

For: State and County Offices

Production Evidence Reviews

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

1-DCP, Amendment 19 provides policy and procedure for spot-checking production evidence when Direct and Counter-Cyclical Program (DCP) payment yields were established based on production evidence.

Notice DCP-90:

- instructs County Offices to use queries to identify farms and production evidence subject to spot check
- provides 3 different categories of spot checks.

B Purpose

This notice provides:

- clarification on selecting farms and production evidence for spot checks
- information for crediting spot checks that were completed before receiving the following:
 - 1-DCP, Amendment 19
 - Notice DCP-90
 - this notice.

Note: Procedure in 1-DCP, Notice DCP-90, and this notice shall be followed for completing the spot check process.

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

Notice DCP-97

2 Completing Spot Checks

A Spot Check Categories 1 and 2

As provided in Notice DCP-90, a spot check that has already been performed for loan deficiency payment (LDP) or other purposes may be counted towards meeting the minimum requirement for the spot check category. If the spot checks already performed for other purposes do not fulfill the requirements of meeting the minimum number required for the spot check category, then sufficient spot checks must be performed to meet the minimum requirement. However, the spot check requirement may be met by making a random selection from those farms that do not include the use of LDP's as production evidence. County Offices shall follow all other provisions of Notice DCP-90 and 1-DCP for farms selected in these categories.

Example: After running the spot check queries, County A has 100 farms in Category 1 and 50 farms in Category 2. The spot check requirements would, therefore, be 5 farms from Category 1 and 5 farms from Category 2.

If, for at least 5 farms in each of the categories, the production for the applicable crop(s) and year(s):

- had been previously spot-checked for other purposes, such as LDP, no additional spot check of farms in those categories is required

Note: All of the production evidence for the crop must have been checked for all of the years for which the production evidence was used for DCP.

- has not been spot-checked for other purposes, such as LDP, the number of farms to meet the minimum requirement may be selected in any random order and do not have to include farms that used LDP evidence as production evidence for DCP. However, the minimum number of reviews (in this example, a total of 5 in each category) must be conducted.

Note: 1-DCP, subparagraph 152 B provides procedure for required reviews of yields established, based on production evidence, for FSA employees, STC, and COC members, including their spouses and minor children. These required reviews are in addition to the minimum required spot checks for categories 1 and 2.

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2 Completing Spot Checks (Continued)

B Spot Check Category 3

County Offices shall review 100 percent of the production evidence for crops identified in spot check category 3.

The following table provides County Office action for spot check category 3.

IF the crop's production evidence for the farm...	THEN the County Office shall...
did not include LDP's for any year	continue to spot check according to provisions of Notice DCP-90 and 1-DCP.
included only LDP's for all years	review each farm's LDP production evidence entered on FSA-658P for reasonableness to ensure that the evidence provided accurately represents production for the applicable crop year, acreage, and farm serial number.
included both LDP's and other production evidence	<ul style="list-style-type: none">• review the farm's LDP production evidence entered on FSA-658P for reasonableness to ensure that the evidence provided accurately represents production for the applicable crop year, acreage, and farm serial number• spot check the production evidence not supported by LDP, according to provisions of Notice DCP-90 and 1-DCP.

Important: DD's shall ensure that:

- 100 percent of the crops identified in category 3 are spot-checked
- all FSA-658P's accurately represent production for the applicable crop year, acreage, and farm serial number for those farms that certified production using other than LDP production evidence.

C Previously Completed Spot Checks

County Offices that have completed spot checks of crops in spot check categories 1 through 3 before receiving 1-DCP, Amendment 19, Notice DCP-90, and this notice, may count the review as being complete for that crop.

Notice DCP-97

3 Revisions to CCC-509's

A Revising CCC-509's

When a spot check of production evidence results in a change to the yield on a farm, County Offices shall:

- for 2002 and 2003 CCC-509's:
 - correct the applicable data
 - print the new CCC-509
 - attach the new CCC-509 to the original CCC-509

Note: The applicable producers are **not** required to sign the new CCC-509 for 2002 or 2003.

- for 2004 CCC-509's:
 - correct the applicable data
 - print the new CCC-509
 - obtain all applicable producer signatures on the new CCC-509
 - attach the new CCC-509 to the original CCC-509.