 1:** Corn 30.0; Cotton 150.0
- **Option 2:** Corn 30.0; Cotton 150.0; Soybeans 15.0; Sunflowers 15.0
- **Option 3:** Not Applicable
- **Option 4:** Corn 10.0; Cotton 145.0; Grain Sorghum 25.0; Soybeans 15.0; Sunflowers 15.0
- **Option 5:** Not Applicable

55 Base Option Examples (Continued)

D Option 4 (Continued)

Example 2: All owners on the farm elect the average 1998 through 2001 acreage history for all bases on the farm (Option 4). FSN 123 consists of Owner A and Owner B. The farm has a double-cropping history of wheat and soybeans. The eligible double-cropping acreage is 20.0 acres. The total DCP base exceeds the effective DCP cropland plus double-cropping acreage by 2.5 acres. Both owners agree to reduce the sunflower DCP base by 2.5 acres.

Planted Acres	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Wheat	20.0	30.0	30.0	40.0	30.0	30.0	30.0
Cotton	150.0	140.0	150.0	140.0	145.0	150.0	145.0
Grain Sorghum	10.0	10.0	0.0	0.0	5.0		5.0
Soybeans	30.0	50.0	50.0	40.0	42.5		42.5
Sunflowers	20.0	10.0	20.0	10.0	15.0		12.5
Total					237.5	180.0	235.0
Effective DCP Cropland							215.0
Double Crop Acreage							20.0
Total Effective DCP Cropland and Double Crop Acreage							235.0

Note: The DCP base shall not exceed the effective DCP cropland by more than the eligible average double-cropping acreage for the farm. The owners shall elect which bases to reduce.

55 Base Option Examples (Continued)**D Option 4 (Continued)**

In this scenario, the owners' options were as follows.

- **Option 1:** Wheat 30.0; Cotton 150.0
- **Option 2:** Wheat 30.0; Cotton 150.0; Soybeans 42.5; Sunflowers 15.0; and the owner shall reduce a total of 2.5 acres from any base or combination of bases
- **Option 3:** Not Applicable because there is no oilseed acreage available for offset
- **Option 4:** Wheat 30.0; Cotton 145.0; Grain Sorghum 5.0; Soybeans 42.5; Sunflowers 15.0; and the owner shall reduce a total of 2.5 acres from any base or combination of bases
- **Option 5:** Not Applicable because there is no oilseed acreage available for offset

55 Base Option Examples (Continued)

E Option 5

Example 1: Owner A elects 2002 PFC acreage, plus oilseeds with partial PFC offset (Option 5). The oilseeds base may not exceed 15.0 acres of soybeans and 15.0 acres of sunflowers (30.0 acres total oilseed base), which would require a PFC offset of 25.0 acres. In this example, the owner elects to offset only 20.0 acres to replace the oats PFC acreage with oilseeds. Although the owner may have offset an additional 5.0 acres of PFC, the owner chose not to replace any of the cotton PFC with oilseeds.

Planted Acres	1998	1999	2000	2001	1998-2001 4-Year Average	2002 PFC	DCP Base
Oats	40.0	50.0	40.0	50.0	45.0	20.0	0 20.0
Cotton	110.0	100.0	110.0	100.0	105.0	180.0	180.0
Grain Sorghum	20.0	30.0	20.0	30.0	25.0		
Soybeans	10.0	20.0	10.0	20.0	15.0		15.0
Sunflowers	20.0	10.0	20.0	10.0	15.0		10.0
Total					205.0	200.0	205.0
Total Oilseed Planted	30.0	30.0	30.0	30.0	30.0		
Total Acreage Planted	200.0	210.0	200.0	210.0			
PFC Acres	200.0	200.0	200.0	200.0			
Planted Acres Minus PFC Acres	0.0	10.0	0.0	10.0			
Oilseed Acres	0.0	10.0	0.0	10.0	5.0		
Effective DCP Cropland							215.0

55 Base Option Examples (Continued)**E Option 5 (Continued)**

In this scenario, the owners' options were as follows.

- **Option 1:** Oats 20.0; Cotton 180.0
- **Option 2:** Oats 20.0; Cotton 180.0; Total Oilseeds 5.0 (soybeans, sunflowers, or a combination)
- **Option 3:** Total Oilseeds 30.0 (soybeans 15.0, sunflowers 15.0); and the owner must reduce a total of 25.0 acres from the 20.0-acre oats base and/or the 180.0-acre cotton base
- **Option 4:** Oats 45.0; Cotton 105.0; Grain Sorghum 25.0; Soybeans 15.0; Sunflowers 15.0
- **Option 5:** The range for **total** oilseeds is from 5.1 acres to 29.9 acres, with a maximum soybean acreage of 15.0 and a maximum sunflower acreage of 15.0. For each oilseed acre in excess of 5.0, the owner shall reduce the 20.0-acre oats base and/or the 180.0-acre cotton base acre-for-acre.

56-64 (Reserved)

65 Base Acreage Limitations and Reductions

A DCP Base Limitation With Base Election

Base calculations under any option may result in the total base acreage exceeding effective DCP cropland plus average double-cropping on the farm. In this situation, the owners of a farm shall reduce the calculated base acres on 1 or more commodities, at their discretion, down to the effective DCP cropland plus average double-cropping.

Note: CCC-505 is **not** required to reduce base acres when total base acres exceed effective DCP cropping; however, the reduction is considered to be voluntary and permanent.

B DCP Base Reduction After Base Election Deadline

After the base election deadline, April 1, 2003, 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 the majority 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.--

***--65 Base Acreage Limitations and Reductions (Continued)**

B DCP Base Reduction After Base Election Deadline (Continued)

- 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 on or after May 13, 2002, may be restored to the farm if CRP contract is voluntarily terminated on or before September 30, 2007.

- 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.--*

66 Completing CCC-505

A Instructions

To request a voluntary permanent reduction of DCP base acreage, complete CCC-505 according to this table.

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	<p>IF CCC-505 is...</p> <p>being prepared as a prerequisite for participation in CRP *--or GRP</p>	<p>THEN enter program year...</p> <ul style="list-style-type: none"> • for CRP, equal to the effective date of CRP-1 <p>Note: The program year on CCC-505 shall equal FY CRP-1 becomes effective.</p> <p>Example: Producer completes and signs CCC-505 during CRP signup 26. If the CRP offer is accepted:</p> <ul style="list-style-type: none"> • CRP-1 will be effective October 1, 2003 • DCP base acre reduction is effective October 1, 2003 • CCC-505 program year is 2004. <ul style="list-style-type: none"> • for land enrolled in GRP under: <ul style="list-style-type: none"> • rental agreement, equal to date CCC-920 is approved by COC • easement, equal to date GRP easement is filed.
	<p>completed for reasons other than CRP or GRP--* participation</p>	<p>equal to FY CCC-505 is approved by COC.</p>
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.	
	<p>Important: The tract level yield may be different than the farm level yield for the commodity.</p>	
8	Enter the tract level counter-cyclical yield for the commodity entered in item 6.	
	<p>Important: The tract level yield may be different than the farm level yield for the commodity.</p>	
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).	

66 Completing CCC-505 (Continued)

A Instructions (Continued)

Item	Instruction
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.
15 B - D	All owners shall sign and date. Exception: All owners are not required to sign, provided owners having an undivided interest who collectively have more than a 50 percent ownership interest in the farm sign and date CCC-505.
16	*--If DCP base acres are being reduced because of enrollment into: <ul style="list-style-type: none"> • CRP on or after May 13, 2002, and before October 1, 2007, enter CRP-1 number and CRP-1 effective date • GRP, enter: <ul style="list-style-type: none"> • 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. <p>Important: File copy of CCC-505 in DCP folder and CRP or GRP folder, as applicable.--*</p>
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.

B Processing CCC-505

Process CCC-505 according to this table.

Step	Action
1	Ensure that all DCP base acreages and reductions are listed.
2	Ensure that all applicable owner signatures are present and properly executed.
3	If all applicable owners do not sign CCC-505, COC shall: <ul style="list-style-type: none"> • 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. <p>If all applicable signatures are obtained, COC or designee may approve CCC-505; however, approval is not necessary.</p>
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		1. STATE AND COUNTY CODE 21 61	2. FARM NO. 3021	3. PROGRAM YEAR 2006	
VOLUNTARY PERMANENT DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP) BASE ACRES REDUCTION				4. REASON FOR REDUCTION OF DCP BASE ACRES			
				<input checked="" type="checkbox"/> CRP Enrollment <input type="checkbox"/> 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.							
<small>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.</small>							
PART A - REQUEST							
<i>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>							
<i>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.</i>							
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 <small>(Column 9 MINUS Column 10)</small>	
1	Corn	100	101	100 -	25 =	75	
1	Wheat	50	55	50 -	10 =	40	
2	Wheat	60	55	20 -	20 =	0	
					-	=	
12. Total DCP Base Acres to be Reduced (Total of Column 10)					55		
13. Total DCP Base Acres on Farm Before Reduction			500	14. Total DCP Base Acres on Farm After Reduction (Item 13 minus Item 12)			445
15A. REQUESTOR'S SIGNATURE <i>/s/ Mike Jones</i>		DATE (MM-DD-YYYY) 07-12-200X		15B. OWNER'S SIGNATURE		DATE (MM-DD-YYYY)	
15C. OWNER'S SIGNATURE		DATE (MM-DD-YYYY)		15D. OWNER'S SIGNATURE		DATE (MM-DD-YYYY)	
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). Bases reduced because of cropland enrollment into CRP on CRP-1 #221 effective October 1, 2005.							
PART B - APPROVAL (COUNTY OFFICE USE ONLY)							
17. REDUCTION IS: APPROVED <input checked="" type="checkbox"/> DISAPPROVED <input type="checkbox"/>				19. COUNTY FSA OFFICE NAME AND ADDRESS (Including Zip Code) Blake County FSA Office 213 Pike Avenue Anyplace, MD 20000 TELEPHONE NUMBER (Area Code): 333-222-2222			
18. COC'S SIGNATURE <i>/s/ Bob Foster</i>		DATE (MM-DD-YYYY) 07-24-200X					
<small>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.</small>							

--*

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 on or after May 13, 2002, and before October 1, 2007, producers may enroll the following acreage and applicable yields, previously enrolled under CRP-1 in 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 **May 13, 2002**, and **September 30, 2007**, is eligible to be enrolled in 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."

--The provisions of the 2002 Farm Bill extend through September 30, 2007. Pending additional legislation, there is no authority for using DCP base acres after September 30, 2007.--

B DCP Base Limitation

The total base acreage on a farm shall not exceed the DCP base limitation according to paragraph 53.

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.

--67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)*B DCP Base Limitation (Continued)**

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 the FY in which CRP-1 was voluntarily terminated:
 - direct and counter-cyclical payments
 - prorated 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 on or after May 13, 2002, and before October 1, 2007, may be made according to the following table, if all other eligibility requirements are met.

IF CRP-1...	THEN...	AND...
*--expires before FY 2007	eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage: <ul style="list-style-type: none"> • after CRP-1 expires • no later than June 1 of FY after FY in which CRP-1 expired 	be paid both of the following: <ul style="list-style-type: none"> • 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. <p>Note: All program eligibility requirements must be met before payments can be issued.</p>
expires on September 30, 2007	producers are not eligible for enrollment in DCP for FY 2007	
is voluntarily terminated before CRP-1 expiration date	eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage no later than June 1 of FY in which CRP-1 is voluntarily terminated	be paid either of the following but not both: <ul style="list-style-type: none"> • full DCP payments for FY in which acreage is enrolled in DCP • a prorated CRP payment for FY in which acreage was enrolled in CRP. <p>Note: All program eligibility requirements must be met before payments can be issued.</p>
	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: <ul style="list-style-type: none"> • a prorated CRP payment for FY in which acreage was enrolled in CRP • full DCP payments for FY in which acreage is enrolled in DCP. <p>Note: All program eligibility requirements must be met before payments can be issued.</p>

*--**Note:** Eligible acreage not enrolled by June 1 (August 3 of FY 2007) of FY may be enrolled after the enrollment deadline with the assessment of a \$100 late-filed fee, but not--* later than:

- September 29 for FY 2006
- September 28 for FY 2007.

--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, 2003. 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 March 1, 2006, 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

Note: CCC-509's with signatures that are obtained after June 1, but no later than September 30 of the FY, will be considered late-filed and will be assessed a late-filed signup fee of \$100.

- 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, 2003. 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 March 1, 2006, 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, 2003. 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 October 11, 2004, 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 March 1, 2006, Joe Brown voluntarily terminates his CRP-1. Joe Brown will use 7.0 acres to build a house, out buildings, and a tennis court, and 3.0 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 3.0 wheat base acres are available for enrollment into DCP
- increase the DCP base acres on FSN 989 to 3.0 if the producer enrolls the base acres by June 1 of the applicable FY

Note: CCC-509's with signatures that are obtained after June 1, but no later than September 30 of the FY, will be considered late-filed and will be assessed a late-filed signup fee of \$100.

- notate the 3.0 base acre reduction in the remarks section of CCC-505.--*

***--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 Yields**Section 1 Establishing Direct and Counter-Cyclical Payment Yields****100 General Yield Information**

A**Overview**

Section 1102 of the Farm Security and Rural Investment Act of 2002 requires establishing direct and counter-cyclical payment yields for the 2002 through 2007 program period for each covered commodity.

Each covered commodity having base acres established must have a direct and counter-cyclical payment yield established. Direct and counter-cyclical yields will be the same yield for each crop unless both the following elections are made by the farm owner:

- all bases are updated based on 1998 through 2001 acreage history
 - counter-cyclical payment yields are partially updated for all crops.
-

101 Calculated Yields

A**Applicable Crops**

Average yields must be calculated for all:

- oilseeds to determine both direct and counter-cyclical payment yields
 - covered commodities when a counter-cyclical partial yield update is elected by the owners.
-

Continued on the next page

101 Calculated Yields (Continued)

B**Average Farm Yield**

The average yield is a weighted average yield for a crop from the years 1998 through 2001. The yield is calculated by dividing:

- *--total net production on FSA-658P from 1998 through 2001, attributable to--* the farm as it is constituted for 2002, by
 - the total planted acres of the crop from 1998 through 2001, attributable to the farm as it is constituted for 2002.
-

C**Plugs and *--COC Assignments**

In arriving at the total production to be used in the weighted average yield calculation, certain substitutions (referred to as “plugs”) and/or COC--* assignments of production are allowed. Acceptable evidence for a crop for a year may exist in the following forms, either in whole or in combination:

- verifiable production evidence available in hard copy
- substitution of 75 percent of the NASS county average yield from 1998 through 2001 for the crop when actual production is less, or records are missing or unacceptable (plug)
- *--COC assignments of production in certain specific situations for crops harvested, or disposed of in a manner that makes the accumulation of production evidence difficult if not impossible

Note: See paragraphs 133 through 135.

- COC assignments of production for specific acreage, on which the current owners or producers of a farm were not a producer, and are unable to obtain records from the previous producer

Note: See subparagraph 102 C and paragraph 136.6.

- COC-assigned production for hybrid seed corn or sorghum.

Note: See paragraph 137.5.--*

102 Direct Payment Oilseed Yields

A
Oilseed Yields

The establishment of direct payment yields for soybeans and other oilseeds for a farm is required when an oilseed base is established.

The direct payment yield for a farm for soybeans and other oilseeds shall be equal to multiplying the following:

- 1998 through 2001 average yield for the oilseed
 - historic yield ratio for the oilseed.
-

B
1998 Through 2001 Average Yield

The farm average yield for an oilseed is the result of:

- total production from 1998 through 2001, divided by
- total planted acres from 1998 through 2001.

Note: Total production may reflect substitution of a minimum level of *--production for 1 or more years, according to paragraph 101. See subparagraph C for assigned production.

C
Assigned Production

COC may assign production, according to paragraph 136.6, for acreage on which the owner or current producer was not a producer on the specific acreage in 1 or more years from 1998 through 2001.

Note: COC authority is limited to the specific provisions in paragraph 136.6.--*

Continued on the next page

102 Direct Payment Oilseed Yields (Continued)

D
Oilseed
Historical Yield
Factor

Actual yields for oilseeds are adjusted to reflect oilseed yields during the 1980's to determine direct payment yields. This historical yield factor for soybeans and other oilseeds is calculated for each crop by dividing:

- the NASS national average yield from 1981 through 1985 for the crop, by
- the NASS national average yield from 1998 through 2001 for each crop.

For the purpose of computing the direct payment yield for soybeans and other oilseeds, the following factors have been determined.

NASS Yields			
Oilseed	1981 Through 1985	1998 Through 2001	Factor
Soybean	30.0 bu.	38.3 bu.	.78
Sunflowers	1,095 lbs.	1,365 lbs.	.80
Flax	13.2 bu.	20.4 bu.	.65
Other Oilseeds	1,043 lbs.	1,336 lbs.	.78

Continued on the next page

102 Direct Payment Oilseed Yields (Continued)

E

Soybean Example

The following example shows the direct payment yield calculation for soybeans. The county soybean 1998 through 2001 NASS average harvested yield is 36. The minimum yield is 27 (36 x 75 percent).

Year	Acres	Producer Records	Minimum Production (27 x acres)	Production	Calculated Yield	Factor	Direct Payment Yield
1998	83.0	Missing	2,241	2,241 <u>1/</u>			
1999	112.0	3,500	3,024	3,500			
2000	0	-----	-----	-----			
2001	75.0	2,000	2,025	2,025 <u>1/</u>			
Total	270.0			7,766	29	.78	23

1/ The minimum actual production (75 percent of 1998 NASS county average yield) was substituted for:

- 1998 because of missing records
- 2001 because of disaster.

103 Direct Payment Nonoilseed Yields

A Nonoilseed Direct Payment Yields

The yields used to determine direct payments under DCP for wheat, feed grains, cotton, and rice will be the same as the 2002 PFC payment yields for these crops.

For DCP payment purposes, owners may elect Option 4 to use the average planted and prevented planted acreage from 1998 through 2001 to update bases for covered commodities. A farm may have 1998 through 2001 acreage history for wheat, feed grains, cotton, and rice, but these crops may not have had a PFC yield.

A DCP direct payment yield must be established for these crops with missing yields. The DCP direct payment yield shall be based on PFC yields **before** yields are updated for counter-cyclical payment purposes.

Note: Amendment 1 provided that the 1996 farm program payment yield, if available, was to be used for direct payment yields for farms not enrolled in PFC. Amendment 3 provided that the 1996 farm program payment yields are not to be used. If direct payment yields were established equal to the 1996 farm payment yield before the receipt of Amendment 3, the yields may be used unless the owner requests that similar farms be used.

If a 2002 PFC payment yield is not present for a farm and crop, and the farm was:

- previously enrolled in PFC, the yield shall be the PFC yield
- not previously enrolled in PFC, at least 3 similar farms shall be used according to subparagraphs C, D, and E.

Note: If the producer submitted actual production evidence, it will be used only for counter-cyclical payment purposes.

B Assigning Direct Payment Yields

COC's shall assign **direct** payment yields for DCP commodities for which a base *--is established, according to subparagraph C, on farms with **both** of the following:

- a covered commodity was planted, or prevented from being planted, in 1 or more years from 1998 through 2001
- the commodity was not previously enrolled in PFC.

Note: If the crop was previously enrolled in PFC, the direct payment yield shall be the PFC yield.--*

Continued on the next page

103 Direct Payment Nonoilseed Yields (Continued)

C
Using Similar
Farms for Yields

When assigning DCP direct payment yields based on similar farms, COC shall:

- identify at least 3 PFC farms that:
 - are physically located within the county with the applicable crop
- **Note:** If there are fewer than 3 similar farms physically located within the county with the subject crop:
 - COC shall provide available information to STC
 - STC shall assign a yield based on at least 3 similar farms in the area.
- have the same or similar yield potential
- determine the most appropriate direct payment yield
- thoroughly document COC-assigned yield determinations for crops and farms in the COC minutes to ensure that sufficient information exists to support COC determinations in appeal cases.

The assigned yield:

- may be the average of the selected farms
- shall be within the range based on the degree of similarity. This flexibility is needed because the number of available similar farms may be limited for some crops in some counties.

Note: If the simple average of the yields is not used, COC shall thoroughly document the reasons for the assigned yield.

Continued on the next page

103 Direct Payment Nonoilseed Yields (Continued)

D
Selecting Similar Farms

Consider the following in selecting similar farms:

- the land on the farm, including such things as soil types, elevation, etc.
 - cultural practices, including irrigation, fertilization, crop rotations, farming methods, etc.
 - normal climatic conditions
 - geographic location.
-

E
Example for Using Similar Farms

In the following example, COC must determine the most appropriate yield for the subject farm based on the degree of similarity, considering such factors as those listed in subparagraph D, including the ratio of irrigated to dryland acres on the subject farm versus the similar farms.

<p><u>Similar Farm No. 1</u> Corn = 150 bu. Irrigated</p>	<p><u>Similar Farm No. 2</u> Corn = 125 bu. Irrigated/Dryland</p>
<p><u>Subject Farm</u> Corn Irrigated/Dryland</p>	
<p><u>Similar Farm No. 3</u> Corn = 100 bu. Dryland/Irrigated</p>	<p><u>Similar Farm No. 4</u> Corn = 80 bu. Dryland</p>

Note: COC shall also consider the number of times in the base period (1998 through 2001) the subject farm was irrigated, and the likelihood of continued irrigation in the future in determining the yield to be assigned. After the direct payment yield has been established, it shall not be changed for future contract years regardless of irrigation practices.

104 Counter-Cyclical Payment Yields

A

Counter-Cyclical Yields for Covered Commodities

For all base option elections except Option 4, the counter-cyclical payment yield is equal to the direct payment yield. Owners who elect base Option 4 shall select 1 of the following counter-cyclical yield options, to be used for **all** covered commodities on the farm:

- do not update counter-cyclical yields

Note: If this option is selected, the counter-cyclical yields for the farm will be equal to the direct payment yields for the farm.

- partially update counter-cyclical yields, according to paragraph 105, using 1 of the following methods:
 - **70 Percent Method:** 70 percent of the difference between the average yield for the crop and the direct payment yield is added to the direct payment yield
 - **93.5 Percent Method:** 93.5 percent of the average yield.
-

B

Option to Update Counter-Cyclical Yields

Owners who elect to update bases for all covered commodities (Option 4) have a 1-time opportunity to partially update counter-cyclical payment yields on the farm. The partial update of counter-cyclical yields:

- applies to all covered commodities on a farm
 - does not allow the update of the counter-cyclical yield for 1, but not all, covered commodities
 - is on a farm-by-farm basis, allowing the owner to select which farms will have yields updated
 - uses the actual yields for the years 1998 through 2001.
-

Continued on the next page

104 Counter-Cyclical Payment Yields (Continued)

C

Example 1

In this example, the 70 percent method results in a higher wheat yield, and the 93.5 percent method results in a higher corn yield. The owner must choose 1 method for calculating counter-cyclical yields for **all** covered commodities on the farm. The owner elected to partially update using the 93.5 percent method.

				Partially Updated Yield		
Crop	PFC Yield	Calculated Yield	Direct Yield	70 Percent Method	93.5 Percent Method	Counter-Cyclical Payment Yield
Wheat	30 bu.	35 bu.	30 bu.	34 bu.	33 bu.	33 bu.
Corn	80 bu.	120 bu.	80 bu.	108 bu.	112 bu.	112 bu.
Soybean	-----	40 bu.	31 bu.	37 bu.	37 bu.	37 bu.

D

Example 2

In this example, the owner elected to partially update the yield for **all** covered commodities on the farm to receive a 112-bushel corn yield for counter-cyclical payments. Although the counter-cyclical yield for wheat is less than the direct payment yield, the owner determined the corn yield increase would offset wheat yield losses.

				Updated Yield		
Crop	PFC Yield	Calculated Yield	Direct Yield	70 Percent Method	93.5 Percent Method	Counter-Cyclical Payment Yield
Wheat	30 bu.	25 bu.	30 bu.	26 bu.	23 bu.	23 bu.
Corn	80 bu.	120 bu.	80 bu.	108 bu.	112 bu.	112 bu.
Soybean	-----	20 bu.	16 bu.	19 bu.	19 bu.	19 bu.

105-129 (Reserved)

Section 2 Updated Yields

130 General Information on DCP Payment Yields

A

**Direct Payment
Yields for
Oilseeds**

An actual yield per planted acre for the 1998 through 2001 crop years will be used to establish direct payment yields for **soybeans and other oilseeds**, regardless of the base option elected by the owner for other covered commodities. The weighted average yield, which may include adjustments for any of the 1998 through 2001 crop years in which the yield was less than 75 percent of the county average or production evidence is missing or unacceptable, is then adjusted by a historical yield ratio to reflect production levels of the early 1980's.

Note: Oilseed producers are not required to submit production evidence; however, a minimum yield equal to 75 percent of the 4-year weighted county average yield, based on NASS data, will be used as the yield if production evidence is not submitted to establish a yield. This "plug" yield will then be adjusted by a historical yield ratio to reflect production levels of the early 1980's.

--See paragraph 102 for determining yields.--

B

**Direct Payment
Yields for
Commodities
Other Than
Oilseeds**

Direct payment yields for **wheat, feed grains, cotton, and rice** on a farm are the 2002 PFC payment yields for the applicable crops on that farm. Accordingly, production evidence shall **not** be used to establish yields for direct payments for these crops.

Note: If a 2002 PFC payment yield is not present for a farm and crop, and the farm was:

- previously enrolled in PFC, the yield shall be the PFC yield
 - not previously enrolled in PFC, at least 3 similar farms shall be used according to paragraph 103.
-

Continued on the next page

130 General Information on DCP Payment Yields (Continued)

C**Counter-Cyclical
Payment Yields**

An actual yield per planted acre for the 1998 through 2001 crop years may be used to establish partially updated payment yields for counter-cyclical payment purposes, **only** if both of the following apply:

- the owners of the farm elected to establish bases using Option 4

Note: Option 4 is the election to establish bases using the average acreage planted, and prevented from being planted, to each covered commodity (1998 through 2001).

- the owner elects to partially update payment yields for **all** covered commodities planted on the farm in 1 or more years (1998 through 2001).

The weighted average yield, which may include adjustments for individual years because a crop's actual yield was less than 75 percent of the county average or production evidence is missing or unacceptable, is then adjusted to reflect the method elected by the owner to **partially** update payment yields for all covered commodities on the farm.

131 Acceptable Production Evidence

A

General Information

If the owners elect to update yields, the owner or producers must report the production on FSA-658P.

Producers will be required to list, but not submit, the documents to support their production at the time they file FSA-658P. However, the documentation will be required at a later date to verify the producer's reported production.

B

Acceptable Evidence

COC's shall:

- ensure that all documents submitted by the producer to verify production certified on FSA-658P meet all applicable production evidence requirements in this section
- be satisfied that the evidence provided by the owner or producer on FSA-658P accurately represents production for the applicable crop year, acreage, and FSN.

The following paragraphs provide different situations for determining acceptable production evidence. Refer to paragraph:

- 132 for commodities sold, stored, or disposed of commercially off the farm
- 133 for grain production used or stored on the farm
- 134 for acreages that were:
 - hayed or grazed
 - silaged, if production records are **not** available
- 141 for acreage silaged if production records (measurements or weighed production) are available.

Note: See Exhibit 7 for summaries of these different situations.

Continued on the next page

131 Acceptable Production Evidence (Continued)

**C
Handling
Evidence**

County Offices shall:

- date-stamp all submitted evidence in a conspicuous place on the document

Note: Include the County Office name * * * when date-stamping production evidence to prevent the documents used for production evidence from being submitted to more than 1 county.

- make copies of the documents and return originals to the producer.

Note: Attach copies to FSA-658P as part of the permanent record. Do **not** release FSA copies to a producer after evidence has been submitted for review, even if FSA-658P is withdrawn.

132 Commodities Sold, Stored, or Disposed of Commercially Off the Farm

**A
Required
Information**

For production that is commercially sold, stored, or disposed of off the farm, evidence must show the following:

- producer's name
- commodity
- buyer or storing facility
- transaction or delivery date

Note: COC may consider production evidence acceptable if transaction or delivery dates are not shown if all of the following apply:

- the evidence is a summary provided by the buyer or warehouse
 - the crop year is indicated on the evidence
 - COC is satisfied that the evidence accurately represents the production from the farm for the applicable crop year.
- quantity (bushels, pounds, or hundredweight, as applicable).

***--Note:** The amount of production evidence for DCP yield purposes is the **net** quantity. If the evidence indicates dockage and/or excessive moisture, and an adjustment is not shown on the evidence, County Offices shall make the applicable adjustments according to 2-LP.--*

Continued on the next page

132 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)**B
Supporting
Evidence**

Production can be substantiated by the following documentation:

- LDP records or marketing assistance loan records

***--Note:** Various rules and examples in this part reference LDP quantities. Loan quantities shall be considered synonymous with LDP quantities, as the producers may receive a loan or LDP, but not both, on eligible quantities.--*

- warehouse receipts
- warehouse ledgers
- warehouse load summaries
- settlement sheets
- scale tickets or weight slips supported by other evidence, such as a sales document
- computer-generated documents from a licensed warehouse that contain required information
- gin records
- RMA records of loss appraisals

Note: This includes proof of loss forms generated by multi-peril insurance providers when indemnities are paid.

- measured quantities of farm-stored production according to paragraph 133.

Important: COC shall carefully review all documents to ensure duplicate records are not submitted for the same production. Additionally, COC shall:

- require additional evidence if it has reason to:
 - question existing evidence
 - believe existing evidence does not represent correct production
- limit combinations of production evidence according to subparagraph C.

132 Commodities Sold, Stored, or Disposed of Commercially Off the Farm (Continued)

*--C

**Ensure Evidence
Is Not
Duplicated**

COC's shall carefully review documents submitted, according to subparagraph B, to ensure duplicate records have not been submitted for the same production.

Additionally, COC's shall **not** authorize either of the following combinations:

- farm-stored measurement records with **any other** form of supporting evidence
- loan and/or LDP records with **any other** form of supporting evidence.

Exception: Combinations may be authorized when production records clearly remove any probability of duplication. For example, a producer sells 10 loads of corn, with delivery dates from October 1 to October 15. FSA farm-stored measurement date for LDP is November 15.--*

133 Acceptable Records for Farm-Stored Production or Production Used on the Farm

A 1998 Through 2001 Crops Remaining in Farm Storage

Either of the following may be considered acceptable production evidence for 1998 through 2001 crops remaining in farm storage:

- measured quantities if measurements were completed and documented by an FSA or crop insurance representative

*--**Note:** Farm-stored measurement records may be used if the production was later marketed; however, they may **not** be used in conjunction with certain other evidence. See subparagraph 132 C.--*

- LDP and/or loan records.
-

B Production Used for Seed

Production used for seed for the producer's own use may be considered acceptable if **both** of the following apply:

- producer provides written certification, indicating the following:
 - disposition was by planting
 - production is not included in LDP, loan, or any other record
 - seeding rate
 - number of acres planted
 - COC determines that:
 - the quantity used for seed is reasonable, considering the number of acres planted by the producer
 - the evidence is satisfactory and represents the applicable farm and year
 - it is customary in the area for producers to use farm-raised seed to produce the specific crop.
-

Continued on the next page

133 Acceptable Records for Farm-Stored Production or Production Used on the Farm
(Continued)

C
Fed Production

Acceptable proof that production was used on the farm as livestock feed shall be limited to existing FSA or crop insurance records that indicate the crop *--was fed or was to be used for livestock feed, except as authorized according to subparagraph D.--*

IF...	AND...	THEN...
grain was measured by FSA or crop insurance representative and/or producer obtained LDP or loan	records are on file to indicate the grain was fed or will be used for feed	LDP, loan, or measured quantity is acceptable.
grain was measured by FSA or crop insurance representative	records were not filed to indicate the grain was fed or will be used for feed	the measured quantity is acceptable, only if other production records dated after the measurement date are not submitted.
timely filed FSA or crop insurance records show that the grain was fed or will be used for livestock feed	grain was not measured and LDP or *--loan was either: <ul style="list-style-type: none"> • not obtained • obtained on a portion of the production--* 	COC shall assign the yield for the applicable crop year for the farm , based on the actual grain production of at least 3 similar farms for the applicable year.
records were not filed to show that the grain was fed or will be used for feed	grain was not measured and LDP or *--loan was either: <ul style="list-style-type: none"> • not obtained • obtained on a portion of the production 	see subparagraph D.--* * * *

Note: The manner of disposition must have been timely filed for the applicable crop year. It is **not** permissible for a producer to revise any document, or to certify at this time, to show that grain production was fed to receive production credit for DCP yield purposes.

133 Acceptable Records for Farm-Stored Production or Production Used on the Farm
(Continued)

D

**Existing Records
of Fed
Production Not
Available**

Producers who certified a crop for grain, but do not have existing FSA or crop insurance records to indicate that the grain was fed or would be used for feed, may:

- submit a written certification to COC indicating that all or a portion of the production of a crop from the farm was used for livestock feed
- receive COC-assigned production, based on the actual grain production of at least 3 similar farms for the applicable year, not to exceed the crop's county average yield, provided COC is satisfied that the producer:--*
 - was a livestock producer during the applicable period
 - is unable to submit acceptable production evidence, for reasons other than a crop disaster.

In these situations, COC:

- may require the producer to submit evidence, if necessary, to verify that the producer was a livestock producer during the applicable period
- shall **exclude** the amount of acceptable production evidence, if any, for the applicable crop year
- shall assign production for the entire crop year for the farm, based on the actual production of similar farms for the specific year, not to exceed the crop's county average yield.

Note: The provisions in this subparagraph shall **not** be used in conjunction with assigning production for current owners or producers, according to paragraph 136.6.

134 Acceptable Records When All Acres Are Grazed, Silaged, or Hayed

A General Information

This paragraph authorizes an exception to the requirement that production evidence must be verifiable when the disposition of the production does not lend itself to providing verifiable production records. The provisions in this paragraph shall be used **only** in situations where **all** of the following apply:

- submitted production evidence does not meet the requirements of paragraph 132 or 133
- disposition of the crop on all * * * the acreage was grazing, silage, or haylage
- disposition or intended disposition was timely documented on FSA or crop insurance records for the applicable crop years, according to *--subparagraph B.--*

Note: It is **not** permissible for a producer to revise any document, or to revise a previous certification that acreage of a crop was or was intended to be grazed, silaged, or hayed, in 1 or more years from 1998 through 2001.

B Documenting Disposition and Acreage

The disposition and the amount of acreage applicable to each crop use must have been timely documented on FSA or crop insurance records for the applicable crop years.

COC shall consider either of the following to be acceptable documentation that the applicable acreage was grazed, silaged, or hayed:

- FSA records, including LDP records or FSA-578, documented during the applicable crop year or by the final date to request LDP, show the number of acres that were grazed, silaged, or hayed
- crop insurance records, including loss adjustment records or appraisal records, documented during the applicable crop year or by the final date to file claims, show the number of acres that were grazed, silaged, or hayed.

Note: Revisions to update existing records to document haying, grazing, or used for silage are **not** authorized. See subparagraph C.

Continued on the next page

134 Acceptable Records When All Acres Are Grazed, Silaged, or Hayed (Continued)

C

Revisions Not Allowed

If existing records do not indicate the acreage was grazed, silaged, or hayed, the *--credited production from the applicable acreage is **zero**, in which case subparagraph D is **not** applicable.--*

D

No Verifiable Records of Production

If documentation of disposition and acreage is available according to subparagraph B, but verifiable **production** records are unavailable for * * * acreage of the crop on the farm, COC shall assign a yield for each applicable crop year, according to the following:

- if LDP was approved for the farm, credit the farm and crop with the applicable amount of **grain** production, based on the approved LDP's for grazed, silaged, or hayed crops

Note: Yields assigned by COC for LDP shall be used as a record of production for DCP purposes.

- *--if LDP was approved for only part of the production, COC may **exclude** the LDP quantity, and assign production for the applicable year, based on the actual grain production for the same year from at least 3 similar farms, provided existing records clearly indicate the reason for a reduced LDP quantity is a result of a price support program provision and is **not** the result of a low production yield on the farm

Example: Producer obtained certified LDP on part of the production in October, and received payment. Producer requested certified LDP on remaining production in December, to be completed via mail. After signing forms, they were promptly returned to the County Office for COC approval; however, the LDP rate had been reduced to \$0.00.--*

- if LDP's were not approved for acreage on a farm that was grazed, silaged, or hayed, then COC shall assign production to the farm and crop for the applicable year based on the actual grain production for the same year from at least 3 similar farms.
-

135 Acceptable Records When Some Acres Are Grazed, Silaged, or Hayed

A

LDP's Approved *--on All Production--*

If part of the crop acreage was harvested as grain and part was grazed, silaged, or hayed, LDP and/or loan production approved for the entire farm and crop may be used as actual production.

B

***--Production for Acres Harvested as Grain**

Production for the acreage harvested as grain shall be 1 of the following:

- production from verifiable production records, including LDP's
- assigned production according to subparagraph 133 D.

Note: The minimum yield provisions may be applied separately for acreage harvested as grain, and acreage grazed, silaged, or hayed. Accordingly, the amount of grain production shall not be less than 75 percent of the county average yield, times the acres harvested as grain.

C

Production for Acres Grazed, Silaged, or Hayed

Production for acreage grazed, silaged, or hayed shall receive production credit equal to the following, **only if** existing FSA or crop insurance records show the number of acres harvested as grain separately from the number of acres grazed, silaged, or hayed.

If acceptable production evidence for the acreage grazed, silaged, or hayed, is:

- available, such as LDP for silage, use the acceptable production records
 - not available, and actual, verifiable production records for grain harvested on the farm in the same year are:
 - available, COC shall assign production for acreage grazed, silaged, or hayed based on the actual yield per acre for grain production on the farm
 - not available, COC shall assign production for acreage grazed, silaged, or hayed based on the provisions of paragraph 134.--*
-

136 Using Minimum Yield

A**Minimum Actual Production**

The Farm Security and Rural Investment Act of 2002 provides for the Secretary to assign a yield equal to 75 percent of the county yield, if the yield per **planted** acre for a crop of the covered commodity for a **farm** for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that commodity.

Accordingly, the amount of production to be used in determining yields for a crop year on a farm shall be the higher of the following:

- total amount of production, determined to be acceptable for each year,
--according to this part--
- product of multiplying the **planted** acreage of the commodity by the 4-year (1998 through 2001) NASS weighted county average yield, times 75 percent.

Exception: See paragraph 136.5 for situations where records document production from irrigated and nonirrigated acres separately.

* * *

Example: In 1998, there were 100 acres of a covered commodity that produced 2,500 bushels, an average of 25 bushels per acre. The 1998 through 2001 county NASS average yield for the crop is 40 bushels per acre. The minimum yield harvested is 30 bushels per acre (40 x 75 percent); therefore, the minimum actual production for 1998 that will be used in the 4-year average actual farm yield computation is 3,000 bushels. However, the County Office shall load the actual production of 2,500 bushels in the yield computation software, and the software will use the minimum yield.

Note: Because any or all years may be substituted, the calculated 1998 through 2001 average yield for a crop will never be less than 75 percent of the 1998 through 2001 NASS average harvested yield per acre for the crop for the county.

Continued on the next page

136 Using Minimum Yield (Continued)

B**Unauthorized
Use of Minimum
Actual Yield
Provisions**

It is **not** allowable to use minimum actual production for part of the acreage on a farm and use acceptable production evidence for other acreage on the farm, *--except when the specific conditions of paragraphs 135, 136.5, or 136.6 are--* met. Accordingly, COC's shall ensure that minimum yield provisions for a crop year for a farm are based on the total planted acreage of the crop on the farm and the total production credited or proven.

Example: A producer has production records that support a yield of 95 bushels per acre on 50.0 acres of corn grain, and crop insurance appraisal records that reflect a 60-bushel per acre yield on another 40.0 acres. The statute does **not** authorize a yield based on a combination of actual production for the 50.0 acres (95 bu./ac.) and a replacement yield equal to 75 percent of the county average for the actual production for the 40.0 acres (100 county average x 75 percent = 75 bu./ac.).

Actual production is $50 \times 95 = 4,750$ bushels plus $60 \times 40 = 2,400$ bushels for a total of 7,150 bushels. The farm is entitled to a minimum actual production of 6,750 bushels.

C**Nonstandard
Farming
Practices**

COC's shall not reduce minimum yields when producers use farming practices that are not reflective of the NASS county average yields, such as:

- double-cropping on a farm when the NASS yield is based on single-cropping
- nonirrigation when the crop is substantially irrigated in the county
- other practices identified by COC.

Exception: If nonstandard practices are used by a significant percentage of producers, and the minimum average yields are significantly excessive, COC **may** document the situation and request, with STC concurrence, an exception from DAFP to reduce the minimum actual yield.

--136.5 Determining Minimum Production for Multiple Farming Practices*A COC Authority**

COC's are authorized to use the minimum production provisions on a portion of the planted acreage in a year for a crop, **only if all** of the following conditions are met:

- producer planted both irrigated and nonirrigated acreage
- both irrigated and nonirrigated practices were reported on FSA-578
- acceptable production evidence is available for the total crop acres for the farm
- existing production records from the irrigated and nonirrigated acreage were maintained separately at the time of harvest
- both an irrigated and nonirrigated county average yield is available in the AS-400.

B Existing Records

Existing records, as required in subparagraph A, are limited to documentation that was available at the time the crop was harvested. These existing records:

- must clearly substantiate whether the production was harvested from irrigated acreage or nonirrigated acreage
- shall **not** include records that producers may create at this time to meet the requirements of this paragraph.

Example 1: Producer submits existing multi-peril crop insurance records, which indicate the amount of irrigated production and nonirrigated production separately.

Example 2: FSA-578 indicates different crop shares for irrigated acreage and nonirrigated acreage of the same crop, and sales evidence reflects the FSA-578 crop shares.

Non-Example: Producer submits production evidence marked with either of the following:

- “from irrigated land”
- “from nonirrigated land”.--*

136.5 Determining Minimum Production for Multiple Farming Practices (Continued)

C Determining Production

COC’s shall apply the minimum production provisions to irrigated and nonirrigated acreage separately, when the specific conditions of subparagraph A are met.

Note: This allows for producers to receive production credit for the amount of actual production from 1 practice and the minimum production from the other practice. See the example in subparagraph E.

D Similar Situations

It is recognized that very similar situations may exist for producers who do not meet all of the conditions in subparagraph A. However, COC authority is not extended to authorize partial use of the minimum yield provisions for similar situations.

E Example

A producer has crop insurance records documenting:

- 80,000 bushels irrigated production for a crop on a farm
- 10,000 bushels of nonirrigated production for the same crop on the same farm.

In this example, assume county average yields of 180 for irrigated and 100 for nonirrigated.

Practice	Acreage	Actual Production	Minimum Production (75 Percent of County Average)	Production to Count
Irrigated	400	80,000	54,000	80,000
Nonirrigated	200	10,000	15,000	15,000

The actual production is 90,000 bushels; however, the production to count for the farm is 95,000 bushels.

* * *

136.6 Determining Minimum Production From Harvested Acreage

A

COC Authority

For a variety of reasons, certain owners are unable to submit acceptable production evidence for all of the harvested acreage on a farm. The procedure in *--this paragraph is applicable **only** to the specific acreage of a crop for which **both** of the following apply to both the current owners and producers of a farm:

- did not have an interest in the crop
- are unable to obtain acceptable production records from a previous producer.

Note: The minimum yield provisions may be used on a portion of a farm’s planted acreage of a crop according to this paragraph, if the assigned production according to subparagraph E or F is less than 75 percent of the county average yield.--*

B

Multiple Producers

Owners of a farm with multiple producers may not be able to obtain production evidence from * * * former producers on the farm for all of the applicable crop years.

COC may assign production for acreage from which production evidence is unavailable, provided existing records at FSA or crop insurance clearly document the planted acreage of the crop for each respective producer, based on 1 of the following:

- *--similar farms, according to subparagraph E and paragraph 137.3--*
- LDP records, according to subparagraph F.

Note: The total production to count for DCP yield purposes is the sum of the assigned production and the acceptable production from other acreage on the farm.

Continued on the next page

136.6 Determining Minimum Production From Harvested Acreage (Continued)

C**No Interest in the Acreage**

Owners may be unable to obtain production evidence for the entire farm, as it is constituted in 2002, for 1 or more years from 1998 through 2001, because they did *--not have an interest in all or a portion of the acreage of the crop in 1 or more--* of these years and they cannot obtain verifiable production records from the previous producers.

COC may assign production for planted acreage in the crop year(s) in which the *--current owner or current producer did not have an interest in the crop and verifiable production records cannot be obtained from the previous producers, based on 1 of the following:

- similar farms, according to subparagraph E and paragraph 137.3--*
- LDP records, according to subparagraph F.

Note: The total production to count for DCP yield purposes is the sum of the assigned production and the acceptable production from other acreage on the farm.

136.6 Determining Minimum Production From Harvested Acreage (Continued)

D

Owner/Producer Requests

Owners or producers requesting assigned production, based on similar farms or LDP records, according to this paragraph, shall complete, no later than April 1, 2003:

- Landowner Yield Data Election Request according to Exhibit 12
 - CCC-515 or revised CCC-515, as applicable, according to paragraph 303.
-

E

Similar Farms

COC's shall select similar farms according to paragraph 137, except that **each** of the similar farms shall have planted acreage of the applicable crop in **each year** from 1998 through 2001, without regard to the number of years in which the crop was planted on the farm for which production will be assigned.

***--Note:** Assigned production, based on similar farms with planted acreage of the crop in each of the 4 years, **shall not exceed** the county average yield.

COC shall assign production according to paragraph 137.3.--*

F

LDP Records

COC's may assign production for a farm, as constituted for 2002, based on the LDP records of a previous producer or producers of the farm.

Note: If the LDP records include quantities that were produced on tracts or farms that are **not** part of the farm, as constituted for 2002, for which production is being assigned, the LDP quantity must be apportioned to determine the amount of production that may be assigned.

137 Selecting Similar Farms for Assigning Yields

A

Selecting Similar Farms

To assign actual yields for DCP purposes according to this section, COC’s shall select at least 3 similar farms for which acceptable production records for grain are on file in the County Office for the applicable commodity and crop year.

The production from the similar farms must reflect actual production; however, any form of acceptable production records may be used, including acceptable records used for a Crop Disaster Program application.

Note: Assigned yields based on similar farms with low production levels do not preclude a producer from using the minimum actual production provisions according to paragraph 136.

***--B**

COC Selection of Similar Farms

In selecting 3 or more similar farms to be used, each of the similar farms **shall**:

- be physically located in the same county as the farm for which production will be assigned

Note: If fewer than 3 similar farms are physically located in the county for which FSA-658P has been approved, STC shall provide COC with yield data from 1 or more similar farms in another county or State, as necessary.

- have the same or similar yield potential of the farm for which production will be assigned, with consideration given to:
 - other payment yields on the farm
 - the land on the farm, including such items as soil types and elevation
 - cultural practices, including irrigation, fertilization, and crop rotation
 - normal climatic conditions, geographic location, or other applicable factors.--*
-

Continued on the next page

137 Selecting Similar Farms for Assigning Yields (Continued)

C

Assigned Yields

*--When production is being assigned according to:

- paragraph 133, 134, 135, or 137.5, the assigned yield:
 - may be the simple average of the yields of similar farms for the applicable year
 - shall be within the range of yields of similar farms for the applicable year

Note: If a simple average of the yields is not used, COC shall thoroughly document the reasons for the assigned yield, based on the farm's degree of similarity.

- subparagraph 102 C or 136.6 E, the assigned yield **shall** be the simple average of the weighted average yields of at least 3 similar farms, except that the resulting yield shall **not** exceed the county average yield.--*
-

D

Documenting COC Minutes

COC shall document minutes with **FSN's** of the similar farms used in assigning production for a farm, including the specific reasons of which farms were selected, based on the considerations in subparagraph B. It is important to thoroughly document the reasons, as they will be used in cases where the similar **FSN's** are appealed.

Example: FSN's 100, 200, and 300 were selected as similar farms in determining the assigned production for FSN 400, because the majority of the land on each farm is located within a close proximity, with similar elevation, and more than 70 percent of the cropland on each farm has predominant soil types of X102 and Y13.

Note: It is not permissible for COC minutes to simply indicate that the potential yields of the farms were determined to be comparable, with consideration given to other payment yields on the farms, the land on the farm, including such items as soil types and elevation, cultural practices, including irrigation, fertilization, and crop rotation, and normal climatic conditions, geographic location, or other applicable factors.

Continued on the next page

137 Selecting Similar Farms for Assigning Yields (Continued)

E**Appeal Rights**

Owners or producers shall be afforded an opportunity to appeal the FSN's used in determining the amount of assigned production, according to 1-APP.

Note: The FSN's used by COC may be appealed; however, the amount of production from similar FSN's used in determining a yield is not appealable.

When owners of a farm make the base and yield elections, County Offices shall provide each owner and producer an official notification (FSA-540) of base acres and yields on the farm, at which time owners and producers have 30 calendar days to provide a short written statement to COC why other specific FSN's are more representative of their farm.

Important: County Offices shall manually enter FSN of each similar farm, on *-FSA-540, that was used by COC in assigning a yield, or "n/a" if production is not being assigned based on similar farms.--*

137.1 Determining and Documenting Average Yields of Similar Farms

A**Similar Farms Must Have APPROVED FSA-658P's**

COC's shall limit similar FSN's to those FSN's for which FSA-658P information has been carefully reviewed for accuracy, including the proper apportioning of commingled production evidence, if applicable, and FSA-658P has been **approved** by COC.

B**Determining Average Yield of Similar Farm**

The **average yield** of a similar farm is the 1998 through 2001 weighted average yield, based on planted acres, including any adjustments made to reflect the minimum average yield for 1 or more crop years when production yields were below 75 percent of the county average yield.

Note: The average yield for a similar farm is based on the total credited production, **before** application of the 70 percent or 93.5 percent partial *-update method, or, for direct payment oilseed yields, the historical yield factor.--*

Example: FSN 100 has production of 3,000 bushels in 1998; 1,800 bushels in 1999; ~~1,200~~ 1,500 bushels in 2000 (replaced by 1,500 bushels using the minimum yield provisions), and 8,000 bushels in 2001. The total credited production is **14,300** bushels. In this example, assume a total of 335.0 planted acres of the crop on the farm from 1998 through 2001.

The total credited production (14,300) divided by the total planted acres from 1998 through 2001 (335.0), results in the **average yield**. In this example, the average yield of 42.7 is rounded to **43**.

Note: Although the counter-cyclical payment yield for FSN 100, based on the 93.5 percent partial update method, is 40 bushels per acre, COC's shall use the **average yields** of each similar farm in determining simple average yields according to paragraph 371.2.

C**Documenting Average Yields**

The average yield for each similar farm, determined according to subparagraph B, shall be documented on a copy of the FSA-658P for the farm.

137.2 Determining and Documenting Simple Average Yields of Similar Farms

**A
Determining
Simple Average
of Similar FSN's**

COC's shall determine the **simple** average of 3 or more similar farm **average** yields, by dividing the sum of the average yields by the number of similar farms. The resulting simple average yield shall be used in determining the assigned production for a farm in accordance with paragraph 137.3.

Example: The average yield of similar FSN 100 is **43**, FSN 200 is **46**, and FSN 300 is **42**. The simple average yield is **44** ($43 + 46 + 42 = 131$, divided by 3, rounded to the nearest whole unit of measure).

Important: COC's do **not** have discretionary authority to select a yield within the range of the average yields of similar farms.

**B
Simple Average
Yields Limited to
County Average**

The simple average yield of at least 3 similar farms:

- may include 1 or more similar farms with an average yield that exceeds the county average yield for the commodity
- *--shall be reduced to the county average yield, if applicable

Note: The county average yield is the established 4-year NASS weighted average yield for the crop and practice. See subparagraph D.--*

Example: Assume a county average yield of **45**. Average yield of similar FSN 100 is **43**, FSN 200 is **46**, and FSN 300 is **42**. The simple average yield is **44**. Although the average yield of FSN 200 exceeds the county average yield, the simple average yield of FSN for which production is assigned does **not** exceed the county average yield.

**C
Documenting
Simple Average
of Similar FSN's**

County Offices shall:

- document calculations of simple average yields

Note: It is acceptable for counties to develop a worksheet for this purpose, or to use an existing form that lends itself to documenting the calculations.

- retain documentation with yield records of FSN for which production is assigned.
-

137.2 Determining and Documenting Simple Average Yields of Similar Farms (Continued)

***--D**

County Average, Irrigated and Non-Irrigated

The assigned yield according to subparagraph A shall not exceed the county average yield. County Offices shall manually determine the county average yield according to this subparagraph, when **both** of the following apply:

- 4-year NASS weighted average yields (1998-2001) have been established for the applicable crop, for both irrigated and non-irrigated practices
- the planted acreage of a crop, for which the current owner and producer are unable to submit production evidence, includes both irrigated and non-irrigated acreage.

The county average yield shall be determined by dividing the total extended production, using 4-year NASS weighted average yields, by the total planted acreage of the crop, for all crop years from 1998 through 2001, for which the current owner or producer is unable to submit production evidence.

Example: Assume 4-year NASS yields of 160 for irrigated and 120 for non-irrigated. The current owner and producer are unable to submit production evidence for the following planted acres of corn:

- 150.0 acres of 1998-crop (irrigated)
- 100.0 acres of 1998-crop (non-irrigated)
- 150.0 acres of 1999-crop (irrigated)
- 325.0 acres of 1999-crop (non-irrigated).

In this example, the county average yield for assigned production is **137**, determined as follows:

300.0 acres irrigated (150.0 + 150.0) X 160 = 48,000 bushels
 425.0 acres non-irrigated (100.0 + 325.0) X 120 = 51,000 bushels
 99,000 total bushels, divided by 725.0 total acres, = 136.55 (or 137).

Note: In determining the minimum yield provisions for the entire farm for a crop year, the automated system will use a county average yield based on **all** planted acreage of the crop. However, the county average yield determined according to this subparagraph does **not** include acreage for which evidence is being submitted.--*

137.3 Determining Assigned Production and Payment Yields**A Determining COC Assigned Production**

This paragraph applies only when assigning production according to subparagraph 102 C or subparagraph 136.6 E.

