

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Direct and Counter-Cyclical Program and
Average Crop Revenue Election for 2009
and Subsequent Crop Years
1-DCP (Revision 3)**

Amendment 10

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 67 C has been amended to clarify when base acres are reduced because a CRP contract may be restored.

Subparagraph 175 E has been amended to update the final date to report production evidence for ACRE.

Paragraph 188 has been amended to clarify the per acre producer-paid crop insurance premium reporting requirement.

Paragraph 519 has been amended to include all hybrid seed.

Exhibit 1 has been amended to include the additional redelegation of authority for FSA-658's.

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67 **Adjusting Base Acres for CRP-1 Expiration, Voluntary Termination, or Early Release (Continued)**

C Timing of Adjustment and Payments (Continued)

Adjustments to base acres on a farm because of CRP-1 that expires, is voluntarily terminated, or early released after September 30, 2008, and before October 1, 2012, may be made according to the following, if all other eligibility requirements are met.

| IF CRP-1... | THEN... | AND... |
|--|--|--|
| expired before FY 2009 | eligible producers may adjust base acres on the farm by enrolling eligible acreage: <ul style="list-style-type: none"> • after CRP-1 expires • by August 14, 2009 | be paid full DCP and ACRE Program payments, as applicable, for FY in which acreage is enrolled in DCP or the ACRE Program. |
| is voluntarily *--terminated, expires, or early released in--* FY 2009 through 2012, as applicable, before CRP-1 expiration date | eligible producers may adjust base acres on the farm by enrolling eligible acreage by June 1 (August 14, 2009, for 2009) of the applicable year | |
| | eligible producers may adjust base acres on the farm by enrolling eligible acreage after September 30 of FY in which CRP-1 is voluntarily terminated, but no later than June 1 (August 14, 2009, for 2009) of the following FY | |

Note: Eligible acreage must be enrolled by June 1 (August 14, 2009, for 2009) of the applicable year to be eligible for DCP or ACRE Program payments.

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

D Example 1

Jane Smith enrolled 100 acres of cropland on FSN 56 in CRP during signup. CRP-1 became effective on October 1, 2008. Before enrollment of the 100 acres of cropland into CRP, FSN 56 had:

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

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

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

On September 1, 2009, Jane Smith voluntarily terminates 2.3 acres from CRP. The 2.3 acres will be used for a horse pasture. The voluntary termination of 2.3 acres from CRP was approved by the applicable CCC official. Once the voluntary termination of the 2.3 acres of CRP is approved, and all other eligibility requirements are met, the County Office shall:

- notify all producers and owners in writing that the 2.3 wheat base acres are available for enrollment into DCP or the ACRE Program
- increase the base acres on FSN 56 to 402.3 if the producer enrolls the base acres by June 1 of FY 2010
- notate the 2.3 base acre reinstatement in the remarks section of CCC-505.

After the modifications to FY 2010 farm records have been completed, FSN 56 has:

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

175 ACRE Overview (Continued)**E Features of ACRE**

Paragraph 207 details the ACRE payment computation.

ACRE payments must trigger on both a State and farm basis for a covered commodity. Factors impacting the payment trigger include the State and farm triggers. In summary, a:

- State trigger occurs for a covered commodity when the State ACRE guarantee exceeds the actual State revenue
- farm trigger occurs when the farm's ACRE guarantee exceeds actual farm revenue.

Participation in ACRE requires production reports for planted acres that must be submitted *--for the covered commodities and peanuts planted on the farm by July 15 of the year--* following the contract year of enrollment in ACRE. The production reports impact eligibility for ACRE payments in the current year and future year's benchmark farm yield for covered commodities.

Eligibility for ACRE payments is based on the administrative county of the elected and enrolled farm, not the physical location of the land.

F Benchmark Farm Yield for Covered Commodities and Peanuts

A benchmark farm yield is required for each covered commodity and peanuts to determine farm ACRE guarantee.

The farm ACRE guarantee for the crop year for a covered commodity or peanuts is determined by multiplying the average yield per planted acre for the covered commodity or peanuts on the farm for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields (benchmark farm yield), by the ACRE guarantee price for the applicable crop year for the covered commodity or peanuts in a State plus per acre producer-paid crop insurance premium for the covered commodity or peanuts.

