

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 4

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraphs 175 A and C have been amended to provide that other tenants that are producers on noncropland acres only are not required to sign CCC-509ACRE.

Subparagraph 175 B has been amended to remove the reference of intended uses.

Subparagraph 175 has been amended to clarify policy on the benchmark farm yield.

Subparagraph 176 B has been amended to provide that other tenants that are producers on noncropland acres only are not required to sign CCC-509ACRE.

Subparagraph 176 F has been amended to clarify who can withdraw CCC-509ACRE.

Subparagraph 177 B has been amended to add the following ACRE crops:

- white corn
- soybeans with intended use of grain
- white and yellow corn with intended use of seed.

Paragraph 187 has been amended to:

- add additional policy on choosing ACRE payment acres
- clarify examples
- incorporate CCC-528.

Subparagraph 207 B has been amended to clarify calculating ACRE payments.

Subparagraph 426 B has been amended to add BCAP as an eligible use.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibit
	4-1 through 4-10 4-25 through 4-40 4-61, 4-62 6-156.5, 6-156.6 6-169, 6-170 7-3, 7-4 8-5, 8-6	1, pages 1, 2 page 3

Part 4 ACRE Program

Section 1 ACRE and Features

175 ACRE Overview

A Election Period

Section 1105 of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) authorizes ACRE as an alternative to the counter-cyclical component of DCP. Once ACRE is elected on CCC-509ACRE by all producers on a farm according to the following, it is irrevocable for the effective period of election through the 2012 crop year.

IF an election by all producers on the farm on CCC-509ACRE is in the period of time...	THEN the election is irrevocably effective for...
ending on August 14, 2009	2009, 2010, 2011, and 2012 crop years.
of August 15, 2009, through June 1, 2010	2010, 2011, and 2012 crop years.
of June 2, 2010, through June 1, 2011	2011 and 2012 crop years.
of June 2, 2011, through June 1, 2012	2012 crop year.

Notes: An election may be withdrawn according to subparagraph 176 F.

*--An other tenant that is a producer on noncropland acres only is **not** required to sign CCC-509ACRE.--*

B Comparing DCP and ACRE Program

Similar to DCP, there are 2 components to the ACRE Program. Producers who enroll a farm in the ACRE Program for which there is a valid election under ACRE will receive direct payments, but with a 20 percent reduction and will be eligible for MAL's with a 30 percent reduction in loan rates.

The following compares some features of DCP and the ACRE Program.

Payments		DCP	ACRE
Direct	Payment Rate	100 percent of the DCP direct payment rate.	80 percent of the DCP direct payment rate.
	Payment Formula	Uses farm's base acreage.	Uses farm's base acreage.
	Advances	Available through 2011.	Available through 2011.
Counter-Cyclical	Payment Formula	Uses farm's base acreage.	
	Trigger	Low national market prices.	
	Advances	40 percent advance of projected payment through 2010.	
ACRE	Payment Formula		Uses planted and considered planted acreages of commodity crops and peanuts.
	Triggers		Revenue must be below the historical State average and the farm average.
	Advances		Not available.
Loan Rates		100 percent of MAL rates.	70 percent of MAL rates.

* * *

175 ACRE Overview (Continued)

C Election and Subsequent Enrollment

Enrollment in CCC-509 is a 2-step process.

Step	Action
1	Require all owners and producers on a farm to elect the ACRE option on CCC-509ACRE according to paragraph 176. Election does not enroll the producers or the farm.
2	Enroll under CCC-509.

Important: Election on CCC-509ACRE does **not** enroll the farm or producers under CCC-509. Prior enrollment on CCC-509 for DCP and an election on CCC-509ACRE shall in no way be construed to be an intention to participate or enroll in the ACRE Program. ACRE Program enrollment is a separate and subsequent step to election. See paragraph 176.

***--Note:** An other tenant that is a producer on noncropland acres **only** is **not** required to sign CCC-509ACRE.--*

D Irrevocability of Election

[7 CFR 1412.72] Eligible producers on a farm who elect the ACRE option are making the irrevocable election for all of the farm as constituted on the date of election irrespective of whether the same producers are present on the farm in subsequent years and irrespective of whether there is a change of ownership. That is, the election is binding on the farm, not just the producers on the farm at the time of the election. An election is for the entire farm and not for part of a farm.

Unless timely withdrawn according to subparagraph 176 F, the election of ACRE on CCC-509ACRE is irrevocable. This means that a farm having a valid CCC-509ACRE by the end of an applicable election period will remain subject to ACRE provisions for the effective period of election identified in subparagraph A. The election applies to all covered commodities and peanuts on the farm.

See paragraph 176 for provisions about who must sign and withdraw CCC-509ACRE.