The amount of assigned production for each year the crop was planted on a farm, for which production evidence is not available, shall be the result of multiplying the simple average yield based on 3 or more similar FSN's, as determined according to paragraph 137.2, by the planted acres of the crop for the applicable crop year.

Example: COC assigns production for FSN 800, based on a simple average yield of **44** bushels per acre (from similar FSN's 100, 200, and 300). FSN 800, based on the 2002 constitution of the farm, has planted acreage history of the crop as follows:

- 1998 = 150.0 acres X **44** bu. = 6,600 assigned production
- 1999 = crop not planted = no assigned production
- 2000 = 175.0 acres X **44** bu. = 7,700 assigned production
- 2001 = 240.0 acres, current owner submits acceptable production of 11,520.

Note: The simple average yield from similar farms is 44, which cannot exceed the county average yield. However, the average yield for FSN 800 is determined by dividing the total credited production (acceptable evidence + assigned production) by the total planted acres, which may exceed the county average yield. In this example, 25,820 bushels of total production, divided by 565.0 total planted acres, results in an average yield of **46** bushels per acre.

* * *

137.4 (Reserved)

137.5 Hybrid Seed - Corn and Sorghum

A

Hybrid Seed

If acceptable production evidence for hybrid corn or hybrid sorghum is submitted to COC for partially updating yields, COC shall convert the hybrid seed production to commercial production according to this paragraph. The following methods *--apply separately to corn and sorghum, and to each crop year.--*

If more than 1 method is applicable to a farm:

- the farm owner may select the method to be used
- COC shall use the applicable method in the order stated, if the owner does not make a selection.

IF...	AND...	THEN...
both commercial crop acreage and hybrid seed acreage are grown on the farm	both the commercial and the hybrid acres are irrigated or nonirrigated	COC shall assign the actual per acre production from the commercial acreage to the hybrid seed acreage.
the producer and company entered into an agreement to use a commercial equivalent yield to calculate payments under the seed contract based on harvested commercial production	the producer has evidence that the calculation was based on actual harvested yields Note: Evidence may include the nomination form, selection of field form, or other form showing actual harvested commercial production.	the commercial equivalent production used for payment by the seed company shall be used, not to exceed 120 percent of the county *--average yield, as defined in Exhibit 2.--*
neither of the above apply nor the owner elects not to use either of the above		COC shall assign production based on actual commercial production *--for 3 or more similar farms, for the applicable crop year.--*

138 **Producer’s Report of Production on FSA-658P**

A

**Report of
Production on
FSA-658P**

Actual production information for each crop year, from 1998 through 2001 in which the crop was planted, shall be documented by completing FSA-658P by crop by farm.

Note: Producers are not required to submit production evidence when filing FSA-658P. However, production evidence will be required at a later date to verify the producer’s reported yield information.

Complete FSA-658P according to this table.

Item	Instructions
1	Enter the name of the producer completing the certification of FSA-658P. The producer must have an interest in the farm for 2002.
2	Enter the applicable FSN, as constituted for FY 2002, for which the production evidence is applicable.
3	Enter commodity.
4	Enter the name of the administrative County Office in which this farm’s records were located for the 2002 crop year.

Continued on the next page

138 **Producer's Report of Production on FSA-658P (Continued)**

A
Report of
Production on
FSA-658P
(Continued)

Item	Instructions
Part A - Record of Production and Yield	
5	<p>Enter the type of evidence document available; such as assembly sheet, settlement sheet, gin receipt, scale tickets, etc.; with buyer's name, etc.</p> <p>Note: It may be necessary to apportion commingled production from a document, between years and/or farms. The production evidence must be apportioned based on the planted acreage for each year and/or farm, unless producers agree to submit secondary information that is considered by COC to be reasonable and satisfactory. Producers should use the best available secondary information to make the apportionment. For example, scale tickets may be available that do not contain sufficient information to be acceptable as primary evidence, but those tickets could be used to apportion production from a warehouse ledger sheet between years and/or farms. Other forms of evidence acceptable for apportionment purposes include crop insurance data (APH certifications/appraisals), LDP records, and harvested acres in the absence of more specific information.</p> <p>Two examples follow. The basic 1998 farm data for both examples is:</p> <ul style="list-style-type: none"> • FSN 107 planted 361.0 acres • FSN 792 planted 198.0 acres. <p>Prorate Using Crop Insurance APH</p> <p>Example 1:</p> <p>Assembly sheet #179456 documents 21,500 bushels of soybeans. These soybeans were produced on FSN 107 and FSN 792, and comprise all production for 1998.</p> <p>The crop insurance APH yield for 1998 (not the approved yield based on 4 to 10 years of evidence, but the certified yield/production for 1998) for FSN 107 is 39 bu./ac. and for FSN 792 is 43 bu./ac.</p> <p>39 bu./ac. x 361.0 acre = 14,079 bu. 43 bu./ac. x 198.0 = 8,514 bu. 14,079 + 8,514 = 22,593</p> <p>FSN 107 - $14,079 \div 22,593 = .6232$ x 21,500 bu. = 13,398.8 bushels attributed to FSN 107 FSN 792 - $8,514 \div 22,593 = .3768$ x 21,500 bu. = 8,101.2 bushels attributed to FSN 792</p> <p>Prorate Using Acres</p> <p>Example 2:</p> <p>Assembly sheet #179456 documents 21,500 bushels of soybeans. These soybeans were produced on FSN 107 and FSN 792, and comprised all production from 1998.</p> <p>FSN 107 - $361.0 \text{ acres} \div 559.0 = .6458$ x 21,500 bu. = 13,884.7 bushels attributed to FSN 107 FSN 792 - $198.0 \text{ acres} \div 559.0 = .3542$ x 21,500 bu. = 7,615.3 bushels attributed to FSN 792</p>

138 **Producer’s Report of Production on FSA-658P (Continued)**

A
Report of
Production on
FSA-658P
(Continued)

Item	Instructions
Part A - Record of Production and Yield (Continued)	
6 E	Total all production for each year in columns A, B, C, and D. Note: If a yield was assigned by COC for the crop for 1 or more of the crop years, see item 9.
6 F	Enter total planted acres of the crop for the applicable year. Enter all planted acreage, including subsequent planted acreage, and double-cropped acreage.
6 G	Divide item 6 E by item 6 F, and enter result in this item for each applicable crop year. Note: If a yield was assigned by COC for the crop for 1 or more of the crop years, leave this item blank for that year.
Part B - Producer’s Certification	
7 A	The producer completing the certification shall sign. This producer shall also be responsible for providing the evidence, upon request.
7 B	The producer completing the certification shall date.
Part C - COC’s Approval	
8 A	The COC member shall sign after COC has completed a review of the production evidence.
8 B	Enter the date the review is completed and the production evidence is either approved or disapproved.

Continued on the next page

138 **Producer’s Report of Production on FSA-658P (Continued)**

A
Report of
Production on
FSA-658P
(Continued)

Item	Instructions																														
Part C - COC’s Approval (Continued)																															
9	<p>Enter remarks.</p> <p>*--Producers who apportion production evidence according to item 5 must document the apportioning method in item 9, unless the production evidence is apportioned using planted acres.</p> <p>If a yield for the crop does not need to be assigned by COC for any of the crop years, indicate “No production to be assigned by COC”.</p> <p>If COC assigns a yield for the crop for 1 or more crop years, identify the year and the COC-assigned yield--* and:</p> <ul style="list-style-type: none"> • multiply the COC-assigned yield by the acreage for which there was no actual or verifiable production evidence to determine the amount of assigned production • add the calculated assigned production to the producer’s reported production entered in item 6 E • total the production for each year to determine the total acceptable production to be used in determining the actual yield for each year. <p>Example:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">CY</th> <th style="text-align: left;">COC Assigned Yld</th> <th style="text-align: left;">Acreage</th> <th style="text-align: left;">Assigned Production</th> <th style="text-align: left;">Reported Production</th> <th style="text-align: left;">Total Net Production</th> </tr> </thead> <tbody> <tr> <td>1998</td> <td>Crop not planted</td> <td>---</td> <td>---</td> <td>---</td> <td>---</td> </tr> <tr> <td>1999</td> <td>185 x</td> <td>160*</td> <td>= 29600</td> <td>+ 8890.13</td> <td>= 38490.13</td> </tr> <tr> <td>2000</td> <td>180 x</td> <td>45.0*</td> <td>= 8100</td> <td>+ 29615.50</td> <td>= 37115.50</td> </tr> <tr> <td>2001</td> <td>Did not assign production</td> <td></td> <td>---</td> <td>---</td> <td>37142.40</td> </tr> </tbody> </table> <p>* CY 1999 acceptable production not available on 160.0 acres * CY 2000 acceptable production not available on 45.0 acres</p>	CY	COC Assigned Yld	Acreage	Assigned Production	Reported Production	Total Net Production	1998	Crop not planted	---	---	---	---	1999	185 x	160*	= 29600	+ 8890.13	= 38490.13	2000	180 x	45.0*	= 8100	+ 29615.50	= 37115.50	2001	Did not assign production		---	---	37142.40
CY	COC Assigned Yld	Acreage	Assigned Production	Reported Production	Total Net Production																										
1998	Crop not planted	---	---	---	---																										
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2000	180 x	45.0*	= 8100	+ 29615.50	= 37115.50																										
2001	Did not assign production		---	---	37142.40																										

Continued on the next page

138 Producer's Report of Production on FSA-658P (Continued)

B
Example of
FSA-658P

Following is an example of a completed FSA-658P.

This form is available electronically.

FSA-658P (08-14-02)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency		1. NAME OF PRODUCER Larry Johnson	
PRODUCER'S RECORD OF PRODUCTION				2. FSN 1006	3. COMMODITY Corn
Note: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior approval mandated by the Paperwork Reduction Act of 1995.					
NOTE: The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Pub. L. 107-171, as amended. The information will be used to document actual crop yields and production. Furnishing the requested information is voluntary. Failure to furnish the requested information may result in a ineligibility for 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 - RECORD OF PRODUCTION AND YIELD					
TYPE OF EVIDENCE AND NAME OF BUYER, WAREHOUSE, ETC.	6. NET PRODUCTION QUANTITY				
	A. 1998	B. 1999	C. 2000	D. 2001	
Warehouse Receipt # 245061 Sarby Grain Co.		8,890.13			
Scale Ticket # 418, 445, 467, 468 Hager Farm FEED			9,115.50		
Silage LOP # 1011 - CCC-633EW			20,500		
Warehouse Receipt # 256224 Sarby Grain Co.				6122.40	
Bin Measured for Loan # 215				31,020	
E. TOTAL NET PRODUCTION →	n/a	8,890.13	29,615.50	37,142.40	
F. TOTAL ACRES →	n/a	220.0	243.7	192.5	
G. REPORTED YIELD →	n/a			192.9	
PART B - PRODUCER'S CERTIFICATION					
7A. SIGNATURE OF PRODUCER /s/ Larry Johnson	7B. DATE 10-16-02				
PART C - COC'S APPROVAL					
8A. SIGNATURE OF COC	8B. DATE	<input type="checkbox"/> APPROVED			
		<input type="checkbox"/> DISAPPROVED			
9. REMARKS CY COC ASSIGNED YLD ACREAGE ASSIGNED PRODUCTION REPORTED PRODUCTION TOTAL NET PRODUCTION 1998 CROP NOT PLANTED 1999 185 X 160.0* = 29600 + 8890.13 = 38490.13 2000 180 X 45.0* = 8100 + 29615.50 = 37715.50 2001 DID NOT ASSIGN PRODUCTION - - 37142.40 * CY 1999 ACCEPTABLE PRODUCTION NOT AVAILABLE ON 160.0 ACRES * CY 2000 ACCEPTABLE PRODUCTION NOT AVAILABLE ON 45.0 ACRES					

139 **Commingled Production**

A

Overview

The best available production records may include production that has been commingled between farms and/or years. COC is authorized to apportion commingled production according to this paragraph.

***--Note:** COC shall only apportion production that is represented by acceptable records, but cannot be identified with a specific farm or year.

B

**Basic Option,
Planted Acres**

If commingled production cannot be separated by year or by farm, COC shall apportion production based on **planted** acres in each applicable year or each applicable farm, using FSA-658P according to paragraph 138. See example in subparagraph E.

Exception: COC **may** allow alternative methods to apportion production, as requested by owners or producers, according to subparagraph D.

C

**Commingled
Years and Farms**

If production is commingled between crop years and farms, COC shall apportion the production to applicable **crop years before** apportioning production to farms.--*

Continued on the next page

139 Commingled Production (Continued)

--D*Alternative
Methodsof
Apportioning**

COC must be satisfied that apportioning production by any method, other than using **planted** acres, according to subparagraph B, results in yields comparable to other similar farms for the applicable years and farm.

Note: The alternative method requested by owners or producers of a farm shall be documented on FSA-658P.

COC shall limit apportioning based on **planted** acreage according to subparagraph B, if an alternative method results in questionable or inequitable yields between farms or crop years.

COC **may** allow the apportioning of acceptable production evidence, based on:

- harvested acres in each applicable year or each applicable farm
- crop insurance records for each year
- other available records COC determines can reasonably be used for apportioning, such as custom harvesting records, producer load summaries, or weight tickets.

Note: See subparagraphs F and G for examples of apportioning production based on alternative methods approved by COC.--*

139 **Commingled Production (Continued)**

*--E

**Apportion Based
on Planted Acres
(Between Years)**

This example apportions acceptable production evidence between crop years based on planted acres, according to subparagraph B.

A producer has the following farm information:

- settlement sheet for 10,000 bushels after the 1998 crop was harvested
- settlement sheet for 20,000 bushels after the 1999 harvest, but before any 2000 harvest
- planted acres were:
 - 90 acres in 1998
 - 110 acres in 1999
- the producer has not requested COC to consider an alternative method of apportioning, according to subparagraph D.--*

Continued on the next page

139 Commingled Production (Continued)

*--E

**Apportion Based
on Planted Acres
(Between
Years)--*
(Continued)**

In this example, production must be prorated between the years, based on the harvested acres each year, as follows:

- total the harvested acres from each year ($90 + 110 = 200$)
- divide the harvested acres for each applicable year by the sum of harvested acres for all years, to determine a percentage of acres applicable to each year:
 - 1998 $90 \div 200 = .4500$
 - 1999 $110 \div 200 = .5500$
- multiply the acreage percentage for each year times the commingled production:
 - $30,000 \times .45 = 13,500$ bushels attributed to 1998
 - $30,000 \times .55 = 16,500$ bushels attributed to 1999.

Continued on the next page

139 **Commingled Production (Continued)**

*--F

**Apportion Based
on LDP Records
(Between FSN's)**

In this example, the producer requested to apportion production evidence between farms for the 2001 crop year, based on the LDP records for each respective farm.

Note: Although LDP quantities may be considered acceptable production evidence, this producer is requesting that commingled production on settlement sheets be apportioned based on the respective LDP quantities.

The producer has the following information:

- 6,000 bushel certified LDP, FSN 100
- 4,000 bushel certified LDP, FSN 200
- settlement sheet with commingled production totaling 10,150 bushels.

In this example, COC may allow apportioning of the production on settlement sheets, based on the LDP quantities, as follows:

- total the LDP quantities for the 2001 crop (6,000 + 4,000 = 10,000)
- divide the LDP quantities for each respective FSN by the sum of LDP quantities for the 2001 crop year, to determine a percentage applicable to each FSN, as follows:
 - FSN 100 $6,000 / 10,000 = .6000$
 - FSN 200 $4,000 / 10,000 = .4000$
- multiply the commingled production on the settlement sheets times the LDP percentage for each FSN, as follows:
 - 10,150 production X .6000 = 6,090 bushels attributed to FSN 100
 - 10,150 production X .4000 = 4,060 bushels attributed to FSN 200.

Note: COC shall limit options according to subparagraph B, if an alternative method results in questionable or inequitable yields between farms or crop years.--*

Continued on the next page

139 **Commingled Production (Continued)**

*--G

**Apportion Based
on RMA Records
(Between FSN's)**

In this example, the producer requested to apportion production evidence between farms for the 1999 crop year, based on multi-peril crop insurance APH records.

Note: Although certified quantities for APH purposes are not considered to be acceptable production evidence, these quantities may be used to apportion commingled production evidence to the satisfaction of COC.

The producer has the following information:

- 20,000 bushels production certified on multi-peril units 1, 2, and 3 (FSN 100)
- 35,000 bushels production certified on multi-peril units 4, 5, and 6 (FSN 200)
- settlement sheets with commingled production totaling 54,650 bushels.

In this example, COC may allow apportioning of the production on settlement sheets, based on the quantities certified for APH purposes, as follows:

- total APH quantities for the 1999 crop (20,000 + 35,000 = 55,000)
- divide APH quantities for each respective FSN by the sum of APH quantities for the 1999 crop year, to determine a percentage applicable to each FSN, as follows:
 - FSN 100 $20,000 / 55,000 = .3636$
 - FSN 200 $35,000 / 55,000 = .6364$
- multiply the commingled production on the settlement sheets times the APH quantity percentage for each FSN, as follows:
 - 54,650 production X .3636 = 19,871 bushels attributed to FSN 100
 - 54,650 production X .6364 = 34,779 bushels attributed to FSN 200.

Note: COC shall limit options according to subparagraph B, if an alternative method results in questionable or inequitable yields between farms or crop years.--*

140 **(Reserved)**

141 Conversion Factors for Silage**A Silage Production**

Acceptable records of silage production shall be converted from tons to bushels by multiplying the tonnage times the following factors:

- 6.47 for barley
- 7.94 for corn
- 5.56 for grain sorghum
- 4.08 for oats
- 5.00 for soybeans
- 6.99 for wheat.

Example: Producer A sells his or her corn crop to XYZ Dairy. All production is weighed. XYZ Dairy purchased 739.5 tons of corn silage from Producer A. The actual corn production for that year would be 5,872 bushels ($739.5 \text{ tons} \times 7.94 = 5,872$).

142 Multiple Producers on a Farm**A Production Using Crop Shares**

If a producer's share of the total production and the producer's production are known, this data may be used to compute the farm's total production as follows:

- the producer's share of the total production is .3333 and the producer's production records show he or she received 1,000 bushels
- COC may establish the farm's production at 3,000 bushels if the producer's share is a matter of record and the production evidence is acceptable.

143-149 (Reserved)

Section 3 (Withdrawn --Amend. 38)

150-158 (Withdrawn --Amend. 38)

159-199 (Reserved)

Part 4 2002 Peanut DCP

Section 1 Peanut Average Acreage and Yields

200 General Peanut DCP Information for 2002

A

Introduction

This section provides:

- operating procedure for the 2002 Peanut DCP
 - direct and, if applicable, counter-cyclical payments to historical peanut producers.
-

B

Historic Peanut Producer

Historic peanut producer is any producer on a farm in the United States that planted or was prevented from planting peanuts during any or all of crop years 1998 through 2001.

C

Signup Period

Signup for the 2002 Peanut DCP begins October 1, 2002, and ends June 1, 2003. Eligible producers may file an application for benefits during the signup period.

D

Payments

For 2002, direct payments will be issued to historic peanut producers. If counter-cyclical payments are applicable for 2002 contracts, the historic peanut producer will receive the payment. Each historic peanut producer will receive a direct payment, and if applicable, counter-cyclical payments based on each farm's average acreage and yields.

201 Average Acreage Provisions

A

Average Acreage An average acreage shall be determined for each historic peanut producer for each farm the historic peanut producer planted peanuts for harvest or was prevented from planting peanuts during any crop year 1998 through 2001.

B

Determining Average Acreage The average acreage shall be determined for each farm by dividing the sum of the historic peanut producer’s share of the total acreage planted or prevented planted for harvest to peanuts for crop years 1998 through 2001 by 4.

C

Inclusion of All 4 Years For the purpose of determining the 4-year average acreage for a historic peanut producer, do **not** exclude any crop year in which the producer did not plant peanuts on a farm.

Example of Calculating Average Acreage: The total acreage is divided by 4 regardless of the number of years peanuts were planted.

FSN	Crop Year	Producer’s Planted or Prevented Planted Acreage
1	1998	100.0
1	1999	0.0
1	2000	100.0
1	2001	0.0
Total		200.0
Average Acreage		50.0

202 Yield Provisions

**A
Actual Yields**

The historic peanut producer’s actual yield on each farm will be included in calculating the average yield, which will be used as the payment yield for 2002. The actual yield is based on County Office records, since all peanut production was required to be reported through crop year 2001. See subparagraph C for calculating the weighted average yield.

If the historic peanut producer has peanuts planted on a farm for the intended use of green peanuts for harvest, the actual yield will be determined as follows.

IF the historic peanut producer harvested...	THEN assign to the acreage harvested as green peanuts...
peanuts for both green peanuts and nuts on the same farm during the same crop year	the historic peanut producer’s actual yield of the peanuts harvested for nuts on the same farm in the same crop year.
only green peanuts on the farm for the crop year	a yield based on similar farms’ actual yields for peanuts harvested for nuts in the same crop year.

**B
Prevented
Planted Yield
Provisions**

Provisions for determining a historic producer’s actual yield for a farm for prevented planted peanut acreage are as follows.

IF the historic peanut producer...	THEN the actual yield is...
<ul style="list-style-type: none"> • planted some acreage on the farm for harvest • was approved for prevented planting on other acreage on the farm during the same crop year 	the actual yield for the harvested acreage on the farm.
has only approved prevented planted acreage on the farm for the crop year	the county average yield.

Continued on the next page

202 Yield Provisions (Continued)

C
Determining
Average Yields

The average yield for the historic peanut producer is determined as follows.

Step	Action
1	For each farm, multiply the historic peanut producer's planted acreage of peanuts for each farm by that year's actual or substituted county average yield per acre.
2	Total the results of step 1.
3	For each farm total, the historic peanut producer's planted acreage of peanuts from 1998 through 2001 crop years.
4	Divide the result of step 2 by the result of step 3 to determine the historic peanut producer's weighted average yield.

D
Substituting
County Average
Yields

Historic peanut producers have the option to substitute the county average yield for not more than 3 of the 1998 through 2001 crop years farm's actual yield, if the historic peanut producer's actual yield on the farm is less than the county average yield. The county average yield will be used for the selected years in calculating the producer's average yield for the farm.

Continued on the next page

202 Yield Provisions (Continued)

E**County Average
Yield Calculation**

The county average yield is the weighted average harvested yield for peanuts produced in the county for the 1990 through 1997 crop years. NASS irrigated and nonirrigated data shall be used where available. If irrigated yield data is not available for crop years 1990 through 1997 for the county, the average yield for all practices shall be used. If NASS data is not available, FSA-recorded data shall be used. The county average yield will:

- be provided to State and County Offices
- not require County Office calculations.

County average yield data available from NASS by State is as follows:

- irrigated, nonirrigated, and blended yield data is available for Texas and Oklahoma
- blended yield data only is available for Alabama, Florida, Georgia, New Mexico, North Carolina, and South Carolina.

Counties in all other States shall use FSA-recorded data to calculate weighted county average yields, except Kansas and Nebraska. Peanuts were planted in Kansas and Nebraska only during 1998 through 2001; therefore, the average actual yield for the farm for the years peanuts were planted shall be considered the county average yield.

The county average yield shall be calculated by dividing the harvested production for the county by the harvested acreage by irrigated or nonirrigated practice, if applicable, to determine the county average yield.

Continued on the next page

202 Yield Provisions (Continued)

E
County Average Yield Calculation (Continued)

Example: The following is the weighted average county yield for a county that has irrigated and nonirrigated yield data. The total harvested production for each practice is divided by the total harvested acreage for each practice.

Crop Year	County Average Yield - Nonirrigated		County Average Yield - Irrigated	
	Harvested Acreage	Total Production	Harvested Acreage	Total Production
1990	120,000	270,000,000	120,000	399,000,000
1991	121,133	271,943,585	121,133	375,512,300
1992	124,555	354,358,975	124,555	399,572,440
1993	120,133	302,134,495	120,133	370,009,640
1994	119,998	361,793,970	119,998	420,712,980
1995	120,255	373,391,775	120,255	411,873,375
1996	121,198	399,347,410	121,198	439,827,542
1997	119,252	386,376,480	119,252	433,600,272
Total	966,524	2,719,346,690	966,524	3,250,108,549
Weighted Average Yields		2,813		3,364

F
Calculating and Substituting Weighted Average County Yield

A historic peanut producer may have both irrigated and nonirrigated acreage on the same farm during the same crop year. If both irrigated and nonirrigated yields are available for the county, the county average yield that may be substituted for the actual yield shall be weighted by practice.

Continued on the next page

202 Yield Provisions (Continued)

F
Calculating and Substituting Weighted Average County Yield (Continued)

Example: The county average yield for irrigated peanuts is 3,364, and the county average yield for nonirrigated peanuts is 2,813. In this example, there is 1 year (2001) in which both irrigated and nonirrigated peanut acreage were planted on the same farm.

FSN	Crop Year	Irrigated Acreage	Nonirrigated Acreage	Actual Yield	Irrigated Weighted Average County Yield	Nonirrigated Weighted Average County Yield	Weighted Average of County Yield (Irr/Nonirr)	Highest Yield
1	1998		20.0	2,000	3,364	2,813		2,813
1	1999	25.0		3,000	3,364	2,813		3,000 <u>1/</u>
1	2000	30.0		3,000	3,364	2,813		3,364
1	2001	30.0	25.0	2,850	3,364	2,813	3,114 <u>2/</u>	3,114
Historic Peanut Producer's Average Yield								3,103

1/ A historic peanut producer may only substitute the county average yield 3 of the 4 years 1998 through 2001. In this example, 1998, 2000, and 2001 were substituted by the producer; therefore, 1999 was not eligible for substitution even though the actual yield was less than the county average yield.

2/ The county average yield for 2001 eligible to be assigned was calculated as follows:

$$(30.0 \times 3,364) + (25.0 \times 2,813) = 171,245 \div 55.0 = 3,114 \text{ weighted average county yield.}$$

G
Payment Yield

The payment yield is 100 percent of the determined average yield on the farm.

203-249 (Reserved)

Section 2 2002 Peanut DCP Contracts and Payments**250 Applying for Benefits**

A**Introduction**

This section provides procedure for:

- enrolling into the 2002 Peanut DCP
 - issuing payments.
-

B**Producer Eligibility**

For 2002, historic peanut producers are eligible for:

- direct payments
- counter-cyclical payments, if applicable.

The producer application for payment of direct and counter-cyclical payments is CCC-531.

C**CCC-531 Signature Requirements**

For 2002, all applicable farms' payment acres and yields shall be included on one CCC-531 for each historic peanut producer. There shall be only 1 applicant per CCC-531, and one CCC-531 per historic peanut producer per county. CCC-531 includes all farms in which the historic peanut producer shared in the risk of the production of peanuts for crop years 1998 through 2001. The historic peanut producer is required to sign CCC-531 to apply for DCP payments.

CCC-531 Appendix must be provided to the producer at the time of signup. The producer must sign and date the first page of CCC-531 Appendix before signing CCC-531 acknowledging receipt. After the participant signs and initials the first page of CCC-531 Appendix, the County Office must make a copy and attach it to CCC-531.

Continued on the next page

250 Applying for Benefits (Continued)

D**Signature
Deadlines**

Each historic peanut producer must submit all necessary completed forms and associated documentation, by COB June 1, 2003, to enroll in the 2002 Peanut DCP.

E**Approving 2002
CCC-531**

COC, or the approved COC representative, is responsible for taking action on CCC-531. CCC-531 can be approved for the 2002 crop year when all applicable forms and documentation have been timely submitted and the historic peanut producer meets the eligibility requirements. Approval dates shall be entered through the automated CCC-531 application.

F**Deceased Persons
and Dissolved
Entities**

If a historic peanut producer died before signing CCC-531, the estate is eligible to request DCP payments. If no estate exists, the heirs of the deceased are eligible to divide the average acreage and yields according to the following:

- the method the estate was divided
- if an estate was not formed, all heirs must agree in writing to the division of average acreage and yields.

Legal documentation must be provided demonstrating either of the following:

- the estate division method
- other documentation reflecting the subject heirs associated with the deceased person's interest.

In the case of a dissolved entity, the members of the dissolved entity will be considered the historic peanut producer. The average acreage, yields, and payments for the member will be based on each member's share of the entity for the crop year the peanuts were planted or prevented from being planted. Each member of the dissolved entity at the time of dissolution, or their representatives, must sign a separate CCC-531.

251 Conditions of Receiving Assistance for 2002 Peanut DCP

A

**Conservation
Compliance**

HELC and WC provisions apply to 2002 Peanut DCP participants. Before payments are issued, producers must:

- file AD-1026, if one is not currently on file, certifying that they are in compliance with HELC and WC provisions
 - meet applicable requirements in 6-CP.
-

B

**Payment
Limitation and
Payment
Eligibility**

Payment limitation and payment eligibility provisions apply to 2002 Peanut DCP participants. Before payments are issued, producers must:

- file applicable CCC-502, and related forms, if not currently on file
 - meet applicable requirements in 1-PL.
-

252 2002 General Direct and Counter-Cyclical Payment Provisions for Peanuts

A**General Payment Provisions**

Historic peanut producers are eligible for 2002:

- direct payments
 - counter-cyclical payments, if applicable.
-

B**Administrative Offset**

The 2002 direct and counter-cyclical payments are subject to administrative offset.

C**Bankruptcy**

Bankruptcy status does not exclude a producer from requesting 2002 Peanut DCP benefits. Contact the OGC Regional Attorney for guidance on issuing 2002 Peanut DCP payments on all bankruptcy cases.

D**Obtaining FSA-325**

FSA-325 shall be completed, according to 1-CM, paragraph 779, by individuals or entities requesting payments earned by a historic peanut producer who has died, disappeared, or been declared incompetent, subsequent to applying for peanut DCP benefits. Payments shall be issued to the individuals or entities requesting payment using the deceased, incompetent, or disappeared producer's ID number.

Note: A revised CCC-531 is not required to be completed when payments are issued under the deceased, incompetent, or disappeared producer's ID number.

Continued on the next page

252 2002 General Direct and Counter-Cyclical Payment Provisions for Peanuts (Continued)

E

Designations

County Offices shall process assignments and joint payments according to 63-FI. The program code for 2002 Peanut DCP payments is "02DCP".

F

**Payment
Limitation**

The payment limitation amounts per "person" for 2002 Peanut DCP are:

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

The payment limitation amounts for multi-county and multi-county combined producers will be divided equally among all counties where the producer is eligible for payment. These totals will be downloaded from KC-ITSTO. The producer's control county will be the only county able to make changes to the PLM totals. County Offices should follow procedures in 2-PL, paragraphs 105 and 106 for requesting updates to the PLM set.

Continued on the next page

252 2002 General Direct and Counter-Cyclical Payment Provisions for Peanuts (Continued)

**G
Determining
Payment
Eligibility**

The payment process reads the eligibility and multi-county files to determine whether a producer or member of a joint operation is eligible to be paid. If the producer or member is ineligible to be paid, the individual or entity will be listed on the nonpayment register with the applicable message. Eligibility flags must be updated before the producer or member can be paid; however, these flags should accurately reflect COC determinations.

This table identifies:

- eligibility flags applicable to the 2002 Peanut DCP
- which flags are used to determine producer eligibility in each County Office
- flag values that reflect producer or member eligibility and ineligibility.

County	Eligibility Field	Eligible Flags	Ineligible Flags	Flags Requiring Other Determinations
Control County	Person Determination	Y	N, P	blank
Home County	Controlled Substance			
	6-CP			
	AD-1026			
Other County	Controlled Substance			
	6-CP			

253 2002 Direct Payments for Peanuts

A

Direct Payments

For 2002, direct payments will be issued to enrolled eligible historic peanut producers who have an approved CCC-531.

B

**2002 Direct
Payment
Calculation for
Peanuts**

The amount of the direct payment to be paid to a historic peanut producer for 2002 is equal to the product of the following:

- payment rate of \$36 per ton (.018 cents per pound)
 - 85 percent of the historic peanut producer's average acreage
 - average peanut yield determined for the historic peanut producer according to subparagraph 202 E.
-

C

**Issuing 2002
Direct Payments
for Peanuts**

For 2002, advance direct payments will not be issued. The total direct payment shall be issued beginning October 15, 2002.

254 2002 Peanut DCP Counter-Cyclical Payments

A**Applicability of Counter-Cyclical Payments**

Counter-cyclical payments will be issued for 2002 if the Secretary determines that the effective price for peanuts is less than the target price. For 2002, the counter-cyclical payment will be issued to historic peanut producers who have enrolled into the 2002 Peanut DCP.

B**Counter-Cyclical Payment Rate**

The counter-cyclical payment rate is equal to the difference between the target price of \$495 per ton and the effective price. For 2002 peanut counter-cyclical payment purposes, the effective price is equal to the sum of the following:

- higher of either of the following:
 - national average market price for peanuts received by producers during the 12-month marketing year for crop year 2002 peanuts, as determined by the Secretary
 - national average loan rate for a marketing assistance loan for peanuts, which is \$355 per ton
 - direct payment rate of \$36 per ton (.018 cents per pound).
-

C**Calculating the Counter-Cyclical Payment**

Counter-cyclical payments for each enrolled historic peanut producer shall be equal to the product of the following:

- 2002 payment rate determined according to subparagraph B
 - 2002 payment acres determined according to subparagraph 201 E
 - average 2002 peanut yield determined according to subparagraph 202 E for the historic peanut producer.
-

Continued on the next page

254 2002 Peanut DCP Counter-Cyclical Payments (Continued)

D**Partial Counter-Cyclical Payments**

If, before the end of the 12-month marketing year for crop year 2002, the Secretary estimates that counter-cyclical payments apply, enrolled 2002 Peanut DCP historic producers will have the option to receive partial payments of the projected counter-cyclical payment.

The first partial payment shall **not** be made earlier than October 1, 2002, and not later than October 31, 2002. For 2002, the enrolled historic peanut producer's first partial payment cannot exceed 35 percent of the projected counter-cyclical payment for the crop year.

The second partial payment shall **not** be made earlier than February 1, 2003. Effective for 2002, the second partial payment may not exceed the difference between the following:

- 70 percent of the projected counter-cyclical payment, including any revision made by the Secretary, for the 2002 crop year
 - amount of the first partial payment.
-

E**Final Counter-Cyclical Payments**

The 2002 final counter-cyclical payment shall be equal to the difference between the following for each historic peanut producer:

- total computed 2002 counter-cyclical payment
 - amount of the 2002 partial payments that have been issued.
-

Continued on the next page

254 2002 Peanut DCP Counter-Cyclical Payments (Continued)

F

Overpayments of Counter-Cyclical Payments

Partial payments are issued based on estimates of counter-cyclical payment rates. Final payments are issued on the actual 2002 counter-cyclical payment rate. Therefore, historic peanut producers who receive partial payments that exceed the actual counter-cyclical payment, shall refund the amount that exceeds the actual counter-cyclical payment.

Example: 2002 Advance Peanut Counter-Cyclical Payment: \$1,000
 2002 Actual Peanut Counter-Cyclical Payment: - \$ 750
 Difference: \$ 250

Note: The producer will be required to repay \$250.

255-274 (Reserved)

Section 3 2003 Through 2007 Peanut Average Acreage and Yield Designations

275 Designating Peanut Average Acreage and Yields

A**Designation by
Historic Peanut
Producer**

Historic peanut producers shall be given an opportunity to designate the average acreage and yield calculated for a farm to that farm, to another farm, or to multiple farms in the State where the acreage and yield originated, or in a contiguous State, if applicable according to subparagraph B. This is a **1-time** option to designate average acreage and yields. Acreage designated shall be to a farm at the tract level. The average acreage and yield being designated cannot exceed the average acreage and yield calculated for the historic peanut producer making the designation.

B**Limitation on
Acreage
Designation**

Peanut average acreage in 1 State shall not be assigned to a farm in a contiguous State unless either of the following applies:

- the historic peanut producer making the designation produced peanuts in the contiguous State during at least 1 of the 1998 through 2001 crop years
 - as of March 31, 2003, the historic peanut producer is a producer on a farm in the contiguous State.
-

C**Notice of
Opportunity to
Assign**

Each historic peanut producer shall be provided a notice about their opportunity to assign average peanut acreage and yields to a farm. The notice shall include the following:

- notification that average acreage and yields can **only** be designated once
 - explanation of limitations on out-of-State designations of average acreage and yields, according to subparagraph B
 - information on the manner in which designations must be made, and the timeframe for making designations.
-

276 Base Acreage Yields

A

Peanut Base Acreage

The total of all designated acreage to a farm, by a historic peanut producer, shall be considered base acres after designated, for the purpose of making direct and counter-cyclical payments for crop years 2003 through 2007.

B

Payment Yield

The weighted average of all yields assigned by the historic peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct and counter-cyclical payments for crop years 2003 through 2007. The yields will be weighted at the tract level and then at the farm level.

C

Voluntary Permanent Reduction in Base Acres for Peanuts

The owner of a farm may reduce the base acreage of peanuts assigned to a farm at any time. The reduction is permanent and can be made by completing CCC-505.

277-299 (Reserved)

Part 5 Base and Yield Elections**300 General Information****A Elections**

Owners of a farm have the opportunity to:

- select which option will be used to calculate 2002 DCP base acres
- partially update payment yields for counter-cyclical payments, if Option 4 is selected to update base acres.

Base and yield elections are effective for crop years 2002 through 2007.

***--Exception:** BIA is authorized to make the base and yield election, and sign CCC-515, on behalf of owners on tribal and allotted land.--*

B Timing of Elections

Base and yield elections for a farm shall be submitted to FSA on CCC-515:

- after owners of a farm choose between initial crop acreage and subsequent crop acreage, if applicable, for the 1998 through 2001 crop years
- after FSA-658P is filed, as applicable, according to Part 3
- on or before April 1, 2003.

300 General Information (Continued)

C Revising Base or Yield Elections

Base and yield elections may be revised on or before April 1, 2003. The elections by the owners of a farm, as of April 1, 2003, will establish DCP bases and payment yields for crop years 2002 through 2007.

Note: There is a significant amount of time required to process revisions, including maintenance activities. Good communication with farm owners with regard to base and yield options may reduce the need for revisions. * * *

D Same Election by All Owners

All owners of a farm must agree to the same base and yield elections, evidenced by each owner signing CCC-515 by April 1, 2003.

Note: It is not permissible for owners of a farm to elect different base or yield options; however, owners with divided ownership interests in a farm may request a farm division for FY 2002 according to 2-CM, in which case the owner of each resulting farm will have an opportunity to make independent base and yield elections.

300 General Information (Continued)**E Current Owner**

Owners authorized to make base and yield elections, and take other actions according to this Part, are the owners of a farm at the time the selections are made.

Note: To receive 2002 DCP payments, owners must meet the definition of a “producer” for 2002. Accordingly, it may not be uncommon for new owners of a farm to make base and yield elections, with the previous owners signing CCC-509 to receive 2002 DCP payments, depending on when the farm was purchased. * * *

F Appeal Rights

After all owners of a farm have signed CCC-515 in agreement to a base and yield election for the farm, FSA-540:

- shall be mailed **immediately** to the farm operator, each owner, and to all other producers on the farm records at the time FSA-540 is printed

* * *

- serves as the written appeal rights, in accordance with 1-APP.

Note: FSA-540 indicates a date by which the county office should be contacted regarding questions or concerns.

- shall include FSN’s, when COC assigns production based on similar FSN’s.

***--301 Resolving Subsequent Acres**

A

Timing

If acreage was planted to 2 or more crops in the same crop year, both crops cannot be counted as acreage history unless it was an approved double-crop planting.

Subsequent crop acreage must be resolved **before** owners make base and yield elections. Accordingly, owners of a farm must choose between the initial crop and subsequent crop on the acreage, if applicable, on or before April 1, 2003.

B

Owner

Considerations

Owners should carefully review their base and yield options before selecting between initial and subsequent crops.

Example: When electing Base Option 4, owners may simply choose the crop with the higher payment amount when selecting initial or subsequent crop. If the same owner were to elect Base Option 2, it is anticipated that the owner would choose an oilseed over any other covered commodity, without regard to payment rates.

Accordingly, owners may often resolve subsequent crop acreage just before electing their base and yield options.

C

Resolution

Process

Owners shall select the initial or subsequent acreage history they wish to retain for DCP base history purposes on CCC-522.--*

Continued on the next page

301 Resolving Subsequent Acres (Continued)

D
Example of
Completed
CCC-522

The following data applies to this example of a completed CCC-522:

FSN 2: Operated by Operator X
 DCP effective cropland: 300 acres
 Tract 168: Owned by Robert Smith, DCP effective cropland: 175 acres
 Tract 9273: Owned by John Smith, DCP effective cropland: 125 acres

Current PFC Bases: Wheat 20.0 acres Yield 34 bushels
 Corn 140 acres Yield 87 bushels

1998 Through 2001 Planting History

Crop		1998	1999	2000	2001
Wheat	Initial acres	0.0	50.0	75.0	75.0
	Subsequent acres	0.0	0.0	0.0	0.0
Corn	Initial acres	52.3	0.0	0.0	0.0
	Subsequent acres	0.0	0.0	0.0	0.0
Oats	Initial acres	0.0	0.0	0.0	0.0
	Subsequent acres	0.0	0.0	0.0	0.0
Soybeans	Initial acres	28.0	30.0	30.0	30.0
	Subsequent acres	0.0	50.0	25.0	0.0

For crop year 1999, the producer planted 50 acres of wheat; 50 acres of wheat failed and was replanted to a subsequent crop of soybeans. Thirty acres of soybeans had also been planted as an initial crop. The owner chooses the subsequent soybeans for history purposes. CCC-522 would show the 50 acres of wheat reduced to 0 acres for history purposes, and 80.0 acres of initial soybeans for history purposes. The 50.0 acres of subsequent soybeans would be revised to 0.0.

For crop year 2000, the producer planted 75 acres of wheat; 25 acres of wheat failed and was replanted to a subsequent crop of soybeans. Thirty acres of soybeans had also been planted as an initial crop. The owner chooses the subsequent soybeans for history purposes. CCC-522 would show the 75 acres of *--wheat reduced to 50 acres for history purposes, and 55.0 acres of initial--* soybeans for history purposes. The 25 acres of subsequent soybeans would be revised to 0.0.

Continued on the next page

301 Resolving Subsequent Acres (Completed)

D
Example of
Completed
CCC-522
(Continued)

The following is a completed example of CCC-522.

*--

This form is available electronically.

CCC-522 U.S. DEPARTMENT OF AGRICULTURE (09-25-02) Commodity Credit Corporation		1. COUNTY FSA OFFICE NAME AND ADDRESS (Including Zip Code) Grant Parish FSA Office P.O. Box 296 Colfax, LA 71417-0296							
TRACT OWNER SELECTION OF INITIAL OR SUBSEQUENT CROP ACREAGE HISTORY		TELEPHONE NUMBER (Area Code):							
		2. STATE CODE 22	3. COUNTY CODE 043						
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.		4. FARM SERIAL NUMBER 2	5. TRACT NUMBER 9273						
<i>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, 851, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</i>									
6. SELECTION OF CROP ACREAGE HISTORY - INITIAL OR SUBSEQUENT CROP									
A. Crop	B. Initial Acres and Subsequent Acres	C. 1998	D. 1998 Selection	E. 1999	F. 1999 Selection	G. 2000	H. 2000 Selection	I. 2001	J. 2001 Selection
Wheat	Initial Acres	0.0		50.0	0.0	75.0	50.0	75.0	
	Subsequent Acres	0.0		0.0		0.0		0.0	
Corn	Initial Acres	52.3		0.0		0.0		0.0	
	Subsequent Acres	0.0		0.0		0.0		0.0	
Oats	Initial Acres	0.0		0.0		0.0		0.0	
	Subsequent Acres	0.0		0.0		0.0		0.0	
Soybeans	Initial Acres	28.0		30.0	80.0	30.0	55.0	30.0	
	Subsequent Acres	0.0		50.0	0.0	25.0	0.0	0.0	
	Initial Acres								
	Subsequent Acres								
	Initial Acres								
	Subsequent Acres								
	Initial Acres								
	Subsequent Acres								
	Initial Acres								
	Subsequent Acres								
	Initial Acres								
	Subsequent Acres								

As a result of the owners resolving the subsequent acres, the acreage to be used in calculating FSN 2's DCP base is as follows:

- wheat, 125 acres
- corn, 52.3 acres
- soybeans, 193 acres.--*

*--301 Resolving Subsequent Acres (Completed)

D
Example of
Completed
CCC-522
(Continued)

CCC-522 (09-25-02) Page 2

2. STATE CODE 22	3. COUNTY CODE 043	4. FARM SERIAL NUMBER 2	5. TRACT NUMBER 9273
---------------------	-----------------------	----------------------------	-------------------------

7. OWNER'S CERTIFICATION

I understand this form indicates the acreage history of all covered commodities that were planted after (subsequent to) the planting and or prevented planting of another covered commodity. I understand and agree that in order to make the Direct and Counter-Cyclical Program (DCP) Base and Yield election for the farm listed in Item 4 above, all owners of the tract listed in Item 5 above must select the crop and acreage that will be used to calculate the DCP bases for the farm. I agree that the acreage listed in Items 6D, 6F, 6H and 6J Selection columns shall be the acreage all owners have selected.

I also understand this is a one-time opportunity and that all owners on this tract must make the same selection(s) by signing Form CCC-522, on or before April 1, 2003. In the event that one or more tract owners of this farm fail to make a selection of crop acreage by April 1, 2003, I understand that this form is null and void, and that base and yield options that would otherwise be available on the farm are limited significantly, in accordance with the Farm Security and Rural Investment Act of 2002, (Pub. L. 107-171), and with the federal regulations at 7 CFR Part 1412.

8A. OWNER'S SIGNATURE /s/ John Smith	8B. DATE (MM-DD-YYYY) 11-16-02	8C. OWNER'S SIGNATURE	8D. DATE (MM-DD-YYYY)
8E. OWNER'S SIGNATURE	8F. DATE (MM-DD-YYYY)	8G. OWNER'S SIGNATURE	8H. DATE (MM-DD-YYYY)
8I. OWNER'S SIGNATURE	8J. DATE (MM-DD-YYYY)	8K. OWNER'S SIGNATURE	8L. DATE (MM-DD-YYYY)

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--*

302 CCC-522, Tract Owner Selection of Initial or Subsequent Crop Acreage History**A Signing CCC-522**

All tract owners must resolve any subsequent crop acreage for each tract they have an ownership interest in before making the DCP base and yield election for the farm.

All owners of each tract must sign and agree to the resolved acreage as entered on CCC-522, which is a computer-generated form with pre-filled information from the Acreage History File.

* * *

B Resolving Subsequent Acres

Owners shall select the crop that will be used for crop acreage history for the tract and sign CCC-522. * * *

Subsequent acres listed on the “Subsequent Crop Acreage Report” must be resolved by revising the subsequent crop acreage:

- to “0” and maintaining the initial crop for history purposes when the owner chooses the initial crop for the tract
- for that crop to “0”, increasing history acres for that crop and decreasing the initial crop’s history by a like amount when the owner chooses the subsequent crop for history for the tract.

Note: County Offices shall review FSA-578 and photocopies when resolving subsequent acres. However, no changes shall be made to the crop codes for this purpose in FSA-578.

302 CCC-522, Tract Owner Selection of Initial or Subsequent Crop Acreage History (Continued)

C Example 1

Farm 178, Tract 9274. For FY 2000, the producer planted 75.0 acres of wheat, 25 acres of wheat failed and was replanted to a subsequent crop of soybeans. The tract also had 30 acres of soybeans planted as an initial crop. The owner chooses the subsequent soybeans for history purposes. CCC-522 would show 75.0 acres of wheat for history purposes, 30.0 acres of soybeans for history purposes, and 25.0 acres of soybeans as subsequent. The 25.0 acres of subsequent soybeans would be revised to “0”. The 30.0 acres of soybean history would be revised to 55.0 acres. The 75.0 acres of wheat history would be revised to 50.0 acres for history.

D Example 2

FSN 3129 is operated by Producer A and consists of the following tracts and owners:

- Tract 7119, Owner X
- Tract 8000, Owner Y.

For crop year 2000, on tract 7119, Producer A plants 100 acres of wheat; 25 acres of wheat fails and the failed acreage was subsequently planted to corn. On Tract 8000, 75 acres of wheat, 50 acres of corn, 30 acres of sunflowers, and 100 acres of soybeans are planted. The 30 acres of sunflowers fail and the failed acreage was subsequently planted to soybeans. Before selecting a base and yield option for the farm, Owner X and Owner Y shall select which crop acreage history to use for the farm. Owner X, on CCC-522, selects to reduce the 25 acres of subsequent corn to “0” and maintains the 100 acres of initial wheat for tract 7119. Owner Y, on CCC-522 selects to reduce the initial 30 acres of sunflowers to “0” and add the 30 acres of subsequent soybeans to the 100 acres of initial soybeans for a total of 130 acres of soybeans, 75 acres of wheat, and 50 acres of corn for tract 8000. As a result of Owners X and Y resolving the subsequent acres for each respective tract, the acreage to be used in calculating FSN 3129’s DCP base is as follows:

- wheat, 175 acres
- corn, 50 acres
- soybeans 130 acres.

Note: Subsequent acres must be resolved regardless of which base option the owners elect.

303 DCP Base and Yield Election

A
Reviewing
CCC-515

CCC-515 is a computer-generated form that contains base and yield election information as indicated by the owners of the farm.

Owners should carefully review CCC-515 for each farm in which they have an ownership interest, to ensure that all data is consistent with their base and yield *--elections. After review, CCC-515 shall be signed and dated (items 9A and 9B) by each owner of the farm, and returned to the County Office by--* April 1, 2003.

Note: See paragraph 304 if owners fail to timely agree on base and yield elections.

***--B**
Reviewing
CCC-517

CCC-517 is a computer-generated form that contains the tract redistribution method requested by the owners of the farm.

Owners should carefully review CCC-517 for each tract on each farm in which they have an ownership interest to ensure that all data is consistent with their tract redistribution method selections. After review, CCC-517 shall be signed and dated (items 9C and 9D) by each owner of the farm, including owners of tracts with zero DCP cropland, and returned to the County Office by April 1, 2003.

Notes: All owners must sign CCC-517, except owners of a 1-tract farm.

See paragraph 304 if owners fail to timely agree on the tract redistribution method.--*

Continued on the next page

303 DCP Base and Yield Election (Continued)

C
Example of
Completed
CCC-515

The following is an example of a completed CCC-515.

This form is available electronically.

CCC-515 U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP) BASE AND YIELD ELECTION FORM		1. COUNTY FSA OFFICE NAME AND ADDRESS (including Zip Code) Grant Parish FSA Office P.O. Box 296 Colfax, LA 71417-0296 TELEPHONE NUMBER (Area Code): 318 627-9999					
2. STATE CODE		3. COUNTY CODE	4. FARM SERIAL NO.				
22		043	2				
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.							
5. BASE AND YIELD OPTION ELECTED: 1 - PFC Acres - Yld, CC1, Equal to Direct Yield							
6. BASE AND PAYMENT YIELD INFORMATION							
A. Crop	B. Base Acres	C. Direct Yield	D. CC Yield	A. Crop	B. Base Acres	C. Direct Yield	D. CC Yield
Wheat	20.0	34	34				
Corn	140.0	87	87				
7. OWNER'S CERTIFICATION							
I understand that by signing this form I have made the base and yield elections for Direct and Counter-Cyclical Program (DCP) purposes for the farm serial number in Item 4. I have considered all available options for this farm, including any selection of subsequent crop history, if applicable, and have elected base and yield methods that result in the base and yield information as shown in Item 6 above.							
I also understand that this is a one-time opportunity and that all owners on this farm must make the same elections by signing the form CCC-515, on or before April 1, 2003. In the event that one or more owners of this farm fail to make an election by April 1, 2003, or if all elections are made but are not all the same, I understand that this form is null and void, and that base and yield options that would otherwise be available on the farm are limited significantly, in accordance with the Farm Security and Rural Investment Act of 2002, (Pub. L. 107-171), and with the federal regulations at 7 CFR Part 1412.							
8A. OWNER'S NAME AND ADDRESS (including Zip Code)				8B. OWNER'S IDENTIFICATION NUMBER			
John Smith 123 Dusty Road Colfax, LA 71417-9999				123-45-6789			
9A. SIGNATURE OF OWNER						9B. DATE (MM-DD-YYYY)	
/s/ John Smith						11-16-2002	
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) 726-2600 (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) 726-5964 (voice or TDD). USDA is an equal opportunity provider and employer.							

304 Failure to Complete Actions by April 1, 2003

A

Failure to Resolve Subsequent Acres by April 1, 2003

The resolution process must be completed by April 1, 2003. Owners who fail to resolve subsequent acres timely will not have an opportunity to make base and yield elections, because:

- subsequent acres must be resolved before making base and yield elections
 - base and yield elections must be made by April 1, 2003.
-

B

Failure to Complete FSA-658P by April 1, 2003

Owners or producers of a farm shall submit FSA-658P by April 1, 2003, as required by Part 3, to establish:

- direct payment yields for oilseeds
- partially updated counter-cyclical payment yields for all covered commodities if Option 4 is selected by the owners.

Note: In cases where FSA-658P is required, but not submitted by April 1, 2003, the actual production for applicable years shall be considered to be 75 percent of the 4-year NASS weighted county average yield.

C

Failure to Make Base and Yield Elections by April 1, 2003

--If all owners of a farm cannot agree to base and yield elections and the tract redistribution method, or if 1 or more owner signatures are not timely obtained on CCC-515 and CCC-517, the statute provides that owners are deemed to have-- elected either of the following:

- 2002 PFC acres (Base Option 1)
- 2002 PFC acres plus the minimum eligible oilseed acreage if oilseed average acreage is present (Base Option 2).

Note: FSA-658P's filed by April 1, 2003, may be used to establish **direct** payment yields for oilseeds.

