

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Direct and Counter-Cyclical Payments  
2-DCP**

**Amendment 12**

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



**Amendment Transmittal**

**A Reasons for Amendment**

Paragraph 12 has been amended to provide information about CCC-770 DCP and reference Exhibit 7.

Paragraph 18 has been amended to reference Exhibit 7.

Exhibit 7 has been amended to include CCC-770 DCP which shall be completed for each producer before a payment can be issued to the producer.

Exhibit 10 has been removed since advance and final checklists have been combined into CCC-770 DCP.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
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## 11 Manual Calculations for DCP Payments

### A Introduction

This paragraph provides the steps for calculating DCP payments manually.

**Note:** County Offices are **not authorized** to issue manual checks. These steps are provided to assist County Offices with verification of payment amounts on CCC-184's or direct deposits.

### B Calculating DCP Payments Manually

The same manual payment calculations method applies to both direct and counter-cyclical payments.

The following table provides the method to calculate advance or final direct or counter-cyclical payments for the farm, producer, and crop. The data elements applied to each step are for a single crop. The payment calculated for each crop and producer must be added together to arrive at the payment total for the farm.

**Note:** Not all steps will be used in the calculation process because of producers having unique farming situations.

Step	Calculation
1	Payment acres, minus
2	FAV reduction acres, times
3	Direct or counter-cyclical payment yield, as applicable, times
4	Producer share, times
5	Member share if payment is being calculated for a joint operation, times  <b>Notes:</b> This will be 1.000 if payment is not to a joint operation  Joint operation payments are computed at the member level and added together to determine the total joint operation payment. See paragraph 40.
6	*--Permitted/AGI share, times  <b>Note:</b> AGI share effective starting 2003.--*
7	Cropland factor for the producer, times
8	Cropland factor for the member, times
9	Advance or final payment rate for the crop, as applicable, minus
10	Prior payments, minus
11	FAV violation reductions (starting 2003), minus
12	Payment limitation reduction amount
13	Round result to whole dollars

**\*--12 Prerequisites for Issuing Payments--\***

**A Introduction**

Actions must be completed before issuing payment to ensure that the producer or entity is eligible for payment.

**B Action Completed Before Issuing \* \* \* Payments**

**\*--See Exhibit 7 for CCC-770 DCP which shall be completed before issuing advance or final DCP payments.**

CCC-770 DCP shall be completed by the County Office and is intended to ensure that all actions have been completed before issuing the payment. However, the County Offices failure to complete CCC-770 DCP shall **not** result in a finding of misaction/misinformation on the part of the County Office. CCC-770 DCP also does **not** negate producer responsibilities for program participation.--\*

**C Applicable Forms**

Producers must file required forms by deadlines established in 1-DCP.

**13 (Reserved)**

**18 Final Direct Payments****A Issuing Final Payments**

Final payments can be issued starting:

- FY 2002, October 2002
- FY 2003 and subsequent years, October 1 of the applicable year.

**\*--Note:** Exhibit 7 provides CCC-770 DCP which shall be used to issue final direct--\* payments.

**B Offsetting 2002 PFC Payments**

2002 final direct payments will be offset by payments earned for 2002 PFC. 2002 PFC payments that offset the 2002 final direct payment will count against the producer's \$40,000 payment limitation. See paragraph 351.

**C Final Payments of Less Than \$10**

The payment processes will:

- issue final payments that round to at least \$1
- not issue final payments of less than \$1.

All payables that round to at least \$1 will be processed and sent to the Accounting system. The Accounting software combines all payables for the farm and producer and one CCC-184 is generated. In most cases, the combined CCC-184 is greater than \$10.

**Note:** Even though EFT payments are not combined, all payables that round to at least \$1 are processed.

18 Final Direct Payments (Continued)

**D Prompt Payment Due Dates**

According to the Prompt Payment Act, a prompt payment interest penalty applies if a final payment is not issued in a timely manner. See 61-FI for additional information about handling prompt payment interest penalties.

**Reminder:** All required eligibility documentation and contract signatures must be received in the County Office by the applicable deadline for the producer to be eligible for a final payment.

**E Prompt Payment Exceptions**

An interest penalty payment does not apply if the:

- payment is the subject of an ongoing judicial action, including when a payee has filed for bankruptcy
- payee fails to provide the necessary documentation
- payee does not comply with the terms of any contract
- payee does not meet necessary program requirements.

19 (Withdrawn--Amend. 3)

## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

None

### Forms

This table lists all forms referenced in this handbook.

