FSA
HANDBOOK

Crop Assistance Program

To access the transmittal page click on the short reference.

For State and County Offices

SHORT REFERENCE

1-CAP

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Crop Assistance Program 1-CAP	Amendment 3

Approved by: Acting Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

The following are being amended for the reasons indicated:

Paragraph 7 has been amended to clarify how appeals procedures apply to FSA decisions on applications.

Subparagraph 21 A has been amended to clarify that Federal, State, and local governments, including public schools, are ineligible for CAP.

Subparagraph 22 E has been amended to provide instructions on calculating manual share for FSA-860.

Subparagraph 76 B has been amended to clarify prevented planted acreage eligibility.

Subparagraph 78 A has been amended to clarify the limitation on counties, shares, and acreage.

Subparagraph 111 D has been amended to correct the rice grade for the proper discount from 2-LP.

Subparagraph 141 B has been amended to provide clarification on processing approved FSA-860's that do not have supporting payment eligibility forms.

Subparagraph 141 D has been added to provide guidance and instructions on late filed FSA-860's.

Subparagraph:

- 142 C has been amended to clarify the exception for adding crop acreage because of differences in FSA-578

- 142 E has been amended to provide guidance on processing FSA-860's that may have some crops or farms without clear certification.

Amendment Transmittal (Continued)

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Part 1 General Information and Administrative Provisions for 2009 CAP

1 Overview

A Handbook Purpose

This handbook provides instruction for administering 2009 CAP, which is applicable to eligible producers who experienced losses in counties for which a primary Secretarial disaster designation was issued based on excessive moisture and related conditions for the 2009 crop year.

B Coverage

2009 CAP:

- provides assistance to producers of long grain rice, medium or short grain rice, upland cotton, soybeans, or sweet potatoes in a disaster county

- assistance is triggered for eligible producers who certify to a 5 percent or greater loss of *--an eligible crop because of excessive moisture and related condition on a farm in a--* disaster county in 2009

- payments are based on a predetermined crop specific payment rate multiplied by the farm's planted or considered planted crop acreage in the disaster county as reflected on the 2009 crop year FSA-578.

A disaster county is a county included in the geographic area covered by a qualifying natural disaster designation. For CAP, the term "disaster county" is limited to those primary counties designated a disaster by the Secretary for excessive moisture or related conditions, which are limited to designations based on any of the following:

- flood
- excessive rain
- humidity
- thunderstorms
- hail
- ice storms
- hurricane
- tropical storms
- flash flooding
- moisture
- severe storms
- ground saturation or standing water
- winter storms
- snow blizzard
- typhoons
- cold wet weather.

1 Overview (Continued)

C Related Handbooks

Related handbooks include the following.

IF the material concerns...	THEN see...
referring possible fraud cases to OIG	9-AO.
appeals	1-APP.
signatures, powers of attorney, names and addresses, controlled substances, deceased individuals, or closed estates	1-CM.
cotton quality discounts	7-CN.
acreage reporting, compliance, prevented planting	2-CP
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requests for relief and finality rule provisions	7-CP.
EFT's	1-FI.
accounting interface	6-FI.
bankruptcy flags, claims, and withholdings	58-FI.
prompt payment interest	61-FI.
assignments and joint payees	63-FI.
establishing and report receipts and receivables on NRRS	64-FI.
establishing and reporting debts in CRS	67-FI.
providing public information	2-INFO.
rice and soybean quality discounts	2-LP.
AGI, payment eligibility, payment limitation, and person determinations	1-PL.
eligibility flags, payment limitation allocations, and recording determinations	3-PL.

2 Authorities

A Source of Authority

The Agriculture Adjustment Act of 1935, (Pub. L. 74-320, 7 U.S.C. 612c), Section 32, Clause 3 authorizes the implementation of CAP.

B Regulatory Authority

Regulations for CAP are provided in 7 CFR Part 760, Subpart H.

3 General Information

A 2009 CAP Assistance

--**CAP is applicable to eligible producers who experienced eligible crop losses because of excessive moisture and related condition on a farm in a disaster county.**--

B Signup

The signup period for CAP begins October 25, 2010, and ends December 9, 2010.

--**FSA-860's **must** be filed in the administrative county for the 2009 farm.**--

Notes: Producers must be in SCIMS with a legacy link to the county accepting FSA-860 to apply and receive benefits under this disaster program.

If a producer is **not** in SCIMS with a legacy link to the county accepting FSA-860, then add the producer to SCIMS, and create the legacy link according to 1-CM.

C Modifying Provisions

Provisions in this handbook shall **not** be revised without prior approval from the National Office.

Important: Revisions include adding, deleting, editing, clarifying, supplementing, or otherwise amending any procedure, form, or exhibit.

A separate State or county handbook shall **not** be created.

3 General Information (Continued)

D Forms

Forms, worksheets, applications, and other documents other than those provided in this handbook or issued by the National Office shall **not** be used for CAP.

Any document that collects data from a producer, regardless of whether the producer's signature is required, is subject to the Privacy Act and Information Collection Procedures, including clearance of such documents by the following offices:

- National Office program area
- MSD, Forms and Graphics Section
- OMB.

Forms, worksheets, and documents developed by State or County Offices **must** be submitted to the National Office for review and approval.

Important: State and/or County Office-developed forms, worksheets, or other documents shall **not** be used for 2009 CAP unless approved by the National Office before use.

E Public Information

See 2-INFO for providing information about CAP.

4 Responsibilities

A DAFP Responsibilities

DAFP shall:

- develop all CAP regulations and policies
- ensure that CAP is administered according to 7 CFR Part 760, Subpart H.

B STC Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, STC shall:

- direct the administration of CAP

- ensure that State and County Offices follow CAP provisions

- thoroughly document all actions taken in STC meeting minutes

- review all FSA-860's executed by State Office employees, COC members, CED's, County Office employees, and their spouses

--Note:** For employees or COC members other than SED, STC has authority to direct DD's to do these reviews as STC representative.**--

- provide DD with a copy of STC or DAFP determinations for appeal or misinformation/misaction cases

- handle appeals according to 1-APP and 7 CFR Parts 11 and 780

- require reviews be conducted by DD's according to paragraph 9 to ensure that CAP is being implemented according to CAP provisions

  Note: STC's may establish additional reviews to ensure that CAP is administered according to CAP provisions.