Accordingly, these owners shall **not** have the following opportunities that may have otherwise been available:

- Base Option 3, 4, or 5
 - partially updated yields for counter-cyclical payment purposes.
-

305-330 (Reserved)

Part 6 Signup

Section 1 General Information

331 Signup Period

A Signup Dates

The signup period for DCP for FY 2002 begins October 1, 2002, and ends June 2, 2003. The DCP signup period for FY 2003 and subsequent years begins October 1 of the applicable FY and ends June 1 of the FY.

***--Exception:** The enrollment deadline for FY 2007 has been extended from June 1 to August 3, 2007.--*

B Farms With CRP-1

Farms with CRP-1's that expire or are voluntarily terminated on or after May 13, 2002, and before October 1, 2007, 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 on or after May 13, 2002, and before October 1, 2007. See 3-CM for updating the farm maintenance system.

C Late-Filed Provisions

***--CCC-509's** for which missing signatures are obtained after June 1 (August 3 for FY 2007),--* but not later than September 30 of the FY, will be considered late-filed, and shall be assessed a late-filed signup fee of \$100.

Note: Deposit collections according to 3-FI, using program code "XXDCPLATEFEE", where XX is equal to the crop year.

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 the later of June 1 (August 3 for FY 2007)--* or 30 calendar days following producer notification of the reconstitution. If a resulting farm is not enrolled during this period, DCP benefits are not available for that FY, except according to subparagraph C.

Note: See subparagraph E for reconstitution of nonenrolled farms with DCP base acres.

331 Signup Period (Continued)

E Reconstitutions of Other Farms With DCP Base Acres

Farms not enrolled during the prescribed annual signup period are subject to late-filed fees according to subparagraph C, including farms for which a reconstitution is requested.

Exception: A late-filed fee shall not be applied, if **both** of the following apply:

- FSA-155 is signed by all applicable parties to request reconstitution of the farm, on or before June 1 (August 3 for FY 2007) of the applicable FY
- all required signatures are obtained on CCC-509 within 30 calendar days following producer notification of the reconstitution.

Note: For COC-initiated reconstitutions not completed by June 1 (August 3 for FY 2007), and parent farm was not previously enrolled, allow producer 30 calendar days after notification to enroll without late-filed fee.

Late-filed fees shall be charged for each FSN that was not enrolled timely, based on the constitution of FSN's as of June 1 (August 3 for FY 2007) of the applicable FY.*

Example 1: Parent FSN 50 was not enrolled into DCP, and FSA-155 was not signed, by June 1. Owner requests farm division, resulting in FSN's 2250, 2251, and 2252. One fee of \$100 applies on parent FSN 50.

Example 2: FSN's 500, 1050, and 1200 were not enrolled into DCP by June 1. FSN's 200 and 1300 were timely enrolled. Producer and owners sign FSA-155 on June 15, requesting a combination of all 5 FSN's. Three fees of \$100 will apply (FSN's 500, 1050, and 1200).

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. By signing CCC-509, producers:

- acknowledge receipt of 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

This is an example of CCC-509.

*--

<p>This form is available electronically.</p> <p>CCC-509 (12-11-06)</p> <p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p align="center">DIRECT AND COUNTER-CYCLICAL PROGRAM CONTRACT</p> <p>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 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.</p>		<p>1. PROGRAM YEAR</p>					
		<p>2A. COUNTY FSA OFFICE NAME AND ADDRESS (Including Zip Code)</p>					
		<p>2B. COUNTY OFFICE TELEPHONE NUMBER (Including Area Code)</p>					
3. STATE CODE	4. COUNTY CODE	5. FARM NUMBER					
<p>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.</p>							
<p>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 are contained in the CCC-509 Appendix (11-08-06), entitled "Appendix to Form CCC-509 (11-08-06), Direct and Counter-Cyclical Program Contract." 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 (11-08-06), 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.</p>							
6. Commodity	7. Base Acres	8. Maximum Payment Acres 85% of Base	9. Payment Yield A. Direct B. Counter-Cyclical	6. Commodity	7. Base Acres	8. Maximum Payment Acres 85% of Base	9. Payment Yield A. Direct B. Counter-Cyclical
10. Owner or Producer's Name and Address (Including Zip Code)				11. Commodity	12. Payment Share	11. Commodity	12. Payment Share
Identification Number:							
13A. Refused Payment Information:				14. Advance Payment Selections (for all commodities):			
<input type="checkbox"/> All Direct Payments are Refused <input type="checkbox"/> All Counter-Cyclical Payments are Refused				A. Advance Direct Payments _____ (Month requested for receipt of Direct Payment.) B. Advance Counter-Cyclical Payments: - First Partial Payment YES <input type="checkbox"/> NO <input type="checkbox"/> - Second Partial Payment YES <input type="checkbox"/> NO <input type="checkbox"/>			
13B. Producer's Initials		13C. Date Initialed (MM-DD-YYYY)					
15A. SIGNATURE OF OWNER OR PRODUCER						15B. DATE (MM-DD-YYYY)	
FOR FSA USE ONLY							
16A. SIGNATURE OF CCC REPRESENTATIVE						16B. DATE (MM-DD-YYYY)	
17. REMARKS							
<p><small>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.</small></p>							

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

D Example of CCC-509 Appendix

This is an example of CCC-509 Appendix.

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This form is available electronically.	<i>See Page 7 for Privacy Act Statement.</i>
CCC-509 Appendix (11-08-06)	
U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
APPENDIX TO FORM CCC-509, DIRECT and COUNTER-CYCLICAL PROGRAM CONTRACT	
<p>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 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.</p>	
<p>1 PURPOSE</p> <p>This Appendix sets forth additional terms and conditions of the Direct and Counter-Cyclical Program Contract (CCC-509). A producer who signs the Direct and Counter-Cyclical Program Contract agrees to follow the terms and conditions contained in this CCC-509 Appendix, and acknowledges the applicability of any provisions of the federal regulations applicable to the contract including those found at 7 CFR Parts 12, 718, 1400, 1405, and 1412.</p>	
<p>2 DEFINITIONS</p> <p>A Producer means an owner, operator, landlord, tenant, or sharecropper who <i>shares in the risk of producing a crop</i> and is <i>entitled to share in crop available for marketing</i> from the farm, or would have shared had the crop been produced. In determining whether a grower using hybrid seed, under contract, to produce a covered commodity or peanuts is eligible for a program payment to which contract applies, the CCC shall ignore the contract with the seed producer and allow the payment to the grower of the crop produced from the seed. The preceding sentence shall only apply, however, if the grower of the crop produced from the seed would, but for the contract, be eligible to be considered a producer of the crop.</p> <p>B Base Acres means the number of acres for the covered commodity on the farm specified on the contract (CCC-509). Base acres may be increased if a Conservation Reserve Program contract applicable to the farm expires or is voluntarily terminated. The adjustment in the base acres of a crop, if any, will be determined by the Secretary of Agriculture.</p> <p>C Covered Commodity means wheat; corn; grain sorghum; barley; oats; upland cotton; sesame; soybeans; canola; crambe; flax; mustard; rapeseed; safflower; sunflowers; or other oilseeds, if any, as determined by the Secretary of Agriculture; and rice. In addition, for purposes of this Appendix for the Contract (CCC-509), peanuts shall be considered to be a "covered commodity."</p> <p>D Dry Peas means Austrian, wrinkled seed, yellow, Umatilla, and green, excluding peas grown for the fresh, canning, or frozen markets.</p> <p>E All words and phrases have the meanings assigned to them in the regulations found at 7 CFR Parts 718, 1400, and 1412.</p>	
<p>3 CONTRACT</p> <p>By signing CCC-509 the owners and producers on a farm understand and agree that:</p> <p>A Only a "producer", as defined in item 2A of this appendix, is entitled to earn direct or counter-cyclical payments. The payment shares for each commodity, as identified on CCC-509, must be representative of each producer's interest in base acres based on farming practices in the area to the satisfaction of the County FSA Committee.</p>	

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

D Example of CCC-509 Appendix (Continued)

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CCC-509 Appendix (11-08-06) Page 2 of 7

- B The payment shares for a producer may not exceed the producer's applicable interest in base acres;
- C The CCC-509 becomes effective when signed by an authorized representative of CCC; however, the contract period is from October 1 through September 30 of the applicable fiscal year represented by the CCC-509. Accordingly, producers signing CCC-509 are representing compliance with the terms and conditions of the CCC-509 Appendix and federal regulations for the entire contract period;
- D At any time prior to September 30 of the crop year covered by this contract, the contract may be terminated upon written agreement of all producers receiving payment under the contract and, if applicable, each producer shall repay advance direct payments received for the crop year, plus interest;
- E The payments, with respect to the base acres shall be terminated for a producer or owner whose interest in the crops or land on the farm is transferred, in which case each applicable producer shall repay payments received for the crop year and shall not be entitled to earn direct payments or counter-cyclical payments with respect to the farm. The transferee may assume the obligation of the contract if the transferee is otherwise eligible to participate in the program by entering into a revised contract during the period of time prescribed by CCC. In the event a succession-in-interest occurs and the contract obligation is not assumed timely for the crop year, all producers on the contract shall refund to CCC payments received for the crop year in which the succession occurred, plus interest;
- F Changes in the farming operation that may affect any determination after the Direct and Counter-Cyclical Program contract is signed, including, but not limited to, ownership changes, producer changes, or changes in the crop share arrangements on the farm, shall be reported to CCC by all applicable producers signing a revised CCC-509 to reflect the change no later than September 30 of the contract period. The failure of producers to timely report changes and file a revised CCC-509 may result in the loss of payments for all producers on the farm for the crop year covered by the contract. In such event, all producers on the contract shall refund to CCC payments received for the crop year, plus interest;
- G A completed farm reconstitution to divide or combine farms shall result in the termination of the contract and, with respect to the base acreage assigned by the Secretary to the resulting farms of a reconstitution, the farm producers may enroll the base acres for a crop year by signing a new Direct and Counter-Cyclical Program Contract (CCC-509) for the resulting farm, by the later of June 1 or 30 days after notification of the bases and yields of the resulting farm. Producers and owners may sign CCC-509 between June 2 and September 30 of the contract period, provided that a user fee of \$100.00 for the farm is paid to CCC; however, the user fee is waived if the reconstitution is requested by June 1 and all signatures are obtained within 30 days following the written notification that the farm reconstitution has been completed. The failure of producers and owners to timely enroll the base acres may result in the loss of payments for all producers on the original or new farm for the crop year;
- H Producers will timely file in the manner prescribed by CCC with the County Committee the following, and agree to meet any other certification or filing requirements, as may be required by CCC:
 - (1) A certification of the acreage of all cropland on the farm in accordance with 7 CFR Part 718;
 - (2) A farm operating plan in accordance with 7 CFR Part 1400; and
 - (3) A certification of compliance with the highly erodible land and wetland conservation provisions set forth in 7 CFR Part 12;

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

D Example of CCC-509 Appendix (Continued)

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CCC-509 Appendix (11-08-06)	Page 3 of 7
<p>I Violations of the highly erodible land and wetland conservation provisions of 7 CFR Part 12 may result, at CCC's discretion, in termination of the payments with respect to each producer in violation or a reduction in the contract payment. Upon termination, each producer shall forfeit all rights to receive contract payments on each farm in which the producer has an interest and shall refund to CCC all contract payments received by such producer during the period of violation, plus interest;</p> <p>J The provisions of 7 CFR Part 1400 relating to "per person" payment limits and payment eligibility requirements are applicable to this contract. Each producer determined by CCC to have adopted a scheme or device designed to evade, or which has the effect of evading such regulations, must refund any contract payment, marketing loan gain, or loan deficiency payment and any other applicable payment received on all farms in which such producer has an interest and shall be ineligible for such payments for the following fiscal year;</p> <p>K The regulations at 7 CFR Parts 12, 718, 1400, 1405, and 1412 are incorporated by reference as part of this contract;</p> <p>L Representatives of CCC may enter the farm to determine if the producers are in compliance with this contract; and</p> <p>M The base acres must be devoted to an agricultural or related use</p> <p>N Payments are subject to the availability of funds and to limits on payments as may be provided for in the program regulations.</p> <p>O Calculations provided for in this Appendix shall be made by farm, as provided for in the program contract (Form CCC-509) and each farm must have a separate CCC-509 on file for any farm from which a producer wants to generate payments. All payments are subject to the availability of funds and compliance with all applicable laws and regulations. A separate CCC-509 is required for each program year for each farm, from which a producer seeks to generate payment and calculations for each program year will be made separately. There may only be one CCC-509 from any farm from any program year – that is, all producers on the farm must for each program year, file a CCC-509.</p> <p>4 PLANTING FLEXIBILITY PROVISION</p> <p>A Producers may plant that part of their cropland in excess of the total base acres on the farm to any commodity for that part of the cropland equal to the eligible base, the producer shall be subject to the restrictions set out below. Base acres eligibility cannot exceed the amount provided for in the program regulations. That is, for the farm, the producer's total base acres on the farm for all covered commodities can never exceed the amount equal to the currently available cropland on the farm minus that amount of that cropland which is (1) in the Department's Conservation Reserve Program; or (2) enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.</p> <p>B The planting of fruits (including nuts), vegetables (other than lentils, mung beans, and dry peas) and wild rice on base acres on the farm is prohibited and shall result in a violation of the terms of this contract unless one of the following exceptions are met:</p> <p>(1) The fruit (including nuts), vegetable or wild rice is planted in a double-cropping practice with a covered commodity or peanuts, as determined by the county committee, in any region designated by CCC at 7 CFR Part 1412 as having a history of double-cropping covered commodities or peanuts with fruits, vegetables or wild rice, in which case there is no contract violation or reduction in DCP payments;</p>	

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

D Example of CCC-509 Appendix (Continued)

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CCC-509 Appendix (11-08-06)	Page 4 of 7
<p>(2) The fruit (including nuts), vegetable or wild rice is planted on a farm that has an established history of planting fruits, vegetables or wild rice, as determined by the county committee, in which case there is no contract violation; however, DCP payment acres shall be reduced by an acre for each acre of base acres planted to a fruit (including nuts), vegetable (other than lentils, mung beans, and dry peas) or wild rice; or</p> <p>(3) The producer(s) with an interest in the specific fruit (including nuts), vegetable or wild rice planted has an established history of planting the specific fruit, vegetable or wild rice, and the plantings on base acres do not exceed the producer's average annual planting history for the specific fruit, vegetable or wild rice for either the 1991 through 1995 crop years or the 1998 through 2001 crop years, but not both, as selected by the producer, in which case there is no contract violation; however, DCP payment acres shall be reduced by an acre for each acre of base acreage planted to a fruit (including nuts), vegetable (other than lentils, mung beans, and dry peas) or wild rice. When calculating a producer's average annual planting history, all years in which the producer did not plant the specific fruit, vegetable or wild rice, as applicable, shall be excluded.</p> <p>C Failure to comply with the fruit, vegetable and wild rice provisions of this section may result in the termination of the contract or a reduction in the DCP payments, at CCC's discretion.</p> <p>D Producers shall protect base acreage from erosion and shall control weeds, including noxious weeds, on base acres.</p>	
5 DIRECT PAYMENTS	
<p>A The direct payment for each crop will be computed by multiplying: (1) 85 percent of the base acres, as identified in column 8 of Form CCC-509, by (2) the program payment yield in column 9 A of Form CCC-509, by (3) the payment rate for the applicable crop year as indicated on page 7 of this appendix, by (4) the producer's share of the crop as indicated in column 12 of Form CCC-509.</p> <p>B CCC will make advance payments available to producers who request such an advance by multiplying the payment amount determined in paragraph A of this section by: (1) 50 percent for contracts enrolled prior to enactment of the Agricultural Reconciliation Act of 2005 enacted on February 8, 2006, for the 2006 program year, (2) 40 percent for contracts enrolled after February 8, 2006, for the 2006 program year, and (3) 22 percent for contracts enrolled for the 2007 program year. Such payments may be made in any month from December through September of the contract period.</p> <p>C A producer must refund to CCC any payment which exceeds the amount actually earned under this contract, including the refund of unearned payments for a crop year resulting from another owner or producer assuming an interest in the base acres for the crop year. Interest on such refunds shall be assessed in accordance with 7 CFR Part 1403 and will accrue from the date of disbursement. In the event a succession-in-interest is timely reported on a revised CCC-509, interest on refunds from predecessors is not charged if such refund is made by September 30 of the contract period.</p> <p>D A final payment for the crop year will be made to producers as soon as practicable after October 1 of the crop year in which the crop is normally harvested.</p>	
6 COUNTER-CYCLICAL PAYMENTS	
<p>A Counter-cyclical payments are authorized for a covered commodity when the effective price for the commodity is less than the target price of the commodity. The effective price for a covered commodity is equal to the sum of (1) the higher of the national average market price received by producers during the 12-month marketing year for the covered commodity, as determined by the Secretary, or the national average loan rate for the commodity, as found in 7 CFR Part 1412.503(b)(1)(ii) or (iii), as applicable, and (2) the direct payment rate for the covered commodity, as provided in 7 CFR Part 1412.502(d).</p> <p>B By farm by producers the counter-cyclical payment, if any, for each crop will be computed by multiplying: (1) 85 percent of the base acres, as identified in column 8 of Form CCC-509, by (2) the program payment</p>	

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

D Example of CCC-509 Appendix (Continued)

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<p>yield in column 9 B of Form CCC-509, by (3) the payment rate determined in item 6 C of this appendix, by (4) the producer's share of the crop as indicated on Form CCC-509.</p>	
C	<p>The counter-cyclical payment rate for a commodity, when authorized for a crop year, is determined by subtracting the effective price for the commodity from the target price of the commodity.</p> <p>The direct payment rates, national loan rates, and maximum counter-cyclical payment rates for each of the 2004 through 2007 crop years are identified on page 7 of this appendix. Counter-cyclical payments are not calculated for base acres of canola, cramble, flax, mustard, rapeseed, safflower, sesame, or sunflowers, because the sum of the national loan rate and the direct payment rate for those covered commodities is equal to or greater than the target price. Payments for other eligible oilseeds, if any, shall be as determined by the Secretary.</p>
D	<p>For any of the 2006 and preceding crop years to which this agreement applies, CCC may authorize partial counter-cyclical payments for a covered commodity, if before the end of the applicable 12-month marketing year for the commodity the Secretary estimates that counter-cyclical payments will be required. In this event, producers may request a first partial payment of no more than 35 percent, as determined by the Secretary, of the projected payment amount, to be made in October of the calendar year in which the crop is normally harvested. Producers may request a second partial payment of no more than 70 percent, as determined by the Secretary, of the projected payment amount (including any revision of earlier projections) less the amount of any first partial payment, if applicable, to be made after February 1 of the calendar year after the year in which the crop is normally harvested. With respect to the 2007 crop year, one partial payment of 40 percent of the projected payment amount may be authorized, to be made after completion of the first 6 months of the marketing year for that crop.</p>
E	<p>A final counter-cyclical payment for the crop year, if applicable, will be made to producers as soon as practicable after the end of the 12-month marketing year for the applicable commodity.</p>
F	<p>A producer must refund to CCC any payment which exceeds the amount actually earned under this contract, including the refund of any unearned partial counter-cyclical payment when actual market prices exceed the projected market prices used in determining the partial payment rates. CCC may, in its discretion, automatically reduce any partial, advance, or final direct payments or counter-cyclical payments earned by, or which would otherwise be received by, the producer (or affiliated person or entity as provided in 7 CFR Part 1403) in any current or future year to help satisfy any obligation to repay any unearned partial, advance, or final direct or counter-cyclical payment for the current year or any other year under this contract. Likewise, such other payments may be withheld in the case of partial or advance payments pending a determination of whether those payments would themselves be subject to a refund because of a recalculation made when final payments are due.</p>
7	<p>OTHER PAYMENT PROVISIONS</p>
A	<p>Payment yields on CCC-509 that were established based on average production yields from 1998 through 2001 remain subject to adjustment until such time as the County FSA Committee has reviewed production records and determined the established yields are accurate. Subject to program regulations, the payment yields may be reduced for direct and counter-cyclical payments, for the current and future crop years, if the production records cannot be substantiated, and producers on the farm must refund any overpayments based on incorrect payment yields.</p>
B	<p>A producer who refuses to receive direct and counter-cyclical payments by indicating such on CCC-509 may subsequently decide to receive payments, provided that the producer signs a revised CCC-509 or otherwise notifies the County FSA Committee in writing on or before September 30 of the contract period.</p>
C	<p>Payments shall not be earned by any producer on a contract for a crop year, unless payment shares are properly designated and all producers sign the contract in accordance with 7 CFR Part 1412. In cases where a valid payment share dispute exists, direct and counter-cyclical payments shall not be earned by producers involved in the dispute on the farm unless the payment share to dispute is resolved by agreement of the parties and documented in writing to the satisfaction of the County FSA Committee on or before September 30 of the contract period, and the agreed upon payment shares are within program regulations and provisions.</p>

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

D Example of CCC-509 Appendix (Continued)

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D Any payment or portion thereof due any producer will be made by CCC without regard to any question of title under state law, and without regard to any claim or lien against the crop, or proceeds therefrom, which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to producers or their assignees.

E Payments can be denied by any signatory who CCC determines has violated State law provisions that affect a tenant's right to lease agricultural land, or any person (including a subsequent tenant) who would profit by such a violation.

8 LOSS OF BENEFITS

A If CCC determines a producer erroneously represented any fact affecting a determination to be made by CCC under this contract, direct and counter-cyclical payments shall not be allowed on the farm with respect to the payment shares of that producer. If CCC determines that the misrepresentation was intentional or fraudulent, or if the producer knowingly adopted any scheme or device which tends to defeat the purposes of this contract, the producer shall forfeit all rights to contract payments on each farm in which the producer has an interest and shall refund to CCC all contract payments received by the producer during the period of the violation, plus interest.

B All producers sharing in the contract payments are jointly and severally liable for any refunds determined pursuant to paragraph A of this section and CCC will establish claims for the full amount of the refund against each producer in accordance with 7 CFR Part 1403. A signatory to the contract who does not receive any share of the contract payments shall not be liable for the repayment of such refund.

C The provisions of this section are in addition to any liability which may be incurred under various criminal and civil fraud statutes, including, but not limited to, 18 U.S.C. 286, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729.

9 MODIFICATIONS

CCC reserves the right to correct all errors in entering data on Form CCC-509 and the results of computations made pursuant thereto. CCC also reserves the right to require refunds of payments as the result of determinations made in accordance with the maximum payment limitations of 7 CFR Part 1400.

10 PAYMENT RATE INFORMATION

Direct Payments and Maximum Counter-Cyclical Rates for Covered Commodities and Peanuts, Crop Years 2004-2007						
Commodity	Units	Target Price	Direct Payment Rate	Loan Rate	Minimum Effective Price	Maximum Counter-Cyclical Payment Rate
Wheat	\$/bu.	3.92	0.52	2.75	3.27	0.65
Corn	\$/bu.	2.63	0.28	1.95	2.23	0.40
Grain Sorghum	\$/bu.	2.57	0.35	1.95	2.30	0.27
Barley	\$/bu.	2.24	0.24	1.85	2.09	0.15
Oats	\$/bu.	1.440	0.024	1.330	1.354	0.086
Upland Cotton	\$/lb.	0.7240	0.0667	0.5200	0.5867	0.1373
Rice	\$/cwt.	10.50	2.35	6.50	8.85	1.65
Soybeans	\$/bu.	5.80	0.44	5.00	5.44	0.36
Other Oilseeds	\$/lb.	0.1010	0.0080	0.0930	0.1010	0.00
Peanuts	\$/ton	495.00	36.00	355.00	391.00	104.00

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

D Example of CCC-509 Appendix (Continued)

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<p>NOTE: <i>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.</i></p>	
<p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program 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, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</p>	

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333 Enrollment of Reconstituted Farms

A Authorized Reconstitutions

The following reconstitutions are allowed, if the request for reconstitution is made on or 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.

Follow procedure in 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 the later of either June 1 (August 3 for FY 2007) or 30 calendar days--* following producer notification of the reconstitution.

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 due to 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 producer(s) 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 owner(s) 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 farm(s) 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 farm(s) 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 owner(s) 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
- owner(s) 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 the later of June 1 (August 3 for FY 2007) or 30 calendar days following the acreage change to be enrolled in DCP.--

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 owner(s) 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 farm(s) 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 owner(s) 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 owner(s) 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 Misrepresentation and Scheme or Device**A Consequences of Misrepresentation and Scheme or Device**

A producer who is determined to have erroneously represented any fact affecting a DCP determination, made according to DCP provisions, shall not be entitled to either direct or counter-cyclical payments and must refund all such payments received, plus interest with respect to the farm and crops.

A producer who is determined to have knowingly adopted a scheme or device that defeats the purposes of DCP, made any fraudulent representation, or misrepresented any fact affecting a DCP determination shall refund all DCP payments plus interest with respect to all contracts. The producer's interest in all contracts shall be terminated.

Note: Follow 1-CM, paragraph 821 when COC suspects possible fraud.

336-350 (Reserved)

Section 2 Division of Payments

351 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.--*

351 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 table 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 has 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.--*

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

351 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 1 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 is 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 September 30 of the applicable contract period:

- signatures from landowners signing the 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.

352 (Reserved)

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 390 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 September 30 of the FY.

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

C Completing CCC-770 DCP

County Offices shall ensure that CCC-770 DCP is completed for each CCC-509. See Exhibit 14 for additional information about CCC-770 DCP.

***--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:

- past history on a farm
- whether the producers claiming a DCP payment share have control of DCP cropland to support base acreage
- 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 2001, 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. PFC were divided equally.

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

	<u>Landowner</u>	<u>Tenant</u>
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**

The statute 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 the current FY 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. For successions-in-interest, see paragraph 390.

**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.--*

Continued on the next page

***--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 Dispute Determinations

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

- all factors considered, including evidence reviewed
- justification of how the decision was derived.

Producers shall be:

- notified of the determination
- provided appeal rights.--*

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 October 1 through June 1 *(August 3 for FY 2007) 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 to by September 30, the contract will be considered incomplete for that FY 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 2002 and 2003 on an 80/20 tenant/landowner share for rice and a 75/25 tenant/landowner share for cotton. The 2003 DCP payment shares corresponded with the crop shares. For 2004, the farm will be planted to soybeans and the landowner and tenant will share equally in 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 of the applicable FY.

If the dispute is settled after September 30 of the applicable FY, 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.

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 June 1 *-(August 3 for FY 2007) of FY for which shares are disputed or late-filed signature--* provisions in paragraph 390 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

200.0 acres of cropland
100.0 acres of base acreage enrolled in DCP
Participated in the prior FY

B Example 1

For FY 2002, a landowner cash leases the entire farm to Producer A. Producer A enrolls the farm in DCP claiming 100 percent of the 2002 FY DCP payment. The landowner disputes Producer A's share and enters into DCP for FY 2002 claiming 100 percent of the DCP payment. The County Office generates CCC-509's for 2002 FY, 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 2002, CCC-509 for Producer A, and issue payments accordingly. The landowner's CCC-509 will be disapproved, and they 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 2002 FY DCP payment. The landowner disputes Producer A's share and enters into DCP for FY 2002 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 2002 FY DCP payment. The available evidence does not support what the payment shares should be; therefore, 2002 FY 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 by:

- June 1
- September 30 provided the late sign-up fee is paid.

If share disputes are not resolved by September 30, no DCP payment will 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.

--*

Continued on the next page

***--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.--*

Continued on the next page

***--370 Determining Cash or Share Leases (Continued)**

D

Scheme or Device

If a cash lease landlord received any part of DCP, refer to 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.--*
-

371-389 (Reserved)

Section 4 Signature Requirements

390 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 table 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 E for evidence of cash lease required when owner does not sign CCC-509.
Landowner with an undivided ownership interest	Either of the following: <ul style="list-style-type: none"> • all base acres on the farm owned by landowner are cash leased and evidence of cash lease is provided according to subparagraph E • owners representing a majority of the undivided ownership interest shares of the farm sign CCC-509. <p>Note: See paragraph 392 for approving CCC-509 with missing signatures of owners with an undivided ownership interest share.</p>
Tenant	All of the following are met: <ul style="list-style-type: none"> • all other required signatures are obtained • documentation indicates the signatories expended a reasonable effort to obtain the missing signatures • 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 June 1 of *-the FY (August 3 for FY 2007) to be eligible for payments for that FY. Documents received by mail must be postmarked no later than June 1 of that FY (August 3 for FY 2007).--*

Exception: The final date for 2002 crop year CCC-509's is June 2, 2003.

390 Who Must Sign (Continued)**C Late-Filed Signatures on CCC-509**

*--CCC-509's on which all signatures for producers sharing in base acres are not obtained by the established deadline of June 1 (August 3 for FY 2007 **only**) are not considered timely filed.

Note: For cash lease situations, signatures or other applicable documentation can be submitted after June 1 (August 3 for FY 2007 **only**) without assessment of the late-filed fee provided all signature requirements were met by June 1 of the applicable contract period for producers sharing in the base acres. See subparagraph E for cash lease signature requirements.--*

CCC-509's for which missing signatures are obtained after June 1, but no later than September 30, will be considered late-filed. These late-filed CCC-509's will be eligible for payment but will be assessed a late-filed fee.

D Late-Filed Signup Fee

A late-filed signup fee of \$100 per farm will be assessed by CCC for any farm enrolled *--between June 2 (August 3 for FY 2007 **only**) and September 30, of the FY in which the--* direct and counter-cyclical payments are requested.

The late-filed signup fee shall be collected **before** approval of CCC-509.

390 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 the 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.

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 **all** of the following apply:

- a producer is requesting a payment to be made after June 30

* * *

- 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. However, in cases of undivided ownership interest, this provision is applicable if the majority of the owners have not changed since the previous FY.--*

- COC shall not approve CCC-509 until after June 30.

Note: Acceptable cash rent certification statements for FY 2002 PFC are sufficient to meet the CCC-509 owner signature requirements for 2002 DCP.

--See Exhibit 14. 5 for additional information about using CCC-510.--

391 Other Signature Requirements

A Approving CCC-509 for Advance Payments

Producers may receive a 50 percent advance direct payment at anytime after December 1 but no later than September 30 of the current FY. COC can approve contracts for payments if:

- all signature requirements have been met according to paragraph 390
- 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, follow this table.

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	Enter "see attached" in the signature block on the revised CCC-509 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.

--392 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.--*

392 Missing Owner Signatures (Continued)

C Divided Ownership Shares

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

*--On farms for which 1 or more owners may be unwilling to sign CCC-509, or may be unable to timely sign CCC-509, another owner or producer on the farm may wish to request a farm division according to 2-CM.

Note: Payments may be earned on each resulting farm for which all necessary signatures are obtained by September 30 of the applicable FY. See subparagraphs 331 C through E to determine whether late fees apply.--*

393 Succession-in-Interest**A Basic Rule**

The statute provides 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 351.

See paragraph 394 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 September 30 of the current FY, if:--

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

393 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 September 30 of the applicable FY:

- 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 September 30 of the current FY. 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 the example in subparagraph I.

393 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.

* * *

393 Succession-in-Interest (Continued)

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.

393 Succession-in-Interest (Continued)**I Example 1: Sale of Land or New Cash Lease**

Producer A, the owner of FSN 22, received the 2003 advance direct payment. On February 1, 2003, Producer A sold or cash leased FSN 22 to Producer X. Producer X succeeds to CCC-509.

--Producer A is required to refund the 2003 advance DCP payment. After debt collection activities have been initiated for Producer A, Producer X may receive the advance payment, and the 2003 FY 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 50 percent advance of the 2003 direct payment, or \$8,000.00. On February 1, 2003, 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 \$6,400.00, based on the revised payment shares. Accordingly, Producer A must immediately refund \$1,600.00, 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.

--393.5 Succession-in-Interest Examples*A Example 1**

The following data applies to Examples 1 through 6:

FSN:	10
Farmland:	125.0
DCP Cropland:	100.0
DCP Base Acres:	100.0

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.--*

393.5 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 B meets the definition of a producer on this farm for the crop year; therefore, Producer A must refund the advance payment, and the payment could be issued to Producer B.

Note: As provided in subparagraph 351 C, an annual crop year lease may have a beginning date in 1 fiscal year, and an ending date in another fiscal year. Since 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 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.

394 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 entire FY, 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.

395-400 (Reserved)

401 Required 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 September 30 of FY
- 390 B specifies that the final date for participants to provide all necessary signatures on *--CCC-509 is June 1 (August 3 for FY 2007) of FY to be eligible for payments for that FY
- 390 C specifies CCC-509's for which missing signatures are obtained after June 1 (August 3 for FY 2007), but no later than September 30, will be considered late-filed--* and accepted only if the late fee of \$100 is paid
- 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 September 30 of the applicable CCC-509 period
- ensure that the actual date entered is **not** later than September 30 of the applicable CCC-509 period.

--401 Required 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 constitutes a modification of existing CCC-509's; therefore, the enrollment date is automatically removed from the system when the update occurs.--*

--401 Required 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 September 30 of FY. Therefore, beginning October 1, 2006, the All Farms with Enrollment Date Modifications After September 30 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 851.5 for instructions for printing the report.

Reminder: The enrollment date can be entered in the system after September 30 of the applicable CCC-509 period; however, the date actually entered cannot be later than September 30 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 September 30 of the applicable CCC-509 period.

Beginning November 1, 2006, State Offices are required to review the All Farms with Enrollment Date Modifications After September 30 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 **2005 and future year** 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
- provide a detailed explanation to the National Office within 30 calendar days about the circumstances involving the update and the corrective action that has been taken.

A template will be provided by e-mail to State Offices so that review information can be submitted electronically to the National Office. Among the information included on the template is:

- county code and name
- farm number for CCC-509's listed on the State-level report
- operator name for the applicable farm
- enrollment date that is entered in the system
- date the enrollment date information was last updated in the system
- explanation of the circumstances that resulted in modification of CCC-509
- corrective action, if applicable, that has been taken with the County Office.--*

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

C State Office Review Process (Continued)

State Offices shall submit the review results electronically by e-mail to DCP program manager within 30 calendar days following the reporting period.

***--Note:** State Offices shall provide a report of all CCC-509's modified in October, November, and December to the DCP program manager by February 1, 2007. The report for contracts modified in January is due by March 1 and so forth.--*

D Information on the Report

The following information is printed on the All Farms with Enrollment Date Modifications After September 30 Report:

- county name
- farm number
- operator's name
- enrollment date that is actually entered in the system
- date the enrollment date field was last updated in the system.

Example: On October 15, 2006, the County Office updated the enrollment date to September 22, 2006:

- September 22, 2006, will be listed as the enrollment date
- October 15, 2006, will be listed as the last change date.

--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 September 30 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 15, 2006. The system will **not** allow any date after September 30 to be entered as a producer signature date.

Because there are some instances where a date after September 30 should be entered in the system for a producer signature or enrollment date, a process has been developed that allows the National Office to update the system properly with the producer signature and enrollment date information.

B Situations That Warrant Producer Signature or Enrollment Dates to be Later Than September 30

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 351 D, the following documentation is considered supporting documentation even if received after September 30 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 September 30. Therefore, these cases require National 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 1 as the signature date for any signature that was obtained after September 30 of the applicable CCC-509 period
- **not** manipulate the system by entering an incorrect enrollment date for signatures or cash lease documentation that were obtained after September 30 of the applicable CCC-509 period
- 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 National Office update the system 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 National Office intervention, State Offices shall FAX a copy of the following to PECD, Attention: DCP Program Manager at 202-690-2130:

- memorandum from the County Office
- completed CCC-509
- cash lease or cash rent certification statement, as applicable.--*

403-424 (Reserved)

Part 7 Eligibility and Compliance Rules**Section 1 Farm Eligibility****425 General Information****A Statutory Requirements**

Producers on a farm may receive direct payments and counter-cyclical payments with respect to the farm, if the producers agree, during the crop year for which the payments are made and in exchange for the payments, to comply with program requirements.

B Farm Eligibility

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

- the farm has a 2002 base calculated for the farm
- *--the land on the farm was enrolled in CRP-1 that expired or was voluntarily terminated on or after May 13, 2002, and either of the following applies:
 - CRP-15 was protecting crop acreage bases
 - CCC-505 was used to reduce PFC acres.

Note: See subparagraph 331 B.--*

***--426 Eligible and Ineligible Land Uses for Base Acreage**

A Cropland and DCP Cropland Requirement

The statute provides that 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, as applicable, according to subparagraph D.--*

***--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 table provides examples of land use, considered agricultural or related use, and nonagricultural use.

Agricultural	Nonagricultural
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 EDSO, 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. DCP cropland definition is in 3-CM.

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 the 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 table.

IF the conversion is discovered...	THEN within 30 calendar days of COC notification...
before September 30 of the FY in which the conversion occurred	<p>all owners must do either of the following:</p> <ul style="list-style-type: none"> • complete CCC-505 to permanently reduce applicable base acres • withdraw the farm from CCC-509. <p>Failure to reduce applicable base acres or withdraw the farm from CCC-509 shall result in COC termination of CCC-509.</p> <p>Producers cannot withdraw a farm from CCC-509 after CCC-509 has expired (September 30 of the applicable FY).</p> <p>If there are less than 30 calendar days remaining in the contract period at the time of COC notification, base acres must be reduced or the farm withdrawn from CCC-509 by September 30.</p>
after September 30 of the FY in which the conversion occurred	<p>all:</p> <ul style="list-style-type: none"> •*--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. <p>*--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.--*</p> <p>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.</p>

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

D Converting to Nonagricultural Use (Continued)

***--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 2005 DCP. 2005 advance payments have been made to the producers on the farm. On June 1, 2005, COC discovers 10 acres on the farm had been converted to a nonagriculture building site on May 4, 2005. COC shall notify the owner and operator they must do either of the following within 30 calendar days:

- withdraw the farm from the 2005 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 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.

Example 2: A farm with 200 acres of DCP cropland and 200 base acres was enrolled in 2004 DCP and is enrolled in 2005 DCP. All 2004 DCP payments have been made for the farm. 2005 advance payments have been made to the producers on the farm. On June 1, 2005, COC discovers 10 acres on the farm were converted to a nonagriculture building site on August 4, 2004. 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 2005 CCC-509
- request refund of all unearned DCP payments made for 2004 and 2005, plus interest.--*

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

F Land Enrolled in WRP

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

- The DCP statutory provisions of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) Section 1101(g) (2002 Farm Bill) 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 base acres for peanuts 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.
- Statutory 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 cropland bases for this land under any USDA program.

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

F Land Enrolled in WRP (Continued)

In reply to an OIG audit, NRCS * * * instituted 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 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 above 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.

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-156EZ 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 September 30 of the contract period.--*

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 non-cropland, FSA County Offices shall immediately contact the applicable NRCS Office to obtain the documentation necessary to update FSA records.

Step	Action
1	<p>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.</p> <p>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.</p>
2	<ul style="list-style-type: none"> • 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. <p>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 the base reduction under the provisions of the 2002 Farm Bill, but the acreage shall be reduced as specified on CCC-505 because those acres were designated for retirement through the WRP easement.</p> <ul style="list-style-type: none"> • Notify all producers on the farm that a revised DCP contract must be filed by June 1 of the applicable FY that reflects the reduced DCP base acreage. <p>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.</p>
3	<p>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 426.5 D. If the DCP base acres still exceed the effective DCP cropland plus double-cropped acreage, then:</p> <ul style="list-style-type: none"> • an additional reduction to DCP base acres is required to satisfy the statutory requirements of the 2002 Farm Bill • 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.

--*

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

F Land Enrolled in WRP (Continued)

*--

Step	Action
4	<p>If an additional base reduction is required according to step 3, County Offices shall:</p> <ul style="list-style-type: none"> • 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 June 1 of the applicable FY 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. <p>Note: Signatures obtained after June 1 must be received no later than September 30 of the applicable FY. The late-filed fee shall not be assessed if the original DCP contract was enrolled before June 1.</p>
5	<p>If CCC-505 is not filed by the owners of the farm within 30 calendar days according to step 4:</p> <ul style="list-style-type: none"> • 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 <p>Note: Signatures obtained after June 1 must be received no later than September 30 of the applicable FY. The late-filed fee shall not be assessed if the original DCP contract was enrolled before June 1.</p> <ul style="list-style-type: none"> • 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 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 the 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 the 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 the 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, 2004. The land under easement is ineligible for DCP beginning FY 2005.

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, 2004. The easement is filed on November 4, 2004. The land under easement is ineligible for DCP beginning FY 2004.

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)

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.

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 426.5.

- 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.--*

--426.5 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 CRP-2, CRP-2C, or AD-1153.

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.

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

C When to Determine Reduction Acres for WRP

County Offices shall follow the provisions of subparagraph 426 F immediately upon notification from NRCS that the WRP easement is closed or 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 table 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 2002 Farm Bill 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: <ul style="list-style-type: none"> • effective DCP cropland from the FSA-156-EZ, plus • result of step 2. <p>Note: If the result of step 2 is negative, use the effective DCP cropland.</p>
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.

--*

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

D Determining Reduction Acres (Continued)

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Step	Action		
6 (cntd)	IF the result of step 5 is...	AND the program is...	THEN...
	negative		<ul style="list-style-type: none"> • 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	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • total cropland on the farm • total DCP cropland on the farm • DCP base acres.
		WRP	<p>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.</p>
	greater than zero	CRP or GRP	<ul style="list-style-type: none"> • 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. <p>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:</p> <ul style="list-style-type: none"> • total cropland on the farm • total DCP cropland on the farm • DCP base acres.
		WRP	<ul style="list-style-type: none"> • 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 to satisfy the statutory provisions of 2002 Farm Bill <p>Note: NRCS may require the producer to file CCC-505 to reduce the DCP base acres. See subparagraph 426 F.</p> <ul style="list-style-type: none"> • 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 to satisfy statutory provisions of 2002 Farm Bill.

--*

--426.5 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 CRP-2, CRP-2C, or AD-1153 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.

--426.5 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.

--426.5 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 non-cropland/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 non-cropland/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.--*

--426.5 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 the 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 is offered for enrollment in CRP on May 5, 2003 (CRP signup 26). If approved, CRP-1 will become effective October 1, 2004. CCC-505 to reduce DCP base acres was signed by all owners at the time CRP-2 was submitted (May 5, 2003) with a program year of 2005 (equal to FY of CRP-1).

If CRP-1 is approved, DCP base acre reductions will become effective October 1, 2004 (FY 2005). 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.

***--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.--*

426.5 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)**J Restoration of DCP Base Acres Reduced for Enrollment in CRP on or After May 13, 2002**

DCP base acres reduced because of cropland enrollment into CRP on or after May 13, 2002, may be restored to the farm if the CRP contract is voluntarily terminated on or before September 30, 2007, 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, 2007.

--This paragraph applies only to DCP base acres that were enrolled into CRP after enactment of the 2002 Farm Bill, signed May 13, 2002. See subparagraph 67 A for provisions about restoring PFC acres that were reduced because of enrollment in CRP.--

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 the remarks section of CCC-505. 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 the remarks section of CCC-505. Incomplete CCC-505's may result in base acres not being restored to a farm.

427 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 for procedure to follow 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 crop(s) or practice(s)
- 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 C/S assistance.

***--428 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 termination of 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.--*

***--429 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
 - wild rice.

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

430-444 (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 shall have an opportunity to enroll the farm into an annual DCP contract for each of the years 2002 through 2007 according to the following table.

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.

Year of Contract	Signup Dates
2002 DCP Contract	October 1, 2002, through June 1, 2003
2003 DCP Contract	October 1, 2002, through June 1, 2003
2004 DCP Contract	October 1, 2003, through June 1, 2004
2005 DCP Contract	October 1, 2004, through June 1, 2005
2006 DCP Contract	October 1, 2005, through June 1, 2006
2007 DCP Contract	*--October 1, 2006, through August 3, 2007

Note: If the enrollment deadline falls on a nonworkday, follow procedure in--* 1-CM, paragraph 2.

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.

445 General Information (Continued)

D Approving Late-Filed CCC-509's

COC may approve late-filed CCC-509's provided **all** of the following are met:

- eligible producer submits a properly completed CCC-509 to the County Office
--on or before September 30 of the FY in which DCP payments are requested--
- producer pays the County Office a \$100 late-file signup fee
- all other program and eligibility requirements are met.

Example: On July 1, 2004, John Smith submits a properly completed CCC-509 to enroll FSN 190 in a 2004 DCP contract. Mr. Smith missed the June 1, 2004, signup deadline for 2004 DCP. However, COC may approve Mr. Smith's late-filed CCC-509 provided Mr. Smith pays \$100 and all other eligibility requirements are met.

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 2002 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 the past 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 risk of producing the crops
- only the grower shares 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 is...
all of the risk in producing the crop or crops grown on DCP base acreage	eligible to receive all of the 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	<ul style="list-style-type: none"> • eligible to receive a portion of the DCP payment if all other requirements are met • not eligible to receive the entire DCP payment for those acres.

--*

--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 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 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 the 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 (Withdrawn--Amend. 27)

***--450 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 for guidance.
2	Approve CCC-509 if both of the following apply: <ul style="list-style-type: none"> • regional attorney authorizes CCC-509 approval • producer submitted CCC-509 in a timely manner.
3	Refer to 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 for instructions.--*

451 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.

452 (Withdrawn--Amend. 30)

453-469 (Reserved)

Part 8 FAV's and Wild Rice

*--470 Basic Information

A Statutory Provision

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

- fruits
- vegetables, other than lentils, mung beans, and dry peas
- 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.

However, producers may plant FAV's and wild rice on base acres enrolled in DCP:

- 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 475)
- 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 477).--*

--470 Basic Information (Continued)*A Statutory Provision (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.

FSRIA provides that the planting of FAV's or wild rice on base acres enrolled in DCP is prohibited unless the commodity is destroyed before harvest. See paragraph 471 for compliance determinations, including when prohibited commodities are destroyed before harvest.

B Special Rule for 2002 Crop Year

For the 2002 crop year only, the planting of FAV's or wild rice on excess base acreage enrolled in DCP, which is a DCP contract violation according to subparagraph A, will not result in a contract termination.

However, direct and counter-cyclical payments shall be reduced by an acre for each acre of excess base acreage enrolled in DCP planted to FAV's or wild rice.

For the purpose of the Special Rule for 2002 Crop Year only, excess base acreage means the number of base acres established for the farm according to Part 2 that exceeds the total 2002 PFC acres on the farm.

Example: In 2002 there were 350 PFC acres on FSN 98. As a result of DCP, 425 base acres are on FSN 98. Excess base acreage on FSN 98 is 75 ($425 - 350 = 75$).

Note: See 4-CP for payment reductions because of FAV or wild rice on base acres.

C 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.--*

470 Basic Information (Continued)

D 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.

***--E Determining Available Acres For FAV Planting**

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

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: <ul style="list-style-type: none"> • 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.

--*

470.5 2003 Crop Year Fruit, Vegetable, and Wild Rice Exception**A 2003 Crop Year Exception**

Because of the late inclusion of sesame and crambe as covered commodities, and the inclusion of popcorn as history credit for corn for DCP purposes, the planting of fruits, vegetables, and wild rice on certain base acreage that would have otherwise been nonbase acreage shall:

- **not** result in contract termination for 2003 CCC-509's
- result in a reduction of the 2003 direct and counter-cyclical payments for the farm by an acre for each acre of base acreage planted to fruits, vegetables, or wild rice.

The 2003 crop year fruit, vegetable, and wild rice exception:

- is for the 2003 crop year only
- applies to fruits, vegetables, and wild rice planted on base acreage that would have otherwise been nonbase acreage if not for the inclusion of sesame, crambe, and popcorn
- does **not** change the fruit, vegetable, and wild rice provisions on other base acreage.

B Example 1**Situation**

FSN 100 has 201.4 acres of cropland. Before the inclusion of popcorn as corn history acreage for DCP purposes, the owner selected bases for the farm resulting in the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 40.0 acres of nonbase acreage.

After the base acreage is established, the owner entered into a contract with a vegetable processor to plant 40.0 acres of tomatoes. Because FSN 100 has 40.0 nonbase acres, the tomatoes could be planted on the farm with no violation of the fruit, vegetable, and wild rice provisions.

Because of the inclusion of popcorn as corn history acreage for DCP purposes, the owner elects to change the base acreage for the farm to the following:

- 80.5 acres of wheat base acreage
- 100.9 acres of corn base acreage
- 20.0 acres of nonbase acreage.

470.5 2003 Crop Year Fruit, Vegetable, and Wild Rice Exception (Continued)**B Example 1 (Continued)**

For the 2003 crop year, the owner plants 40.0 acres of tomatoes on FSN 100. Neither the farm nor the producer has a fruit, vegetable, or wild rice history.

Result

There is no DCP contract violation in this example because the 20.0 acres of base acreage planted to tomatoes would not have been base acreage without the inclusion of popcorn as corn history acreage for DCP purposes. The 2003 direct and counter-cyclical payment acres for the farm shall be reduced by 20.0 acres.

C Example 2**Situation**

FSN 200 has 201.4 acres of cropland. Before the inclusion of sesame and crambe as covered commodities, the owner selected bases for the farm resulting in the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 40.0 acres of nonbase acreage.

Because of the inclusion of sesame as a covered commodity, the owner elects to change the base acreage for the farm to the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 20.0 acres of sesame base acreage
- 20.0 acres of nonbase acreage.

For the 2003 crop year, the owner plants 30.0 acres of carrots on FSN 200. Neither the farm nor the producer has a fruit, vegetable, or wild rice history.

Result

There is no DCP contract violation in this example because the 10.0 acres of base acreage planted to carrots would not have been base acreage without the inclusion of sesame as a covered commodity. The 2003 direct and counter-cyclical payment acres for the farm shall be reduced by 10.0 acres.

--470.5 2003 Crop Year Fruit, Vegetable, and Wild Rice Exception (Continued)*D Example 3****Situation**

FSN 200 has 201.4 acres of cropland. Before the inclusion of popcorn as corn history acreage for DCP purposes, the owner selected bases for the farm resulting in the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 40.0 acres of nonbase acreage.

Because of the inclusion of popcorn as corn history acreage for DCP purposes, the owner elects to change the base acreage for the farm to the following:

- 80.5 acres of wheat base acreage
- 100.9 acres of corn base acreage
- 20.0 acres of nonbase acreage.

For the 2003 crop year, the owner plants 50.0 acres of tomatoes on FSN 200. Neither the farm nor the producer has a fruit, vegetable, or wild rice history.

Result

There is a DCP contract violation in this example because of the 10.0 acres of tomatoes planted on base acreage established without regard to the inclusion of the popcorn acreage. The 2003 crop year fruit, vegetable, and wild rice exception does not apply to the 80.5 acres of wheat base acreage and the 80.9 acres of corn base acreage established for the farm before the inclusion of the popcorn acreage. There is no DCP contract violation for the 40.0 acres of tomatoes planted on base acreage that would not have been base acreage without the inclusion of popcorn.

The County Office shall handle the planting violation according to 4-CP.--*

--470.5 2003 Crop Year Fruit, Vegetable, and Wild Rice Exception (Continued)*E Example 4****Situation**

FSN 300 has 201.4 acres of cropland. Before the inclusion of sesame and crambe as covered commodities and the inclusion of popcorn as corn history acreage for DCP purposes, the owner selected bases for the farm resulting in the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 40.0 acres of soybean base acreage
- 0 acres of nonbase acres.

The owner made no changes to the base acreage established for FSN 300 because of the inclusion of sesame, crambe, and popcorn.

For the 2003 crop year, the owner plants 12.0 acres of tomatoes on FSN 300. Neither the farm nor the producer has a fruit, vegetable, or wild rice history.

Result

There is a DCP contract violation in this example because of the 12.0 acres of tomatoes planted on base acreage. The 2003 crop year fruit, vegetable, and wild rice exception does **not** apply to any of the base acreage established for FSN 300.

The County Office shall handle the planting violation according to 4-CP.--*

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.

471 Compliance Determinations (Continued)

A Exceptions (Continued)

- lentils, mung beans, and dry peas.

Note: 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 apply.

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.

471 Compliance Determinations (Continued)

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 15 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 2003 will be a 2003 compliance determination.

FAV's planted in October 2003 will be a 2004 compliance determination.

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 15 for a list of FAV's.

471 Compliance Determinations (Continued)

E Destruction of Nonperennial FAV's and Wild Rice Before Harvest

FSRIA, Section 1106(b)(1) provides that the planting of the following commodities on base acres is prohibited unless the commodity, if planted, is destroyed before harvest:

- fruits
- vegetables, other than lentils, mung beans, and dry peas
- wild rice.

***--Important:** FAV and wild rice must be destroyed without benefit.--*

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.

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.

471 Compliance Determinations (Continued)

E Destruction of Nonperennial FAV's and Wild Rice Before Harvest (Continued)

Joe Brown enrolls all 200 base acres in 2003 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 2003 direct and counter-cyclical payments for the farm are not affected by the 2 acres of destroyed potatoes on base acres.

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 2003 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 2003 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 2003. 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 the 2003 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 lentils, mung beans, and dry peas 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.

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	<div style="text-align: center;"> 50 acres carrots planted June 15 and harvested July 30 </div> <hr style="border-top: 1px dashed black;"/> <div style="text-align: center;"> 50 acres watermelon planted August 15 and harvested September 30 </div>

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	100 acres carrots harvested
	50 acres wild rice harvested	

This is an example of a 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	100 acres carrots harvested
	2 acres carrots planted, but destroyed before harvest	

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 apply. 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 2002 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 need 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.--*

--473.5 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.--*

***--473.5 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

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.--*

***--473.5 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)**

E Conditions for Approving CCC-576 (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

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.

If COC cannot approve CCC-576 without a farm visit, late-filed CCC-576's may be approved 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.--*

***--473.5 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)**

G Filing CCC-576

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

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 according to the following table.

Notes: County Offices shall complete CCC-576, items 1 through 7, according to the following table.

The producer shall complete CCC-576, items 8 through 21, according to the following table.

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.

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***--473.5 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)**

H Completing CCC-576 (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: <ul style="list-style-type: none"> • purchase or delivery arrangements were made for seed, chemicals, and fertilizer • land preparation measures were performed. <p>Note: COC may require attachment of expense receipts to verify:</p> <ul style="list-style-type: none"> • purchase or delivery arrangements • preparation measures.