The election of ACRE on a farm’s base acres is irrevocable from the end of the election period through the 2012 crop year.

See paragraph 176 for the impact of reconstitutions on election.

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 no later than the last crop reporting date for the covered commodities planted on the farm in 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.

Note: Procedure is forthcoming for situations when acceptable production evidence is submitted to COC for updating the farm benchmark yield. This procedure will include instructions for hybrid seed corn and sorghum.

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.--*

Notes: For the purposes of this paragraph, the most recent 5 crop years for the 2009 crop year, the 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 to support actual yields in any of the initial yield years, continuity is required according to subparagraph G.

175 ACRE Overview (Continued)

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

For each covered commodity and peanuts planted on a farm having a valid CCC-509ACRE, the yield of each of the 5 most recent years will be the higher of either of the following:

- *--the initial establishment of the benchmark farm field is 95 percent of the county--* average yield (NASS) for the covered commodity or peanuts
- actual farm yield determined by dividing the total actual production on the farm by the farm's total planted acres provided the continuity rule of subparagraph G is met.

*--In subsequent years, the farm's actual yield will be used to compute the benchmark farm yield.

Exception: Farms that have zero planted acres (i.e. prevented planted or managerial decision) shall receive the plug yield.--*

G Continuity of Actual Yield Records

If a farm submits a production report in an attempt to have the actual yield be considered the average yield per acre for a year, the report will only be considered if both of the following apply:

- the report is for a previous crop year for which the farm had planted acres of the covered commodity or peanuts
- there is not a break in continuity for a later year in the benchmark farm yield base period.

Note: A break in continuity occurs when acreage is reported for a covered commodity or peanuts and no production is reported.

Exception: Small grains with an intended use of grazing will **not** break continuity because of no production records on acres grazed.

176 ACRE

A Publicizing Availability of ACRE

FSA offices will provide a notice to owners and producers about the availability of ACRE and sign-up provisions. The notice will include information:

- on the opportunity of owners and producers on a farm to make the election
- about the manner in which the election must be made, submitted, and the time periods for election mentioned in subparagraphs C and D.

The notice mentioned in this subparagraph may be incorporated into newsletters or issued as mailing at the discretion of the office.

176 ACRE (Continued)

B Who Must Sign

[7 CFR 1412.72] ACRE elections on CCC-509ACRE will not be approved unless all producers, including owners, on a farm at time of election have signed the form electing the option. The ACRE election will not be approved before all producers, including owners, on a farm have signed the CCC-509ACRE. A producer's signature with other producers on a CCC-509 enrolled prior to the submission of a CCC-509ACRE will not be deemed evidence of the producer's agreement with those other producers with regard to election. A CCC-509ACRE not having all requisite signatures of producers on a farm by the election deadline of the year in which election is made will not be considered submitted for the purpose of election and will not be acted on or approved.

In all cases, it is the responsibility of the operator and owners of a farm to obtain and submit all necessary signatures of producers on CCC-509ACRE.

COC shall:

- only consider and act on CCC-509ACRE's that are submitted according to this paragraph
- **not** act, approve, or disapprove any CCC-509ACRE that does **not** have signatures of all individuals or entities with an interest in the farm, regardless of whether the individual or entity has a share interest in any crop being produced or grown on the farm, at the time of election.

Example: Bill Smith cash leases Farm 100. Owner John Doe does not have a share interest in any crop or base acres on the farm. In addition, Mary Jones short-term cash subleases 75 acres of forage crop acreage on the farm from Mr. Smith; however, Ms. Jones has no interest in either base acres or covered commodities or peanuts being grown on the farm.

In this example, Mr. Smith, Mr. Doe, and Ms. Jones each would have to sign CCC-509ACRE for a valid election to occur.

Notes: Provided 2-CM requirements are met, a reconstitution could be requested and performed to remove Mr. Smith's leased land from the farm.

Notwithstanding the signature requirements on CCC-509ACRE in this example, provided all other requirements are satisfied, such as cash lease instead of Mr. Smith's signature, Mr. Smith may be the only required signature on an ACRE Program contract. See paragraph 394.

***--Note:** An other tenant that is a producer on noncropland acres only is **not** required to sign CCC-509ACRE.--*

176 ACRE (Continued)

C CCC-509ACRE Filing Deadline

Unless an exemption for completing a reconstitution requested by June 1 applies according to subparagraph D, the election periods and effective period of elections for ACRE are as follows.

IF an election by all producers on the farm on CCC-509ACRE is for the election period...	THEN the election is irrevocably effective for the farm's base acres for...
ending on August 14, 2009	2009, 2010, 2011, and 2012 crop years.
of August 15, 2009, through June 1, 2010	2010, 2011, and 2012 crop years.
of June 2, 2010, through June 1, 2011	2011 and 2012 crop years.
of June 2, 2011, through June 1, 2012	2012 crop year.

