

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

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**Crop Assistance Program  
1-CAP**

**Amendment 2**

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



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraphs 1 B and 3 A have been amended to clarify that assistance is limited to eligible crop acreage in a disaster county suffering loss because of excessive moisture or related condition.

Subparagraph 3 B has been amended to specify that FSA-860's are for the 2009 farm.

Subparagraph 4 B has been amended to clarify STC authority of FSA-860 review.

Subparagraph 7 A has been amended to clarify that producers are entitled to seek review or appeal according to 1-APP.

Subparagraph 7 B has been amended to specify that the cut-off date of October 22, 2010, for 2009 crop acreage on FSA-578 is a program condition of eligibility and not subject to appeal.

Subparagraph 9 F has been amended to specify that STC shall establish a minimum number required for spot checks.

Paragraph 21 has been amended to:

- specify that FSA-860 is a self-certification of the producer who is subject to spot check
- clarify that, unless otherwise determined necessary by FSA or COC, verifications do **not** need to be performed before processing applications.

Paragraph 22 has been amended to:

- clarify that for CAP if 50 percent or more of a tract's acreage is in a disaster county, as specified in this handbook, the entire tract will be considered to be in the disaster county
- require adherence to FSA-770 CAP, item 10 for verifying that acres on FSA-860 are eligible
- reiterate that late-filed FSA-578's to increase crop acreage are **not** permitted under CAP
- incorporate instructions for revising shares on FSA-860.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraph 47 E has been amended to clarify that producers are always responsible for providing acceptable records to support whatever application the producer may file.

Subparagraph 49 C has been amended to provide guidance on commingled production.

Paragraph 78 has been added to provide guidance about the limitation on disaster counties and crop acreage for CAP to be consistent with the regulation.

Subparagraph 111 A has been amended to clarify qualifying loss and changes to quality verifications of farm-stored production.

Subparagraph 111 F has been amended to remove the requirement that quality tests for farm-stored production must be completed by January 1, 2010.

Subparagraph 141 B has been amended to specify that the share of the crop shown on FSA-860 is the producer's ownership share of the eligible crop acreage in a disaster county on a farm, consistent with regulations.

Subparagraph 141 C has been amended to specify that FSA-860 is a self-certification of the producer who is subject to spot check.

Subparagraph 141 H has been amended to specify how and when FSA-860's may be amended or withdrawn.

Subparagraph 142 C has been amended to provide guidance on:

- tracts having crop acreage inside and outside a disaster county
- how to process certain applications having zero determined acreage entered.

Subparagraph 142 D has been amended to:

- reiterate policy about a share on FSA-860
- provide guidance on what to do if a share is incorrect on FSA-860.

Subparagraph 142 G has been amended to specify that producers are due decisions from FSA only on applications submitted.

Subparagraph 142 H has been amended to correct a payment calculation in FSA-860, item 13.

Subparagraph 143 A has been amended to:

- confirm that producer has filed CCC-902 in step 1
- specify applicable selections for crops that suffered a 5 percent or greater loss in step 4.

Subparagraph 187 A has been amended to remove references to an automated payment process.

**Amendment Transmittal (Continued)**

**A Reasons for Amendment (Continued)**

Subparagraph 188 B has been amended to require a payment limitation ledger only for multi-county producers or individuals expected to reach the payment limitation.

Subparagraph 190 A has been amended to clarify that payment reductions must be applied before payments are issued.

Subparagraph 193 B has been amended to remove actively engaged and cash rent tenant from item 5.

Subparagraph 194 A has been amended to reference that the prompt payment due date is 30 calendar days from the later of the date the producer signs the application or submits all supporting documentation.

Exhibit 2 has been amended to update the date in the “eligible crops” definition.

<b>Page Control Chart</b>		
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## Part 1 General Information and Administrative Provisions for 2009 CAP

### 1 Overview

#### A Handbook Purpose

This handbook provides instruction for administering 2009 CAP, which is applicable to eligible producers who experienced losses in counties for which a primary Secretarial disaster designation was issued based on excessive moisture and related conditions for the 2009 crop year.

#### B Coverage

2009 CAP:

- provides assistance to producers of long grain rice, medium or short grain rice, upland cotton, soybeans, or sweet potatoes in a disaster county
- assistance is triggered for eligible producers who certify to a 5 percent or greater loss of \*--an eligible crop because of excessive moisture and related condition on a farm in a--\* disaster county in 2009
- payments are based on a predetermined crop specific payment rate multiplied by the farm's planted or considered planted crop acreage in the disaster county as reflected on the 2009 crop year FSA-578.

A disaster county is a county included in the geographic area covered by a qualifying natural disaster designation. For CAP, the term "disaster county" is limited to those primary counties designated a disaster by the Secretary for excessive moisture or related conditions, which are limited to designations based on any of the following:

- |                   |                                       |
|-------------------|---------------------------------------|
| • flood           | • flash flooding                      |
| • excessive rain  | • moisture                            |
| • humidity        | • severe storms                       |
| • thunderstorms   | • ground saturation or standing water |
| • hail            | • winter storms                       |
| • ice storms      | • snow blizzard                       |
| • hurricane       | • typhoons                            |
| • tropical storms | • cold wet weather.                   |

## 1 Overview (Continued)

### C Related Handbooks

Related handbooks include the following.

<b>IF the material concerns...</b>	<b>THEN see...</b>
referring possible fraud cases to OIG	9-AO.
appeals	1-APP.
signatures, powers of attorney, names and addresses, controlled substances, deceased individuals, or closed estates	1-CM.
cotton quality discounts	7-CN.
acreage reporting, compliance, prevented planting	2-CP
HELIC/WC	6-CP.
requests for relief and finality rule provisions	7-CP.
EFT's	1-FI.
accounting interface	6-FI.
bankruptcy flags, claims, and withholdings	58-FI.
prompt payment interest	61-FI.
assignments and joint payees	63-FI.
establishing and report receipts and receivables on NRRS	64-FI.
establishing and reporting debts in CRS	67-FI.
providing public information	2-INFO.
rice and soybean quality discounts	2-LP.
AGI, payment eligibility, payment limitation, and person determinations	1-PL.
eligibility flags, payment limitation allocations, and recording determinations	3-PL.

## 2 Authorities

### A Source of Authority

The Agriculture Adjustment Act of 1935, (Pub. L. 74-320, 7 U.S.C. 612c), Section 32, Clause 3 authorizes the implementation of CAP.

### B Regulatory Authority

Regulations for CAP are provided in 7 CFR Part 760, Subpart H.

### 3 General Information

#### A 2009 CAP Assistance

\*--CAP is applicable to eligible producers who experienced eligible crop losses because of excessive moisture and related condition on a farm in a disaster county.--\*

#### B Signup

The signup period for CAP begins October 25, 2010, and ends December 9, 2010.

\*--FSA-860's **must** be filed in the administrative county for the 2009 farm.--\*

**Notes:** Producers must be in SCIMS with a legacy link to the county accepting FSA-860 to apply and receive benefits under this disaster program.

If a producer is **not** in SCIMS with a legacy link to the county accepting FSA-860, then add the producer to SCIMS, and create the legacy link according to 1-CM.