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***--473.5 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)**

H Completing CCC-576 (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	<p>The producer shall sign and date to:</p> <ul style="list-style-type: none"> • certify the accuracy of all information provided • acknowledge receipt of a copy of CCC-576. <p>Note: If not signed and dated by the producer:</p> <ul style="list-style-type: none"> • 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	<p>If all requirements of this paragraph are:</p> <ul style="list-style-type: none"> • met, COC may approve CCC-576 for prevented planted acreage credit in item 22D <p>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.</p> <ul style="list-style-type: none"> • not met, COC shall disapprove CCC-576 for prevented planted acreage credit in item 22D. <p>Important: If CCC-576 is disapproved, COC shall document the reason for disapproval.</p> <p>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.</p>
Items 23 through 62 shall be left blank.	

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*--473.5 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

I Example of CCC-576

The following is an example of CCC-576.

This form is available electronically. Form Approved - OMB No. 0580-0175

CCC-576 U.S. DEPARTMENT OF AGRICULTURE (08-08-02) Commodity Credit Corporation NOTICE OF LOSS AND APPLICATION FOR PAYMENT NONINSURED CROP DISASTER ASSISTANCE PROGRAM <i>See Page 2 for Privacy Act and Public Burden Statements.</i>		PART A - GENERAL INFORMATION (To be completed by County Office)			
4. PRODUCER'S NAME AND ADDRESS (Include street, city, State and Zip Code) John Doe Any Street Any Place USA 12345		1A. COUNTY FSA OFFICE NAME & ADDRESS (Including Zip Code) Adair County FSA Office 1101 S. Muskogee Ave Tahlequah OK 74464 Telephone Number (Area Code) (918) 456-1924		2. NAP UNIT NO. 123	
		1B. STATE & COUNTY CODE 01003		3. DATE RECEIVED BY COUNTY FSA OFFICE (MM-DD-YYYY) 11-20-2002	
		5A. TELEPHONE NO. (Area Code) (999) 999-9999		6. FARM NUMBERS ASSOCIATED WITH UNIT 123	
		5B. E-MAIL ADDRESS			
		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		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) YES <input type="checkbox"/> NO <input type="checkbox"/>		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 <input type="checkbox"/> NO <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Low Yield <input type="checkbox"/>		14. Was the crop in item 9 irrigated or non-irrigated? Check the applicable practice(s) used for the crop identified in item 9. IR <input type="checkbox"/> NI <input checked="" type="checkbox"/>		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, Delivered, or Arranged for:		YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		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 <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>		B. COC SIGNATURE		C. DATE (MM-DD-YYYY)	
D. For Prevented Planted: APPROVED <input checked="" type="checkbox"/> DISAPPROVED <input type="checkbox"/>		E. COC SIGNATURE /s/ COC member		F. DATE (MM-DD-YYYY) 11-21-2002	
<small>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) 720-5994 (voice or TDD). USDA is an equal opportunity provider and employer.</small>					

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*--473.5 Prevented Planting Provisions for FAV and Wild Rice Double-Cropping Exception (Continued)

I Example of CCC-576 (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	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		53. Stage	54. Carrying Capacity	55. Grazing Period	COC Use Only		
				Federal	State				56. AUD Adjustment Factor	57. AUD Loss Factor	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 (Print)								60B. Date Signed (MM-DD-YYYY)		61. Code Number	
PART H - COC APPROVAL OR DISAPPROVAL OF APPLICATION FOR NAP PAYMENT											
62A. COC ACTION:				62B. COC SIGNATURE				62C. DATE (MM-DD-YYYY)			
APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>											
<p>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. 93-502. 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 714a, and 31 USC 3726, may be applicable to the information provided.</p> <p>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.</p>											

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***--474 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.--*

***--474 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

<p>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</p>

There is no FAV or wild rice violation in this example because all the following are met:

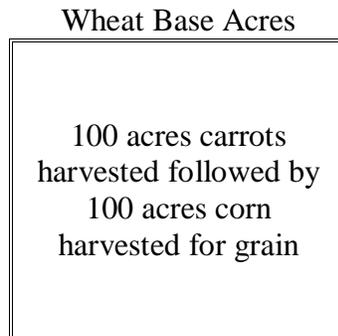
- the farm is administratively located in an established FAV and wild rice double-cropping region
- both the lettuce and carrots were double-cropped with a covered commodity (soybeans or grain sorghum)
- COC determined all commodities can be harvested in a double-cropping situation within a 12-month period, and again in the immediately succeeding 12-month period under normal growing conditions.

The direct and counter-cyclical payments are not affected.--*

474 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.



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.

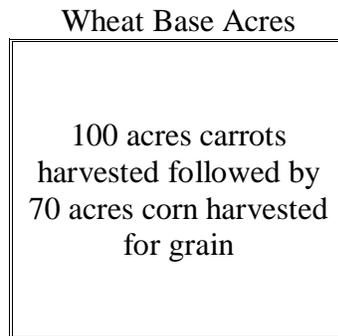
This violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable, *--or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre--* value.

See 4-CP for payment reductions because of FAV's or wild rice violations on base acres enrolled in DCP.

474 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.



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 a FAV violation on 30 acres in this example.

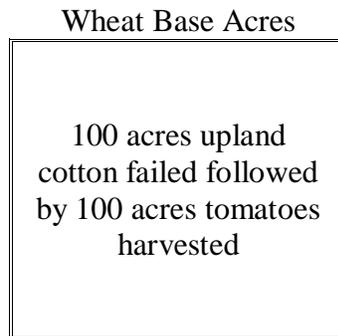
This violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable *-or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre--* value.

See 4-CP for payment reductions because of FAV's or wild rice violations on base acres enrolled in DCP.

474 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.



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.

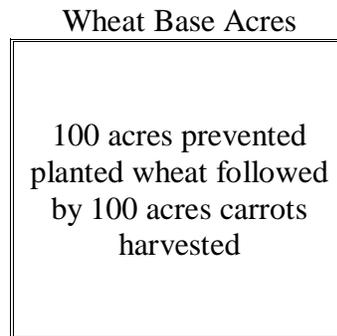
This violation of FAV and wild rice prohibitions may result in penalties ranging from contract termination to payment reductions based on the per acre value of the fruit, vegetable, or wild rice beginning with the fruit, vegetable, or wild rice with the highest per acre value.

See 4-CP for payment reductions because of FAV's or wild rice violations on base acres enrolled in DCP.

474 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.



In this example, the producer submitted a request for prevented planted acreage credit for 100 acres of wheat according to paragraph 473.5. 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.--*

475 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.

--475 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.

476 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.--*

***--476 Examples of Farm History Exception (Continued)**

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.

Soybean Base Acres	Wheat Base Acres	Other Cropland
100 acres wheat	50 acres wheat	100 acres carrots harvested
	50 acres carrots harvested	

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.

Refer 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.--*

***--476 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	
80 acres corn	80 acres wheat	100 acres carrots harvested

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.

Refer 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.--*

***--476 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.

Refer 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.--*

***--476 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
<p>100 acres onions harvested followed by 100 acres squash harvested followed by 50 acres tomatoes harvested</p>	<p>100 acres carrots harvested followed by 100 acres watermelons harvested</p>	<p>100 acres cantaloupes harvested followed by 100 acres lettuce harvested</p>

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.

Refer to 4-CP for processing payment reductions because of FAV's or wild rice on base acreage of a farm enrolled in DCP.--*

***--476 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.--*

477 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.

477 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.

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 479, 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.--*

477 FAV and Wild Rice Producer History Exception (Continued)

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 475 do **not** apply.

Examples: A producer plants FAV's on a farm with an FAV and wild rice planting history (paragraph 475). Do not calculate a producer history because the provisions of paragraph 475 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.

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 475 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.

--477 FAV and Wild Rice Producer History Exception (Continued)*D How to Calculate Producer History (Continued)**

- 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.

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 plantings for Mr. White for lettuce using 1991 through 1995 crop years is 18 acres. The average annual plantings 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 478 for examples of establishing producer history.--*

*--477 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.--*

477 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.--*

***--478 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)

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*--478 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.--*

***--478 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)

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*--478 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.--*

***--478 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.--*

479 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.

Corn Base Acres	Wheat Base Acres	Other Cropland
100 acres wheat	50 acres wheat	100 acres tomatoes 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 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.

***--479 Examples of Producer History Exception (Continued)**

B Example 1 (Continued)

Refer to 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.

Refer to 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.--*

479 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 the 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.

Refer 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.

***--479 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	100 acres tomatoes harvested
	49 acres lettuce 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.

Refer 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.--*

479 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	100 acres watermelons harvested
	50 acres lettuce 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 a FAV and wild rice planting history.

Planting FAV’s or wild rice on this farm shall not establish a 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 the 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.

Refer 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.

***--479 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 a 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	

--*

***--479 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.--*

--479 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.

Refer 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.--*

479 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.--*

479 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.--*

479 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	100 acres carrots harvested
	50 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 the 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.

Refer to 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.--*

479 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 the 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.--*

479 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.

Refer to 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.--*

480-490 (Reserved)

Part 9 (Reserved)

491-524 (Reserved)

Part 10 Peanut QBOP

Section 1 Introduction to the Peanut QBOP

525 General Peanut QBOP Information

A**Introduction**

On May 13, 2002, the President signed the Farm Security and Rural Investment Act of 2002, which:

- terminated peanut quotas effective with crop year 2002
 - provided compensation for the loss of quota asset value through QBOP.
-

B**Statutory Authority**

The Farm Security and Rural Investment Act of 2002 (Pub. L. 107-424), under Title I, Commodity Programs, provides authority for QBOP.

C**QBOP Regulations**

QBOP regulations will be provided in 7 CFR Part 1412, which will be available on the internet.

D**Signup Period**

Signup for QBOP began September 3, 2002, and ends November 22, 2002. Eligible quota holders must apply at the local County Office by completing CCC-530.

E**Payments**

Payments to eligible quota holders will provide compensation for either of the following:

- at the rate of \$0.11 per pound per year for 5 years
 - 1 lump sum payment of \$0.55 per pound to be issued in the FY elected by the eligible quota holder.
-

F**Funding**

QBOP payments are not subject to a national allocation factor. The total quota pounds eligible for QBOP payments cannot exceed the 2001 basic quota allocation.

526 Eligible Quota Holders

A
Rule for Eligible
Quota Holders

An eligible quota holder is an individual, joint operation, or entity who owned a farm or tract before May 13, 2002, which had a 2001 basic quota greater than zero. See exceptions in subparagraphs B and C.

B
Contract for
Purchase of a
Farm

This table provides exceptions to the rule for eligible quota holders.

IF a written agreement was in effect before May 13, 2002, for the purchase of...	AND the parties had...	THEN the...
all or a portion of a farm	agreed in writing as to the distribution of quota pounds	QBOP payment will be disbursed according to the agreement.
all of a farm or all of a tract of a farm	not agreed in writing as to the distribution of quota pounds	quota will go with the land.
a portion of a tract		quota will be divided based on cropland.

Note: If quota pounds under a pending permanent transfer of quota pounds are involved on the farm that has otherwise been agreed to, the transfer shall be taken into account.

Ensure that COC determinations involving divisions of quota pounds for peanut quota buyout purposes are thoroughly documented in the COC minutes. Copies of sales' contract agreements or other supporting documentation are kept.

Continued on the next page

526 Eligible Quota Holders (Continued)

C Contract for Purchase of Quota (Transfer)

If an agreement for the permanent transfer of quota was in effect before May 13, 2002, the QBOP payment will be disbursed according to the agreement. The agreement shall include a certification from the previous quota holder stating that they will not file a request for QBOP payments on poundage represented in the agreement. The agreement may be 1 of the following:

- FSA-375 (Peanuts)
- written contract
- written agreement
- verbal agreement.

Notes: All agreements for the permanent transfer of quota must be agreed upon by all associated parties in writing.

--COC's may accept a certification signed by all parties involved, if a verbal agreement was in place for the permanent transfer of peanut poundage quota before May 13, 2002. The agreement must specify the associated FSN's, poundage permanently transferred, date of transaction, and a certification that the previous quota owner will not file a request for QBOP payments for the poundage reflected in the agreement. If COC accepts the agreement, pay the eligible quota holder according to the agreement.--

D Cases in Dispute

Situation where eligible quota holders cannot be determined include, but are not limited to, the following:

- the eligible quota holder is deceased with no will, and COC is unable to determine the correct owners of the farm or tract on the farm
- disputes over ownership of peanut quota.

COC shall not approve CCC-530's when ownership is in dispute until:

- all parties agree
- COC, with State Office concurrence, has made a determination based on documentation submitted by parties involved and County Office record
- DAFP has made a determination.

526 Eligible Quota Holders (Continued)**D Cases in Dispute (Continued)**

COC shall submit cases involving disputed ownership of quota for which they are unable to make a determination through the State Office to DAFP, with the following information:

- COC minutes
- memorandum from the County Office stating the full facts of the case
- copies of supporting documentation
- STC recommendation.

E Eligibility Attaches to the Eligible Quota Holder

After an individual, joint operation, or entity has been determined as the eligible quota holder and enters into a contract, eligibility attaches to the eligible quota holder and remains, irrespective of whether any of the following occurs:

- the farm that qualified the person as the eligible quota holder is sold
- the quota holder no longer has an interest in the farm
- the quota holder no longer has an interest in the production of peanuts on any farm.

Note: Continued eligibility does not remain with a farm, but remains with the quota holder subject to an approved CCC-530 for the duration of the contract.

F Quota Holders Who Are Deceased

If an eligible quota holder died before entering into a contract for QBOP, the estate is the eligible quota holder. If there is no estate, the eligible quota pounds will be divided according to the following:

- the method the estate was divided
- if an estate was not formed, then all heirs of the estate must agree in writing on the division of quota pounds.

--Legal documentation or certification must be provided demonstrating either of the--
following:

- the estate division method
- a written agreement signed by all heirs reflecting the subject heirs associated with the deceased producer's interest and division of pounds.

526 Eligible Quota Holders (Continued)

G**Eligible Quota Holders Who Are Members of Dissolved Entities**

In the case of a dissolved entity, members will be considered eligible quota holders for QBOP. The quota pounds eligible for QBOP will be divided among the members, based on each member's share of the entity for crop year 2001. All members, or their representatives, of the dissolved entity at the time of dissolution must sign CCC-530.

H**Eligible Quota Holder With Life Estate**

A person, who holds a life estate in a farm or tract of a farm that has a peanut quota attached, is the eligible quota holder.

Example: Sarah Brown owned FSN 1 with 10,000 pounds of basic quota attached. She deeded the land to her daughter, Linda Smith, in June of 2001; however, Sarah Brown holds a life estate in the land. Sarah Brown is the eligible quota holder for the purpose of the QBOP payment.

527 Eligible Quota Pounds

A**Poundage Eligible for Quota Buyout**

Quota pounds eligible for QBOP are based on the quota poundage allocated for crop year 2001, without regard to temporary leases, temporary seed quotas, or quotas allocated from the national reserve for experimental purposes or under the 1-acre provision. Quota pounds owned by universities for experimental purposes are eligible for QBOP. The total quota pounds eligible for QBOP payments cannot exceed the 2001 basic quota allocation.

B**Protected Quota Pounds**

Quota pounds that are protected under CRP-1 are included in poundage eligible for QBOP.

528 **Reviewing Quota Owners and Quota Pounds**

A
Reviewing
County Office
Records

County Offices shall review records to ensure that the records reflect the correct owners of quota pounds. The 2001 peanut quota files shall be used for the purposes of determining eligible pounds for DCP. A change in the automated farm ownership records after October 1, 2001, will not be reflected in the QBOP file.

Any changes in farm ownership, or sales and purchases of peanut quota that took place before May 13, 2002, must be updated in the automated system according to paragraph 529 before poundage can be calculated for the eligible quota holder.

Continued on the next page

528 Reviewing Quota Owners and Quota Pounds (Continued)

B

Generating Report MPAA14-R001

County Offices shall generate Report MPAA14-R001 to update the QBOP file. Before notifying eligible quota holders of poundage eligible, compare Report MPAA14-R001 to the following to ensure that the information is correct for QBOP:

- contracts for purchase of farms with quota attached
- contracts for purchase of quota
- other County Office records related to land ownership and quota transfers.

Access Report MPAA14-R001 according to this table.

Step	Action	Result
1	ENTER "14" on Peanut Main Menu MPA200.	Menu MPAA00 will be displayed.
2	ENTER "1".	Menu MPAA10 will be displayed.
3	ENTER "2".	Screen MPAA1201 will be displayed.
4	ENTER "1" and the ID number of the printer to be used.	<p>Report MPAA14-R001 will be printed.</p> <p>Note: Report MPAA14-R001 will provide the user with the following:</p> <ul style="list-style-type: none"> • eligible quota holders' names • FSN's • tract numbers • quota pounds • total quota pounds for each eligible quota holder • total quota pounds eligible for buyout for the county.
5	ENTER "2" and the ID number of the printer to be used.	Once the owner is selected, Report MPAA14-R001 will print for only that owner.
6	ENTER "3" and the ID number of the printer to be used.	Report MPAA14-R001 will print eligible quota holder information for all owners, with each person on a separate page.

Continued on the next page

528 Reviewing Quota Owners and Quota Pounds (Continued)

C

Example of Report

The following is an example of Report MPAA14-R001 for the County Office.

MPAA14-R001

Note: The first time Report MPAA14-R001 is generated, a copy should be kept in the County Office file. The total of all poundage used to calculate QBOP payments for the county shall not exceed the total quota on Report MPAA14-R001.

State		U. S. Department of Agriculture		Prepared: xx-xx-xx
County		Report of Quota Holders and Quota Pounds Eligible for Buyout		Page 1 of-
Report ID: MPAA14-R001				
Name	FSN	Tract Number	Quota Pounds	
Brown, Sam	1	20	10,000	
	10	31	5,155	
	350	182	<u>21,000</u>	
Owner Total			36,155*	
Jones, John	1	21	10,000	
	1	28	<u>10,000</u>	
Owner Total			20,000*	
County Total			56,155	

529 Updating Quota Owners and Quota Pounds

A

Accessing QBOP View/Update Software

The County Office shall update owners of quota pounds through QBOP View/Update software, if it is determined that the incorrect owner is recorded in the QBOP file.

Access QBOP View/Update software according to this table.

Step	Action	Result
1	ENTER "14" on Peanut Main Menu MPA200.	Menu MPAA00 will be displayed.
2	ENTER "1".	Menu MPAA10 will be displayed.
3	ENTER "1".	Screen MPAA0101 will be displayed.

B

Example of Screen MPAA0101

Screen MPAA0101 will allow the user to enter an FSN and select option 1, "View", or option 2, "Update". If option 1 is selected, the user will be in the "Browse" mode for all screens. **Only** an active 2001 FSN will be allowed to be entered.

```

QBOP                               Xxx-Thomas                               MPAA0101
Pre-Processing and Notification Letters
Version: xxxx           xx-xx-xx   xxxxxx Term xx
-----
Crop Year 2001

Please Enter a Farm Number:           xxxx

And

Select a Process Option
1. View
2. Update

Enter=Continue           Cmd7=End
    
```

Continued on the next page

529 Updating Quota Owners and Quota Pounds (Continued)

C
Screen
MPAA0301 for
Selecting Tract
Number

This is an example of Screen MPAA0301, which is displayed when option 1 or 2 is selected on Screen MPAA0101. Screen MPAA0301 will display all tract numbers and the total quota for each tract. If more tracts exist than can be displayed on Screen MPAA0301, PRESS "Enter" and the next screen of tract data will be displayed. The user:

- selects the tract to be viewed or updated by sequence number
- presses "Enter" to display Screen MPAA0501.

```

QBOP                               Xxx-Thomas                               MPAA0301
Pre-Processing and Notification Letters  Version: xxxx                               xx-xx-xx  xxxxxx Term xx
-----
Crop Year: 2001                               FSN:      XXXX

View/Update Farm/Tract Quota

      Seq                               Tract Number                               Sum of Quota
Owner's Pounds
      1                               1536                               1,790
      2                               1537                               3,424
      3                               1538                               2,977
      4                               1539                               1,871

Enter a sequence number to process 1
Screen 1 of 1
Enter=Continue                               Cmd4=Previous Screen                               Cmd7=End
    
```

Continued on the next page

529 Updating Quota Owners and Quota Pounds (Continued)

D
Screen
MPAA0501 for
Adjusting Quota
Pounds or
Adding Owners

The purpose of Screen MPAA0501 is to allow County Offices to correct the owner of the quota or adjust quota pounds because of permanent transfers. If a quota holder has permanently transferred part or all of the quota pounds on a tract, add the new owner and adjust quota pounds for the previous owner and the new owner. All adjustments to owners and quota pounds must be made through Screen MPAA0501. If the previous owner’s quota is adjusted to zero on all farms and tracts, the owner will no longer be listed on Report MPAA14-R001.

When a sequence number is selected on Screen MPAA0301, the user will be allowed to view or update quota pounds on Screen MPAA0501. If “Cmd16” is pressed on Screen MPAA0501, Screen MPAA0500 will be displayed according to subparagraph E. The message, “**Screen Print Before and After Changes**”, will be displayed.

```

QBOP                               Xxx-Thomas                               MPAA0501
Pre-Processing and Notification Letters  Version: xxxx                               xx-xx-xx  xxxxx Term xx
-----
Crop Year: 2001                      FSN:      808                               Tract # 1536

                                ID and
                                ID Type
                                Quota
                                Owner's
                                Pounds

Little H Reichert Deceased 257584733 T          835
Dennis A Reichert          259180205 S          835

Screen Print Before and After Changes
Screen 1 of 1
Enter=Continue      Cmd4=Previous Screen      Cmd7=End Cmd16=Add tract Quota Owner
    
```

If the user presses “Cmd16”, the user will be allowed to add a new quota owner.

Note: It is very important to review the tract owner’s name, ID number, and type as well as quota pounds associated with the owner. Ensure that the owner’s name does not have “Deceased” in it and that ID types do not have “T” for temporary ID’s.

Continued on the next page

529 Updating Quota Owners and Quota Pounds (Continued)

E
Screen
MPAA0500 for
Selecting New
Owners

When "Cmd16" is pressed on Screen MPAA0501, Screen MPAA0500 will be displayed to allow the user to select a new owner.

```

QBOP                               367-Thomas                               Screen MPAA0500
Pre-Processing and Notification Letters   Version: xxxx   Xx-xx-xx Term xx
-----
Crop Year:      2001           FSN:      228           Tract # 1222

Owners's Last Name      REICHERT
Or
Owners's ID (numeric):

ID TYPE: ___ (S, E, I, F - Optional)

Enter=Continue  Cmd7=End
    
```

F
Common
Routine for
Selecting an
Owner

Upon entering the owner's last name or ID number and pressing "Enter" on Screen MPAA0500, Screen FAX270-01 will be displayed for selecting the owner's name.

```

                               367-Parker                               xxxxxxxxxxxx                               FAX270-01
Common Routine to Select ID Number   Version: AA01   xx/xx/xx xx:xx Term xx
-----
NAME                                ID Number                                ID TYPE                                DELETED
1  A Reichert Estate                253 50 7203                               S                                       Y
2  Bejamine E Reichert              255 10 7312                               S
3  Jackie W Dale                    451 76 1828                               S
4  Susan Dale                       587 72 9986                               S
5  Dennis A Reichert                259 18 0205                               S

Select number for desired Name      5      (Enter "N" if none of above or Cmd7-End)
    
```

Continued on the next page

529 Updating Quota Owners and Quota Pounds (Continued)

G
Screen
MPAA0502 for
Verifying Owner
or Adding
Additional
Owners

When the user selects an owner on Screen FAX270-01 and presses "Enter", Screen MPAA0502 will be displayed.

```

QBOP                               367-Thomas                               Screen MPAA0502
Pre-Processing and Notification Letters
Version: xxxx                       Xx-xx-xx Term xx
-----
Owners's Name                        Dennis A Reichert
Owners's Address                     7409 Twelve Mile Post Rd.
                                      Boston, Ga. 31626-3545
Owners's ID                           259 18 0205           S
Is this the correct owner? Y (Y or N)
Are there additional owners? Y (Y or N)

Enter=Continue
Selected owner has been recorded; enter additional owners
    
```

Screen MPAA0502 will be displayed to allow the user to verify that the owner is correct and to give the user an opportunity to add additional owners. If the user responds with "Y" to the question, "Is this the correct owner?", and "N" to the question, "Are there additional owners?", the owner will be updated and Screen MPAA0501 will be redisplayed. If the user responds to both questions with "Y", the message, "Selected owner has been recorded; enter additional owners", will be displayed.

Continued on the next page

529 Updating Quota Owners and Quota Pounds (Continued)

H
Validation
Screen
MPAA0302

After quota pounds have been adjusted on Screen MPAA0501, Screen MPAA0302 will be displayed if there is a difference between the quota pounds on the farm in the QBOP file and the 2001 quota pounds on the farm crop history file. If an out-of-balance condition occurs, a warning message will be displayed on Screen MPAA0302, as shown in the following example. The County Office must research the difference and screen print Screen MPAA0302 before and after any changes. PRESS “Cmd4” to return to Screen MPAA0502 to make corrections.

If the difference cannot be reconciled:

- contact DAFP through the State Office **before** disbursing QBOP payments
- provide an explanation and supporting documentation for concurrence.

QBOP	Xxx-Thomas	MPAA0302
Pre-Processing and Notification Letters	Version: xxxx	xx-xx-xx xxxxx Term xx
Crop Year::	2001	FSN: 808
View/Update Farm/Tract Quota		
Sum of all quota owner's pounds on farm		10,062
Farm quota pounds on farm crop history		10,070
		====Warning=====
Sum of all quota owner's pounds on the farm not equal to farm quota pounds on farm crop history. Please verify carefully before continuing.		
“Changes are not updated until “Enter” is pressed on this screen”.		
Message “Screen Print this Screen”		
Enter=Continue	Cmd4=Previous Screen	Cmd7

If an owner is changed through the “View/Update” option, the user must take Menu MPAA00, option 2 to update the QBOP contract file with the correct owner.

530 QBOP Payment Provisions

A General Payment Provisions

Eligible quota holders are eligible to receive a QBOP payment of \$0.11 per pound for quota pounds owned for either of the following:

- each of the 5 years 2002 through 2006
- a lump sum payment.

B QBOP Payment Selection

Eligible quota holders have a **1-time** option to select a lump sum payment or 5 equal installments. Once an option has been selected and the first installment has been paid, no option changes will be allowed. If the lump sum option is selected, the eligible quota holder must designate 1 of the FY's in which the payment will be issued from crop years 2002 through 2006. Eligible quota holder producers who elect either 5 equal installments or a lump sum payment will receive payment for FY 2002, as soon as practical after signup.

Annual installment payments and lump sum payments designated to be paid in FY's after *--2002 shall be paid between January 2 and January 31 each FY, 2003 through 2006.--*

C QBOP Payment Formula

QBOP equal installment payments will be calculated by:

- multiplying the eligible quota holder's total quota pounds on all farms times \$0.11 per pound
- rounding to the nearest dollar.

To determine the 1-time lump sum payment, the annual installment will be multiplied times 5.

Example: John Doe - Quota Holder

FSN	Tract	Quota Pounds
100	1	50,000
200	1	25,000
300	2	<u>25,000</u>
		100,000 x \$0.11 = \$11,000 Annual Installment
		\$11,000 x 5 = \$55,000 Lump Sum Payment

530 QBOP Payment Provisions (Continued)

***--D Successor-in-Interest for Lump Sum Contract**

QBOP payments are attached to the eligible quota holder, not to the farm. In the event of the death of a quota holder, or dissolution of an entity, the eligibility for payment shall pass to the following, if CCC-530 was approved for the quota holder.

IF in the event of the...	THEN the payment shall be...
death of a quota holder	issued according to the completed FSA-325.
dissolution of an entity	divided among the members of the entity according to the way the members shared in the entity.

E Successor-in-Interest for Multi-Year Contract

When an eligible quota holder who entered into a QBOP contract requesting 5 annual installments dies before all installments have been issued under the terms of the contract, the estate or the heirs, if an estate does not exist, may request the balance of the QBOP payments due under the contract. The remaining payments on the contract shall be issued in a lump sum payment.

County Offices shall:

- revise the original contract from a multi-year contract to a lump sum contract
- change the eligible quota pounds to reflect the poundage for which QBOP payments were issued to the deceased person
- create new contracts for the heirs reflecting eligible quota holder names and eligible quota pounds according to procedure in paragraph 528.

Example: Sandy Smith entered into a QBOP contract for 10,000 pounds and has received 2 installments. She dies after the second payment is made, leaving 3 installments to be paid. The estate is settled and Ms. Smith has 2 heirs remaining. To determine poundage that Ms. Smith was paid, divide the total pounds on the contract by 5 and multiply by the number of years payments have been paid ($10,000/5 = 2,000 \times 2 = 4,000$). Therefore, in this example, QBOP payments are due to the heirs on the remaining 6,000 pounds of quota.

The original contract for Ms. Smith should be revised to reflect a lump sum payment based on 4,000 pounds of quota. The heirs may each enter into a QBOP contract requesting a lump sum payment for their share of the remaining 6,000 pounds of quota owned by Ms. Smith.--*

530 QBOP Payment Provisions (Continued)**F Requesting Payments for Deceased, Missing, or Incompetent Persons**

FSA-325 shall be completed, according to 1-CM, by the individuals or entities requesting payments **earned** by an eligible quota holder who has died, disappeared, or been declared incompetent. Payments shall be issued to the individuals or entities requesting payment using the deceased, incompetent, or disappeared producer's ID number. A revised CCC-530 is not required to be completed when payments are issued under the deceased, incompetent, or disappeared producer's ID number.

Exception: If an individual or entity requests that payments earned by a quota holder, who is deceased, incompetent, or has disappeared, be issued under their own ID number, a revised CCC-530 must be completed to pay that individual or entity.

G Administrative Offset

QBOP payments are subject to administrative offset.

H Bankruptcy

Bankruptcy status does not exclude a producer from requesting QBOP payments.

Note: Contact the OGC Regional Attorney for guidance on issuing QBOP payments on all bankruptcy cases.

I Assignments

County Offices shall process assignments and joint payments according to 63-FI. The program code for QBOP is "XXQBOP". Replace the "XX" with the last 2 digits of the FY.

531 Other Payment Provisions

A Liens and Mortgages on a Farm

Liens and mortgages held by financial institutes do not apply to QBOP payments.

B Eligibility Requirements

The following eligibility requirements do not apply to QBOP payments:

- HELC and WC provisions
- controlled substance violations
- payment limitation and payment eligibility provisions, including the foreign person rule.

532-539 (Reserved)

Section 2 CCC-530's and Payments**540 Applying for Benefits****A Introduction**

This section provides procedure for:

- enrolling into QBOP
- issuing payments.

B Producer Eligibility

Eligible quota holders are eligible for a QBOP payment on all quota pounds owned before May 13, 2002. The eligible quota holder must elect to receive either of the following at the time of signing CCC-530:

- lump sum payment

Note: Designate the FY in which the payment is to be paid.

- 5 equal installments.

C Applying for Benefits

Eligible quota holders must apply for QBOP payments in the county the farm was administratively located in crop year 2001 by signing an automated CCC-530.

D Signature Deadlines

Eligible quota holders must sign a completed CCC-530 in the county the farm was administratively located in 2001 to request benefits. If the person requesting the payment is different from the County Office records, supporting documentation must be submitted to the County Office before COC takes action on CCC-530. See subparagraphs G and H for examples of CCC-530 and CCC-530 (Continuation).--*

540 Applying for Benefits (Continued)**E Approving 2002 CCC-530's**

COC, or the approved COC representative, is responsible for acting on each CCC-530. CCC-530's may be approved when:

- the eligible quota holder's signatures have been obtained
- *--disputed shares have been settled
- COC determines that the eligible quota holder is the owner of quota pounds reflected on CCC-530.

Note: Application and approval dates shall be entered into the automated Peanut QBOP application.

F CCC-530 Appendix Signatures

CCC-530 Appendix can be obtained from the FSA website and reproduced locally. A copy of the appendix shall be provided to each eligible quota holder before the eligible quota holder signs CCC-530. After reviewing CCC-530 Appendix, the applicant must sign and date the first page of the appendix signifying receipt. After the applicant signs and dates the first page of CCC-530 Appendix, the County Office shall make a copy and attach to CCC-530. See subparagraph I for an example of CCC-530 Appendix.

After the County Office has obtained the signature and date on CCC-530 Appendix and reviewed the information on CCC-530 with the eligible quota holder for accuracy, the eligible quota holder shall sign and date CCC-530.--*

540 Applying for Benefits (Continued)

*--G Example of CCC-530

This is an example of CCC-530.

This form is available electronically.

CCC-530 U.S. DEPARTMENT OF AGRICULTURE (08-13-02) Commodity Credit Corporation PEANUT QUOTA HOLDER BUYOUT PROGRAM CONTRACT (QBOP)		1. ST. & CO. CODE 13 253	2. CONTRACT NUMBER 1					
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. NOTE: 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, but failure to furnish the requested information will result in a determination of ineligibility. 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 request by 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.		3. PAYMENT (Select One of the Following): <input checked="" type="checkbox"/> One Year Lump Sum Payment FY 2002 <input type="checkbox"/> Five (5) Year Contract from FY 2002 to FY 2006						
THIS CONTRACT TO PARTICIPATE is entered into between the Commodity Credit Corporation (CCC) and the undersigned eligible quota holder (as defined under this program) for all farms identified in Item 5A. The terms and conditions of the peanut quota buyout program contract are contained in CCC-530 Appendix, entitled Appendix to Form CCC-530 Peanut Quota Buyout Program (QBOP). By signing this contract, the undersigned eligible quota holder for all farms identified below is agreeing to participate in the Peanut Quota Buyout Program. By signing this contract, the eligible quota holder: (1) certifies the accuracy of the total quota pounds believed eligible for buyout as set out in Part A and Part B, (2) acknowledge receipt of the CCC-530 Appendix, and agrees to abide by the terms contained therein, and (3) agrees to comply with the regulations governing the applicable program.								
PART A - PAYMENT INFORMATION								
4A. Total Quota Pounds 35,259	4B. Payment Rate \$ 0.11	4C. Annual Installment Amount \$ 3,878	4D. Lump Sum Amount \$ 19,390					
PART B - FSN AND TRACT QUOTA INFORMATION (If applicable, use CCC-530 (Continuation) for additional space)								
5. Identification of 2001 Crop Year Quota Pounds								
5A. FSN	5B. Tract No.	5C. Quota Pounds	5A. FSN	5B. Tract No.	5C. Quota Pounds	5A. FSN	5B. Tract No.	5C. Quota Pounds
3493	311	765	3493	312	258	3493	313	159
3493	314	675	3493	315	768	3493	316	546
3493	317	5,489	3493	319	123	3493	320	765
3493	322	123	3493	323	148	3493	324	555
3493	2095	333	3493	7690	159	3493	77145	777
3493	2105	876	3496	1174	765	3496	77163	890
3493	2130	1,589	3505	1183	7,643	3505	1190	555
3493	2151	654	3505	1204	890	3505	1205	907
3493	2152	77	3505	7344	225	3505	77155	215
3493	2153	215	3505	7715	111	3507	80	11
3493	2154	999	3507	7685	876	3507	77140	888
3493	2155	123	3508	7688	900	3510	76364	850
3493	2156	657	3508	7689	950	3510	76354	985
PART C - CERTIFICATION AND APPROVAL								
6A. Have you entered into an agreement to purchase by permanent transfer any quota pounds before May 14, 2002 that are not reported in Part A and Part B or purchase a farm with quota pounds? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		6B. Have you entered into an agreement before May 14, 2002 to sell or permanently transfer any quota pounds, or quota farm identified in Part A and Part B to another party? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>						
7. Certification of Eligibility: By becoming a signatory to this contract, I certify that I am the owner of the quota pounds reflected on this contract and that the poundage is correct. I understand that any false or incorrect certification may prohibit all future quota payments and result in a refund of all quota buyout payments already issued, plus interest if applicable, plus liquidated damages.								
A. Quota Holder Name and Address (Include Zip Code) Sydney Taylor 6211 Three Notch RD Iron City, GA 11111		C. Tax ID Number 222 22 7777	E. Date (MM-DD-YYYY) 9/3/2002					
B. Telephone Number (Include Area Code):		D. Signature of Quota Holder						
8A. County FSA Office Name and Address (Include Zip Code) Seminole County FSA Office 212 E Oak Street Donalsonville, GA 31745		9A. CCC USE ONLY. Payments approved, based on pounds represented. Approved <input checked="" type="checkbox"/> Disapproved <input type="checkbox"/>						
8B. Telephone Number (Include Area Code):		9B. Signature of CCC Representative	9C. Date (MM-DD-YYYY) 9/20/2002					
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.								
<input type="checkbox"/> Original - County Office File		<input type="checkbox"/> Quota Holder's Copy						

--*

540 Applying for Benefits (Continued)

*--I Example of CCC-530 Appendix

This is an example of CCC-530 Appendix.

This form is available electronically. *See Page 3 for Privacy Act Statement.*

CCC-530 Appendix
(08-30-02)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO FORM CCC-530, PEANUT QUOTA BUYOUT PROGRAM CONTRACT (QBOP)

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.

1 PURPOSE

This CCC-530 Appendix serves as an attachment to the Peanut Quota Buyout Program Contract (QBOP). The definitions and provisions contained in this Appendix are considered to be terms and conditions of the Peanut Quota Buyout Program. These terms and conditions are provided to eligible quota holders before they sign the Peanut Quota Buyout Program Contract, so they understand the terms and provisions of the program. An eligible quota holder who signs the Peanut Quota Buyout Program Contract, CCC-530, signifies agreement with the terms and conditions contained in the CCC-530 Appendix, and acknowledges the applicability of any provisions of the federal regulations found at 7 CFR Part 1412.

2 DEFINITIONS

A Eligible Quota Holder means, in general, a person who owned a farm that, as of May 13, 2002, was eligible for a permanent quota under section 358-1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)). Except, however:

- (1) if there was a written contract for the purchase of all or a portion of a farm as of May 13, 2002, and there was no agreement for the division of the quota on the farm, then the quota eligibility shall be allocated by, as determined by CCC, an equitable division of payments based on FSA county office records;
- (2) if there was a written contract for the purchase of all or a portion of a farm as of May 13, 2002, and there was an agreement for the division of the quota on the farm, then the eligible quota holder may be determined by CCC based on the terms of that agreement; or
- (3) if CCC determines that there was in existence, as of May 13, 2002, an agreement for the permanent transfer of quota (FSA-375), but that this transfer was not completed as of May 13, 2002, then so long as all required signatures to the transfer were obtained, the peanut quota holder may be, as determined by CCC, considered to be the party to the agreement who, as of May 13, 2002, was the owner of the farm to which the quota was to be transferred.

Quotas excluded from being eligible for buyout for the eligible quota holders are those which are held under temporary leases, temporary seed quotas, or quotas allocated from the national reserve for experimental purposes. Eligibility will be based on quota amounts for the 2001 crop year. Notwithstanding the above, the Secretary reserves the right to determine eligibility on a case by case basis in accordance with the terms and provisions of Title 1, Subtitle C of the Farm Security and Rural Investment Act of 2002, Pub. L. 107-171. In signing the Agreement and making the representations of eligibility called for in the Agreement, the person signing represents that all representations about qualifying pounds and eligibility are made to the best of that person's knowledge and that in fact the person believes themselves to be eligible under the criteria set forth above for the pounds shown on the contract. If there was an agreement for sale or transfer of the quota farm or quota as of May 13, 2002, the person signing this Agreement shall supply notice of that agreement, in writing, to the local office of the Farm Service Agency.

B Eligible Quota Pounds means the amount in pounds of peanut quota on which the eligible quota holder qualifies under the regulations and this Agreement.

C Payment Rate means the rate per pound that an eligible quota holder will receive for the amount of eligible quota pounds. The payment rate is \$0.11 cents per pound for 5 years or \$0.55 cents per pound for the lump sum payment.

D All other words and phrases have the meanings assigned to them in the regulations found at 7 CFR Part 1412.

--*

540 Applying for Benefits (Continued)

*--I Example of CCC-530 Appendix (Continued)

CCC-530 Appendix (08-30-02)

Page 2 of 3

3 CONTRACT

- A** For the relevant county (see paragraph 3B, below), by signing Form CCC-530, which includes all farms on which the eligible quota holder owns quota, the participant understands and agrees that:
- (1) only "eligible quota holders", as defined in paragraph 2A of this appendix, are entitled to earn and retain peanut quota buyout payments under the regulations and this Agreement;
 - (2) all qualifying peanut quota pounds, and no others, are reflected in the contract.
- B** Only one CCC-530 per eligible quota holder may be filed for any county, and one must be filed for each county in which the quota holder qualifies for the program. The contract must be initiated in the county in which the qualifying quota was administratively located during crop year 2001. The contract will set out the FSN, tract number, eligible quota pounds, installment payment amount, and lump sum payment amount.
- C** The eligible quota holder has a **one-time** option to elect to receive either a single lump sum payment or five (5) equal payment installments under each contract. If the lump sum payment is elected, the eligible quota holder must elect the fiscal year in which the single lump sum payment will be issued during 2002 through 2006. After an option is selected and the first payment installment is issued, no changes will be allowed.
- D** If the eligible quota holder elects to receive the quota buyout payment in 5 equal installment payments, the first payment will be made as soon as practicable after the contract is approved. Each of the other succeeding payment installments will be issued, as practicable, no later than by January 31 of each the fiscal years 2003 through 2006.
- E** The eligible quota holder shown on the CCC-530 represents that the holder has a 100 percent share in the payments calculated for the contract.
- F** The CCC-530 becomes effective when signed first by the participant, and then by an authorized representative of CCC.
- G** Unless otherwise set out in the program regulations, in the event a succession-in-interest occurs due to death or dissolution of an individual or entity:
- (1) in the case of death, the estate (or if no estate, the heirs to the estate) may succeed to the contract;
 - (2) in the case of a dissolution of an entity, the member(s) of the entity may succeed to the contract.
- H** Except as provided in paragraph G, above, there shall be no successions in interest permitted.
- I** This CCC-530 (Peanut Quota Buyout Contract (QBOP)) must be timely filed in a manner prescribed by CCC with the County Committee to qualify for payment.
- J** The regulations at 7 CFR Part 1412 issued to implement the statutory provisions that establish this program are incorporated by reference as part of the contract.

4 OTHER PAYMENT PROVISIONS

Any payment or portion thereof due any eligible quota holder will be issued by CCC without regard to any question of title under State law, and without regard to any claim or lien against the farm and proceeds therefrom, which may be asserted by a creditor other than an agency of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making payments to eligible quota holders or their assignees. All programs are subject to eligibility determinations made by CCC and can be retained only to the extent that a finding of eligibility is not reversed or modified.

--*

540 Applying for Benefits (Continued)

*--I Example of CCC-530 Appendix (Continued)

CCC-530 Appendix (08-30-02)

Page 3 of 3

5 LOSS OF BENEFITS

- A** If CCC determines an eligible quota holder erroneously or fraudulently represented any fact affecting a determination to be made by CCC under this contract, or knowingly adopted any scheme or device which tends to defeat the purpose of this contract, the contract shall be terminated. Upon termination, the eligible quota holder shall forfeit all rights to contract payments on each farm represented on the contract and shall refund to CCC all contract payments received by the eligible quota holder, plus interest, if applicable, and pay liquidated damages.
- B** The provisions of this section are in addition to any liability which may be incurred under various criminal and civil fraud statutes, including, but not limited to, 18 U.S.C. 286, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729 or other provisions of law.

6 MODIFICATIONS

- A** CCC reserves the right to correct all errors in entering data on Form CCC-530 and the results of computations made pursuant thereto.
- B** In the event a statute is enacted during the effective period of this contract under which CCC would be required to materially change the terms of this contract, CCC may require the signatories to elect between acceptance of modifications consistent with the provisions of such statute or termination of the contract. The signatories agree to notify CCC on an intention to withdraw from the contract within 10 days from the date of the notice of such modifications and further agree that failure to notify CCC shall constitute agreement to the modifications.

NOTE: 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, but failure to furnish the requested information will result in a determination of ineligibility. 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 request by 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.

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.

--*

***--541 Processing Automated CCC-530's**

A Instructions for Accessing the QBOP Contract Main Menu

County Offices shall follow instructions in this table to access the QBOP Contract Main Menu.

Step	Action	Result
1	On Primary Selection Menu FAX250, ENTER "3" or "4", "Application Processing".	If option 3 is selected, then Menu FAX07001 will be displayed. If option 4 is selected, then Menu FAX09002 will be displayed. Select the appropriate county and continue to Menu FAX07001.
2	On Menu FAX07001, ENTER "18", "Tobacco/Peanuts".	Menu M00100 will be displayed.
3	On Menu M00100, ENTER "4", "Peanuts".	Menu MPA200 will be displayed.
4	On Menu MPA200, ENTER "14", "Quota Buyout Program Applications (QBOP)".	Menu MPAA00 will be displayed.

--*

***--541 Processing Automated CCC-530's (Continued)**

B Preparing or Revising CCC-530's

CCC-530 may be revised at any time it is determined the owner or quota pounds are incorrect. A new enrollment date and approval date must be entered in the automated system for revised contracts. Revisions to contracts that result in an overpayment or underpayment will be processed through overpayment or underpayment software.

County Offices shall follow the steps in:

- subparagraph A to access QBOP Contract Main Menu
- this table to prepare or revise CCC-530.

Step	Action	Result
1	On Menu MPAA00, ENTER "2", "QBOP Applications Menu".	Menu MPAA20 will be displayed.
2	On Menu MPAA20, ENTER "1", "CCC-530 Processing".	Menu MPAA50 will be displayed.
3	On Menu MPAA50, ENTER "2", "CCC-530 Applications".	Menu MPAA55 will be displayed.
4	On Menu MPAA55, ENTER "1", "Prepare or Revise CCC-530".	Menu MPAA2101 will be displayed.
5	<p>On Menu MPAA2101, enter either of the following:</p> <ul style="list-style-type: none"> • last name • ID number and type. <p>If last name is entered, Screen FAX270-01 will be displayed for selecting the name.</p> <p>Do either of the following:</p> <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for none of the above. <p>PRESS "Cmd7" to end.</p>	Menu MPAA2102 will be displayed.
6	<p>On Menu MPAA2102, ENTER:</p> <ul style="list-style-type: none"> • "Y" to verify correct owner has been selected • "N" if incorrect owner has been selected. 	<p>If "Y" was entered, Menu MPAA2201 will be displayed.</p> <p>If "N" was entered, Menu MPAA2101 will be displayed.</p>
7	On Menu MPAA2201, enter applicant's response to questions 1 through 3.	Menu MPAA2401 will be displayed.
8	On Menu MPAA2401, enter the appropriate printer ID and number of copies.	Contract will print.

--*

***--541 Processing Automated CCC-530's (Continued)**

C Entering Enrollment and Approval Dates

County Offices shall:

- enter the enrollment and approval dates in the automated system as soon as possible

Note: Payment cannot be made until both dates are entered in the automated system.

- follow the steps in:
 - subparagraph A to access QBOP Contract Main Menu
 - this table to approve CCC-530.

Step	Action	Result
1	On Menu MPAA00, ENTER "2", "QBOP Applications Menu".	Menu MPAA20 will be displayed.
2	On Menu MPAA20, ENTER "1", "CCC-530 Processing".	Menu MPAA50 will be displayed.
3	On Menu MPAA50, ENTER "2", "CCC-530 Applications".	Menu MPAA55 will be displayed.
4	On Menu MPAA55, ENTER "2", "Approve CCC-530".	Menu MPAA2701 will be displayed.
5	On Menu MPAA2701, enter either of the following: <ul style="list-style-type: none"> • contract number • last name. If last name is entered, Screen FAX270-01 will be displayed for selecting the name. Do either of the following: <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for none of the above. PRESS "Cmd7" to end.	Menu MPAA2702 will be displayed.
6	On Menu MPAA2702, ENTER: <ul style="list-style-type: none"> • "Y" to verify correct owner has been selected • "N" if incorrect owner has been selected. 	If "Y" is entered, Menu MPAA2703 will be displayed. If "N" is entered, Menu MPAA2701 will be displayed.
7	On Menu MPAA2703, enter enrollment and approval dates.	Menu MPAA55 will be displayed.

--*

***--541 Processing Automated CCC-530's (Continued)**

D Canceling CCC-530

CCC-530 should **only** be canceled if the eligible quota holder was entered on a contract in error. All other changes to contracts should be made through a revision.

County Offices shall:

- enter the cancellation date in the automated system
- follow the steps in:
 - subparagraph A to access QBOP Contract Main Menu
 - this table to cancel CCC-530.

Step	Action	Result
1	On Menu MPAA00, ENTER "2", "QBOP Applications Menu".	Menu MPAA20 will be displayed.
2	On Menu MPAA20, ENTER "1", "CCC-530 Processing".	Menu MPAA50 will be displayed.
3	On Menu MPAA50, ENTER "2", "CCC-530 Applications".	Menu MPAA55 will be displayed.
4	On Menu MPAA55, ENTER "3", "Cancel CCC-530".	Menu MPAA2701 will be displayed.
5	On Menu MPAA2701, enter either of the following: <ul style="list-style-type: none"> • contract number • last name. If entered last name, Screen FAX270-01 will be displayed for selecting the name. Do either of the following: <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for none of the above. PRESS "Cmd7" to end.	Menu MPAA2702 will be displayed.
6	On Menu MPAA2702, ENTER: <ul style="list-style-type: none"> • "Y" to verify correct owner has been selected • "N" if incorrect owner has been selected. 	If "Y" is entered, Menu MPAA2703 will be displayed. If "N" is entered, Menu MPAA2702 will be displayed.
7	On Menu MPAA2703, enter cancellation date.	Menu MPAA55 will be displayed.

--*

***--541 Processing Automated CCC-530's (Continued)**

E Reinstating CCC-530

Contracts that have been cancelled in error shall be reinstated. All other changes to contracts should be made through a revision.

County Offices shall:

- enter the reinstatement date in the automated system
- follow the steps in:
 - subparagraph A to access QBOP Contract Main Menu
 - this table to reinstate CCC-530.

Step	Action	Result
1	On Menu MPAA00, ENTER "2", "QBOP Applications Menu".	Menu MPAA20 will be displayed.
2	On Menu MPAA20, ENTER "1", "CCC-530 Processing".	Menu MPAA50 will be displayed.
3	On Menu MPAA50, ENTER "2", "CCC-530 Applications".	Menu MPAA55 will be displayed.
4	On Menu MPAA55, ENTER "3", "Reinstate CCC-530".	Menu MPAA2701 will be displayed.
5	On Menu MPAA2701, enter either of the following: <ul style="list-style-type: none"> • contract number • last name. If last name is entered, Screen FAX270-01 will be displayed for selecting the name. Do either of the following: <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for none of the above. PRESS "Cmd7" to end.	Menu MPAA2702 will be displayed.
6	On Menu MPAA2702, ENTER: <ul style="list-style-type: none"> • "Y" to verify correct owner has been selected • "N" if incorrect owner has been selected. 	If "Y" is entered, Menu MPAA2703 will be displayed. If "N" is entered, Menu MPAA2702 will be displayed.
7	On Menu MPAA2703, enter reinstatement date.	Menu MPAA55 will be displayed.

--*

***--541 Processing Automated CCC-530's (Continued)**

F Printing Blank CCC-530's and Continuation Forms

County Offices shall:

- print a supply of blank CCC-530's and continuation forms to be used only when the system is down

Note: At all other times, the contract shall be created in the automated system.

- follow the steps in:
 - subparagraph A to access QBOP Contract Main Menu
 - this table to print blank CCC-530 and continuation forms.

Step	Action	Result
1	On Menu MPAA00, ENTER "2", "QBOP Applications Menu".	Menu MPAA20 will be displayed.
2	On Menu MPAA20, ENTER "1", "CCC-530 Processing".	Menu MPAA50 will be displayed.
3	On Menu MPAA50, ENTER "1", "Print Blank CCC-530 and Continuation Forms".	Menu MPAA0601 will be displayed.
4	On Menu MPAA0601, ENTER: <ul style="list-style-type: none"> • "Y" or "N" next to each of the following: <ul style="list-style-type: none"> • "print blank CCC-530" • "print blank continue page" • printer ID • number of copies. 	Blank forms will be printed.

--*

***--542 QBOP Payment Processing**

A Instructions for Accessing QBOP Payments Menu

County Offices shall follow instructions in this table to access the QBOP Payments Menu.

Step	Action	Result
1	On Menu FAX250, ENTER "3" or "4", "Application Processing".	If option 3 is selected, then Menu FAX07001 will be displayed. If option 4 is selected, then Menu FAX09002 will be displayed.
2	Select the appropriate county, and PRESS "Enter".	Menu FAX07001 will be displayed.
3	On Menu FAX07001, ENTER "18", "Tobacco/Peanuts".	Menu M00100 will be displayed.
4	On Menu M00100, ENTER "4", "Peanuts".	Menu MAP200 will be displayed.
5	On Menu MAP200, ENTER "14", "Quota Buyout Program Applications (QBOP)".	Menu MPAA00 will be displayed.
6	On Menu MPAA00, ENTER "2", "QBOP Applications Menu".	Menu MPAA20 will be displayed.
7	On Menu MPAA20, ENTER "2", "Peanut Quota Buyout Payment Processing".	Menu MPAAAYR will be displayed.
8	On Menu MPAAAYR, enter applicable year.	Menu MPAAP0 will be displayed for 2002. Menu MPAAP1 will be displayed for 2003.

--*

***--542 QBOP Payment Processing (Continued)**

B Issuing Payments

County Offices shall follow the steps in:

- subparagraph A to access QBOP Payments Menu
- this table to issue payments.