D Reconstitution of Farm's Impact on Election Period for CCC-509ACRE

If a valid written request for reconstitution is filed by June 1 of the applicable crop year (August 1, 2009, for 2009), farms resulting from that reconstitution shall have until the later of either of the following:

- June 1 of the applicable crop year (August 14, 2009, for 2009) to submit CCC-509ACRE according to subparagraph C
- 30 calendar days following notification to resulting farms, operators, and owners of completing the reconstitution to submit CCC-509ACRE according to subparagraph C without regard to the election **not** being made before June 1 of the applicable crop year (August 14, 2009, for 2009).

Example: A request to divide Farm 100 is filed on July 15, 2009. The reconstitution results in Farms 1001 and 1002. Notification of completing the reconstitution is issued on July 27, 2009. The operators, owners, and producers on Farms 1001 and 1002 have 30 calendar days from July 27, 2009, to make a valid ACRE election on CCC-509ACRE for the 2009 and subsequent crop years and must enroll the farm within 30 calendar days from July 27, 2009. Any CCC-509ACRE filed after this date will be considered an election made in the subsequent election period.

176 ACRE (Continued)

E Impact of Transfers of Land, Successions-in-Interest, and Reconstitutions on Valid CCC-509ACRE

[7 CFR 1412.77] Land subject to an ACRE election will continue to be subject to the election even if there is a transfer of land or change in interest of any producer on the farm. If a new owner or operator or producer purchases or obtains the right and interest in, or right to occupancy of, the land subject to an ACRE election option, such new owner or operator or producer, upon the approval of CCC, may choose to become a participant to a new ACRE Program contract with CCC with respect to such transferred land in accordance with § 1412.41.

A valid election on CCC-509ACRE is unaffected by subsequent changes in:

- producers on the farm
- the constitution of the farm or tracts on the farm.

In the event that a change to a farm's constitution occurs, a copy of the parent farm's valid CCC-509ACRE shall be placed in each resulting farm's farm folder.

Follow 2-CM for reconstitutions. Farms or tracts with a valid ACRE election cannot be combined with farms **not** having a valid ACRE election.

Follow Part 6, Section 3 for ACRE Program contract requirements.

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

176 ACRE (Continued)

F Withdrawing CCC-509ACRE

[7 CFR 1412.72(k)] Any producer with an interest in a farm having made the ACRE election according to subparagraph A may unilaterally revoke the election for all of the farm if the election and revocation are both filed by the producer prior to the election deadline established for the initial year of election. The revocation must be submitted in writing to CCC no later than close of business on the date of the election deadline of the initial year of election. There are no late file provisions available for withdrawal of the ACRE election. No other withdrawals or revocations of the ACRE election will be permitted in order to comply with the irrevocability mandated in law. Accordingly, relief provisions in part 718, subpart D, of this title are not applicable to revocation of the ACRE election.

In the event a valid ACRE election on CCC-509ACRE is withdrawn according to this subparagraph, any CCC-509:

- signed after the filing of CCC-509ACRE will likewise be considered timely withdrawn according to paragraph 394
- that may have existed before the valid election on CCC-509ACRE shall continue to be treated as withdrawn and **not** be recognized for any purpose.

Note: Producers on a farm who have withdrawn CCC-509ACRE according to this paragraph who are interested in participating in DCP must timely file a new CCC-509 according to paragraph 394.

Any and all payments issued under any CCC-509 that is withdrawn must be refunded. See paragraph 14.

***--Note:** An other tenant that is a producer on noncropland acres only is **not** required to sign CCC-509ACRE.--*

***--177 Acre Crops**

A Crops Eligible for ACRE Payments

The following crops are eligible for ACRE payments:

- barley
- canola
- chickpeas, large
- chickpeas, small
- corn
- cotton, upland
- crambe
- flaxseed
- grain sorghum
- lentils
- mustard seed
- oats
- peanuts
- peas, dry
- rapeseed
- rice, long grain
- rice, medium grain (includes short grain rice)
- safflower
- sesame seed
- soybeans
- sunflower seed
- wheat.--*

177 Acre Crops (Continued)

B Intended Uses of ACRE Crops

The following provides eligible intended uses for covered commodities and peanuts participating in ACRE.

