



# FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SERVICE AGENCY

October 2010

## Crop Assistance Program (CAP)

### Overview

On Sept. 15, 2010, Agriculture Secretary Tom Vilsack announced disaster aid would be made available to producers in specified counties whose rice, upland cotton, soybean and sweet potato production was affected by excessive moisture and related conditions that occurred in 2009. CAP will provide up to \$550 million to eligible producers.

USDA's Farm Service Agency (FSA) identified 953 counties (disaster counties) in 34 states that received secretarial disaster designations due to excessive moisture and related conditions in 2009. Using 2009 crop year data for rice, upland cotton, soybeans and sweet potatoes, FSA calculated an average per-acre revenue-based value for these crops. Applying available funds under Section 32 of the Agricultural Adjustment Act of Aug. 24, 1935 (Section 32), the agency established per-acre payment rates for these crops. Through CAP, FSA will provide this emergency assistance to help re-establish the purchasing power of eligible producers who suffered a 5 percent or greater loss of an eligible crop on their crop acreage located in a primary county for which a secretarial disaster designation was issued based on excessive moisture and related conditions for the 2009 crop year.

### Eligible Counties

Eligible counties are limited to those counties receiving a primary disaster designation by the secretary for the 2009 crop year due

to excessive moisture or a related condition. Under CAP, these counties are referred to as disaster counties. CAP assistance is not available for contiguous counties.

A list of the disaster counties is available online at:  
<http://disaster.fsa.usda.gov>

### Eligible Crops

Crops eligible for assistance under CAP are long grain rice, medium or short grain rice, upland cotton, soybeans and sweet potatoes produced during the 2009 crop year.

### Eligible Producers

To be eligible for CAP assistance, producers, including legal entities, must have an ownership share and risk in one or more eligible crops on a farm in a disaster county where the producer suffered a 5 percent or greater loss for one or more eligible crops due to an excessive moisture or related condition disaster.

Producers self-certify that they have met the loss threshold for an eligible crop; however, as a condition of their application, producers agree that they have verifiable or reliable production evidence to support the 5 percent or greater loss claimed on the application. Producer certifications of loss are subject to spot check by FSA. Additionally, producers agree to retain evidence supporting their certifications and applications for three years after date of application.

For 2009 CAP, producers or legal

entities whose average Adjusted Gross Nonfarm Income for the three taxable years of 2005, 2006, and 2007 exceeds \$500,000 are not eligible.

### Eligible Acres

Eligible acres are those planted and considered planted acres of an eligible 2009 crop(s) in a disaster county certified by a producer on form FSA-578, Report of Acreage, prior to the publication of the CAP interim rule on Oct. 25, 2010.

FSA will not consider acres in late-filed acreage reports filed on or after **Monday, Oct. 25, 2010**, to be eligible acres for CAP.

### Payment Calculation

CAP payments will be calculated by multiplying the producer's eligible planted or considered planted acres of a 2009 eligible crop in a disaster county by the per-acre payment rate established for that crop.

Payment rates for crops have been established based on available funds. Per acre payment rates will be prorated by FSA in order to keep payments within available funds for the program. Producers will initially receive 75 percent of their CAP payment and once sign up is complete they will receive up to an additional 25 percent.

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The per-acre payment rates for eligible crops are:

- Long grain rice - \$31.93
- Medium/short grain rice - \$52.46
- Upland cotton - \$17.70
- Soybeans - \$15.62
- Sweet potatoes – \$155.41

### *Example:*

Farmer A planted 1,000 acres of upland cotton in an eligible county and certifies to a production loss of over 5 percent due to disaster. Upland cotton's payment rate is \$17.70 per acre. The producer's prorated CAP payment would be calculated as follows:

Acres planted or considered planted = 1000 acres  
Payment rate for upland cotton = \$17.70 / acre  
Gross farm payment for upland cotton = \$17,700  
Initial prorated CAP payment for upland cotton = \$13,275 (\$17,700 times 75%)

### **Payment Limitation**

For CAP, no person or legal entity may receive, directly or indirectly, more than \$100,000 per program year.

### **Application Period and Requirements**

Applications will be accepted from **Monday, Oct. 25, 2010**, through **Thursday, Dec. 9, 2010**. Producers must apply in person at FSA county offices during regular business hours.

### **For More Information**

For more information on CAP, contact your local FSA office or visit FSA's website at <http://disaster.fsa.usda.gov>

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