Step	Action	Result
1	On Menu MPAAP0 or MPAAP1, ENTER "1", "Issue Payments".	Menu MAZEPRT2 will be displayed.
2	On Menu MAZEPRT2, enter the appropriate printer ID.	Menu MZAEP A01 will be displayed.
3	<p>On Menu MZAEP A01, enter 1 of the following:</p> <ul style="list-style-type: none"> • "ALL" for all producers • last 4 digits of ID • last name. <p>If last name is entered, Screen FAX270-01 will be displayed. Do either of the following:</p> <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for none of the above. <p>PRESS "Cmd7" to end.</p>	Payment will be issued.

--*

***--542 QBOP Payment Processing (Continued)**

C Canceling Payments

County Offices shall:

- **only** cancel payments that are inaccurate before the payment is issued to producer or before EFT has been transmitted which alleviates potential overpayment situations
- follow the steps in:
 - subparagraph A to access QBOP Payments Menu
 - this table to cancel payments.

Step	Action	Result
1	On Menu MPAAP0 or MPAAP1, ENTER “2”, “Cancel Payable”.	Menu MZAEP007 will be displayed.
2	On Menu MZAEP007, PRESS “Enter” to continue or “Cmd7” to end.	Menu MZAERPRT2 will be displayed.
3	On Menu MZAERPRT2, enter the appropriate printer ID.	Menu MZAEP002 will be displayed.
4	On Menu MZAEP002, enter: <ul style="list-style-type: none"> • 1 of the following: <ul style="list-style-type: none"> • “ALL” for all producers • last 4 digits of ID • last name • transaction number. If last name is entered, Screen FAX270-01 will be displayed for selecting the name. Do either of the following: <ul style="list-style-type: none"> • select number for the desired name • ENTER “N” for none of the above. PRESS “Cmd7” to end.	Menu MZAE0A01 will be displayed.
5	On Menu MZAE0A01, ENTER “X” to select the appropriate payable for cancellation. PRESS “Cmd5” to update or “Cmd7” to end.	Payment will be cancelled.

--*

***--542 QBOP Payment Processing (Continued)**

D Processing Suspended Payment Batch

After payments have been computed and sent to accounting system, users have the option of suspending 1 or all payment batches. This allows the user to wait until a more advantageous time to finish printing checks or processing EFT records.

If a batch of payments has been suspended, the user will be allowed to complete the process by selecting option 7 on Menu MPAAPO. This option must be resumed from the same workstation where the suspended batch was executed.

E Pending Payment Register and Nonpayment Register

The pending payment and nonpayment registers will automatically print after all payments have been:

- calculated for the selected “producer(s)”
- sorted in the appropriate payment batches.

The Pending Payment Register Report ID is MZAEEL-R001. The Nonpayment History Register Report ID is MZAEPK-R001.

The nonpayment payment history register provides County Offices with a variety of conditions that will prevent a producer from being paid. The following table lists the conditions that will prevent a payment from being paid and messages that print on the Nonpayment History Register Report.

Condition	Message
There is not a valid enrollment date in the application for payment file.	Application for Payment Not Enrolled.
There is not a valid approval date in the application for payment file.	Application for Payment Not Approved.
The status indicator in the application for payment file is not blank.	Application for Payment Has Been Canceled.
The ID number for the selected producer has an ID type on the name and address file of “T” and the producer’s entity type is not “15”.	Producer Has Temporary ID Number.

F Producer Payment History Report

An option is available for printing a producer payment history report that can be used as a tool to determine how much an eligible quota holder has been paid. To generate the report, select option 5 on Menu MPAAP0 or MPAAP1.--*

--543 QBOP Overpayment Processing*A Overpayment Processing**

The overpayment process shall be run for all quota holders once every 60 calendar days to ensure that:

- eligible quota holders are notified of overpayments
- the finality rule will **not** apply.

County Offices shall continue to compute overpayments every 60 calendar days until the program is officially closed, after the 2006 QBOP payments are issued. The program is not officially closed until all applicable software options are disabled.

Overpayments may be calculated for either of following:

- eligible quota holder
- **all** eligible quota holders.

The system will force an “all eligible quota holder” process to be run every 60 calendar days. If more than 60 calendar days have passed since the last “all” process has been run, the system will display the message, “The Overpayment File is more than 60 calendar days old. **All** overpayments must be run; do you want to run an all overpayment cycle at this time? ENTER “Y” to run the all cycle or “N” to end this process.”

If this message is received, overpayments may **not** be processed by single quota holder until the “all” process has been completed.

Note: Each time the overpayment process is run, the previous overpayment file will be deleted.--*

***--543 QBOP Overpayment Processing (Continued)**

A Overpayment Processing (Continued)

County Offices shall follow the steps in:

- subparagraph 542 A to access QBOP Payments Menu
- this table to access the overpayment compute process.

Step	Action	Result
1	On Menu MPAAP0 or MPAAP1, ENTER "3", "Overpayment Processing".	Menu MPAAO0 will be displayed.
2	<p>On Menu MPAAO0, ENTER "1", "Compute Overpayment".</p> <p>County Offices will have the option to select overpayments to be calculated by entering 1 of the following:</p> <ul style="list-style-type: none"> • all • last 4 digits of ID • last name. <p>If last name is entered, Screen FAX270-01 will be displayed. Do either of the following:</p> <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for none of the above. <p>PRESS "Cmd7" to end.</p>	Report will be generated.

Note: This report may be reprinted by selecting option 2 on Menu MPAAO0.--*

***--543 QBOP Overpayment Processing (Continued)**

B Messages

This table lists messages that may display while processing overpayments.

Message	Reason for Message	County Office Action
The Overpayment File is more than 60 calendar days old. All overpayments must be run; do you want to run an all overpayment cycle at this time? ENTER "Y" to run the all cycle or "N" to end this process.	The "all" process has not been run in the last 60 calendar days, and the user is trying to process the overpayment process.	Before overpayments can be processed for a single producer, run the "all producer" process.
The overpayment process is currently being processed on another workstation. Please try again after the process has been completed. PRESS "Enter" to terminate this request"	Overpayments are being processed on another terminal.	After the current overpayment job is completed, try to access the overpayments process from the other terminal.
There is a suspended overpayment batch on workstation xx. This suspended batch needs to be processed before continuing this option. PRESS "Enter" to terminate this request.	A batch of overpayment records has been suspended. These records must be processed.	Process the suspended batch from the terminal the batch was suspended on.

C Charging Interest

Interest shall be charged on all QBOP payments to producers who become ineligible after CCC-530 is approved.

Note: Interest shall **not** be charged if the producer refunds either of the following:

- CCC-184 without being cashed
- the payment voluntarily.--*

***--543 QBOP Overpayment Processing (Continued)**

D Selecting/Transferring Overpayments

After computing overpayments and printing the overpayment register, overpayments may be selected and transferred to CRS. Transferring overpayments to CRS will automatically:

- remove the overpayment from the QBOP system
- set up a receivable for the eligible quota holder.

Overpayments shall be transferred to CRS in a timely manner.

The system will **not** print the overpayment register or transfer selected overpayments to CRS if the system’s initial program load date is 7 calendar days greater than the date overpayments were computed. Overpayments must be recomputed before the overpayment register can be printed or selected overpayments transferred to CRS.

Follow the steps in this table to access the overpayment transfer process.

Step	Action	Result
1	On Menu MPAAP0 or MPAAP1, ENTER “3”, “Overpayment Processing”.	Menu MPAAO0 will be displayed.
2	On Menu MPAAO0, ENTER “3”, “Transfer Overpayments to CRS”.	Menu MZAEOE02 will be displayed.
3	<p>On Menu MZAEOE02, ENTER “X” to select appropriate overpayment for transfer.</p> <p>PRESS “Enter” on each screen to keep overpayments selected on that screen.</p> <p>PRESS “Cmd5” to update or “Cmd7” to end.</p> <p>Note: Do not PRESS “Cmd6” before “Enter” has been pressed.</p>	Transfer has been completed.

--*

***--543 QBOP Overpayment Processing (Continued)**

E Canceling Overpayments

If it is discovered that an overpayment has been transferred to CRS erroneously, the overpayments may not be canceled until subsequent transactions, such as collections applied to receivable, have been canceled in CRS.

Note: See 67-FI for deleting transactions.

County Offices shall follow the steps in this table to cancel an overpayment.

Step	Action	Result
1	On Menu MPAAP0 or MPAAP1, ENTER "3", "Overpayment Processing".	Menu MPAAO0 will be displayed.
2	On Menu MPAAO0, ENTER "4", "Cancel Overpayments".	Menu MZAEP A02 will be displayed.
3	<p>On Menu MZAEP A02, enter:</p> <ul style="list-style-type: none"> • 1 of the following: <ul style="list-style-type: none"> • "ALL" for all producers • last 4 digits of ID • last name • transaction number. <p>If last name is entered, Screen FAX270-01 will be displayed for selecting the name. Do either of the following:</p> <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for none of the above. <p>PRESS "Cmd7" to end.</p>	Menu MZAE O A01 will be displayed.
4	<p>On Menu MZAE O A01, ENTER "X" to select appropriate overpayment to be canceled.</p> <p>Respond with "Y" or "N" to the question. PRESS "Cmd5" to update or "Cmd7" to end job.</p>	Menu ANK52040 will be displayed.
5	On Menu ANK52040, PRESS "Enter" to continue.	Cancellation is completed.

--*

544-549 (Reserved)

Part 11 Hard White Wheat Incentive Program

550 Overview

A

Background

The Farm Security and Rural Investment Act of 2002, Section 1616, directs the Secretary of Agriculture to make available a total of \$20 million of CCC funds on not more than 2 million acres or an equivalent volume of 120 million bushels of production for the 2003 through 2005 crop years to provide incentive payments to producers of hard white wheat of winter and spring varieties. In the event that the 2 million acre limitation is reached under this program before the \$20 million authorized for the program is distributed, the 120 million bushels shall become the cap for implementing the program.

B

Allocation of Funds

CCC funds, not to exceed \$20 million, were appropriated for HWWIP through the 2005 crop year. A specific amount of money will not be reserved for each year. For 2003, it is expected that a small portion of the funds will be spent, and sufficient funds should be available for 2004 and possibly 2005. However, at the beginning of each year, the anticipated acreage for the year will be analyzed to determine whether a national factor is necessary to avoid expending more than the \$20 million provided by the law.

551 General Provisions

A

Program Overview

Under HWWIP, eligible producers may receive either or both of the following:

- \$0.20 per bushel as an incentive payment for the production of hard white wheat
- \$2 per acre as an incentive payment to plant certified seed.

Note: The certified seed incentive shall include acres planted to certified, registered, and foundation hard white wheat seed.

Continued on the next page

551 General Provisions (Continued)

A**Program
Overview
(Continued)**

Producers are eligible to receive both the production incentive and certified seed incentive, if all applicable eligibility requirements are met.

Note: The incentive payment to plant certified seed may be discontinued, as determined by DAFP, in any year sufficient funds are determined to be unavailable. If both a certified seed incentive payment and a production incentive payment are received for the same acre in the same year, only 1 acre will be counted toward the 2 million acre limitation.

B**Production
Incentive**

The payment quantity of hard white wheat under the production incentive for any year is limited to the actual number of bushels harvested from acres certified on the application, not to exceed 60 bushels per acre, times \$0.20.

Note: Producers do **not** have to plant certified seed to receive the production incentive payment.

To be eligible for the production incentive payment, each producer shall submit to COC a settlement sheet as provided to a seller or for a delivery to fulfill CCC loan obligation of hard white wheat to a CCC-approved warehouse, or other hard white wheat purchasing facility determined acceptable by CCC. The information on the settlement sheet shall include, but not be limited to:

- names and addresses of buyer and seller
- gross quantity
- net quantity
- price per bushel
- type and grade of the delivered hard white wheat.

***--Note:** A settlement sheet for hard white wheat from a seed processing facility may be determined acceptable by COC if:

- all required information, except grade, is on the settlement sheet
- COC has no reason to believe the hard white wheat would not have graded #2 or better according to FGIS standards.--*

Continued on the next page

***--551 General Provisions (Continued)**

C

Certified Seed Incentive

The payment for certified seed shall be the number of acres certified on the application as being planted to certified seed times \$2.00 per acre.

For this incentive, the applicant:

- must submit an acceptable seed receipt for the certified seed to COC
- shall certify on the application the number and location (FSN and tract numbers) of acres planted using the certified hard white wheat seed.

COC may require that the certified seed be from acceptable seedstock, according to rules imposed by a State’s Certified Seed Board.

D

Acreage Certification Requirement

As a condition of receiving HWWIP payments, producers are required to timely submit an acreage report with respect to all white wheat planted.

E

Applicability of Other Provisions

The following apply to HWWIP:

- HELC and WC provisions in 6-CP
- controlled substance provisions in 1-CM.

Payment limitation and payment eligibility provisions in 1-PL do **not** apply to HWWIP.

F

Signup Period

Signup shall be conducted annually for each of the crop years 2003 through 2005.

Signup shall be:

- March 3, 2003, through May 31, 2004, for crop year 2003
- October 1, 2003, through May 31, 2005, for crop year 2004
- October 1, 2004, through May 31, 2006, for crop year 2005.

It is not necessary to apply for both incentives at the same time.

Note: Advance payments will **not** be issued.--*

552 Program Requirements

A**Eligible Producers**

The certified seed incentive payment and/or the production incentive payment for a crop year may be received by a producer in any State who is entitled to share in the production of hard white wheat for the applicable crop year, if all HWWIP requirements are met.

B**Eligible Acreage**

Eligible acreage is planted acreage of hard white wheat produced in the U.S.

C**Eligible Production**

Eligible hard white wheat production is:

- U.S. #2 or better quality, according to FGIS standards
 - produced in the U.S.
 - disposed of through an eligible buyer for any purpose except feed use.
-

D**Required Documentation**

*--A receipt for the purchase of certified, registered, or foundation seed is required before a certified seed incentive payment may be issued.

A settlement sheet or other similar documentation is required before a production incentive payment may be issued and must indicate at a minimum:

- the wheat accounted for on the document is hard white wheat
 - grade of the hard white wheat
 - name and address of person from which the hard white wheat was purchased
 - net bushels
 - name and address of CCC-approved warehouse or CCC-approved purchasing facility.--*
-

553-570 (Reserved)

571 COC Action

**A
COC
Responsibilities**

COC's shall:

- administer this program in according to procedures set forth in this part
 - verify production or certified seed purchase meets all applicable requirements.
-

**B
COC Approval**

All requests for benefits shall be approved or disapproved by COC. Producers shall be provided applicable appeal rights if the application for benefits is disapproved.

***--572 Application Process**

A

**Submitting
CCC-490**

Eligible producers must submit a completed CCC-490 during the application period in subparagraph 551 F. The producer shall submit one CCC-490 for all farms administratively located within the same county. A separate CCC-490 shall be completed for each producer on the farms.

Producers shall provide any other information to COC required to determine the producer's eligibility.

B

**Reviewing
CCC-490**

A second-party review of all CCC-490's and supporting data shall be conducted before entering the enrollment data in the automated system. The reviewer shall initial and date CCC-490 in the lower-right corner.

C

**Completing
CCC-490**

County Offices shall complete CCC-490 as follows.

Item	Instruction
1	Enter the County Office's name and address, including the ZIP Code.
2	Enter the County Office's telephone number.
3	Enter the State code.
4	Enter the county code.
5A-5C	Enter the producer's name and address, ID number, and telephone number.
6A	Enter the producer's certified seed incentive application amount from item 12.
6B	Enter the producer's production incentive application amount from item 19.

--*

Continued on the next page

*--572 Application Process (Continued)

C
Completing
CCC-490
(Continued)

Item	Instruction
7-10	Enter FSN's, tract numbers, acreage planted to eligible certified seed, and applicant's percent share of the acreage being reported.
11	Gross application amount for certified seed is calculated by multiplying item 9 times item 10 times \$2.
12	The sum of all entries reported in item 11.
13-17	Enter FSN's, tract numbers, acreage planted to eligible hard white wheat, production bushels, and applicant's percent share of hard white wheat.
18	Gross application amount is calculated by multiplying item 16 times item 17 times \$0.20.
19	The sum of all entries reported in item 18.
20A and 20B	<p>The producer shall:</p> <ul style="list-style-type: none"> • carefully read all information provided on CCC-490 • acknowledge that the information is true by signing and dating the appropriate section for certified seed incentive payment. <p>COC shall approve or disapprove CCC-490 for certified seed incentive.</p>
21A and 21B	<p>The producer shall:</p> <ul style="list-style-type: none"> • carefully read all information provided on CCC-490 • acknowledge that the information is true by signing and dating the appropriate section. <p>COC shall approve or disapprove CCC-490 for production incentive.</p>
22A-23C	COC shall approve or disapprove CCC-490 for certified seed incentive and/or for production incentive. Sign and date CCC-490.
24	Enter any remarks deemed necessary about the Hard White Wheat Incentive Program.

--*

Continued on the next page

*--572 Application Process (Continued)

D
Example of
CCC-490

Following is an example of CCC-490.

This form is available electronically.

CCC-490 (03-19-03) 2003 CROP HARD WHITE WHEAT PROGRAM APPLICATION	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. RETURN TO: COUNTY FSA OFFICE NAME AND ADDRESS (Including Zip Code)	
			2. COUNTY FSA OFFICE TELEPHONE NUMBER (Including Area Code)	
			3. STATE CODE	4. COUNTY CODE

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 1 hour 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 7 CFR Part 1413. 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 714; and 31 USC 3729, may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

This is an application to participate in the Hard White Wheat Incentive Program operated by the Commodity Credit Corporation (CCC), under rules published in 7 CFR Part 1413. By signing this application, the producer agrees that the producer is bound by the regulations, and asserts that the information below is accurate and understands that the payment amounts may be adjusted by a factor to the extent CCC decides to limit the availability of funds, for claims for a particular crop year, of a particular type or for other reasons. In addition, the producer understands that payments are subject to the availability of funds and no payments may be made for purchasing certified seed unless the seed has been planted by the producer for planting certified seed or for production until such time as CCC determines appropriate, which may not be until the completion of the marketing year, so as to allow all production data to be submitted. Proof of planting certified seed must be submitted and certified by signing this agreement by the end of the announced sign-up period, unless waived in writing by CCC and data for production must be submitted and so certified by the end of the announced sign-up period, unless waived in writing by CCC. There shall be no entitlement except for amounts agreed to be paid by CCC in keeping with its lawful obligation and authority as it so determines. The producer certifies that he or she understands the eligibility criteria of the program, that the regulations setting out such criteria are available online, and that his or her application seeks payment only for planting certified seed or production that meets those criteria. The producer understands that provisions of the regulations are subject to change and should be consulted before signing this application; and any corrective information should be brought to CCC's attention immediately. If consistent with the deadlines set out herein, the producer can, and may have to complete Parts C and D on separate occasions and sign Items 20A and 21A at different times.

INSTRUCTIONS: Complete form and sign in the space provided in Items 20A and Item 21A as applicable.
 RETURN THIS FORM to the address in Item 1 above.
 YOU MUST RETURN THIS FORM BEFORE YOUR APPLICATION FOR BENEFITS CAN BE APPROVED.

PART A - PRODUCER'S INFORMATION

5A. PRODUCER'S NAME AND ADDRESS (Including Zip Code)	5B. IDENTIFICATION NUMBER
	5C. PRODUCER'S TELEPHONE NUMBER (Area Code)

PART B - APPLICATION AMOUNT INFORMATION

6A. CERTIFIED SEED INCENTIVE APPLICATION AMOUNT AS REFLECTED IN PART C. (These amounts may be factored and are application amounts only.) \$	6B. PRODUCTION INCENTIVE APPLICATION AMOUNT AS REFLECTED IN PART D \$
--	---

PART C - CERTIFIED SEED PLANTED ACREAGE

7. FARM NUMBER	8. TRACT NUMBER	9. ACRES PLANTED TO ELIGIBLE CERTIFIED SEED	10. APPLICANT'S PERCENT SHARE IN THOSE ACRES	11. GROSS APPLICATION AMOUNT (Item 9 x Item 10 x \$2.00 = Item 11)
		X	%	\$
		X	%	\$
		X	%	\$
		X	%	\$
		X	%	\$
12. TOTAL CERTIFIED SEED INCENTIVE AMOUNT:				\$

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.

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Continued on the next page

*--573 System 36 Data Entry

A System 36 Required Activity

Before data is entered into the CCC-490 web-based application, hard white wheat acreage and share data must be loaded in the System 36 for the HWWIP applicant. All hard white wheat acreage information loaded in the System 36 will be uploaded to the Kansas City mainframe. All changes to the producer’s FSA-578 will be updated on the next business day. See 2-CP for FSA-578 instructions and requirements.

B Action Before Entering Data in Web-Based CCC-490

County Offices shall ensure that the manual CCC-490 has been completed according to paragraph 572, including COC approval, **before** data is entered in the web-based application.

C Population of Payment Data

After the user has entered the required data necessary to populate payment data to the System 36, the user must sign in on the System 36 and perform the following actions. A multi-County Office shall complete this procedure for each county for which HWWIP applications have been entered.

Step	Menu or Screen	Action
1	FAX250	ENTER “3” or “4”, “Application Processing”.
2	FAX09002	Menu FAX09002 will be displayed if option 4 was selected on Menu FAX250. Select the appropriate county to continue to Menu FAX07001.
3	FAX07001	ENTER “11”, “PFC/DCP/Compliance”.
4	M00000	ENTER “10”, “Direct and Counter-Cyclical Program”.
5	MZYEAR	ENTER “3”, “2004 Program Year”.
6	MZA000	ENTER “4”, “Hard White Wheat Incentive Processing”.
7	MZAJPO	ENTER “1”, “Payment Processing” or ENTER “2”, “Overpayment Processing”.

--*

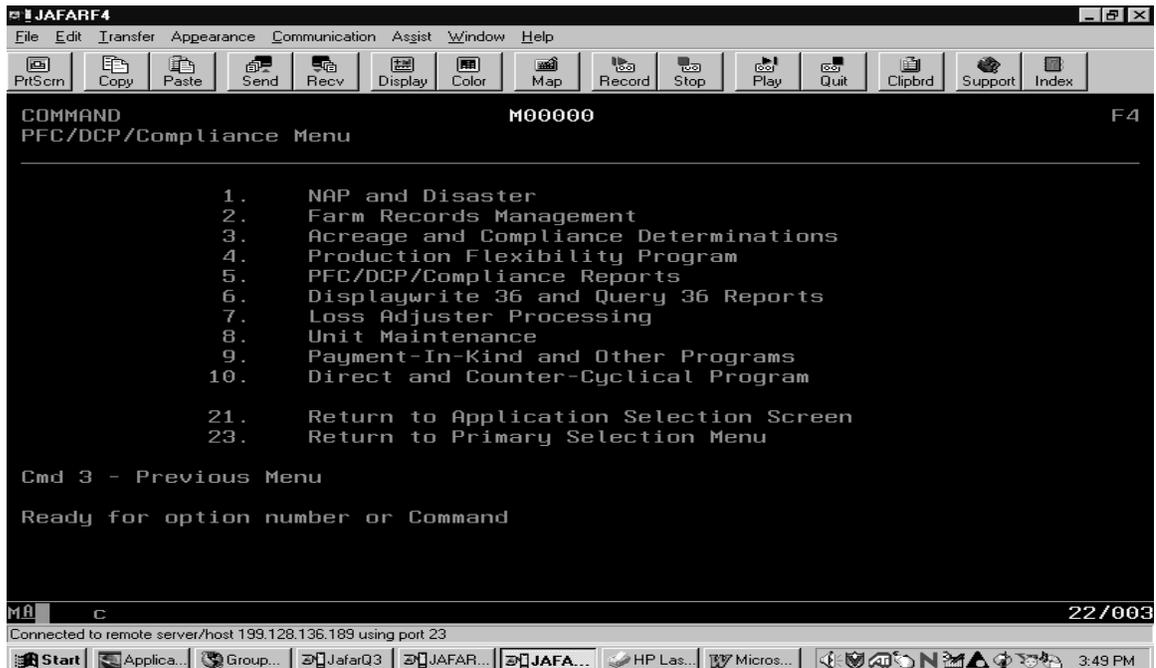
*--573 System 36 Data Entry (Continued)

C Population of Payment Data (Continued)

The following is an example of Application Selection Menu FAX07001.



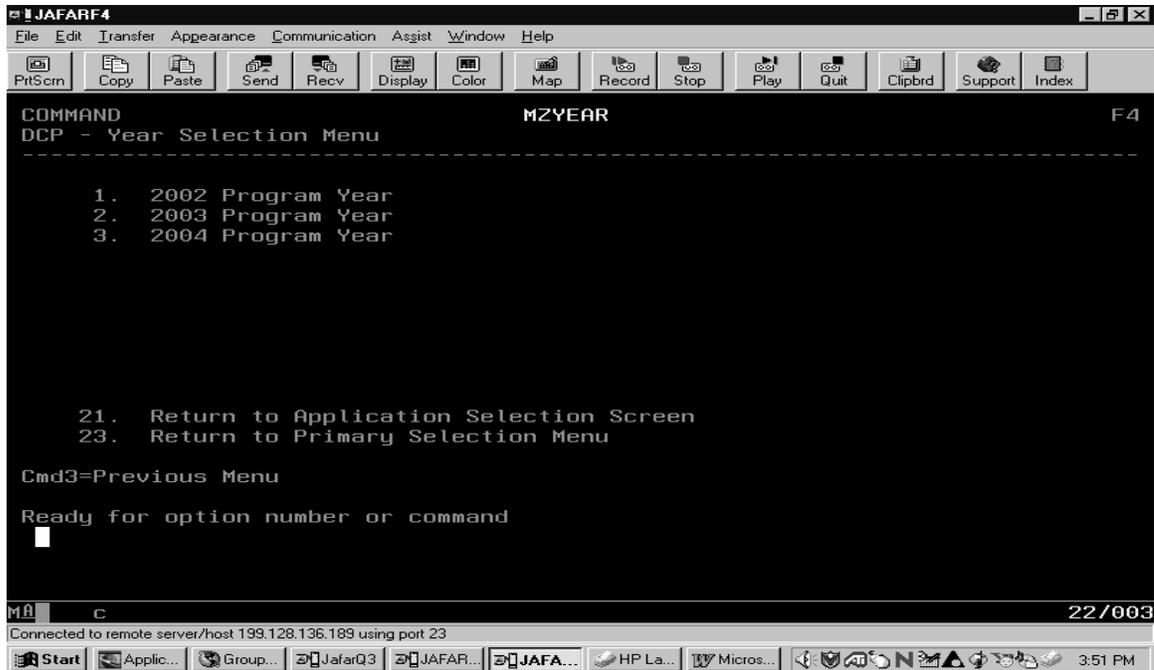
The following is an example of PFC/DCP/Compliance Menu M00000.



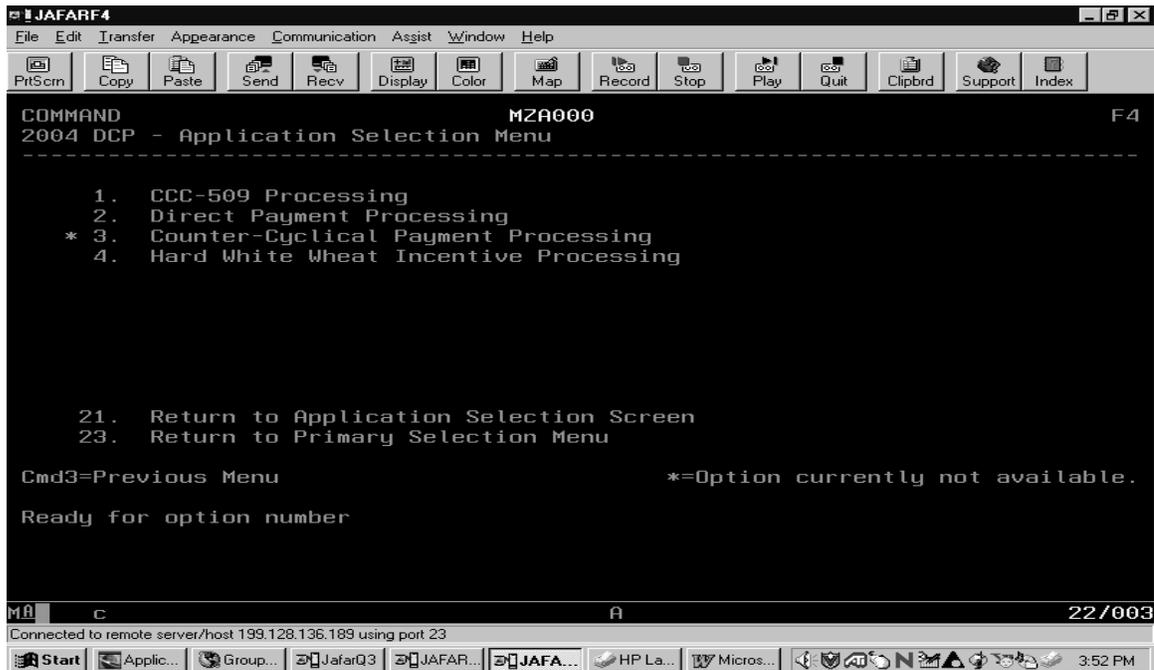
*--573 System 36 Data Entry (Continued)

C Population of Payment Data (Continued)

The following is an example of DCP – Year Selection Menu MZYEAR.



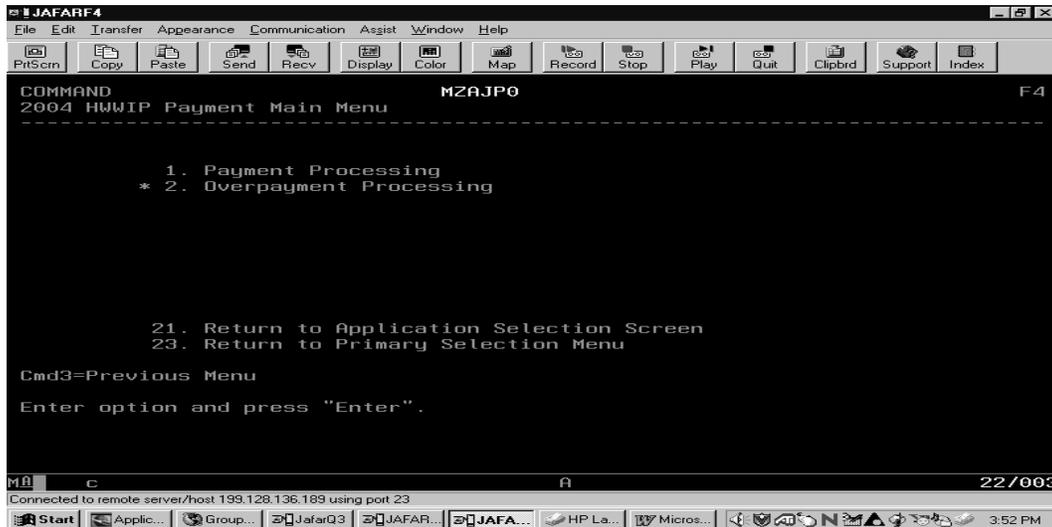
The following is an example of 2004 DCP – Application Selection Menu MZA000.



*--573 System 36 Data Entry (Continued)

C Population of Payment Data (Continued)

The following is an example of 2004 HWWIP Payment Main Menu MZAJPO.

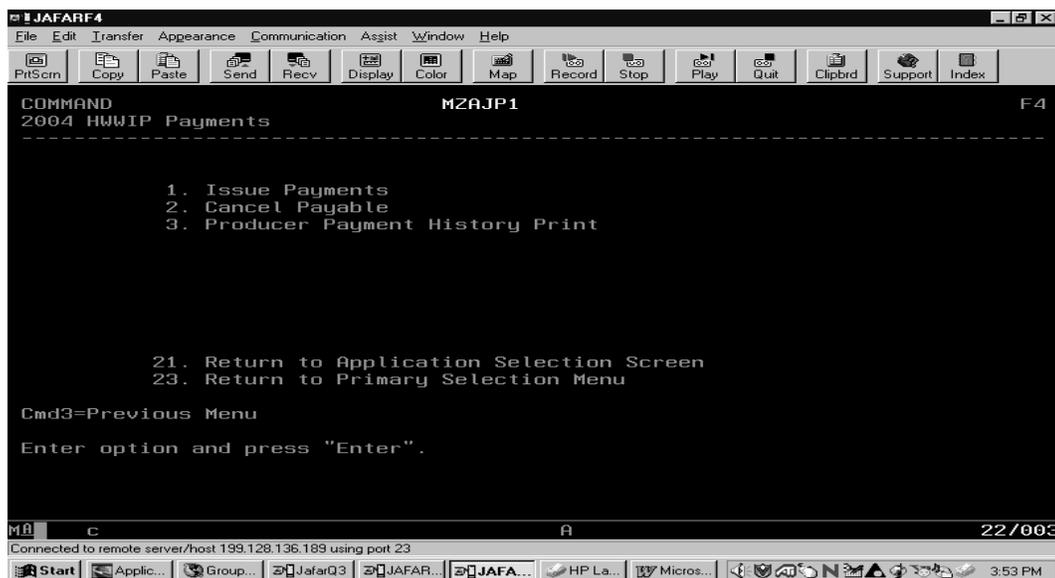


D Payment Processing

On Menu MZAJPO, by selecting option 1, “Payment Processing”, 2004 HWWIP Payments Screen MZAJP1 will be displayed with the following options:

- 1, “Issue Payments”
- 2, “Cancel Payable”
- 3, “Producer Payment History Print”.

The following is an example of 2004 HWWIP Payments Screen MZAJP1.



--*

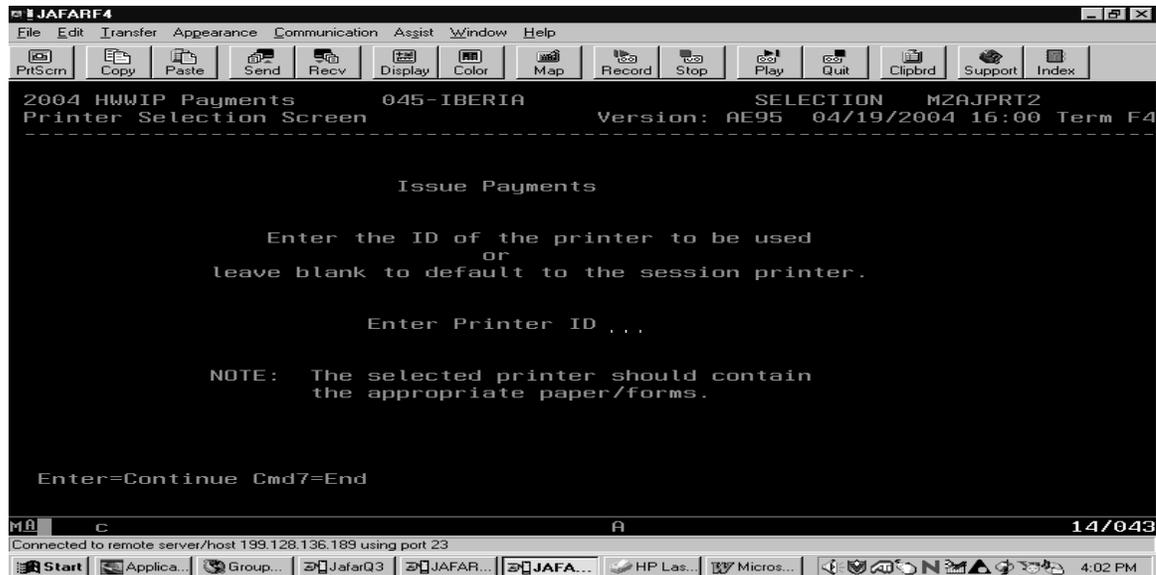
*--573 System 36 Data Entry (Continued)

E Issuing Payments

On Screen MAZJP1, if option 1, "Issue Payments" was entered, the user will be prompted to select the printer to which the payments will be printed.

PRESS "Enter" to use default printer.

The following is an example of the 2004 HWWIP Payments Printer Selection Screen MZAJPT2.



--*

*--573 System 36 Data Entry (Continued)

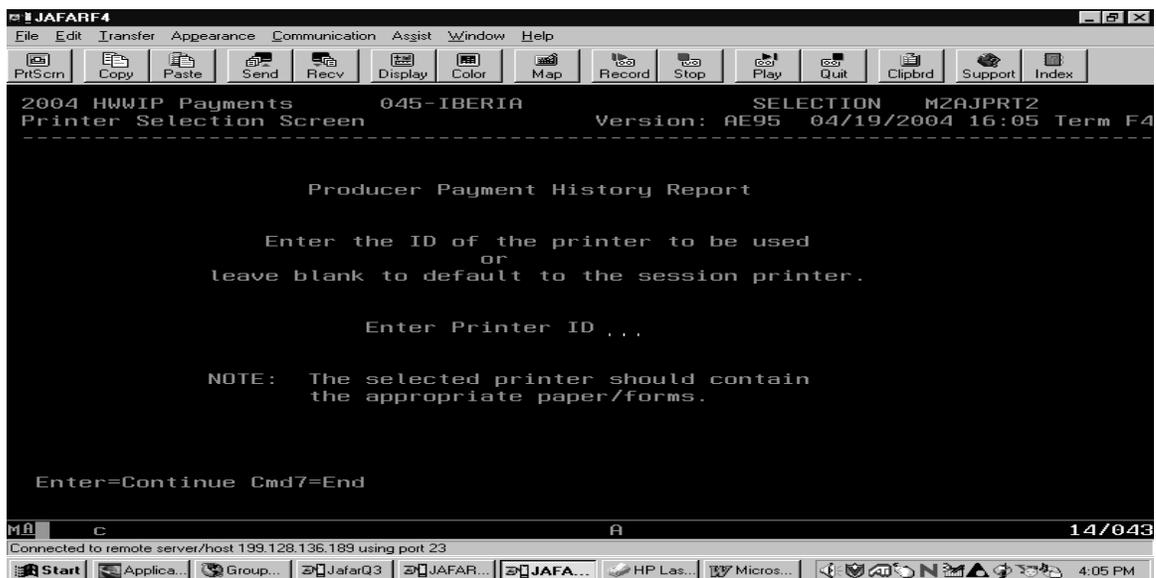
F Canceling Payable

On Screen MAZJP1, if option 2, "Cancel Payable" was entered, Payments 2004 HWWIP Cancel Screen MZAJN007 will be displayed.



G Printing Producer Payment History Report

On Screen MAZJP1, if option 3, "Producer Payment History Print" was entered, 2004 HWWIP Payments Printer Selection Screen MZAJPRT2 will be displayed.

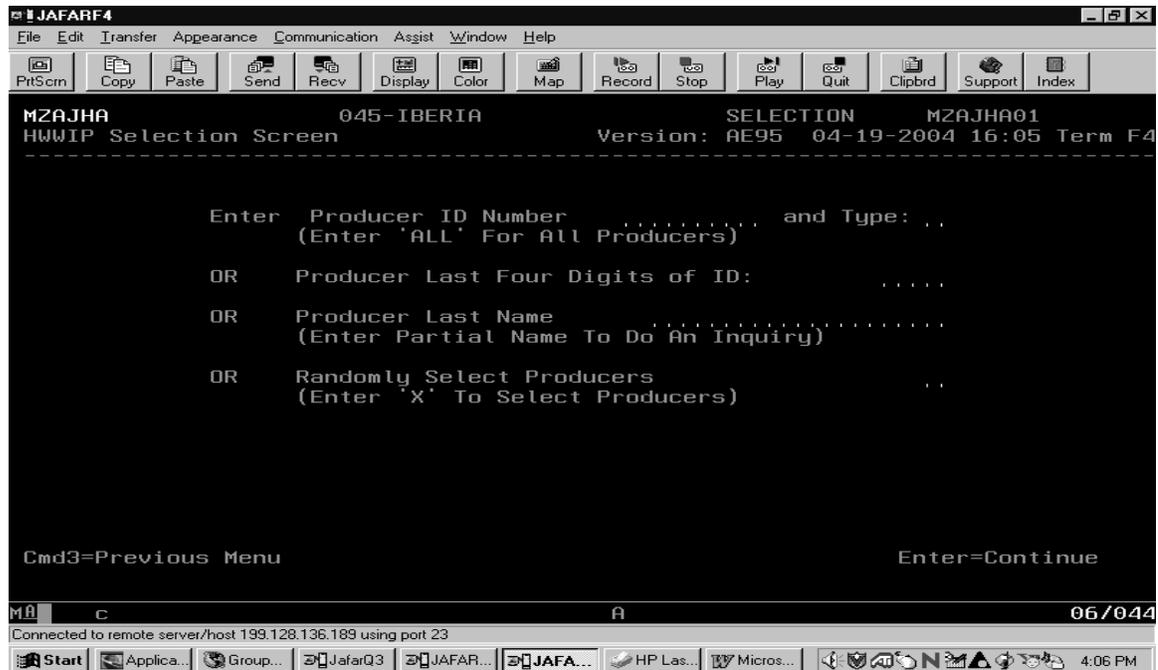


Note: This option will print a producer payment history report.--*

*--573 System 36 Data Entry (Continued)

G Printing Producer Payment History Report (Continued)

To generate the Producer's Payment History Report, the user will be required to enter the following information displayed on HWWIP Selection Screen MZAJHA01.



--*

*--574 Web-Based Data Entry

A Accessing Software

Access the HWWIP software from the Intranet web site at <https://indianocean.sc.egov.usda.gov/Hww/jsp/index.jsp>.

The HWWIP software was created using Internet Explorer. Problems may occur if using Netscape Navigator.

After accessing the HWWIP software, the user receives a warning screen that provides the option to continue or cancel.

The following is an example of the USDA eAuthentication warning screen.



--*

*--574 Web-Based Data Entry (Continued)

B eAuthentication Login

After choosing the option to continue, the user will be prompted to enter user ID and password.

Important: Only employees with eAuthentication login authority will be allowed to use the web-based system to populate the payment data to System 36 for HWWIP. The eAuthentication ID is the employee’s ICAMS ID and password. If the password has been changed for ICAMS and the employee no longer knows what the original password was, contact the National Help Desk at 800-255-2434 to reset the password. Unauthorized users will receive an access denied message.

The following is an example of the USDA eAuthentication Login Screen.



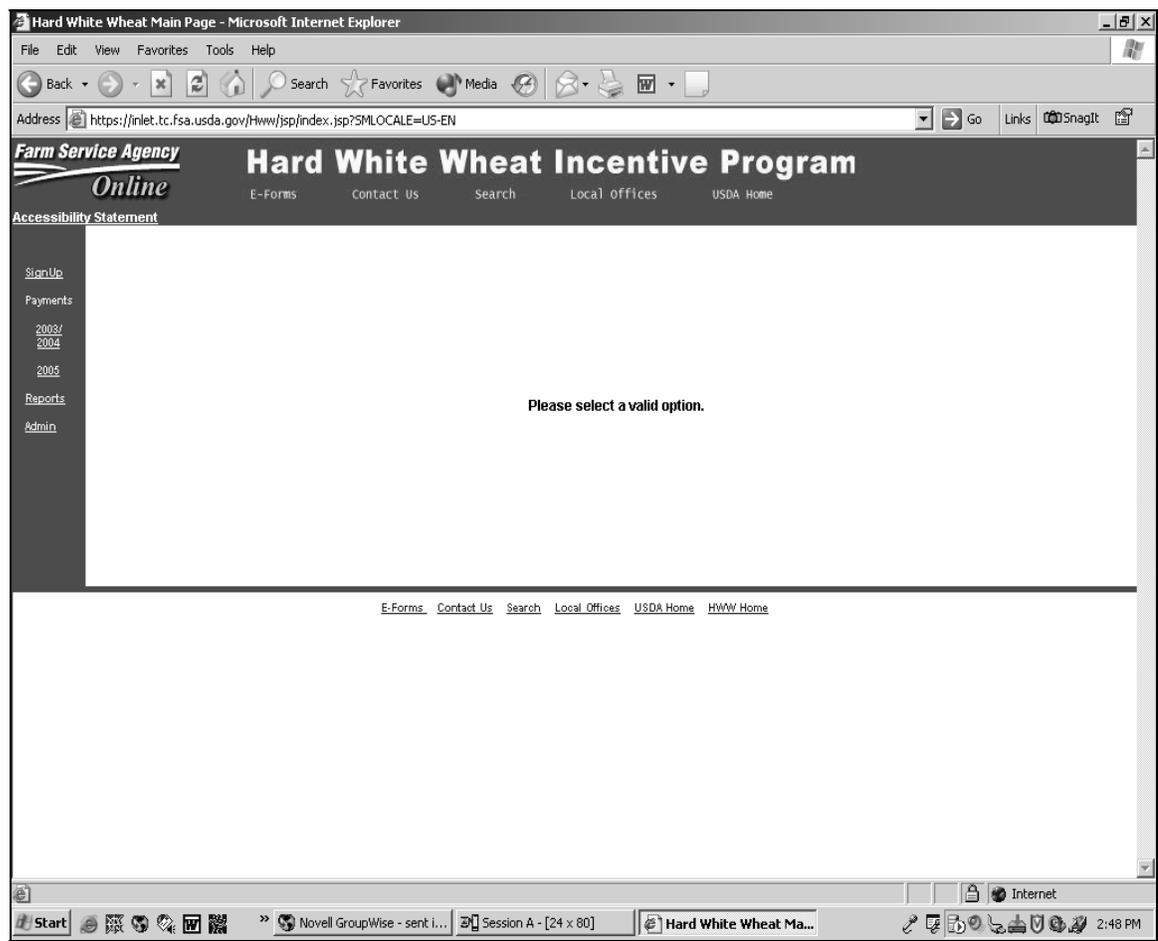
*--574 Web-Based Data Entry (Continued)

C Web-Based Data Entry

After the user has successfully signed on, the HWWIP Main Menu will be displayed prompting the user to select 1 of the following options:

- signup
- payments
- reports
- admin (reserved for future use).

The following is an example of the HWWIP Main Menu.



*--

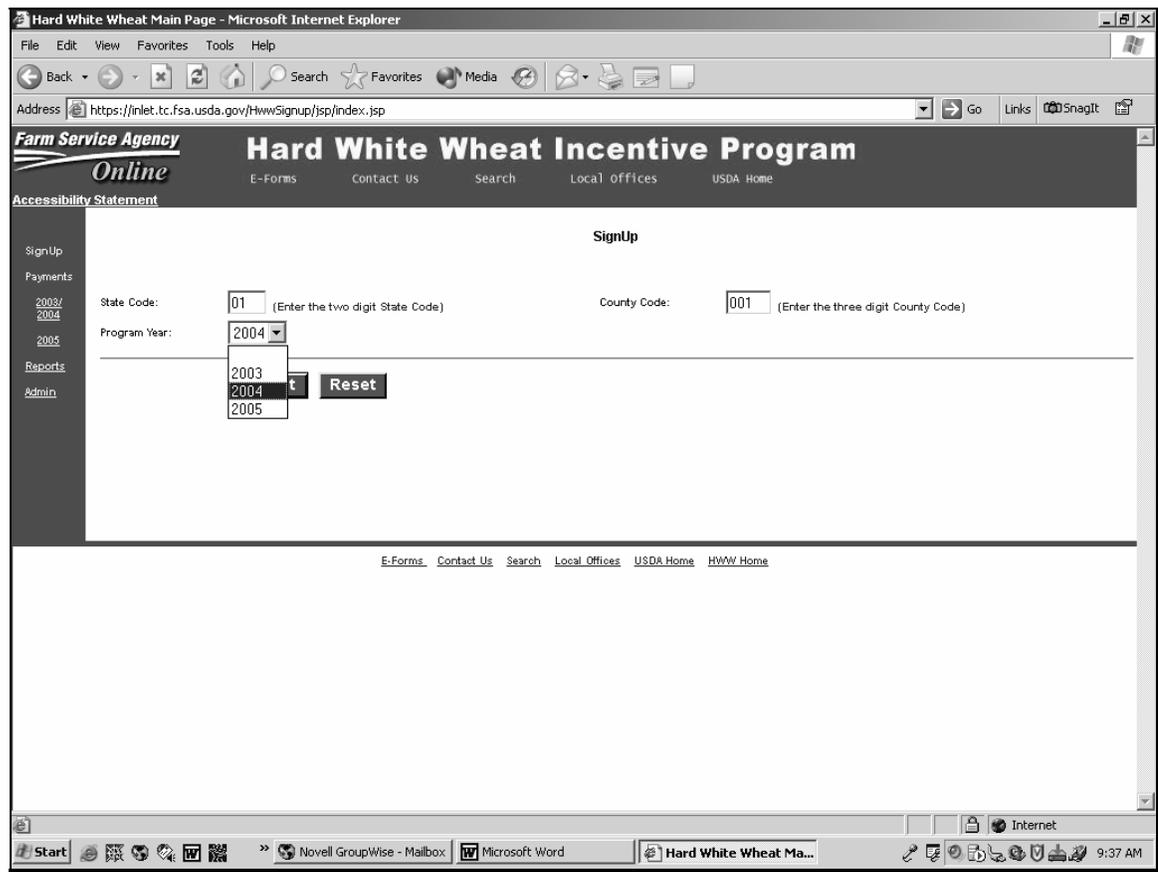
*--574 Web-Based Data Entry (Continued)

D Signup Screen

If the “signup” option was selected on HWWIP Main Menu, the user shall complete the following steps.

Step	Instructions
1	Enter the State and county code. If in a multi-County Office, the user must process application data payment or print reports for each county separately.
2	Select program year “2004” from the drop-down menu.
3	Click “Submit” to proceed to the next screen.
4	Click “Reset” to clear any data already entered.

The following is an example of the HWWIP Signup Screen containing State and county codes and applicable crop year.



--*

***--574 Web-Based Data Entry (Continued)**

D Signup Screen (Continued)

After completing the Signup Screen containing State and county codes and applicable crop year, the user will be prompted to enter data into SCIMS to search for the customer. Users shall follow all procedures in 1-CM when accessing SCIMS.

The following is an example of the SCIMS Customer Search Page.

The following is an example of the SCIMS Search Results Screen.

Common Name	Tax Id	Tax Id Type	Delivery Address Line	City, State ZIP Code	Phone No	Legacy State	Legacy County
ID TESTING	123456789	Social Security	1234 SOMEWHERE	BOWBELLS,ND 12345	(816)123-4567	NORTH DAKOTA	BURKE

..*

*--574 Web-Based Data Entry (Continued)

D Signup Screen (Continued)

The following is an example of the HWWIP Application Screen.

PART A - PRODUCER'S INFORMATION

PRODUCER'S NAME AND ADDRESS: ROBERT THOMAS CARSTEN, 201 GROVE AVE, LARSON, MO 65227
 IDENTIFICATION NUMBER: 8015473825
 PRODUCER'S TELEPHONE NUMBER: []

PART B - APPLICATION INFORMATION

CERTIFIED SEED INCENTIVE APPLICATION AMOUNT: []
 PRODUCTION INCENTIVE APPLICATION AMOUNT: []

PART C - CERTIFIED SEED PLANTED ACREAGE

FARM NUMBER	TRACT NUMBER	ACRES PLANTED TO ELIGIBLE CERTIFIED SEED	APPLICANT'S PERCENT SHARE IN THOSE ACRES NUMBER	GROSS APPLICATION AMOUNT
0000040	67	200.00	1.0000	

TOTAL CERTIFIED SEED INCENTIVE AMOUNT: []

PART D - PRODUCTION (Enter Production by Tract)

FARM NUMBER	TRACT NUMBER	ACRES PLANTED TO ELIGIBLE HARD WHITE WHEAT	ELIGIBLE PRODUCTION BUSHELS	APPLICANT'S PERCENT SHARE IN THOSE BUSHELS	GROSS APPLICATION AMOUNT
0000040	67	200.00	5000	1.0000	

TOTAL PRODUCTION AMOUNT: []

CERTIFIED SEED APPLICATION DATE(mm/dd/yyyy): 01/01/2004
 PRODUCTION INCENTIVE APPLICATION DATE(mm/dd/yyyy): 01/01/2004
 CERTIFIED SEED APPROVAL DATE(mm/dd/yyyy): 01/01/2004
 PRODUCTION INCENTIVE APPROVAL DATE(mm/dd/yyyy): 01/01/2004

Submit Print Delete Reset

E-Forms, Contact Us, Search, Local Offices, USDA Home, HWW Home

Start, Novell GroupWise - Mailbox, Document3 - Microsoft ..., Hard White Wheat En..., 2:01 PM

Note: See paragraph 572 for completing CCC-490 application.--*

574 Web-Based Data Entry (Continued)

E Payments Screen

If the “payments” option was selected on HWWIP Main Menu, the user shall complete the following steps.