- approve county average yields

- handle suspected fraud cases according to applicable procedure.

Note: STC may develop additional guidelines to assist County Offices with implementing CAP.

4 Responsibilities (Continued)

C SED Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, SED's shall:

- ensure that County Offices follow CAP provisions
- handle appeals according to 1-APP and 7 CFR Parts 11 and 780
- ensure that DD's conduct reviews according to paragraph 9

Note: SED may establish additional reviews to ensure that CAP is administered according to CAP provisions.

- ensure that **all** County Offices publicize CAP provisions according to paragraph 6

Important: Because of displaced producers, all County Offices in the State **must** publicize CAP provisions.

- immediately notify the National Office of problems, incomplete or incorrect procedures, and specific problems or findings.

SED equitable relief authority in 7-CP applies to CAP.

D DD Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, DD's shall ensure that COC's and CED's carryout CAP provisions as follows:

- conduct reviews according to paragraph 9 and any additional review established by STC or SED according to subparagraph B and C
- provide SED with report of all reviews according to paragraph 9
- ensure that **all** County Offices publicize CAP provisions according to paragraph 6.

4 Responsibilities (Continued)

E General COC Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, COC's shall:

- fully comply with all CAP provisions
- ensure that CED's fully comply with all CAP provisions
- follow procedure in paragraph 5 for redelegation of authority
- ensure that the claimed share reflects the participant's ownership interest in the crop at the time of loss

Note: If the participant claiming a share of a CAP payment has entered into any agreement or contract to grow or produce the crop for another, without retaining an ownership share interest in the crop, the participant **cannot** be considered to have a valid claim to a share of CAP payment.

- handle appeals according to 1-APP and 7 CFR Parts 11 and 780
- thoroughly document all actions taken in COC meeting minutes

Important: **All** of the following **must** be thoroughly documented for **all** CAP determinations made by COC:

- factors reviewed or considered
- documentation reviewed
- references to applicable handbooks, notices, and regulations
- sources of information obtained for review or consideration.

- notify participants in writing if FSA-860 is disapproved

Note: Notifications shall include the following information:

- reason for FSA-860 denial
- factors reviewed or considered in making determination
- appeal rights
- copy of FSA-860.

4 Responsibilities (Continued)

E General COC Responsibilities (Continued)

- handle suspected fraud cases according to applicable procedure

- ensure that producers receive complete and accurate CAP information

  Note: CAP information may be provided through the following:

  - County Office visits
  - fact sheets, leaflets, newsletters, and print media
  - meetings
  - radio, television, and video.

- ensure that CAP general provisions and other important items are publicized as soon as possible after information is received from the National Office including, but **not** limited to the following:

  - basic participant eligibility criteria
  - general data required to complete FSA-860
  - payment limitation
  - signup period
  - workflow of worksheets for multi-county producers.

F CED Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, CED's shall:

- fully comply with all CAP provisions

- ensure that County Office employees fully comply with all CAP provisions

- handle appeals according to 1-APP and 7 CFR Parts 11 and 780

- ensure that modifications to data provided by the applicant are not made unless the applicant initials and dates the modification

- ensure that producers receive complete and accurate CAP information

- immediately notify SED, through DD, of software problems and incomplete or incorrect procedures

- ensure that general provisions and other important items are publicized according to paragraph 6

4 Responsibilities (Continued)

G Program Technician Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 760, Subpart H, program technicians shall:

- fully comply with all CAP provisions
- immediately notify CED of problems including incomplete or incorrect procedures
- ensure that producers receive complete and accurate CAP information.

5 COC Delegation of Authority

A COC Responsibilities

COC is responsible for acting on all FSA-860's. This authority **can** be delegated.

B COC Responsibilities That May Be Delegated

COC may delegate responsibility to CED for approving FSA-860's.

Notes: COC employees making what could be interpreted as adverse decisions not mentioned herein **must** provide a right of appeal to COC **only** according to 1-APP.

6 Outreach

A General Information

FSA offices shall notify and publicize CAP to potential participants.

Special emphasis shall be made to disseminate the information to potential participants who are a minority, SDA, LR, BF, underserved, or underrepresented.

B State Office Responsibilities

State Offices shall, through the State outreach coordinator, ensure that notification is provided appropriately at both the State and county levels.

A list of minority organizations in the State, for reference in disseminating disaster program information to minority groups, shall be maintained. The list shall include organization names, addresses, and name of the contact person. This list should consist of at least the following:

- Alaska Native organizations
- American Indian organizations
- Hispanic associations of colleges and universities
- historically black colleges and universities (1890 colleges and universities)
- Native American community colleges
- minority and ethnic newspapers and radios
- organizations for the handicapped
- organizations for the aging.

Ensure that the lists are mailed to County Offices for assistance with disseminating CAP information.

6 Outreach (Continued)

C County Office Responsibilities

County Offices shall ensure that correct and timely notification is provided to potential participants by any of the following:

- fact sheets, leaflets, newsletters, and print media in general circulation in the county or area
- public meetings
- radio, television, and video that have general coverage in the county or area.

Note: County Offices shall review and use State lists for applicable contacts in the area.

County Offices shall maintain a list of civic, agri-business, and special interest organizations functioning at the county level for reference in disseminating CAP information. County Office lists should include a minimum of the following:

- farmer or rural organizations, such as Ruritan clubs, Future Farmers of America, etc.
- minority churches and ministers
- minority organizations and coalitions, such as National Association for the Advancement of Colored People, etc.
- county minority and ethnic newspapers and radio stations
- women's groups
- adult education providers of farm management, such as NIFA and agri-businesses, especially if minority-owned.

6 Outreach (Continued)

D Notifications

State and County Office shall use the lists in subparagraphs B and C to assist in ensuring that information is disseminated to all producers. CAP information must be publicized by mailings; meetings shall be held when possible and where feasible. When preparing to speak to groups, consider a location accessible and preferable for the group.

State and County Offices shall ensure that minority members and advisers are:

- fully informed on CAP matters
- fully used for input of minority needs and contacts
- requested to speak to minority groups or to accompany CED, DD, or officials when speaking to minority groups.