Crop Name	Type Name	Intended Use
Barley Oats Wheat	All	FG, GR, GS, GZ
Canola	All	SD
Chickpeas, Large	Garbanzo, Kabuli	*--DE, FG, PR, FH, SD
Chickpeas, Small	Garbanzo, Desi	
Corn	White Yellow	FG, GR, SD--*
Cotton, Upland		
Crambe		SD
Flaxseed	All	OL, SD
Grain Sorghum Sorghum Forage Dual Purpose Sorghum	All	FG, GR
Lentils		*--DE, FG, GZ
Mustard Seed	All	PR, SD
Peanuts	All	All
Peas, Dry	Austrian Green Umatilla Wrinkled Yellow	DE, FG, GZ, SD--*
Rapeseed Safflower Sesame Seed		SD
Rice, Long Grain	LGR	
Rice, Medium Grain	MGR SGR	
Soybeans	All	*--GR, SD--*
Sunflower Seed	All	SD

Section 2 ACRE Program Enrollment and Features**187 ACRE Program Requirements and Features****A Overview**

See paragraph 394 for procedure about enrollment in the ACRE Program.

Enrollment in the ACRE Program is the second step of a process that first requires a valid election on CCC-509ACRE.

B ACRE Program Contract Requirements

Participants enrolling under an ACRE Program contract agree to all the provisions of subparagraph 11 B. In addition, participants agree to:

- accurately record shares of planted and prevented planted acres reported on FSA-578 so that producers on the farm receive ACRE payments that are fair and equitable, as determined by COC
- accurately submit a report of production for the farm no later than the last acreage reporting date for the covered commodities and peanuts in the year immediately following the crop year of the reported crop acreage, for each covered commodity or peanuts for which an acreage report of planted acres greater than zero acres was filed.

Notes: Zero production reports are acceptable.

At FSA's discretion, documentation may be requested to substantiate a production report. Records of production acceptable to FSA may include those specified in:

- crop insurance and NAP records which may include loss records or take actual yield from the APH data base
- commercial receipts, settlement sheets, warehouse ledger sheets, or load summaries of the crop that were sold or otherwise disposed of through commercial channels provided the records are reliable or verifiable as determined by FSA
- documentary evidence, such as contemporaneous measurements, truck scale tickets, and contemporaneous diaries, as is necessary to verify the information provided if the crop has been fed to livestock or otherwise disposed of other than through commercial channels, if the records are reliable or verifiable as determined by FSA
- loan and LDP records.

187 ACRE Program Requirements and Features (Continued)

C Choosing the Commodity or Commodities for Which the ACRE Program Option Will Apply

[7 CFR 1412.72] If the total number of planted and considered planted acres of all covered commodities and peanuts on a farm exceeds the total base acres of the farm enrolled under a CCC-509, the producers on the farm may choose which commodity or commodities the ACRE Program option will apply to under this section.

*--If the total of the planted and considered planted acres of covered commodities or peanuts on a farm are in excess of 120 percent (118 percent in crop year 2012) of the farm's total base acres, all producers may choose the number of each planted or considered planted covered commodity and peanuts that may receive an ACRE payment.

Note: Maximum ACRE payment acres are limited by the planted and considered planted acres of **each** covered commodity and peanuts (separated by irrigation status, if applicable) multiplied by 83.3 percent (85 percent in crop year 2012).

On CCC-528, producers on the farm may designate the covered commodity or peanuts that may receive ACRE payments if planted and considered planted acres exceed the limitations designated in this subparagraph. All producers with a share of the covered commodity or peanuts (separated by irrigation status, if applicable) must sign CCC-528. CCC-528 must be completed by the end of the contract period.

If CCC-528 is not signed or if all producers with a share of covered commodities and peanuts can not agree on the allocation by the end of the contract period, COC shall allocate the ACRE payment acres based on the percentage of P&CP acres of a covered commodity and peanuts to the total P&CP acres of covered commodities and peanuts on the farm.

CCC-528 is **not** required if either of the following applies:

- only 1 crop is planted
- the sum of the P&CP acres of covered commodities and peanuts is less than 120 percent (118 percent in crop year 2012) of the total base acres on the farm.--*

D Farm Example When Total Planted Acres on Farm Does not Exceed Total Bases

In the following example, the total planted acres on the farm equal 240 acres, which is 120 percent of the total base acres on the farm.

- Farm is enrolled in ACRE.
- 300 acres of cropland.
- 100 base acres for corn.
- 100 base acres for soybeans.
- Farm plants 150 acres on corn and 90 acres of beans.

187 ACRE Program Requirements and Features (Continued)

D Farm Example When Total Planted Acres on Farm Does not Exceed Total Bases (Continued)

--The producers on the farm will to eligible to receive ACRE payments on 125 acres of corn and 75 acres of soybeans.--

Note: Producers on a farm do not need to elect which acres and crops may be eligible for ACRE payments when total planted acres on the farm is less than or equal to 120 percent of the total base acres on the farm.

E Farm Example When Total Planted Acres on Farm Exceeds Total Bases

In the following example, the total planted acres on the farm equal 290 acres, which is 145 percent of the total base acres on the farm.