Step	Instructions
1	Enter the State and county code. If in a multi-County Office, the user must process application data payment or print reports for each county separately.
2	Enter program year “2004” from the drop-down menu.
3	<p>Select 1 of the following and click “Submit”.</p> <ul style="list-style-type: none"> • Process Payment option populates the System 36 with CCC-490 data for to generate payments on the System 36. <p>Note: If the data entered is acceptable, the message, “File has been successfully transferred to the System 36. Payments can now be processed through the appropriate county”, will be displayed. If the data entered is not acceptable, the error message, “Please correct the following errors and submit again”, will be displayed.</p> <ul style="list-style-type: none"> • Update Payment option is used to upload a producer’s file when a nonpayment of hard white wheat occurs. <p>Note: This information is displayed on the exception report when the report is printed.</p>

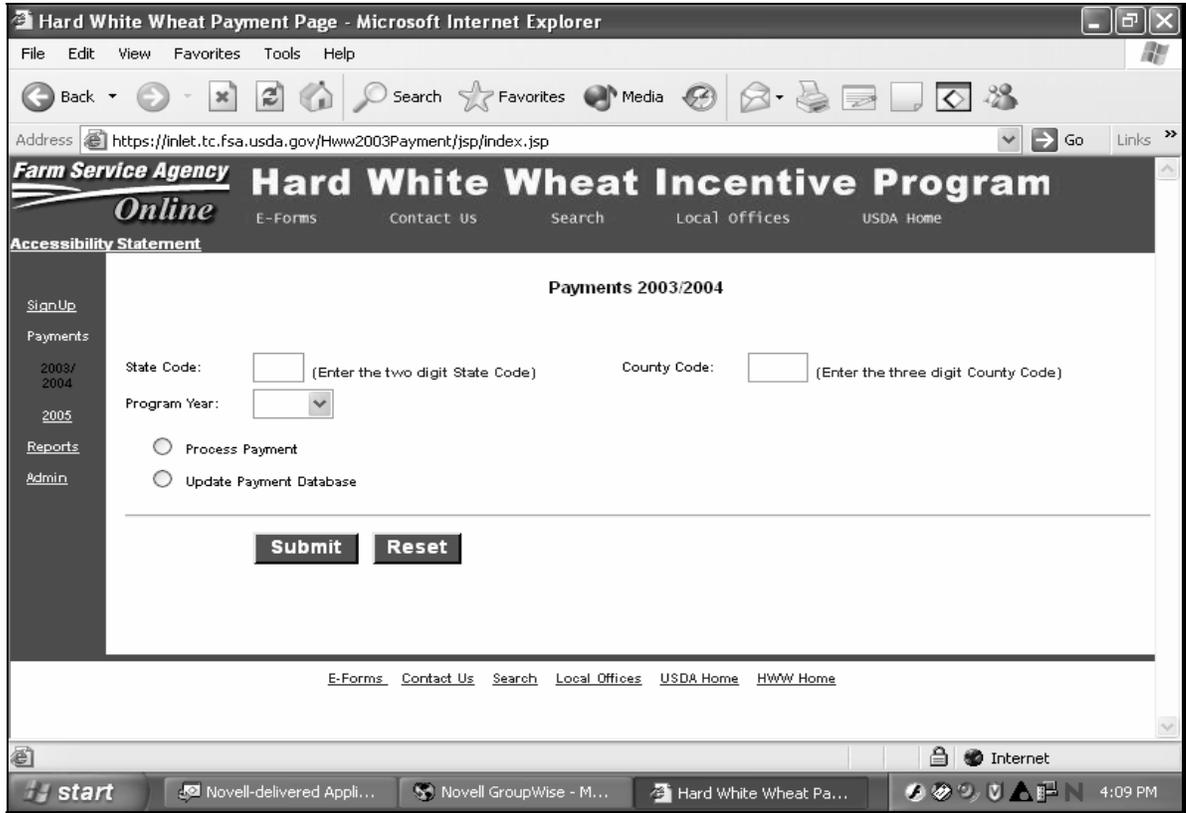
*--Note: Final payment shall be made no later than June 30th following the applicable signup period:

- June 30, 2004, for crop year 2003
- June 30, 2005, for crop year 2004
- June 30, 2006, for crop year 2005.--*

*--574 Web-Based Data Entry (Continued)

E Payments Screen (Continued)

This is an example of the HWWIP Payment Screen for selecting process payment or update payment database.

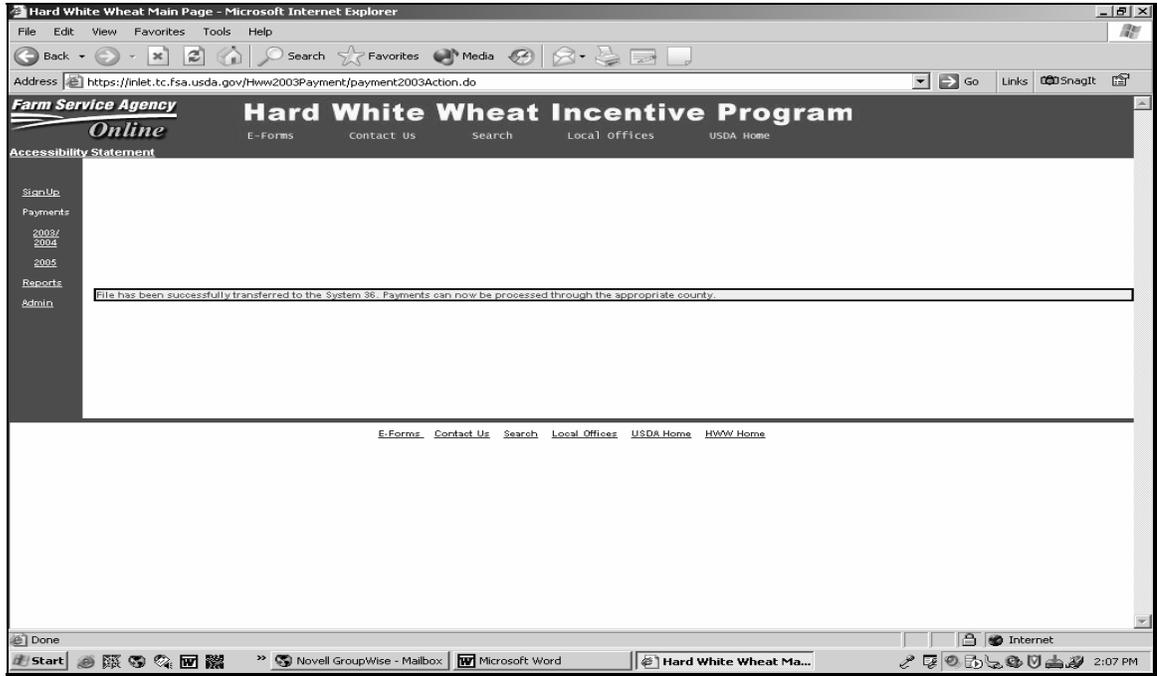


--*

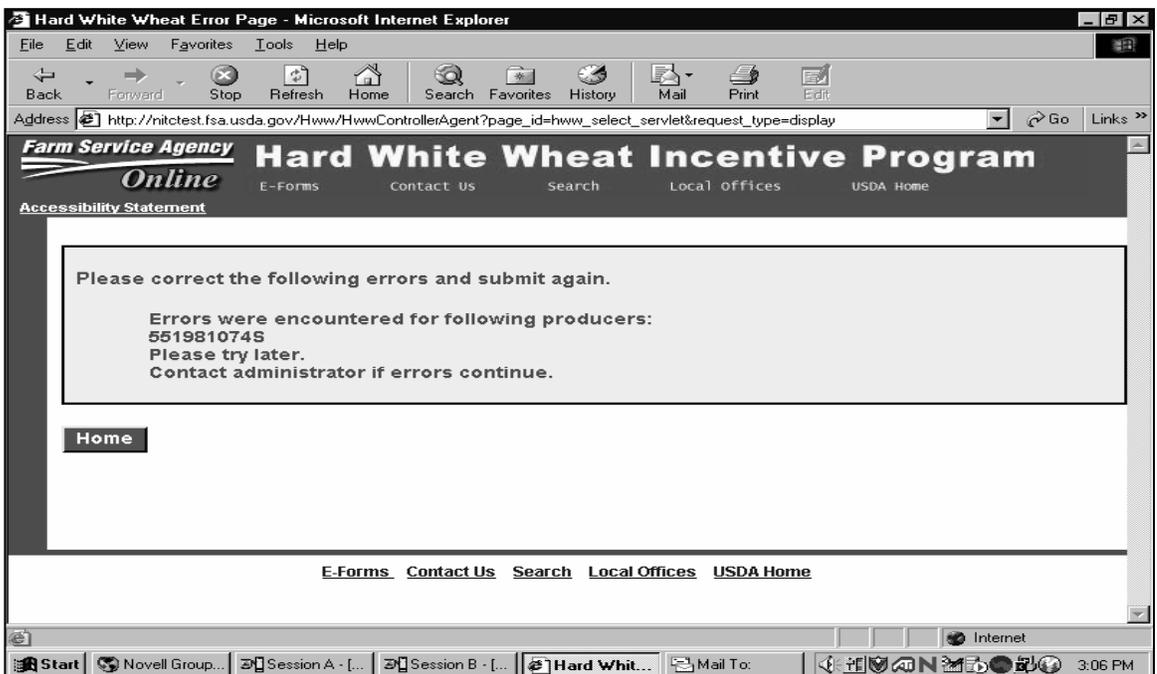
*--574 Web-Based Data Entry (Continued)

E Payments Screen (Continued)

The following is an example of the HWWIP Payment Screen that displays a message that the process payment action was successful.



The following is an example of an error message screen will be displayed when data is not received through AS400 or, the System 36 payment application file is not present on the System 36.



*--574 Web-Based Data Entry (Continued)

F Reports Screen

If the “reports” option was selected on HWWIP Main Menu, the user can print the following reports.

Note: User must follow subparagraph E, steps 1 and 2 when accessing the reports option. However, the “county code” is optional when accessing individual State reports.

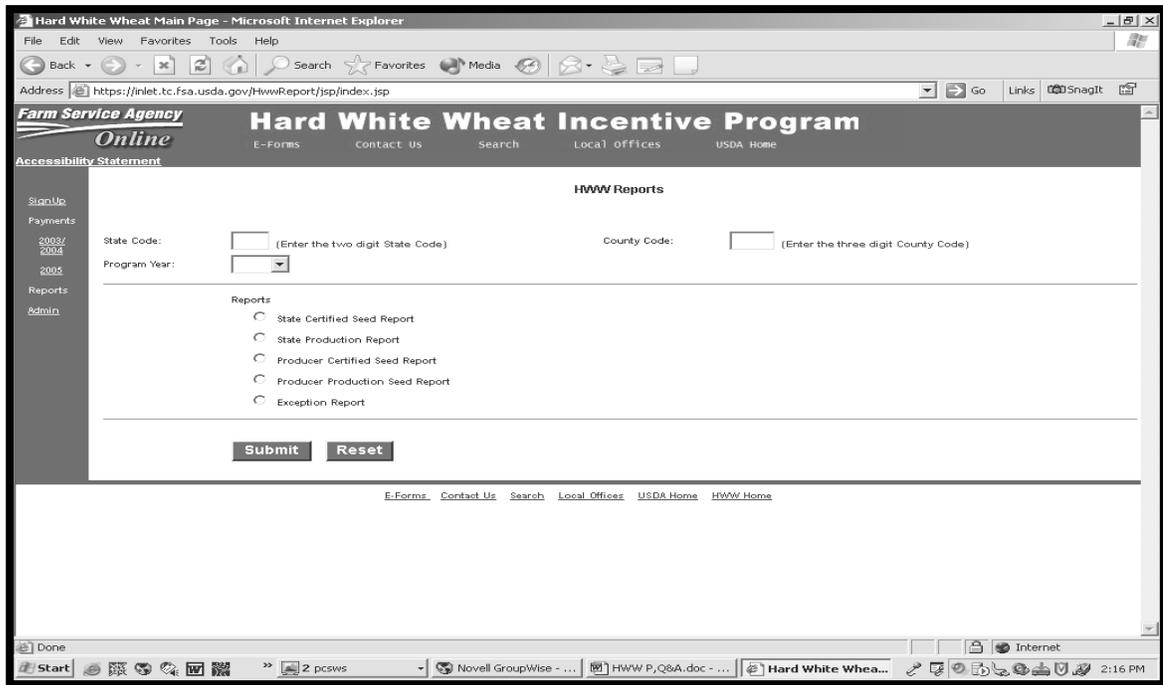
Report	Contents
State Certified Seed Report	This report lists the following for each county in a State: <ul style="list-style-type: none"> • number of producers • number of farms • number of acres • total dollar amount of the certified seed incentive payments.
State Production Report	This report lists the following for each county in a State: <ul style="list-style-type: none"> • number of producers • number of farms • number of acres • total dollar amount of the production incentive payments. <p>Note: The user can run this report only for that user’s State.</p>
Producer Certified Seed Report	This report lists the following for each producer in a county: <ul style="list-style-type: none"> • producer’s ID number • FSN number • number of acres • total dollar amount of the certified seed incentive payments. <p>Note: This report can be accessed only for the county accessible by the user’s ID and password.</p>
Producer Production Bushels Report	This report lists the following for each producer in a county: <ul style="list-style-type: none"> • producer’s ID number • FSN number • number of acres • total dollar amount of the production incentive payments. <p>Note: This report can be accessed only for the county accessible by the user’s ID and password.</p>
Exception Report	This reports list all HWWIP applicants that did not receive hard white wheat payments.

--*

*--574 Web-Based Data Entry (Continued)

F Reports Screen (Continued)

The following is an example of the HWWIP Reports Screen.



Note: State and producer reports are from the HWWIP web-based system.--*

***--575 Overpayments**

A Accessing Overpayment Process

Software has been developed for handling overpayments for the 2004 crop and is available in County Offices to determine whether HWWIP payments issued to a producer were earned in full or in part. The 2004 overpayments process is a web-based application and runs simultaneously with HWWIP payment process.

County Offices shall take the necessary action to collect overpayments immediately after determining that an overpayment exists. The system will continue to compute overpayments until the program is officially closed out. The program is not officially closed out until the software options are disabled.

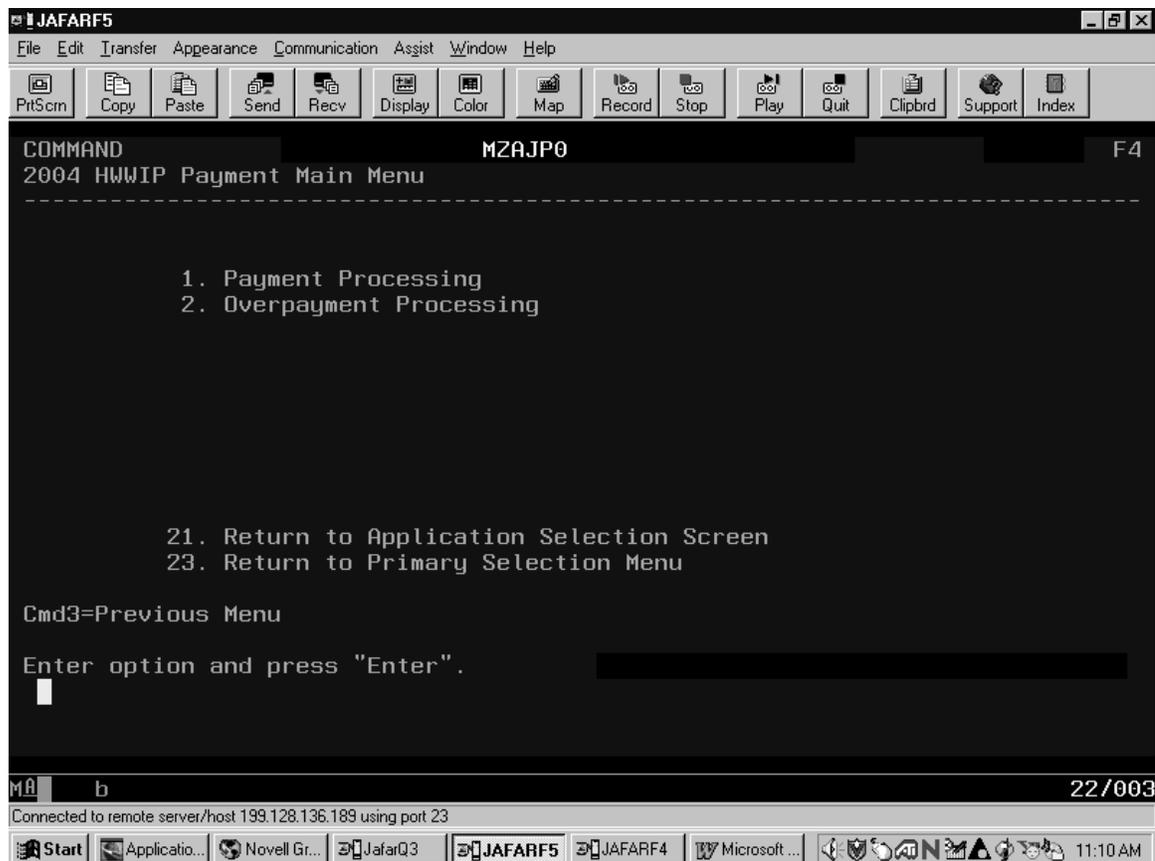
Access the overpayment compute process from Menu FAX250 according to this table.

Step	Screen or Menu	Action
1	FAX250	ENTER "3" or "4", "Application Processing", as applicable.
2	FAX09002	Enter the appropriate county.
3	FAX07001	ENTER "11", "PFC/DCP/Compliance".
4	M00000	ENTER "10", "Direct and Counter-Cyclical Program".
5	MZYEAR	Enter the appropriate program year.
6	MZA000	ENTER "4", "Hard White Wheat Incentive Processing".
7	MZAJPO	ENTER "2", "Overpayment Processing".

Note: A report will be sent to the selected printer when overpayments have been computed for the selected farms.--*

--575 Overpayments (Continued)*A Accessing Overpayment Process (Continued)**

The following is an example of the 2004 HWWIP Payment Main Menu Screen.

**B Computing Overpayment Processing**

After selecting option 2, "Overpayment Processing", the user will be prompted to select 1 of the following options:

- compute overpayments
- reprint overpayment register
- transfer overpayment to CRS
- cancel overpayment.--*

*--575 Overpayments (Continued)

B Computing Overpayment Processing (Continued)

The following is an example of the 2004 HWWIP Overpayment Processing Screen.

```

JAFARF5
File Edit Transfer Appearance Communication Assist Window Help
PrtScr Copy Paste Send Recv Display Color Map Record Stop Play Quit Clipbrd Support Index
COMMAND MZAJ01 F4
2004 HWWIP Overpayment Processing Menu
-----
1. Compute Overpayments
2. Reprint Overpayment Register
3. Transfer Overpayments to CRS
4. Cancel Overpayments

21. Return to Application Selection Screen
23. Return to Primary Selection Menu

Cmd3=Previous Menu

Enter option and press "Enter".
|
  
```

22/003
 Connected to remote server/host 199.128.136.189 using port 23
 Start Applicatio... Novell Gr... JafarQ3 JAFARF5 JAFARF4 Microsoft ... 11:17 AM

Note: This report may be reprinted by selecting option 2 on Menu MZAJ01.--*

***--575 Overpayments (Continued)**

B Computing Overpayment Processing (Continued)

Each time the overpayment process is run, the previous overpayment file will be deleted. County Offices shall follow the steps in this table:

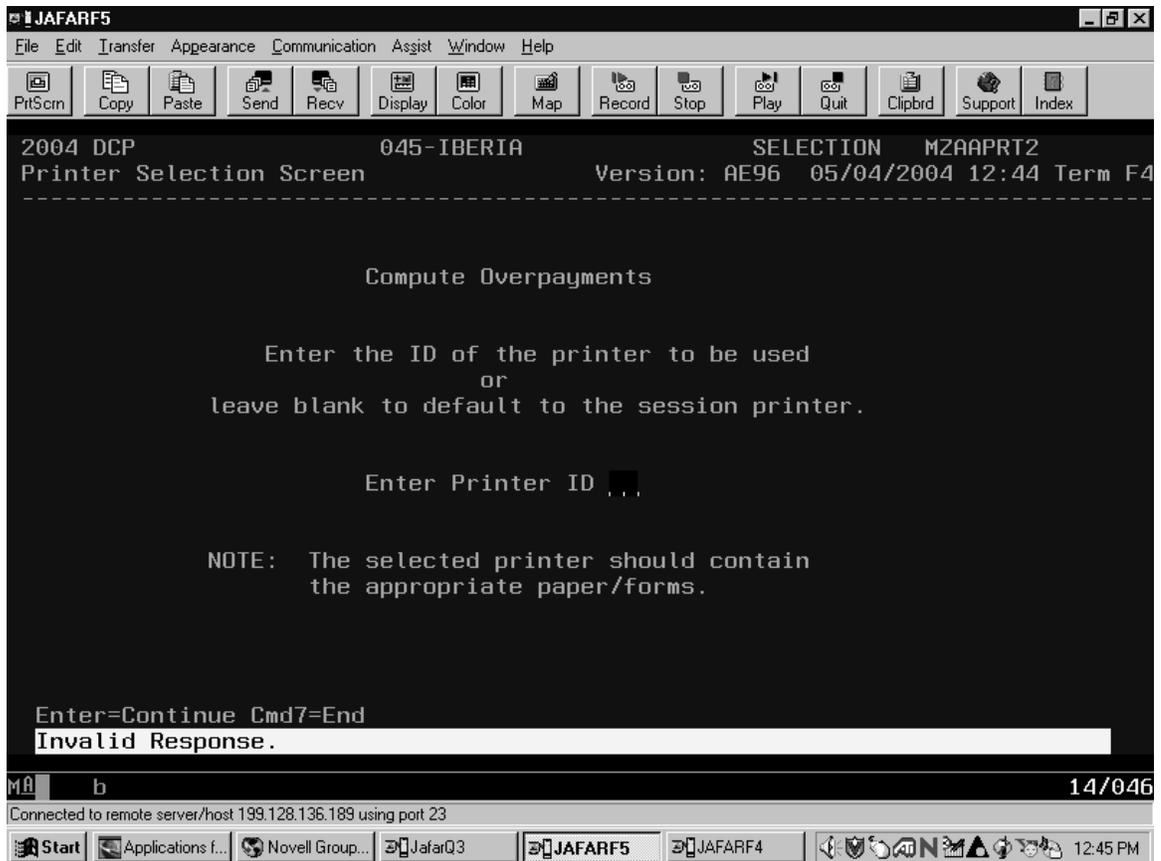
Step	Action	Result
1	On Menu MZAJPO, ENTER "2", "Overpayment Processing".	Menu MZAJ01 will be displayed.
2	On Menu MZAJ01 ENTER "1", "Compute Overpayment".	Screen MZAJPRT2 will be displayed.
3	<p>Screen MZAJPRT2 allows the user to select the printer where the overpayment register should be sent after overpayments have been computed.</p> <ul style="list-style-type: none"> • Enter the printer ID number. • PRESS "Enter". <p>Note: The selected printer should contain the appropriate paper/form.</p>	Screen MZAJPRT2 will be redisplayed.
4	<p>County Offices will have the option to select overpayments to be calculated by entering 1 of the following:</p> <ul style="list-style-type: none"> • all • last 4 digits of ID • last name. <p>If last name is entered, Screen FAX270-01 will be displayed. Do either of the following:</p> <ul style="list-style-type: none"> • select number for the desired name • ENTER "N" for "none of the above". <p>PRESS "Cmd7" to end.</p>	If payments are found on the HWWIP payment history file for any producer on any of the selected farms, the overpayment process will run for all producers on the selected farms.

Note: After the overpayment computation process is completed, Menu MZAJ01 will be redisplayed and the overpayment register will be sent to the printer selected in Step 3.--*

*--575 Overpayments (Continued)

B Computing Overpayment Processing (Continued)

The following is an example of the Printer Selection Screen.



***--575 Overpayments (Continued)**

C Collecting Overpayments

County Offices shall take necessary action to collect overpayments. This table lists:

- situations that may cause an overpayment
- overpayment due dates.

Situation	Overpayment Due Date
<p>The payment was computed and the contract acreage is later reduced. If the payment was more than the adjusted payment acres times the yield times the producer share, the difference is due and payable.</p> <p>Note: The overpayment register will calculate the overpayment using the original payment rate. Determine the amount due immediately and adjust the overpayment.</p>	Immediately
<p>Producer receives payment and COC determines that the producer misrepresented their interest on CCC-490.</p>	Immediately with interest accruing from date of disbursement.
<p>Payment was issued for the wrong farm or producer.</p>	Immediately
<p>Producer's eligibility status changes and producer is no longer eligible to receive payments. All payments issued during FY are due and payable.</p>	Immediately

D Overpayment Less Than \$35

For overpayment amounts less than \$35, County Offices shall transfer the overpayment to CRS according to this subparagraph. If the receivable amount is:

- less than \$10, follow 67-FI to perform a small balance writeoff
- \$10 or greater but less than \$35, notify the producer of the debt according to 67-FI.

Note: If the debt is not repaid within 60 days, transfer the receivable to the claims system according to 67-FI. Process the claim according to 64-FI.

E Charging Interest

Program interest shall be charged on all HWWIP payments when COC determines the producer participated in fraud, scheme, or device for the producer.--*

***--575 Overpayments (Continued)**

E Charging Interest (Continued)

The interest shall apply when a producer does 1 of the following:

- fraudulently represented any fact affecting a determination
- knowingly adopted a scheme or device that tends to defeat the purposes of HWWIP.

Program interest for ineligible producers shall be charged from the date of disbursement.

F Selecting/Transferring Overpayment Option

After computing overpayments and printing the overpayment register, overpayments may be selected and transferred to CRS. Transferring overpayments to CRS will automatically:

- remove the overpayment from the HWWIP system
- set up a receivable for the producer.

Overpayments shall be transferred to CRS in a timely manner.

The system will **not** print the overpayment register or transfer selected overpayments to CRS if the system’s initial program load date is 7 calendar days greater than the date overpayments were computed. Overpayments must be recomputed before the overpayment register can be printed or selected overpayments transferred to CRS.

Follow the steps in this table to access the overpayment transfer process.

Step	Action	Result
1	On Menu MZAJPO, ENTER “2”, “Overpayment Processing”.	Menu MZAJ01 will be displayed.
2	On Menu MZAJ01, ENTER “3”, “Transfer Overpayments to CRS”.	Menu MZAJOE02 will be displayed.
3	<p>On Menu MZAJOE02, ENTER “X” to select appropriate overpayment for transfer.</p> <p>Note: Press “Enter” on each screen to keep overpayments selected on that screen.</p> <p>PRESS “Cmd5” to update or “Cmd7” to end.</p>	Transfer has been completed.

--*

***--575 Overpayments (Continued)**

F Selecting/Transferring Overpayment Option (Continued)

The following is an example of 2004 HWWIP Overpayments Screen MZAJOE02.

MZAJOE			MZAJOE02
2004 HWWIP Overpayments	Version AD67	05-13-2004 12:56	TERM Z8

Enter an "X" in the SEL column to select producer for overpayment processing.			
SEL Producer name	Producer ID		Overpayment Amount
- ASTRO FARM	541154958 E		\$9,230
- BISHOP BROTHERS	540544510 E		\$ 230
- CEDAR LANE FARMS	541417108 E		\$9,561
- CIRCLE M FARM	540909180 E		\$ 232
- LAKEVIEW FARM	540731543 E		\$ 230
MORE PRODUCERS			
Cmd5=Update Cmd7=End Roll-Page			

Note: Data displayed on Screen MZAJOE02 cannot be change.--*

*--575 Overpayments (Continued)

G Updating Overpayments

After overpayments have been selected, Screen MZAJOF01 will be displayed for each selected overpayment. County Offices will be allowed to adjust overpayments on Screen MZAJOF01 before transferring the overpayment to CRS.

Important: Adjust the overpayment on Screen MZAJOF01 before transferring to CRS. The amount cannot be adjusted in the receivable process, and the amount of the overpayment sent to CRS will be reduced from the total hard white wheat payments.

The following is an example of 2004 HWWIP Overpayments Screen MZAAOF01.

MZAJOF				MZAJOF01
2004 HWWIP Overpayments	Version AD67	05-13-2004	12:56	TERM Z8

Producer ID/Name	999-99-9999 X ASTRO Farms			
Basis Code	10428	Audit No.	x	
Overpayment Amount:	\$9,230			
Cmd7=End	Cmd5=Transfer Selected Records			
Cmd2-Skip this Payment	Enter=Continue			

--*

***--575 Overpayments (Continued)**

H Canceling Overpayments

If it is discovered that an overpayment has been transferred to CRS erroneously, the overpayments may be canceled until subsequent transactions, such as collection applied to receivable, have been canceled in CRS.

Note: See 67-FI for deleting transactions.

County Offices shall follow instructions in this table to cancel an overpayment.

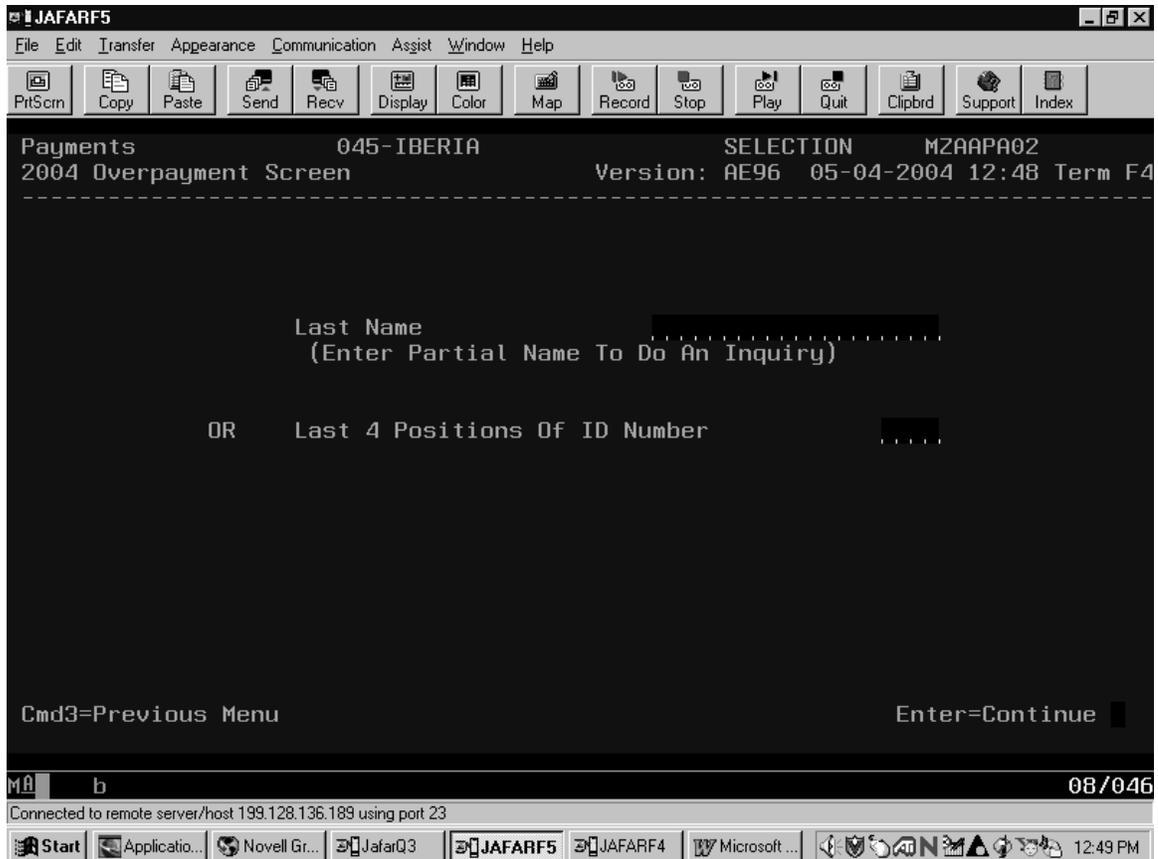
Step	Action	Result
1	On Menu MZAJPO, ENTER "2", "Overpayment Processing".	Menu MZAJ01 will be displayed.
2	On Menu MZAJ01, ENTER "4", "Cancel Overpayment".	Menu MZAJNA02 will be displayed.
3	On Menu MZAJNA02, enter 1 of the following: <ul style="list-style-type: none"> • "all" for all producers • last 4 digits of ID • last name. <p>Note: Press "Enter" on each screen to keep overpayments selected on that screen.</p> PRESS "Cmd5" to update or "Cmd7" to end.	Menu MZAJOS01 will be displayed.

--*

*--575 Overpayments (Continued)

H Canceling Overpayments (Continued)

The following is an example of 2004 Overpayment Screen MZAAPA02.



--*

***--575 Overpayments (Continued)**

I Messages

This table provides examples of error messages that may be displayed while processing overpayments.

Message	Reason for Message	County Office Action
“Must enter Producer ID and Type, Last Four Digits of ID, or Last Name.”	On Screen MZAJNA02, “Enter” was pressed without entering a producer.	Select a specific producer and enter the associated transaction number for the payable to be canceled.
“Transaction Number is a required entry.”	A producer ID number was entered, but the transaction number filed was left blank.	Enter the associated transaction number for the payable to be canceled.
“Transaction number not valid for producer selected.”	A valid producer was selected, but the transaction number entered is not associated with the selected producer.	Ensure that the correct ID number is entered or select the producer by entering the producer’s last name.
“Producer not found on the Name and Address file.”	An ID number was entered that is not on the name and address file.	Ensure that the correct ID number is entered or select the producer by entering the producer’s last name.
“Only enter Producer ID and Type, Last Four Digits of ID, or Last Name.”	Any entry was recorded in more than 1 producer selection field.	Ensure that the correct last 4 digits of the producer’s ID number are entered or select the producer by entering the producer’s last name.

--*

***--576 Basis Codes**

A Introduction

The basis code will default to the appropriate code coinciding with the message printed on the overpayment register; however, it may be changed. It is important that the basis code is correct to track all overpayments. The National Office uses the basis code to track FY disbursements and allocations.

B Overpayments Found as Result of Audits

If the overpayment is discovered as the result of an audit, the first 2 digits must be changed to “19”. The system will then require that the audit number be entered in the “audit number” field.

C Allowable Basis Codes

County Offices shall use this table to determine allowable basis codes.

Note: If COC has determined fraud, scheme, or device, the last 3 digits of the debt basis code shall be changed to “423”.

IF the overpayment message is...	THEN the system will default the basis code to...
“Fraudulent Misrepresentation”	10-420.
“Noncompliance with program requirements”	10-421.
“6-CP Flag in ST XX CNTY XXX is Invalid”	10-427.
“Controlled Substance Flag in St XX CNTY XXX is Invalid”	10-427.
“No Eligibility Record on File”	10-427.
“Multiple Invalid Eligibility Flags”	10-427.
“Prior Payments Exceed Current Payments”	10-428.
“Producer Has Refused Payment”	10-428.
“CCC-490 Does Not Have an Approval Date”	10-429.
“CCC-490 Has Been Canceled”	10-429.
“Found on Payment History Only”	10-429.
Note: If the overpayment is the result of producer misrepresentation, change the debt basis code to “10-427”, so an interest start date can be entered.	
“Producer ID Not on Entity File”	10-429.

Note: If a joint operation does not meet eligibility requirements, all members of the joint operation are not eligible for payment.--*

577-599 (Reserved)

Part 12 (Withdrawn--Amend. 41)

600-639 (Withdrawn--Amend. 41)
640-668 (Reserved)

Part 13 (Withdrawn--Amend. 29)

Section 1 (Withdrawn--Amend. 29)

669-670 (Withdrawn--Amend. 29)
669-670 (Reserved)

Section 2 (Withdrawn--Amend. 29)

681-692 (Withdrawn--Amend. 29)
683-692 (Reserved)

Section 3 (Withdrawn--Amend. 29)

693-696 (Withdrawn--Amend. 29)
697-715 (Reserved)

Section 4 (Withdrawn--Amend. 29)

716-718 (Withdrawn--Amend. 29)
719-729 (Reserved)

Section 5 (Withdrawn--Amend. 29)

730-735 (Withdrawn--Amend. 29)
736-745 (Reserved)

Section 6 (Withdrawn--Amend. 29)

746-768 (Withdrawn--Amend. 29)
769-792 (Reserved)

Part 14 (Withdrawn--Amend. 41)

793-820 (Withdrawn--Amend. 41)
821-839 (Reserved)

Part 15 Web-Based CCC-509 Process for FY 2005 and Future Years

840 Web-Based Process

A Overview

*--The 2005 and future year 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 nationwide customer service applications, which means that any users can load DCP contracts for any customer nationwide.--*

The 2005 and future year 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.

*--B State Office User Access

Obtain access to DCP nationwide customer service according to the following:

- provide the National Office with all State 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.--*

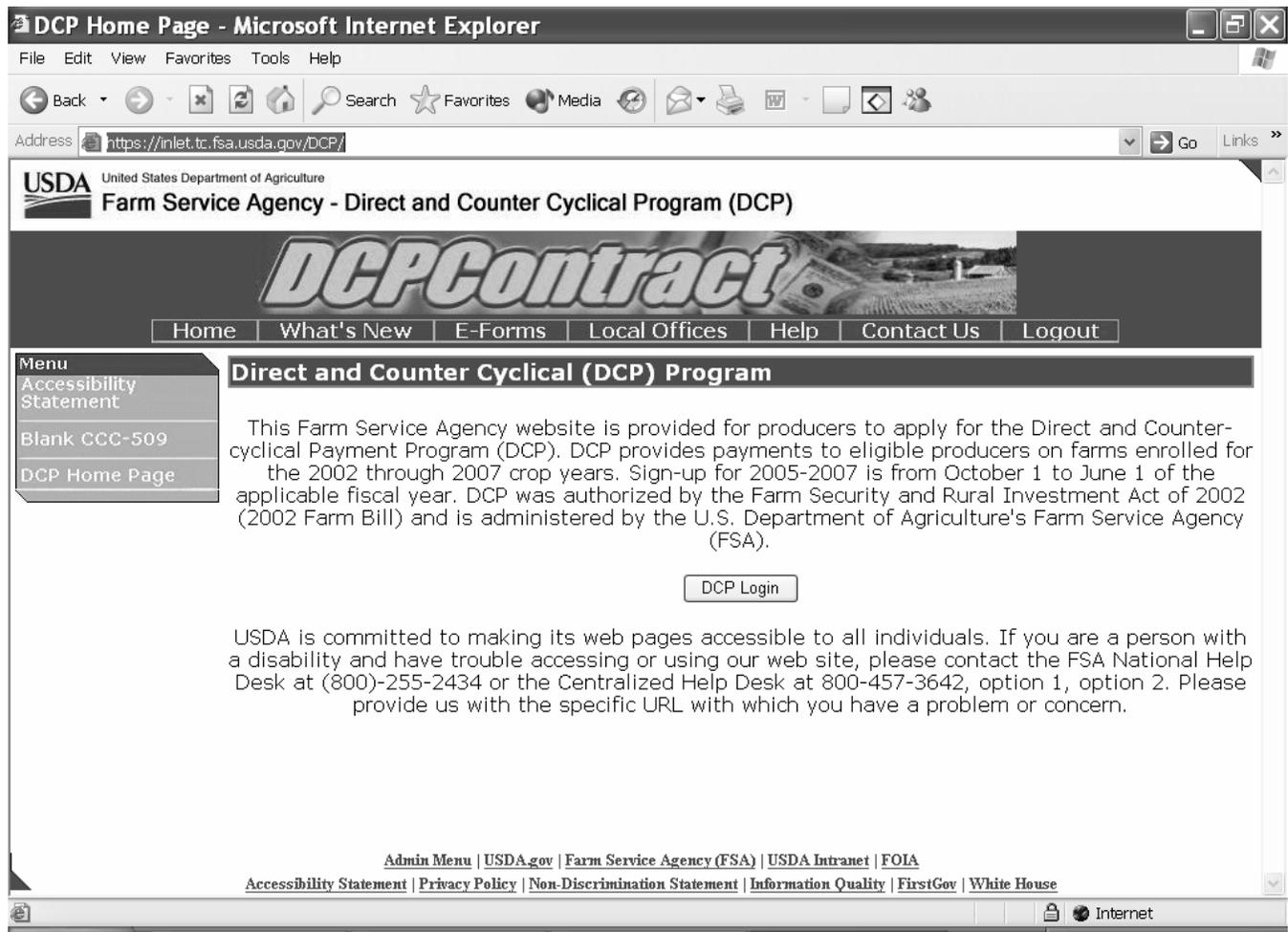
840 Web-Based Process (Continued)

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.

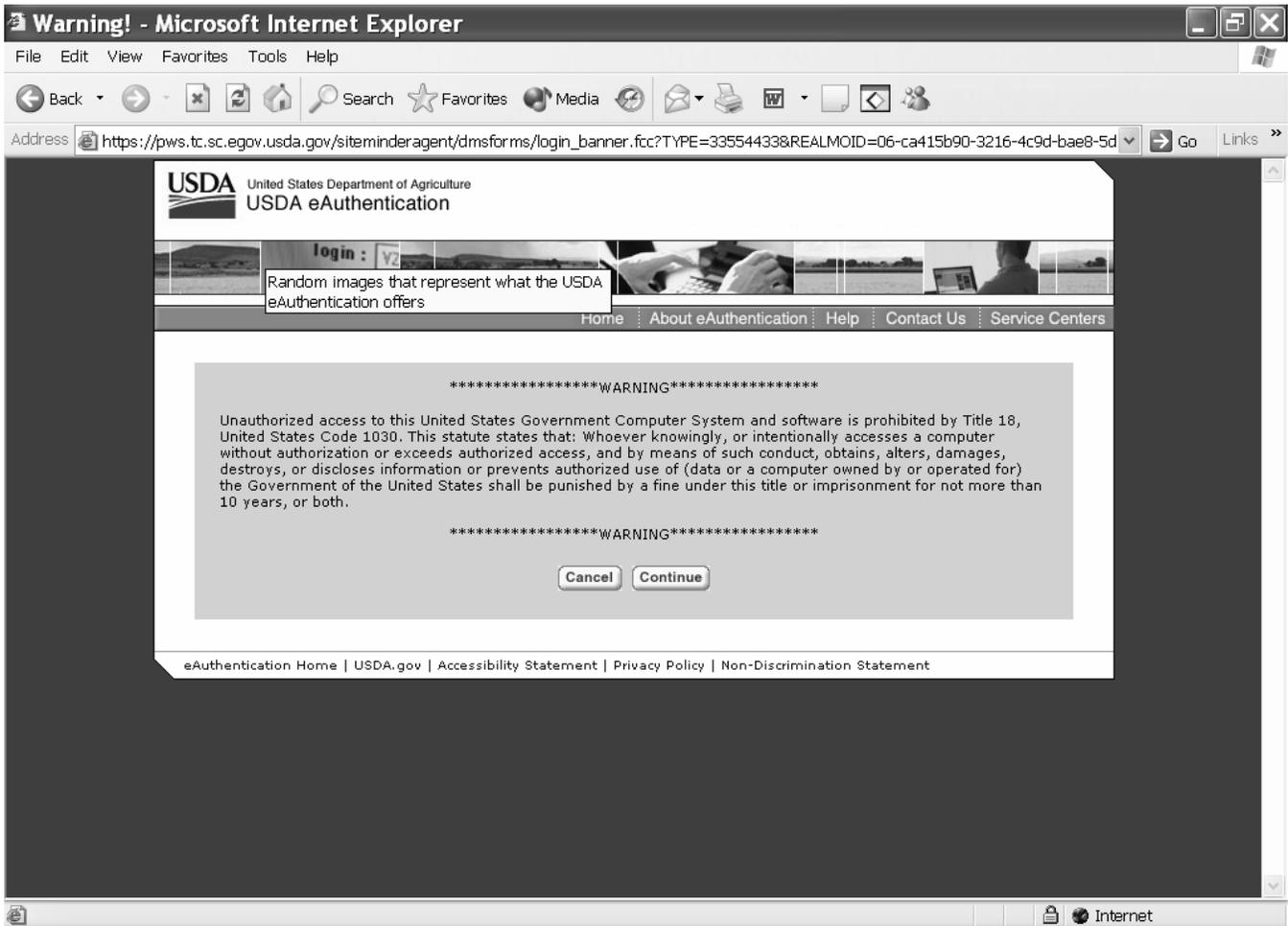
After entering the DCP web site location, users will be prompted with the following login screen. Click on the "DCP Login" button to continue.



840 Web-Based Process (Continued)

C Accessing the DCP Web Site (Continued)

Once the user has clicked the "DCP Login" button, the USDA eAuthentication Warning screen will be displayed. Users must click on "Continue" to proceed, or "Cancel" to end the process.

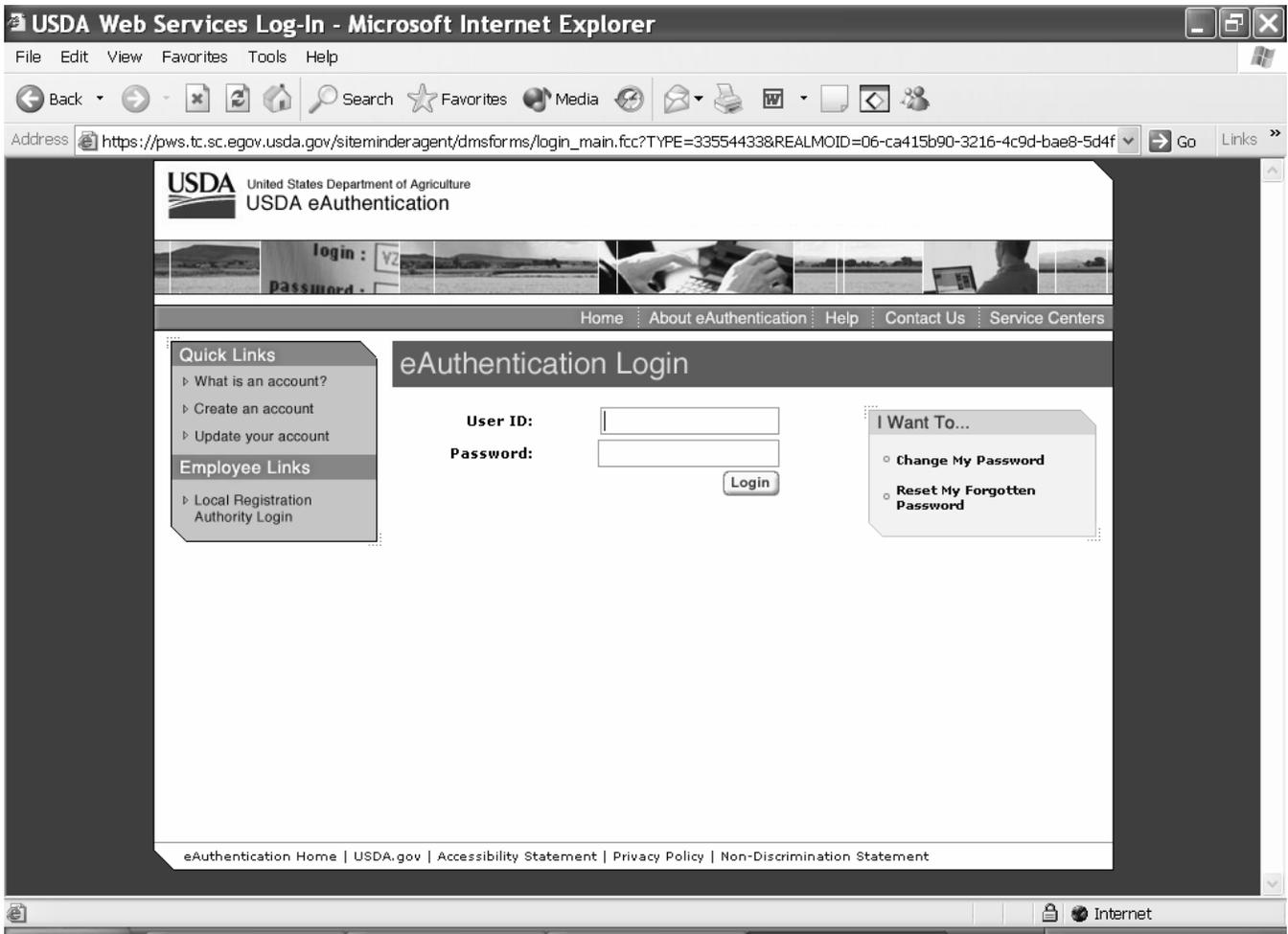


840 Web-Based Process (Continued)

C Accessing the DCP Web Site (Continued)

Users must:

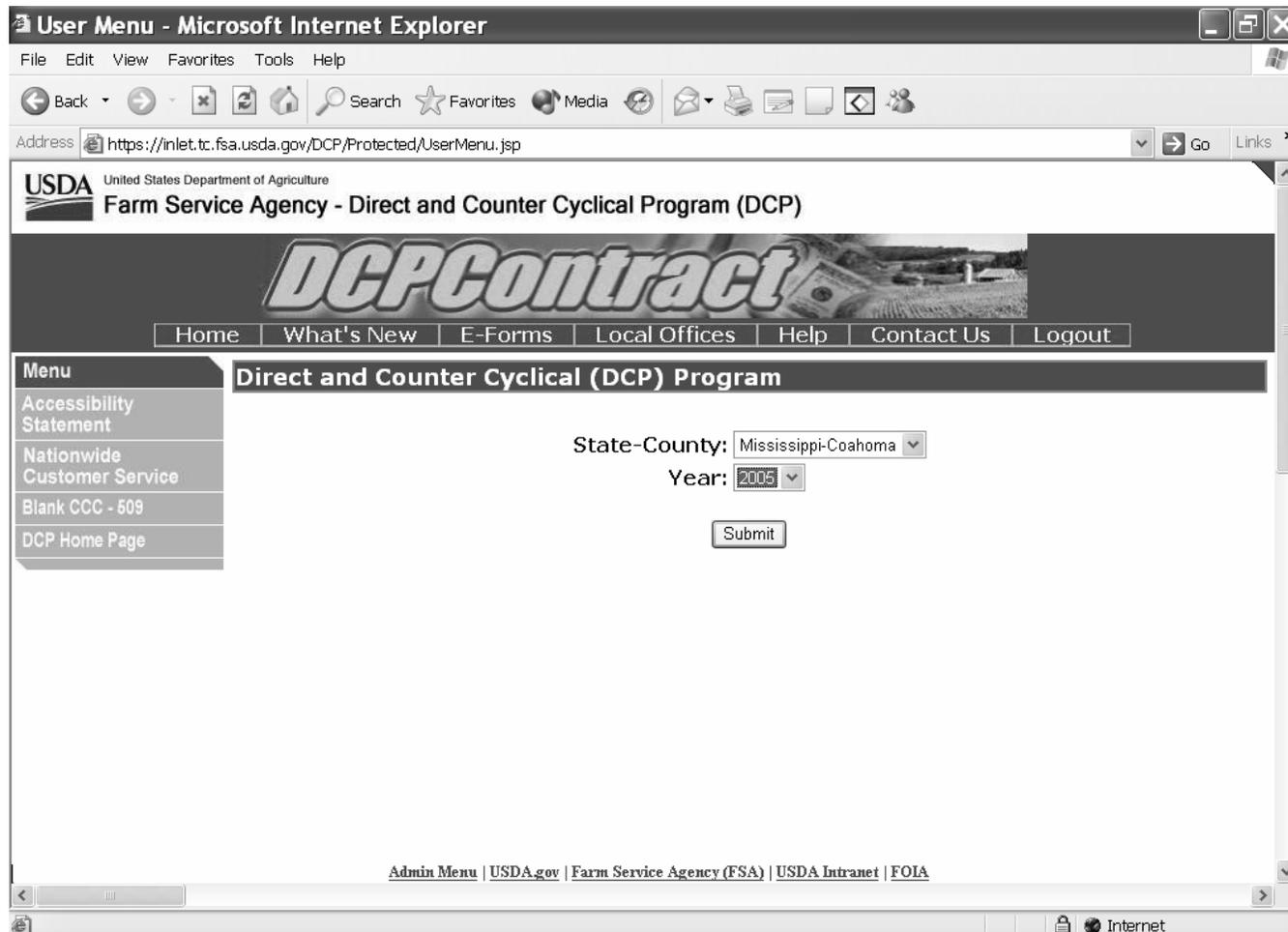
- enter eAuthentication user ID
- enter eAuthentication password
- click on "Login" button.



***--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 851 for more details.



B Action

User shall use the drop down boxes to select the applicable:

- State/county
- crop year.

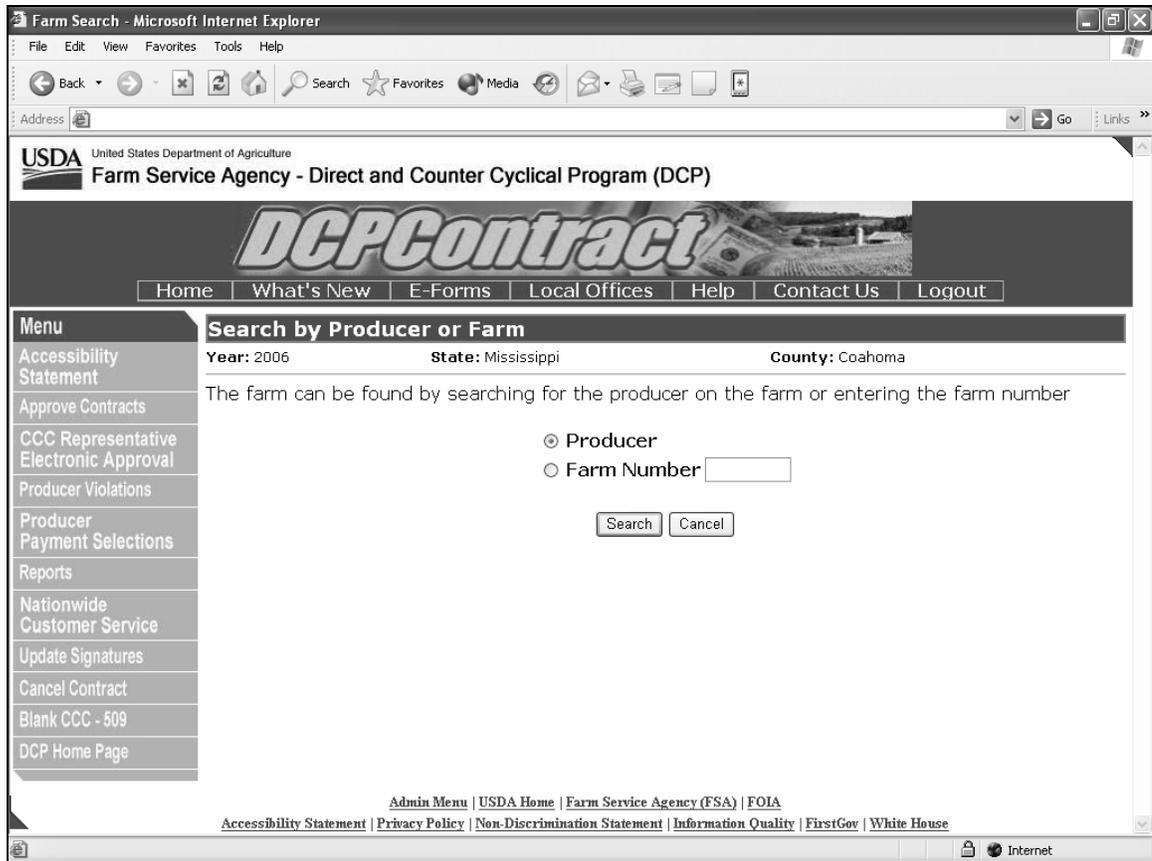
Click the "Submit" button. The Search by Producer or Farm Screen will be displayed.--*

842 Search by Producer or Farm Screen

A Overview

Users can access a farm by producer or by the specific farm number.

