

For: State and County Offices

**Revised Method to Determine Eligible Oilseed Bases
for the Direct and Counter-Cyclical Program (DCP)**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

When adding oilseeds to FY 2002 PFC acres (Base Option 2), current procedure in 1-DCP provides that the eligible oilseed acreage for each of the 1998 through 2001 crop years is the lesser of the following:

- the planted and prevented planted acres of covered commodities minus the 2002 PFC acres
- total planted and prevented planted oilseed acreage.

Note: The eligible oilseed acreage for the farm is the 4-year average of the above.

This formula resulted in unintended disparities in the amount of oilseed bases that could be credited to a farm. This was particularly true for farms that planted oilseeds in rotation. Accordingly, the calculation has been modified.

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Disposal Date April 1, 2003	Distribution State Offices; State Offices relay to County Offices
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1 Overview (Continued)

B

Purpose

This notice:

- informs State and County Offices of the revised method to determine oilseed bases, when adding oilseeds to FY 2002 PFC acres (Base Option 2)
- provides information with respect to the automated system.

Note: 1-DCP, Parts 2 and 12 will be amended in the immediate future.

C

Software

KC-ITSDO will transmit modified software to County Offices on or about October 3, 2002. A forthcoming information bulletin will be provided. After the software has been received and loaded, County Offices may resume the following:

- accessing FSA-578's for 1998, 1999, 2000, and 2001
- loading acres through option 1, "View/Update Acreage for a Tract", on Acreage History Screen MIB70001
- printing Detailed and Summary Acreage History Reports
- printing Base Options Reports
- accessing the option to establish updated yields
- printing the Yield Reports
- printing base and yield notification letters.

Note: County Offices **must** ensure that the software is loaded before printing the Base Options Reports and Yield Reports.

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2 Revised Method for Determining Eligible Oilseed Acres for DCP

A

Total Eligible Oilseed Acres

For Base Option 2, the eligible oilseed acreage for each of the 1998 through 2001 crop years is the planted and prevented planted acres of covered commodities minus the 2002 PFC acres.

The eligible oilseed acres for the farm is the 4-year average of the above, except that eligible oilseeds may not exceed the 4-year average of total planted and prevented oilseed acres.

B

No Other Changes

The revised method to determine oilseed bases in subparagraph A does **not** change other requirements in 1-DCP, such as:

- total bases on a farm shall not exceed the effective DCP cropland, plus the average eligible double-cropping acreage on the farm
 - base acreage for each individual crop of oilseeds shall not exceed the 4-year average planted and prevented planted acreage for the applicable crop of oilseeds
 - if the difference between the planted and prevented acres of covered commodities and the 2002 PFC acres is negative, then the eligible oilseed acres for that year is zero.
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3 Examples of Revised Oilseed Calculations

A

Scenario

For each of the examples in this paragraph, assume that the:

- farm has 100.0 acres of effective DCP cropland
 - total PFC acreage on the farm for FY 2002 was 70.0 acres of corn.
-

B

Example 1

In the following example, “Eligible Oilseeds” is the lesser of the 4-year average of:

- “Planted Minus PFC” (30.0)
- planted and prevented oilseeds (50.0).

Planted or Prevented Planted Acres	1998	1999	2000	2001	1998-2001 Average
Corn	100.0	0.0	100.0	0.0	50.0
Soybeans	0.0	100.0	0.0	100.0	50.0
Total Planted	100.0	100.0	100.0	100.0	N/A
2002 PFC	70.0	70.0	70.0	70.0	N/A
Planted Minus PFC	30.0	30.0	30.0	30.0	30.0
Eligible Oilseeds					30.0

In this example, the owner may elect the following.

Option 1: Retain 70.0 Acres 2002 PFC

Option 2: Retain 70.0 Acres 2002 PFC + 30.0 Acres Soybeans

Option 3: Retain 50.0 Acres of 2002 PFC + 50.0 Acres Soybeans

Option 4: 50.0 Corn, 50.0 Soybeans

Option 5: Combinations Between 50.1 Corn/49.9 Soybeans and 69.9 Corn/
30.1 Soybeans

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3 Examples of Revised Oilseed Calculations (Continued)

C

Example 2

In the following example, “Eligible Oilseeds” is the lesser of the 4-year average of:

- “Planted Minus PFC” (30.0)
- planted and prevented oilseeds (50.0).

