FSA
HANDBOOK

FAV Payment Reductions

To access the transmittal page click on the short reference.

For State and County Offices

SHORT REFERENCE

4-CP
(Revision 6)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

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FAV Payment Reductions 4-CP (Revision 6)	Amendment 1

Approved by: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

This handbook has been revised to provide:

- updated policy applicable to the Food, Conservation, and Energy Act of 2008
- procedure for using the new web-based FPR software.

B 4-CP (Rev. 5)

This handbook does **not** obsolete 4-CP (Rev. 5), which applies to earlier crop years.

Table of Contents

Page No.

Part 1 Basic Provisions

1	Handbook Purpose and Coverage	1-1
2	Authorities	1-3
3	Information Accessibility	1-3
4	Responsibilities	1-4
5-19	(Reserved)	

Part 2 FAV/WR Authorized Plantings

20	Overview	2-1
21	Acre-for-Acre Reductions	2-2
22	Applying Acre-for-Acre Reductions	2-9
23	Adjusting Acre-for-Acre Reductions	2-11
24-30	(Reserved)	

Part 3 DCP Violations

31	FAV/WR Planting Violations	3-1
32	FAV/WR Reporting Violations	3-11
33	DCP or ACRE Acreage Maintenance	3-19
34	CRP Maintenance Defaults	3-26
35	Making Determinations	3-29
36	Producer Notifications	3-31
37-49	(Reserved)	

Table of Contents (Continued)

Page No.

Part 4 FPR's

50	FPR Process	4-1
51	State and County Selections	4-3
52	DCP FAV Payment Reductions	4-4
53	Selecting a Farm	4-7
54	Maintenance Default Rates	4-9
55	Maintenance Default Acres	4-11
56	Acre-For-Acre Reductions	4-12
57	Reporting Violations	4-15
58	Planting Violations	4-18
59	Adjustment Options	4-22
60	Adjusting Acre-for-Acre Reductions	4-24
61	Adjusting Producer's Share in Violation	4-26
62	Satisfying Violations	4-28
63	Reallocate Planting Violation	4-30
64	Notification Letters	4-32
65	Reports	4-37
66	Farm Payment Reduction Report	4-38
67	FAV and WR Planted on Base Acres Report	4-40

Exhibits

1 Reports, Forms, Abbreviations, and Redelegations of Authority
2 Definitions of Terms Used in This Handbook
3 Menu and Screen Index

Part 1 Basic Provisions

1 Handbook Purpose and Coverage

A Handbook Purpose

This handbook provides procedure for applying reductions to:

- DCP or ACRE payments for:
  - acre-for-acre payment reductions
  - FAV planting and reporting violations
  - maintenance defaults
- CRP payments for maintenance defaults.

B Handbook Coverage

This handbook covers the following programs:

- DCP
- ACRE
- CRP.

Note: Use applicable program handbooks along with instructions in this handbook.

1 Handbook Purpose and Coverage (Continued)

C Related Handbooks

The handbooks in this table relate to payment reductions and violations.

IF the material concerns...	THEN see...
ACRE	1-DCP (Rev. 3).
acreage reports	2-CP.
appeals	1-APP.
conservation compliance violations	6-CP.
CRP	2-CRP.
DCP	1-DCP (Rev. 3).
direct and counter-cyclical payments	2-DCP.
information available to the public	2-INFO.
supplementation procedures	1-AS.

2 Authorities

A Sources of Authority

The sources of authority for payment reduction provisions are the following:

- Food, Conservation, and Energy Act of 2008
- Commodity Credit Corporation Charter Act, as amended.

B STC Authority to Supplement This Handbook

Do **not** withdraw any procedure in this handbook.

This handbook may be supplemented with STC policies that have received DAFP authorization. See 1-AS for proper supplementation procedures.

3 Information Accessibility

A Access to Farm and Farm Records

Any authorized representative of the Secretary shall have access to farms and farm records to make determinations on eligibility and compliance.

Note: Producers must provide any information necessary to establish eligibility for program benefits.

B FOIA

See 2-INFO for records available to the public.

4 Responsibilities

A County Office Responsibilities

COC's shall ensure that CED's follow provisions in this handbook.

CED's shall inform COC's of policy for proper administration when all program requirements have **not** been met by the producer.

COC shall:

- when authorized, make final determinations based on the merits of each case and document the entire case in COC minutes

- send complete, documented cases to STC for determination when COC is **not** authorized to make the final determination.

4 Responsibilities (Continued)

B State Office Responsibilities

SED's shall ensure that all County Offices follow provisions in this handbook.

STC's shall:

- make determinations for cases that exceed COC authority
- provide DD with a copy of STC or DAFP determinations for appeals or misaction or misinformation cases
- send complete, documented cases to DAFP for determination when STC is not authorized to make a determination.

DD's shall conduct the followup review to ensure that the County Office has carried out DAFP- or STC-approved action by:

- initialing and dating the County Office case file to signify that the case has been reviewed
- initialing and returning a copy of the STC determination to STC to document that the approved action has been taken.

5-19 (Reserved)

Part 2 FAV/WR Authorized Plantings

20 Overview

A Authorized Plantings

FAV/WR may be planted on base acres enrolled in DCP or ACRE and be considered an authorized planting when 1 of the following exceptions applies:

- FAV/WR is double-cropped with a covered commodity or peanuts in an established FAV/WR double-cropping region, according to 1-DCP (Rev. 3), paragraph 472

- farm has history of planting FAV/WR, according to 1-DCP (Rev. 3), paragraph 476, and an acre-for-acre reduction is applied to the farm, according to paragraph 21

- producer has history of planting a specific FAV/WR, according to 1-DCP (Rev. 3), paragraph 478, and an acre-for-acre reduction is applied to the farm according to paragraph 21.

  Note: The producer history exception is crop and acreage specific. If FAV/WR for which the producer does not have an established history of planting is planted on base acres, the planting is **not** an authorized planting.

B Unauthorized Plantings

For unauthorized plantings, the planting violation provisions shall be applied according to paragraph 31.

21 Acre-for-Acre Reductions

A Applicability

Farms with FAV/WR planted on base acres enrolled in DCP or ACRE shall have DCP or ACRE payments reduced for each acre of FAV/WR planted on base acres, unless the double-cropping exception in subparagraph 20 A applies. Acre-for-acre reductions apply when FAV/WR is planted on base acres enrolled in DCP or ACRE and any of the following apply:

- farm has a history of planting FAV/WR
- producer has a history of planting the specific FAV/WR and the number of acres planted does not exceed the producer history
- farm is in violation, but COC determines that the violation does not warrant terminating CCC-509 according to subparagraph 31 D.

Important: See paragraph 31 for additional payment reductions.

Note: Nonperennial FAV/WR planted on base acres enrolled in DCP or ACRE that are destroyed before harvest shall **not** be considered DCP or ACRE violations nor shall DCP or ACRE payments for the farm be reduced for such plantings, if the provisions in 1-DCP (Rev. 3), subparagraph 470 E are met.

21 Acre-for-Acre Reductions (Continued)

B Determining Acres To Be Reduced

County Offices shall determine whether FAV/WR is planted on base acres enrolled in DCP or ACRE according to this table.

Important: All producers on base acres must share in the following:

- direct and counter-cyclical payments according to 1-DCP (Rev. 3), paragraph 352, if participating in DCP
- direct payments according to 1-DCP (Rev. 3), paragraph 352, if participating in ACRE.

Therefore, if multiple producers exist on a farm and a producer on the farm does not share in CCC-509, then that producer is being represented as not farming base acres. Any crop planted by the producer with zero interest in CCC-509 shall be considered planted on nonbase acres on the farm. See 1-DCP (Rev. 3), subparagraphs 471 H and I for farm examples.

See subparagraph H for an example of determining FAV/WR acres planted on base acres when a producer with zero interest in CCC-509 exists on the farm.

Step	Action	
1	Determine if all producers on the farm share in CCC-509.	
	IF all producers on the farm…	**THEN nonbase acreage on the farm is equal to the result of the farm's effective DCP cropland, minus the…**
	share in CCC-509	total base acres for the farm. If the result is equal to or less than zero, the farm is fully based; therefore, the result is equal to zero.
	do **not** share in CCC-509	farm's effective DCP cropland, minus the sum of the following: • total base acres for the farm, plus • total non-FAV/WR acres planted by producers with zero interest in the farm's CCC-509. If the result is equal to or less than zero, the portion of the farm that is controlled by DCP or ACRE producers is fully based; therefore, the result is equal to zero.

21 Acre-for-Acre Reductions (Continued)

B Determining Acres To Be Reduced (Continued)

Step	Action	
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm. **Important:** The total acreage of FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm's CCC-509. **Note:** Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See 1-DCP (Rev. 3), paragraph 469.	
3	**IF the result of step 2 is...**	**THEN...**
	equal to or less than zero	• FAV/WR are **not** planted on base acres • acre-for-acre reduction does **not** apply to the farm.
	greater than zero	• FAV/WR are planted on base acres • acre-for-acre reduction applies to the farm based on the result of step 2 • apply the acre-for-acre reduction to the farm according to paragraph 22.

C FAV and WR Planted on Base Acres Report

The payment reduction software provides a FAV and WR Planted Base Acres Report to assist County Offices in determining the number of base acres planted to FAV/WR on a farm. See paragraph 67 for instructions on printing and using the FAV and WR Planted Base Acres Report.

Exception: The FAV and WR Planted on Base Acres Report does **not** reflect crops planted by a producer with zero interest in CCC-509 that are considered planted on nonbase acres. Therefore, the County Office shall manually calculate the farm's nonbase acres according to subparagraph B, step 1.

21 Acre-for-Acre Reductions (Continued)

D Applying Acre-for-Acre Reduction When Multiple Violations Exist

If both a reporting and planting violation exist on the same farm, the acre-for-acre reduction shall only apply 1 time to the farm.

Examples: If a farm has a planting violation on 10 acres and a reporting violation on 5 acres, an acre-for-acre reduction of 10 acres shall be entered in the FPR software, according to paragraph 56.

If a farm has a planting violation on 10 acres and a reporting violation on 15 acres, an acre-for-acre reduction of 15 acres shall be entered in the FPR software, according to paragraph 56.

E Example 1

This is an example of determining whether FAV/WR is planted on base acres enrolled in DCP for a farm with the following criteria:

- farm has a history of planting FAV/WR
- 300 acres of effective DCP cropland
- 200 base acres
- 125 planted acres of FAV/WR that are not double-cropped
- all producers on the farm share in CCC-509.

Step	Action		Result
1	Subtract the total base acres for the farm from the effective DCP cropland to determine the farm's nonbase acreage. **Note:** If the result is less than zero, the farm has approved double-cropped acreage and is fully based; therefore, the farm has zero nonbase acres.		300 acres of effective DCP cropland minus 200 base acres equals 100 nonbase acres.
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm.		125 acres of FAV/WR minus 100 nonbase acres equals 25 acres.
3	**IF the result of step 2 is...**	**THEN acre-for-acre reduction...**	
	equal to or less than zero	does **not** apply to the farm.	
	greater than zero	applies to the farm based on the result of step 2.	Both the direct and counter-cyclical payment acres for the farm shall be reduced by 25 acres.

21 Acre-for-Acre Reductions (Continued)

F Example 2

This example shows how to determine whether FAV/WR is planted on base acres enrolled in DCP on a farm with the following criteria:

- farm has a history of planting FAV's
- 300 acres of effective DCP cropland
- 200 base acres
- 100 acres of lettuce, 25 acres of peppers, and 85 acres of tomatoes that were not double-cropped

  Note: The peppers and 75 acres of tomatoes were planted on the lettuce acreage after it was harvested.

- all producers on the farm share in CCC-509.

Step	Action		Result
1	Subtract the total base acres for the farm from the effective DCP cropland to determine the farm's nonbase acreage. **Note:** If the result is less than zero, the farm has approved double-cropped acreage and is fully based; therefore, the farm has zero nonbase acres.		300 acres of effective DCP cropland minus 200 base acres equals 100 nonbase acres.
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm.		110 acres of FAV/WR minus 100 nonbase acres equals 10 acres. **Note:** The peppers and 75 acres of tomatoes are not counted because they were double-cropped with lettuce.
3	**IF the result of step 1 is...**	**THEN...**	
	equal to or less than zero	no acre-for-acre reduction applies.	
	greater than zero	acre-for-acre reduction applies to the farm.	Both the direct and counter-cyclical payment acres for the farm shall be reduced by 10 acres.

21 Acre-for-Acre Reductions (Continued)

G Example 3

This example shows how to determine whether FAV/WR is planted on base acres enrolled in ACRE on a farm with the following criteria:

- farm has a history of planting FAV/WR
- 300 acres of effective DCP cropland
- 310 base acres
- 125 planted acres of FAV/WR that are not double-cropped
- all producers on the farm share in CCC-509.

Step	Action		Result
1	Subtract the total base acres for the farm from the effective DCP cropland to determine the farm's nonbase acreage. **Note:** If the result is less than zero, the farm has approved double-cropped acreage and is fully based; therefore the farm has zero nonbase acres.		300 acres of effective DCP cropland minus 310 base acres equals -10 acres; therefore, the farm has zero nonbase acres.
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm.		125 acres of FAV/WR minus zero nonbase acres equals 125 acres.
3	**IF the result of step 2 is...**	**THEN acre-for-acre reduction...**	
	equal to or less than zero	does **not** apply to the farm.	
	greater than zero	applies to the farm based on the result of step 2.	The direct payment acres for the farm shall be reduced by 125 acres.

21 Acre-for-Acre Reductions (Continued)

H Example 4

This example shows how to determine FAV/WR acreage planted on base acres enrolled in DCP on a farm with the following criteria:

- 300 acres of effective DCP cropland
- 200 base acres
- 2 producers, Producer A and B, exist on the farm
- Producer A shares 100 percent in CCC-509
- Producer B has zero interest in CCC-509 and controls 55 acres on the farm, of which he plants 50 acres of corn and 5 acres of tomatoes
- farm has a history of planting FAV/WR
- 125 planted acres of FAV/WR (includes the 5 acres of tomatoes planted by Producer B) that are not double-cropped.

Step	Action		Result
1	Farm's effective DCP cropland, minus the sum of the following: • total base acres for the farm, plus • total non-FAV/WR acres planted by producers with zero interest in the farm's CCC-509.		300 acres of effective DCP cropland minus the sum of: • 200 base acres for the farm, plus • 50 acres of non-FAV/WR planted by Producer B. Equals 50 nonbase acres.
2	Subtract the result of Step 1 from the total acres of FAV/WR planted on the farm. **Important:** The total acres of FAV/WR planted on the farm include any FAV/WR planted by producers with zero interest in the farm's CCC-509.		125 acres of FAV/WR planted on the farm minus 50 nonbase acres equals 75 acres.
3	**IF the result of step 2 is…**	**THEN acre-for acre reduction…**	
	equal to or less than zero	does not apply to the farm.	
	greater than zero	applies to the farm based on the result of step 2.	Both the direct and counter-cyclical payment acres for the farm shall be reduced by 75 acres.

22 Applying Acre-for-Acre Reductions

A Procedure

The acre-for-acre reduction is applied to the farm beginning with the covered commodity having the lowest per acre direct payment.

Note: This may include pulse crop base acres that will not receive a direct payment.

The payment reduction software will automatically apply the acre-for-acre reduction to the farm after the County Office enters the acres of FAV/WR planted on base acres in the FAV compliance software.

Note: The acres of FAV/WR planted on base acres entered by the County Office may be automatically modified when the County Office enters planting violation and/or reporting violation acres for the same farm. See subparagraphs 56 C and 57 C for situations that will prompt an automatic modification to the acre-for-acre reduction acres entered in the FPR software.

This table provides the steps to manually apply the acre-for-acre reduction to the farm.

<table>
<tr><th>Step</th><th colspan="2">Action</th></tr>
<tr><td>1</td><td colspan="2">Determine the number of FAV/WR planted on base acres enrolled in DCP according to subparagraph 21 B.</td></tr>
<tr><td>2</td><td colspan="2">For each covered commodity and peanuts, multiply the direct payment yield times the direct payment rate to determine the covered commodity or peanuts with the lowest value per acre.</td></tr>
<tr><td>3</td><td colspan="2">Subtract the result of step 1 from the payment acres for the covered commodity with the lowest value per acre.