*..

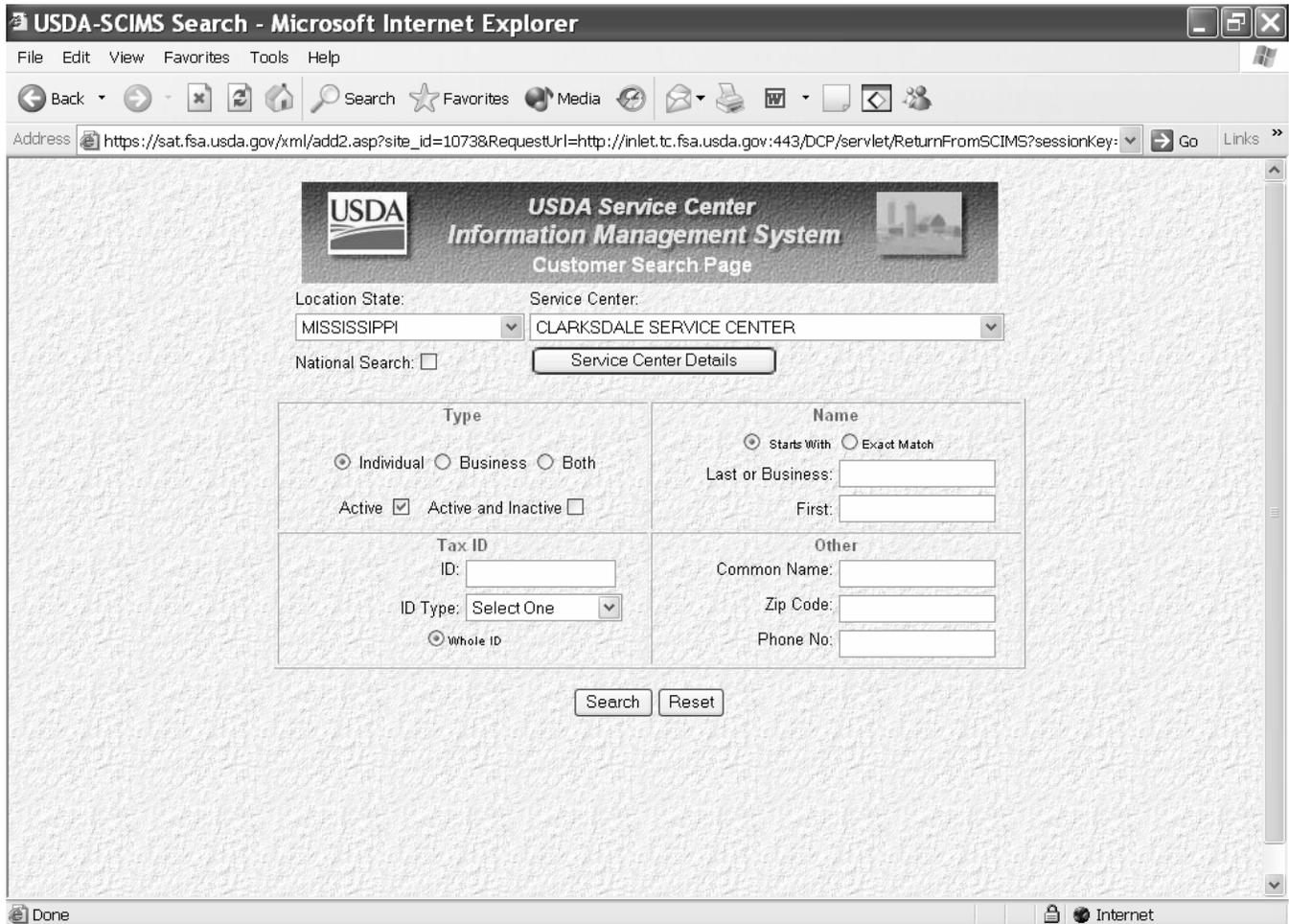


..*

***--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 the "Search" button. 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.--*

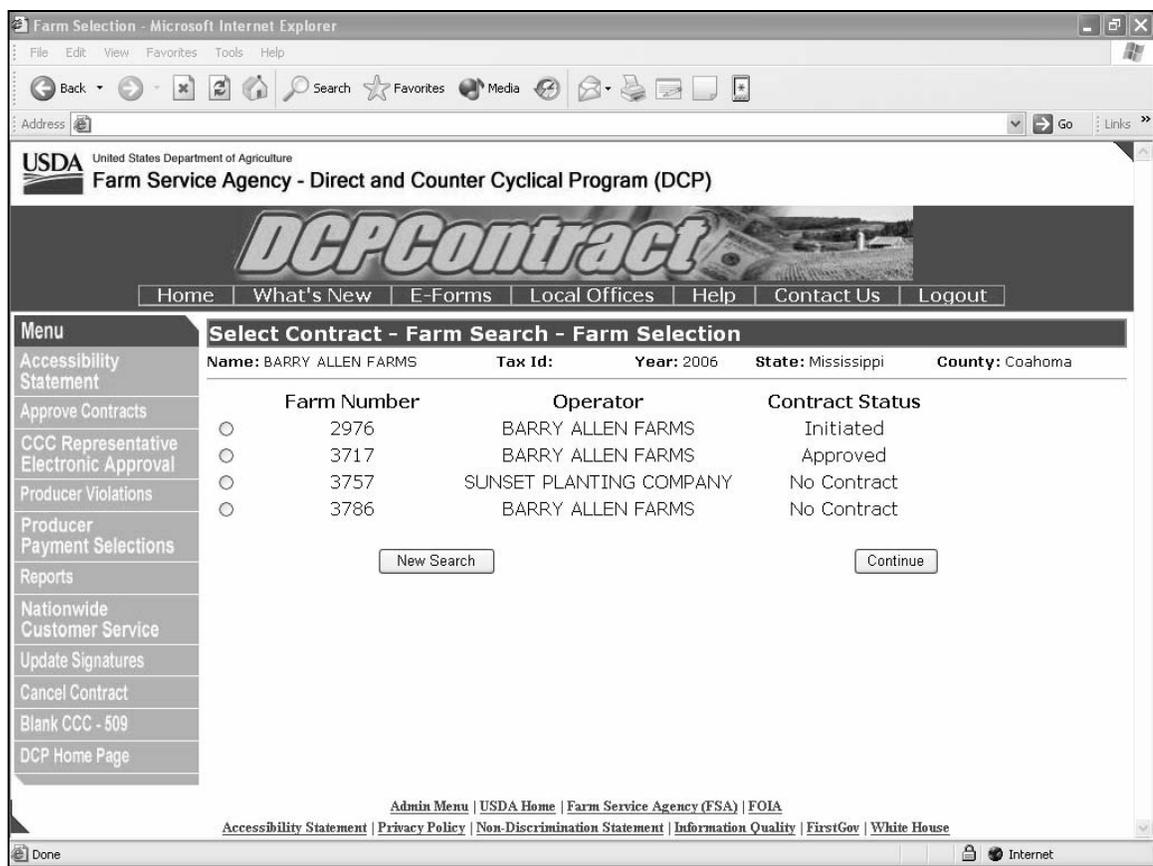
842 Search by Producer or Farm Screen (Continued)

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 on 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.

*..



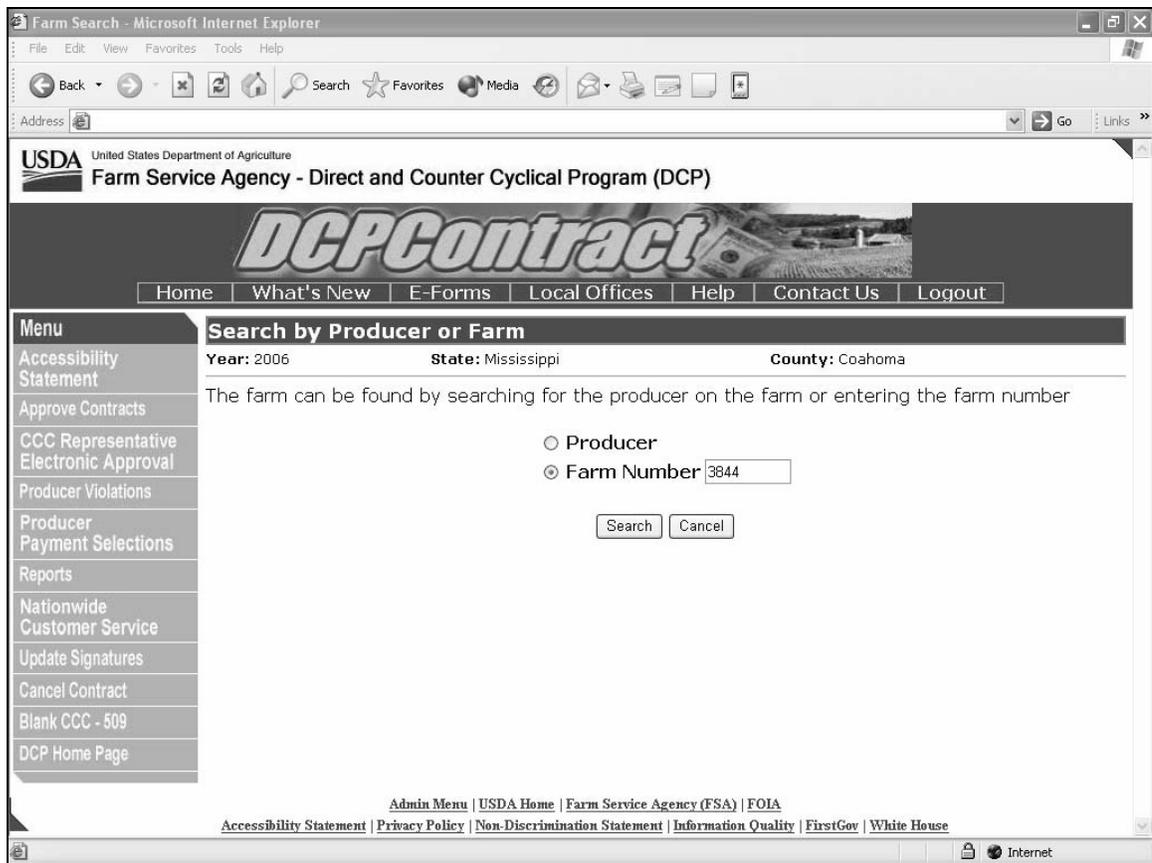
..*

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 on the "Farm Number" button
- enter the applicable farm number
- click on the "Search" button.

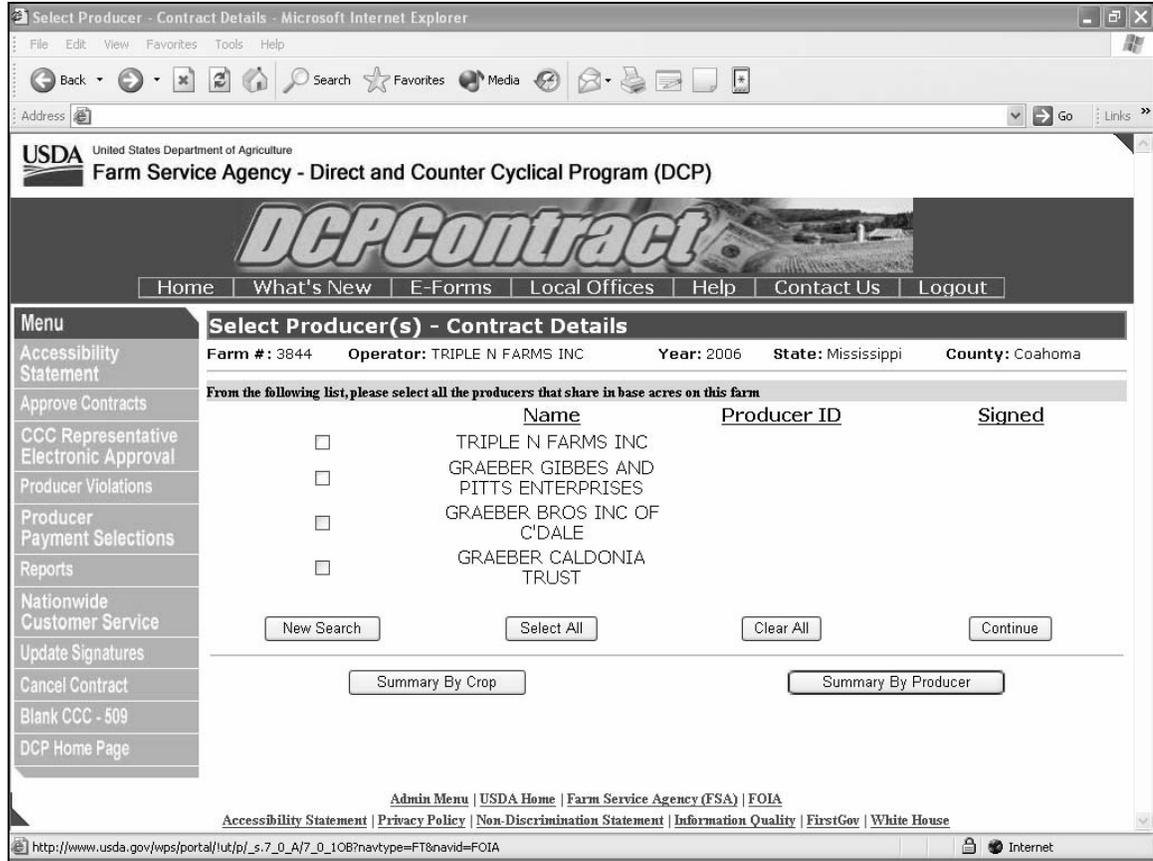
Select Producer(s) – Contract Details Screen will be displayed; see paragraph 843.

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 table explains the options available on the Select Producers(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 mark in the box in front of each producer’s name. User must click "Continue" button 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	<p>Select:</p> <ul style="list-style-type: none"> • individual producers to share in the contract by clicking on the box in front of the applicable producer’s name • all producers by clicking the "Select All" button. <p>Click the "Continue" button. Assign Producer Shares/Payment Selections Screen will be displayed. See paragraph 844.</p> <p>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.</p>
Summary by Crop	<p>Consolidated by Crop Screen will be displayed. This is a summary screen that can be used to:</p> <ul style="list-style-type: none"> • load/modify producer shares by crop •*--update payment selections • update producer signature types • update enrollment date • update approval date • cancel CCC-509. <p>See paragraph 846.</p>
Summary by Producer	<p>Consolidated by Producer Screen will be displayed. This is a summary screen that can be used to:</p> <ul style="list-style-type: none"> • load/modify producer shares by producer • update payment selections • update producer signature types • update enrollment date • update approval date • cancel CCC-509. <p>See paragraph 845.--*</p>

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" button on Select Producer(s) – Contract Details Screen without selecting any producers to share in the contract
- "Summary by Producer" button
- "Summary by Crop" button.

Following is an example of the top of the Assign Producer Shares/Payment Selections Screen.

*--

The screenshot shows a web browser window titled "Assign Producer Shares / Payment Selections - Contract Details - Microsoft Internet Explorer". The page header includes the USDA logo and "Farm Service Agency - Direct and Counter Cyclical Program (DCP)". A navigation bar contains links for Home, What's New, E-Forms, Local Offices, Help, Contact Us, and Logout. A left-hand menu lists various options like "Accessibility Statement", "Approve Contracts", and "Reports". The main content area is titled "Assign Producer Shares / Payment Selections" and displays contract information: Farm #: 3844, Operator: TRIPLE N FARMS INC, Year: 2006, State: Mississippi, County: Coahoma, and Producer: GRAEBER GIBBES AND PITTS ENTERPRISES. Below this, a table lists crop details for Wheat, Oats, Upland Cotton, Corn, and Soybeans, including Base Acres, Payment Acres, Direct Yield, CC Yield, and Remaining Shares (all at 100%). Each crop entry includes a question about interest in the base acres and a percentage input field.

Menu	Assign Producer Shares / Payment Selections				
Accessibility Statement	Farm #: 3844	Operator: TRIPLE N FARMS INC	Year: 2006	State: Mississippi	County: Coahoma
Approve Contracts	Producer: GRAEBER GIBBES AND PITTS ENTERPRISES Producer Id: Producer 2 of 2				
CCC Representative Electronic Approval	Crop: Wheat	Base Acres: 90.8	Payment Acres: 77.2	Direct Yield: 38	CC Yield: 38
Producer Violations	For the Wheat base acres on this farm, how much interest does GRAEBER GIBBES AND PITTS ENTERPRISES have?				Remaining Shares 100%
Producer Payment Selections	Crop: Oats	Base Acres: 13.5	Payment Acres: 11.5	Direct Yield: 53	CC Yield: 53
Reports	For the Oats base acres on this farm, how much interest does GRAEBER GIBBES AND PITTS ENTERPRISES have?				Remaining Shares 100%
Nationwide Customer Service	Crop: Upland Cotton	Base Acres: 397.3	Payment Acres: 337.7	Direct Yield: 860	CC Yield: 860
Update Signatures	For the Upland Cotton base acres on this farm, how much interest does GRAEBER GIBBES AND PITTS ENTERPRISES have?				Remaining Shares 100%
Cancel Contract	Crop: Corn	Base Acres: 87.0	Payment Acres: 74.0	Direct Yield: 48	CC Yield: 48
Blank CCC - 509	For the Corn base acres on this farm, how much interest does GRAEBER GIBBES AND PITTS ENTERPRISES have?				Remaining Shares 100%
DCP Home Page	Crop: Soybeans	Base Acres: 612.7	Payment Acres: 520.8	Direct Yield: 16	CC Yield: 16
	For the Soybeans base acres on this farm, how much interest does GRAEBER GIBBES AND PITTS ENTERPRISES have?				Remaining Shares 100%

--*

844 Assign Producer Shares/Payment Selections Screen (Continued)

A Overview (Continued)

Following is an example of the bottom of the Assign Producer Shares/Payment Selections Screen.

*--

The screenshot displays a web browser window titled "Assign Producer Shares / Payment Selections - Contract Details". The browser's address bar shows "http://www.firstgov.gov/". The page content is organized into a table for crop details and a section for payment selections.

Crop	Base Acres	Payment Acres	Direct Yield	CC Yield	Remaining Shares
Upland Cotton	397.3	337.7	860	860	100%
Corn	87.0	74.0	48	48	100%
Soybeans	612.7	520.8	16	16	100%

Payment Selections
Note: Payment selections will be applied for all crops that the producer has a share percentage on.

Does GRAEBER GIBBES AND PITTS ENTERPRISES want to receive a 50% Direct Advance Payment? Yes No
If yes, please select the month of Advance Payment?

Does GRAEBER GIBBES AND PITTS ENTERPRISES want to receive a First Advance CC Payment? Yes No
Does GRAEBER GIBBES AND PITTS ENTERPRISES want to receive a Second Advance CC Payment? Yes No

Does GRAEBER GIBBES AND PITTS ENTERPRISES want to refuse all Direct Payments? Yes No
Does GRAEBER GIBBES AND PITTS ENTERPRISES want to refuse all CC Payments? Yes No

Buttons: Back, New Search, Next

Footer: [Admin Menu](#) | [USDA Home](#) | [Farm Service Agency \(FSA\)](#) | [FOIA](#) | [Accessibility Statement](#) | [Privacy Policy](#) | [Non-Discrimination Statement](#) | [Information Quality](#) | [FirstGov](#) | [White House](#)

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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. (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 ?	<p>This field shows the number of producers that:</p> <ul style="list-style-type: none"> • have been selected to share in this contract • are remaining. <p>For example, if 5 producers were selected to share in the contract, it would say 1 of 5, 2 of 5 etc.</p>	
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.	<p>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.</p> <p>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.</p> <p>Shares for all crops must equal 100 percent before the farm can be enrolled or approved.</p>
Remaining Shares	<p>Subtracts shares as they are entered for each producer.</p> <p>This is a tool to keep user informed of how much of the share percentage has been used.</p>	

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844 Assign Producer Shares/Payment Selection 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. If "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 Producers(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: <ul style="list-style-type: none"> • next producer • Consolidated by Producer Screen is displayed. 	

845 Consolidated by Producer Screen

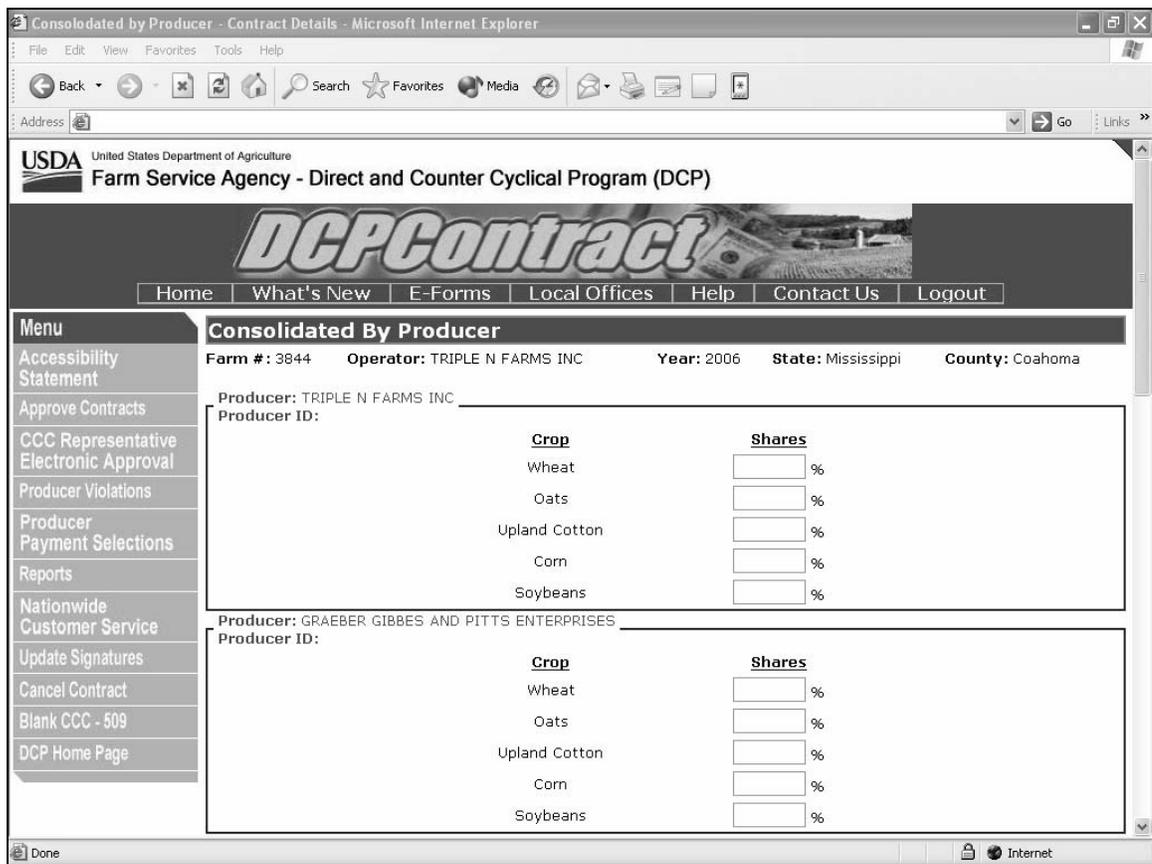
A Overview

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
- the "Continue" button is clicked on the Select Producer(s) – Contract Details Screen without any producers being selected to share in the contract
- the "Summary by Producer" button 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)

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			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GRAEBER GIBBES AND PITTS ENTERPRISES			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GRAEBER BROS INC OF C'DALE			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GRAEBER CALDONIA TRUST			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 table 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	<p>Share will be:</p> <ul style="list-style-type: none"> • displayed, if previously entered • blank, if not previously entered. <p>Shares can be entered or revised on this screen.</p>	<p>Enter or revise shares as applicable.</p> <p>Enter share from 1 to 100 percent. Two decimal places may be entered.</p> <p>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.</p>
Producer Signatures	<p>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.</p> <p>This is a tool to keep track of signatures received for each contract.</p> <p>Producers are not authorized to update producer signature information.</p>	
Type of Signature	<p>Manual selection. The type of signature provided by the producer.</p> <p>The system will update electronic signatures.</p> <p>See subparagraph C for signature types.</p>	<p>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.</p> <p>Note: Type of signature shall only be updated when the producer actually signs and dates CCC-509.</p>

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 on or before September 30 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: <ul style="list-style-type: none"> • 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.
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: <ul style="list-style-type: none"> • 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.

845 Consolidated by Producer Screen (Continued)

B Field Descriptions/Actions (Continued)

Field/Button	Description	Action
Do you want to Cancel this contract?	Manual entry. Producers are not authorized to: <ul style="list-style-type: none"> • 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. A reason must be selected if the contract is canceled. <ul style="list-style-type: none"> • 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
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	<ul style="list-style-type: none"> • Enter date producer signed application. •*--Shares can be greater than or equal to zero.
FAX	<ul style="list-style-type: none"> • Enter date producer signed application. • Shares can be greater than or equal to zero.--*
Cash Lease	<ul style="list-style-type: none"> • Producer must have cash lease. • No signature date required. • Shares must equal zero. • Producer must be an owner, owner/operator, or operator. <p>*--Note: See subparagraph 390 E for cash lease signature requirements.--*</p>
Undivided Interest	<ul style="list-style-type: none"> • Producer must be an owner or owner/operator. • Shares must be greater than zero. • Refuse All Payments must be checked. • No signature date required. <p>*--Note: See subparagraph 392 A for policy on undivided ownership shares.--*</p>
Spouse/Joint Owner	<ul style="list-style-type: none"> • Producer must be an owner or owner/operator. • Shares must be zero. • No signature date required. <p>*--Note: See subparagraph 390 E for policy on spouse/joint owner signature requirements.--*</p>
Cash Rent Certification	<ul style="list-style-type: none"> • 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. <p>*--Note: See subparagraph 390 E for policy on cash rent certifications.--*</p>
No Interest in DCP Cropland	<ul style="list-style-type: none"> • Producer must be an owner or owner/operator. • Shares must equal zero. <p>*--Note: See subparagraph 390 E for signature requirements for owners with no interest in the DCP cropland.--*</p>
Electronic (defaulted by system)	When a producer signs electronically, the signature type will be defaulted to electronic.
Joint Venture/No ID	<ul style="list-style-type: none"> • Producer must be an owner, owner/operator, or operator. • Shares must equal zero. <p>*--Note: This option shall only be used for a joint venture without an ID number. See 1-CM for more information on signature requirements.--*</p>

846 Consolidated by Crop Screen

A Overview

The Consolidated by Crop Screen will be displayed when the "Summary by Crop" button 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. Following is an example of the top of the Consolidated by Crop Screen.

*..

The screenshot shows a web browser window titled "Consolidated by Producer - Contract Details - Microsoft Internet Explorer". The page header includes the USDA logo and "Farm Service Agency - Direct and Counter Cyclical Program (DCP)". A navigation bar contains links for Home, What's New, E-Forms, Local Offices, Help, Contact Us, and Logout. A left-hand menu lists various options like "Accessibility Statement", "Approve Contracts", and "Reports". The main content area is titled "Consolidated By Crop" and displays contract details: Farm #: 3844, Operator: TRIPLE N FARMS INC, Year: 2006, State: Mississippi, County: Coahoma. It lists three crops: Wheat, Oats, and Upland Cotton. Each crop has a table with columns for Name, Producer ID, and Shares.

Consolidated By Crop		
Farm #: 3844 Operator: TRIPLE N FARMS INC Year: 2006 State: Mississippi County: Coahoma		
Crop: Wheat		
Name	Producer ID	Shares
TRIPLE N FARMS INC		<input type="text"/> %
GRAEBER GIBBES AND PITTS ENTERPRISES		<input type="text"/> %
GRAEBER BROS INC OF C'DALE		<input type="text"/> %
GRAEBER CALDONIA TRUST		<input type="text"/> %
Crop: Oats		
Name	Producer ID	Shares
TRIPLE N FARMS INC		<input type="text"/> %
GRAEBER GIBBES AND PITTS ENTERPRISES		<input type="text"/> %
GRAEBER BROS INC OF C'DALE		<input type="text"/> %
GRAEBER CALDONIA TRUST		<input type="text"/> %
Crop: Upland Cotton		
Name	Producer ID	Shares
TRIPLE N FARMS INC		<input type="text"/> %
GRAEBER GIBBES AND PITTS ENTERPRISES		<input type="text"/> %

*..

846 Consolidated by Crop Screen (Continued)

A Overview (Continued)

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			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GRAEBER GIBBES AND PITTS ENTERPRISES			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GRAEBER BROS INC OF C'DALE			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GRAEBER CALDONIA TRUST			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

When was this Contract Enrolled? / / Calendar

When was the Contract Approved? / / Calendar

Do you want to Cancel this Contract? Yes Reason:

Summary By Producer New Search Submit

--*

Note: The "Summary by Producer" button is provided to switch back to the Consolidated by Producer Screen.

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 852.

848 CCC-509 Approval Process

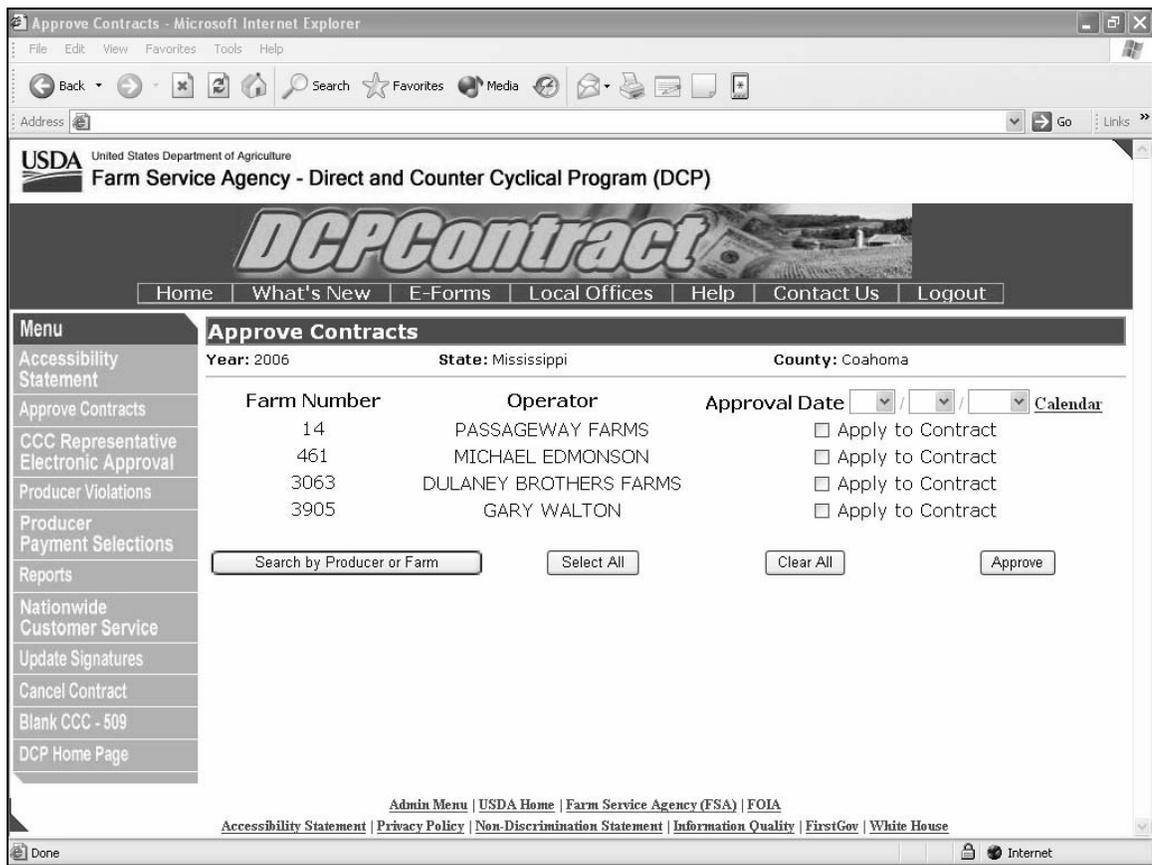
A Overview

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, click the "Approve Contracts" button on the menu link.

Note: The CCC-509 approval date can also be entered by specific farm number on the Consolidated by Producer and Consolidated by Crop Screens.

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 table 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 the "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 mark 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.	

848.5 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.

Following is an example of the CCC Representative Electronic Approval Screen after the option is selected from the navigation bar.

*..

The screenshot shows a web browser window titled "Approve Contracts - Microsoft Internet Explorer". The page is for the USDA Farm Service Agency, specifically the Direct and Counter Cyclical Program (DCP). The main heading is "DCPContract". Below this is a navigation menu with links: Home, What's New, E-Forms, Local Offices, Help, Contact Us, and Logout. The main content area is titled "CCC Representative Electronic Approval" and shows the following information:

- Year: 2006
- State: Mississippi
- County: Coahoma

Farm Number	Operator	Electronic Signature	CCC-509
14	PASSAGEWAY FARMS	<input type="checkbox"/> Electronically Sign	View 14
461	MICHAEL EDMONSON	<input type="checkbox"/> Electronically Sign	View 461
3063	DULANEY BROTHERS FARMS	<input type="checkbox"/> Electronically Sign	View 3063
3905	GARY WALTON	<input type="checkbox"/> Electronically Sign	View 3905

Below the table, there is a search bar labeled "Search by Producer or Farm", a "Select All" button, a "Clear All" button, and an "Approve" button. At the bottom of the page, there are several links: Admin Menu, USDA Home, Farm Service Agency (FSA), FOIA, Accessibility Statement, Privacy Policy, Non-Discrimination Statement, Information Quality, FirstGov, and White House.

*..

848.5 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 table provides the field descriptions and actions for the Approve Contracts Screen.

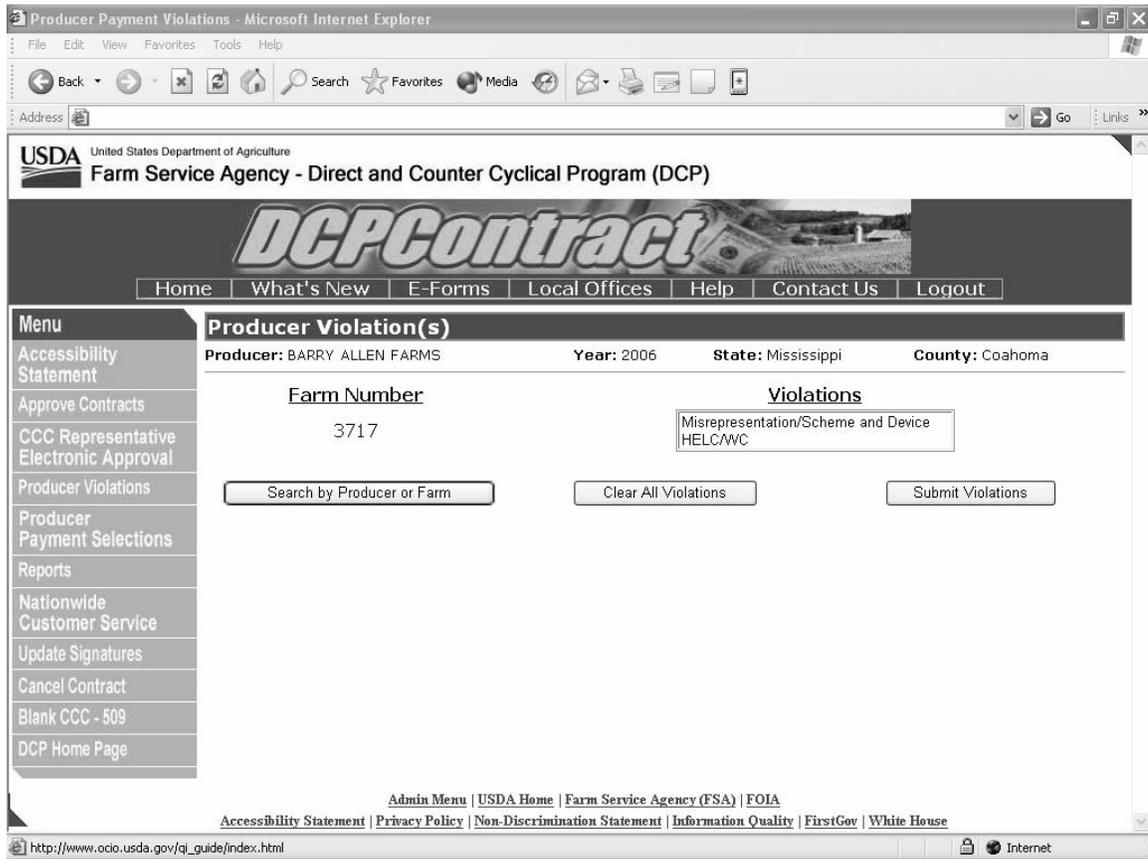
Field/Button	Description	Action
--Year	Year as selected.--	
State	State as selected.	
County	County as selected.	
Farm Number	Farm numbers that meet the criteria in subparagraph A.	
Operator	Operator associated with each farm.	
Electronic Signature/ Electronically Sign	Manual entry.	Authorized CCC representative 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.
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 mark 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.	

849 Producer Violation(s) Screen

A Overview

To access producer violations, click the "Producer Violations" button on the menu link. USDA Service Center Information Management System Customer Search Page will be displayed. Select the applicable producer. Producer Violation(s) Screen will be displayed. 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.

849 Producer Violation(s) Screen (Continued)

B Field Descriptions/Actions

The following table provides the field descriptions and actions on the Producer Violation(s) Screen.

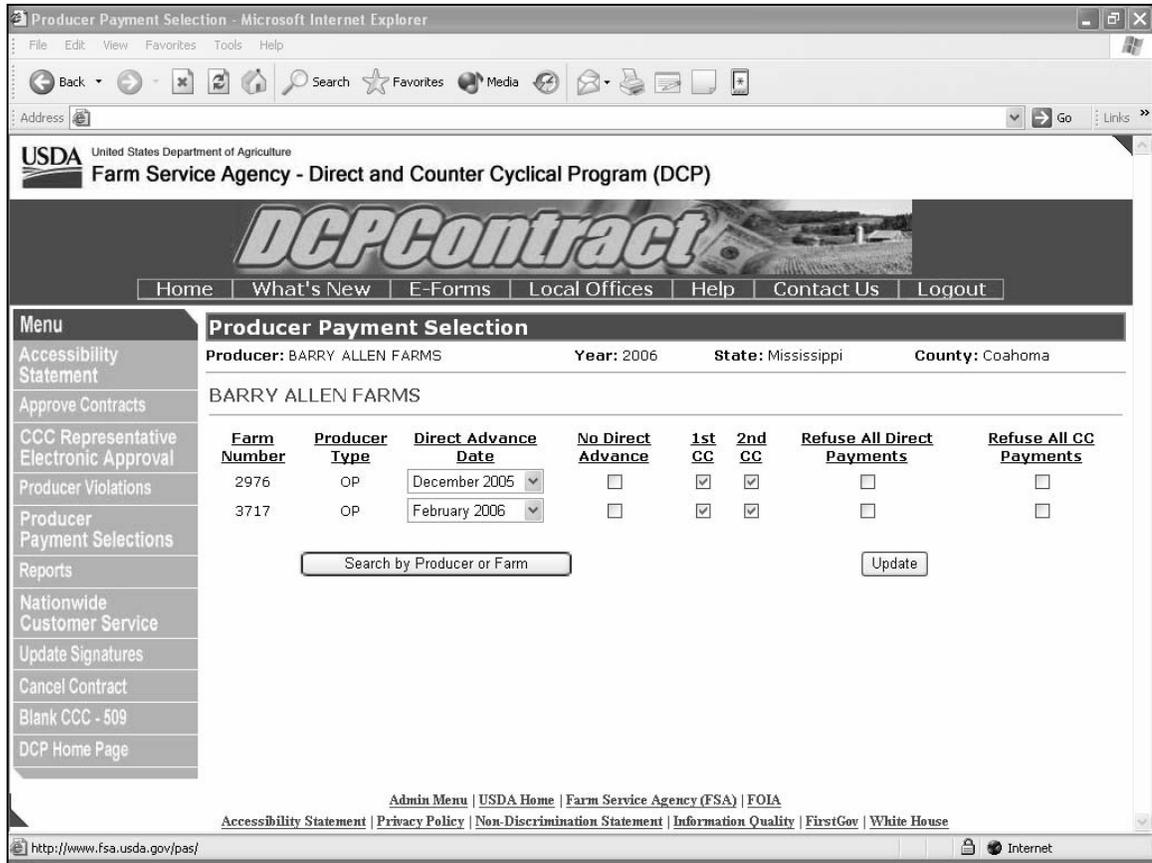
Field/Button	Description	Action
Producer	Producer that was selected on USDA Service Center Information Management System Customer Search Page.	
--Year	Year as selected.--	
State	State as selected.	
County	County as selected.	
Farm Number	Farm numbers with initiated contracts associated with selected producer.	
Violations	The following violations are provided for selection: <ul style="list-style-type: none"> • Misrepresentation/Scheme and Device • HELC/WC. 	Select the applicable violation(s) 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.	

850 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 one 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, click the "Producer Payment Selection" button on the menu link. USDA Service Center Information Management System Customer Search Page will be displayed. Select applicable producer. Producer Payment Selection Screen will be displayed. 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.

850 Producer Payment Selection Screen (Continued)

B Field Descriptions/Actions

The following table 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 either: <ul style="list-style-type: none"> • 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.
No Direct Advance	Manual entry. This box will reflect the choices previously updated. The box will: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • remove the check mark if producer has decided to receive a direct advance payment. (A direct advance date must be entered.) • select no advance direct payment if the producer elects not to receive the advance payment.
1 st CC	Manual entry. Box will : <ul style="list-style-type: none"> • be checked if producer previously elected to receive a 1st CC advance payment • not be checked if producer previously elected to not receive a 1st CC advance payment. 	Click on the box to: <ul style="list-style-type: none"> • remove check mark if producer has decided not to receive the 1st CC advance payment • add check mark if producer has decided to receive the 1st CC advance payment.

850 Producer Payment Selection Screen (Continued)

B Field Descriptions/Actions (Continued)

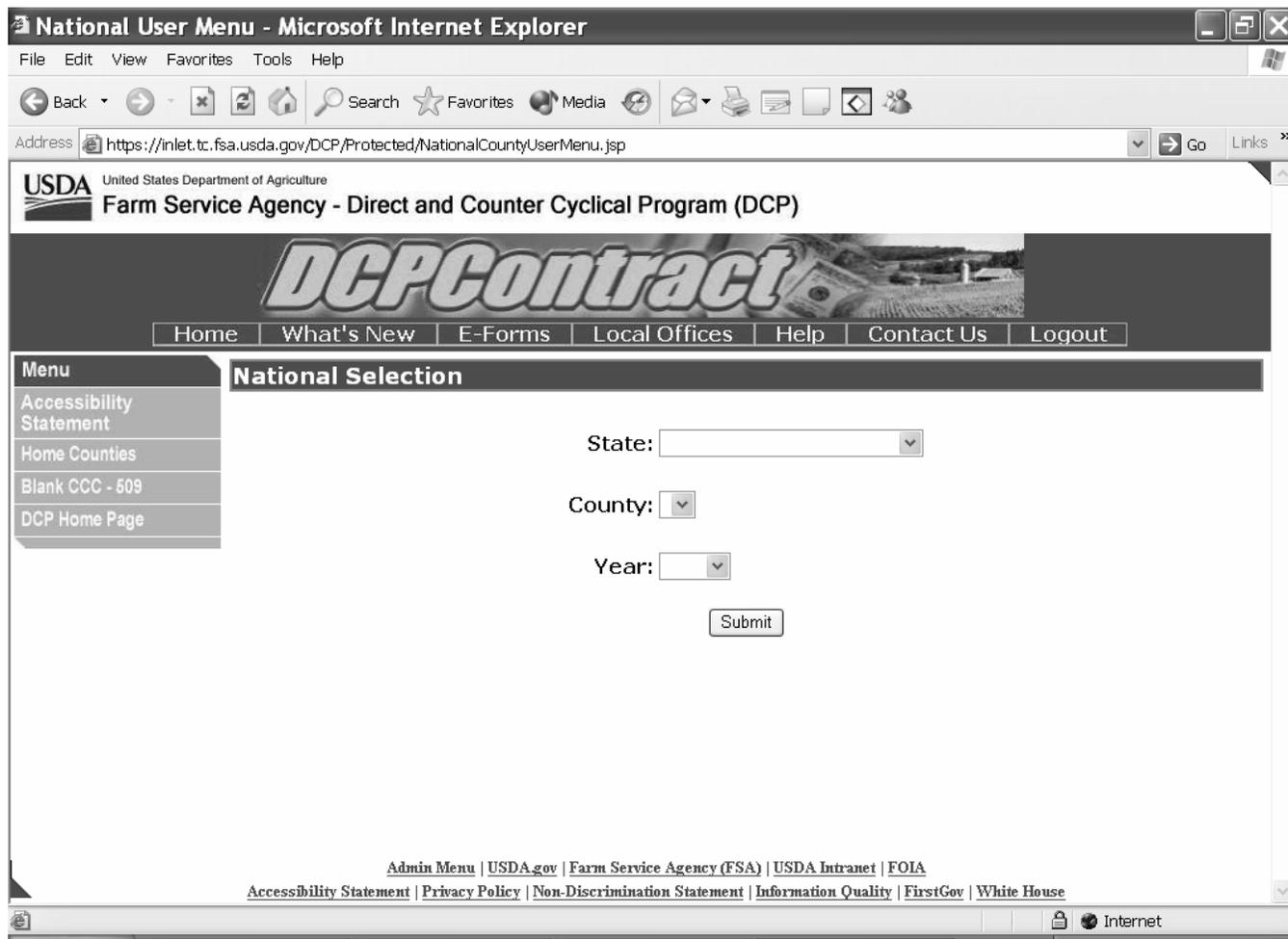
Field/Button	Description	Action
2 nd CC	Manual entry. Box will : <ul style="list-style-type: none"> • be checked if producer previously elected to receive a 2nd CC advance payment • not be checked if producer previously elected to not receive a 2nd CC advance payment. 	Click on the box to: <ul style="list-style-type: none"> • remove the check mark, if producer has decided not to receive the 2nd CC advance payment • add a check mark, if producer has decided to receive the 2nd CC advance payment.
Refuse All *--Direct Payments	Manual entry. Box will : <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • remove the check mark, if producer has decided to not refuse all direct payments • add a check mark if producer has decided to refuse all direct payments.
Refuse All CC Payments	Manual entry. Box will : <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • remove the check mark, if producer has decided to not refuse all CC payments • add a check mark 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.	

***--851 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.

Nationwide customer service can be accessed by selecting Nationwide Customer Service from the menu bar. The National Selection Screen will be displayed. Following is an example of the National Selection Screen.



--*

851 Nationwide Customer Service (Continued)

B Field Descriptions/Actions

Field/Button	Description	Action
State	Drop down box with State names.	Select the applicable State. Only 1 State can be selected at a time.
County	Drop down box 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 box 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

Following is an example of the Search by Producer or Farm Screen that will be displayed when selecting Nationwide Customer Service.

*..



..*

--851 Nationwide Customer Service (Continued)*C Search by Producer or Farm Screen (Continued)**

The ability to switch back to Home Counties is provided on the menu bar.

The functionality of the Search by Producer or Farm Screen in the Nationwide Customer Service Section is the same as applications being loaded in the Home Counties. See paragraph 842 for searching by producer or by 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 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 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 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.--*

***--851 Nationwide Customer Service (Continued)**

G Consolidated by Crop Screen

The functionality of the Consolidated by Crop Screen in the Nationwide Customer Service 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

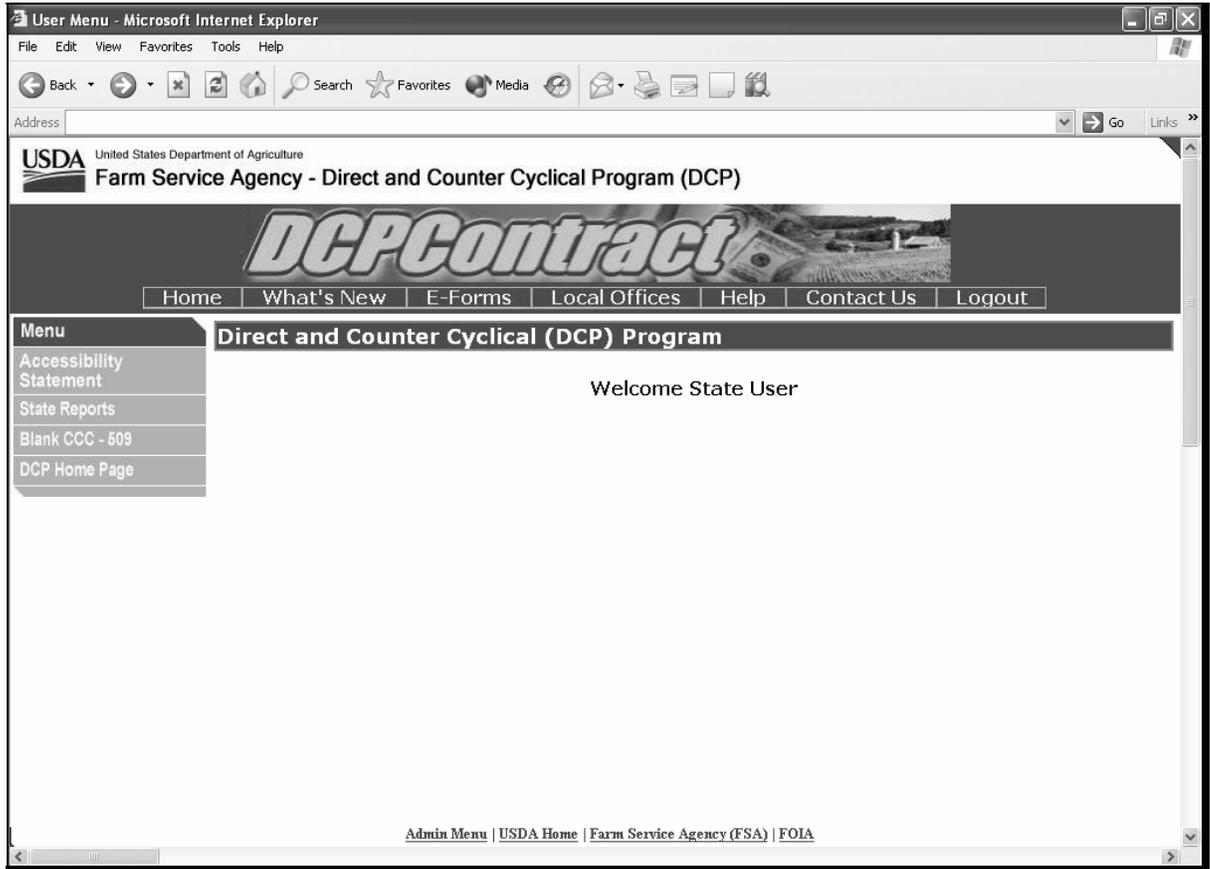
County Offices that process nationwide customer service applications must:

- 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.--*

*--851.5 State Office Access

A Overview

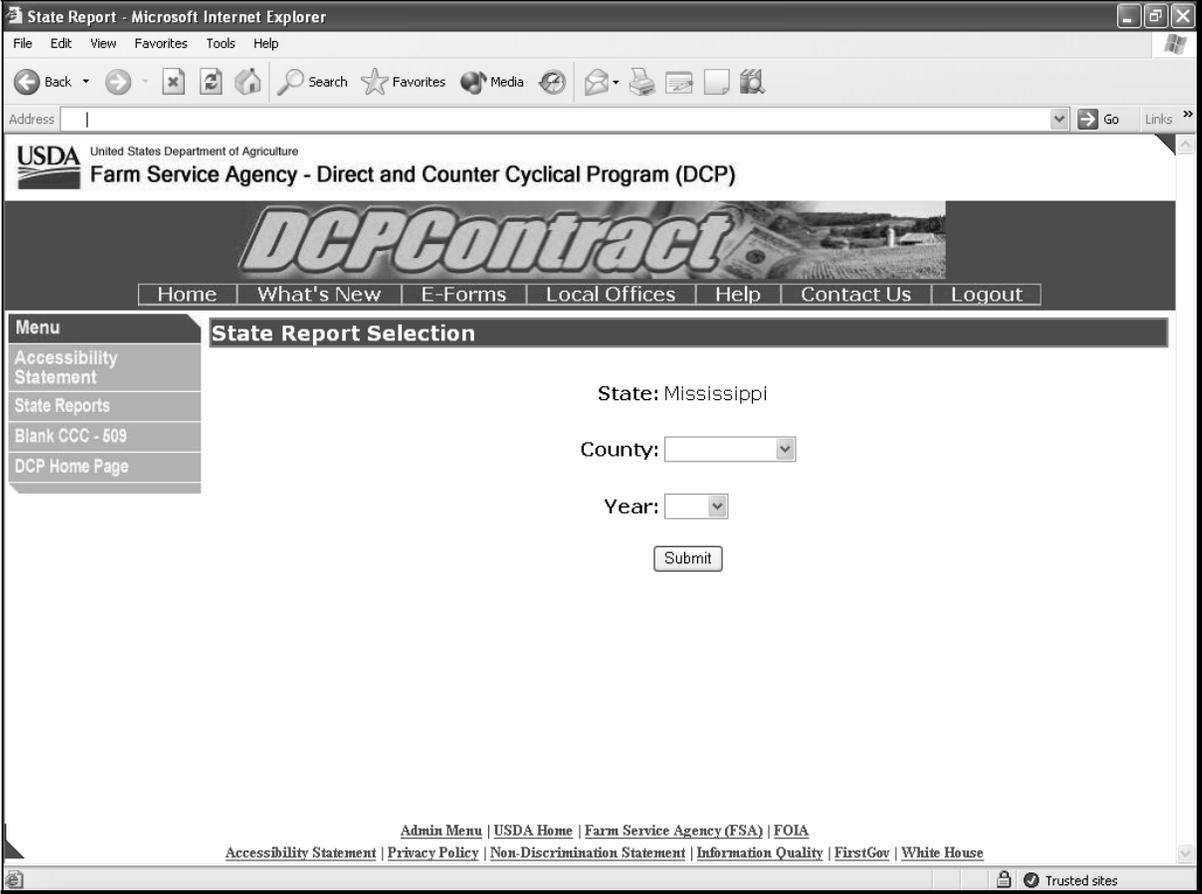
Web-based DCP software allows State Office access. State Office users can access web-based DCP software by entering their eAuthentication user ID and password. The DCP Welcome Screen will be displayed. Following is an example of the Welcome Screen.



