

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Direct and Counter-Cyclical Program
1-DCP**

Amendment 39

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 351 D has been amended to clarify that the following signature information can be considered supporting documentation if the documentation is not obtained before September 30 of the applicable contract period:

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

Subparagraph 353 C has been added to instruct County Offices to complete CCC-770 DCP for each CCC-509.

Paragraph 401 has been added to provide procedure for required reviews by State Offices for all CCC-509's that are modified after September 30 of the applicable contract period. The All Farms with Enrollment Date Modifications After September 30 Report has been developed that identifies which CCC-509's shall be reviewed.

Paragraph 402 has been added to identify situations where documentation is received after September 30 of the applicable contract period which requires National Office intervention for updating the CCC-509 producer signature and/or enrollment dates in DCP contract software.

Subparagraph 426 D has been amended to clarify that CCC-509's shall not be terminated because of changes to DCP cropland that are discovered after September 30 of the contract period; however, a thorough review must be conducted to ensure the case does not involve producer misrepresentation and/or a scheme or device that defeats the purpose of the program.

Subparagraph 426 F has been amended to advise what documentation County Offices shall provide to producers interested in participating in WRP.

Subparagraph 426.5 D has been amended to correct the procedure for determining if a DCP base acres reduction is required because of enrollment in CRP, GRP, and/or WRP.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 426.5 J has been amended to clarify that this paragraph only applies to DCP base acreage that was enrolled in CRP after passage of the 2002 Farm Bill. Provisions for restoration of PFC acres that were reduced because of enrollment in CRP are provided in paragraph 67.

Subparagraph 845 B has been amended to clarify action required for entering producer signature and enrollment date information into the web-based DCP contract system.

Paragraph 851.5 has been added to provide procedure for State Office access to the web-based DCP application.

Subparagraph 852 A has been amended to provide an updated example of the Reports Screen.

Subparagraph 852 B has been amended to:

- remove the All Farms With Approval Date After the End of the Fiscal Year Report; the report is no longer applicable
- add the procedure for the County Summary Report.

Subparagraph 853 B has been amended to clarify action required for entering producer signature and enrollment date information into the web-based DCP contract system.

Reminder: County Offices shall provide information to producers interested in participating in WRP, including the potential impact that WRP enrollment may have on DCP payment eligibility. However, County Offices **shall not assist** producers with completion of FSA-910's or CCC-505's required by NRCS when acreage is enrolled in WRP.

Exhibit 13 has been added to provide County Offices with FSA-910 that shall be provided to producers interested in participating in WRP.

Exhibit 14 has been added to provide information about CCC-770 DCP.

Amendment Transmittal (Continued)

B CCC-770 DCP, Contract Checklist

Since the issuance of CCC-770 DCP (11-20-06), a number of questions have been raised about using the checklist. Additionally, a number of State Offices have:

- developed checklists
- requested authority to use the State-developed checklist instead of the national checklist.

Based on the comments received, and additional input from field office staff, a new checklist has been developed for DCP. Exhibit 14 provides policy and procedure for using CCC-770 DCP, Contract Checklist.

Important: For situations where CCC-770 DCP (11-20-06) has already been prepared, County Offices are not required to initiate CCC-770 DCP, Contract Checklist unless a revision is made to CCC-509. However, CCC-770 DCP, Contract Checklist shall be used for all contracts beginning with the issuance of this amendment.

The checklist 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.

Note: The CCC-770 DCP (11-20-06) checklist is obsolete.

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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 be 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 subparagraph 802 B 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.--*

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 one 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.--

Written statements from producers certifying that they have a cash lease for a farm are 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

Note: CCC-509 signature requirements must be met by June 1 of the applicable FY. See subparagraph D if 1 or more signatures are not timely obtained.

- 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
- 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.

***--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 14 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 paragraph 800 to remove COC approval date when producer signature requirements have not been met.
2	Use the automated procedure in Part 12 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.--*

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 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, 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 and November to the DCP program manager by January 1, 2007. The report for contracts modified in December is due by February 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)

***--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.

--*

426.5 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)

*--

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)**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.

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.

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.