E Documentation

Extensive documentation of outreach efforts is **required**. STC shall document specific guidance given to County Offices and efforts made at the State level about outreach activity.

COC shall document efforts made at the county level, whether performed singularly or along with the County Office with the minority adviser, DD, or State outreach coordinator.

A copy of the following shall be included in the primary CAP file (for instance, the "CAP Program" file):

- all letters, notices, news articles, radio programs, and county or ethnic group meeting and attendance data
- documentation by COC or STC that **must** include whether the effort is considered a minority or under-served/under-represented contact.

File copies of notifications of minority advisers, etc., about outreach activity in file OUTR 5, "Notifications", according to 25-AS, Exhibit 51.6.

7 FSA Determination Appeals

A Producer Rights on Appealable Determinations

--**Participants have the right to appeal following FSA decisions on FSA-860's, when there is**--
a question of fact or a factual dispute, for example, a dispute or question about the accuracy of share, acres, etc., or an assertion about correctly applying a rule, regulation, or generally applicable provision to a set of facts.

See 1-APP for appealable determinations.

B Nonappealable Determinations

Generally applicable provisions are **not** appealable according to 1-APP, including but **not** limited to the following:

- eligibility conditions or criteria
- eligible disaster counties
- the cut-off date of October 22, 2010, for 2009 crop acreage to be reflected on FSA-578

  Note: COC shall **not** consider or make any determination whatsoever, including considering or recommending relief on any question or assertion on acreage not appearing on FSA-578 as of October 22, 2010. See paragraph 78.

- signature requirements
- CAP payment rates
- payment calculations.

--**Cases involving FSA decisions on FSA-860's that have no disputes of fact are **not--
appealable. See 1-APP for nonappealable matters.

*--C Letters to Producers Advising of Results of Office Determinations

County Offices will issue a letter to participants about the result of processing FSA-860's when a payment is either not computed or determined not to be owed to the participant. Such a decision will be considered to be a decision of a COC employee. See 1-APP, paragraph 13 and Exhibit 8, Example 2, "COC Employee Determination".**--***

7 FSA Determination Appeals (Continued)

*--C Letters to Producers Advising of Results of Office Determinations (Continued)

The following is an example of a letter advising a participant that a payment was not computed, or will **not** be issued, in response to FSA-860.

Date:

Mr. Arch Stanton
3 Littleton Rd
Somewhere OH 12345-9876

Dear Mr. Stanton:

This letter is in response to your application for payment (your FSA-860) under the Crop Assistance Program (CAP), for farm number(s) 0.

You submitted a CAP application for 2009 losses. FSA processed that application and determined you were not due a payment under that application. Accordingly, a payment will not be issued.

If you believe we have not properly reviewed and processed your application, you may appeal this determination to the county committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the county committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the county committee; you may later appeal any adverse determination of the county committee to the FSA State committee or the National Appeals Division. To appeal, write to the county committee at the following address and explain why you believe this determination is erroneous.

Somewhere County FSA Committee
55 Main St
Somewhereville, OH 12346-6543

If you do not timely file an appeal of this determination, this shall be the final administrative determination with respect to this matter in accordance with regulations at 7 CFR 780.

Sincerely,

Sharina Farmer
County Executive Director

--*

7 FSA Determination Appeals (Continued)

*--D Letters to Producers of Nonappealable Determinations

Letters notifying participants that a decision is not appealable must clearly explain to the participant the reasons that the decision is not appealable.

Note: Avoid using general and vague statements that do not sufficiently demonstrate the reasons that a decision is not appealable. Participants may request that SED or NAD Director review FSA's determination that an adverse decision is not appealable.**--***

8 Misrepresentation, Scheme, or Device

A Determining Misrepresentation, Scheme, or Device

A participant who is determined to have deliberately misrepresented any fact affecting a program determination or otherwise used a scheme or device with the intent to receive benefits, to which the participant would not otherwise be entitled, will **not** be entitled to any CAP program payments.

Scheme and device may include, but is not limited to, any of the following:

- concealing any information having a bearing on the application of the program provisions
- submitting false information to FSA, any STC, or COC
- any fraudulent representation
- creating fictitious entities for the purpose of concealing the interest of a person in the farming operation.

B Liability

The liability of any producer for any payment or refund which is determined to be due FSA is in addition to any other liability of the producer under any civil or criminal fraud statute or any other statute or provision of law.

9 FSA-770 CAP

A Preventing Improper Payments

The Improper Payments Information Act of 2002 requires Federal agencies to evaluate programs to determine if internal controls are sufficient to prevent improper payments. FSA-770 CAP has been developed to assist County Offices to ensure that CAP payments are issued properly. County Offices shall take all steps necessary to ensure that program and payment eligibility requirements have been met before issuing any payments.

B CCC-770 ELIG 2008

CCC-770 ELIG 2008 shall be completed according to 3-PL (Rev. 1) for each producer **before** a 2009 CAP payment is issued to the producer using the manuals payment process.

C FSA-770 CAP Applicability

FSA-770 CAP shall be completed according to subparagraph G:

- before a CAP payment is issued to the producer using the manual payment process
- for each FSA-860 the producer files.

County Offices shall ensure that applicable FSA-770 CAPS's are completed before issuing CAP payments.

Important: FSA-770 CAP was developed by the National Office and is the **only** authorized checklist for CAP. County Offices shall **not** use locally or State-developed checklists for administering CAP.

FSA-770 CAP does **not** negate STC, SED, State Office, DD, COC, CED, or County Office responsibility for administering all provisions applicable to CAP.

C FSA-770 CAP Retention Period

All FSA-770 CAP payments shall be retained in the producer's CAP folder with FSA-860 according to 25-AS, Exhibit 27.7. If a new FSA-770 CAP is initiated, the original FSA-770 CAP shall be retained along with the newly initiated FSA-860 for CAP.

FSA-770 CAP shall be destroyed when FSA-860 is destroyed.

9 FSA-770 CAP (Continued)

D County Office Action

The County Office employee that completes each item on FSA-770 CAP:

- is certifying that the applicable CAP provisions have, or have **not**, been met
- shall refer to the applicable handbook provisions, as specified, for additional information.

Note: As an alternative, County Offices may choose to review all items **after** COC approval, if applicable; however, each item **must** be initialed and dated verifying that each item has been reviewed.