<b>Number</b>	<b>Title</b>	<b>Display Reference</b>	<b>Reference</b>
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification (includes Appendix)		12, 16, 140, 227,
CCC-184	CCC Check		Text, Ex. 5
CCC-478	Production Flexibility Contract		127
CCC-502B	Farm Operating Plan for Payment Eligibility Review for a Joint Operation or General Partnership		Ex. 16
CCC-504	Worksheet to Blend Shares and Determine Percent of Cropland Factor		37
CCC-509	Direct and Counter-Cyclical Contract		Text, Ex. 5
CCC-509B	Direct and Counter-Cyclical Worksheet		98
CCC-509E	Direct and Counter-Cyclical Statement of Producer Earnings		96.5, 301, 302, 351
CCC-770 DCP	Direct and Counter-Cyclical Program (DCP) Payment Checklist	Ex. 7	12, 18
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		127
FSA-578	Report of Acreage		12, 140, 222, 301

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

**Abbreviations Not Listed in 1-CM**

The following abbreviations are not listed in 1-CM.

<b>Approved Abbreviation</b>	<b>Term</b>	<b>Reference</b>
AGI	adjusted gross income	Text
CC	counter-cyclical	Text Ex. 13
CRS	common receivable system	Text
EFT	electronic funds transfer	Text
FAV	fruits and vegetables	Text, Ex. 5
PPH	producer payment history	Text

**Delegations of Authority**

None

**\*--CCC-770 DCP, Direct and Counter-Cyclical Program (DCP) Payment Checklist**

CCC-770 DCP shall be completed for each producer before issuing payments. This will ensure that all requisite tasks are completed before issuing DCP payments and the improper payments are prevented.

**Important:** CCC-770 DCP shall be completed by the County Office and is intended to ensure that all actions have been completed before issuing the payment. However, the County Offices failure to complete CCC-770 DCP shall **not** result in a finding of misaction/misinformation on the part of the County Office. CCC-770 DCP also does **not** negate producer responsibilities for program participation.

CCC-770 DCP shall be placed in the producer's folder when completed.

The following is an example of CCC-770 DCP.

This form is available electronically.

<b>CCC-770 DCP</b> (11-20-06)		<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation		1. Name of Producer		
<b>DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP)                  PAYMENT CHECKLIST</b>		2. Date Checklist Completed (MM-DD-YYYY)				
		3. State Office Name		4. County Office Name		
		5. Crop Year		6. Farm Number		
		7. Office Staff Actions:		Handbook or Other References	YES	NO
A. CCC-509 completed correctly? Includes verifying the following: - Producer shares - CCC-509 is approved, if applicable.		1-DCP, paragraphs 848 and 848.5				
B. AD-1026 certification updated in the subsidiary file?		3-PL, paragraph 29				
C. Actively engaged determination updated in the subsidiary file?		1-PL, paragraphs 129-159, 3-PL, paragraph 26				
D. Person determination updated in the subsidiary file?		1-PL, paragraphs 109-114 3-PL, paragraph 25				
E. Conservation/compliance determinations verified in the subsidiary file?		3-CM, paragraphs 131, 152 and 154, 1-PL, paragraphs 129-159 3-PL, paragraph 30				
F. Controlled substance determination updated in the subsidiary file?		3-PL, paragraph 32				
G. Fraud, including FCIC fraud, determination verified in the subsidiary file?		3-PL, paragraph 37				
H. AGI certification updated in the subsidiary file?		3-PL, paragraph 31				
I. Foreign person been verified by the COC and updated in the subsidiary file?		3-PL, paragraph 24				
J. Cash rent and cropland factor determination completed and updated in the subsidiary file?		1-PL, paragraphs 171-173, 3-PL, paragraph 27				
K. Signatures for all forms have been obtained according to 1-CM.		1-CM Part 25				
L. Indicators for the following have been updated in the Name and Address file? - Claims - Joint payees - Receivables - Nonresident aliens - Other agency claims - Bankruptcy - Assignments		1-CM, paragraphs 209 and 211				
M. CCC-36's and CCC-37's have been entered in the system?		63-FI, paragraphs 95 and 102				
N. Effective payment limitation for multiple county producers has been verified or updated as applicable?		2-PL, Part 4				
O. DCP acre-for-acre payment reductions have been recorded?		4-CP (Rev. 5), Part 4				
P. Reported acres certified on FSA-578?  <i>Note: Applicable to final direct and advance CC payments.</i>		2-CP, paragraphs 140-143				
Q. Direct or CC overpayments computed and transferred prior to processing payments?		2-DCP, paragraph 221				
8. Remarks						
9. Certification: I (we) the undersigned, certify the above items have been verified or updated accordingly.						
10A. Signature of Preparer		10B. Title		10C. Date (MM-DD-YYYY)		
11A. Signature of Second Party Reviewer		11B. Title		11C. Date (MM-DD-YYYY)		
12A. Signature of Reviewer		12B. Title		12C. Date (MM-DD-YYYY)		

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