#### C Modifying Provisions

Provisions in this handbook shall **not** be revised without prior approval from the National Office.

**Important:** Revisions include adding, deleting, editing, clarifying, supplementing, or otherwise amending any procedure, form, or exhibit.

A separate State or county handbook shall **not** be created.

3 General Information (Continued)

**D Forms**

Forms, worksheets, applications, and other documents other than those provided in this handbook or issued by the National Office shall **not** be used for CAP.

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 such documents by the following offices:

- National Office program area
- MSD, Forms and Graphics Section
- OMB.

Forms, worksheets, and documents developed by State or County Offices **must** be submitted to the National Office for review and approval.

**Important:** State and/or County Office-developed forms, worksheets, or other documents shall **not** be used for 2009 CAP unless approved by the National Office before use.

**E Public Information**

See 2-INFO for providing information about CAP.

## 4 Responsibilities

### A DAFP Responsibilities

DAFP shall:

- develop all CAP regulations and policies
- ensure that CAP is administered according to 7 CFR Part 760, Subpart H.

### B STC Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, STC shall:

- direct the administration of CAP
- ensure that State and County Offices follow CAP provisions
- thoroughly document all actions taken in STC meeting minutes
- review all FSA-860's executed by State Office employees, COC members, CED's, County Office employees, and their spouses

**\*--Note:** For employees or COC members other than SED, STC has authority to direct DD's to do these reviews as STC representative.--\*

- provide DD with a copy of STC or DAFP determinations for appeal or misinformation/misaction cases
- handle appeals according to 1-APP and 7 CFR Parts 11 and 780
- require reviews be conducted by DD's according to paragraph 9 to ensure that CAP is being implemented according to CAP provisions

**Note:** STC's may establish additional reviews to ensure that CAP is administered according to CAP provisions.

- approve county average yields
- handle suspected fraud cases according to applicable procedure.

**Note:** STC may develop additional guidelines to assist County Offices with implementing CAP.

## 4 Responsibilities (Continued)

### C SED Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, SED's shall:

- ensure that County Offices follow CAP provisions
- handle appeals according to 1-APP and 7 CFR Parts 11 and 780
- ensure that DD's conduct reviews according to paragraph 9

**Note:** SED may establish additional reviews to ensure that CAP is administered according to CAP provisions.

- ensure that **all** County Offices publicize CAP provisions according to paragraph 6

**Important:** Because of displaced producers, all County Offices in the State **must** publicize CAP provisions.

- immediately notify the National Office of problems, incomplete or incorrect procedures, and specific problems or findings.

SED equitable relief authority in 7-CP applies to CAP.

### D DD Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, DD's shall ensure that COC's and CED's carryout CAP provisions as follows:

- conduct reviews according to paragraph 9 and any additional review established by STC or SED according to subparagraph B and C
- provide SED with report of all reviews according to paragraph 9
- ensure that **all** County Offices publicize CAP provisions according to paragraph 6.

## 6 Outreach (Continued)

### D Notifications

State and County Office shall use the lists in subparagraphs B and C to assist in ensuring that information is disseminated to all producers. CAP information must be publicized by mailings; meetings shall be held when possible and where feasible. When preparing to speak to groups, consider a location accessible and preferable for the group.

State and County Offices shall ensure that minority members and advisers are:

- fully informed on CAP matters
- fully used for input of minority needs and contacts
- requested to speak to minority groups or to accompany CED, DD, or officials when speaking to minority groups.

### E Documentation

Extensive documentation of outreach efforts is **required**. STC shall document specific guidance given to County Offices and efforts made at the State level about outreach activity.

COC shall document efforts made at the county level, whether performed singularly or along with the County Office with the minority adviser, DD, or State outreach coordinator.

A copy of the following shall be included in the primary CAP file (for instance, the “CAP Program” file):

- all letters, notices, news articles, radio programs, and county or ethnic group meeting and attendance data
- documentation by COC or STC that **must** include whether the effort is considered a minority or under-served/under-represented contact.

File copies of notifications of minority advisers, etc., about outreach activity in file OUTR 5, “Notifications”, according to 25-AS, Exhibit 51.6.

## 7 FSA Determination Appeals

### A Producer Rights on Appealable Determinations

\*--Participants have the right to appeal when there is a question of fact or a factual dispute, for example, a dispute or question about the accuracy of share, acres, etc., or an assertion about correctly applying a rule, regulation, or generally applicable provision to a set of facts.--\*

See 1-APP for appealable determinations.

### B Nonappealable Determinations

Generally applicable provisions are **not** appealable according to 1-APP, including but **not** limited to the following:

- eligibility conditions or criteria
- eligible disaster counties
- \*--the cut-off date of October 22, 2010, for 2009 crop acreage to be reflected on FSA-578

**Note:** COC shall **not** consider or make any determination whatsoever, including considering or recommending relief on any question or assertion on acreage not appearing on FSA-578 as of October 22, 2010. See paragraph 78.--\*

- signature requirements
- CAP payment rates
- payment calculations.

\*--Cases that do **not** have any disputes of fact are **not** appealable. See 1-APP for nonappealable matters.--\*

**9 FSA-770 CAP (Continued)****D County Office Action**

The County Office employee that completes each item on FSA-770 CAP:

- is certifying that the applicable CAP provisions have, or have **not**, been met
- shall refer to the applicable handbook provisions, as specified, for additional information.

**Note:** As an alternative, County Offices may choose to review all items **after** COC approval, if applicable; however, each item **must** be initialed and dated verifying that each item has been reviewed.

After **all** questions on FSA-770 CAP have been answered, the County Office employee shall sign and date FSA-770 CAP, item 10A as the preparer.

**Note:** County Offices **cannot** rely solely on using FSA-770 CAP for administering CAP. **All** CAP provisions **must** be met, **not** just the items included on FSA-770 CAP. FSA-770 CAP is a tool to assist with CAP administration and includes the major areas where deficiencies may be identified, but it is **not** inclusive of all CAP provisions.

**E CED Action**

CED or their designated representative shall:

- review each part of FSA-770 CAP that has been completed
- indicate whether or not they concur with the certification of FSA-770 CAP, items 5 through 9, as applicable, in item 11A
- sign and date FSA-770 CAP, items 11B and 11C.

9 FSA-770 CAP (Continued)

F FSA-770 CAP Instructions

Complete FSA-770 CAP according to the following.

Item	Instructions
1	Enter name of the producer.
2	Enter State's name
3	Enter County Office name that is completing FSA-770 CAP.
4	Enter crop year for which disaster benefits are being requested.
5 through 10	Check (✓) "Yes", "No", or "N/A".
11A and 11B	<p>The County Office employee who:</p> <ul style="list-style-type: none"> <li>• completes items 5 through 10 shall sign as preparer</li> </ul> <p><b>Note:</b> By signing as preparer, this does <b>not</b> indicate that an employee checked items 5 through 10; only that this employee completed an item.</p> <ul style="list-style-type: none"> <li>• enter current date.</li> </ul>
12A through 12C	<p>When applicable, CED or designated representative will:</p> <ul style="list-style-type: none"> <li>• indicate whether or not they concur with how items 5 through 10 were completed</li> <li>• sign</li> <li>• enter current date.</li> </ul> <p><b>*--Note:</b> STC shall establish a minimum number required for spot checks.--*</p>
13A through 13C	<p>When applicable, STC or their representative will:</p> <ul style="list-style-type: none"> <li>• indicate whether or not they concur with how items 5 through 10 were completed</li> <li>• sign</li> <li>• enter current date.</li> </ul> <p><b>*--Note:</b> STC shall establish a minimum number required for spot checks.--*</p>
14	Enter any remarks.