After **all** questions on FSA-770 CAP have been answered, the County Office employee shall sign and date FSA-770 CAP, item 10A as the preparer.

Note: County Offices **cannot** rely solely on using FSA-770 CAP for administering CAP. **All** CAP provisions **must** be met, **not** just the items included on FSA-770 CAP. FSA-770 CAP is a tool to assist with CAP administration and includes the major areas where deficiencies may be identified, but it is **not** inclusive of all CAP provisions.

E CED Action

CED or their designated representative shall:

- review each part of FSA-770 CAP that has been completed
- indicate whether or not they concur with the certification of FSA-770 CAP, items 5 through 9, as applicable, in item 11A
- sign and date FSA-770 CAP, items 11B and 11C.

9 FSA-770 CAP (Continued)

F FSA-770 CAP Instructions

Complete FSA-770 CAP according to the following.

Item	Instructions
1	Enter name of the producer.
2	Enter State's name
3	Enter County Office name that is completing FSA-770 CAP.
4	Enter crop year for which disaster benefits are being requested.
5 through 10	Check (✓) "Yes", "No", or "N/A".
11A and 11B	The County Office employee who: • completes items 5 through 10 shall sign as preparer **Note:** By signing as preparer, this does **not** indicate that an employee checked items 5 through 10; only that this employee completed an item. • enter current date.
12A through 12C	When applicable, CED or designated representative will: • indicate whether or not they concur with how items 5 through 10 were completed • sign • enter current date. ***--Note:** STC shall establish a minimum number required for spot checks.--*
13A through 13C	When applicable, STC or their representative will: • indicate whether or not they concur with how items 5 through 10 were completed • sign • enter current date. ***--Note:** STC shall establish a minimum number required for spot checks.--*
14	Enter any remarks.

9 FSA-770 CAP (Continued)

G Example of FSA-770 CAP

The following is an example of FSA-770 CAP.

This form is available electronically.

FSA-770 CAP (10-22-10) **U.S. DEPARTMENT OF AGRICULTURE** Farm Service Agency	1. Producer Name			
CROP ASSISTANCE PROGRAM (CAP) CHECKLIST	2. State Name	3. County Office Name		
County Offices shall ensure that eligibility has been updated according to CCC-770 ELIG 2008 before payments are issued for applicable producers.	4. Crop Year			
Office Staff Actions	**Handbook or Other Applicable Reference**	**YES**	**NO**	**N/A**
5. Has the CCC-770 2008 Eligibility Checklist been completed, if required?	*3-PL, paragraph 3 and 3-PL (Rev. 1), paragraph 3*			
6. Has proper signature authority been verified for all signatures on the FSA-860?	*1-CM, Part 25*			
7. Were ownership and shares verified?	*1-CAP, subparagraph 21B*			
8. Has documentation to support producer eligibility been accepted by the county committee?	*1-CAP, subparagraph 21B*			
9. Was all acreage used to calculate a CAP benefit located in an eligible disaster county?	*1-CAP, subparagraph 22A*			
10. Are only those acres reported on form, FSA-578, Report of Acreage prior to October 22, 2010, included for assistance?	*1-CAP, subparagraph 22C*			
11A. Signature of Preparers	11B. Date *(MM-DD-YYYY)*			
12A. ***I concur/do not concur that the above items have been verified and updated, accordingly:***	☐ Concur	☐ Do Not Concur		
12B. CED Signature for Spot Check	12C. Date *(MM-DD-YYYY)*			
13A. ***I concur/do not concur that the above items have been verified and updated, accordingly:***	☐ Concur	☐ Do Not Concur		
13B. DD Signature for Spot Check	13C. Date *(MM-DD-YYYY)*			
14. Remarks:				

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

9 FSA-770 CAP (Continued)

H FSA-770 CAP Retention Period

All FSA-770 CAP payments shall be retained in the producer's CAP folder with FSA-860 according to 25-AS, Exhibit 27.7. If a new CCC-770 CAP is initiated, the original FSA-770 CAP shall be retained along with the newly initiated FSA-860 for CAP. FSA-770 CAP shall be destroyed when FSA-860 is destroyed.

10-20 (Reserved)

Part 2 Eligibility

21 Eligible Producers

A Definition of Eligible Producer

--[7 CFR 760.703]** An eligible producer is an individual or legal entity that meets the requirements of 7 CFR 760.703 and is entitled to an ownership share interest, production,**-- and market risk associated with the agricultural production of crops on the farm and is any of the following:

- United States citizen
- lawful alien possessing a valid I-551
- partnership of citizens of the United States
- corporation, limited liability corporation, or other farm organizational structure organized under State law.

Notes: Landowners, landlords, tenants, contract growers, or anyone else not having both an ownership share of a crop and share of the risk are ineligible for CAP assistance for that crop.

--**Federal, State, and local governments, including public schools, do **not** meet 7 CFR 760.703 eligible producer criteria and are; therefore, **ineligible** for CAP.**--

Producers filing FSA-860 self-certify that they are eligible. That certification is subject to spot check.

B Verifying Producer Eligibility

CAP is based on a self-certification of the producer. The certification statement is pre-printed on FSA-860.

In the event that FSA or COC deem it necessary or if FSA-860 is selected for spot check, COC shall verify that the producer is eligible for CAP. The producer must be able to show, with verifiable evidence, that the producer had a valid ownership share interest in the commodity produced and control of the crop acreage on which the commodity was grown at the time of the disaster. For participants producing a crop under a grower's contract or a Community Supported Agriculture Agreement, a copy of the contract or agreement shall be provided. For crops not grown under a contract, 1 or more of the following shall be obtained as determined by COC:

- copies of signed written leases or written agreements
- copies of signed rental agreements
- copies of other legal documents showing land ownership or control

21 Eligible Producers (Continued)

B Verifying Producer Eligibility (Continued)

- statement signed by landowner that producer had control of the acreage

- statement signed by operator or producer that producer had control of the acreage on a farm.

Notes: FSA-578 producer print will suffice. CCC-902 is **not** acceptable as verifiable evidence.