Important: The payment acres, not the base acres, are reduced by the result of step 1.</td></tr>
<tr><td rowspan="3">4</td><td>IF the result of step 1 is...</td><td>THEN the acreage reduction for the applicable covered commodity or peanuts is equal to the...</td></tr>
<tr><td>less than the payment acres of the covered commodity or peanuts with the lowest value per acre</td><td>result of step 1.

Go to step 5.</td></tr>
<tr><td>greater than the payment acres of the covered commodity or peanuts with the lowest value per acre</td><td>payment acres for that commodity.

Subtract the remaining number of acres from step 1 from the covered commodity or peanuts with the next lowest value per acre.</td></tr>
<tr><td>5</td><td colspan="2">Repeat step 4 until all acres from step 1 are accounted for.</td></tr>
</table>

22 Applying Acre-for-Acre Reductions (Continued)

B Example

This example applies the acre-for-acre reduction to the applicable covered commodities on a farm enrolled in DCP with 100 acres of FAV/WR planted on base acres enrolled in DCP.

Crop	Yield	Rate	Amount Per Acre (Yield X Rate)	Payment Acres (.85 of base acres)	Acre-for-Acre Reduction
Wheat	39	.5200	$20.28	25	25
Corn	149	.2800	$41.72	100	75
Cotton	2000	.0667	$133.40	30	0
Total					**100**

C Payment Limitation

Apply acre-for-acre reductions to DCP payments **before** applying payment limitation.

23 Adjusting Acre-for-Acre Reductions

A Adjustments

Producers on a farm with an acre-for-acre reduction may adjust the acre-for-acre reduction among the covered commodities and peanuts on the farm if **both** of the following apply:

- all affected parties agree in writing
- acreage reduction for the covered commodity or peanuts does not exceed the payment acres for the covered commodity.

B Example

This example shows how acre-for-acre reductions among covered commodities on a farm may be adjusted. Continuing with the example in subparagraph 22 B, the farm has 100 acres of FAV/WR planted on base acres. The Acre-For-Acre Default column shown provides the acreage reduction for each covered commodity based on applying the reduction to the covered commodities with the lowest value per acre, as calculated in subparagraph 22 B. This is the acre-for-acre reduction default method. The Acre-For-Acre Adjustment column shown provides the adjustment of the acre-for-acre reduction, among the covered commodities on the farm based on the fact that the producer, who receives the payments for corn, planted FAV/WR on base acres.

Crop	Payment Acres	Acre-For-Acre Default	Acre-For-Acre Adjustment
Wheat	25	25	0
Corn	100	75	100
Cotton	30	0	0
Total	**155**	**100**	**100**

All 100 acres could be reduced from corn payment acres because corn has sufficient payment acres to cover the entire acre-for-acre reduction. However, after the acre-for-acre reduction, there will not be a direct or counter-cyclical payment for corn.

Note: The acre-for-acre default will always result in a smaller payment reduction for the farm because acres are reduced beginning with the covered commodity with the lowest value per acre. If producers elect to adjust payment acres, it will result in a larger payment reduction for the farm.

24-30 (Reserved)

Part 3 DCP Violations

31 FAV/WR Planting Violations

A Applicability

FAV/WR planting violations occur when **all** of the following apply:

- FAV/WR are planted on base acres enrolled in DCP or ACRE
- there is no farm or producer history of planting FAV/WR
- FAV/WR double-cropping region exception does **not** apply
- producer has history of planting FAV/WR and **either** of the following apply:
    - planted FAV/WR is not FAV/WR for which the producer has a history
    - planted FAV/WR acreage is in excess of the producer history.

Note: Nonperennial FAV/WR planted on base acres enrolled in DCP or ACRE that are destroyed before harvest shall **not** be considered a DCP or ACRE violation nor shall DCP or ACRE payments for the farm be reduced for such plantings, if the provisions in 1-DCP (Rev. 3), subparagraph 470 E are met.

County Office shall calculate producer history according to 1-DCP (Rev. 3), paragraph 478 before notifying producers of FAV/WR violations.

B DCP Payment Reduction

Planting violations, calculated according to subparagraph F, will be reduced from both the direct and counter-cyclical payments for the farm for the applicable year until the planting violation is satisfied.

Important: DCP or ACRE planting violations will not be reduced from DCP or ACRE payments of other farms in which the producer has an interest for the applicable year or subsequent years.

31 FAV/WR Planting Violations (Continued)

C Acres in Violation

County Offices shall determine whether there is a planting violation on the farm according to subparagraph A and provisions in 1-DCP (Rev. 3). If a planting violation has occurred on the farm, the County Office shall use this table to determine how many acres are in violation.

Important: All producers on base acres must share in direct and counter-cyclical payments according to 1-DCP (Rev. 3), paragraph 352. Therefore, if multiple producers exist on a farm and a producer on the farm does not share in CCC-509, then that producer is being represented as not farming base acres. Any crop planted by the producer with zero interest in CCC-509, shall be considered planted on nonbase acres on the farm.

Step	Action	
1	Determine if all producers on the farm share in CCC-509.	
	IF all producers on the farm…	**THEN nonbase acreage on the farm is equal to the result of the farm's effective DCP cropland, minus…**
	share in CCC-509	total base acres for the farm. If the result is equal to or less than zero, the farm is fully based; therefore, the result is equal to zero.
	do not share in CCC-509	the sum of the following: • total base acres for the farm, plus • total non-FAV/WR acres planted by producers with zero interest in the farm's CCC-509. If the result is equal to or less than zero, the portion of the farm that is controlled by DCP or ACRE producers is fully based; therefore, the result is equal to zero.

31 FAV/WR Planting Violations (Continued)

C Acres in Violation (Continued)

Step	Action	
2	Subtract the result of step 1 from the total acres of FAV/WR planted on the farm. **Important:** The total acreage FAV/WR planted on the farm includes FAV/WR acreage planted by producers with zero interest in the farm's CCC-509. **Note:** Only count the acreage once when multiple plantings of FAV/WR are planted on the same acreage. See 1-DCP (Rev. 3), paragraph 470.	
3	**IF the result of step 2 is...**	**THEN...**
	equal to or less than zero	• FAV/WR are **not** planted on base acres enrolled in DCP or ACRE • CCC-509 is **not** in violation and no further action is necessary
	greater than zero	• FAV/WR are planted on base acres enrolled in DCP or ACRE • CCC-509 is in violation, unless FAV/WR planting exception applies according to 1-DCP (Rev. 3). **Note:** COC must determine whether the degree of the violation warrants terminating CCC-509 according to paragraph 35.

Important: County Offices shall use the FAV and WR Planted on Base Acres Report to assist in determining the acreage in violation. See paragraph 67 for instructions on printing and using the FAV and WR Planted on Base Acres Report.

Exception: The FAV and WR Planted on Base Acres Report does not reflect crops planted by a producer with zero interest in CCC-509 that are considered planted on nonbase acres according to subparagraph 21 B. Therefore, the County Office shall manually calculate the farm's nonbase acres according to step 1 in this table.

31 FAV/WR Planting Violations (Continued)

D Consequence of Planting Violation

COC shall determine, with STC concurrence, whether CCC-509 shall be terminated because of FAV/WR planting violation. See paragraph 35 for guidelines for COC to consider when determining whether CCC-509 shall be terminated.

The County Office shall use this table to determine the consequences of a planting violation.

IF the planting violation...	THEN...
warrants terminating CCC-509	• all DCP or ACRE payments previously paid to producers for the farm for the applicable year must be refunded, plus interest • no further DCP or ACRE payments will be made for the applicable CCC-509. **Note:** County Office shall follow subparagraph 36 B when the degree of the violation warrants terminating CCC-509.
does not warrant terminating CCC-509	• an acre-for-acre reduction shall be applied to all DCP or ACRE payments for the applicable farm and year according to Part 2 • planting violation payment reduction shall be calculated based on the market value of FAV/WR planted on the farm with the highest value per acre. **Note:** See subparagraph I for STC guidelines for setting FAV/WR market values. This reduction shall be applied to DCP payments for the applicable CCC-509.

31 FAV/WR Planting Violations (Continued)

E Apply Acre-for-Acre Reduction

When COC determines that the planting violation does not warrant terminating CCC-509, an acre-for-acre reduction must be applied to the farm according to Part 2, in addition to the planting violation payment reduction calculated according to subparagraph F.

Important: If a reporting violation also exists on the same farm, the acre-for-acre reduction will only be applied once to the farm.

F Calculating Planting Violation

Planting violation payment reductions are based on the market value of FAV/WR planted on base acres, beginning with FAV/WR with the highest market value per acre.

If the acreage for FAV/WR with the highest market value per acre is not sufficient to cover the acres in violation, then the payment reduction for the remaining acres shall be based on the market value of FAV/WR with the next highest market value per acre.

The planting violation payment reduction is calculated by multiplying the following:

- number of acres in violation, as determined in subparagraph C, times
- market value of FAV/WR planted on base acres, established according to subparagraph I, beginning with FAV/WR with the highest market value per acre.

31 FAV/WR Planting Violations (Continued)

G Prorating Planting Violation

Determine the planting violation for each covered commodity on the same farm by producer using this table.

Step	Action
1	Determine total direct payments for the farm by summing the result of the following calculation for each covered commodity on the farm. Multiply: • payment acres minus acre-for-acre reduction, if applicable, times • yield, times • rate.
2	Divide the planting violation for the farm (determined in subparagraph F) by the total direct payments for the farm (step 1). Round to 4 decimals.
3	For each covered commodity on the farm, multiply the result of step 2 times the direct payment for the subject commodity.
4	Multiply the result of step 3 times the producer's share or adjusted share (paragraph 62), if applicable, in the covered commodity. Round to nearest whole dollar.

H Applying Planting Violation Payment Reduction

Payment reductions for planting violations shall:

- be applied:
  - to both direct and counter-cyclical payments for the farm in violation
  - only to the DCP or ACRE payments for the year the violation occurred
- not be applied to:
  - other farms' DCP or ACRE payments
  - future year DCP or ACRE payments.

Note: Apply applicable payment limitation before making any payment reductions resulting from FAV/WR planting violations.

31 FAV/WR Planting Violations (Continued)

I Determining Market Value

STC shall establish a per acre market value for FAV/WR to be used for planting violation payment reduction calculations. This rate shall be based on the current-year market value per acre that producers in the State are expected to receive for FAV/WR. Rates for all crops, including perennial crops, shall be established without regard to the actual value realized by the producer in the current year.

Example: Grape vines are planted on base acres in violation of CCC-509. The per acre market value shall be based on the current year market value per acre that producers of grapes in the State are expected to receive, without regard to the production capability of the producer's vines in the current year.

To assist STC in determining this value, STC may refer to:

- CSREES
- NASS
- other sources as determined by STC.

Thoroughly document all determinations in STC minutes.

Note: STC's may elect to establish per acre market values for FAV/WR either:

- at the beginning of each year
- when requested by COC.

31 FAV/WR Planting Violations (Continued)

J Example of Calculating Planting Violation

Without a farm or producer history of planting FAV/WR, the producer planted 70 acres of FAV's on a farm enrolled in DCP, of which 25 acres were planted on base acres. The double-cropping exception does not apply. This table provides the acreage of FAV's planted on base acres and the applicable STC determined per acre market values.

FAV	Acres	Per Acre Market Value Set by STC
Carrots	10	$650
Green Beans	30	$600
Sweet Corn	30	$400

This table provides the planting violation calculation, starting with carrots, FAV with the highest market value per acre.

FAV	Acres In Violation	Planting Violation Calculation
Carrots	10	10 acres in violation times $650 per acre equals $6,500.
Green Beans	15	15 acres in violation times $600 per acre equals $9,000.
Sweet Corn	0	

The 10 acres of carrots planted is not sufficient to cover the 25 acres in violation. Therefore, only 10 acres of the 25 acres of FAV's planted on base acres will be assessed a planting violation payment reduction based on the market value of carrots. The payment reduction calculation for the remaining 15 acres in violation is based on the per acre market value of green beans. Sweet corn's per acre market value is not used in the planting violation payment reduction calculation because it has the lowest market value per acre on the farm and the acreage for carrots and green beans was sufficient to cover the 25 acres in violation.

31 FAV/WR Planting Violations (Continued)

J Example of Calculating Planting Violation (Continued)

The farm's $15,500 ($6,500 for carrots plus $9,000 for green beans) planting violation is assessed after applying payment limitation. The planting violation will be prorated among covered commodities and producers on the farm sharing in DCP payments.

Note: In addition to the $15,500 planting violation, an acre-for-acre reduction will be applied to the farm according to paragraph 22.

Prorate the $15,500 planting violation among covered commodities on the farm according to the following steps.

Step 1: Determine total direct payment for the farm by multiplying the following for each covered commodity on the farm:

- payment acres minus acre-for-acre reduction, if applicable, times
- yield, times
- rate.

Crop	Yield	Direct Payment Rate	Direct Payment Acres	Acre-for-Acre Reduction	Net Payment Acres (Direct Payment Acres Minus Acre-for-Acre Reduction)	Direct Payment
Wheat	39	.5200	200	25	175	$3,549
Corn	149	.2800	100	0	100	$4,172
Cotton	2000	.0667	100	0	100	$13,340
Total						$21,061

Step 2: Divide the planting violation for the farm by the result of step 1 (total direct payment for the farm). Round to 4 decimals. Calculate as follows:

- $15,500, planting violation for the farm, divided by
- $21,061, direct payment for the farm, equals
- **.7360 factor**.

31 FAV/WR Planting Violations (Continued)

J Example of Calculating Planting Violation (Continued)

Step 3: For each covered commodity on the farm, multiply the result of step 2 times the direct payment for the subject commodity.

Crop	Direct Payment	Planting Violation Factor	Planting Violation
Wheat	$3,549	.7360	$2,611
Corn	$4,172		$3,071
Cotton	$13,340		$9,818
Total			**$15,500**

This table provides how the planting violation of $15,500 is prorated among the producers on the farm.

Producer	Wheat		Corn		Cotton		Total
	Share	Amount	Share	Amount	Share	Amount	
A	.3333	$870	.3333	$1,023	.75	$7,364	$9,257
B	.3333	$870	.3333	$1,023	.25	$2,454	$4,347
C	.3334	$871	.3334	$1,025			$1,896
Total	1.0000	$2,611	1.0000	$3,071	1.0000	$9,818	$15,500

K Reallocating Planting Violation

Planting violation payment reductions may be re-allocated to other producers on the same farm if all affected parties agree in writing. However, if the payment reduction amount is not satisfied, payments to the other producers on the farm are subject to reduction. See paragraph 63.

32 FAV/WR Reporting Violations

A Applicability

For DCP or ACRE, FAV/WR acreage reporting violation occurs when **both** of the following apply:

- FAV/WR is planted on base acres enrolled in DCP or ACRE
- FAV/WR determined acreage exceeds the reported acreage by more than the allowable tolerance provided in subparagraph B.

Note: See 2-CP for NAP provisions.

B Tolerance

Tolerance is 5 percent of FAV/WR reported acreage, but shall not exceed 50 acres.

Note: Tolerance does not apply to FAV/WR planting violations under DCP or ACRE.

C Calculating Tolerance

This table provides several examples of tolerance calculations for DCP or ACRE.

Farm No.	Nonbase Acreage	Reported FAV's	Determined FAV's	Difference	Tolerance	Reporting Violation
1	150	290	325	35	14.5	Yes
2	150	140	153	13	7.0	Yes
3	30	20	22	N/A	N/A	No
4	100	95	103	8	4.8	Yes
5	2	3	3.3	.3	.2	Yes
6	75	60	74	N/A	N/A	No

Note: Tolerance is not calculated for farm numbers 3 and 6 because FAV/WR determined acreage is less than the nonbase acreage. Therefore, FAV/WR has not been planted on base acres enrolled in DCP or ACRE.

32 FAV/WR Reporting Violations (Continued)

D Determined Acreage Exceeds Reported

Use this table for guidance when the determined FAV/WR acreage exceeds the reported acreage.

IF the tolerance calculated according to subparagraph C is...	THEN...
not exceeded	• an acre-for-acre reduction shall be applied to the farm using the determined acreage • a reporting violation payment reduction shall not be assessed unless COC determines the producer did not make a good faith effort to accurately report the acreage.
exceeded, but COC determines the producer made a good faith effort to accurately report the acreage	• an acre-for-acre reduction shall be applied to the farm using the determined acreage • a reporting violation payment reduction shall be calculated for the farm according to subparagraph E.
exceeded, and COC determines the producer did **not** make a good faith effort to accurately report the acreage	CCC-509 shall be terminated.