*--851.5 State Office Access (Continued)

A Overview (Continued)

State Office users will only have access to State Office reports unless they have been given Nationwide Customer Service access according to subparagraph 840 B. State Office reports can be accessed by selecting State Reports from the menu bar. The State Report Selection Screen will be displayed. Following is an example of the State Report Selection Screen.



*--851.5 State Office Access (Continued)

B Field Descriptions/Actions

The following table provides field descriptions and actions that can be taken on the State Report Selection Screen.

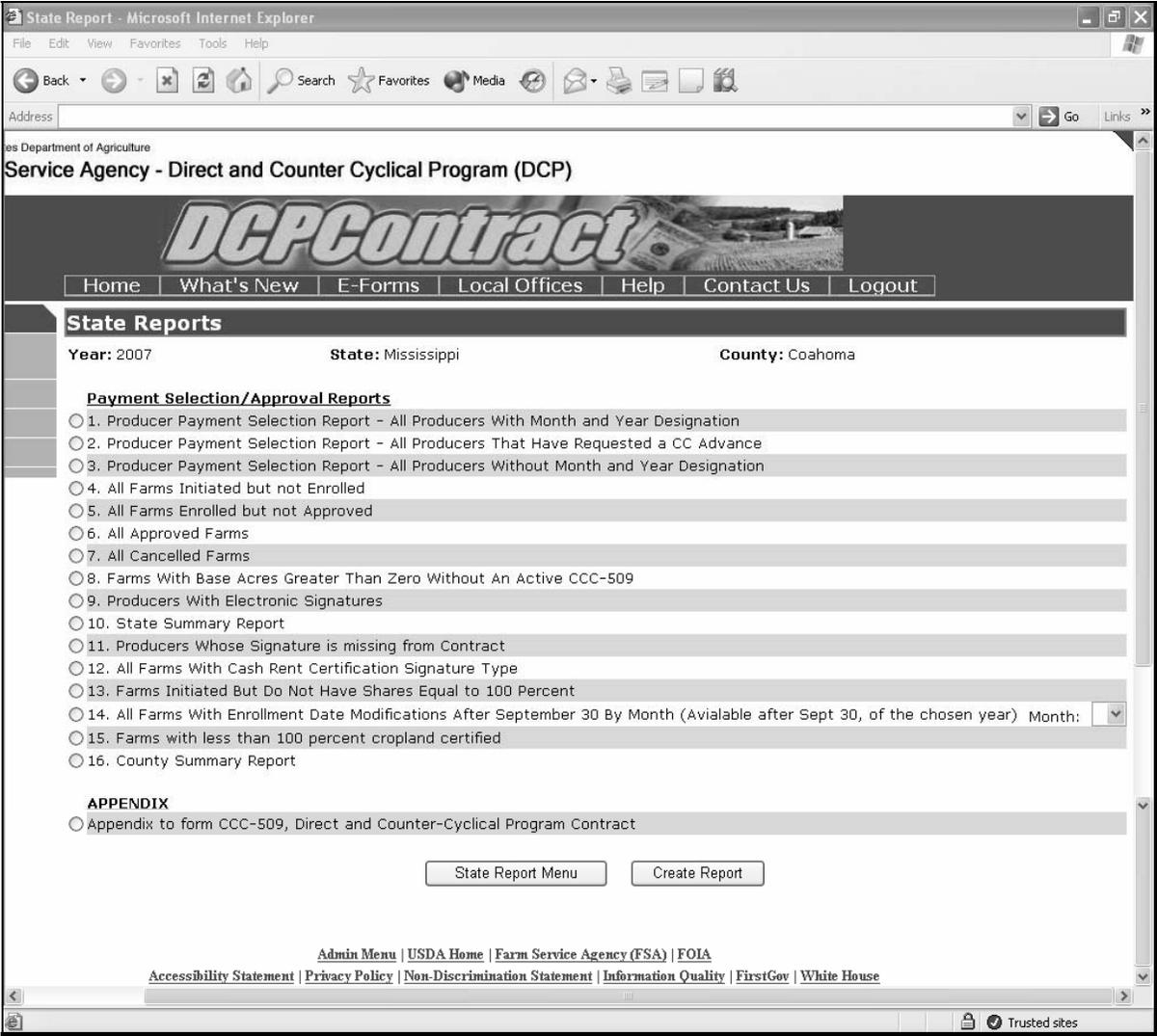
Field/Button	Description	Action
State	The State associated with the user.	
County	Drop-down box with the county names applicable to the users State.	Select the applicable county. Only 1 county can be selected at a time.
Year	Drop-down box with program years.	Select the applicable program year.
Submit	State Reports Screen will be displayed.	

--*

*--851.5 State Office Access (Continued)

C State Reports Screen

Following is an example of the State Reports Screen.



--*

***--851.5 State Office Access (Continued)**

D Description of Reports

The following table 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 1 st or 2 nd 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.
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.

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*--851.5 State Office Access (Continued)

D Description of Reports (Continued)

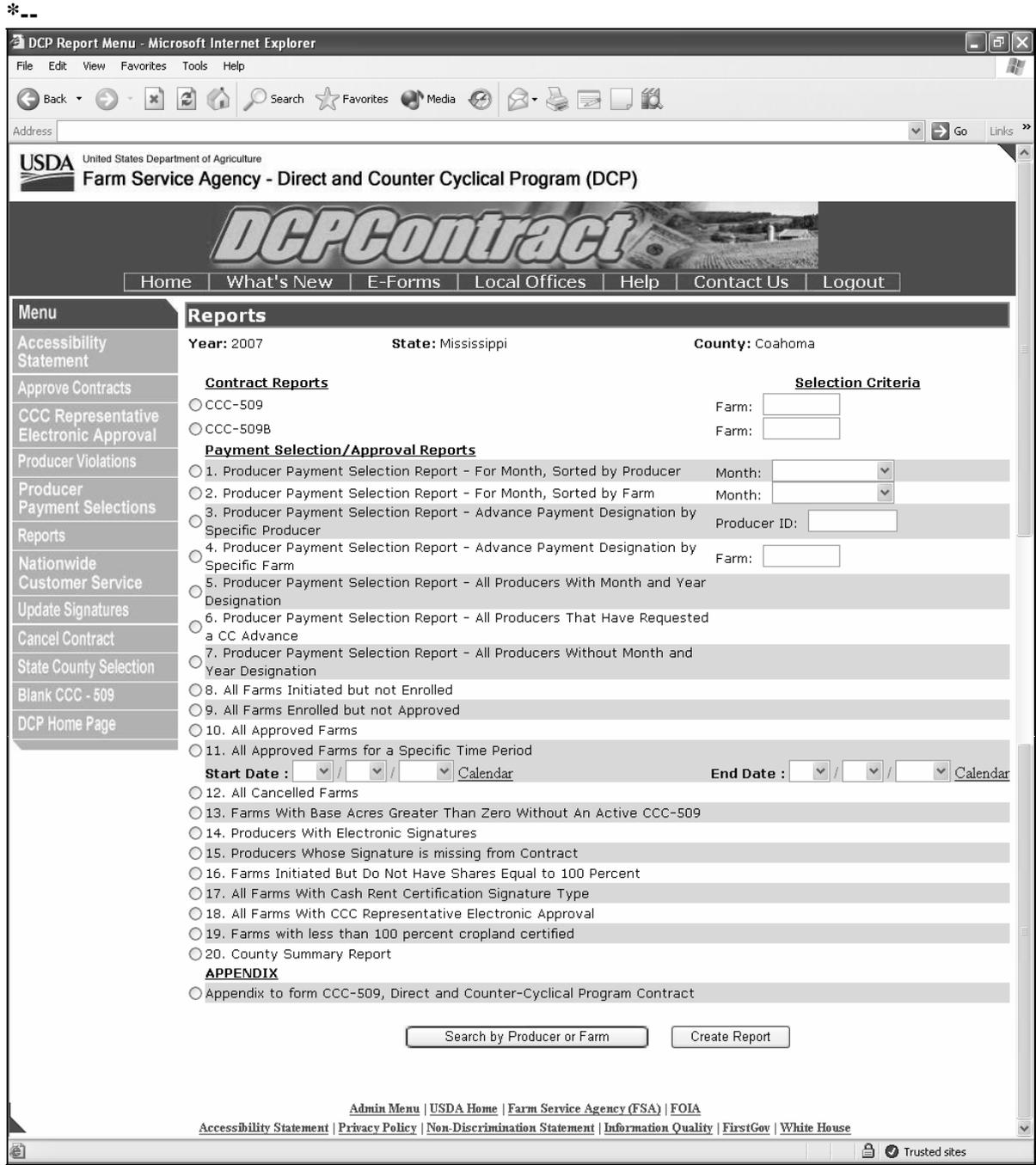
IF user selects the following...	THEN the following will be displayed...
All Farms With Enrollment Date Modifications After September 30 by Month Note: Select a county and a month.	all farms that had an enrollment date modified during the month selected in the county selected on the State Report Selection 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.

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852 Reports

A Overview

Several standard reports are being provided for County Offices to use as tools for DCP signup. To access the Reports Menu, click the "Reports" button on the menu bar. Following is an example of the Reports Screen.



Note: Reports will be displayed as a view with the option to print.

852 Reports (Continued)

B Descriptions of Reports

The following table 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.

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 on the following: <ul style="list-style-type: none"> • Internet Explorer • view • text size • medium.--*
CCC-509B	Select report and enter farm number.	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.
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 1 st or 2 nd counter-cyclical advanced payment.

852 Reports (Continued)

B Descriptions of Reports (Continued)

Report	Action	Result
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.
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.--

852 Reports (Continued)

B Descriptions of Reports (Continued)

Report	Action	Result
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.

853 Update Signatures

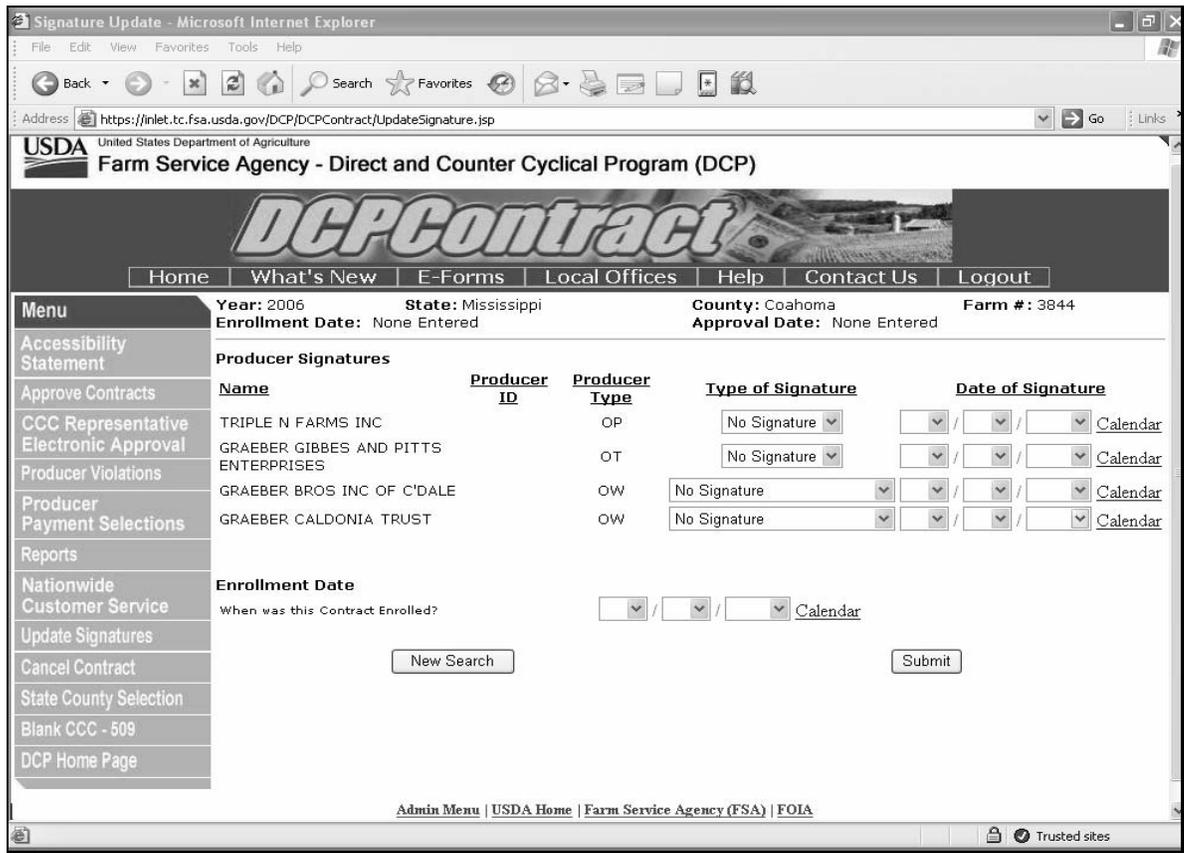
A Overview

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, click “Update Signatures” on the menu link.

Note: Signatures can also be updated on the Consolidated by Producer Screen and Consolidated by Crop Screen.

Following is an example of the Update Signatures Screen.

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*..

*--853 Update Signatures (Continued)

B Field Descriptions/Actions

The following table 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	<p>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.</p> <p>This is a tool to keep track of signatures received for each contract.</p> <p>Producers are not authorized to updated producer signature information.</p>	
Type of Signature	<p>Manual selection. The type of signature provided by the producer.</p> <p>The system will update electronic signatures.</p> <p>See subparagraph 845 C for signature types.</p>	<p>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.</p> <p>Note: Type of signature shall only be updated when the producer actually signs and dates CCC-509.</p>

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853 Update Signatures (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 on or before September 30 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.	

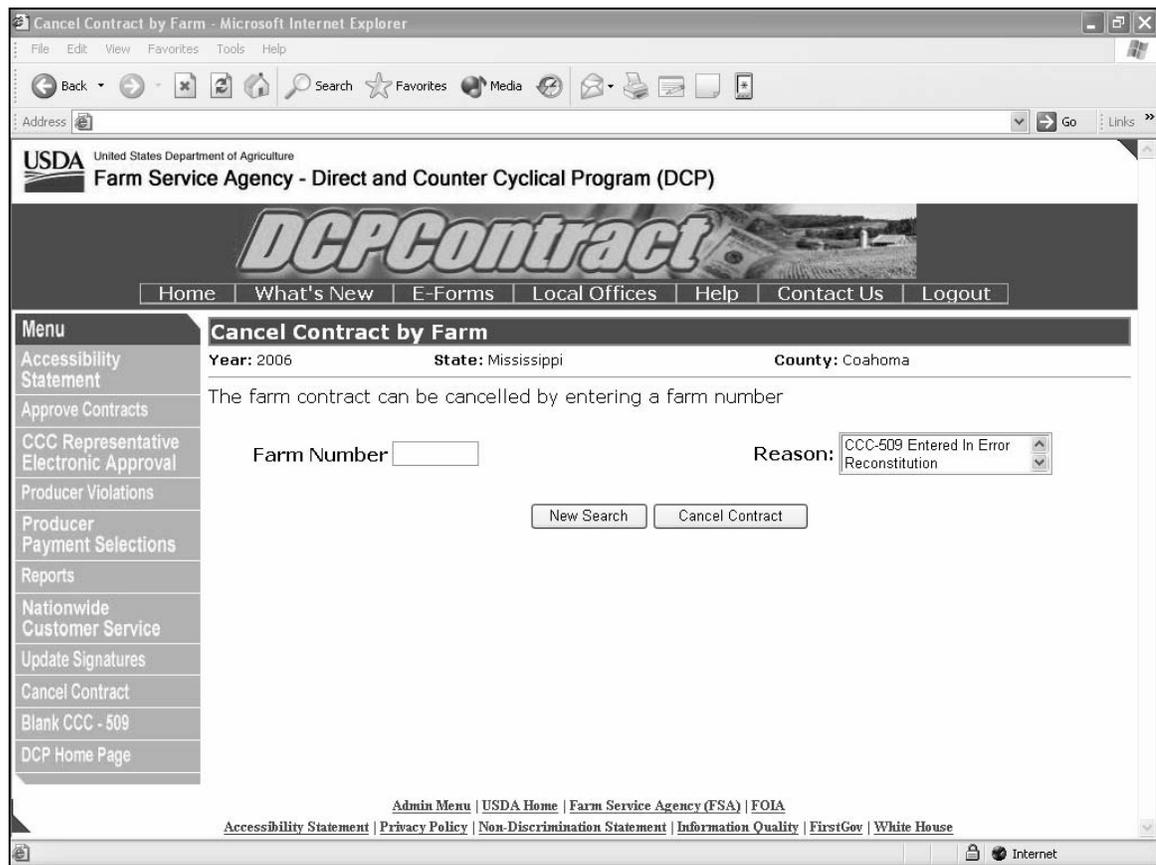
***--854 Cancel Contract**

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, click “Cancel Contract” on the menu link.

Note: Contracts can also be canceled on the Consolidated by Producer Screen and Consolidated by Crop Screen.

Following is an example of the Cancel Contracts Screen.



--*

*--854 Cancel Contract (Continued)

B Field Descriptions/Actions

The following table 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.	<p>The following reasons are provided when canceling a contract. One of the following reason must be selected if the contract is canceled:</p> <ul style="list-style-type: none"> • Acreage Reporting Violation • CCC-509 Entered in Error • Farm Record Modification (automatic cancels will occur) <p>Note: See paragraph 847.</p> <ul style="list-style-type: none"> • 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.	

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*--855 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.

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, 250, 251, 252, 351, 428, Ex. 4
AD-1153	Application for Long-Term Contracted Assistance Through the _____ Program		426.5
CCC-64	Surety Bond (Minor)		448
CCC-184	CCC Check		1, 543
CCC-478	Production Flexibility Contract		100, 426.5, 718, Ex. 2
CCC-490	2003 Crop Hard White Wheat Program Application	572	5
CCC-502	Farm Operating Plan for Payment Eligibility Review		6, 7, 250, 351, Ex. 4
CCC-505	Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acreage Reduction.	66	65, 276, 331, 334, 425, 426, 426.5, 470, 471
CCC-509	Direct and Counter-Cyclical Program Contract	332	Text, Ex. 2, 4, 14.5
CCC-509 Appendix	Appendix to Form CCC-509, Direct and Counter-Cyclical Program Contract	332	11, Ex. 2
CCC-510	Direct and Counter-Cyclical Program (DCP) Cash Rent Certification Statement	Ex. 14.5	390
CCC-515	Direct and Counter-Cyclical Program (DCP) Base and Yield Election Form	303	13, 136.6, 300, 304
CCC-517	Direct and Counter-Cyclical Program (DCP) Tract Redistribution Form		13, 303, 304, 334
CCC-522	Tract Owner Selection of Initial or Subsequent Crop Acreage History	301	13, 302
CCC-526	Payment Eligibility Adjusted Gross Income Certification		6, 7, 351, Ex. 4

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-530	Peanut Quota Holder Buyout Program Contract (QBOP)	540	525, 526, 528, 530, 541, 543, Ex. 2
CCC-530 Appendix	Appendix to Form CCC-530, Peanut Quota Buyout Program Contract (QBOP)	540	Ex. 2
CCC-530 Continuation	Peanut Quota Holder Buyout Program Contract (QBOP) Continuation Sheet	540	541
CCC-531	2002 Peanut Direct and Counter-Cyclical Program Contract (DCP)		250, 252, 253, Ex. 2
CCC-531 Appendix	Appendix to Form CCC-531, 2002 Peanut Direct and Counter-Cyclical Program Contract (DCP)		250, Ex. 2
CCC-576	Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program	473.5	474
CCC-770 DCP	Direct and Counter-Cyclical Program Contract Checklist	Ex. 14	353
CCC-920	Grassland Reserve Program Contract		66, 426.5
CRP-1	Conservation Reserve Program Contract		66, 67, 331, 425, 527
CRP-15	Agreement for Reduction of Bases, Allotments and Quotas		67, 331, 425
FCI-19	Crop Insurance Acreage Report		477
FSA-155	Request for Farm Reconstitution		331
FSA-156-EZ	Abbreviated 156 Farm Record and Tract Listing		100, 426, 426.5, Ex. 13
FSA-211	Power of Attorney		855
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		252, 394, 530
FSA-375 (Peanuts)	Transfer of Peanut Quota		526
FSA-540	Notification of Bases and Yields for DCP		137, 300
FSA-578	Report of Acreage		Text
FSA-658P	Producer's Record of Production	138	101, 131, 137, 137.1, 139, 300, 304
FSA-910	WRP Projected DCP Base Reduction Worksheet	Ex. 13	426

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
APH	actual production history	138, 139
CLU	common land unit	334
CRS	Common Receivable System	543
EFT	electronic funds transfer	542
FAV	fruit and vegetable	Text, Ex. 15
GRP	Grassland Reserve Program	52, 66, 426, 426.5
HWWIP	Hard White Wheat Incentive Program	Text
MPL	marginal pasture land	718
OP	operator	139
OT	other tenants	845
OW	owner	139
PLM	payment limitation (file)	252
QBOP	Quota Buyout Program	Part 10, Ex. 2
RLMS	Representative Link Manager System	855

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

Actual Yield

Actual yield means the production yield per planted acre for a specific year for a crop.

Note: The actual yield for the crop is used for each of the 1998 through 2001 crop years in determining direct payment yields for oilseeds and counter-cyclical payment yields for all covered commodities.

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.--*

Assigned Yield

Assigned yield means the payment yield assigned by COC for wheat, feed grains, cotton, or rice, based on the PFC yields of at least 3 similar farms when a PFC yield is not available for the farm.

Average Acreage

Average acreage means the average of each historic peanut producers' planted and prevented planted acreage of peanuts for harvest for crop years 1998 through 2001, and does not exclude any crop year in which the producer did not plant or was not prevented from planting peanuts.

Definitions of Terms Used in This Handbook (Continued)**Average Yield**

Average yield is the 1998 through 2001 weighted average yield, based on planted acres, including any adjustments made to reflect the minimum average yield for 1 or more crop years when production yields were below 75 percent of the county average yield (or when production evidence is missing or unacceptable).

Note: The average yield is not equal to the direct payment yield or the counter-cyclical payment yield; however, the average yield is used in determining direct payment yields for oilseeds and counter-cyclical payment yields for all covered commodities.

Base Acres

Base acres means, with respect to:

- a covered commodity on a farm, the number of acres of the crop established by the election of the owner or owners of the farm according to the regulations set forth in 7 CFR Part 1412
- peanuts, the number of acres assigned to a farm by historic peanut producers according to the regulations in 7 CFR Part 1412.

Contract

Contract means:

- CCC-509 and CCC-509 Appendix for DCP
- CCC-530 and CCC-530 Appendix for the Peanut QBOP
- CCC-531 and CCC-531 Appendix for the 2002 Peanut DCP for historic peanut producers.

Definitions of Terms Used in This Handbook (Continued)**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.

Counter-Cyclical Payment Yield

Counter-cyclical payment yield means the direct payment yield or partially updated average yield determined for each crop, based upon the election made by the owner(s) of the farm.

County Average Yield

County average yield means the weighted average of the 1998 through 2001 county harvested yields for a crop, using NASS data to the extent practicable.

Note: STC may recommend a yield and request DAFP concurrence, if a county average yield is missing from the System 36 table files.

Covered Commodity

Covered commodity means a crop of wheat, corn, grain sorghum, barley, oats, upland cotton, *-rice (other than wild rice), soybeans, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame, and sunflower seed.--*

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 peanuts, covered commodities and 2002 historic peanut producers.

Direct Payment Yield

Direct payment yield means:

- for covered commodities, the payment yield for the crop from CCC-478 (PFC yield) or the assigned yield
- for oilseeds, the average yield for the farm, based on the 1998 through 2001 crop years, multiplied times the historical yield ratio for the crop.

Dry Peas

Dry peas means Austrian, wrinkled seed, yellow, Umatilla, and green, excluding green peas grown for fresh, canning, or frozen market.

* * *

Definitions of Terms Used in This Handbook (Continued)**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.

Eligible Peanut Quota Holder

Eligible peanut quota holder means the person who owned the peanut quota on a farm as of the date of enactment of the Act, May 13, 2002, which is usually the owner of the land.

Eligible Quota Pounds

Eligible quota pounds means, for payments under the Peanut Quota Buyout Program means the amount of quota owned by the eligible quota holder as of the date of enactment, May 13, 2002, based on the 2001 crop level.

***--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.--*

Excess Base Acres

Excess base acres means the number of base acres established on the farm that exceeds the total 2002 Production Flexibility Contract acres on the farm established under the Federal Agriculture Improvement and Reform Act of 1996.

Extra Long Staple Cotton

Extra long staple cotton means cotton that is produced from pure strain varieties of the Barbados 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.

Definitions of Terms Used in This Handbook (Continued)

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.

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.

Historic Peanut Producer

Historic peanut producer means any producer on a farm in the United States that planted or was prevented from planting peanuts during any or all of crop years 1998 through 2001.

Historical Yield Ratio

Historical yield ratio means a ratio determined by dividing the NASS national average yield for an oilseed for the 1981 through 1985 crops by the NASS national average yield for the oilseed for the 1998 through 2001 crops.

Note: The historical yield ratio is used in determining direct payment yields for oilseeds.

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.--*

Definitions of Terms Used in This Handbook (Continued)**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, wheat, canola, flax, and rapeseed - June 1 - May 31
- upland cotton, peanuts, and rice - August 1 - July 31
- corn, grain sorghum, soybeans, sunflowers, safflower, and mustard - September 1 - August 31.

Minimum Actual Yield

Minimum actual yield means, for 1 or more crop years from 1998 through 2001, 75 percent of the county average yield.

Note: The minimum actual yield is used when the actual yield for a crop year is less than 75 percent of the county average yield; when production evidence is missing or unacceptable; or when some production evidence is missing if the specific conditions of paragraph 135, 136.5, or 136.6 are met.

The minimum actual yield is also known as “the plug”.

***--Net Production**

For DCP purposes, net production is the amount of production free of dockage and based on moisture levels that do not exceed the standard level of moisture according to 2-LP.--*

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.

Oilseed Yield Ratio

Oilseed yield ratio means the result of dividing the national average yield for the crop for the 1981 through 1985 crop years divided by the national average yield for the crop for the 1998 through 2001 crop years.

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.

Partially Updated Payment Yield

Partially updated payment yield means the payment yield elected by the owner or owners of a farm, to be used in determining counter-cyclical payments for the farm.

Note: The owner or owners of a farm must elect the same method to partially update yields for all crops on the farm.

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 2003 through 2007 crop year peanuts, 85 percent of the base acres on a farm

Note: These are the acres on which direct payments and counter-cyclical payments are made.

- 2002 crop year peanuts, 85 percent of the average acres determined for a historic producer.

Definitions of Terms Used in This Handbook (Continued)**Payment Rate for Quota Buyout Payments**

Payment rate for quota buyout payments means, for the purpose of making Quota Buyout Payments is \$.11 per pound, for 5 years, 2002 through 2006, or a 1-time lump sum payment of \$.55 per pound.

Payment Yield

Payment yield means:

- for peanuts, the yield assigned to a farm by historic peanut producers according to §1412.802
- for covered commodities, the yield established for a farm for a covered commodity.

Peanut-Assigned Yield

Peanut-assigned yield means the average yield for peanuts **harvested** in the county in which the farm is located for crop years 1990 through 1997 by irrigated and nonirrigated practice if available.

PFC Payment Yield

PFC payment yield means, for PFC payment commodities, the payment yield from CCC-478, FSA-156-EZ, or other FSA farm records, or assigned yield. The base period for PFC yield computation was 1981 through 1985.

* * *

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)**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.

Tract

Tract means a unit of contiguous land under one ownership, which is operated as a farm, or part of a farm.

Definitions of Terms Used in This Handbook (Continued)**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.

Updated Payment Yield

Updated payment yield means the payment yield of covered commodities elected by the owner of farm to be used in calculating the counter-cyclical payments for the farm.

Upland Cotton

Upland cotton means planted and stub cotton that is produced from other than pure strain varieties of the Barbados 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

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Direct and Counter-Cyclical Program Information Fact Sheet

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 runs from October 1 to June 1 of the applicable program year. CCC-509 must be submitted by June 1 of the applicable program year. CCC-509's with signatures obtained after June 1, but before September 30, will be accepted, but the farm will be assessed a late-filed sign-up fee of \$100. 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 50 percent advance of the direct payment amount, beginning on December 1 of the program year. 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 up to three counter-cyclical payments per year: (1) the first partial payment, if any, is available in October of the calendar year in which the crop is harvested, and cannot exceed 35 percent of the total projected payment; (2) a second partial payment, up to 70 percent of the projected payment, minus the amount of the first partial payment, available the following February; and (3) final payments, if any, are made after the end of the marketing year for the crop. Producers who do not elect to take the first and second advance payments 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.

Summary of Proven Yield Scenarios

Use this table for determining acceptable production evidence when the **entire** acreage was harvested as **grain**.

IF the producer has...	THEN...
verifiable production evidence, such as sales documents, settlement sheets, warehouse records, or crop insurance appraisals for loss purposes	the producer can report the documentation to FSA and keep the records in his or her files until FSA spot checks the producer's report. Note: If actual production is less than 75 percent of the county *--average yield for a year, the producer will receive--* 75 percent of the county average yield.
LDP and/or loan records on file	the producer may use LDP and/or loan records, including fed production, and is required to submit actual production evidence upon request, consistent with LDP requirements. Note: If LDP production is less than 75 percent of the county *--average yield for a year, the producer will receive--* 75 percent of the county average yield.
neither verifiable production evidence nor LDP's/loans, but does have an existing FSA or crop insurance document that shows all production was fed	COC will assign production based on the simple average of yields from at least 3 similar farms, based on records of actual production for the applicable crop year. Note: If assigned production is less than 75 percent of the county average yield, the producer will receive 75 percent of the county average yield.
--fed production, but no existing records to document grain was fed or would be used for feed	see subparagraph 133 D.--

Note: Acceptable records must have been previously filed with FSA or crop insurance for the applicable crop year and satisfactorily documented that grain production was fed, if applicable. If neither crop insurance nor FSA records exist that indicate the acreage and disposition, creating new evidence or revising any previously filed documents to report that crops *--were fed is not authorized, except to document fed production according to subparagraph 133 D.--*

Continued on the next page

Summary of Proven Yield Scenarios (Continued)

Use this table for determining acceptable production evidence when the **entire** acreage was **hayed, silaged, or grazed**.

IF the producer has...	THEN...
verifiable production records indicating the amount of silage, such as sales documents and weight tickets verifiable by a third party	the producer may report the documentation to FSA and keep the records in his or her files until FSA spot checks the producer's report. The silage quantity will be converted to a grain equivalent. Note: If actual production is less than 75 percent of the county average yield, the producer will receive 75 percent of the county average yield.
LDP records on file	the producer may use LDP records indicating acceptable *--production for haying, silage, and grazing, or COC may assign production based on similar farms according to subparagraph 134 D.--* Note: If LDP production is less than 75 percent of the county average yield, the producer will receive 75 percent of the county average yield.
neither verifiable production evidence nor LDP's, but does have an existing FSA or crop insurance document that shows all acres were hayed, silaged, or grazed	COC will assign production based on the simple average of yields from at least 3 similar farms, based on records of actual grain production for the applicable crop year. Note: If assigned production is less than 75 percent of the county average yield, the producer will receive 75 percent of the county average yield.
none of the above	the acreage will receive 75 percent of the county yield as the actual production.

Note: Acceptable records must have been previously filed with FSA or crop insurance for the applicable crop year and satisfactorily documented the amount of acreage that was hayed, silaged, or grazed. If neither crop insurance nor FSA records exist that indicate the acreage and disposition, creating new evidence or revising any previously filed documents to report that crops were hayed, silaged, or grazed is not authorized.

Continued on the next page

Summary of Proven Yield Scenarios (Continued)

Use this table for determining acceptable production evidence when **part** of the acreage was harvested as **grain** and the remainder was **hayed, silaged, or grazed**.

IF the producer has...	THEN...
LDP and/or loan records on file * * *	<p>the producer may use LDP and/or loan records of accepted production for acreage harvested as grain hayed, silaged, or grazed.</p> <p>Note: If LDP production is less than 75 percent of the county average yield for that year, the producer will receive 75 percent of the county average yield.</p>
no LDP or loan, but has verifiable production evidence for the acreage harvested as grain, and has existing FSA or crop insurance documentation that shows the acreage used for haying, silage, or grazing	<ul style="list-style-type: none"> • the producer may use the verifiable production evidence for the acreage harvested as grain • COC will assign the production yield for the acreage harvested for grain to the remaining acreage of the crop on the farm. <p>Note: If total assigned and actual production is less than 75 percent of the county average yield, the producer will receive 75 percent of the county average yield.</p>
neither LDP nor verifiable production evidence for the acreage harvested as grain, but has existing FSA acreage report or crop insurance document that shows the acreage used for haying, silage, or grazing	<ul style="list-style-type: none"> •*--the acreage harvested as grain will receive COC-assigned production from similar farms if existing records indicate the grain was fed or to be fed, or based on provisions in subparagraph 133 D, but in no case less than 75 percent of the county average yield--* • for the acreage that was used for haying, silage, or grazing, COC will assign production based on the actual production of grain from at least 3 similar farms. <p>Note: If total assigned and actual production is less than 75 percent of the county average yield, the producer will receive 75 percent of the county average yield.</p>
no LDP or loan, has verifiable production evidence for the grain acreage, but does not have existing FSA acreage report or crop insurance document that reported acreage and that production was hayed, silaged, or grazed	<ul style="list-style-type: none"> • the producer may use the verifiable production evidence for the acreage harvested as grain • the acreage harvested as other than grain has zero actual production. <p>Note: If actual production is less than 75 percent of the county average yield, the producer will receive 75 percent of the county average yield.</p>
none of the above	the acreage will receive 75 percent of the county yield as the actual production.

Note: Acceptable records must have been previously filed with FSA or crop insurance for the applicable crop year and satisfactorily documented the amount of acreage that was hayed, silaged, or grazed. If neither crop insurance nor FSA records exist that indicate the acreage and disposition, creating new evidence or revising any previously filed documents to report that crops were hayed, silaged, or grazed is not authorized.

Landowner Yield Data Election Request

*--A

Instructions for Completing Request Owners or producers requesting assigned production, based on similar farms or LDP records shall complete, no later than April 1, 2003, the Landowner Yield Data Election Request.

Complete Landowner Yield Data Election Request according to this table.

Item	Instructions
1	Enter the name of the current landowner and current operator for the farm.
2	Enter the applicable FSN, as constituted for FY 2002.
3	Enter crops for which a farm program payment yield will be established.
4 A	For each of the 1998 through 2001 crop years, indicate with an "X", whether or not landowners listed in Item 1 have access to production records.
4 B	For each of the 1998 through 2001 crop years, indicate with an "X", whether or not landowners listed in Item 1 had an interest in the applicable FSN listed in Item 2 as either of the following: <ul style="list-style-type: none"> • tenant • landowner who shared in the risk of producing a crop as a share rent landlord.
5	For each of the 1998 through 2001 crop years, indicate with an "X", whether or not a current tenant on the farm receiving oilseed direct payments or counter-cyclical payments had an interest in the applicable FSN listed in Item 2 as either of the following: <ul style="list-style-type: none"> • tenant • landowner who shared in the risk of producing a crop as a share rent landlord.
6	The landlord or operator completing the election request must sign. The person making the request must have an interest in the farm as landowner or operator at the time the request is filed and must have sufficient knowledge for the farm to be able to make the certifications for the both the current landowner and current operator.

--*

Continued on the next page

Landowner Yield Data Election Request (Continued)

1. **Name of Landowner/Operator:** _____

2. **FSA Serial Number of Farm** _____

3. The landowner(s) of the above-referenced farm requests that a farm program payment yield for the purpose of making oilseed direct payments and counter-cyclical payments under the Farm Security and Rural Investment Act of 2002 (the 2002 Act) be established by the Commodity Credit Corporation (CCC) for the following crop acreage bases:

Crop(s)

These yields will be the average of the yields for the crop years 1998-2001. The landowner(s) understand that the counter-cyclical farm program payment yield may be established by using:

- the farm program payment yield established by COC for the purpose of making direct payments under the 2002 Act; or
- actual production data from each of the 1998-2001 crop years.

The landowner(s) also understand that the direct payment yield for oilseeds may be established by using actual production data from each of the 1998-2001 crop years.

4. The landowner(s) certify that the landowner has elected to use actual production data from each of the 1998-2001 crop years to establish oilseed direct payment yields and/or counter-cyclical farm program payment yields but that:

A. the landowner(s) listed above did (did not) have access to crop production documentation for the year indicated:

Crop Year	Yes, there was access by one or more such landowners	No, there was not access by any such landowner
1998		
1999		
2000		
2001		

Continued on the next page

Landowner Yield Data Election Request (Continued)

B. The landowner(s) listed above did (did not) have an interest in such farm as:

- a tenant; or
- a landowner who shared in the risk of producing a crop as a share rent landlord for the year indicated.

Crop Year	Yes, one or more landowners did have such an interest in the farm	No, a landowner did not have such an interest in the farm
1998		
1999		
2000		
2001		

5. A current tenant on the farm receiving oilseed direct payments or counter-cyclical payments did (did not) have an interest in such farm as:

- a tenant; or
- a landowner who shared in the risk of producing a crop as a share rent landlord for the year indicated:

Crop Year	Yes, such a tenant did have an interest in the farm	No, such a tenant did not have an interest in the farm
1998		
1999		
2000		
2001		

- The landowner(s) understand that for each year in which a block was marked “Yes” in paragraph 2, the yield to be used in determining the oilseed direct payment or counter-cyclical payment yield for the farm will be determined by using the higher of:
 - 75 percent of the county average yield for the crop as determined by COC; or
 - the actual production of the crop as evidenced by production records presented by the landowner(s).

For each year in which a block was not marked “Yes” in paragraph 2, the COC will assign a yield based on LDP records for that farm or similar farms in the county. In no case shall the assigned yield based on similar farms exceed the county average yield. The assigned yield is applicable to determine production only for the specific acreage on which production records cannot be obtained.

Continued on the next page

Landowner Yield Data Election Request (Continued)

- 6. The landowner(s) understand that after yields from similar farms are used to determine the yield, COC will notify the landowner(s) of the similar farms that were used. At that time, the landowner(s) may agree to the farms selected by COC or the landowner(s) may identify the same number of other farms in the county that the landowner(s) believe should be used. For each farm selected by the landowner(s), a short written statement must be provided to COC stating why the farm selected by the landowner(s) is more representative of their farm. If COC does not use a farm selected by the landowner(s), COC will provide a statement to the landowner(s) setting forth the basis for the decision of COC to reject the farms selected by the landowner(s).

Landowner/Operator

***--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 if 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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	<p>Determine the total projected DCP base reduction for the farm based on the proposed WRP offer by adding:</p> <ul style="list-style-type: none"> • required DCP base reduction determined in item 11, plus • required reduction of double-cropped acreage determined in item 13. <p>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.</p> <p>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.</p>

--*

*--FSA-910, Wetland Reserve Program Projected DCP Base Reduction Worksheet (Continued)

B Example of FSA-910

The following is an example of FSA-910.

<p>This form is available electronically.</p> <p>FSA-910 (12-04-06)</p> <p>U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency</p> <p>WETLAND RESERVE PROGRAM PROJECTED DCP BASE REDUCTION WORKSHEET</p> <p>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.</p>					<p>A. State:</p>
					<p>B. County:</p>
					<p>C. Farm Number:</p>
<p>PART A – INFORMATION ABOUT THIS FARM</p> <p>Determine this information from the FSA-156EZ form obtained from the local FSA Office for the applicable farm.</p>					
1. CROPLAND	2. DCP CROPLAND	3. EFFECTIVE DCP CROPLAND	4. DOUBLE-CROPPED ACRES	5. TOTAL DCP BASE ACREAGE	
<p>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.</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>					
<p>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.</p>					
<p>8. Double-cropped acreage included in total DCP base acres. Item 5 minus Item 3. If the result is negative, enter 0.</p>					
<p>PART B – PROJECTED DCP BASE REDUCTION</p>					
<p>9. Proposed total number of cropland acres being offered for WRP enrollment.</p> <p>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.</p>					
<p>10. Available cropland acreage for the farm determined in Item 7.</p>					
<p>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.</p>					
<p>12. Revised effective DCP cropland. (Item 3 minus Item 11)</p>					
<p>13. Is the available double-cropped acreage determined in Item 8 greater than the revised effective DCP cropland determined in Item 12?</p> <p><input type="checkbox"/> YES. Subtract the revised effective DCP cropland determined in Item 12 from the available double-cropped acres for the farm determined in Item 8.</p> <p>Note: Double-cropped acreage cannot be greater than the effective DCP cropland. Therefore then an additional reduction to DCP base acres is required.</p> <p><input type="checkbox"/> NO. Enter zero.</p>					
<p>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)</p>					
<p>15. Number of additional DCP base acres that are voluntarily retired through enrollment in WRP.</p> <p>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.</p>					
<p>16. Total projected DCP base reduction for the farm based on the proposed WRP offer. (Item 14 plus Item 15)</p> <p>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.</p> <p>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.</p>					
<p>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.</p> <p>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/forms/mainsefnet.</p>					
<p><small>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.</small></p>					

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CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist

A Contract Checklist

The concept for CCC-770 DCP dated “12-11-06” is that action required for contract administration and payment processing have been separated. CCC-770 DCP includes action required only during the contract period that is applicable to CCC-509 itself.

Note: See 2-DCP for DCP payment processing provisions.

CCC-770 DCP:

- shall be used for each contract filed
- is contract specific, in that separate checklists are **not** required for each producer associated with a CCC-509
- ~~is~~ **mandatory**, beginning with the **2007** contract period~~--*~~

Note: CCC-770 DCP developed by the National Office is the only authorized checklist for DCP. County Offices **shall not** use State- or locally-developed checklists for administration of DCP.

- does not negate STC, SED, State Office, DD, COC, CED, and County Office responsibility for administering all provisions applicable to DCP.

Reminder: County Offices shall ensure that eligibility has been updated according to CCC-770 Eligibility before payments are issued to applicable producers.

B Maintaining CCC-770 DCP

CCC-770 DCP is applicable for the contract period and is separated into 2 parts.

- Part A addresses items that shall be verified before issuing advance DCP direct payments.
- Part B addresses items that shall be verified before issuing final DCP direct and all counter-cyclical payments.

Ideally, the checklist should be filed in the contract folder and updated throughout the contract period as required action is completed.

Example: Producer A files CCC-509 and all signatures were obtained in December 2006, however FSA-578 is not completed until June 2007. The questions about enrollment and signatures can be completed when the contract is filed, however the questions about whether FAV's have been planted on the base acreage cannot be completed until a complete acreage report is filed.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

C Retention Period

All CCC-770 DCP's shall be retained in the DCP contract folder with CCC-509, according to 25-AS, Exhibit 33.6. If a new CCC-770 DCP is initiated because of a revision to a CCC-509, the original CCC-770 DCP shall be retained, along with the revised CCC-770 DCP.

Destroy CCC-770 DCP when CCC-509 is destroyed.

D County Office Action

*--County Offices shall check (✓) the "Yes" or "No" column for all questions on CCC-770 DCP, with the following exceptions:

- a response is not required for items:
 - 7B unless the answer to item 7A is "Yes"
 - 14A, 14B, and 14C unless the answer to item 14 is "Yes"
- "N/A" shall be entered in the "No" column for items:
 - 9B if the question is not applicable to CCC-509
 - 14B and 14C if the answer to item 14A is "No"
 - 15 if CCC-509 was approved for advance payment processing and there have not been any changes to CCC-509 that COC approved.--*

The County Office employee that completes each item on CCC-770 DCP:

- is certifying that the applicable program provisions have, or have not, been met
- shall place their initials in the "Initial" column
- shall enter the date the item was reviewed in the "Date" column.

Note: As an alternative, County Offices may opt to review all items after COC has approved CCC-509; however each item must still be initialed and dated verifying that each item has been reviewed.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

D County Office Action (Continued)

Once all questions in the applicable part of CCC-770 DCP have been answered in a manner that supports the approval of the applicable CCC-509, any County Office employee that initials items:

- 5 through 9, shall sign item 10 as the preparer
- 13 through 15, shall sign item 16 as the preparer.

Note: By signing as the preparer, the employee is not certifying that they have reviewed all items in the applicable part of the checklist. Rather, their signature certifies that the item with their initials was reviewed and that the applicable program provisions have, or have not, been met.

Additionally, County Offices shall:

- initiate a CCC-770 DCP if CCC-509 is revised at any point during the contract period
- not enter the COC approval date in the automated system if any item on CCC-770 DCP is *--answered "No" with the exceptions of items 8B and 14

Note: The enrollment deadline for participation in 2007 DCP has been extended from June 1 to August 3. County Offices shall answer item 7A based on whether the contract was enrolled by the specified deadline.--*

- ensure that the automated system is updated immediately by entering or removing the COC approval date, as applicable, to ensure that payments are timely and are not issued in error

Example: Producer A files CCC-509 indicating he has a cash lease for 100 percent of the base acres and he provides a cash rent certification statement. Policy provides that CCC-509 shall not be approved by COC until after June 30. However, if COC approves the contract prematurely:

- the COC approval is invalid
 - item 9a shall be answered "No"
 - the approval date shall not be updated in the automated system
 - COC shall review the contract again after June 30.
- refer to the applicable handbook provision(s) as specified for additional information.

Reminder: County Offices cannot rely solely on using CCC-770 DCP for administering DCP. All program provisions must be met, not just the items included on CCC-770 DCP. CCC-770 DCP is a tool to assist with program administration and includes the major areas where deficiencies have been identified, but it is not, nor is it intended to be, inclusive of all DCP program provisions.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

E CED Action

CED or their designated representative shall:

- *--use the “All Approved Farms for a Specific Time Period” report, according to paragraph 852, to identify all CCC-509’s that have been approved by COC
- spot check, **at a minimum**, the following **every** FY quarter for each Service Center, beginning with the 2007 contract period:--*
 - five CCC-770 DCP’s, if 10 or less CCC-509’s have been approved by COC
 - ten CCC-770 DCP’s, if 11 through 1,000 CCC-509’s have been approved by COC
 - twenty CCC-770 DCP’s, if more than 1,000 CCC-509’s have been approved by COC
- *--shall spot check every STC’s, COC’s, and employee’s CCC-770 DCP, in addition to the minimum spot checks listed above.--*

Note: The National Office will explore development of software to generate a spot check report. Until that time, CED shall randomly select a sample for review as specified above.

When spot checking information certified on CCC-770 DCP, CED’s or their designated representative shall:

- review each part of CCC-770 DCP that has been completed
- indicate whether or not they concur with the certification of items 5 through 9 and/or items 13 through 15, as applicable
- sign and date item 11 and/or 17, as applicable
- report to COC and the STC representative any CCC-770 DCP in which CED does not concur with the preparer’s determination.

Example: Producer A is the owner-operator of FSN 1 and there are no other producers associated with the farm. Producer A files CCC-509 for FSN 1 on January 10. The DCP program technician completes items 5 through 9 and the COC approval date is updated in the DCP web-based system. CCC-509 is pulled for spot check on March 15.

Since only items 5 through 9 have been completed on CCC-770 DCP, CED shall review CCC-509 to ensure that all program provisions have been met and that the items on CCC-770 DCP have been completed as indicated. CED shall then indicate whether they concur or do not concur with the preparer, sign in item 11A, and enter the date of their review in item 11B.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

F STC or Designee Spot Checks

The State Office shall select the following for spot check by STC or their representative, **at a minimum**, every FY quarter in each Service Center:--*

- three CCC-770 DCP's, if 10 or less CCC-509's have been approved by COC
- five CCC-770 DCP's, if 11 through 1,000 CCC-509's have been approved by COC
- ten CCC-770 DCP's, if more than 1,000 CCC-509's have been approved by COC.

Note: The National Office will explore development of software to generate a spot check report. Until that time, the State Office shall randomly select a sample for review as specified above.

STC or their designee shall:

- spot check CCC-770 DCP's selected by the State Office
- spot check, **at a minimum**, 50 percent of the CED's spot checks in subparagraph E, which must include the required STC, COC, and employees spot check

***--Note:** Spot checks of STC, COC, and employees are in addition to the 50 percent of the CED's spot checks.--*

- submit the results of the spot checks to SED.

When spot checking information certified on CCC-770 DCP, STC or their designee shall:

- review each part of the checklist that has been completed
- indicate whether or not they concur with the certification of items 5 through 9 and/or items 13 through 15, as applicable
- shall sign and date item 12 and/or 18, as applicable.

***--G National Report**

SED's shall report the following to the National Office as of September 30 of each FY by county.

- Number of CCC-770 DCP's spot-checked by CED.
- Number of CCC-770 DCP's spot-checked by STC or their designee.
- Number of "No Not Concur" signed by CED.
- Number of "Do Not Concur" signed STC or designed.

SED shall e-mail the report to Tracey.Smith@wdc.usda.gov. Reports are due to the National Office by the 4th Monday of the new FY.--*

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

H Example of CCC-770 DCP

Following is an example of CCC-770 DCP.

This form is available electronically.

CCC-770 DCP (12-11-06)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. State Name	2. County Name
DIRECT AND COUNTER-CYCLICAL PROGRAM CONTRACT CHECKLIST				3. Crop Year	4. Farm Number
<i>County Offices shall ensure that eligibility has been updated according to CCC-770 Eligibility before payments are issued for applicable producers.</i>					
PART A – FOR DCP DIRECT ADVANCE PAYMENTS					
Office Staff Actions:			Handbook or Other Reference	YES	NO
			Initials	Date Completed	
5. Have all signatures, or other supporting documentation such as a cash lease or cash rent certification statement, been obtained for all tenants and owners associated with the farm?			1-DCP, paragraphs 370-394		
6. Has signature authority been verified for all signatures on the CCC-509?			1-CM, Part 25		
7A. Was the contract enrolled by June 1 of the applicable contract period?			1-DCP, paragraph 390		
7B. If "NO," were all signatures for producers sharing in the base acres obtained by September 30 of the contract period and was the \$100 late-filed fee collected for the farm?					
8A. Have the division of payment provisions been satisfied for all producers sharing in the base acres on the CCC-509?			1-DCP, paragraphs 351-357		
8B. Is the landowner's share on the CCC-509 greater than their share on the CCC-509 for the previous contract period?			1-DCP, subparagraph 6E		
9A. Is the CCC-509 signed, dated, and approved by the COC or an authorized designee?			1-DCP, paragraph 353		
9B. If a cash rent certification was provided by the producer, was the contract approved after June 30 of the applicable contract period?			1-DCP, subparagraph 390E		
10A. Signature of Preparer		Date	10B. Signature of Preparer		Date
10C. Signature of Preparer		Date	10D. Signature of Preparer		Date
11. I concur/do not concur the above items have been verified and updated accordingly:				<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
11A. CED Signature for Spot Check			11B. Date		
12. I concur/do not concur the above items have been verified and updated accordingly:				<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
12A. DD Signature for Spot Check			12B. Date		
PART B – FOR DCP DIRECT FINAL AND COUNTER-CYCLICAL PAYMENTS					
<i>Note: In addition to the items below, the items in Part A must be completed before final direct and any counter-cyclical payments are issued.</i>					
Office Staff Actions:			Handbook or Other Reference	YES	NO
			Initials	Date Completed	
13. Does each producer sharing in the base acreage control enough effective DCP cropland to support their share of the DCP base acres on the CCC-509?			1-DCP, paragraph 354		
14. Are FAV's planted on the farm?			1-DCP, Part 8 4-CP		
14A. If "YES", are the FAV's planted on DCP base acreage?					
14B. If "YES", do any of the FAV exceptions apply?					
14C. Has the acre-for-acre reduction and FAV violation, as applicable, been recorded in the compliance system?					
15. If not approved for advance payments, is the CCC-509 signed, dated, and approved by the COC or an authorized designee?			1-DCP, paragraph 353		
16A. Signature of Preparer		Date	16B. Signature of Preparer		Date
16C. Signature of Preparer		Date	16D. Signature of Preparer		Date
17. I concur/do not concur the above items have been verified and updated accordingly:				<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
17A. CED Signature for Spot Check			17B. Date		
18. I concur/do not concur the above items have been verified and updated accordingly:				<input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur	
18A. DD Signature for Spot Check			18B. Date		

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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.--*

***--CCC-510, Direct and Counter-Cyclical (DCP) Cash Rent Certification Statement (Continued)**

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 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.

<p>This form is available electronically.</p> <p>CCC-510 U.S. DEPARTMENT OF AGRICULTURE (05-10-07) Commodity Credit Corporation</p> <p>DIRECT AND COUNTER-CYCLICAL (DCP) CASH RENT CERTIFICATION STATEMENT</p>				1. STATE NAME
				2. COUNTY OFFICE NAME
				3. CONTRACT PERIOD
<p>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.</p> <p>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, 541, 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.</p>				
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				
<p>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.</p>				
11. Signature of Lessee			12. Date (MM-DD-YYYY)	
PART B - LEASE DEFINITIONS FOR DCP PROGRAM PURPOSES				
<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>				
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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	chick-peas/garbanzo beans
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	teff
saodilla	tindora
sapote	tomatillos
savory	tomatoes
scallions	turnip greens
shallots	turnips
shiso	watercress
spinach	watermelons
squash	white sapote
strawberries	*--yams
suk gat	yu choy--*