- Farm is enrolled in ACRE.
- 300 acres of cropland.
- 100 base acres for corn.
- 100 base acres for soybeans.
- Farm plants 150 acres on corn; 90 acres of soybeans; and 50 acres of wheat.

The producers on the farm will to eligible to receive ACRE payments on 200 acres (290 planted acres times 83.3 percent, not to exceed the 200 base acres). Producers may *--select up to 125 acres of corn (150 x .833), 75 acres of soybeans (90 x .833), and 41.7 acres of wheat (50 x .833), not to exceed 200 acres for which they may be eligible for ACRE--* payments.

If the producers do not make a selection or do not agree to a selection, then the payment acres will be prorated based on the percentage of planted acres according to the following formula.

- Payment acres are 200 acres.
- Corn planted acres divided by total planted acres is 0.5172 (150 divided by 290).
- Soybean planted acres divided by total planted acres is 0.3103 (90 divided by 290).
- Wheat planted acres divided by total planted acres is 0.1724 (50 divided by 290).
- Corn payment acres are 103.4 acres (0.5172 corn factor multiplied times 200 payment acres).
- Soybean payment acres are 62.1 acres (0.3103 soybean factor multiplied times 200 payment acres).
- Wheat payment acres are 34.5 acres (0.1724 wheat factor multiplied times 200 payment acres).

187 ACRE Program Requirements and Features (Continued)

*--F Completing CCC-528

Complete CCC-528 according to the following.

Item	Instructions
1A	Enter County Office name and address.
1B	Enter County Office telephone number. Note: This is an optional entry.
2	Enter applicable crop year.
3	Enter applicable State code.
4	Enter applicable county code.
5	Enter applicable farm number.
6	County Office shall enter total base acres on the farm. Enter in whole numbers and tenths.
7	No entry required.
8	Enter the maximum number of potential ACRE payment acres. Maximum potential ACRE payment acres are calculated by multiplying the planted and considered planted acres for each covered commodity and peanuts (separated by irrigation status) times 83.3 percent (85 percent in crop year 2012). Enter in whole numbers and tenths. No entry is required when the covered commodity or peanuts is not planted. Note: If the State has only an "All Yield", an entry should only be made in the "NI" row for the applicable crop.
9	Enter the number of potential ACRE payment acres of each covered commodities and peanuts on the farm. Enter in whole numbers and tenths. Important: The total of all item 9 columns shall not exceed the number of acres in item 6.
10	Enter the total of all item 9 columns. Enter in whole numbers and tenths. Important: Item 10 shall not exceed item 6.
11A	The County Office employee accepting the completed CCC-528 shall sign.
11B	Enter the date the County Office accepted CCC-528.
12A	All producers on the farm with a certified interest in planted and prevented planted covered commodities and peanuts on the farm shall agree to the prioritization. If all producers do not agree or if the prioritization is not completed and filed by the end of the contract period, then the ACRE payment acres for covered commodities and peanuts shall be apportioned based on the percentage of P&CP acres of a covered commodity and peanuts to the total P&CP acres of covered commodities and peanuts on the farm.
12B	If the individual signing in item 12A is signing in a representative capacity for the participant, a title/relationship shall be listed. If the individual in item 12A is the signatory, then no entry is required.
12C	Date the shareholder or person signing in a representative capacity completes the designation.

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187 ACRE Program Requirements and Features (Continued)

*--G Example of CCC-528

The following is an example of CCC-528.

This form is available electronically.