**Part 2 Eligibility****21 Eligible Producers****A Definition of Eligible Producer**

[7 CFR 760.703] An eligible producer is an individual or legal entity that is entitled to an ownership share interest, production, and market risk associated with the agricultural production of crops on the farm and is any of the following:

- United States citizen
- lawful alien possessing a valid I-551
- partnership of citizens of the United States
- corporation, limited liability corporation, or other farm organizational structure organized under State law.

**Notes:** Landowners, landlords, tenants, contract growers, or anyone else not having both an ownership share of a crop and share of the risk are ineligible for CAP assistance for that crop.

\*--Producers filing FSA-860 self-certify that they are eligible. That certification is subject to spot check.

**B Verifying Producer Eligibility**

CAP is based on a self-certification of the producer. The certification statement is pre-printed on FSA-860.

In the event that FSA or COC deem it necessary or if FSA-860 is selected for spot check,--\* COC shall verify that the producer is eligible for CAP. The producer must be able to show, with verifiable evidence, that the producer had a valid ownership share interest in the commodity produced and control of the crop acreage on which the commodity was grown at the time of the disaster. For participants producing a crop under a grower's contract or a Community Supported Agriculture Agreement, a copy of the contract or agreement shall be provided. For crops not grown under a contract, 1 or more of the following shall be obtained as determined by COC:

- copies of signed written leases or written agreements
- copies of signed rental agreements
- copies of other legal documents showing land ownership or control

## 21 Eligible Producers (Continued)

**B Verifying Producer Eligibility (Continued)**

- statement signed by landowner that producer had control of the acreage
- statement signed by operator or producer that producer had control of the acreage on a farm.

**Notes:** FSA-578 producer print will suffice. CCC-902 is **not** acceptable as verifiable evidence.

\*--Verifications do **not** need to be performed before processing applications unless FSA or COC deem it necessary.--\*

**C Deceased, Missing, or Incompetent Producers and Dissolved Entities**

Authority to sign contracts, applications, and other documents on behalf of deceased, missing, or incompetent producers may vary according to State law. If an eligible producer is now deceased or a dissolved entity, then an authorized representative of the deceased producer or dissolved entity may sign FSA-860, provided that the authorized representative has authority to enter into a contract for the deceased producer or dissolved entity.

**Important:** Proof of authority to sign **must** be on file in the County Office **before** the representative is allowed to sign FSA-860 requesting CAP benefits for the producer. Proof of authority includes any of the following:

- court order
- letter from Secretary of State
- document approved by OGC regional attorney.

Use FSA-325 **only** when it is requested that CAP payments earned by a deceased, missing, or incompetent CAP participant be issued in a name other than that of the deceased, disappeared, or declared incompetent CAP participant. CAP payments shall be issued to the respective qualified claimant's names using the deceased, missing, or incompetent CAP participant's TIN. State Office shall consult with the OGC regional attorney on the following types of cases:

- documentation submitted does not clearly establish authority to enter into a contract or application on behalf of the deceased individual, closed estate, or dissolved entity
- FSA-860 and request for issuing CAP payments to heirs of a deceased individual without documentation provided that establishes authority to enter into a contract or application on behalf of the deceased individual.

21 Eligible Producers (Continued)

**C Deceased, Missing, or Incompetent Producers and Dissolved Entities (Continued)**

If FSA-860 involving a deceased individual or closed estate is determined to have been signed by an authorized individual, CAP payments:

- shall be issued using TIN of the eligible individual or the individual’s estate, as applicable
- may be issued in the names of the heirs, based on OGC’s determination, according to 1-CM.

CAP payments for FSA-860’s involving deceased individuals, closed estates, or dissolved entities shall be made according to the following, provided **all** other eligibility requirements are met.

<b>IF participant is...</b>	<b>AND FSA-860 is signed by an authorized representative of the...</b>	<b>THEN CAP payment shall be issued...</b>
an individual who died before FSA-860 was filed	deceased according to this subparagraph and 1-CM	to any of the following, as applicable, using applicant’s TIN: <ul style="list-style-type: none"> <li>• deceased individual</li> <li>• individual’s estate</li> <li>• name of the heirs, based on OGC’s determination according to 1-CM, Part 26.</li> </ul>
an entity that dissolved before FSA-860 was filed	dissolved entity according to this subparagraph and 1-CM	using applicant’s TIN.
an estate that closed before FSA-860 was filed	estate according to this subparagraph and 1-CM	to qualified claimant executing FSA-325 according to 1-CM, paragraph 779.
an individual who dies, is declared incompetent, or is missing after filing FSA-860		

**Note:** Heirs **cannot** succeed to loss or file their own FSA-860.

**21 Eligible Producers (Continued)****D General Partnership and Joint Venture**

If a producer is a general partnership or joint venture that was dissolved, **all** members of the general partnership or joint venture at the time of dissolution, or their representatives, must sign FSA-860 and associated forms.

**Note:** Only one FSA-860 will be submitted for the partnership or joint venture; however, all members must sign FSA-860.

**E Conservation Compliance Provisions**

CAP participants are subject to the applicable 6-CP conservation compliance provisions. A signed AD-1026 must be on file covering the program year before issuing CAP payments. It is not necessary for a participant to complete a new AD-1026 if there have been no changes to the farming operation since the previous AD-1026 was signed.

**F New AD-1026's**

If a new AD-1026 is required to be filed, CAP payments may be issued to eligible producers when AD-1026, item 12 is signed. It is **not** necessary to delay issuing CAP payments pending NRCS HEL or wetland determinations. AD-1026, Continuous AD-1026 Certification statement requires producers to refund CAP payments if an NRCS determination results in HELC/WC violation.

## 22 Crop and Acreage Eligibility

### A Definition of Farm

Farm means, for determining CAP eligibility, the FSA FSN. Any FSN with eligible crop acreage in a tract or tracts located in an eligible disaster county shall be considered eligible as long as all other eligibility requirements are met.

**\*--Note:** Producers interested in filing FSA-860's must do so in the 2009 administrative county for their FSN. However, eligible crop acreage for the producer on that FSN is limited to the eligible crop acreage present in a disaster county or counties. If 50 percent or more of a tract's acreage physically resides in the disaster county, the tract will be considered in the disaster county for CAP purposes.--\*

### B Definition of Crop

Crop means all acres based on crop, type, and IU.

### C Definition of Eligible Crops

Eligible crops mean the reported or determined 2009 crop year planted or considered planted acreage of long grain rice, medium or short grain rice, upland cotton, soybean, or sweet potato crop acreage for a producer on a farm in an eligible disaster county as reflected on

\*--2009 crop year FSA-578 as of October 22, 2010.

**Note:** FSA-770 CAP, item 10 requires verifying that eligible crop acreage be limited to that shown on FSA-578 as of COB October 22, 2010.