175 ACRE Overview (Continued)

F Benchmark Farm Yield for Covered Commodities and Peanuts (Continued)

*--Benchmark farm yield, means, except as otherwise provided, for a covered commodity and peanuts, the Olympic average of the average actual yield per **planted** acre or ACRE plug yield for the farm for the 5 most recent crop years.

| IF the benchmark farm yield is being calculated for... | THEN the 5 most recent crop years are... |
|---|---|
| 2009 | 2004 through 2008. |
| 2010 | 2005 through 2009. |
| 2011 | 2006 through 2010. |
| 2012 | 2007 through 2011. |

Notes: A benchmark farm yield is **required** to be established the first year a farm elects and enrolls in the ACRE Program and is updated each year with the actual production on the farm from planted acres.

An ACRE crop followed by the same ACRE crop with a different intended use is not considered double-cropping. The initial intended use is considered the ACRE crop and is the crop and intended use for which a benchmark farm yield must be established.

For the purposes of this paragraph, the most recent 5 crop years for the 2009 crop year, are crop years are 2004, 2005, 2006, 2007, and 2008, even if the farm has no production or yield records for any of these years.

In the event a farm submits production reports according to subparagraph G to support actual yields in any of the initial yield years, continuity is required according to subparagraph H.--*

188 Per Acre Producer-Paid Crop Insurance Premium

A Requirement for Reporting Per Acre Producer-Paid Crop Insurance Premium

[7 CFR 1412.76] The farm ACRE benchmark revenue for the crop year for a covered commodity or peanuts will equal the sum obtained by adding:

(1) The amount determined by multiplying:

- (i) The average yield per planted acre for the covered commodity or peanuts of the producers on the farm for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields and**
- (ii) The ACRE program guarantee price for the applicable crop year for the covered commodity or peanuts in a State**

(2) The amount of the per acre crop insurance premium required to be paid by the producers on the farm for the applicable crop year for the covered commodity or peanuts on the farm.

Producers are **not** required to purchase crop insurance to participate in ACRE; however, if a producer does have crop insurance with a premium-based insurance policy, value is added to the farm ACRE benchmark revenue that increases the likelihood that a farm will trigger.

The farm ACRE guarantee calculation requires that producers report their per acre producer-paid crop insurance premium. Collect this information on CCC-538. The amount *--of the premium recorded on CCC-538 shall **not** include the State or Federal subsidized--* portion of the premium.

There is no timeframe for completing CCC-538; however, payments will **not** be calculated until the information is provided to the County Office and CCC-538 is complete.

* * *

If a State trigger is **not** met for a specific covered commodity or peanuts, the * * * *--producer-paid crop insurance premium for that covered commodity or peanuts does not need to be provided by the producer. However, the insurance software will require that a zero be entered for the crop and a signature date be entered. The date entered in these situations should be the date the zero was entered in the software.

All producers who share in an ACRE crop on FSA-578 must have a signature date entered into the system before an approval date can be entered.

All designated crops must have insurance premium data loaded into the system before an approval date can be entered.

Note: A zero is an acceptable entry.--*

***--188 Per Acre Producer-Paid Crop Insurance Premium (Continued)**

B Completing CCC-538

Complete CCC-538 according to the following table.

| Item | Instructions |
|------|---|
| 1A | Enter the County Office name and address. |
| 1B | Enter the County Office telephone number. Note: This is an optional entry. |
| 2 | Enter the applicable crop year. |
| 3 | Enter the applicable State code. |
| 4 | Enter the applicable county code. |
| 5 | Enter the applicable farm number. |
| 6 | Enter the applicable covered commodity or peanuts and the practice that the producer is reporting the per acre producer-paid crop insurance premium. |
| 7 | Enter the producer's name who is reporting the per acre producer-paid crop insurance premium. |
| 8 | Enter the producer's premium per acre. |
| 9A | Each producer identified in item 7 shall sign. |
| 9B | If the individual signing in item 9A is signing in a representative capacity for the participant, a title/relationship shall be listed. If the individual in item 9A is the signatory, then no entry is required. |
| 9C | Enter the date the producer or person signing in a representative capacity completes CCC-538. |
| 10A | The County Office employee accepting the completed CCC-538 shall sign. Note: The employee shall not sign until CCC-538 is complete. |
| 10B | Enter the title of the County Office employee accepting the completed CCC-538. |
| 10C | Enter the date the County Office employee accepted the completed CCC-538. |

--*

188 Per Acre Producer-Paid Crop Insurance Premium (Continued)

D Collection of Data

The collection of the per acre producer-paid crop insurance premium may be provided *-through RMA or received directly from the producer. If the producer-paid crop insurance premium amount is:

- furnished by the producer, then a signature is required on CCC-538
- collected through CIMS, then no signature is required on CCC-538

Note: A signature date will be required by the insurance software. Enter the date that the premium was calculated from CIMS as the signature date. Select “Paper” as the signature type.

