

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 2

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 11 A has been amended and subparagraph 332 B has been added to provide that by signing CCC-509, participants agree to the terms and conditions on CCC-509 Appendix (04-24-09), Appendix to Form CCC-509, Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract.

Subparagraph 395 A has been amended to include that owners who want to certify that they are part of a socially disadvantaged or limited resource group shall be provided CCC-509 Appendix.

Subparagraph 426 F has been amended to reference CCC-509 Appendix for guidance if changes occur in the farming operation that may affect any determination after CCC-509 is signed.

Page Control Chart		
TC	Text	Exhibit
	1-17, 1-18 6-1, 6-2 6-153, 6-154 7-7, 7-8	1, pages 1, 2

10 Payments and Limitations (Continued)**I Payment Limitations**

The provisions of 7 CFR Part 1400 about payment limits and payment eligibility requirements are applicable to CCC-509 as indicated by this regulation.

Payment or Benefit	Limitation per Person or Legal Entity, per Crop, Program, or FY
Direct payments for covered commodities <u>1/</u>	\$40,000
Direct payments for peanuts <u>1/</u>	\$40,000
Counter-cyclical payments for covered commodities <u>2/</u>	\$65,000
Counter-cyclical payments for peanuts <u>2/</u>	\$65,000

1/ If the person or legal entity has a direct or indirect interest in payments earned on a farm that is in ACRE, this limitation will reflect a 20 percent reduction in direct payments on each farm that is participating in ACRE.

2/ Under ACRE, this amount will be a combined limitation for counter-cyclical and ACRE payments. If a person or legal entity has a direct or indirect interest in payments earned on a farm that is participating in ACRE, this limitation will reflect an increase for the amount that the direct payments were reduced.

J Farm With 10 Base Acres or Less

Producers on farms with 10 base acres or less are not eligible for payments for that farm unless that farm is owned by a socially disadvantaged or limited resource farmer.

Note: See paragraph 395.

11 Contract Requirements

A Signing CCC-509

To participate, producers are required to designate shares and sign CCC-509. Signing CCC-509:

- acknowledges the applicability of any provisions of the Federal regulations found in 7 CFR Parts 718, 1400, and 1412
- *--represents agreement with terms and conditions in CCC-509 Appendix.--*

B CCC-509 Requirements

Producers signing CCC-509 for participation agree to:

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

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

- file an acreage report with respect to all crops and all cropland on the farm, and if enrolled in the ACRE Program, report production of covered commodities on the farm
- notify FSA when there is a transfer of or change of interest of a producer

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

- a certification of compliance with AGI provisions according to 7 CFR Part 1400.

C Transfer of or Change in Farming Interest or Change in Base Acres

A transfer of or change in the interest of any producer or change in any base acres on CCC-509 in a FY for a farm shall result in terminating the contract for FY, unless the producers succeeding to the acreage enter into CCC-509 for the farm and agree to assume all obligations of the contract no later than September 30 of the contract period.

Note: See paragraphs 187, 207, and 397 for the ACRE Program.

Part 6 Annual Enrollment**Section 1 General Information****331 Annual Enrollment Period****A Enrollment Dates**

Enrollment in either DCP or ACRE is on an annual basis. The enrollment period for DCP for FY 2009 began December 23, 2008, and ends August 14, 2009. The 2009 ACRE Program enrollment begins April 27, 2009, and ends August 14, 2009.

ACRE Program enrollment occurs **after** election of ACRE. See paragraph 176 for ACRE.

B Farms With CRP-1

Farms with CRP-1's that expire, are voluntarily terminated, or early released after September 30, 2008, and before October 1, 2012, may enter into or expand CCC-509 to the extent:

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

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

C Reconstitution of Enrolled Farms

Farms enrolled during the prescribed annual enrollment period are no longer considered to be enrolled following a farm reconstitution. Farms resulting from a reconstitution are not deemed to have CCC-509 and, therefore, may not earn benefits associated with DCP or the ACRE Program unless timely enrolled in DCP or the ACRE Program.

See paragraph 333 for enrollment of reconstituted farms.

Note: ACRE elections are irrevocable and continue to apply following reconstitutions.

332 Overview of CCC-509**A CCC-509**

CCC-509 includes the following for each covered commodity and peanuts on the farm:

- base acres, direct payment acres, direct payment yields, and counter-cyclical payment yields, if applicable
- producer payment shares for direct and, if applicable, counter-cyclical
- advance direct and counter-cyclical payment selections, as applicable

Note: Although advance direct payments are available under an ACRE Program contract, there are no advance ACRE payments.

- signatures of the producer and CCC representative.

CCC-509 is available at <http://165.221.16.90/dam/ffasforms/currentforms.asp>.

Note: CCC-509's (11-14-08) initiated **before** April 27, 2009, are acceptable for DCP. CCC-509's initiated after April 27, 2009, require a version date of (04-16-09), or later for either the DCP or ACRE Program.

For ACRE Program contracts, CCC-509 will also reflect those potentially eligible for ACRE payments even though the producer may not have a share of base acres. See paragraphs 187, 209, and 397.

***--B CCC-509 Appendix**

CCC-509 Appendix contains the terms and conditions of CCC-509. By signing CCC-509 participants:

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

CCC-509 Appendix is available from the FFAS Employees Forms/Publications Online Website at <http://165.221.16.90/dam/ffasforms/currentforms.asp>--*

394 CCC-509 (Continued)

E Withdrawing Enrollment

[7 CFR 1412.41] Eligible producers may withdraw from a DCP or ACRE Program at any time by June 1 (August 14, 2009, for 2009) of the year of the contract provided all signatories to the contract, including CCC, agree to the withdraw. CCC-509's enrolled prior to the decision of producers on a farm to elect the ACRE option for a fiscal year on CCC-509ACRE are considered withdrawn pursuant to § 1412.72. Producers electing the ACRE option according to § 1412.72(d) must subsequently decide whether or not to enroll the farm on a CCC-509. Producers on a farm are solely responsible for ensuring that enrollment occurs.