### D Late-Filed FSA-578's

Late-filed FSA-578's, including FSA-578's filed according to 2-CP, subparagraph 21 A, will **not** be accepted for CAP purposes after October 22, 2010.

### E Revised FSA-860's for Share Errors

Revised FSA-578's, including FSA-578's revised according to 2-CP, subparagraph 22 B will **not** be accepted for CAP purposes.

A manual FSA-860 will have to be processed for those producers who indicate that the share reflected on FSA-860 is in error. Place those applications annotated with "share error" in a suspense file for processing later.--\*

**23 Eligible Disaster as Cause of Loss**

**A Definition of Eligible Disaster**

Eligible disaster is a producer's loss of an eligible crop on a farm in a disaster county because of disaster as specified in 7 CFR Part 760, Subpart H as excessive moisture or related condition, including flood, flash flooding, excessive rain, moisture, humidity, severe storms, thunderstorms, ground saturation or standing water, hail, winter storms, ice storms, snow, blizzard, hurricane, typhoons, tropical storms, or cold wet weather.

**24 Disaster County**

**A Disaster County Eligibility**

CAP is available only to an eligible producer of eligible crop acreage on farms in a disaster county. Disaster counties are described in subparagraph 1 B.

A list of disaster counties are available at <http://www.disaster.fsa.usda.gov>.

**25-45 (Reserved)**

47 Records of Production and Evidence of Loss (Continued)

E COC Responsibilities (Continued)

Step	Action	
8	<p>Before determining the nonverifiable production record acceptable, compare the producer's record of production with neighboring producers of the crop who have provided reliable reports of production.</p> <p><b>Note:</b> FSA is not responsible for finding similar farms or crops to substantiate a producer's production record. Rather, FSA may consider a producer's nonverifiable production records acceptable if the producer's record can be corroborated by other similar farms. The absence of any similar farms or records to substantiate a nonverifiable record shall not result in the nonverifiable records being deemed acceptable. Producers are always *--responsible for providing acceptable records to support whatever application the producer may file.--*</p>	
	<p><b>IF...</b></p> <p>similar levels of production were experienced on neighboring farms</p>	<p><b>THEN...</b></p> <p>the producer's certification, supported by some record of production, may be considered reliable and acceptable.</p>
	<p>records do <b>not</b> support the producer's certification of production or the level of production is significantly different than neighboring farms</p>	<p>COC shall deny CAP assistance and notify the producer that the certification of loss is unacceptable. *--See paragraph 7.--*</p> <p><b>Note:</b> Under no circumstances shall COC assign production for a lack of acceptable production evidence or lack of evidence in support of a claimed loss.</p>

48 Actual Production

A Definition of Actual Production

Actual production is the total of the producer's eligible crop from:

- harvested production
- appraised production, if not accounted for in harvested production.

**Note:** If applicable, appraisals must have been performed by an appraiser acceptable to FSA.

**49 Harvested Production**

**A Definition of Harvested Production**

Harvested production includes all production of the producer’s eligible crop from the farm that can be supported by an acceptable record.

**B Commingled Between Practice, Type, Intended Use, or Planting Period**

When production has been commingled, separate production may be determined by practice, type, or intended use, or if:

- the producer provides a yield estimate by practice, type, or intended use, from past production records
- the producer accounts for total disposition
- COC considers resulting yields reasonable.

**C Commingled Between Farms or Tracts**

\*--Unless made a matter of record before commingling, production from a farm or tract lying within a disaster county that is commingled with production from a farm or tract of a farm lying outside a disaster county or a farm lying within and outside a disaster county shall be--\* prorated to each respective farm or tract in proportion to each farm or tract harvested crop acreage according to the following.

Step	Action
1	Total the commingled production of the eligible crop.
2	Total the harvested acreage of the crop in each identified farm or tract.
3	Divide step 1 by step 2.
4	Multiply the result of step 3 times each identified farm’s or eligible tract’s harvested acreage of the crop.
5	*--Add the result of step 4 for each farm or eligible tract to calculate each farm’s--* or eligible tract’s respective harvested production.

**50 Appraised Production**

**A Definition of Appraised Production**

Appraised production is production determined by FSA, RMA, FCIC, company reinsured by FCIC, or other appraiser acceptable to FSA or CCC, that was unharvested but reflected the crop’s yield potential at the time of appraisal.

**Part 4 Eligible Acreage****76 Acres Eligible for CAP****A Definition of CAP Acreage**

CAP acreage is the reported or determined 2009 crop year acreage of an eligible crop on a farm or tract in a disaster county.

**B Determining Eligible Acreage**

Eligible acreage is determined on a crop-by-crop basis using the definition of eligible crop in subparagraph 22 C. Eligible crop acreage must be initial crop long grain rice, medium or short grain rice, upland cotton, soybeans, or sweet potatoes that are planted and considered planted as reflected on FSA-578 as of October 22, 2010.

Eligible acreage for CAP will be based on the crop acreage planted, or considered planted, to an eligible CAP crop in a disaster county. Subsequently planted or subsequently prevented planted acreage is eligible for CAP **only** if the subsequently planted or prevented planted crop acreage meets **double-cropping rules** according to 2-CP.

**77 Considered Planted Acres****A Prevented Planting Eligibility**

Only those acres of an eligible crop where an approved CCC-576 is on file, according to 2-CP, paragraph 24, and the acres are recorded in a disaster county on FSA-578 as of October 22, 2010, will be eligible for CAP.

**Note:** There are **no** provisions for revising 2009 crop year acreage reports to increase planted and considered planted acreage for CAP.

**\*--78 Limitation on Counties and Acreage Imposed by Program Authorization****A FSA-578 and CAP Acreage**

The regulation announcing CAP specifically stated that the disaster counties and eligible crop acreage cannot be increased after October 22, 2010. The amount of acreage for each crop that will be used to determine CAP payment acres and the producer's ownership share of the crop is based on the 2009 crop year FSA-578 that is on file with FSA as of October 22, 2010.

The regulations specifically stated that for the purposes of CAP, a producer cannot revise a crop acreage report for the 2009 crop year (such reports are filed using FSA-578) to increase the payment or to create an eligibility. This is because the counties and acreage that existed on the database as of October 22, 2010, were used by FSA to determine payment rates and maximum extent of CAP.

If a producer needs to amend or correct 2009 FSA-578 for other programs, the producer may be able to do so under the rules for that other program and only for that other program. However, no amended 2009 FSA-578 that includes increased crop acreage on a farm will be considered in calculating CAP payments. Likewise, producers are **not** entitled to any sort of decision, relief, or other consideration on any request to increase crop acreage.

For CAP, FSA offices and committees will **not** do any of the following:

- consider or render any sort of adverse decision or relief decision on acres **not** included on FSA-578 as of October 22, 2010, regardless of whatever reason those acres are **not** shown on FSA-578
- forward any sort of recommendation of relief for inclusion of acres or counties for CAP
- provide any right of appeal or appealability to anyone making an inquiry about eligible acres or counties because the eligible disaster counties and acres are conditions of eligibility as provided in 7 CFR Part 760, Subpart H, published in the FR on October 25, 2010, and effective October 22, 2010.