Note: If the determined acreage of FAV/WR is less than the reported acreage, a reporting violation has not occurred. The determined acreage shall be used for program purposes.

32 FAV/WR Reporting Violations (Continued)

E Calculating Reporting Violation

The reporting violation payment reduction is calculated by multiplying the following:

- the number of acres in violation (determined FAV/WR acreage minus FAV/WR reported acreage), times
- value per acre of the acre-for-acre reduction applied to the farm (subparagraph F), times
- 2.

Note: Apply payment limitation before making any producer payment reductions resulting from FAV/WR reporting violations.

Important: An acre-for-acre reduction in the DCP or ACRE payment acres is applied to the farm in addition to the reporting violation payment reduction. However, if a planting violation also exists on the same farm, the acre-for-acre reduction will only be applied once to the farm.

Example:

Effective DCP Cropland	120
Base Acres	100
Nonbase Acres “Free Acres”	20
FAV Reported Acreage	30
FAV Determined Acreage	35
Reporting Violation Tolerance	1.5
Reporting Violation Acreage (35-30)	5
FAV’s Planted on Base Acres	10
Planting Violation Acres	10

In this example, the FAV determined acreage exceeds the reported acreage by more than the allowable tolerance. Therefore, the following apply to the farm:

- reporting violation on 5 acres (determined FAV acreage minus reported FAV acreage)
- acre-for-acre reduction of 5 acres.

32 FAV/WR Reporting Violations (Continued)

E Calculating Reporting Violation (Continued)

In addition to the reporting violation, a planting violation exists on the farm. The farm has 20 free acres and plants 35 acres of FAV's. Farm and producer history do not exist for the farm. Therefore, the following apply to the farm:

- planting violation on 15 acres
- acre-for-acre reduction on 15 acres.

The acre-for-acre reduction shall only be applied to the farm 1 time. In this example, this farm would have an acre-for-acre reduction on 15 acres.

F Manually Calculating Value of Acre-for-Acre Reduction

FAV/WR reporting violation payment reductions are calculated based on the per acre value of the acre-for-acre reduction applied to the farm. The payment reduction software will calculate the value per acre of the acre-for-acre reduction. Manually calculate the value per acre of the acre-for-acre reduction according to this table.

Step	Action
1	For each covered commodity and peanuts with an acre-for-acre reduction, multiply the direct payment yield times the direct payment rate for the applicable covered commodity or peanuts to determine the value per acre.
2	Multiply the result of step 1, value per acre, times the acres to be reduced for the applicable covered commodity or peanuts to determine the value of the acre-for-acre reduction.
3	Add the result of step 2 for each covered commodity and peanuts with an acre-for-acre reduction to determine the value of the acre-for-acre reduction for the farm.
4	Divide the result of step 3 by the total payment acres to be reduced for the farm.

32 FAV/WR Reporting Violations (Continued)

G Example of Calculating Value of Acre-for-Acre Reduction

The following:

- example provides calculation for determining the value per acre of the acre-for-acre reduction for a farm that has 107 acres of FAV/WR planted on base acres enrolled in DCP

- table provides how the 107 acres to be reduced are applied to the covered commodities on the farm.

The Value of Acre-for-Acre Reduction column is determined by multiplying the value per acre times the acres to be reduced.

Covered Commodity	Value Per Acre	Acres Reduced	Value of Acre-for-Acre Reduction
Wheat	$20.28	100	$2,028.00
Corn	$41.72	7	$292.00
Cotton	$56.70	0	$0.00
Total		**107**	**$2,320.00**

Determine the value per acre of the acre-for-acre reduction for the entire farm by dividing the total value of the acre-for-acre reduction for the farm by the total acres to be reduced for the farm.

Example: $2,320, value of acre-for-acre reduction for the farm, divided by 107 acres to be reduced equals $22.

32 FAV/WR Reporting Violations (Continued)

H Example of Calculating Reporting Violation

The reporting violation payment reduction for the example in subparagraph G is calculated by multiplying:

- 107, the number of acres in violation (determined acreage minus reported acreage), times
- $22 value per acre of the acre-for-acre reduction applied to the farm (calculated in subparagraph G), times
- 2.

Therefore the reporting violation payment reduction for the farm is equal to $4,708. The reporting violation is then prorated among covered commodities and peanuts on the farm that have an acre-for-acre reduction according to subparagraph I.

I Prorating Reporting Violation

Determine the reporting violation for each covered commodity on the same farm by producer using this table.

Step	Action
1	Determine total direct payments for the farm by summing the result of the following calculation for each covered commodity on the farm. Multiply: • payment acres minus acre-for-acre reduction, if applicable, times • yield, times • rate.
2	Divide the reporting violation for the farm by the total direct payments for the farm (step 1). Round to 4 decimals.
3	For each covered commodity on the farm, multiply the result of step 2 times the direct payment for the subject commodity.
4	Multiply the result in step 3 times the producer's share or adjusted share (paragraph 62), if applicable, in the covered commodity. Round to nearest whole dollar.

32 FAV/WR Reporting Violations (Continued)

J Example of Prorating Reporting Violation

Prorate the $4,708 reporting violation, determined in subparagraph H, among crops on the farm according to the following steps.

Step 1: Determine total direct payments for the farm by multiplying the following for each covered commodity on the farm:

- payment acres minus acre-for-acre reduction, if applicable, times
- yield, times
- rate.

Crop	Yield	Direct Payment Rate	Direct Payment Acres (83.3 Percent of Base)	Acre-for-Acre Reduction	Net Payment Acres (Direct Payment Acres Minus Acre-for-Acre Reduction)	DCP Payment
Wheat	39	.5200	100	100	0	**$0**
Corn	149	.2800	31	7	25	**$1,043**
Cotton	2000	.0667	30	0	30	**$4,002**
Total						**$5,045**

Step 2: Divide the reporting violation for the farm by the total direct payments for the farm. Round to 4 decimals. Calculate as follows:

- $4,708, reporting violation for the farm, divided by
- $5,045, direct payment for the farm, equals
- **.9332 factor**.

32 FAV/WR Reporting Violations (Continued)

J Example of Prorating Reporting Violation (Continued)

Step 3: For each covered commodity on the farm, multiply the result of step 2 times the direct payment for the subject commodity.

Crop	Direct Payment	Reporting Violation Factor	Reporting Violation
Wheat	$0	.9332	$0
Corn	$1,043		$973
Cotton	$4,002		$3,735
Total			**$4,708**

This table provides how the reporting violation of $4,708 is prorated among the producers on the farm.

Producer	Wheat		Corn		Cotton		Total
	Share	Amount	Share	Amount	Share	Amount	
A			.3333	$324	.75	$2,801	$3,125
B			.3333	$324	.25	$934	$1,258
C			.3334	$325			$325
Total			1.0000	$973	1.0000	$3,735	$4,708

K Adjust or Satisfy Reporting Violation

A producer's reporting violation payment reduction amount may be:

- satisfied in the FPR software (subparagraph 62 A)
- adjusted according to producer's share of the reporting violation (subparagraph 61 A).

33 DCP or ACRE Acreage Maintenance

A Maintenance Requirements

Producers shall control the following on base acres enrolled in DCP or ACRE:

- wind and water erosion
- weeds, including noxious weeds.

Note: See 1-DCP (Rev. 3), paragraph 428.

B Establishing Rates

COC shall establish rates for calculating maintenance default payment reductions if the maintenance requirements provided in subparagraph A are not met. The rate shall represent the normal cost per acre in the county of the necessary action to correct the default. These established rates shall not be adjusted for individual producers.

C Calculating Maintenance Payment Reductions

If a maintenance default is determined according to this paragraph, a payment reduction is calculated by multiplying:

- acres in default, times
- COC established maintenance rate, times
- 3.

33 DCP or ACRE Acreage Maintenance (Continued)

D First Default

All producers sharing in DCP or ACRE payments on the farm are entitled to 1 warning letter for the first maintenance default.

The warning letter shall include the following:

- type of default
- date default was discovered
- number of acres in default
- action that is required to avoid a payment reduction
- when required action must be completed.

Note: If COC determines that only specific producers on the farm are responsible for the default, the warning letter shall be sent only to those producers.

33 DCP or ACRE Acreage Maintenance (Continued)

E Example of Warning Letter

This is a sample letter that may be used for the first weed control default.

(*XXXXXX*) County FSA Committee
(*XXXXX*) Somewhere St
(*City*), (*State*) (*ZIP Code*)

(Date)

Dear (Producer's Name):

A maintenance spot check conducted on (*mm/dd/yy*) on FSN (*XXXX*) revealed that weeds were not being controlled on 25.0 acres of base acres enrolled in DCP.

You have 15 calendar days to control the weeds in a manner that will ensure that the weed will not spread to other acreage. After 15 calendar days, a (*XXXXXX*) County Office representative will inspect the acreage in question and, if the necessary action has not being taken, direct payments on this farm will be reduced.

If you have any questions regarding this manner, please contact this office.

Sincerely,

Note: Producers may request an extension if circumstances beyond their control prevent them from taking the necessary action in a timely manner.

33 DCP or ACRE Acreage Maintenance (Continued)

F Second Default

A second default applies when **both** of the following occur:

- maintenance requirements are not met
- producer has previously received a warning letter providing 15 calendar days to correct the default.

County Offices shall notify producers that have previously received a warning letter that a maintenance default payment reduction will be applied to their direct payment, but not to exceed 50 percent of the farm's total direct payments. Corrective action must be taken within 15 calendar days from the notification letter.

Note: Second default payment reductions only apply to direct payments.

G Third Default

A third default applies when **all** of the following occur:

- maintenance requirements are not met
- producer has previously received a:
  - warning letter providing 15 calendar days to correct the default
  - notification letter providing that a payment reduction will be applied to their direct payments, but not to exceed 50 percent of the farm's total direct payments (second default).

County Offices shall notify producers that have previously received a warning and notification letter of a previous default that a maintenance default payment reduction will be applied to their direct payment, but not to exceed 100 percent of the farm's total direct payments.

Note: Third default payment reductions only apply to direct payments.

33 DCP or ACRE Acreage Maintenance (Continued)

H Calculating and Prorating Second Maintenance Default Reductions

Manually calculate and prorate the second maintenance default reduction among all crops and producers on the farm according to this table.

<table>
<tr><th>Step</th><th colspan="2">Action</th></tr>
<tr><td>1</td><td colspan="2">For both types of default (erosion and weeds), determine the number of base acres enrolled in DCP or ACRE that are in second maintenance default.</td></tr>
<tr><td>2</td><td colspan="2">For both types of default, multiply:

• result of step 1, times
• second maintenance default rate established by COC, times
• 3.</td></tr>
<tr><td rowspan="4">3</td><td colspan="2">For both types of default, sum the result of step 2.</td></tr>
<tr><td>IF this result is…</td><td>THEN second default maintenance reduction for the farm shall be…</td></tr>
<tr><td>less than or equal to 50 percent of the direct payment for the farm</td><td>result of step 3.</td></tr>
<tr><td>more than 50 percent of the direct payment for the farm</td><td>50 percent of the direct payment for the farm.</td></tr>
<tr><td>4</td><td colspan="2">Divide the direct payment for each covered commodity on the farm by the total direct payments for the farm.

Note: For the applicable covered commodity, the direct payment shall be determined as follows:

• payment acres minus acre-for-acre reduction, if applicable, times
• direct payment yield, times
• direct payment rate.</td></tr>
<tr><td>5</td><td colspan="2">For each covered commodity on the farm, multiply the result of step 4 times the result of step 3.</td></tr>
<tr><td>6</td><td colspan="2">For each covered commodity on the farm, multiply the result of step 5 times each producer’s share or adjusted share (paragraph 61), if applicable.</td></tr>
</table>

33 DCP or ACRE Acreage Maintenance (Continued)

I Calculating and Prorating Third Maintenance Default Reductions

Manually calculate and prorate the third maintenance default reduction among all crops and producers on the farm according to this table.

<table>
<tr><th>Step</th><th colspan="2">Action</th></tr>
<tr><td>1</td><td colspan="2">For both types of default (erosion and weeds), determine the number of base acres enrolled in DCP or ACRE that are in third maintenance default.</td></tr>
<tr><td>2</td><td colspan="2">For both types of default, multiply:

• result of step 1, times
• third maintenance default rate established by COC, times
• 3.</td></tr>
<tr><td rowspan="4">3</td><td colspan="2">Determine the third maintenance default reduction for the farm by summing:

• second default maintenance reduction for the farm (subparagraph H, step 3)
• third default maintenance reduction for the farm (result of step 2).

Note: The sum of the farm’s second and third default maintenance reductions cannot exceed 100 percent of the farm’s direct payment.</td></tr>
<tr><td>IF this result is…</td><td>THEN third default maintenance reduction for the farm is equal to the…</td></tr>
<tr><td>less than or equal to 100 percent of the direct payment for the farm</td><td>result of step 2.</td></tr>
<tr><td>greater than 100 percent of the direct payment for the farm</td><td>result of the following:

• 100 percent of the direct payment for the farm, minus

• second default maintenance reduction for the farm (subparagraph H, step 3).</td></tr>
<tr><td>4</td><td colspan="2">Divide the direct payment for each covered commodity on the farm by the total direct payments for the farm.

Note: For the applicable covered commodity, the direct payment shall be determined as follows:

• payment acres minus acre-for-acre reduction, if applicable, times
• direct payment yield, times
• direct payment rate.</td></tr>
<tr><td>5</td><td colspan="2">For each covered commodity on the farm, multiply the result of step 4 times the result of step 3.</td></tr>
<tr><td>6</td><td colspan="2">For each covered commodity on the farm, multiply the result of step 5 times each producer’s share or adjusted share (paragraph 61), if applicable.</td></tr>
</table>

33 DCP or ACRE Acreage Maintenance (Continued)

J Adjusting Maintenance Reduction Shares

Payment reductions for maintenance defaults may be adjusted when either of the following occurs:

- a producer on the farm agrees to accept a larger share of the payment reduction and has sufficient direct earnings to cover the increased share of the maintenance default payment reduction

- COC determines that a specific producer or producers sharing in direct payments were responsible for the maintenance default.

  Note: Payment reduction shall not exceed 50 percent of the farm's direct payment for the second default, or 100 percent for third and subsequent defaults.

34 CRP Maintenance Defaults

A Types of Defaults

The following are types of maintenance defaults that can occur on CRP acreage:

- unauthorized haying or grazing of an eligible cover
- noncontrol of weeds, insects, rodents, or wind or water erosion
- failure to maintain eligible cover.

Note: See 2-CRP, subparagraph 295 B for unauthorized planting or harvesting on CRP.

B Examples of Defaults

This table provides examples of maintenance defaults.

Default Type	Example
Unauthorized haying or grazing.	Harvesting hay or grazing livestock on CRP any time during the year. **Note:** If all applicable forms for emergency haying or grazing are approved before the haying or grazing, then no maintenance default occurred.
• Noncontrol of weeds. • Wind or water erosion. • Failure to maintain eligible cover.	Failure to: • adequately control an infestation of weeds, which could spread to nearby land • maintain adequate cover to protect the soil from wind or water erosion.
Failure to establish required cover.	Failure to establish an annual or perennial cover.

34 CRP Maintenance Defaults (Continued)

C COC Determinations

The producer must do both of the following **before** COC can make a determination:

- submit an explanation for the default either in writing or in person
- correct the maintenance default as required by COC.

If COC:

- determines that a good faith effort was made to maintain CRP as required, a payment reduction will apply

- does not determine that a good faith effort was made, terminate CRP-1. Only the acres in violation shall be terminated.

Notes: The producer must provide a written explanation or request to meet with COC within 15 calendar days of the date of the notification letter.

COC shall:

- document the reasons for the determination in the minutes

- inform the producer of the right to appeal any decision made by COC according to 1-APP.

34 CRP Maintenance Defaults (Continued)

D Calculating Payment Reductions

Use this table to calculate payment reductions for maintenance defaults on CRP.

IF the default is for...	THEN payment reduction will be calculated...
unauthorized haying or grazing	by: • multiplying the value per acre of the hayed or grazed production, as determined by COC, times • the number of acres in violation, times • 2.
either of the following: • noncontrol of weeds, insects, or rodents • wind or water erosion	as applicable, by multiplying the estimated cost per acre to: • carry out satisfactory control measures, times the number of acres in violation, times 2
failure to maintain or establish an eligible cover	• establish cover, times the number of acres, times • 2.

Note: Assess payment reduction according to 2-CRP.