***--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

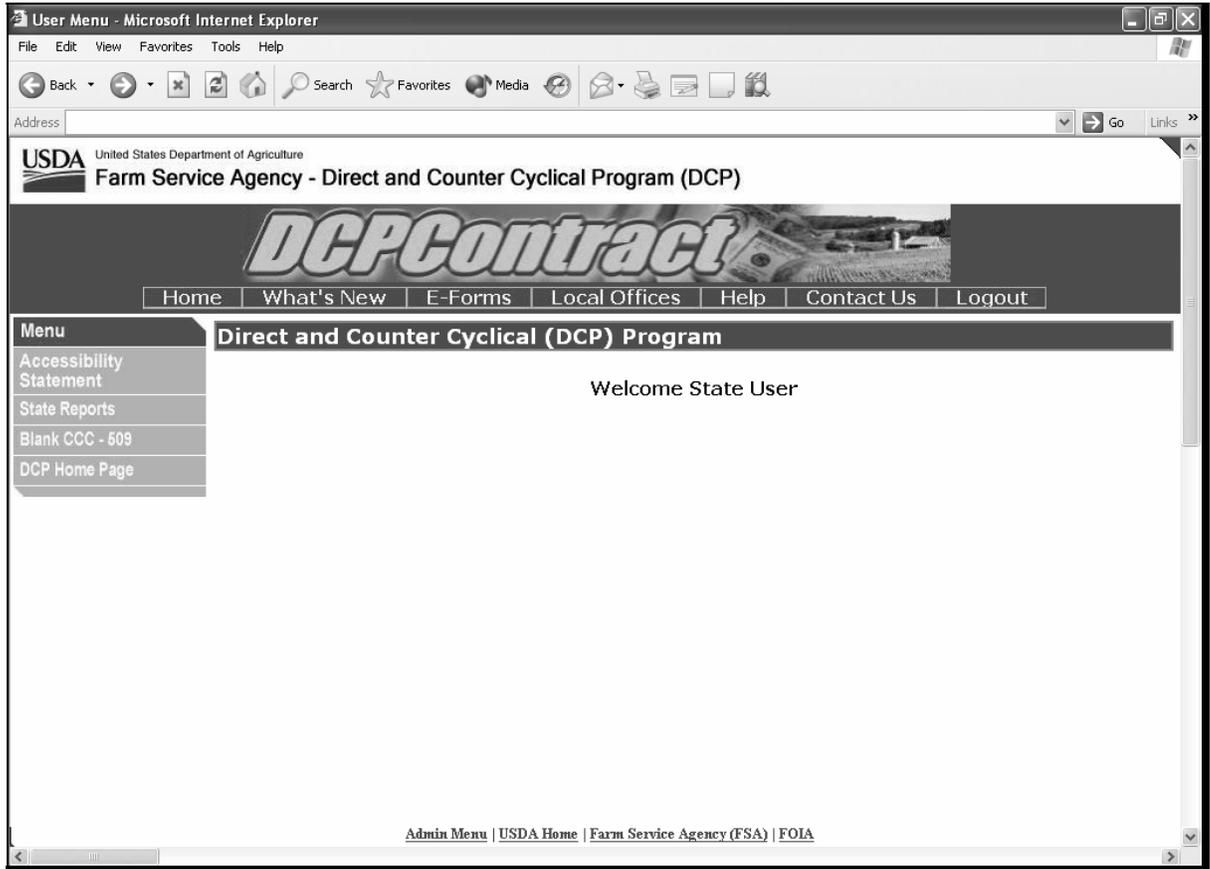
County Offices that process nationwide customer service applications must:

- 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

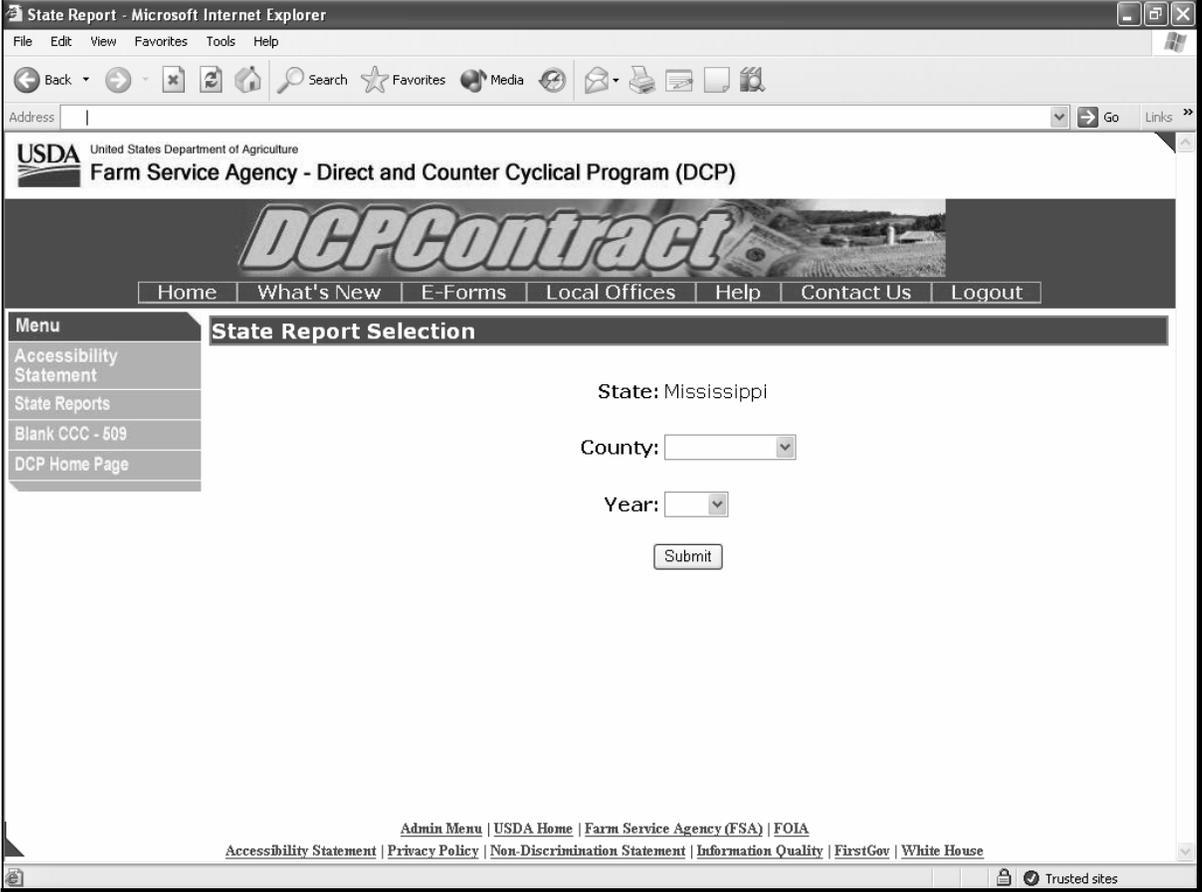
Web-based DCP software allows State Office access. State Office users can access web-based DCP software by entering their eAuthentication user ID and password. The DCP Welcome Screen will be displayed. Following is an example of the Welcome Screen.



*--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.

