

For: State and County Offices

**Reduction of Direct and Counter-Cyclical Program (DCP)
Base Acres for Conservation Reserve Program (CRP) Enrollment**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

1-DCP, paragraph 53 provides that the sum of the following shall not exceed the DCP cropland acreage on the farm, except for established double-cropping history:

- base acres
- cropland acreage enrolled in CRP
- cropland acreage enrolled in Wetlands Reserve Program (WRP)
- cropland acreage enrolled in Water Bank Program (WBP)
- cropland acreage enrolled in any conservation program for which a payment is made in exchange for not producing an agricultural commodity.

The Farm Security and Rural Investment Act of 2002 (the Act) provides authority for an adjustment in the base acres of covered commodities or peanuts for a farm when a CRP contract expires or is voluntarily terminated.

Disposal Date	Distribution
December 1, 2003	State Offices; State Office relay to County Offices

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1 Overview (Continued)

B Purpose

This notice informs State and County Offices:

- that base acres reduced because of cropland enrollment into CRP on or after May 13, 2002, may be restored to the farm if CRP contract is voluntarily terminated on or before September 30, 2007
- that there is no authority to restore base acres to the farm when either of the following apply:
 - CRP contract is terminated:
 - for reasons other than voluntary request by the applicable CRP participants
 - voluntarily or otherwise after September 30, 2007
 - CRP contract expires after September 30, 2007
- that a new form is being developed to record and maintain the amount of reduced base acres that may be restored to the farm
- of definitions applicable to base acreage reduction and restoration for cropland enrolled in CRP on or after May 13, 2002.

2 Definitions for Base Acre Reduction and Restoration

A Definitions

The following definitions shall be used by State and County Offices when reducing and restoring base acres for a farm because of enrollment of cropland into CRP on or after May 13, 2002.

- Voluntarily terminated means the termination of a CRP contract when either of the following apply:
 - request for termination by applicable CRP participants
 - death of CRP participants with no succession to CRP contract.

Important: Termination of a CRP contract for any other reason, including the following, is **not** a voluntary termination:

- violation of CRP contract
 - sale of land enrolled in CRP.
- CRP contract expiration means the land is no longer enrolled in CRP under the applicable contract because the CRP contract period has expired.

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3 Reduction and Restoration of Base Acres

A Base Acres Eligible To Be Restored

The sum of the base acres and cropland enrolled in CRP shall not exceed the DCP cropland for the farm, except for established double-cropping history.

Base acres reduced because of enrollment of cropland in CRP may be restored to the farm provided all of the following are met:

- cropland was enrolled into CRP on or after May 13, 2002
- CRP contract that resulted in the reduction of base acres is voluntarily terminated on or before September 30, 2007
- farm has sufficient DCP cropland to support the restoration of the base acres.

B Statutory Limitations

The Act provides no authority to restore base acres:

- when a CRP contract is terminated for reasons other than voluntary termination
- for reasons other than enrollment in CRP, such as but not limited to:
 - reductions for fruit and vegetable (FAV) or wild rice plantings
 - reductions because the base election by the farm owner resulted in base acres exceeding DCP cropland.

The authority provided by the Act expires on September 30, 2007. Accordingly, FSA has no current statutory authority to restore any base acres after September 30, 2007. The provisions of the next farm bill may determine what, if any, action may be taken on base acres reduced because of enrollment of cropland into CRP.

C CRP Contract Expiration

The provisions of this notice are applicable to the reduction of base acres because of cropland enrollment into CRP on or after May 13, 2002, only. The contract period for all CRP contracts is a minimum of 10 years. Therefore, all CRP contracts with an effective date of May 13, 2002, or subsequent will not expire until after the expiration date of the Act (September 30, 2007).

Accordingly, FSA has no authority to restore any base acres for any CRP contract that expires after September 30, 2007.

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4 Recording Base Acreage Reductions

A Forms

Forms are being developed to record and maintain the reduction of base acres. County Offices shall continue to use CCC-505 to record the reduction of base acres until a new form is available.

See paragraph 5 for annotating CCC-505 when base acres are reduced because of cropland enrollment into CRP.

5 Action

A County Office Action

County Offices shall inform producers who reduce base acres:

- because of cropland enrollment into CRP that:
 - reduced base acres may be restored to the farm if all of the following are met:
 - cropland is enrolled into CRP on or after May 13, 2002
 - CRP contract that resulted in the reduction of base acres is voluntarily terminated on or before September 30, 2007
 - farm has sufficient DCP cropland to support the restoration of the base acres
 - reduced base acres shall not be restored if the CRP contract is terminated for any reason other than voluntary termination
 - FSA has no authority to restore base acreage to the farm after September 30, 2007
- for any reason other than enrollment of cropland into CRP that the:
 - reduction of base acres is **permanent**
 - reduced base acres shall **not** be restored to the farm.

When the base acres are reduced because of cropland enrollment into CRP, County Office shall annotate the reason for the reduction on CCC-505, item 11. County Offices shall continue to reduce base acres in farm maintenance until software can be developed to process the reduction.