**Note:** Producers have a right of review or appeal on any adverse decision where there are legitimate disputes of fact. See paragraph 7 and 1-APP.--\*

**79-110 (Reserved)**

## Part 5 Qualifying Loss

## 111 Qualifying Loss

## A Overview

Participants must have a 5 percent or greater loss because of disaster as specified in this handbook and 7 CFR 760.702 to qualify for the CAP payment. This loss can be from a loss of production or a loss of quality. Producers are certifying to the 5 percent or greater loss by crop (rice, cotton, soybeans, or sweet potatoes), share, and farm.

**Note:** See paragraph 22 for eligible acres. The 5 percent or greater loss will be based on the eligible acres of the producer on a farm.

**Example:** Producer W had soybeans for grain and soybeans for forage in County U on farm 6 with a 100 percent share. Producer W certified to a 5 percent or greater loss of production on the 578 acreage for the farm (20 acres for grain and 10 acres for forage). Production records proved a 6 percent loss on the soybeans for grain and a 3 percent loss on the soybeans for forage. Producer W qualified for a 5 percent or greater loss for the crop of soybeans on the farm.

$$.06 \times 20 \text{ acres} = 1.2$$

$$.03 \times 10 \text{ acres} = 0.3$$

$$1.5/30 \text{ acres} = .05$$

**Note:** Producer W must have the eligible CAP crops in a disaster county recorded on FSA-578 on an eligible FSA farm number.

At the time of application eligible producers certify to a 5 percent or greater loss because of disaster. Unless otherwise determined necessary by COC, producers will not be required to submit evidence in support of the certification of loss. However, the producer must have verifiable or reliable production evidence to support the certification and producers who apply agree to retain the documentation for 3 years after the date of application.

The producer is making the loss certification by the producer's share of the crop on each FSA farm number in a disaster county. If verifiable or reliable production records are comingled between farm numbers, tracts within or outside a disaster county, or producers, the production must be prorated unless the production was made a matter of record before comingling.

The producer certification will be a certification of production or reduced production because of quality as indicated on FSA-860. The 5 percent or greater loss threshold must be met by 1 or the other; depending on the producer's certification. It will **not** be met by a combination of the 2.

## 111 Qualifying Loss (Continued)

**B Loss of Production**

The certification of the 5 percent or greater loss of production will be based off of the highest of the 2009 county average yield by crop, type, intended use, or a producer's weighted approved yield for insurance or NAP as compared to their actual production based off of verifiable or reliable production records. Producers that do not have an insurance or NAP approved yield for CAP crops will have the qualifying loss based off of the county average yield. Producers may have more than 1 county average yield or insurance or NAP approved yield for CAP eligible crops because of practice. If so, the yield will be weighted to determine the qualifying loss base yield.

\*--Note: Physical location county average yield shall be used.--\*

**Example 1:** County Y has a county average yield of 30 bu./acre on dryland soybeans and 60 bu./acre on irrigated soybeans. Producer X does not have an approved yield for a risk management plan of protection. Producer X's 578 on farm 5 shows 30 acres of dryland beans planted and 130 acres of irrigated beans. Producer X's 5 percent or greater loss of production will be based off of a county average yield of 54.38 bu.

$$130 \text{ acres} \times 60 \text{ bu./acre} = 7,800 \text{ bu.}$$

$$30 \text{ acres} \times 30 \text{ bu./acre} = \underline{900} \text{ bu.}$$

$$8,700 \text{ bu./160 acre} = 54.38 \text{ bu.}$$

**Example 2:** Producer A produces upland cotton in County B on farm number 1 with a 100 percent share. The 578 acres reflect 100 acres of upland cotton planted. The county average yield for upland cotton in 2009 for County B is 980 lbs./acres. Producer A insures the upland cotton and has an insured approved yield of 1000 lbs. per acre for 2009. Producer A determines from their production records that they produced 93,600 lbs. of cotton on the 100 acres. Producer A had only a 4.5 percent loss on upland cotton using the 2009 county average yield.

$$100 \text{ acre} \times 980 \text{ lbs./acre} = 98,000 \text{ lbs.}$$

$$93,600 \text{ lbs./98,000 lbs.} = .955$$

$$1 - .955 = .045, 4.5 \text{ percent loss}$$

However, Producer A has an insurance approved yield of 1000 lbs. per acre. Producer A qualifies with a 6.4 percent loss using the insurance approved yield.

$$1000 \text{ lbs.} \times 100 \text{ acre} = 100,000 \text{ lbs.}$$

$$93,600 \text{ lbs./100,000 lbs.} = .936$$

$$1 - .936 = .064, 6 \text{ percent loss}$$

**111 Qualifying Loss (Continued)**

**F Determining Quality on Farm-Stored Production**

\*--For production that was stored in 2009 after harvest and sold, the verifiable quality tests that were taken at the time of the sale of the crop will be acceptable. If the average quality loss from verifiable evidence is determined to be 5 percent or greater from the methods described in this paragraph, the quality threshold will be considered as met.

Quality tests from farm-stored production will be considered verifiable if done by any of--\* the following:

- FSA employees
- FSA-certified LA's
- RMA or reinsured company appraisers.

**112-140 (Reserved)**



**Part 6 Applying for CAP Benefits****141 Applying for Benefits****A Required Forms**

In addition to FSA-860, producers applying for CAP benefits must either file or have the following on file:

- CCC-902
- CCC-926
- AD-1026
- FSA-578.

\*--FSA-578 must be on file for every producer's crop acreage as of October 22, 2010.

Revisions occurring after October 22, 2010, **cannot** be performed to increase acreage for--\* CAP payments. All other supporting documentation in this subparagraph must be received in the applicable County Office before issuance of the CAP payment.

**B Signing and Certifying FSA-860**

Producers interested in CAP must file an application during the signup period beginning October 25, 2010, through December 9, 2010. By signing FSA-860, item 14A, the applicant is:

- applying for CAP benefits for the producer listed on FSA-860, item 3
- certifying all of the following:
  - information provided on FSA-860 is true and correct
  - that the participant suffered a 5 percent or greater loss on eligible acres in the disaster county because of excess moisture or related condition for each crop and farm for which there is a claim for payment
  - the loss was because of excessive moisture or related condition, or disaster as specified in this handbook and 7 CFR Part 760.702
  - the acres affected were physically located in a primary county for which a secretarial disaster designation was approved
  - the participant has documentation to support the application and will retain that documentation for 3 years after the date of this application
  - whether the claimed loss was because of a loss of quantity or quality for each crop on each farm in a disaster county

## 141 Applying for Benefits (Continued)

**B Signing and Certifying FSA-860 (Continued)**

- \*--that the share of the crop on FSA-860 is the producer's ownership share of the eligible crop acreage in a disaster county on a farm

**Note:** If the share is incorrect, see subparagraph 22 E.--\*

- authorizing FSA officials to request documentation to support the application for 3 years after the date of application
- acknowledging:
  - that it will be up to FSA to determine whether the documentation meets program requirements
  - that the participant will be required to refund a crop's payment with interest from date of disbursement in the event it is later determined that the producer did not suffer the claimed loss on that crop on that farm
  - all eligibility provisions, terms, and conditions of regulations governing this program at 7 CFR Part 760, Subpart H
  - that any payment made under this program will be treated as revenue under the SURE Program, 7 CFR Part 760, Subpart G.