CCC-528 (08-20-09)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1A. County FSA Office Name and Address (Including Zip Code) Iriquois County FSA RT 1 Greenwood, AK 00001				
Designation of Payment Acres for Planted and Considered Planted (P&CP) Crops of Covered Commodities and Peanuts for the Average Crop Revenue Election (ACRE) Program				1B. County Office Telephone Number (Including Area Code)				
2. Crop Year	3. State Code	4. County Code	5. Farm Number					
2009	02	004	47					
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1412 and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used for CCC to determine the order of payment of covered commodities and peanuts on farms that are participating in ACRE when P&CP acres of covered commodities and peanuts on the farm exceed base acres. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a proration of payment acres based on the total P&CP acres on the farm.</p> <p>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal, civil, and privacy statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE</p> <p>THIS FORM IS USED TO allocate covered commodities and peanut ACRE payment acres when the sum of the P&CP acres of covered commodities and peanuts exceed 120 percent (118 percent in 2012) of the base acres on the farm. For a farm that has P&CP acres of covered commodities and peanuts in excess of 120 percent (118 percent in 2012) of the total base acres on the farm, all producers with an interest in covered commodities or peanuts may choose the number of acres of each P&CP covered commodity or peanuts that may receive an ACRE payment.</p> <p>This allocation shall occur prior to the end of the contract period. If an allocation is not made by the end of the contract period or if all persons with a share of a P&CP covered commodity or peanuts do not agree to the allocation by the end of the contract period, then CCC shall allocate the ACRE payment acres based on the percentage of P&CP acres of a covered commodity and peanuts to the total P&CP acres of covered commodities and peanuts on the farm.</p> <p>Note: An allocation is not necessary if one of the following apply:</p> <ul style="list-style-type: none"> only one crop is planted the sum of the P&CP acres of covered commodities and peanuts is less than 120 percent (118 percent for 2012) of the total base acres. 								
6. Total Potential ACRE Payment Acres: 609.3								
7. Crop	8. Maximum Potential Payment Acres	9. Number of Acres to Allocate	7. Crop	8. Maximum Potential Payment Acres	9. Number of Acres to Allocate	7. Crop	8. Maximum Potential Payment Acres	9. Number of Acres to Allocate
Barley	I 200.0 NI		Grain Sorghum	I NI		Rice, Medium Grain	I NI	
Canola	I NI		Lentils	I NI		Safflower	I NI	
Chickpeas, large	I NI 50.0		Mustard Seed	I NI		Sesame Seed	I NI	
Chickpeas, small	I NI		Oats	I NI		Soybeans	I 250.0 NI	109.3
Corn	I 500.0 NI	300.0	Peanuts	I NI		Sunflower Seed	I NI	
Cotton, Upland	I NI		Peas, Dry	I NI		Wheat	I NI 300.0	200.0
Crambe	I NI		Rapeseed	I NI		10. Total (Total of all Item 9 columns) Can Not Exceed Item 6		609.3
Flaxseed	I NI		Rice, Long Grain	I NI				
11A. County Office Signature Josephine Par Tec						11B. Date 9-21-09		

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Section 3 ACRE Program Payments

207 Overview

A Division of Payments and Shares on ACRE Program Contract

The direct payment shares shall be based on a producer's share of base acres on the farm according to paragraph 352 as reflected on CCC-509.

Note: Part 6, Section 2 applies to ACRE.

In addition to the provisions mentioned in Part 6, Section 2, for the purpose of determining a producer's share of ACRE Program payments of any covered commodity or peanuts that is planted or considered planted on a farm enrolled in the ACRE Program, the producer's share shall be equal to the FSA-578 share.

The shares and covered commodities listed on CCC-509 and FSA-578 do **not** have to be the same. However, if FSA-578 shows that a producer has a share greater than zero of any covered commodity and that producer is **not** enrolled on CCC-509, that producer is **not** eligible for an ACRE Program payment. Only enrolled producers are eligible for payments. See paragraphs 352 and 397.

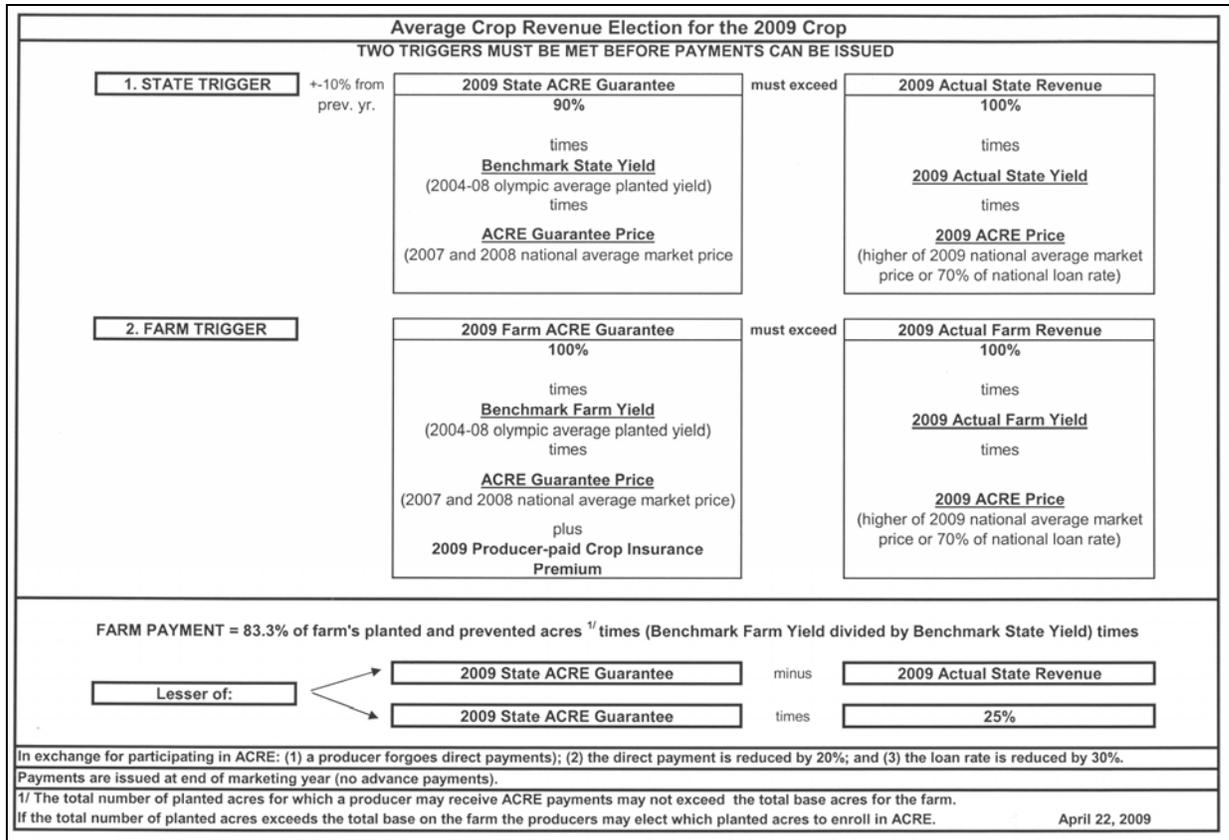
Example: Dale Farmer has a share of oats planted on a farm enrolled in ACRE. Dale Farmer is not on the ACRE Program contract. For Dale Farmer to potentially be eligible for an ACRE payment on the oats, Dale Farmer must sign the ACRE Program contract during the contract period.