Planted or Prevented Planted Acres	1998	1999	2000	2001	1998-2001 Average
Corn	60.0	40.0	100.0	0.0	50.0
Canola	40.0	0.0	0.0	0.0	10.0
Soybeans	0.0	60.0	0.0	100.0	40.0
Total Planted	100.0	100.0	100.0	100.0	N/A
2002 PFC	70.0	70.0	70.0	70.0	N/A
Planted Minus PFC	30.0	30.0	30.0	30.0	30.0
Eligible Oilseeds					30.0

In this example, the owner may elect the following.

Option 1: Retain 70.0 Acres 2002 PFC

Option 2: Retain 70.0 Acres 2002 PFC + 30.0 Oilseeds

Option 3: Retain 50.0 Acres of 2002 PFC + 50.0 Oilseeds (10.0 Canola, 40.0 Soybeans)

Option 4: 50.0 Corn, 10.0 Canola, 40.0 Soybeans

Option 5: Combinations Between 50.1 Corn/49.9 Oilseeds and 69.9 Corn/30.1 Oilseeds

Note: Under Option 2, the **maximum** acres for individual oilseeds are:

- 10.0 for canola
- 30.0 for soybeans.

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3 Examples of Revised Oilseed Calculations (Continued)

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Example 3

In the following example, “Eligible Oilseeds” is the lesser of the 4-year average of:

- “Planted Minus PFC” (20.0)
- planted and prevented oilseeds (37.5).

Planted or Prevented Planted Acres	1998	1999	2000	2001	1998-2001 Average
Corn	40.0	60.0	100.0	0.0	50.0
Canola	20.0	0.0	0.0	0.0	5.0
Soybeans	0.0	30.0	0.0	100.0	32.5
Total Planted	60.0	90.0	100.0	100.0	N/A
2002 PFC	70.0	70.0	70.0	70.0	N/A
Planted Minus PFC	(10.0) 0.0	20.0	30.0	30.0	20.0
Eligible Oilseeds					20.0

In this example, the owner may elect the following.

Option 1: Retain 70.0 Acres 2002 PFC

Option 2: Retain 70.0 Acres 2002 PFC + 20.0 Oilseeds

Option 3: Retain 52.5 Acres of 2002 PFC + 37.5 Oilseeds (5.0 Canola, 32.5 Soybeans)

Option 4: 50.0 Corn, 5.0 Canola, 32.5 Soybeans

Option 5: Combinations Between 52.6 Corn/37.4 Oilseeds and 69.9 Corn/20.1 Oilseeds

Note: Under Option 2, the **maximum** acres for individual oilseeds are:

- 5.0 for canola
- 32.5 for soybeans.

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3 Examples of Revised Oilseed Calculations (Continued)

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Example 4

In the following example, “Eligible Oilseeds” is the lesser of the 4-year average of:

- “Planted Minus PFC” (30.0)
- planted and prevented oilseeds (10.0).

Planted or Prevented Planted Acres	1998	1999	2000	2001	1998-2001 Average
Corn	100.0	100.0	60.0	100.0	90.0
Soybeans	0.0	0.0	40.0	0.0	10.0
Covered Commodities	100.0	100.0	100.0	100.0	N/A
2002 PFC	70.0	70.0	70.0	70.0	N/A
Minimum Oilseeds	30.0	30.0	30.0	30.0	30.0
Eligible Oilseeds					10.0

In this example, the owner may elect the following.

Option 1: Retain 70.0 Acres 2002 PFC

Option 2: Retain 70.0 Acres 2002 PFC + 10.0 Soybeans

Option 3: Not Applicable

Option 4: 90.0 Corn, 10.0 Soybeans

Option 5: Not Applicable