--**Verifications do **not** need to be performed before processing applications unless FSA or COC deem it necessary.**--

C Deceased, Missing, or Incompetent Producers and Dissolved Entities

Authority to sign contracts, applications, and other documents on behalf of deceased, missing, or incompetent producers may vary according to State law. If an eligible producer is now deceased or a dissolved entity, then an authorized representative of the deceased producer or dissolved entity may sign FSA-860, provided that the authorized representative has authority to enter into a contract for the deceased producer or dissolved entity.

Important: Proof of authority to sign **must** be on file in the County Office **before** the representative is allowed to sign FSA-860 requesting CAP benefits for the producer. Proof of authority includes any of the following:

- court order
- letter from Secretary of State
- document approved by OGC regional attorney.

Use FSA-325 **only** when it is requested that CAP payments earned by a deceased, missing, or incompetent CAP participant be issued in a name other than that of the deceased, disappeared, or declared incompetent CAP participant. CAP payments shall be issued to the respective qualified claimant's names using the deceased, missing, or incompetent CAP participant's TIN. State Office shall consult with the OGC regional attorney on the following types of cases:

- documentation submitted does not clearly establish authority to enter into a contract or application on behalf of the deceased individual, closed estate, or dissolved entity

- FSA-860 and request for issuing CAP payments to heirs of a deceased individual without documentation provided that establishes authority to enter into a contract or application on behalf of the deceased individual.

21 Eligible Producers (Continued)

C Deceased, Missing, or Incompetent Producers and Dissolved Entities (Continued)

If FSA-860 involving a deceased individual or closed estate is determined to have been signed by an authorized individual, CAP payments:

- shall be issued using TIN of the eligible individual or the individual's estate, as applicable
- may be issued in the names of the heirs, based on OGC's determination, according to 1-CM.

CAP payments for FSA-860's involving deceased individuals, closed estates, or dissolved entities shall be made according to the following, provided **all** other eligibility requirements are met.

IF participant is…	**AND FSA-860 is signed by an authorized representative of the…**	**THEN CAP payment shall be issued…**
an individual who died before FSA-860 was filed	deceased according to this subparagraph and 1-CM	to any of the following, as applicable, using applicant's TIN: • deceased individual • individual's estate • name of the heirs, based on OGC's determination according to 1-CM, Part 26.
an entity that dissolved before FSA-860 was filed	dissolved entity according to this subparagraph and 1-CM	using applicant's TIN.
an estate that closed before FSA-860 was filed	estate according to this subparagraph and 1-CM	to qualified claimant executing FSA-325 according to 1-CM, paragraph 779.
an individual who dies, is declared incompetent, or is missing after filing FSA-860		

Note: Heirs **cannot** succeed to loss or file their own FSA-860.

21 Eligible Producers (Continued)

D General Partnership and Joint Venture

If a producer is a general partnership or joint venture that was dissolved, **all** members of the general partnership or joint venture at the time of dissolution, or their representatives, must sign FSA-860 and associated forms.

Note: Only one FSA-860 will be submitted for the partnership or joint venture; however, all members must sign FSA-860.

E Conservation Compliance Provisions

CAP participants are subject to the applicable 6-CP conservation compliance provisions. A signed AD-1026 must be on file covering the program year before issuing CAP payments. It is not necessary for a participant to complete a new AD-1026 if there have been no changes to the farming operation since the previous AD-1026 was signed.

F New AD-1026's

If a new AD-1026 is required to be filed, CAP payments may be issued to eligible producers when AD-1026, item 12 is signed. It is **not** necessary to delay issuing CAP payments pending NRCS HEL or wetland determinations. AD-1026, Continuous AD-1026 Certification statement requires producers to refund CAP payments if an NRCS determination results in HELC/WC violation.

22 Crop and Acreage Eligibility

A Definition of Farm

Farm means, for determining CAP eligibility, the FSA FSN. Any FSN with eligible crop acreage in a tract or tracts located in an eligible disaster county shall be considered eligible as along as all other eligibility requirements are met.

Note: Producers interested in filing FSA-860's must do so in the 2009 administrative county for their FSN. However, eligible crop acreage for the producer on that FSN is limited to the eligible crop acreage present in a disaster county or counties. If 50 percent or more of a tract's acreage physically resides in the disaster county, the tract will be considered in the disaster county for CAP purposes.

B Definition of Crop

Crop means all acres based on crop, type, and IU.

C Definition of Eligible Crops

Eligible crops mean the reported or determined 2009 crop year planted or considered planted acreage of long grain rice, medium or short grain rice, upland cotton, soybean, or sweet potato crop acreage for a producer on a farm in an eligible disaster county as reflected on 2009 crop year FSA-578 as of October 22, 2010.

Note: FSA-770 CAP, item 10 requires verifying that eligible crop acreage be limited to that shown on FSA-578 as of COB October 22, 2010.

D Late-Filed FSA-578's

Late-filed FSA-578's, including FSA-578's filed according to 2-CP, subparagraph 21 A, will **not** be accepted for CAP purposes after October 22, 2010.

E Revised FSA-860's for Share Errors

Revised FSA-578's, including FSA-578's revised according to 2-CP, subparagraph 22 B will **not** be accepted for CAP purposes.

22 Crop and Acreage Eligibility (Continued)

E Revised FSA-860's for Share Errors (Continued)

***--**A manual FSA-860 will have to be processed for producers who meet **all** of the following requirements:

- producer is on FSA-578 as of October 22, 2010, with a share greater than zero for 1 or more CAP crops
- because of error, the producer share was recorded and reported in error
- all producers who share in the CAP crop agree to the share corrections on FSA-860.

Note: If all producers who have a reported share of CAP crops on the farm do not agree with the share revisions, no action will be taken on the request for share revision.

Producers having a reported share of CAP crops greater than zero or crops that meet the requirements for revision of shares on FSA-860 will have shares calculated manually.

Example: Producer A applies for a CAP benefit on soybeans on FSN 1 in County B. There are 3 tracts on the farm all located within County B.

FSA-578 information: Tract 1 has 50 acres of soybeans with 1.000 share to Producer A. Tract 2 has 100 acres of soybeans with .2500 share to Producer A and .7500 share to Producer C. Tract 3 has 150 acres of soybeans with .7500 share to producer A and .2500 share to Producer D.