Dale Farmer's decision or election not to sign the ACRE Program contract, in this example, during the contract period, will only impact Dale Farmer's eligibility for ACRE payments. However, all other eligibility requirements of the ACRE Program contract apply to enrolled participants.

207 Overview (Continued)

B ACRE Program Payment Computation

The following is an example of the ACRE Program payment computation.



C Farm Payment Calculation

If payments are required to be made for a crop, the payment for each eligible crop on the farm is determined by multiplying:

- the farm's planted and prevented acres for the crop by 83.3 percent (85 percent in 2012) times
- the benchmark farm yield divided by the benchmark State yield times
- the State ACRE guarantee minus the actual State Revenue (not to exceed the State ACRE guarantee times 25 percent).

***--Note:** The total number of planted and prevented planted acres of the covered commodity and peanuts on the farm for which the producers on a farm may elect to receive ACRE payments may not exceed the total bases acres on the farm. If the total number of planted and prevented planted acres of the covered commodity or peanuts exceed the total base acres on the farm, the producers on the farm must--* elect which crops and planted acres to enroll in the program. See paragraph 187 C.

--397 Missing Signatures (Continued)*C Undivided Ownership Shares of Owners With Missing Signatures**

If all producers other than an owner having less than a majority **undivided ownership** interest in the farm sign, COC may approve CCC-509 if all of the following apply:

- owners representing a majority of the undivided ownership interest shares of the farm signed CCC-509

Note: Majority interest is greater than 50 percent of the collective undivided interest owners' share.

- shares are acceptable to COC
- documentation indicates the signatories expended a reasonable effort to obtain missing signatures.

Note: Set a refuse payment flag in the CCC-509 automated process for the owner with the missing signature.

D Example for Undivided Ownership Shares of Owners With Missing Signatures

The following example illustrates when to approve payments if all owners with undivided ownership interest do not sign.

Operator A has a 60 percent payment share.
 Owner A has a 10 percent payment share.
 Owner B has a 10 percent payment share.
 Owner C has a 10 percent payment share.
 Owner D has a 10 percent payment share.

Each owner has a 25 percent interest of the owners' undivided collective share of the farm. Owners A, B, and C signed CCC-509. Owner D did not sign CCC-509. Because Owners A, B, and C have a majority share of the owners' interest of the farm, approve payments for the owners who signed. Set the refuse payment flag for Owner D.--*

397 Missing Signatures (Continued)

E Divided Ownership Shares of Owners With Missing Signatures

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

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

Note: Payments may be earned on each resulting farm for which all necessary signatures are obtained by September 30 of the applicable FY. * * *

402 Updating Producer Signature and Enrollment Dates After June 1**A Introduction**

County Offices shall ensure that all information recorded in the automated system accurately reflects actual signature, enrollment, and approval date information. See 2-DCP (Rev. 1) 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 June 1, 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 September 30, 2009. The system will **not** allow any date after August 14, 2009, to be entered as a producer signature date.

Because there are some instances where a date after June 1 of the applicable year should be entered in the system for a producer signature or enrollment date, a process has been developed that allows the system to be updated properly with the producer signature and enrollment date information.