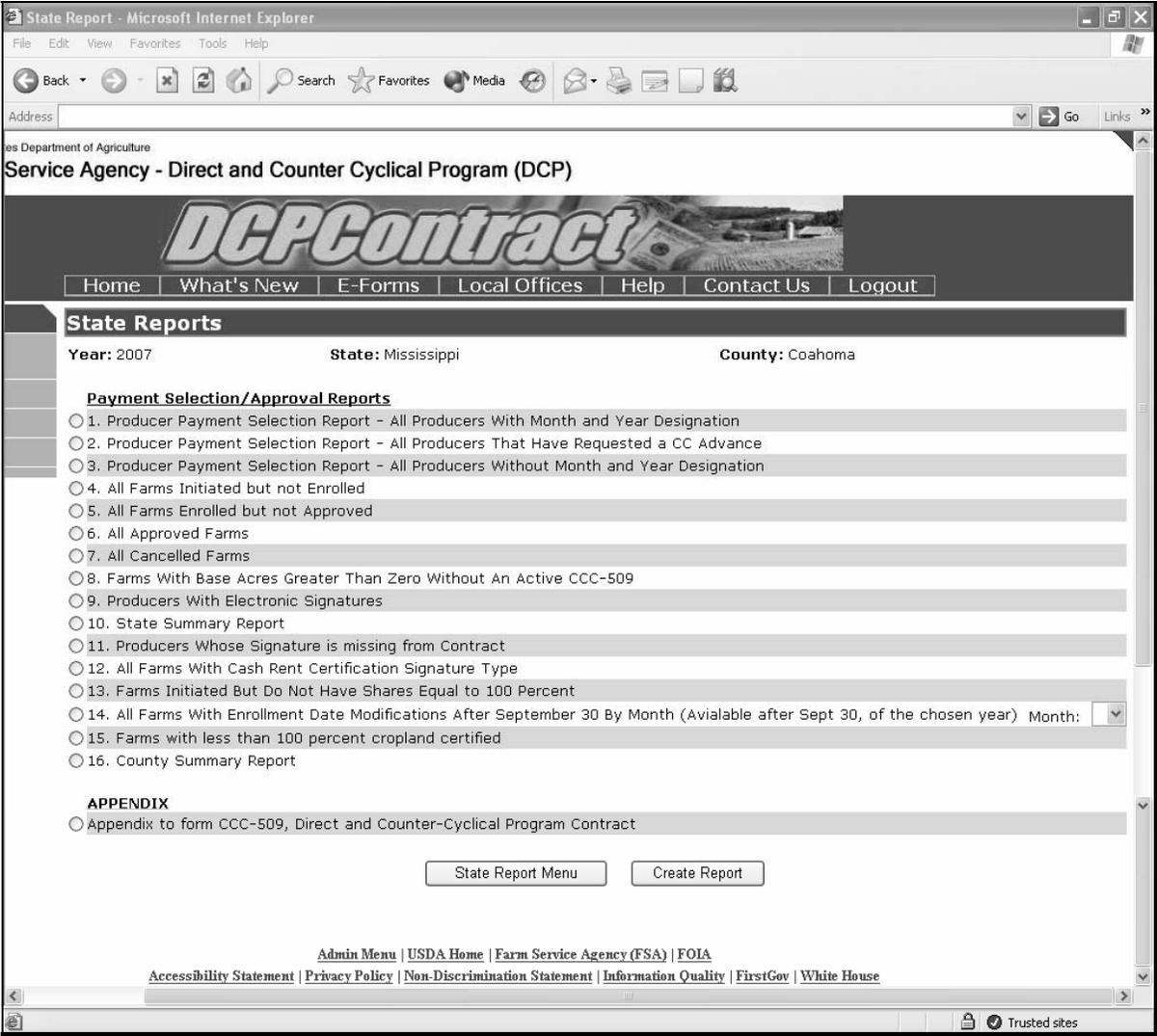
Field/Button	Description	Action
State	The State associated with the user.	
County	Drop-down box with the county names applicable to the users State.	Select the applicable county. Only 1 county can be selected at a time.
Year	Drop-down box with program years.	Select the applicable program year.
Submit	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.



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***--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.

--*

*--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.

*--



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Note: Reports will be displayed as a view with the option to print.

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 (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.	