**C FSA-860 Approval or Disapproval**

\*--CAP is based on self-certification of the producer choosing to file FSA-860. COC will **not** make CAP eligibility determinations. Rather, action on FSA-860 is COC finding that the producer satisfied program requirements in filing FSA-860. All applications are subject to spot check.--\*

The applicable COC is responsible for approving or disapproving FSA-860.

**Important:** FSA-860 shall be complete and contain all required information **before** requesting the producer to sign FSA-860. **No** entries shall be made on FSA-860 by FSA employees, except entries designated for COC use, **after** the producer signs FSA-860. Any additions or corrections by the producer shall be initialed and dated by producer.

If COC determines the applicable FSA-860 should be disapproved, County Offices shall immediately notify the producer in writing of the disapproval. The letter to the producer shall include the following:

- notification that FSA-860 was disapproved
- reason or reasons for disapproval
- applicable appeal rights according to 1-APP.

**141 Applying for Benefits (Continued)****D Late-Filed FSA-860's**

Neither STC nor COC has authority to approve late-filed FSA-860's.

**E Eligible Producers for CAP**

See Part 2 for eligible producers for CAP. Each producer applying for CAP must sign FSA-860.

**F General Signature Requirements**

Signatures must meet the requirements of this handbook and 1-CM. An applicant must sign in the applicant's individual capacity.

**G Delegation of Authority Requirements**

COC or CED must act on all completed and signed FSA-860's submitted.

**\*--H Amending or Withdrawing FSA-860's**

An approved FSA-860 may be amended or withdrawn at any time until the end of signup December 9, 2010; however, copies of any and all FSA-860's that have already been submitted must always be kept in the file.

Producers may, at any time from October 25, 2010, through December 9, 2010, do any of the following, as applicable:

- apply for CAP on FSA-860
- amend FSA-860 to add additional farms or crops to FSA-860, item 7
- amend FSA-860 to remove a farm or crop from FSA-860, item 7
- amend FSA-860, item 8 for any farm or crop
- withdraw 1 or more or all farms and crops from CAP.

**Note:** Producers must repay all CAP payments received for any farm or crop under--\* FSA-860 that is withdrawn.

142 FSA-860

**A Parts of FSA-860**

FSA-860 includes data for long grain rice, medium or short grain rice, upland cotton, soybeans, and sweet potatoes in which the producer has an interest within the disaster county. This paragraph provides a general overview of FSA-860’s parts and itemizes when a part has to be completed by the producer or by the administrative county.

The following describes the parts of FSA-860.

Part		Description	Completed by
A	Producer Information	Provide producer’s name, address, and phone number.	<ul style="list-style-type: none"> <li>Administrative County Office in CAP Workbook (items 3 and 4)</li> <li>Producer (item 5).</li> </ul>
B	Farm and Crop Information	Indicate eligible losses and type of loss for CAP crops for each farm number.	<ul style="list-style-type: none"> <li>Producer (items 7, 8, and 11)</li> <li>Administrative County Office in CAP Workbook (items 6, 9, 10, 12, and 13).</li> </ul>
C	Producer Certifications	Record of producer’s agreement with information on FSA-860 and request to participate.	Producer after entry of all data.
D	Administrative COC Approval	Record of COC approval or disapproval of FSA-860.	Administrative COC after producer signs FSA-860.

**B Crops Recorded on FSA-860**

Crops that will be included on FSA-860 are long grain rice, medium or short grain rice, upland cotton, soybeans, and sweet potatoes for which a producer 2009 crop acreage in a disaster county on FSA-578. If a producer’s FSA-578 did not include acreage for 1 or more of these crops for the 2009 crop year in a disaster county, the crop or crops will not appear on the application. If a producer did not have crop acreage for a crop on FSA-578 in a disaster county, that crop is not eligible for payment consideration under CAP.

## 142 FSA-860 (Continued)

**C Acres Recorded on FSA-860**

The acreage used on FSA-860 is the reported or determined acreage of the producer in a disaster county as shown on FSA-578. Producers filing FSA-860 certify that for their eligible acreage in a disaster county, a 5 percent or greater loss was suffered because of excessive moisture or related condition. Acreage not shown on a producer's FSA-578 will not be included in the calculation and will not be eligible for payment under CAP. Producers must verify that the acres provided on FSA-860 represent only eligible acres that are physically located in a disaster county. Producers may revise the acreage downward to exclude ineligible acres.

\*--In some instances, the determined acreage for a crop was loaded as zero on FSA-578 for prevented planted acres of an initial crop because a subsequent crop was planted that did **not** meet double-cropping provisions. If the initial crop would otherwise be eligible under CAP, the approved acreage for the initial crop will be considered eligible for CAP payment. The producer must manually file FSA-860 to apply for CAP payment for those acres.

**Reminder:** Crop acreage eligible for payment consideration is limited to 2009 crop year planted and considered planted acreage in a disaster county on FSA-578 as of October 22, 2010. There are **no** provisions for adding 2009 crop acreage not shown in a disaster county on FSA-578 by October 22, 2010, as reported or determined crop acreage.

**Note:** Because some farms have tracts that may be outside disaster counties, producers filing FSA-860 for those farms are responsible for limiting acreage to the amount of acres of an eligible crop in a disaster county for that farm. If 50 percent or more of a tract's acreage physically resides in the disaster county, the tract will be considered in the disaster county for CAP purposes. The producer must manually revise the acreage recorded on FSA-860 to reflect the correct eligible acreage, if necessary.--\*

**D Share Recorded on FSA-860**

The share used on FSA-860 is the producer's share for each eligible crop for each farm number reported by the producer on FSA-578. Shares not reported on a producer's FSA-578 will not be included in the calculation and will not be eligible for payment under CAP.

\*--Producers signing FSA-860 certify that the share on FSA-860 is the producer's ownership share of the eligible crop acreage in a disaster county on a farm.--\*

**Notes:** The share reflected on FSA-860 will not necessarily match the share shown on the FSA-578 summary. The eligible share for CAP is the producer's share of the crop acreage in a disaster county on a farm.

\*--If a producer indicates a producer's share is incorrect on FSA-860, follow subparagraph 22 E.--\*

## 142 FSA-860 (Continued)

**E Whether Producer Suffered a 5 Percent or Greater Loss**

The producer shall indicate whether or not the producer suffered a 5 percent or greater loss for the producer's share of the eligible crop acreage reflected on the application. The producer must have verifiable or reliable documentation of a 5 percent or greater loss and must retain that documentation for 3 years from the time of application; however, unless otherwise required by COC, the producer does not need to provide documentation of loss at the time of application.

**F Whether Producer's Loss Was Because of Quantity or Quality**

For each crop for which a producer claims a 5 percent or greater loss, the producer shall indicate whether the crop's loss was in quantity or quality. The producer must have verifiable or reliable documentation of the loss and must retain that documentation for 3 years from the time of application.

**G Timing of Producer Signature**

The producer shall **not** sign FSA-860 until both Parts A and B are complete. COC **cannot** act on FSA-860 until the producer has completed the application and signed Part C.