35 Making Determinations

A Considerations Before Making Determinations

The reviewing authority shall consider these guidelines when determining whether CCC-509 should be terminated.

- What was the degree of the violation?
  - How many acres of FAV/WR could be planted without a violation?
  - How many were planted on base acres enrolled in DCP?
- Should the producer have been reasonably expected to know there was a violation?
- Did the producer measure, or employ others to measure, the acreage?
- Was there reliance on photocopies or acreages of past determinations?
- Did the producer control, or could the producer have controlled, the factors contributing to the violation?
- Did the violation occur because of:
  - carelessness by the producer?
  - part of a scheme or device to avoid compliance?
- Were there extenuating circumstances that caused or contributed to the violation?

35 Making Determinations (Continued)

B Authority for Planting Violation Determinations

COC has the authority to determine, with STC concurrence, whether CCC-509 should be terminated when FAV/WR planting violation occurs.

Note: Tolerance does not apply to FAV/WR on farms with planting violations.

C STC Authority

STC:

- has the authority to make the determinations for those cases that exceed COC authority
- must concur with COC determinations made according to subparagraph B for DCP to be terminated.

D Employees and Committee Members

When STC's, COC's, or employees, including spouses and minor children, have an interest in a farm that is in violation, the next highest reviewing authority must determine whether CCC-509 should be terminated.

E Documenting Determinations

All COC or STC decisions, and reasons for those decisions, shall be documented in the applicable minutes.

36 Producer Notifications

A Degree of Violation

COC or STC, as applicable, may decide that the degree of the violation does not warrant terminating CCC-509 according to paragraph 35. In those cases, all affected producers shall be notified by letter of the following:

- CCC-509 is in violation, but COC or STC has determined not to terminate CCC-509
- the acre-for-acre reduction amount applied to the farm's DCP payments
- the planting violation payment reduction amount based on the per acre market value of FAV/WR planted on the base acres enrolled in DCP or ACRE
- the producer's appeal rights according to 1-APP.

B Producer Notification

In cases where it is determined that the degree of violation warrants terminating CCC-509, all affected producers shall be notified by letter of the following:

- CCC-509 is in violation and has been terminated
- reason for violation; that is, inaccurate report or planting violation
- appeal rights according to 1-APP.

37-49 (Reserved)

Part 4 FPR's

50 FPR Process

A Introduction

The FPR process:

- calculates DCP payment reductions for the following:
  - maintenance defaults
  - acre-for-acre reductions
  - inaccurate acreage reporting for FAV/WR
  - planting violations
- adjusts payment reductions
- provides notification letters to producers of payment reduction amounts
- summarizes payment reductions for each producer by farm.

B Accessing FPR Process

To access the FPR Home Page, from the FSA Applications web site at **http://fsaintranet.sc.egov.usda.gov/fsa** do the following:

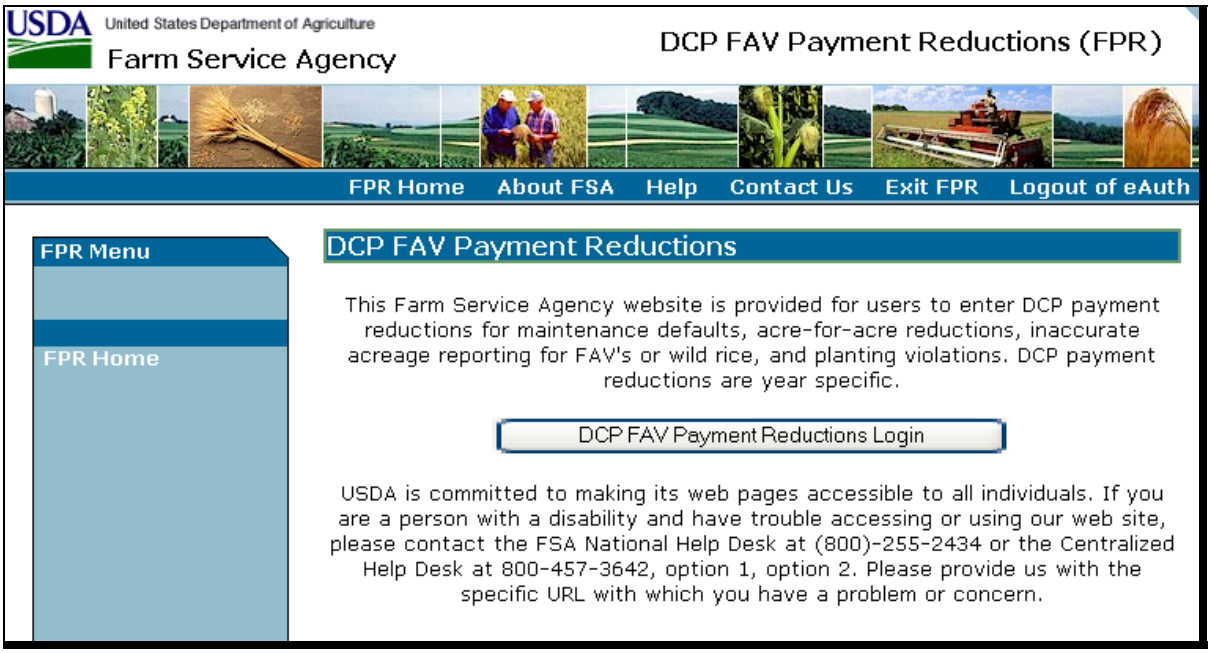
- under "Links", CLICK "FSA Applications"
- under "Production Adjustment & Disaster Programs", CLICK "FPR – FAV Payment Reductions".

Note: Internet Explorer shall be used when accessing the FPR Home Page.

50 FPR Process (Continued)

C DCP FAV Payment Reductions Login Screen

After users click “FPR – FAV Payment Reductions”, the following DCP FAV Payment Reductions Screen will be displayed. CLICK “DCP FAV Payment Reductions Login” to continue.



After users click “DCP FAV Payment Reductions Login”, the eAuthentication Warning Screen will be displayed. CLICK “I Agree”, the eAuthentication Login Screen will be displayed. Users must:

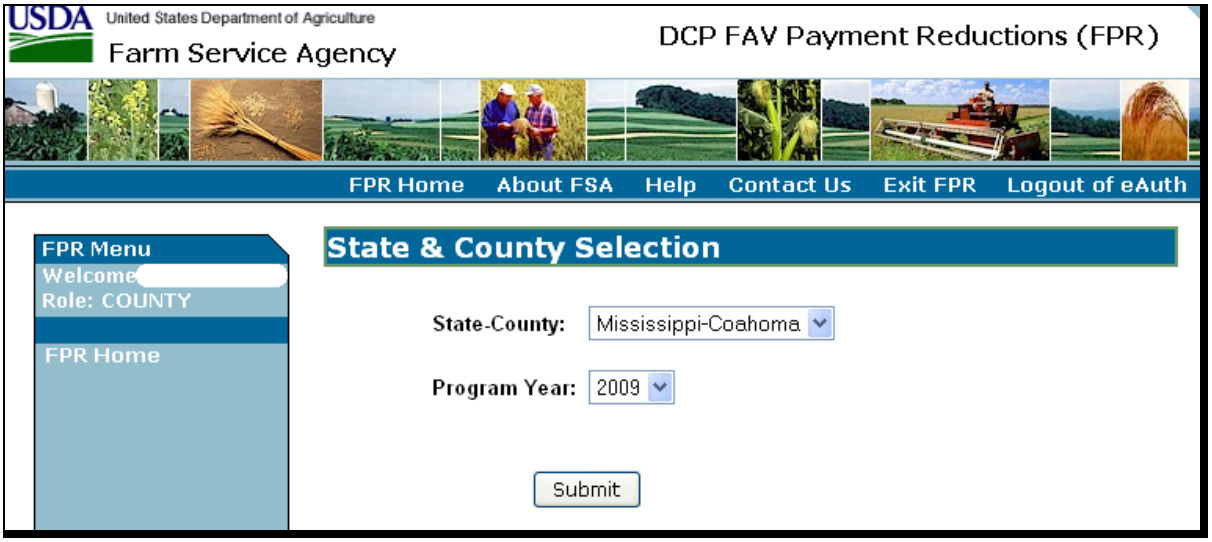
- enter eAuthentication user ID
- enter eAuthentication password
- CLICK “Login”.

The State and County Selection Screen will be displayed.

51 State and County Selections

A State & County Selection Screen

Users must select a State, county, and year to process FPR's. This is an example of the State & County Selection Screen.



B Action

Using the drop-down menus, users shall select the applicable:

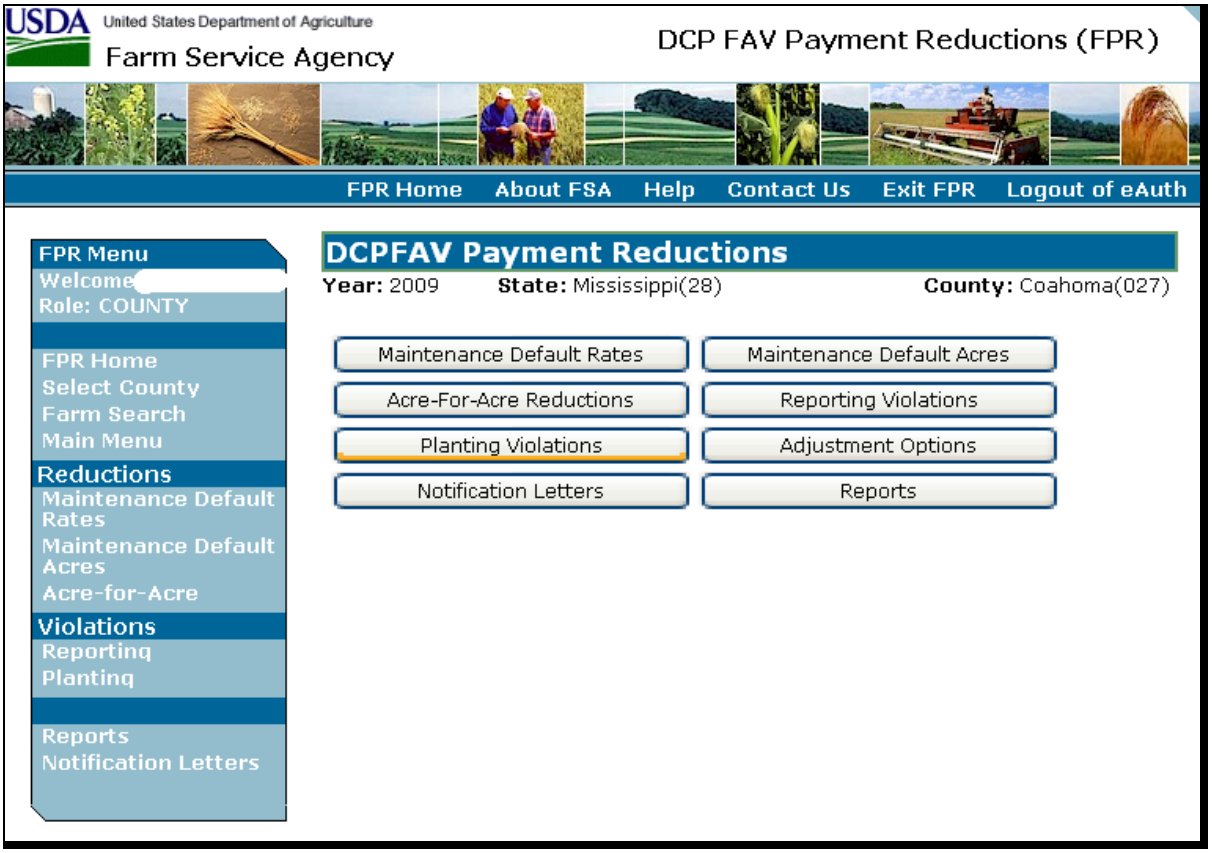
- State/county
- program year.

CLICK "Submit", the DCPFAV Payment Reductions Screen will be displayed.

52 DCP FAV Payment Reductions

A DCPFAV Payment Reductions Screen

This is an example of the DCPFAV Payment Reductions Screen.



52 DCP FAV Payment Reductions (Continued)

B Available Options

This table provides the options that are available on the DCPFAV Payment Reductions Screen.

Option	Result	Option Is Used For
Maintenance Default Rates	Maintenance Default Rates Screen will be displayed (paragraph 54).	Entering maintenance default rates established by COC.
Maintenance Default Acres	Either of the following will be displayed: • Search Selection Screen (paragraph 53) • Maintenance Default Acres Screen (paragraph 55).	• Entering the number of acres in default. • Calculating maintenance default payment reductions.
Acre-For-Acre Reductions	Either of the following will be displayed: • Search Selection Screen (paragraph 53) • Acre-For-Acre Reductions Screen (paragraph 56).	• Entering the number of base acres enrolled in DCP or ACRE and planted to FAV/WR. • Applying acre-for-acre reduction to the covered commodities on the farm.
Reporting Violations	Either of the following will be displayed: • Search Selection Screen (paragraph 53) • Reporting Violations Screen (paragraph 57).	• Entering the number of reporting violation acres. • Calculating reporting violation payment reductions.

52 DCP FAV Payment Reductions (Continued)

B Available Options (Continued)

Option	Result	Option Is Used For

Planting Violations	Either of the following will be displayed:
	
	• Search Selection Screen (paragraph 53)
	
	• Planting Violations Screen (paragraph 58).
		• Entering the number of planting violation:
		
		  • acres
		  • rates.
		
		• Calculating planting violation payment reductions.

Adjustment Options	Either of the following will be displayed: • Search Selection Screen (paragraph 53) • Adjustment Options Screen (paragraph 59).	Adjusting payment reductions for: • acre-for-acre reductions • planting violations. • reporting violations.
Notification Letters	Notification Letters Screen will be displayed (paragraph 64).	Printing notification letters for: • acre-for-acre reductions • maintenance defaults • planting violations • reporting violations.
Reports	Reports Screen will be displayed (paragraph 65).	Printing: • Farm Payment Reduction Report • FAV and WR Planted on Base Acres Report.

53 Selecting a Farm

A Search Selection Screen

A farm must be selected **before** entering any of the following:

- maintenance default acres
- acre-for-acre reductions
- reporting violations
- planting violations.

A farm can be selected by either of the following methods:

- click the desired option from the DCPFAV Payment Reductions Screen (subparagraph 52 A)

  Note: If a farm has already been selected, users **must** click “Farm Search” under “FPR Menu”, to select a new farm. Clicking the desired option from the DCPFAV Payment Reductions Screen will **not** allow selecting a new farm.

- under FPR Menu, click “Farm Search”.

This is an example of the Search Selection Screen.

53 Selecting a Farm (Continued)

B Action

Do either of the following:

- CLICK “Producer” radio button and CLICK “Search”
- enter a farm number and CLICK “Search”.

If a farm number is entered, the DCPFAV Payment Reductions Screen will be displayed with the selected farm number.

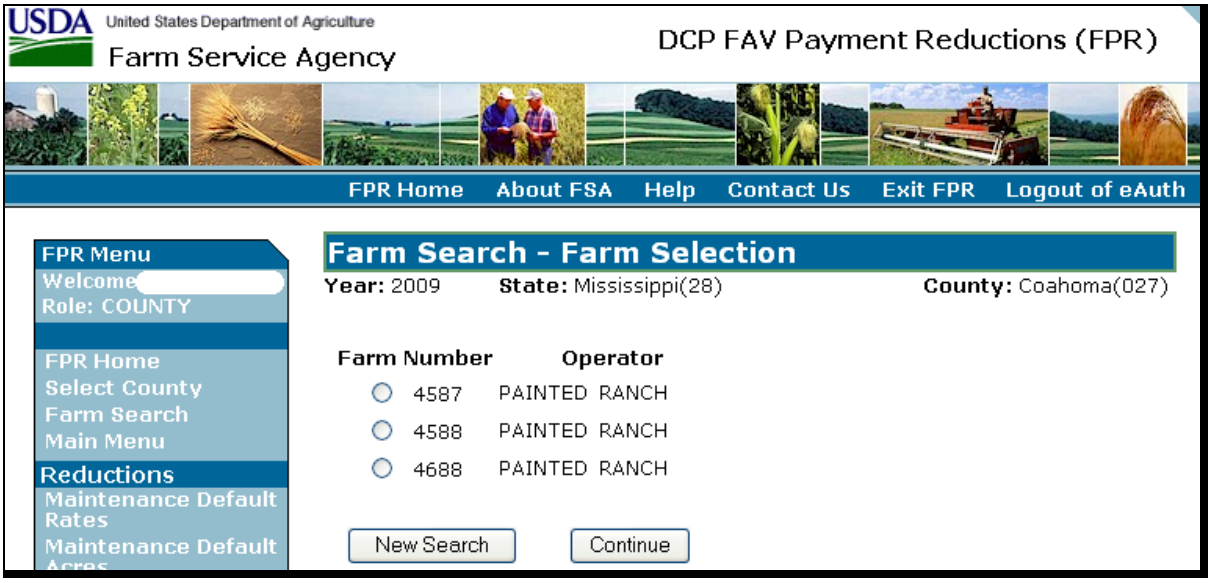
Note: The selected farm must:

- be active in the selected program year
- have an approved CCC-509 in the selected program year.