B Situations That Warrant Producer Signature or Enrollment Dates To Be Later Than June 1

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 CCC-510 is provided to the County Office.

As specified in subparagraph 352 J, the following documentation is considered supporting documentation even if received after June 1:

- landowner signing CCC-509 to zero shares
- a copy of a cash lease agreement
- CCC-510.

However, system validations do **not** allow County Offices to enter a producer signature or enrollment date later than June 1 of the contract period. Therefore, these cases require State 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 June 1 (Continued)**C County Office Action**

For situations described in subparagraph B, County Offices shall:

- **not** manipulate the system by entering a date **before** June 2 of the calendar year as the signature date for any signature that was obtained after June 1 of that same calendar year
- **not** manipulate the system by entering an incorrect enrollment date for signatures or cash lease documentation that were obtained after June 1 (August 14, 2009, for 2009) of the applicable year
- 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 system be updated 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 intervention based on supporting documentation, State Office Program Specialists shall update the signature and/or enrollment date according
--to 2-DCP (Rev. 1).--

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

B Eligible Uses

A quantity of land equal to the total base acres for the farm, and any base acres of peanuts for the farm, must be used for an agricultural or conserving use. The following 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, recreational uses, or BCAP--* • 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 • land subdivided and developed for multiple residential units or other nonfarming uses if the size of tracts and density of the subdivision is such that the land is unlikely to return to the previous agricultural use

Note: COC’s shall submit questionable uses to DAFP, through the State Office, for determinations.

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

C Eligible Land

Base acres cannot exceed effective DCP cropland except for established double-cropping. In addition to meeting other eligibility requirements, 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. See 3-CM for the definition of DCP cropland.

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 base acres from the date of conversion.

When conversion of DCP cropland to nonagricultural use results in base acres exceeding effective DCP cropland for the farm, farm owners, the operator, and CCC-509 participants have the following available options.

IF the conversion occurred...	THEN within 30 calendar days of the conversion...
<p>before September 30 of FY in which the conversion occurred</p>	<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 terminating CCC-509.</p> <p>Producers cannot withdraw after CCC-509 has expired (September 30 of the applicable FY).</p> <p>If there are less than 30 calendar days remaining before September 30 of FY at the time of the conversion, base acres may be left unchanged for that FY. Base reductions must be made before any enrollment in the immediately subsequent FY.</p>

470 Compliance Determinations (Continued)**A Exemptions (Continued)**

These intentions must be declared when the acreage report is filed. These exemptions shall **not** be used to negate CCC-509 violation or payment reduction. Producers cannot subsequently change the intended use of reported FAV acreage to home garden, green manure, or forage to negate a violation or payment reduction.

See 2-CP for instructions on how to report the acres of:

- peas grown for the fresh, canning, or frozen market
- FAV's with an intended use of home garden, forage, or green manure.

B Timing of Violations

FAV and wild rice violations occur at planting. FAV's and wild rice are considered planted for harvest at the time of planting. Producers **cannot** negate the violation by:

- subsequently filing CCC-505 to reduce base acreage after June 1 of the applicable year
- withdrawing from CCC-509 after June 1 of the applicable year
- changing the intended use of the crop.

Notes: See paragraph:

- 15 for terminating CCC-509 during the contract period
- 65 for base reductions
- 394 for withdrawing enrollment.

Compliance determinations are based on when the fruit, vegetable, or wild rice is planted, not when the crop is harvested.

Examples: FAV's planted in:

- * * * September 2009 will be a 2009 compliance determination
- * * * October 2009 will be a 2010 compliance determination.

470 Compliance Determinations (Continued)**C Multiple FAV's on Same Acreage in Same FY**

Multiple plantings of any FAV on the same acreage in a FY shall be considered only once for compliance purposes. However, FAV's must be planted on the same acreage.

Example: A producer plants and harvests 20 acres of tomatoes. After the tomatoes are harvested, the producer plants and harvests carrots on the same 20 acres. For compliance and payment reduction purposes, only 20 acres of FAV's are considered.

If the carrots and tomatoes were planted on different acreage, there would have been 40 acres of FAV's when determining acreage for compliance and payment reductions.

D Perennial FAV's

Perennial FAV's, such as apples, oranges, strawberries, and nut crops, shall be considered FAV's beginning FY in which they are planted and each succeeding year they are on base acres enrolled in DCP or the ACRE Program. Nut crops are considered FAV's.

Note: See Exhibit 21 for a list of FAV's.

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-528	Designation of Payment Acres for Planted and Considered Planted (P&CP) Crops of Covered Commodities and Peanuts for the Average Crop Revenue Election (ACRE) Program	187	
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

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
P&CP	planted and considered planted	187
PTPP	Planting Transferability Pilot Project	76-82, 333, 445

Redelegations of Authority

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