**Note:** Incomplete applications or applications that are not signed require no action by FSA.

\*--Producers are due decisions from FSA only on applications submitted.--\*



143 Processing FSA-860's

A Processing FSA-860's

Process FSA-860 for each eligible producer according to the following.

Step	Action
1	Confirm that producer has filed the following: <ul style="list-style-type: none"> <li>•*--CCC-902--*</li> <li>• CCC-926</li> <li>• FSA-578</li> <li>• AD-1026.</li> </ul>
2	Follow guidelines in Part 7 for assembling data for entry into spreadsheet.
3	Enter producer's telephone number (optional).
4	*--Enter applicable selections for which crops suffered a 5 percent or greater loss--* as directed by producer into spreadsheet according to Part 7.
5	Enter applicable selections for which loss was in quantity or in quality as directed by producer into spreadsheet according to Part 7.
6	Review acres with producer. Revise acres to exclude ineligible acres if necessary.
7	Review data on FSA-860 with producer.
8	See 1-CM for producer signature on FSA-860.
9	COC will determine producer overall eligibility according to Part 2.
10	COC will: <ul style="list-style-type: none"> <li>• act on FSA-860 according to subparagraph 4 E</li> <li>• sign and date Part D.</li> </ul>
11	Retain copy of complete FSA-860.

**Part 8 Payments****186 Payment Limitation****A Rule**

Producers applying for 2009 CAP benefits are subject to direct attribution provisions.

**B Payment Limitation**

The payment limitation for the CAP Program is \$100,000 per person or legal entity.

Since the payment process for CAP has **not** been fully automated, County Offices must **manually** monitor payment limitation to ensure that the total payment amount issued does **not** exceed the \$100,000 payment limitation. The CAP payment will issue 75 percent of the payment in advance. After signup is completed and funds are evaluated, an additional payment of up to 25 percent may be issued in a final payment. The payment limitation will have to be manually monitored through the issue of final payments to ensure the total payment amount issued does **not** exceed the \$100,000 payment limitation.

**C Effect of AGI on Payment Limitation for Entities**

If a member of an entity is not eligible because of AGI provisions, the payment limitation for the entity is reduced by the ineligible member's ownership share in the operation. County Offices shall take this into consideration when controlling payment limitation.

**Example:** ABC Corporation has 2 members, each with a 50 percent share. Member 1 does not meet AGI provisions. The corporation has a \$100,000 payment limitation, but since Member 1 does not meet AGI provisions, the payment limitation for the corporation is reduced by 50 percent and the maximum payment that can be issued to the corporation is \$50,000.

**Note:** Other payment eligibility provisions, such as conservation compliance, fraud, etc., do **not** affect the payment limitation for the entity because AGI is the **only** payment eligibility that is checked for members of entities.

**187 Payment Eligibility****A Introduction**

Producers applying for CAP benefits must be in compliance with certain 2009 payment eligibility provisions in addition to being an eligible CAP producer.

\* \* \*

187 Payment Eligibility (Continued)

**B Payment Eligibility Requirements**

The following provides:

- which 2009 eligibility provisions are applicable for CAP
- for applicable provisions, which values updated in the subsidiary web-based eligibility system make the producer eligible for payment or not eligible for payment.

**Note:** See 3-PL for additional information on updating eligibility data.

<b>Payment Eligibility Certification/Determination</b>	<b>Applicable</b>	<b>Eligible</b>	<b>Not Eligible</b>
Actively Engaged	No		
AD-1026	Yes	Certified	Not Filed
		Good Faith Determination	Awaiting Affiliate Certification
		COC Exemption	Affiliate Violation
Adjusted Gross Income	Yes	Compliant	Not Filed
		Compliant - Agent	Not Met – COC
		Exempt	Not Met – Producer
Beginning Farmer or Rancher	No		
Cash Rent Tenant	No		
Conservation Compliance (Farm Tract Eligibility)	Yes	In Compliance	In Violation
		Partial Compliance	No Association
		Reinstated	Past Violation
Controlled Substance	Yes	No Violation	Growing
			Trafficking
			Possession
Delinquent Debt	No		
Federal Crop Insurance	No		
Fraud, including FCIC Fraud	Yes	Compliant	Not Compliant
Foreign Person	No		
Gross Revenue for NAP	No		
Limited Resource Farmer or Rancher	No		
NAP Noncompliance	Yes	Compliant	Not Compliant – COC
Socially Disadvantaged Farmer or Rancher	No		

187 Payment Eligibility (Continued)

**C Payment Eligibility for Members of Entities and Joint Operations**

The following provides payment eligibility provisions applicable to members of joint operations and entities.

<b>IF for members of...</b>	<b>THEN the following provisions are applicable...</b>
entities	AGI.  <b>Note:</b> Eligible values listed in subparagraph B also apply to members of entities for AGI eligibility.
joint operations	the same rules for producers applying for benefits also apply to: <ul style="list-style-type: none"> <li>• 1st level members of joint operations</li> <li>• 2nd, 3rd, 4th, and 5th level members of joint operations of the previous level member is a joint operation.</li> </ul> <b>Example:</b> ABC Partnership has 2 members, an individual and another general partnership. Payment eligibility is also checked for the 2nd level members of the 1st level general partnership.

**188 Controlling the \$100,000 Payment Limitation****A Nationwide Control**

All 2009 CAP payments must be recorded manually:

- on a payment limitation ledger according to subparagraph B
- for each payment recipient, includes amounts received both directly and indirectly
- for members of joint operations
- for members of legal entities.

**B Payment Limitation Ledger Requirements**

\*--Complete a ledger for each multi-county producer or any individual or entity expected to reach the payment limitation:--\*

- legal entity
- member of a legal entity.

For a multi-county producer, either:

- the recording/control county will be the keeper of the ledger
- if the recording/control county are different counties, then any of the following:
  - the eligibility recording county
  - the county identified on the producer's MABDIG in the "Rc St&Cty" column of the Multi-County Information Section
  - County Offices may use FWADM to obtain a report of payments issued to a producer.

**190 Manual Payment Process****A Determining the CAP Payment Amount**

The CAP payment amount will be determined by completing FSA-860. Complete FSA-860 according to paragraph 143. CAP will prorate the payment by 75 percent. After signup is completed, available funds will be evaluated to determine whether an additional payment of up to 25 percent can be issued. The estimated CAP payment does **not** take into account any payment reductions for the following:

- AGI
- substantive change
- direct attribution
- payment limitation.

\*--If applicable, these reductions will be applied before payments are issued.--\*

**B Determining Producer Payment Eligibility**

County Offices must manually review eligibility files to determine whether a producer or members of joint operations meet the following eligibility conditions:

- average AGI provisions according to 4-PL
- conservation compliance provisions according to 6-CP
- controlled substance provisions
- fraud, including FCIC, determination
- CCC-901 on file for legal entities according to 4-PL.

**191 Funds Control****A E-Funds Accounts**

Funds for 2009 CAP will be allocated to fund code 2776 with program name “Disaster - High Moisture Disaster”.