If users click “Producer”, the SCIMS Customer Search Screen will be displayed. Enter the applicable search criteria and CLICK “Search”. The Farm Search – Farm Selection Screen will be displayed.

C Farm Search – Farm Selection Screen

This is an example of the Farm Search – Farm Selection Screen.



D Action

Click of the following:

- “Farm Number” radio button next the desired farm and CLICK “Continue”
- “New Search” to return to the Search Selection Screen.

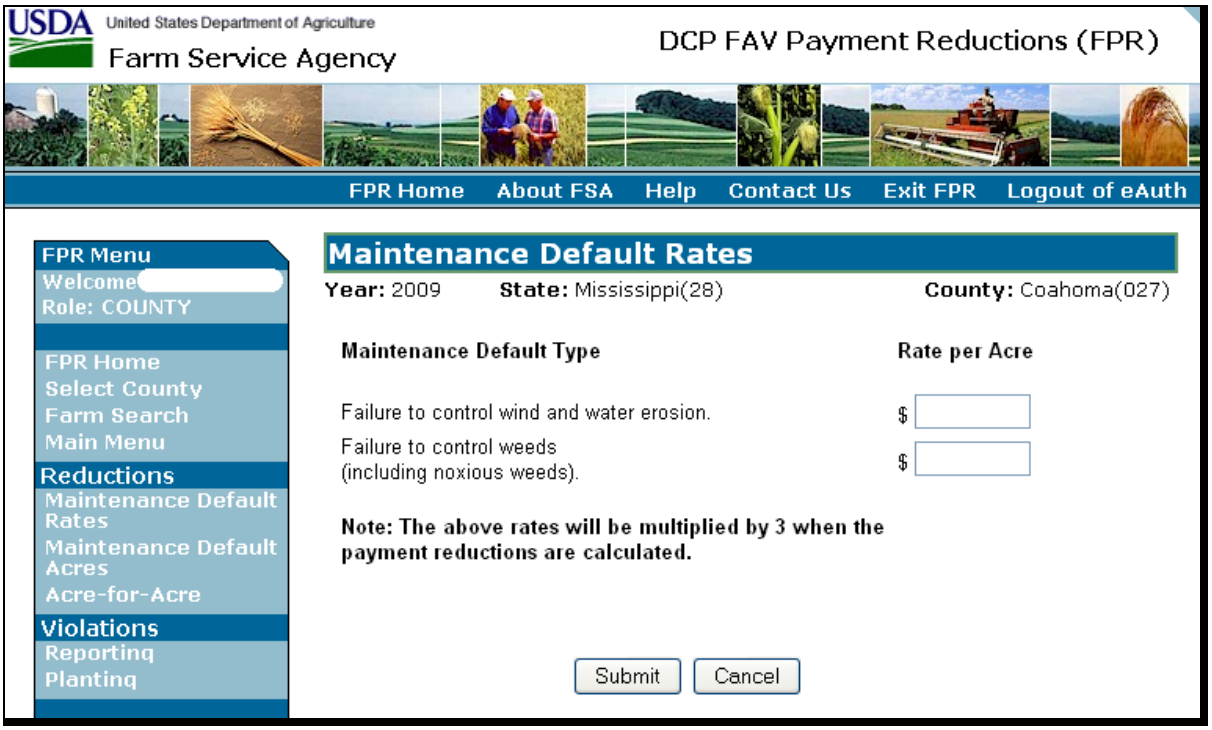
54 Maintenance Default Rates

A Maintenance Default Rates Screen

From the DCPFAV Payment Reductions Screen (subparagraph 52 A), if users click "Maintenance Default Rates", either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Maintenance Default Rates Screen.

This is an example of Maintenance Default Rates Screen.



B Action

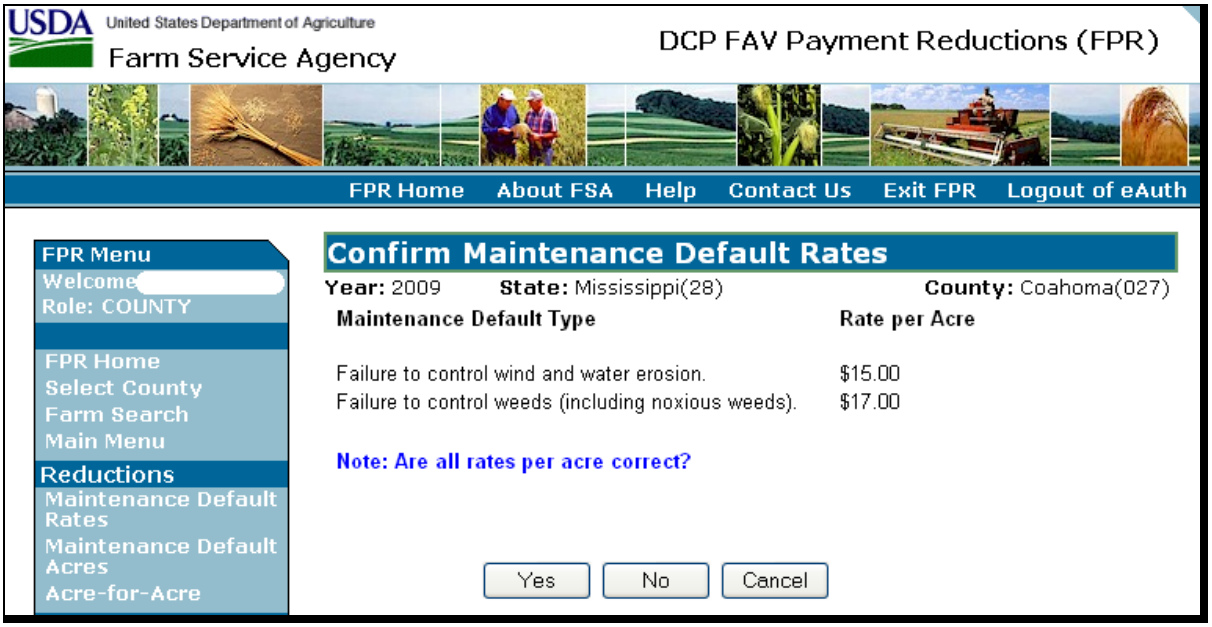
The maintenance default rates are established by COC as instructed in paragraph 33. On Maintenance Default Rates Screen, enter the COC-established maintenance default rates for failure to control wind and water erosion and failure to control weeds and CLICK "Submit".

Note: Maintenance default rates are only entered for a county once each year. If maintenance default rates have already been loaded for the county, the message, "Maintenance default rates cannot be modified. Please contact your administrator." will be displayed.

54 Maintenance Default Rates (Continued)

C Confirm Maintenance Default Rates Screen

On the Maintenance Default Rates Screen, after users click “Submit”, the following Confirm Maintenance Default Rates Screen will be displayed.



D Action

Answer the question “Are all rates per acre correct?”, by clicking either of the following:

- “Yes” to accept the rates; the Maintenance Default Rates Screen will be displayed with the message, “Maintenance Default Rates Recorded Successfully”

- “No” to correct the rates; the Maintenance Default Rates Screen will be redisplayed so that the rates can be corrected.

Click “Cancel” to cancel loading of Maintenance Default Rates, the DCPFAV Payment Reductions Screen will be displayed.

Note: Maintenance default rates are only entered for a county once each year. If maintenance default rates have already been loaded for the county, the message, “Maintenance default rates cannot be modified. Please contact your administrator.” will be displayed.

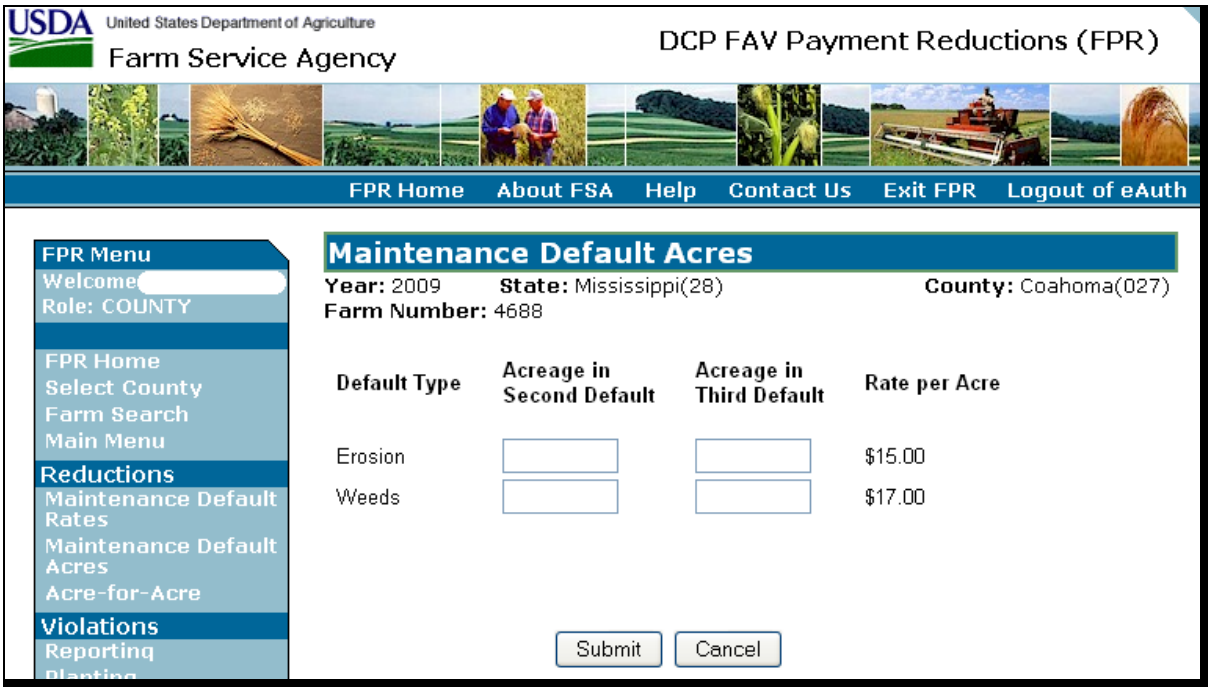
55 Maintenance Default Acres

A Maintenance Default Acres Screen

From the DCPFAV Payment Reductions Screen (subparagraph 52 A), after users click "Maintenance Default Acres", either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Maintenance Default Acres Screen.

This is an example of Maintenance Default Acres Screen.



B Action

On Maintenance Default Acres Screen, County Offices shall:

- enter the number of acres in second and third default as determined according to paragraph 33

  Note: The maintenance default rates per acre entered on Maintenance Default Rates Screen, according to paragraph 54, will be displayed.

- CLICK "Submit" to create maintenance default payment reductions; the DCPFAV Payment Reductions Screen will be redisplayed with the message, "Maintenance Default Acres Recorded Successfully".

If users click "Cancel" to cancel maintenance default acre loading, the DCPFAV Payment Reductions Screen will be displayed.

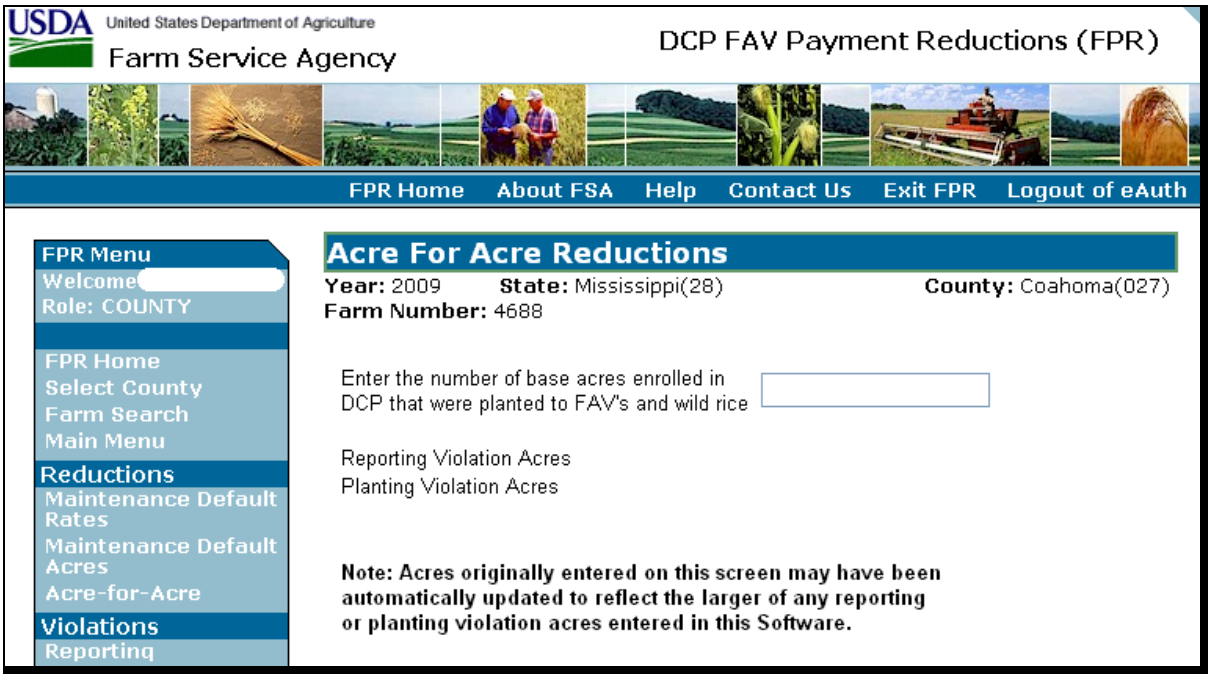
56 Acre-For-Acre Reductions

A Acre For Acre Reductions Screen

After users click “Acre-For-Acre Reductions” from the DCPFAV Payment Reductions Screen (subparagraph 52 A), either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Acre For Acre Reductions Screen.

This is an example of Acre For Acre Reductions Screen.



Notes: Reporting and/or planting violation acres will only appear on Acre For Acre Reductions Screen if either one exists.

The note, at the bottom of Acre For Acre Reductions Screen, will only appear if acre-for-acre reduction acres have been previously entered for the farm.

56 Acre-For-Acre Reductions (Continued)

B Action

The number of FAV/WR acres planted on base acres enrolled in DCP or ACRE must be loaded in the FPR software to apply the acre-for-acre reduction to the farm according to paragraph 22.

On Acre For Acre Reductions Screen, enter the number of FAV/WR acres planted on base acres enrolled in DCP or ACRE for the farm and CLICK “Submit”. The validations and applicable messages described in subparagraph C will be performed.

After validations have passed, the DCPFAV Payment Reductions Screen will be displayed with the message, “Acre for Acre Reduction Recorded Successfully”.

The acre-for-acre reduction for each covered commodity on the farm will be calculated as according to paragraph 22.

56 Acre-For-Acre Reductions (Continued)

C Validations to Acres Entered on Acre For Acre Reductions Screen

If acre-for-acre reduction acres have been previously entered on Acre For Acre Reductions Screen, validations have been developed to assist in entering the accurate acre-for-acre reduction acres when a reporting and/or planting violation exists on the same farm.

This table provides the situations that prompt a validation of the acre-for-acre reduction acres entered on Acre For Acre Reductions Screen and applicable messages that will be displayed.

IF the following violations have been entered into the FPR software for the same farm in which the acre-for-acre reduction acres are being entered…	**AND the following has been entered as a result of the producer history question on Planting Violations Screen…**	**AND acre-for-acre reduction acres being entered on Acre For Acre Reductions Screen for the same farm are…**	**THEN the following message will be displayed on Acre For Acre Reductions Screen…**
reporting violation (paragraph 57)		less than the reporting violation acres entered on Screen MEALVH01	"Acres entered must be equal to or greater than Reporting Violation Acres".
• planting violation (paragraph 58) • reporting violation (paragraph 57)	"No"	not equal to the larger of: • reporting violation acres • planting violation acres	"Acre entered must be equal to the larger of the Reporting or Planting Violation Acres".