The excel FSA-860 for Producer A has 300 acres of soybeans with a share of .6250. In reviewing the FSA-578 information used to generate the excel FSA-860, Producer A reported that the shares were incorrectly recorded on Tract 2. The correct share should have been .7500 to Producer A and .2500 to Producer C. The correct weighted share will be calculated manually:

Tract 1 – 50 acres x 1.0 = 50.0 acres
Tract 2 – 100 acres x .75 = 75.0 acres (Producer A and Producer C must initial here)
Tract 3 – 150 acres x .75 = 112.5 acres
237.5 acres/300 acres = .7917**--***

22 Crop and Acreage Eligibility (Continued)

E Revised FSA-860's for Share Errors (Continued)

***--**Provided that Producers A and C agree in writing, then Producer A's FSA-860 will be corrected manually by lining through .6250 and replacing with the manually calculated share of .7917. The CAP benefit for FSN 1 will be recalculated manually. Both Producer A and Producer C must initial the manual share calculation for Tract 2. Producer A must also initial the corrected manual share on FSA-860.

Producer C applies for CAP in County B on FSN 1 but has Tract 2 (100 acres of soybeans) as the only CAP eligible crop on excel FSA-860. A manual share calculation is not required. However a manual FSA-860 will be generated by lining through the .7500 share and inserting the correct .2500 share. The CAP benefit will need to be calculated manually and both Producer A and Producer C must initial the corrected share on the FSA-860.

Both producer shares on these applications **must** be recalculated if both producers apply for CAP. Producers **cannot** change 1 share and not the other. In the example provided, both Producer A and Producer C **must** have their shares corrected. Producer A and Producer C are not required to apply for payment; however, each may do so only with correct shares.**--***

23 Eligible Disaster as Cause of Loss

A Definition of Eligible Disaster

Eligible disaster is a producer's loss of an eligible crop on a farm in a disaster county because of disaster as specified in 7 CFR Part 760, Subpart H as excessive moisture or related condition, including flood, flash flooding, excessive rain, moisture, humidity, severe storms, thunderstorms, ground saturation or standing water, hail, winter storms, ice storms, snow, blizzard, hurricane, typhoons, tropical storms, or cold wet weather.

24 Disaster County

A Disaster County Eligibility

CAP is available only to an eligible producer of eligible crop acreage on farms in a disaster county. Disaster counties are described in subparagraph 1 B.

A list of disaster counties is available at **http://www.disaster.fsa.usda.gov**.

25-45 (Reserved)

Part 3 CAP Crop Data

46 Crop Data

A Crop Data for Implementing CAP

CAP requires the following data elements for producers selected for spot check. The data elements are used to determine production loss thresholds. The data elements are not needed to accept or process FSA-860.

B Production Data Elements

The following data elements are required for CAP crops.

Actual production is the total of a farm's harvested and appraised production, by crop, type, and intended use.

Harvested production is all production of the eligible crop from the farm that can be supported by an acceptable record, including, but not limited to, production:

- gathered by hand
- mechanically harvested.

Appraised production is production determined by FSA, RMA, FCIC, a company reinsured by FCIC, or other appraiser acceptable to CCC, that was unharvested, but which reflected the crop's yield potential at the time of appraisal.

County average yield is the per acre yield, of a crop by practice and intended use as applicable.

For CAP, the county average yield of a crop will be the average of the 2003 through 2007 official county yields established by FSA, excluding the years with the highest and lowest yields, respectively.

46 Crop Data (Continued)

B Production Data Elements (Continued)

Insurance or NAP approved yield is the risk management yield, either established through crop insurance or NAP, which was the expected yield for a producer for the crop year.

The yield represents a unit's expected production on a per acre basis. This may have to be weighted by the eligible acres and share a producer has on a farm, if it is used for a producer's qualifying loss of an eligible CAP crop on a farm.

Note: The insurance or NAP-approved yield is not a required data element. It will not be given to County Offices from RMA for RMA covered eligible CAP crops. The weighted NAP-approved yield on a farm number basis will not be calculated by the County Offices for NAP crops for CAP purposes. If a producer is selected for spot check, and does not meet the qualifying loss with the county average yield, the producer will be responsible for providing documentation to verify how the producer arrived at a 5 percent or greater loss with either the county average yield or an insurance or NAP-approved yield.

C Quality Determination Data Elements (Sweet Potatoes Only)

Established market price is the average price established for the applicable crop/use based on unaffected production sold at local markets at the time of normal harvest of the crop.

47 Records of Production and Evidence of Loss

A Producer Responsibilities

Unless otherwise required by FSA or COC, producers will not be required to submit production records at the time the producer submits FSA-860. If required by FSA, producers are responsible for providing accurate and complete information in support of FSA-860. It is the producer's responsibility to furnish evidence in support of FSA-860 which may involve the producer having to report the total amount of crop production by farm. It is **not** FSA's responsibility to determine the producer's production. The producer's responsibilities include, but are not limited to:

- providing, when required, the best verifiable or reliable production evidence available for the crop by practice, type, intended use, or planting period
- summarizing all the production evidence
- accounting for all the crop's production, whether or not records reflect this production
- providing the information in a manner that can be easily understood by COC
- reporting production by the date specified by FSA
- retaining production evidence for 3 crop years after the date of FSA-860.

Note: If selected for spot check, evidence is required to substantiate the producer's claimed loss on FSA-860.

If the producer fails to provide acceptable production evidence for a crop or crops when required by COC or as the result of a spot check, the producer is not eligible for a CAP payment on that crop or crops on the farm, as applicable.

See paragraph 8 for actions about unacceptable, incorrect, or false records and certifications.

47 Records of Production and Evidence of Loss (Continued)

B Acceptable Records

[7 CFR 760.702] Acceptable production records are verifiable or reliable:

- commercial receipts, settlement sheets, warehouse ledger sheets, pick records, or load summaries if the eligible crop was sold or otherwise disposed of through commercial channels

- documentary evidence, such as contemporaneous measurements, truck scale tickets, pick records, and contemporaneous diaries, as necessary, to verify information provided by the producer if the eligible crop was stored, sold, fed to livestock, or otherwise disposed of other than through commercial channels

- appraisal information from LA acceptable to FSA.

C Verifiable Records

Verifiable production records for an eligible crop must be submitted by the producer to support an application for payment.

