

**For:** State and County Offices

**Payment Eligibility and Payment Limitation Provisions**

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



**1 Overview**

**A**

**Background**

The payments and benefits for covered commodities, including peanuts, under the Direct and Counter-Cyclical Program (DCP) are subject to payment eligibility and payment limitation provisions. All payment eligibility and payment limitation determinations for program participants are based on information on CCC-502 and associated documents as submitted.

Concerns have been expressed that the information currently on file may not accurately reflect the participant's farming operation, or has been updated and revised multiple times. Also, 2002 DCP payments for peanuts are to be issued to the historical peanut producer who may or may not have been associated with a farming operation for 2002.

**B**

**Purpose**

This notice provides guidance on:

- the requirement for accurate CCC-502 farm operating plans
- specific rules for 2002 peanut DCP payment eligibility and limitation.

<b>Disposal Date</b>	<b>Distribution</b>
June 1, 2003 10-24-02	State Offices; State Offices relay to County Offices

## Notice PL-110

### 2 Requirements

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#### A

##### CCC-502 Farm Operating Plans

It has been reported that some producers are not keeping FSA informed of all the changes in their farming operations as required. Accordingly, County Offices shall ensure that the producer agrees that the CCC-502 farm operating plan and supporting documentation currently being used for payment eligibility and payment limitation purposes accurately reflects the farming operation for the applicable year.

If after reviewing CCC-502 and supporting documentation there are no changes, or only minor changes to the farming operation, use CCC-502 U and CCC-502 Continuation according to 1-PL, paragraphs 50 and 55.

**Note:** If CCC-502 Continuation is used to update the land interests of the producer, all land interests of the producer shall be listed on this form

If CCC-502 currently on file includes multiple revisions from past years and is difficult to follow, or if the information is no longer correct and accurate, request that the program participant complete a new form according to 1-PL, Part 4. If possible, use the on-line fillable form for assistance completing the new forms. Process the newly completed and submitted CCC-502 according to established procedures in 1-PL, Part 5.

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#### B

##### Specific Rules for 2002 Peanuts DCP

Peanuts are now subject to the same payment eligibility and payment limitation rules as other covered commodities. The following provides guidance for the payment eligibility and payment limitation determinations for historic peanut producers applicable only to 2002 peanut DCP payments.

If the historic peanut producer is:

- an active producer for 2002, payment limitation and payment eligibility determinations shall be based on the producer's 2002 farming operation
- **not** an active producer for 2002, payment limitation and payment eligibility determinations shall be based on the last year during the 1998 through 2001 period when the historic peanut producer was an active producer.

**Note:** If determinations applicable to 2002 have:

- already been made, those determinations shall also apply to 2002 peanut benefits
  - **not** been made, the producer must file applicable forms and determinations applicable to the 2002 farming operation must be made.
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