57 Reporting Violations

A Reporting Violations Screen

After selecting "Reporting Violations" from the DCPFAV Payment Reductions Screen (subparagraph 52 A), either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Reporting Violations Screen.

Acre-for-acre reduction acres for the same farm must be entered before reporting violation acres for the farm can be entered in the FPR software. If acre-for-acre reduction acres, for the same farm, have not been entered, the message, "Acre-for-acre reductions must be loaded before accessing reporting violations", will be displayed.

This is an example of Reporting Violations Screen.

The total acre-for-acre reduction acres for the farm, loaded on Acre For Acre Reductions Screen, will be displayed in the "Acre-for-Acre Reduction Acres" field. See paragraph 56 for acre-for-acre reductions.

57 Reporting Violations (Continued)

B Action

On Reporting Violations Screen, if the farm has a reporting violation as determined according to paragraph 32, enter the number of acres in violation as determined according to subparagraph 32 D and CLICK “Submit”.

If applicable, the acre-for-acre reduction acres will be modified by the system and the applicable informational message will appear according to subparagraph C. After the applicable informational message appears, CLICK “Submit”.

The reporting violation will be calculated according to subparagraph 32 E. The DCPFAV Payment Reductions Screen will be displayed with the message, “Reporting Violation Acres Recorded Successfully”.

57 Reporting Violations (Continued)

C Modification to Acre-for-Acre Reduction Acres and Applicable Informational Messages

FPR software automatically modifies the acre-for-acre reduction acres, entered on Acre For Acre Reductions Screen (subparagraph 56 A), in the situations described in this table. If an automatic modification to the acre-for-acre reduction acres is completed when entering a reporting violation, the applicable informational message will be provided on Reporting Violations Screen, according to this table.

Situation	Result	Message
Both of the following: • planting violation acres have not been loaded in the FPR software • reporting violation acres entered on Reporting Violations Screen are **greater than** the acre-for-acre reduction acres that were previously entered on Acre For Acre Reductions Screen.	Acre-for-acre reduction acres previously entered on Acre For Acre Reductions Screen will be automatically modified to equal the reporting violation acres entered on Reporting Violations Screen.	"Acre-for-Acre Reduction Acres have been changed to reflect the larger of Reporting or Planting Violation Acres. In this case, Acre-for-Acre Reduction Acres were changed to XX to equal the Reporting Violation Acres."
All of the following: • planting violation acres have been loaded in the FPR software • "No" is entered to the producer history question on Planting Violations Screen • reporting violation acres entered on Reporting Violations Screen are **greater than** the planting violation acres entered on Planting Violations Screen.		

58 Planting Violations

A Planting Violations Screen

After selecting "Planting Violations" from the DCPFAV Payment Reductions Screen (subparagraph 52 A), either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Planting Violations Screen.

Notes: Planting violations apply to farms with approved CCC-509's. Therefore, if "Planting Violations" is selected on DCPFAV Payment Reductions Screen and an approved CCC-509 is not on file for the selected farm, the message, "Farm # XXXX does not have an approved ACRE or DCP contract", will be displayed.

Acre-for-acre reductions must be entered in the FPR software according to paragraph 56 before planting violations are entered. Therefore, if users click "Planting Violations" on DCPFAV Payment Reductions Screen and acre-for-acre reduction acres have not been entered for the farm, the message, "Acre-for-acre reductions must be loaded before accessing planting violations", will be displayed.

This is an example of Planting Violations Screen.

The acre-for-acre reduction acres for the farm, previously loaded on Acre For Acre Reductions Screen, will be displayed in the "Acre-for-Acre Reduction Acres" field. See paragraph 56 for acre-for-acre reductions.

58 Planting Violations (Continued)

B Action

When a planting violation has occurred on a farm, the County Office shall:

- determine how many acres are in violation according to subparagraph 31 C
- establish a per acre market value for FAV/WR according to subparagraph 31 I
- determine whether any producer having a share in FAV/WR planted on this farm's base acres has an established FAV/WR producer history for the specific FAV/WR planted on base acres, according to 1-DCP (Rev. 3), paragraph 476.

On the Planting Violations Screen, in the:

- "Planting Violation Acres" field, enter the number of acres in violation as determined according to subparagraph 31 C
- "Planting Violation Value Per Acre" field, enter the County Office-established per acre market value for FAV/WR as determined according to subparagraph 31 I.

Click "Yes" or "No" for the producer history question and CLICK "Submit".

If applicable, either or both of the following will occur when users click "Submit" on Planting Violations Screen:

- previously entered planting violation reallocation amounts will be deleted from the FPR software and the applicable informational message will be displayed according to subparagraph C
- acre-for-acre reduction acres will be modified and the applicable informational message will be displayed according to subparagraph C.

After the applicable informational messages are displayed, CLICK "Submit". The planting violation will be calculated according to subparagraph 31 F. DCPFAV Payment Reductions Screen will be displayed with the message, "Planting violation acres recorded successfully".

58 Planting Violations (Continued)

C Deleting Planting Violation Reallocation Amounts and Applicable Informational Message

If the planting violation for the farm has been previously reallocated among producers on the farm through Planting Violation Reallocation Screen (paragraph 63), and the previously entered planting violation acres or planting violation value per acre on Planting Violations Screen are being modified, then all previously entered planting violation reallocations will be deleted from the FPR software when users click “Submit”. The informational message, “Planting violation reallocations have been deleted due to a modification to Planting Violation Acres and/or Planting Violation Value Per Acre. Reallocation amounts will need to be reentered”, will be displayed.

Important: The County Office **must** re-enter all planting violation reallocation amounts previously entered in the FPR software.

58 Planting Violations (Continued)

D Modification to Acre-for-Acre Reduction Acres and Applicable Information Messages

FPR software automatically modifies the acre-for-acre reduction acres, entered on Acre For Acre Reductions Screen (paragraph 56), in the situations described in this table. If an automatic modification to the acre-for-acre reduction acres is completed when entering a planting violation, the applicable informational message will be provided on Planting Violations Screen, according to this table.

Situation	Modification	Message
All of the following: • reporting violation acres **have not** been loaded in the FPR software • "No" is entered for the producer history question on Planting Violations Screen • planting violation acres entered on Planting Violations Screen are greater than the acre-for-acre reduction acres that were previously entered on Acre For Acre Reductions Screen.	Acre-for-acre reduction acres previously entered on Acre For Acre Reductions Screen will be automatically modified to equal the planting violation acres entered on Planting Violations Screen.	"Acre-for-Acre Reduction Acres have been changed to reflect the larger of Reporting or Planting Violation Acres. In this case, Acre-for-Acre Reduction Acres were changed to XX to equal the (reporting violation or planting violation) acres."
All of the following: • reporting violation acres **have** been loaded in the FPR software • "No" is entered for the producer history question on Planting Violations Screen • planting violation acres entered on Planting Violations Screen are greater than the reporting violation acres entered on Reporting Violations Screen.		

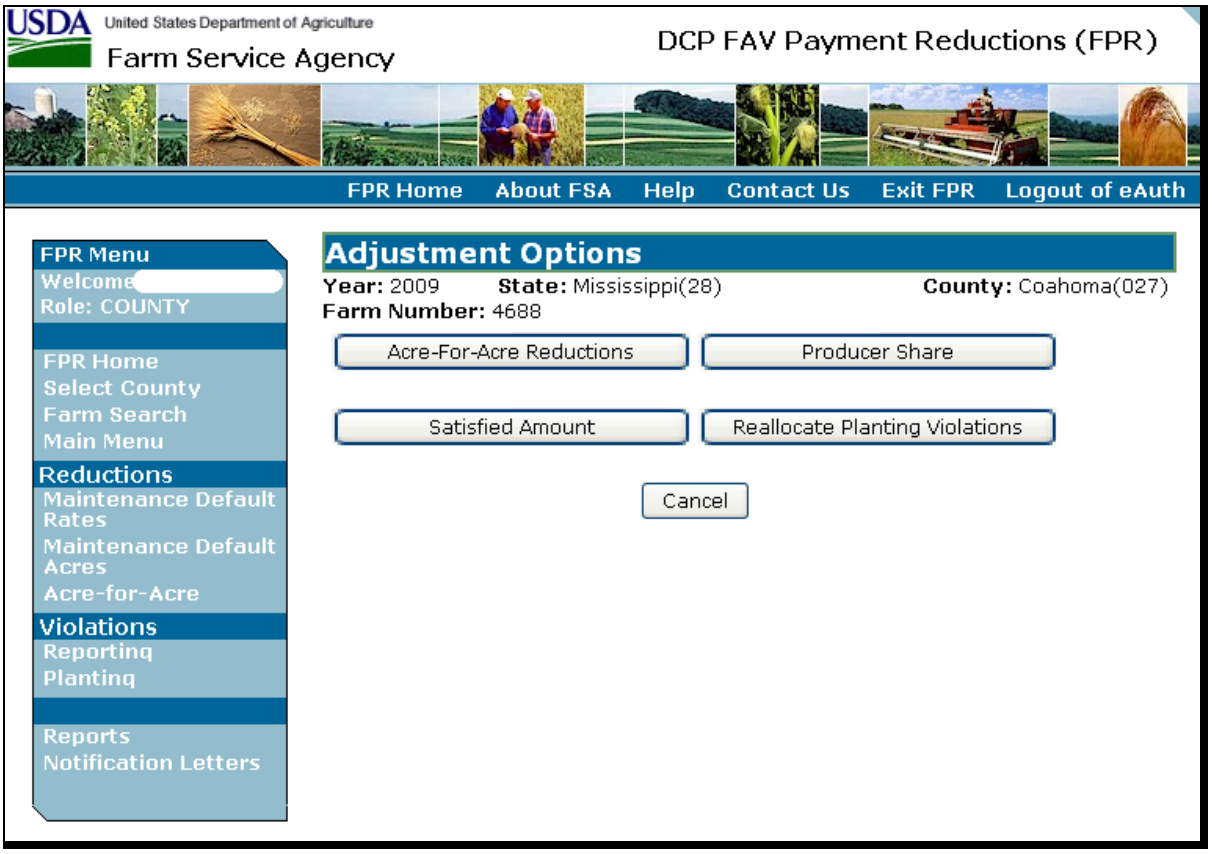
59 Adjustment Options

A Adjustment Options Screen

After selecting "Adjustment Options" from the DCPFAV Payment Reductions Screen (subparagraph 52 A), either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Adjustment Options Screen.

This is an example of Adjustment Options Screen.



59 Adjustment Options (Continued)

B Options

These options are available on Adjustment Options Screen.

Option	Result	Option Is Used For
Acre-For-Acre Reductions	Acre For Acre Adjustments Screen will be displayed (paragraph 60).	Adjusting acre-for-acre reductions among covered commodities on the farm.
Producer Share	Crop Selection Screen will be displayed (paragraph 61).	Adjusting a producer's share in maintenance, reporting, and/or planting violations on a farm.
Satisfied Amount	Violation Reduction Satisfy - Crop Selection - Producer Selection Screen will be displayed (paragraph 62).	Satisfying/recording a payment amount to offset a producer's maintenance, reporting, and/or planting violation on a specific farm.
Reallocate Planting Violations	Crop Selection Screen will be displayed (paragraph 63).	Reallocating a planting violation amount between producers on a farm.

60 Adjusting Acre-for-Acre Reductions

A Acre For Acre Adjustments Screen

After selecting “Acre-For-Acre Reductions” from the Adjustment Options Screen, either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Acre For Acre Adjustments Screen.

If provisions in subparagraph 23 A apply, acre-for-acre reductions may be adjusted among the covered commodities on the farm.

This is an example of Acre For Acre Adjustments Screen.

Total acre-for-acre reduction for the farm, payment acres, and current acre-for-acre reduction for each covered commodity on the farm will be displayed.

60 Adjusting Acre-for-Acre Reductions (Continued)

B Action

On Acre For Acre Adjustments Screen, enter the adjusted acre-for-acre reduction, for the applicable covered commodities, in the “Adjusted Acre-for-Acre Reduction” column and CLICK “Submit”.

Notes: The adjusted acre-for-acre reduction cannot exceed the payment acres for the applicable covered commodity.

The sum of the adjusted acre-for-acre reduction for all covered commodities on the farm must equal the sum of the current acre-for-acre reduction.

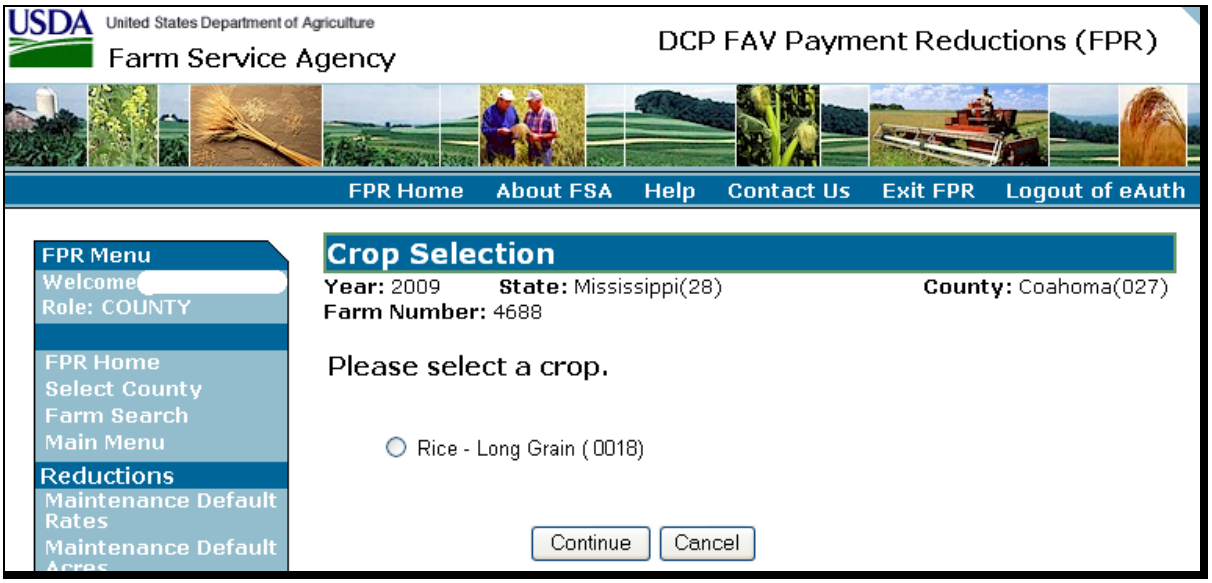
61 Adjusting Producer's Share in Violation

A Crop Selection Screen

After selecting "Producer Share" from the Adjustment Options Screen, either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Crop Selection Screen.

This is an example of Crop Selection Screen.