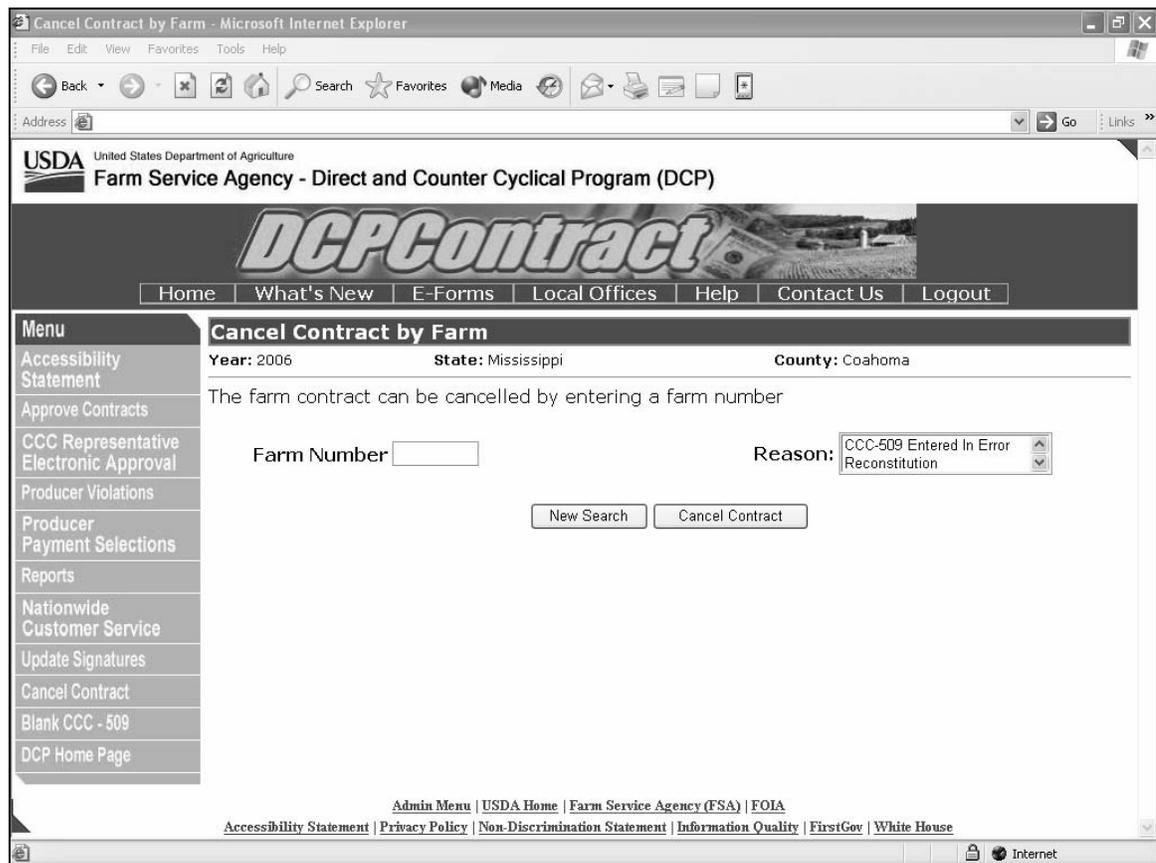
*--854 Cancel Contract

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.



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Reports, Forms, Abbreviations, and Delegations 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
CCC-509 Appendix	Appendix to Form CCC-509, Direct and Counter-Cyclical Program Contract	332	11, Ex. 2
CCC-509B	_____ CCC-509B Worksheet.		793, 801, 810, 811
CCC-515	Direct and Counter-Cyclical Program (DCP) Base and Yield Election Form	303	13, 136.6, 300, 304, 617, 625, 626, 629.5, 631-638
CCC-517	Direct and Counter-Cyclical Program (DCP) Tract Redistribution Form		13, 303, 304, 334, 617, 625, 627, 629, 629.5, 636
CCC-522	Tract Owner Selection of Initial or Subsequent Crop Acreage History	301	13, 302, 617, 619-621, 629.5
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, 604,
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, 617, 628, 630
FSA-578	Report of Acreage		Text
FSA-658P	Producer's Record of Production	138	101, 131, 137, 137.1, 139, 300, 304, 611, 613
FSA-910	WRP Projected DCP Base Reduction Worksheet	Ex. 13	426

Menu and Screen Index

The following menus and screens are displayed in this handbook.

Menu or Screen	Title	Reference
	DCP Contract - Approve Contracts Screen	848
	DCP Contract - Assign Producer Shares/Payment Selections Screen	844
	DCP Contract - Cancel Contract By Farm	854
	DCP Contract - Consolidated by Crop Screen	846
	DCP Contract - Consolidated by Producer Screen	845
	DCP Contract - Login Screen	840
	DCP Contract - National Selection Screen	851
	DCP Contract - Producer Payment Selection Screen	850
	DCP Contract - Producer Violation(s) Screen	849
	DCP Contract - Reports Screen	852
	DCP Contract - Search by Producer or Farm Screen	842, 851
	DCP Contract - Select Contract - Farm Search - Farm Selection Screen	842
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***--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. 	

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*--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.

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***--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>

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*--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>PART A – INFORMATION ABOUT THIS FARM <i>Determine this information from the FSA-156EZ form obtained from the local FSA Office for the applicable farm.</i></p>					<p>A. State:</p>
					<p>B. County:</p>
					<p>C. Farm Number:</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? <i>If "YES", see the note in Item 16 if a projected DCP base reduction is required.</i></p>					<input type="checkbox"/> YES <input type="checkbox"/> NO
<p>7. Available cropland acreage for the farm. <i>Effective DCP cropland in Item 3 minus total DCP base acreage in Item 5. If the result is negative, enter 0.</i></p>					▶
<p>8. Double-cropped acreage included in total DCP base acres. <i>Item 5 minus Item 3. If the result is negative, enter 0.</i></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. <i>Item 9 minus Item 10. If the result is negative, enter 0.</i></p>					
<p>12. Revised effective DCP cropland. <i>(Item 3 minus Item 11)</i></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. <i>(Item 11 plus Item 13)</i></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. <i>(Item 14 plus Item 15)</i></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 the CCC-770 DCP Checklist dated 12-11-06 is that action required for contract administration and payment processing have been separated. CCC-770 DCP, Contract Checklist, includes action required only during the contract period that is applicable to CCC-509 itself. A separate checklist, CCC-770 Payment Checklist, shall be used when processing payments.