In the event that a timely withdrawal of a valid CCC-509ACRE is filed according to subparagraph 176 B, any subsequent ACRE Program contract shall likewise be considered withdrawn. Additionally, any CCC-509 that may have preceded CCC-509ACRE in the same enrollment period is also considered withdrawn.

F Expiration of Contracts

[7 CFR 1412.41] All contracts expire on September 30 of the fiscal year of the contract unless:

- (1) Withdrawn in accordance with 7 CFR § 1412.41(b);**
- (2) Terminated in accordance with 7 CFR §§1412.41(d) or (e); or**
- (3) Terminated at an earlier date by mutual consent of all parties, including CCC.**

See paragraph 14.

G Required Signatures on CCC-509

CCC-509's on which all signatures for producers sharing in base acres are not obtained by June 1 (August 14, 2009, for 2009) of the applicable year are not considered filed for any purpose.

Note: For cash lease situations, signatures or other applicable documentation can be submitted after June 1 (August 14, 2009, for 2009) of the applicable year provided all signature requirements were met by June 1 (August 14, 2009, for 2009) of the applicable contract period for producers sharing in the base acres. See subparagraph C for cash lease signature requirements.

See paragraphs 187 and 207 for ACRE Program contracts.

No action whatsoever will be taken on any CCC-509 that does not contain all required signatures. CCC-509 shall not be disapproved, approved, or considered under any equitable relief provision. Incomplete CCC-509's are not due any sort of decision from FSA.

395 10-Acre Rule Exception Signature Requirements**A Signatures of Owners Certifying Socially Disadvantaged or Limited Resource Farmers or Ranchers on CCC-509**

Owners that are applying for the socially disadvantaged or limited resource farmer or rancher exception, so that a producer on the farm may receive payment, must complete, as applicable, CCC-509, items 14 B through D and items 16 A and B if all of the following apply:

- the farm has 10 base acres or less
- 1 of the following apply:
 - the owner is an individual and is a socially disadvantaged or limited resource farmer or rancher
 - the owner is a group of individuals and 50 percent of the ownership interest are socially disadvantaged or limited resource farmers or ranchers
 - the owner is an entity and 50 percent of the ownership interest of the entity are socially disadvantaged or limited resource farmers or ranchers
- the participant on the contract wishes to receive benefits.

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

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

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

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

F Land Enrolled in WRP

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

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

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

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

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

F Land Enrolled in WRP (Continued)

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

- a copy of FSA-156-EZ with information about the number of base acres applicable to the farm or farms
- a **blank** FSA-910 with instructions (Exhibit 19)
- 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 bear responsibility for notifying FSA of changes that affect DCP or ACRE *--Program eligibility. CCC-509 Appendix and this handbook specify 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 applicable year.

Reminder: Although producers may ultimately have up until the end of the contract period to report changes, if the changes cause or require the need for additional signatures or documents, those signatures or documents must also be submitted by the end of the contract period. Accordingly, producers should **not** wait until September 30 to report changes.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification		6, 7, 352, 429, Ex. 4
AD-1153	Application for Long-Term Contracted Assistance Through the _____ Program		427
CCC-505	Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acres Reduction	66	Text, Ex. 19
CCC-509 (4-16-09)	Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		Text, Ex. 2, 4, 14, 17
CCC-509ACRE	Average Crop Revenue Election (ACRE) Program Irrevocable Election		Text, Ex. 14
CCC-509 Appendix (04-24-09)	Appendix to Form CCC-509, Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		11, 332, 395, 426
CCC-510	DCP or ACRE Program Cash Rent Certification Statement	Ex. 14	352, 394, 402
CCC-517	Tract Redistribution Form		334
CCC-576	Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program		78
CCC-749	Request to Participate in the 20__ Planting Transferability Pilot Project	80	76, 79, 81, 82, 333

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

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-770 DCP	Direct and Counter-Cyclical Program Contract Checklist	Ex. 17	353
CCC-770 Eligibility	Eligibility Checklist		Ex. 17
CCC-902 Continuation	Continuation Sheet for Leased or Owned Land		6, 7, 352, Ex. 4
CCC-902E	Farm Operating Plan for Entity 2009 and Subsequent Program Years		6, 7, 352, Ex. 4
CCC-902I	Farm Operating Plan for Individual 2009 and Subsequent Program Years		6, 7, 352, Ex. 4
CCC-903	Worksheet for Payment Eligibility and Payment Limitation Determinations		352
CCC-920	Grassland Reserve Program Contract		66, 427
CCC-926	Average Adjusted Gross Income (AGI) Statement		6, 7, 352, Ex. 4
CRP-1	Conservation Reserve Program Contract		Text, Ex. 2
CRP-2	Conservation Reserve Program Worksheet		427
CRP-2C	Conservation Reserve Program Worksheet (For Continuous Signup)		427
CRP-15	Agreement for Reduction of Bases, Allotments and Quotas		67, 331, 425
FCI-19	Crop Insurance Acreage Report		478
FSA-156-EZ	Abbreviated 156 Farm Record and Tract Listing		82, 426, 427, Ex. 19
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		400
FSA-578	Report of Acreage		Text, Ex. 2, 17
FSA-658	Record of Production and Yield		187
FSA-910	Wetland Reserve Program Projected DCP Base Reduction Worksheet	Ex. 19	426