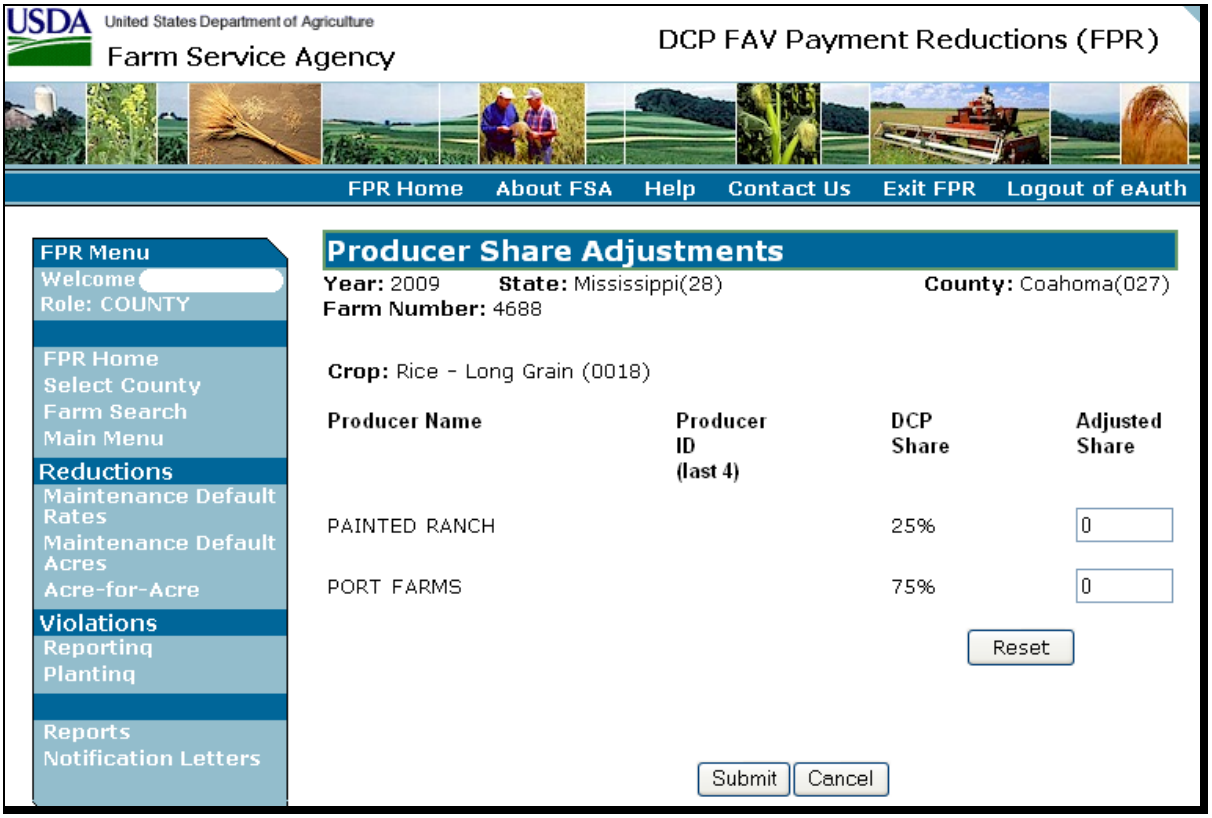


Click radio button next to the crop for which producer shares will be adjusted and CLICK "Continue". The Producer Share Adjustments Screen will be displayed.

61 Adjusting Producer's Share in Violation (Continued)

B Producer Share Adjustments Screen

This is an example of Producer Share Adjustments Screen.



All producers with an interest in the covered commodity on the farm will be displayed along with the producer's percent share in the covered commodity.

C Action

Enter the adjusted producer's share in the "Adjusted Share" column and CLICK "Submit".

Note: If more than 1 producer shares in the covered commodity, the sum of the shares entered in the "Adjusted Share" column must equal 100 percent.

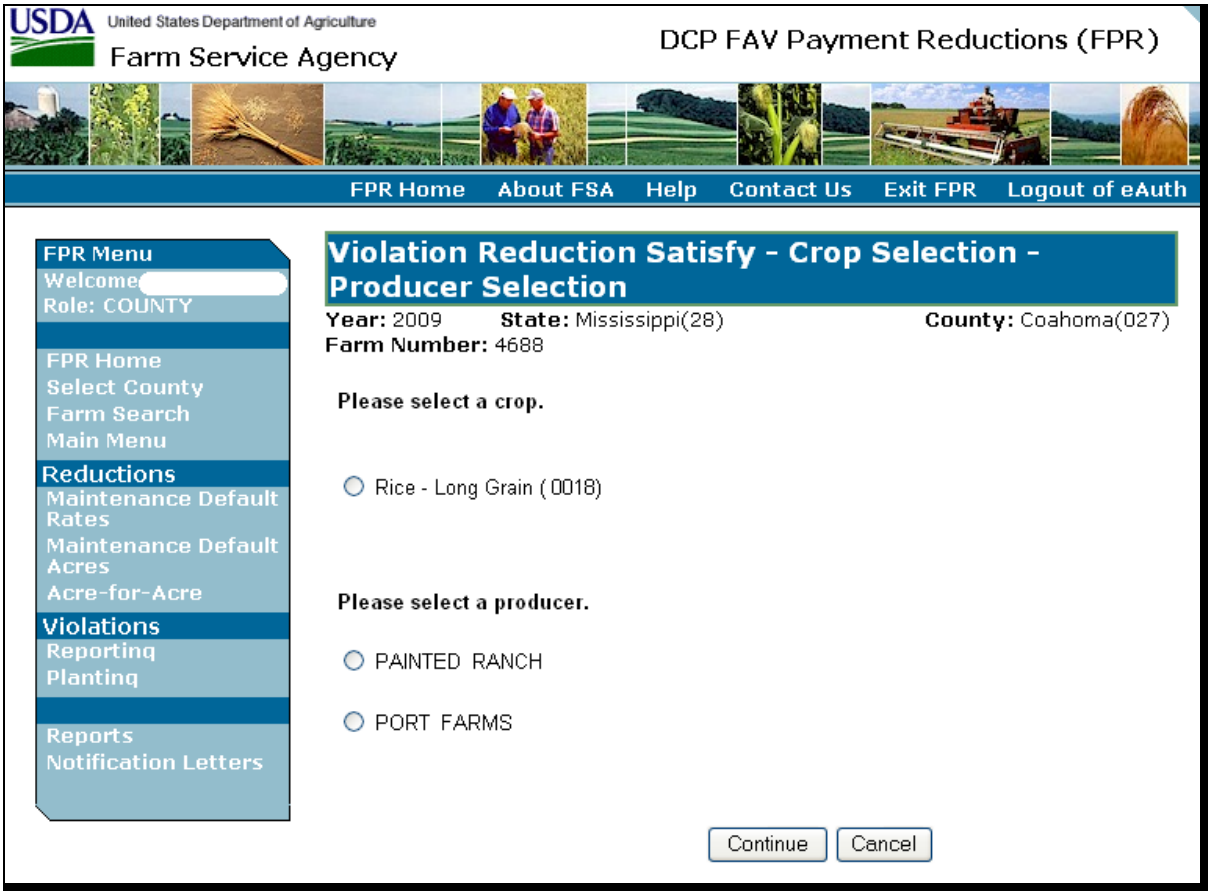
62 Satisfying Violations

A Violation Reduction Satisfy – Crop Selection – Producer Selection Screen

After selecting "Satisfied Amount" from the Adjustment Options Screen, either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Violation Reduction Satisfy – Crop Selection – Producer Selection Screen.

This is an example of Violation Reduction Satisfy – Crop Selection – Producer Selection Screen.

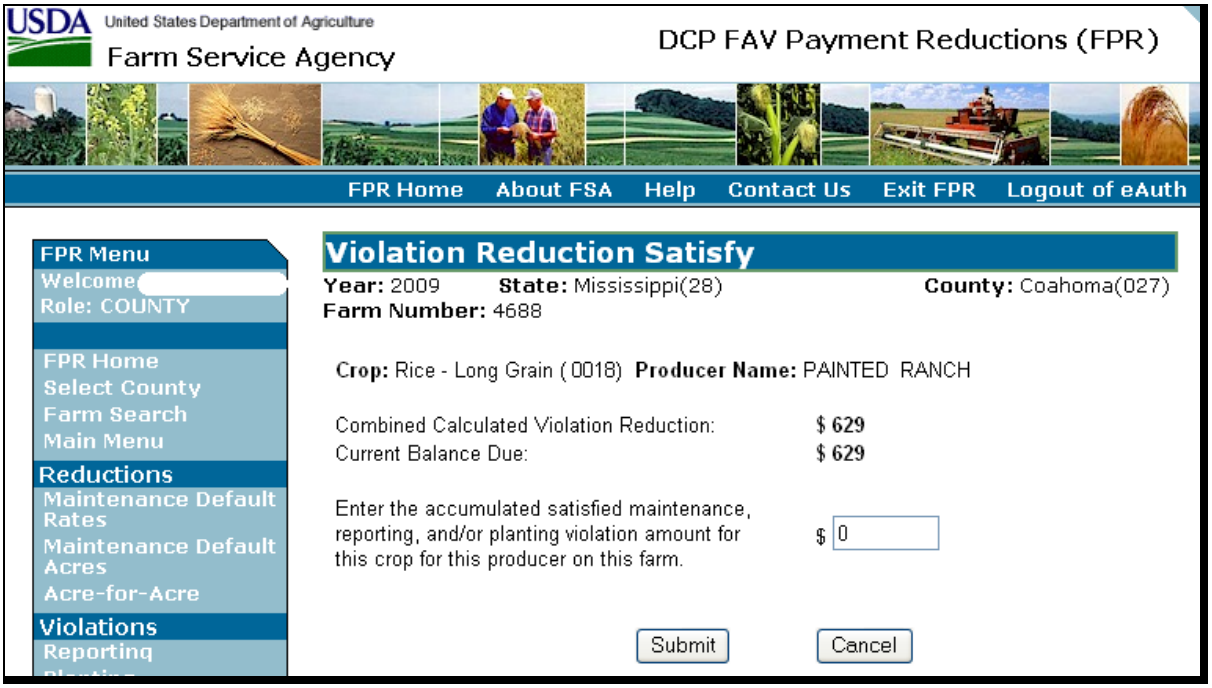


Click radio button next to the crop **and** the producer for which a satisfied amount will be entered and CLICK "Continue". The Violation Reduction Satisfy Screen will be displayed.

62 Satisfying Violations (Continued)

B Violation Reduction Satisfy Screen

This is an example of Violation Reduction Satisfy Screen.



The sum of the maintenance default, reporting, and/or planting violations for the selected crop and producer on the farm will be displayed in the "Combined Calculated Violation Reduction" field. In addition, the "Balance Due/Over Reduction", as described in subparagraph 66 B, will be displayed for the selected crop and producer.

C Action

Enter the accumulated satisfied maintenance, reporting, and/or planting violation amount for the applicable farm, crop, and producer and CLICK "Submit". Adjustment Options Screen will be displayed with the message, "Satisfied amount recorded successfully".

The accumulated satisfied amount will be allocated to payment reductions in the following order:

- planting violation
- reporting violation
- maintenance default.

63 Reallocate Planting Violations

A Crop Selection Screen

After selecting “Reallocate Planting Violations” from the Adjustment Options Screen, either of the following will be displayed:

- Search Selection Screen (paragraph 53)
- Crop Selection Screen.

If the farm does not have a planting violation, the message, “The selected farm does not have a planting violation payment reduction”, will be displayed.

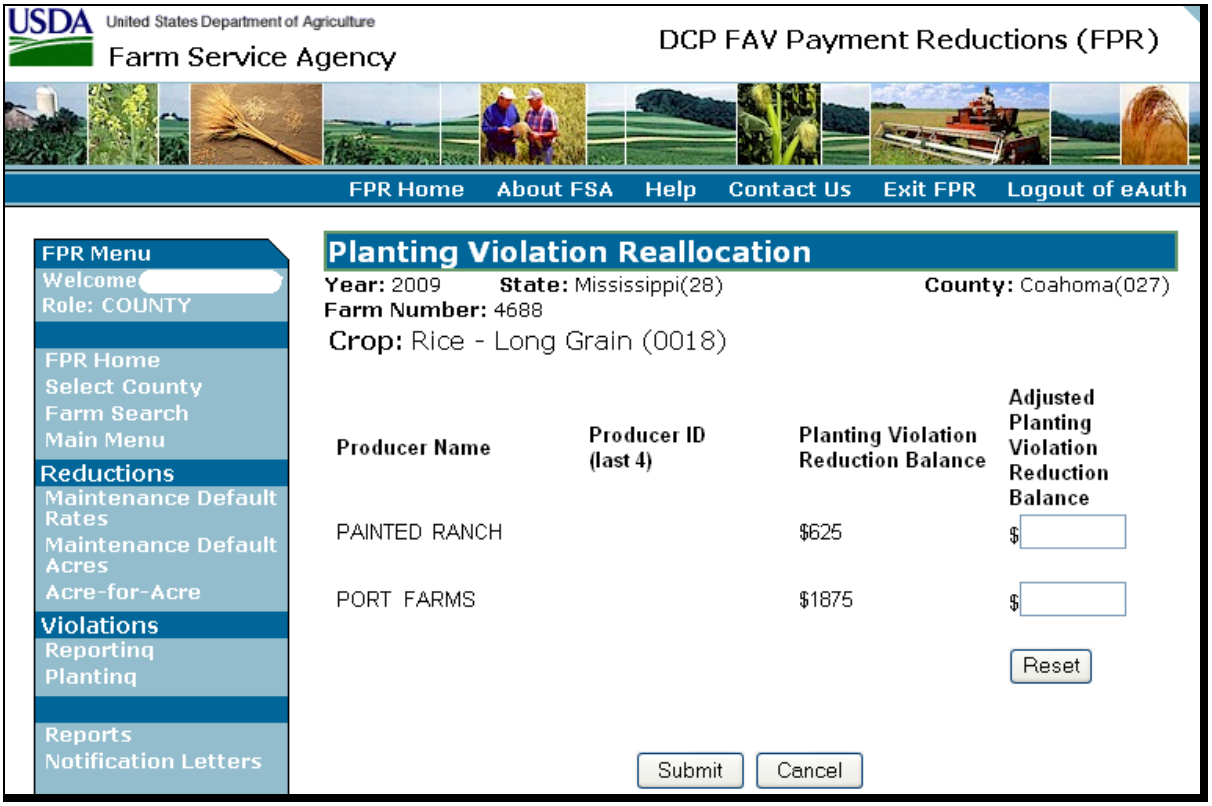
This is an example of Crop Selection Screen.

Click radio button next to the crop for which planting violations will be reallocated and CLICK “Continue”. The Planting Violation Reallocation Screen will be displayed.

63 Reallocate Planting Violation (Continued)

B Planting Violation Reallocation Screen

This is an example of Planting Violation Reallocation Screen.



C Action

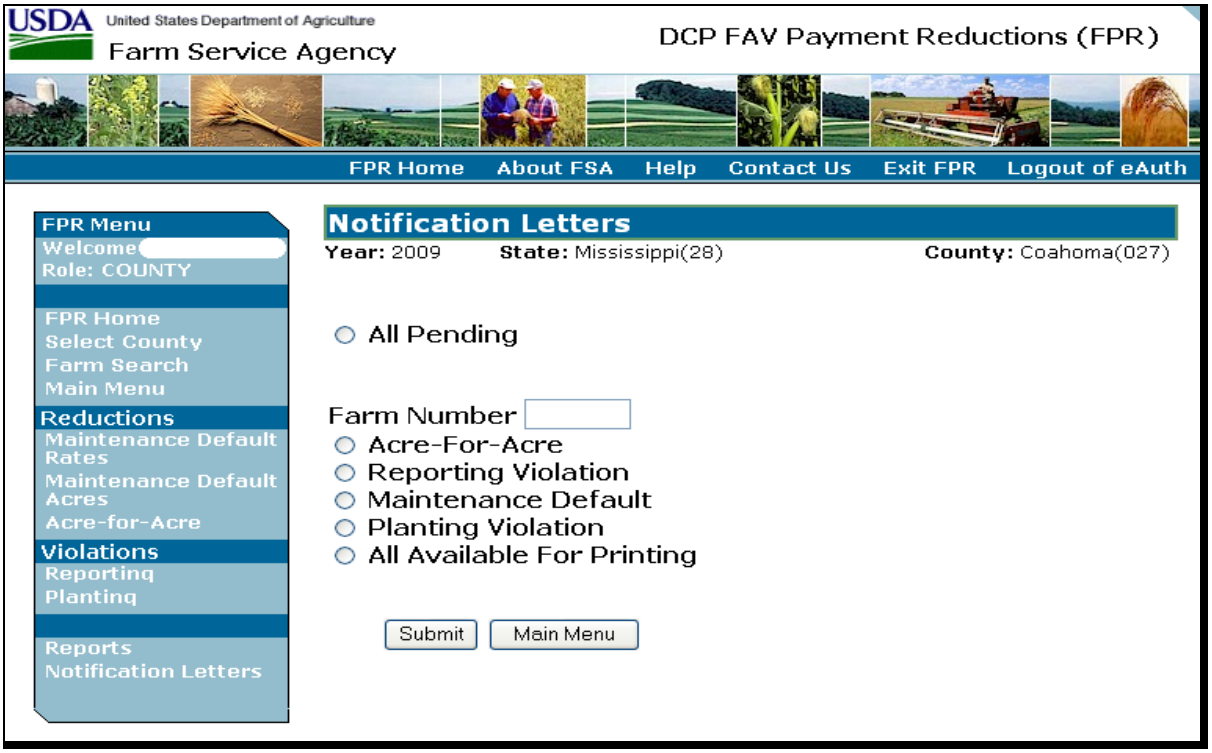
Enter the amount to be allocated to each producer on the farm and CLICK “Submit”.

Important: If planting violation acres entered on Planting Violations Screen are **modified** after entering a reallocation, the reallocation **will be automatically deleted**. The reallocation amount **must** be re-entered.