Note: A future amendment to 1-CM will include information about CCC-770 Payment Checklist.

CCC-770 DCP, Contract Checklist:

- 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**

Note: The checklist 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.--*

***--CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)**

B Maintaining CCC-770 DCP

CCC-770 DCP, Contract Checklist, 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.

C Retention Period

All CCC-770 DCP, Contract Checklists, shall be retained in the DCP contract folder with the CCC-509, according to 25-AS, Exhibit 33.6. If a new checklist is initiated because of a revision to a CCC-509, the original CCC-770 DCP Contract Checklist shall be retained, along with the revised checklist.

Destroy CCC-770 DCP, Contract Checklist, when CCC-509 is destroyed.

D County Office Action

The County Office employee that completes each item on CCC-770 DCP, Contract Checklist:

- 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 the checklist 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 new checklist if the 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 the checklist is answered “No” with the exceptions of items 8a and 14
- 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, Contract Checklist, for administering DCP. All program provisions must be met, not just the items included on the checklist. The checklist 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” 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:
 - five CCC-770 DCP, Contract Checklists if 10 or less CCC-509’s have been approved by COC
 - ten CCC-770 DCP, Contract Checklists if 11 through 1,000 CCC-509’s have been approved by COC
 - twenty CCC-770 DCP, Contract Checklists 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, CED shall randomly select a sample for review as specified above.

When spot checking information certified on CCC-770 DCP, Contract Checklist, CED’s or their designated representative 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
- sign and date item 11 and/or 17, as applicable
- report to COC and the STC representative any CCC-770 DCP, Contract Checklist, 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. The CCC-509 is pulled for spot check on March 15.

Since only items 5 through 9 have been completed on the checklist, CED shall review CCC-509 to ensure that all program provisions have been met and that the items on the checklist 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:

- three CCC-770 DCP, Contract Checklists, if 10 or less CCC-509's have been approved by COC
- five CCC-770 DCP, Contract Checklists, if 11 through 1,000 CCC-509's have been approved by COC
- ten CCC-770 DCP, Contract Checklists, 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, Contract Checklists, selected by the State Office
- spot check, **at a minimum**, 50 percent of the CED's spot checks in subparagraph F
- not duplicate spot checks completed by CED or their designated representative
- submit the results of the spot checks to SED.

When spot checking information certified on CCC-770 DCP, Contract Checklist, the 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.--*

*--CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

G Example of CCC-770 DCP

Following is an example of CCC-770 DCP.

<p>CCC-770 DCP U.S. DEPARTMENT OF AGRICULTURE (12-11-06) Commodity Credit Corporation</p>		1. State Name	2. County Name			
<p align="center">DIRECT AND COUNTER-CYCLICAL PROGRAM CONTRACT CHECKLIST</p>		3. Crop Year	4. Farm Number			
		<p>PART A – FOR DCP DIRECT ADVANCE PAYMENT PROCESSING</p>				
<p align="center">Office Staff Actions:</p>		<p align="center">Handbook or Other Reference</p>	<p align="center">YES</p>	<p align="center">NO</p>	<p align="center">Initials</p>	<p align="center">Date Completed</p>
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			
<p>PART B – FOR DCP DIRECT FINAL AND COUNTER-CYCLICAL PAYMENT PROCESSING</p> <p>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.</p>						
<p align="center">Office Staff Actions:</p>		<p align="center">Handbook or Other Reference</p>	<p align="center">YES</p>	<p align="center">NO</p>	<p align="center">Initials</p>	<p align="center">Date Completed</p>
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				
14A. If "YES", are the FAV's planted on DCP base acreage?						
14B. If "YES", do any of the FAV exceptions apply?		4-CP				
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			
<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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