Verifiable records of production include contemporaneous records provided by the producer that:

- may be verified by FSA through an independent source
- are used to substantiate the amount of production reported.

47 Records of Production and Evidence of Loss (Continued)

C Verifiable Records (Continued)

Verifiable records shall be provided if they exist together with the producer's certification of production in support of any application of payment and a record of production when otherwise required by FSA.

Verifiable records shall:

- be dated
- show disposition of the crop's production, including both quantity and price
- be seasonal or crop specific for crops that are produced more than once in a calendar year.

D Reliable Records

In the event the submission of evidence of loss or production records is required and verifiable records are not available, the producer shall provide any documentation available, including, but not limited to:

- copies of receipts
- ledgers of income
- income statements of deposit slips
- register tapes
- invoices for custom harvesting
- pick records.

47 Records of Production and Evidence of Loss (Continued)

E COC Responsibilities

COC shall follow this table when receiving and reviewing production records.

Step	Action
1	Date stamp original hard copy records with county name.
2	Photocopy original date-stamped production records submitted by the producer.
3	Place photocopied date-stamped records in the producer's file.
4	Return original date-stamped production evidence to the producer. **Note:** The original date-stamped production evidence can only be returned to the producer if the photocopies have been made and placed in the producer's file.
5	Review the producer's file for previously submitted production evidence. Ensure that records have not been duplicated.
6	Ensure that the producer understands that the production records must be: • complete and represent the producer's total harvested production of the crop on a farm • for the correct farm, crop year, and acreage.
7	Review all production records provided by the producer and determine whether the records support the producer's certification or report of production. If the records: • support the producer's certification but are not verifiable, go to step 8 • support the producer's certification and are verifiable, the records are acceptable • do **not** support or agree with the producer's certification, advise the producer the production records are not acceptable and will not be used to substantiate FSA-860 for that crop or crops, as applicable. **Note:** Once copies of production records have been placed in the producer's file in the county, they shall **not** be removed or returned to the producer.

47 Records of Production and Evidence of Loss (Continued)

E COC Responsibilities (Continued)

Step	Action	
8	Before determining the nonverifiable production record acceptable, compare the producer's record of production with neighboring producers of the crop who have provided reliable reports of production. **Note:** FSA is not responsible for finding similar farms or crops to substantiate a producer's production record. Rather, FSA may consider a producer's nonverifiable production records acceptable if the producer's record can be corroborated by other similar farms. The absence of any similar farms or records to substantiate a nonverifiable record shall not result in the nonverificable records being deemed acceptable. Producers are always ***--**responsible for providing acceptable records to support whatever application the producer may file.**--***	
	IF...	**THEN...**
	similar levels of production were experienced on neighboring farms	the producer's certification, supported by some record of production, may be considered reliable and acceptable.
	records do **not** support the producer's certification of production or the level of production is significantly different than neighboring farms	COC shall deny CAP assistance and notify the producer that the certification of loss is unacceptable. ***--**See paragraph 7.**--*** **Note:** Under no circumstances shall COC assign production for a lack of acceptable production evidence or lack of evidence in support of a claimed loss.

48 Actual Production

A Definition of Actual Production

Actual production is the total of the producer's eligible crop from:

- harvested production
- appraised production, if not accounted for in harvested production.

Note: If applicable, appraisals must have been performed by an appraiser acceptable to FSA.

49 Harvested Production

A Definition of Harvested Production

Harvested production includes all production of the producer's eligible crop from the farm that can be supported by an acceptable record.

B Commingled Between Practice, Type, Intended Use, or Planting Period

When production has been commingled, separate production may be determined by practice, type, or intended use, or if:

- the producer provides a yield estimate by practice, type, or intended use, from past production records
- the producer accounts for total disposition
- COC considers resulting yields reasonable.

C Commingled Between Farms or Tracts

--**Unless made a matter of record before commingling, production from a farm or tract lying within a disaster county that is commingled with production from a farm or tract of a farm lying outside a disaster county or a farm lying within and outside a disaster county shall be**--prorated to each respective farm or tract in proportion to each farm or tract harvested crop acreage according to the following.

Step	Action
1	Total the commingled production of the eligible crop.
2	Total the harvested acreage of the crop in each identified farm or tract.
3	Divide step 1 by step 2.
4	Multiply the result of step 3 times each identified farm's or eligible tract's harvested acreage of the crop.
5	***--**Add the result of step 4 for each farm or eligible tract to calculate each farm's**--*** or eligible tract's respective harvested production.

50 Appraised Production

A Definition of Appraised Production

Appraised production is production determined by FSA, RMA, FCIC, company reinsured by FCIC, or other appraiser acceptable to FSA or CCC, that was unharvested but reflected the crop's yield potential at the time of appraisal.

51 County Average Yield

A Establishing County Average Yields

State Offices are required to establish STC-approved yields using the following procedure:

- consult with County Offices to determine yields that are needed for CAP eligible crops; COC recommendations shall be documented in COC minutes to indicate the source of the yield data used, the number of years in the average, etc; STC representative shall concur with COC yield recommendations or work with COC to establish an acceptable yield

- use the following sources, in the order shown, based on the applicable crop years, to establish county average yield recommendation:

  - NASS data

  - other government sources, such as NIFA, USDA, Bureau of the Census, etc.

  - other reliable sources, such as universities, buyers, and cooperatives

    Note: Yields should be established on the basis of harvested acres, not planted.

  - yields shall be established by type, IU, planting period, and practice, if applicable

  - STC minutes shall include yield determinations and documentation to support county average yields

  - State Office shall verify that yields are comparable with yields established for adjoining counties and States.

B Irrigated Yields

If the county has both irrigated and nonirrigated acreage, a yield must be established for each practice.

51 County Average Yield (Continued)

C Calculating County Average Yields

The county average yield for 2009 is the Olympic average calculated by:

- obtaining the yields of the crop for the 5 consecutive crop years 2003 through 2007
- dropping the yields for crop years with the highest and lowest yields
- averaging the yields for the remaining 3 crop years using a simple average.

If 5 crop years of data is not available for establishing county average yield, STC shall:

- use the best data available to obtain as many crop years of data as possible within the 5 consecutive crop years immediately preceding the previous crop year

- establish a county average yield for those crops by computing a simple average of the data obtained

- thoroughly document why 5 crop years of data is not available and the sources of the data used.

