

**For:** State and County Offices

**2008 DCP Base Reductions, Redistributions, Restorations, and Reconstitutions**

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



**1 Overview**

**A Background**

The Farm Security and Rural Investment Act of 2002:

- established DCP bases and yields
- Section 1108 limited the period of effectiveness of Title I, Subtitle A that includes the establishment of DCP base acres, beginning with the 2002 crop year of each covered commodity through the 2007 crop year.

**B Purpose**

This notice provides direction about how to process farm record actions in the absence of a farm bill.

**2 Reducing, Redistributing, Restoring, or Reconstituting Base Acres**

**A Altering DCP Base Acres with CCC-505**

CCC-505 is used for a:

- permanent base reduction when DCP cropland is reduced below the sum of all DCP bases on the farm
- DCP base reduction when land is enrolled in CRP which causes the DCP cropland to be reduced below the sum of all DCP bases on the farm.

County Offices are authorized to continue using CCC-505 to make DCP base reductions according to 3-CM and 1-DCP for 2008.

<b>Disposal Date</b>	<b>Distribution</b>
February 1, 2008	State Offices; State Offices relay to County Offices

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### 2 Reducing, Redistributing, Restoring, or Reconstituting Base Acres (Continued)

#### B Allocating DCP Base Acres with CCC-517

CCC-517 is used by owners to “re-allocate” DCP base acres from 1 tract when:

- that tract is “out-of-balance”
- there are other tracts on the farm that have “available” DCP cropland
- all owners agree.

County Offices are authorized to continue using CCC-517 to redistribute DCP base acres according to 3-CM for 2008.

#### C Restoring DCP Base Acres at the Expiration of a CRP Contract

Many CRP contracts expired on September 30, 2007. A farm’s DCP base acres may have been reduced because of participation in CRP. Under the Farm Security and Rural Investment Act of 2002, those “reduced” DCP bases could have been restored according to 1-DCP, paragraph 67. Since the authority for the Farm Security and Rural Investment Act of 2002 has expired, there currently exists **no** authority to restore these DCP bases.

County Offices are instructed to manually keep track of these potential DCP base restoration requests until policy is developed to act on these requests.

#### D Reconstitutions

Producers have begun to request reconstitutions for 2008. The Farm Security and Rural Investment Act of 2002 established DCP bases; after September 30, 2007, there is **no** authority for DCP bases.

County Offices shall:

- continue to accept and process reconstitutions for 2008
- continue to send the revised FSA-476DCP as required in 2-CM
- understand that even though DCP bases are recalculated after a reconstitution is complete; a new farm bill might alter, recalculate, or delete DCP bases.

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### 3 Action

#### A County Office Action

County Offices shall:

- follow the policy in this notice when acting on CCC-505's, CCC-517's, and FSA-155's
- caution landowners that completing CCC-505's, CCC-517's, and FSA-155's is at their own risk since there is **no** farm bill
- not restore DCP bases for CRP contracts that expired on September 30, 2007, until further notice.

#### B State Office Action

State Offices shall ensure that County Offices handle base reductions, redistributions, restorations, and reconstitutions according to this notice.