

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

FAV Payment Reductions 4-CP (Revision 7)	Amendment 3
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 21 B has been amended to clarify FAV policy.

Paragraph 34 has been withdrawn because CRP maintenance policy has been provided in 2-CRP.

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Part 2 FAV/WR Authorized Plantings**20 Overview****A Authorized Plantings**

FAV/WR may be planted on payment acres enrolled in ARC or PLC; however, an acre-for-acre payment reduction will be applied for each acre of FAV/WR, or portion thereof, planted on payment acres.

B Double-Cropping Exception

FAV/WR that is double-cropped with a covered commodity in an established FAV/WR double-cropping region, according to 1-ARCPLC, paragraph 290, is **not** considered an FAV planted on payment acres.

21 Acre-for-Acre Reductions**A Applicability**

Farms with FAV/WR planted on payment acres enrolled in ARC or PLC **must** have ARC or PLC payments reduced for each acre of FAV/WR planted on payment acres, unless the double-cropping exception in subparagraph 20 A applies. Additional FAV exceptions are outlined in subparagraph B.

B Other FAV Exceptions

The following are exceptions to consider a crop as FAV when determining acre-for-acre reductions.

- Nonperennial FAV/WR planted on payment acres enrolled in ARC or PLC that are destroyed before harvest will **not** reduce ARC or PLC payment for the farm, if the provisions in 1-ARCPLC, paragraph 287, are met. A farm visit will be completed and farm visit fee charged for FAV/WR that are destroyed according to 2-CP, paragraph 102.
- FAV's that are designated as, and meet the definition of, a home garden.

21 Acre-for-Acre Reductions (Continued)

B Other FAV Exceptions (Continued)

- *--FAV's **planted and reported** with an intended use as follows, and do **not** have a "Land Use" code of "F" in (2-CP, Exhibit 10.5). All other FAV's are **not** part of this exception:--*

- cover only
- forage
- green manure
- grazing
- left standing
- silage.

- *--Any FAV planted in a mixture to an extent that harvest of FAV as a human food source is impractical, as determined by COC. No field visit is required.--*

- Mung beans and pulse crops.

Note: Pulse crops include:

- dry peas, including:
 - Austrian
 - green
 - Umatilla
 - wrinkled seed
 - yellow
- lentils
- small chickpeas (desi garbanzo beans)
- large chickpeas (kabuli garbanzo beans).

Important: Not all peas are dry peas. Not all peas are included in the FAV exemption. Peas grown for the following markets are **not** dry peas, and are **not** eligible for the FAV dry pea exemption:

- canning
- fresh
- frozen.

33 ARC, CTAP, or PLC Acreage Maintenance (Continued)**F 2nd Default**

County Office will notify producers that have previously received a warning letter that a maintenance default payment reduction will be applied to their ARC, CTAP, or PLC payment, **not** to exceed 50 percent of the farm's total ARC, CTAP, or PLC payment. The amount of the payment reduction will be:

- acres in default, times
- COC established maintenance rate, times
- 1.5.

Corrective action **must** be taken within 15 calendar days from the notification letter.

G 3rd Default

County Office will notify producers that have previously received both a warning letter and 2nd default letter that a maintenance default payment reduction will be applied to their ARC, CTAP, or PLC payment, **not** to exceed the farm's total ARC, CTAP, or PLC payment. The amount of the payment reduction will be:

- acres in default, times
- COC established maintenance rate, times
- 1.5.

Note: The 3rd default payment reduction, in addition to the 2nd default payment reduction, when applicable, would result in the total farm reduction being 3 times the COC-established maintenance rate.

H Subsequent Defaults

If producers fail to take necessary action to correct a maintenance default after receiving notification of a 3rd default, **no** further notification letters will be issued or payment reductions assessed. COC's, however, may elect to terminate the ARC, CTAP, or PLC contract for the respective program year, taking into consideration factors in paragraph 35.

34 (Withdrawn--Amend. 3)

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-861	Agricultural Risk Coverage - County Option (ARC-CO) and Price Loss Coverage (PLC) Contract		21, 35, Ex. 2
CCC-862	Agricultural Risk Coverage - Individual Option (ARC-IC) Contract		21, 35, Ex. 2
CCC-957	Cotton Transition Assistance Program (CTAP) Application		35
FSA-578	Report of Acreage		21

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
ARC	agriculture risk coverage	Text
ARC-CO	agriculture risk coverage – county	Text
ARC-IC	agriculture risk coverage – individual	Text
CTAP	Cotton Transition Assistance Program	Text
FAV/WR	FAV and/or wild rice	Text
FPR	FAV Payment Reductions	Text
PLC	price loss coverage	Text

Redelegations of Authority

None.