- entered as a zero, then no signature is required on CCC-538 and a paper copy of CCC-538 is not required to be retained.

Note: A signature date will be required by the insurance software. Enter the date that the zero amount was entered into the software as the signature date. Select “Paper” as the signature type.--*

Premium data should be collected from insurance policies that require a premium, **not** fee-based insurance policies, such as a catastrophic risk protection plan of insurance or NAP. The following are the 3 examples of premium-based insurance policies:

- multi-peril crop insurance
- group risk plan
- crop revenue coverage.

Care should be given to information provided by producers, in that, normally RMA reports premiums per unit and **not** per FSN. County Offices may have to calculate the premium on the applicable FSN before calculating the per acre producer-paid crop insurance premium.

188 Per Acre Producer-Paid Crop Insurance Premium (Continued)**E Calculating the Per Acre Producer-Paid Crop Insurance Premium**

Calculate the per acre producer-paid crop insurance premium based on the premium paid by a producer on a farm divided by the number of FSA acres in which the producer has an interest.

Example: The following farm data applies:

- Producer A has an interest in 75 acres of barley and does **not** have any form of crop insurance
- Producer B has an interest in 100 acres of barley and has an insurance premium totaling \$600 for the farm
- Producer C has an interest in the same 100 acres of barley as Producer B and has an insurance premium totaling \$200 for the farm.

Note: CCC-538 shall be completed to show that:

- Producer A's premium per acre is \$0
- Producer B's premium per acre is \$6
- Producer C's premium per acre is \$2.--*

189-195 (Reserved)

--517 Determining Production for Farms Where Production Is Not Available*A COC Authority**

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

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

B Multiple Producers

Owners of a farm with multiple producers may not be able to obtain production evidence from **former** producers on the farm for all of the applicable crop years. COC shall assign the ACRE plug yield for acreage from which production evidence is unavailable, provided existing records at FSA or crop insurance clearly document the planted acreage of the crop on the farm.

C No Interest in Acreage

Owners may be unable to obtain production evidence for the entire farm, as it is constituted in the year of benchmark yield establishment because they did not have an interest in all or a portion of the acreage of the crop in 1 or more of these years and cannot obtain verifiable production records from the previous producers. COC shall assign the ACRE plug yield for planted acreage in the crop year or years in which the current owner or current producer did not have an interest in the crop and verifiable production records cannot be obtained from the previous producers.

518 Using Similar Farms**A Assigning Production Based on Similar Farms**

Using similar farms for assigning production is **not** authorized.

B Protecting PII

Because of PII issues, using similar farms to assign production is **not** authorized.--*

519 Hybrid Seed * * *

A Hybrid Seed

--If acceptable production evidence for hybrid seed is submitted, COC shall convert the-- hybrid seed production to commercial production according to this paragraph.

B Separate Methods

--The following methods apply separately to any covered commodity or peanuts grown for hybrid seed, and to each crop year. If more than 1 method is applicable to a farm:--

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

| IF... | AND... | THEN... |
|--|--|--|
| both commercial crop acreage and hybrid seed acreage are grown on the farm | both the commercial and the hybrid acres are irrigated or nonirrigated | COC shall assign the actual per acre production from the commercial acreage to the hybrid seed acreage. |
| the producer and company entered into an agreement to use a commercial equivalent yield to calculate payments under the seed contract based on harvested commercial production | the producer has evidence that the calculation was based on actual harvested yields Note: Evidence may include the nomination form, selection of field form, or other form showing actual harvested commercial production. | the commercial equivalent production used for payment by the seed company shall be used, not to exceed 120 percent of the ACRE plug yield. |
| neither of the above apply or the owner elects not to use either of the above | | COC shall assign the ACRE plug yield. |

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

| Approved Abbreviations | Term | Reference |
|-------------------------------|--|--------------------------------|
| BCAP | Biomass Crop Assistance Program | 426 |
| CIMS | Comprehensive Information Management Systems | 188 |
| P&CP | planted and considered planted | 187 |
| PTPP | Planting Transferability Pilot Project | 76-82, 333, 445, 501, 502, 532 |

Delegations of Authority

COC may redelegate authority to approve CCC-505's, CCC-509's, CCC-509ACRE's, and FSA-658's to CED, in routine cases. Redlegation shall be documented in COC minutes.