64 Notification Letters

A Notification Letters Screen

On DCPFAV Payment Reductions Screen (subparagraph 52 A), CLICK “Notification Letters”. The following Notification Letters Screen will be displayed.



B Action

To print all pending notification letters, click “All Pending” radio button. To print notification letters for a specific farm number:

- in “Farm Number” enter the farm number
- click radio button next to the applicable type of notification letter

  Note: If users click “All Available For Printing” radio button, all notification letters applicable to the entered farm will be displayed.

- CLICK “Submit”.

The notification letters will be displayed in a separate window.

64 Notification Letters (Continued)

C Acre-for-Acre Notification Letter

This is an example of a producer notification letter for acre-for-acre reductions.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
COAHOMA COUNTY FARM SERVICE AGENCY
2655 NORTH STATE ST
CLARKSDALE,MS 38614
PHONE NUMBER: (662)624-8727

DATE: 9/3/2009

Producer Name and Address

PAINTED RANCH
1234 MAIN STREET
ANYWHERE, MD 12345

Fold Line

Dear Producer:

This letter is to notify you that, under the terms of the Food, Conservation, and Energy Act of 2008, your Direct and Counter-Cyclical Contract payment acres for farm number 4688 will be reduced by 15.1 acres for the required acre-for-acre reduction for fruits, vegetables, and wild rice planted on base acres enrolled in DCP. The attached report shows the acres to be reduced for each covered commodity on the farm.

If you have any questions regarding these reductions, please do not hesitate to contact us.

Sincerely,

JOE BROWN
County Executive Director

64 Notification Letters (Continued)

D Reporting Violation Notification Letter

This is an example of a producer notification letter for a reporting violation.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
COAHOMA COUNTY FARM SERVICE AGENCY
2655 NORTH STATE ST
CLARKSDALE,MS 38614
PHONE NUMBER: (662)624-8727

DATE: 9/3/2009

Producer Name and Address

PAINTED RANCH
1234 MAIN STREET
ANYWHERE, MD 12345

Fold Line

Dear Producer:

A Notice of Determined Acreage with the results of a spot check on farm number 4688 was previously sent to the designated operator of this farm. Although the spot check revealed that the determined acreage of fruits, vegetables, and wild rice on base acreage exceeded the reported acreage by more than the allowable tolerance, the County Committee has decided not to terminate the DCP contract on this farm. However, your DCP payments are being further reduced by a total of $66 because of this inaccurate acreage report. This reduction is in addtion to the required acre-for-acre reduction for fruits, vegetables, and wild rice planted on base acres. The attached report provides an explanation and the amount of each contract crop payment reduction.

If you have any questions regarding these reductions, please do not hesitate to contact us.

Sincerely,

JOE BROWN
County Executive Director

64 Notification Letters (Continued)

E Maintenance Default Notification Letter

This is an example of a producer notification letter for a maintenance defaults.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
COAHOMA COUNTY FARM SERVICE AGENCY
2655 NORTH STATE ST
CLARKSDALE,MS 38614
PHONE NUMBER: (662)624-8727

DATE: 9/3/2009

Producer Name and Address

PAINTED RANCH
1234 MAIN STREET
ANYWHERE, MD 12345

Fold Line

Dear Producer:

A maintenance spot check conducted on FSN 4688 revealed that wind and water erosion and/or weed, including noxious weeds, were not being controlled on 6.0 acres of base acres. Therefore, under the terms of the Food, Conservation, and Energy Act of 2008, your Direct payments for farm number 4688 are being reduced by a total of $389 for maintenance defaults. The attached report provides an explanation and the amount of each contract crop payment reduction.

If you have any questions regarding these reductions, please do not hesitate to contact us.

Sincerely,

JOE BROWN
County Executive Director

64 Notification Letters (Continued)

F Planting Violation Notification Letter

This is an example of a producer notification letter for a planting violation payment reduction.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
COAHOMA COUNTY FARM SERVICE AGENCY
2655 NORTH STATE ST
CLARKSDALE,MS 38614
PHONE NUMBER: (662)624-8727

DATE: 9/3/2009

Producer Name and Address

PAINTED RANCH
1234 MAIN STREET
ANYWHERE, MD 12345

Fold Line

Dear Producer:

It has been determined that under the terms of the Fodd, Conservation, and Energy Act of 2008, farm number 4688 has 5.0 acres of fruits, vegetables and/or wild rice planted on base acreage enrolled in the DCP program. Therefore, your DCP payments for farm number 4688 are being reduced by a total of $488 because of the planting violation. This reduction is in addition to the required acre-for-acre reduction for fruits, vegetables, and wild rice planted on base acres enrolled DCP. The attached report provides an explanation and the amount of each covered commodity's payment reduction.

If you have any questions regarding these reductions, please do not hesitate to contact us.

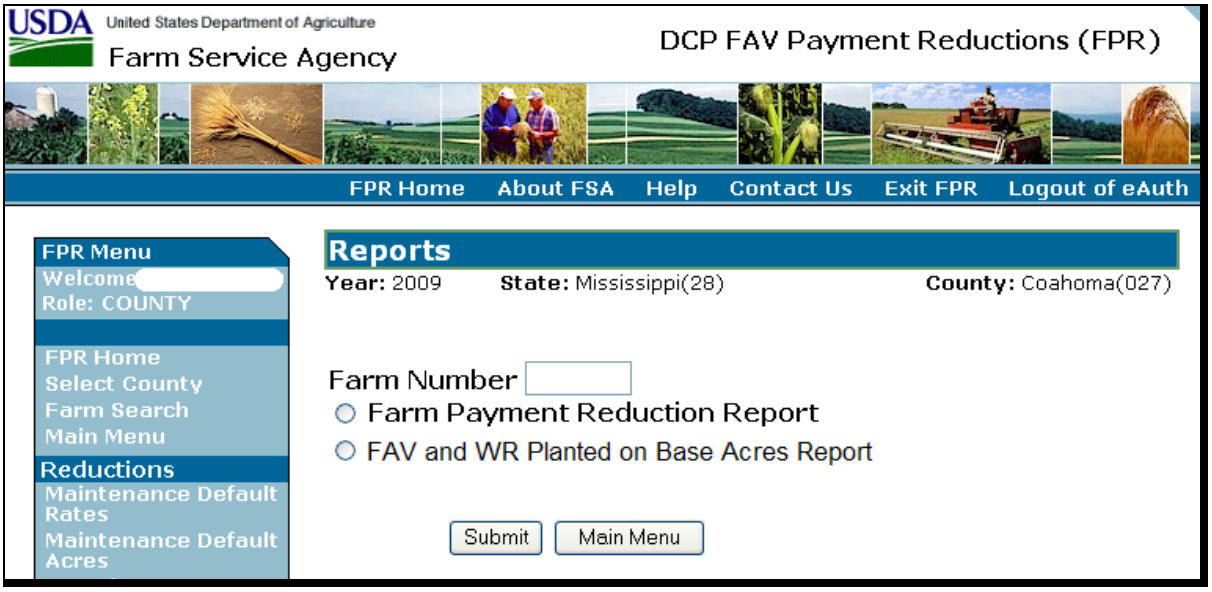
Sincerely,

JOE BROWN
County Executive Director

65 Reports

A Reports Screen

On FAV DCP Payment Reductions Screen, CLICK “Reports”. The following Reports Screen will be displayed.



B Action

Take the following actions to view the reports:

- in “Farm Number”, enter the farm number
- click radio button next to the applicable report
- CLICK “Submit”.

The selected report will display in a separate window.

66 Farm Payment Reduction Report

A Example of Farm Payment Reduction Report

On Reports Screen, click “Farm Payment Reduction Report” to view and print the Farm Payment Reduction Report.

This is an example of the Farm Payment Reduction Report.

State: Mississippi(28)
County: Coahoma(027)

USDA-FSA
2009 Direct and Counter-Cyclical Program(DCP) or
Average Crop Revenue Election(ACRE)
Farm Payment Reduction Report

Prepared: 9-3-2009
4:39 PM
Page: 1

FARM NUMBER: 4688

FAV's/Wild Rice on Base Acres = 15 Acres

Covered Commodity	Payment Rate	Yield	Amount Per Acre	.85 of Contract Acres	# of Acres Reduced
Rice - Long Grain	0.0188	116	$2.18	623.0	15.1 *
TOTAL					15.1 *

Base Acres in Default

Type of Default	Acreage in Second Default	Acreage in Third Default	Rate Per Acre	Total Reduction
Erosion	5.1	0.0	15.00	$230
Weeds	3.6	2.3	15.00	$266
TOTALS	8.7	2.3		$495

Reporting Violation Acres: 15.1

Total Reduction
$66

Planting Violation Acres: 5.0

Value Per Acre	Total Reduction
$500	$2,500

Total Reduction by Crop

Covered Commodity	Maintenance Default Reduction	Reporting Violation Reduction	Planting Violation Reduction	Total Reduction
Rice - Long Grain	$0	$15	$2,500	$2,515

Total Reduction by Crop and Producer

Maintenance Reduction	Reporting Reduction	Planting Reduction	Total Reduction	Satisfy Adjustment	Allocation Adjustment	Payment Adjustment	Total Adjustment	Balance Due	Over Reduction
Rice - Long Grain									
PAINTED RANCH									
$0	$4	$625	$629	$500	$0	$0	$500	$129	$0
PORT FARMS									
$0	$11	$1,875	$1,886	$0	$0	$0	$0	$1,886	$0

* Acre-for-acre reduction amount is not included on this report. However, the producer's DCP or ACRE payment acres will be reduced by the number of FAV's/Wild Rice planted on base acres, as shown above.

66 Farm Payment Reduction Report (Continued)

B Fields/Descriptions

This table provides the descriptions of fields provided on the bottom of the Farm Payment Reduction Report.

Field	Description
Maintenance Reduction	Total maintenance default reduction (paragraph 33).
Reporting Reduction	Total reporting violation payment reduction (paragraph 32).
Planting Reduction	Total planting violation payment reduction (paragraph 31).
Total Reduction	Sum of the following: • maintenance reduction • reporting reduction • planting reduction.
Satisfy Adjustment	Accumulated satisfied amount, if applicable (paragraph 62).
Allocation Adjustment	Amount, if any, of the planting violation payment reduction allocated to or from the producer for the specific crop (paragraph 63).
Payment Adjustment	Sum of the following payment reductions taken from DCP payments, as provided by the DCP payment software: • maintenance default payment reduction • reporting violation payment reduction • planting violation payment reduction.
Total Adjustment	The sum of the following for maintenance, reporting, and planting violations: • satisfy adjustment • allocation adjustment (applicable to planting violation only), plus • payment adjustment.
Balance Due/Over Reduction	Sum of the following calculation for maintenance, reporting, and planting violations: • payment reduction amount calculated in the FPR software, minus • satisfied adjustment amount, plus or minus • allocation adjustment (applicable for planting violation only), minus • payment adjustment, as provided by the DCP payment software. If the result is equal to or greater than zero, it is the balance due. If the result is less than zero, it is an over reduction.

67 FAV and WR Planted on Base Acres Report

A Example of FAV and WR Planted on Base Acres Report

On Report Screen, select “FAV and WR Planted on Base Acres Report” to view and print the FAV and WR Planted on Base Acres Report.

The following is an example of the FAV and WR Planted on Base Acres Report.

State: Mississippi
County: Coahoma

United States Department of Agriculture
Farm Service Agency
2009 DCP FAV Payment Reductions
FAV and WR Planted on Base Acres

Farms on Report: 4

Farm Number	Effective DCP Cropland	Base Acreage	Free Acres (Non-Base Acres)	FAV/WR Planted Acreage	FAV/WR Planted on Base Acreage
159	83.6	83.6	0.0	21.5	21.5
1874	32.4	26.9	5.5	6.3	0.8
2684	157.1	95.4	61.7	79.8	18.1
4688	261.3	261.3	0.0	15.1	15.1

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Page 1 of 1

67 FAV and WR Planted on Base Acres Report (Continued)

B Fields/Descriptions

This table provides the descriptions of fields provided on the FAV and WR Planted on Base Acres Report.

Item	Description
Farm Number	Selected farm number.
Effective DCP Cropland	Effective DCP cropland for the farm.
Base Acreage	Farm's base acreage.
Free Acres (Nonbase Acres)	Effective DCP Cropland minus Base Acreage. If result is negative, nonbase acreage is equal to zero. **Note:** See subparagraphs C and D for manually revising the nonbase acreage field, if applicable.
FAV/WR Planted Acreage	FAV and WR planted acreage on the farm.
FAV/WR Planted on Base Acreage	FAV/WR Planted Acreage minus Free Acres. If result is negative, FAV/WR Planted on Base Acres will be equal to zero.

C Revising Nonbase Acreage (Free Acres) Field

If multiple producers exist on a farm and a producer on the farm does not share in CCC-509, then that producer is being represented as not farming base acres. Any crop planted by the producer with zero interest in CCC-509 shall be considered planted on free acres on the farm (subparagraph 21 B).

The "Free Acres (Nonbase Acres)" field on the FAV and WR Planted on Base Acres Report does not reflect crops planted by a producer with zero interest in CCC-509 that are considered planted on free acres. Therefore, County Offices shall manually revise the FAV and WR Planted on Base Acres Report according to subparagraph D.

67 FAV and WR Planted on Base Acres Report (Continued)

D County Office Action

County Offices shall take the following action for each farm provided on the FAV and WR Planted on Base Acres Report before using the acreage on the report to determine FAV and WR planted on base acres to be entered in the FPR software.

Step	Action	
1	Determine if all producers on the farm share in CCC-509.	
	IF all producers on the farm…	**THEN**…
	share in CCC-509	no further action is required. Use the acres printed in the FAV/WR Planted on Base Acreage field of the FAV and WR Planted on Base Acres Report when entering acre-for-acre reductions and acres subject to planting violations in the FPR software.
	do not share in CCC-509	manually calculate free acres (nonbase acres) for the farm according to step 1 in the table provided in subparagraph 21 B. Continue to step 2.
2	On the FAV and WR Planted on Base Acres Report, manually revise the acreage provided in Free Acres (Nonbase Acres) field with the revised free acres determined in step 1.	
3	On the FAV and WR Planted on Base Acres Report, manually revise the acres printed in the FAV/WR Planted on Base Acreage field with the result of the following: • acreage provided in the FAV/WR Planted Acreage field, minus • manually revised acreage in Free Acres (Nonbase Acres) field, as determined in step 2. If the result is equal to or less than zero, the portion of the farm controlled by DCP producers is fully based; therefore, the result is equal to zero.	
4	Use the manually revised acreage in FAV/WR Planted on Base Acreage field, determined in step 3, when entering acre-for-acre reductions and planting violation acres in the FPR software.	

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
CCC-509	Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		Text
CRP-1	Conservation Reserve Program Contract		34

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
FAV/WR	FAV and/or wild rice	Text
FPR	FAV payment reduction	21, 22, 32, Part 4

Redelegations of Authority

None

Definitions of Terms Used in This Handbook

Acre-for-Acre Reduction

Acre-for-acre reduction means a reduction of DCP payment acres when FAV/WR are planted on base acreage and payment acres are required to be reduced according to 1-DCP.

Determined Acreage

Determined acreage means acreage determined by an authorized FSA representative.

Maintenance Default

A maintenance default means base acreage enrolled in DCP is not maintained as required according to 1-DCP or CRP acreage is not maintained as required according to 2-CRP.

Violation Reduction

Violation reduction means reducing payments when CCC-509 is in violation, but the reviewing authority determines that the violation does not warrant terminating CCC-509.

Menu and Screen Index

The following menus and screens are referenced in this handbook.

Menu or Screen	Title	Reference
	DCP FAV Payment Reductions	50
	State & County Selection Screen	51
	DCPFAV Payment Reductions Screen	52
	Search Selection Screen	53
	Farm Search - Farm Selection	53
	Confirm Maintenance Default Rates Screen	54
	Maintenance Default Rates Screen	54
	Maintenance Default Acres Screen	55
	Acre For Acre Reductions Screen	56
	Reporting Violations	57
	Planting Violations	58
	Adjustment Options Screen	59
	Adjusting Acre For Acre Adjustments Screen	60
	Crop Selection Screen	61
	Producer Share Adjustments Screen	61
	Violation Reduction Satisfy - Crop Selection - Producer Selection Screen	62
	Violation Reduction Satisfy	62
	Crop Selection	63
	Planting Violation Reallocation Screen	63
	Notification Letters	64
	Reports	65