**B State Office Access to the E-Funds Application**

State Office specialists with access to programs categorized as “disaster programs program group” automatically have access to the CAP eFunds account.

If access is required for a State Office employee that currently does not have access to the “disaster programs program group”, a request shall be e-mailed to Sandy Bryant at **sandy.bryant@wdc.usda.gov** with the name and eAuth ID of the individual that needs access.

**C Requests for Additional State-Level Allocations**

An initial allocation has been established for each account for each State. State Offices are responsible for allocating funds to County Offices. When the allocated funds for the State have been exhausted, State Offices shall send an e-mail to **all** of the following specifying the additional allocation needed for each account:

- Sandy Bryant at **sandy.bryant@wdc.usda.gov**
- Steve Peterson at **steve.peterson@wdc.usda.gov**
- Tracey Smith at **tracey.smith@wdc.usda.gov**
- Tina Nemec at **tina.nemec@wdc.usda.gov**
- Lenior Simmons at **lenior.simmons@wdc.usda.gov**.

**Note:** Funds are limited so State Offices shall ensure that amounts are requested based **only** on approved FSA-860’s. A reserve is **not** available to provide allocations based on projected amounts.

**193 Preparing to Issue Payments**

**A Introduction**

The 2009 CAP payment process is a manual process so the County Office will need to determine whether a payment should be issued and how much should be issued.

For payments to be issued correctly, all supporting files must be verified to be correct before the payment is issued.

**B Action To Be Completed Before Issuing Payments**

Before issuing any 2009 CAP payments, certain actions **must** be completed to ensure that the producer is eligible for payment. The following provides actions that **must** be completed **before** issuing CAP payments. COC, CED, or designee shall ensure that **all** actions are completed.

Item	Action
1	Ensure that all FSA-860 data has been recorded in the CAP Workbook and the 2nd party review is completed.
2	Ensure that FSA-860 has been approved by COC or their designee, as applicable.
3	Ensure that SCIMS data is updated for the producer, and each member of a joint operation or entity, including: <ul style="list-style-type: none"> <li>• customer name</li> <li>• citizenship country and resident alien status, if applicable</li> <li>• TIN</li> <li>• address.</li> </ul>
4	Ensure that combined producer information is recorded in the web-based combined producer system according to 3-PL for producers applying for 2009 CAP benefits.
5	Ensure that the following 2009 eligibility certifications and determinations have been recorded in the web-based eligibility system according to 3-PL:  * * * <ul style="list-style-type: none"> <li>• AGI (2009 Farm Bill)</li> <li>• AD-1026</li> <li>• Conservation Compliance.</li> </ul>
6	Ensure that the 2009 entity and joint operation files are updated correctly according to 2-PL for the year for producers are seeking benefits.

193 Preparing to Issue Payments (Continued)

B Action To Be Completed Before Issuing Payments (Continued)

Item	Action
7	Ensure that sufficient funds have been allocated to the county.
8	Ensure that the Financial Services System has been updated with all the following information: <ul style="list-style-type: none"> <li data-bbox="396 478 776 514">• direct deposit information</li> <li data-bbox="396 552 1409 621">• assignments and joint payee information, if CCC-36, CCC-37, or both were filed for CAP</li> <li data-bbox="396 659 675 695">• bankruptcy status.</li> </ul>
9	Ensure that the payment amounts calculated through the CAP Workbook are recorded in the Online payment software according to paragraph 194.

194 Online Payment Process

A Web-Based Payments Process

Complete web-based payments according to this table.

Step	Action	Result
1	Access the Online Payments Home Page according to 1-FI, subparagraph 63 A.	The Online Payment Screen will be displayed.
2	On the Online Payment Screen, CLICK “Create a Payment”.	The Create Payment Screen will be displayed.
3	On the Create Payment Screen: <ul style="list-style-type: none"> <li>• select the State and county from the drop-down menu</li> <li>• enter program code “09DISCAP”</li> <li>• CLICK “Select”.</li> </ul>	The SCIMS Customer Search Screen will be displayed.
4	Select the applicable producer on the SCIMS Customer Search Screen.	The Create Payment – Payment Entry Screen will be displayed.
5	On the Create Payment – Payment Entry Screen, enter the following: <ul style="list-style-type: none"> <li>• Payment Amount</li> <li>• Confirm Amount</li> <li>• Issue Date - <b>date payment is to be issued</b></li> <li>• Prompt Payment Due Date - <b>enter 30 calendar days in the future, if applicable</b></li> </ul> <p><b>*--Note:</b> This is 30 calendar days from the later of the date the producer signs the application or submits all supporting documentation.--*</p> <ul style="list-style-type: none"> <li>• Contract Number - “0001”.</li> </ul>	The Create Payment – Payment Detail Screen will be displayed.
6	On the Create Payment – Payment Detail Screen, CLICK “OK”.	The Online Payment Customer Search Screen will be displayed.



## Definitions of Terms Used in This Handbook

### Actual Production

Actual production is the total of a farm's harvested and appraised production, by crop, type, and intended use.

### Appraised Production

Appraised production is production determined by FSA, RMA, FCIC, company reinsured by FCIC, or other appraiser acceptable to CCC, that was unharvested but reflected the crop's yield potential at the time of appraisal.

### CAP Acreage

CAP acreage is the reported or determined 2009 crop year acreage of an eligible crop on a farm or tract in a disaster county.

### County Average Yield

County average yield is the per acre yield, of a crop by practice and intended use as applicable.

### Crop

Crop means all acres based on crop, type, and IU.

### Eligible Crops

Eligible crops mean the reported or determined 2009 crop year planted or considered planted acreage of long grain rice, medium or short grain rice, upland cotton, soybean, or sweet potato crop acreage for a producer on a farm in an eligible disaster county as reflected on 2009 crop \*--year FSA-578 as of October 22, 2010.--\*

### Eligible Disaster

Eligible disaster is a producer's loss of an eligible crop on a farm in a disaster county because of disaster as specified in 7 CFR Part 760, Subpart H as excessive moisture or related condition, including flood, flash flooding, excessive rain, moisture, humidity, severe storms, thunderstorms, ground saturation or standing water, hail, winter storms, ice storms, snow, blizzard, hurricane, typhoons, tropical storms, or cold wet weather.

## Definitions of Terms Used in This Handbook (Continued)

### Eligible Producer

An eligible producer is an individual or legal entity that is entitled to an ownership share interest, production, and market risk associated with the agricultural production of crops on the farm and is any of the following:

- United States citizen
- lawful alien possessing a valid I-551
- partnership of citizens of the United States
- corporation, limited liability corporation, or other farm organizational structure organized under State law.

**Note:** Landowners, landlords, tenants, contract growers, or anyone else not having both an ownership share of a crop and share of the risk are ineligible for CAP assistance for that crop.

### Established Market Price

Established market price is the average price established for the applicable crop/use based on unaffected by quality production sold at local markets at the time of normal harvest of the crop.

### Harvested Production

Harvested production is all production of the eligible crop from the farm that can be supported by an acceptable record, including, but not limited to, production:

- gathered by hand
- mechanically harvested.

### Insurance or NAP approved Yield

Insurance or NAP approved yield is the risk management yield, either established through crop insurance or NAP, which was the expected yield for a producer for the crop year.