

For: State and County Offices

2013 DCP/ACRE Direct Payments and 2012 ACRE ACRE Payments

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Balanced Budget and Emergency Deficit Contract Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction in payments, also known as sequester. As a result, 2013 DCP/ACRE direct payments will be sequestered.

B Purpose

This notice:

- advises State and County Offices that:
 - 2013 DCP/ACRE direct and 2012 ACRE ACRE payments will be processed on or about **October 24, 2013**
 - 2013 DCP/ACRE direct payments and 2012 ACRE ACRE payments will be available for certifying and signing throughout the day on **October 24, 2013**
 - DCP/ACRE payment reports are available through the Common Payment Reports System according to 9-CM
 - the last day the Prepayment Report was processed was **September 30, 2013**
 - 2013 DCP/ACRE direct payments will be sequestered
 - 2009 through 2013 DCP/ACRE ccontract COC approval date entry was temporarily disabled as of **October 1, 2013**

Disposal Date	Distribution
March 1, 2014	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose (Continued)

- transaction statement wording for 2013 DCP/ACRE direct payments has been changed
- obsoletes Notice DCP-269.

2 2013 DCP/ACRE Direct Payments

A DCP/ACRE Direct Payments

2013 DCP/ACRE direct payments will be processed on or about **October 24, 2013**, and will be available for certifying and signing throughout the day on **October 24, 2013**.

B 2013 DCP/ACRE Direct Transaction Statement

Because of sequestering 2013 DCP/ACRE direct payments, the wording for the 2013 DCP/ACRE direct transaction statement has been changed to the following:

“The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction in most federal payments obligated in 2013, which is known as a sequester. Direct payments issued under the 2013 Direct and Counter-cyclical Program (DCP) and Average Crop Revenue Election (ACRE) program have been reduced by 8.6 percent due to sequester-related reductions.”

C DCP/ACRE Direct Payment Rates

DCP/ACRE direct payment rates are provided in 2-DCP (Rev. 1) as follows:

- for DCP direct payment rates, see Exhibit 8
- for ACRE direct payment rates, see Exhibit 9.

3 2012 ACRE ACRE Payments

A ACRE ACRE Payments

2012 ACRE ACRE payments will be processed on or about **October 24, 2013**. Payments will be available for certifying and signing throughout the day on **October 24, 2013**.

B ACRE ACRE Payment Rates

ACRE ACRE payment rates for barley, oats, and wheat are provided in 2-DCP (Rev. 1), Exhibit 30. The payment rates for corn and soybeans will be published as soon as possible.

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4 Sequestering 2013 DCP/ACRE Direct Payments

A Applying Sequestration

2013 DCP/ACRE direct payments will have a sequestration percentage applied to the payment amount determined after all reductions have been applied. The sequestered:

- percentage is 8.6 percent
- amount is applied at the payment entity level
- amount is not attributed to members
- amount is reduced from the determined payment amount for the payment entity as the last step before sending the payment information to NPS.

5 Approving 2009 Through 2013 DCP/ACRE Contracts

A Entering COC Approval Date

Sequestering DCP and ACRE payments is dependent on when the COC approval date is entered for 2009 through 2013 DCP/ACRE contracts. Software modifications for payment processing are required for 2009 through 2013 DCP/ACRE contracts approved after October 1, 2013; however, modified software was **not** available October 1, 2013.

As of October 1, 2013, software allowing the entry of the COC approval date for 2009 through 2013 DCP/ACRE contracts was temporarily disabled until modified payment software is available.

Note: Normal processing will resume for approving 2009 through 2013 DCP/ACRE contracts after modified payment software is released.

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6 Available DCP/ACRE Payment Reports

A DCP/ACRE Payment Reports

DCP/ACRE payment reports are available according to the following table.

Access Through	Available Payment Reports	Handbook	Paragraph
Common Payment Reports System	Estimated Calculated Payment Report	9-CM	62
	Submitted Payments Report		63
	Submitted Overpayments Report		64
	Pending Overpayment Report		65
	Nonpayment/Reduction Report		66
	Insufficient Funds Report		67
	Payment Computed to Zero Report		68
	Payment History Report - Summary		69
	Payment History Report - Detail		70
	Prepayment Report		71

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6 Available DCP/ACRE Payment Reports (Continued)

B Changes to Common Payment Reports

Common Payment Reports will function as they normally do for 2013 DCP/ACRE direct payments with the following exceptions:

- 2013 DCP/ACRE direct payment amounts displayed on the Common Payment Reports will either be before or after sequestration was applied

Note: The following table provides specific information about each report.

- disclaimers have been either modified or added to each report for sequestration except for the Payments Computed to Zero Report, which does not have a disclaimer.

Note: Since the sequestration reduction is applied at the payment entity level, the amounts displayed on the various Common Payment Reports that are attributed or reduced for members of the entity or joint operation will not add up to the payment amount for the payment entity.

Report	Sequestration Reduction Displayed on Report	Name of Payment Field	Amount Displayed Before or After Sequestration Applied
Estimated Calculated Payment Report	N/A	Calculated Payment	Before
Submitted Payments Report	N/A Note: Payment Reduced will be “Yes” only if reductions other than sequestration apply.	Amount Submitted	After
Submitted Overpayments Report	N/A	Amount Submitted	N/A
Pending Overpayment Report	N/A	Overpayment Amount	N/A
Nonpayment/Reduction Report	No	Accumulated Amount	Before
Insufficient Funds Report	N/A	Calculated Payment Amount	After
Payments Computed to Zero Report	N/A	N/A	N/A
Payment History Report - Summary	Yes	Net Payment	After
Payment History Report - Detail	Yes	Net Payment	After

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7 Issuing Payments to Producers With Special Circumstances

A Bankruptcy

County Offices shall follow 58-FI, paragraphs 177 and 330 for producers who have filed bankruptcy.

B Deceased Producers

County Offices shall follow 1-DCP, paragraph 400 for deceased producers.

C Successor-in-Interest

County Offices shall follow 1-DCP, paragraph 398 for successor-in-interest.

8 Action

A State Office Action

State Offices shall ensure that County Offices:

- are immediately informed of the contents of this notice
- take action, when applicable, according to the information provided in this notice.

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8 Action (Continued)

B County Office Action

County Offices:

- are advised that:
 - 2013 DCP/ACRE direct payments will be processed on or about **October 24, 2013**
 - 2012 ACRE ACRE payments will be processed on or about **October 24, 2013**
 - 2013 DCP/ACRE direct payments will be sequestered
 - transaction statement wording for 2013 DCP/ACRE direct payments has been modified
 - software allowing the entry of the COC approval date for 2009 through 2013 DCP/ACRE contracts was disabled as of **October 1, 2013**
 - the last day for processing the Prepayment Report was **September 30, 2013**

Note: County Offices can view the Prepayment Report to see the final result until October 24, 2013; however, changes or updates made after September 30, 2013, will be reflected on the Nonpayment Report after payments are processed October 24, 2013.

- shall follow 2-DCP (Rev. 1), Part 5 for payment and overpayment processing
- shall follow the Common Payment Reports System procedure in 9-CM, Part 5 for payment and overpayment reports.