52 Insurance or NAP Approved Yield

A Insurance or NAP Approved Yield Overview

A producer will certify to a 5 percent or greater loss of production which will be verified against the higher of the county average yield or the producer's 2009 insurance or NAP approved yield, which may have to be weighted according to subparagraph B.

Note: If a producer's total crop production appears to satisfy the 5 percent loss threshold based on county average yield, no further verification is required. The producer's crop is eligible.

B Insurance or NAP Approved Yield

There may be situations where a producer will not meet the 5 percent or greater loss threshold when using the county average yield. In such cases, the producer's insured or NAP approved yield for the crop, if it exists, will be used if the approved yield is higher.

If the producer has more than 1 approved yield for a crop on a farm or farms, the various insured or NAP approved yields will have to be weighted to determine if the weighted approved yield substantiates that the producer satisfied the 5 percent or greater loss threshold requirement.

When performing spot checks, County Offices will calculate weighted approved yields if the producer's evidence includes more than 1 approved yield. RMA will not provide approved yields to the County Office for CAP. It will be the producer's responsibility to provide acceptable documentation how the producer arrived at the producer's certification of loss threshold. This may involve the producer being required to provide evidence of each crop's insurance yield and planted acreage associated with that yield for weighting purposes.

Example: Producer A produces cotton in County B on farm 1. Producer A inquires about CAP on their 200 acres of cotton on farm 1. County B has a county average yield of 980 lbs. for 2009. Producer A inquires about CAP and reviews 2009 production records. Producer A determines that they did not have a 5 percent or greater production loss based on the county average yield. However Producer A had a risk management plan of protection from RMA on 2 units on farm 1. Unit 2 covered 100 acres and unit 3 covered 100 acres. Each unit had 100 planted acres in 2009. Unit 2 had an insurance approved yield of 900 lbs. for 2009 and unit 3's was 1,100 lbs. Producers A's weighted insurance approved yield was 1,000 lbs Producer A determined from production records that a greater than 5 percent loss occurred based off the weighted insurance approved yield of 1000 lbs./acre and certified to the CAP loss for payment. Farm 1 weighted insurance approved yield:

Unit 2 – 900 lbs./acre x 100 acre = 90,000 lbs.
Unit 3 – 1100 lbs./acre x 100 acre =110,000 lbs.
200,000 lbs./200 acre = 1,000 lbs./acre

53 Established Market Price

A Overview

The 5 percent or greater loss of production because of quality will be determined by price. 7-CN or applicable 2-LP quality discounts will be used for the CAP crops of cotton, rice, and soybeans.

Sweet potatoes do **not** have 2-LP procedure. For this crop, the quality affected price of the crop sold compared to the STC established price for the crop unaffected by quality will be used to determine the percentage production is reduced because of quality.

B Establishment of Market Price

COC shall determine if a STC-established price for quality loss determinations for sweet potatoes, fresh and processed, is needed. STC shall establish a market price at the time of harvest for the crop/use that was unaffected by quality. This price shall be obtained from local markets, crop associations, universities, or NIFA.

54-75 (Reserved)

Part 4 Eligible Acreage

76 Acres Eligible for CAP

A Definition of CAP Acreage

CAP acreage is the reported or determined 2009 crop year acreage of an eligible crop on a farm or tract in a disaster county.

B Determining Eligible Acreage

Eligible acreage is determined on a crop-by-crop basis using the definition of eligible crop in subparagraph 22 C. Eligible crop acreage must be initial crop long grain rice, medium or short grain rice, upland cotton, soybeans, or sweet potatoes that are planted and considered planted as reflected on FSA-578 as of October 22, 2010.

--**Eligible acreage for CAP will be based on the crop acreage planted or prevented planted to**--
an eligible CAP crop in a disaster county. Subsequently planted or subsequently prevented planted acreage is eligible for CAP **only** if the subsequently planted or prevented planted crop acreage meets **double-cropping rules** according to 2-CP.

77 Considered Planted Acres

A Prevented Planting Eligibility

Only those acres of an eligible crop where an approved CCC-576 is on file, according to 2-CP, paragraph 24, and the acres are recorded in a disaster county on FSA-578 as of October 22, 2010, will be eligible for CAP.

Note: There are **no** provisions for revising 2009 crop year acreage reports to increase planted and considered planted acreage for CAP.

--78 Limitation on Counties, Shares, and Acreage Imposed by Program Authorization--

A FSA-578 and CAP Acreage

The regulation announcing CAP specifically stated that the disaster counties and eligible crop acreage cannot be increased after October 22, 2010. The amount of acreage for each crop that will be used to determine CAP payment acres and the producer's ownership share of the crop is based on the 2009 crop year FSA-578 that is on file with FSA as of October 22, 2010.

The regulations specifically stated that for the purposes of CAP, a producer cannot revise a crop acreage report for the 2009 crop year (such reports are filed using FSA-578) to increase the payment or to create an eligibility. This is because the counties and acreage that existed on the database as of October 22, 2010, were used by FSA to determine payment rates and maximum extent of CAP.

If a producer needs to amend or correct 2009 FSA-578 for other programs, the producer may be able to do so under the rules for that other program and only for that other program. *--However, no amended 2009 FSA-578 that includes increased crop acreage or shares of producers who as of October 22, 2010, were **not** shown on FSA-578 with a share greater than zero on a farm, will be considered in calculating CAP payments. Likewise, producers are **not** entitled to any sort of decision, relief, or other consideration on any request to increase crop acreage or to add a producer or share of a CAP crop to FSA-578.

For CAP, FSA offices and committees will **not** do any of the following:

- consider or render any sort of adverse decision or relief decision on acres, tax ID's, or shares **not** included on FSA-578 as of October 22, 2010, regardless of whatever reason those acres, tax ID's, or shares are **not** shown on FSA-578

- forward any sort of recommendation of relief for inclusion of acres, shares, producers, or counties for CAP

- provide any right of appeal or appealability to anyone making an inquiry about eligible acres, shares, or counties because the eligible disaster counties, shares, and acres are conditions of eligibility or parameter of CAP as provided in 7 CFR Part 760, Subpart H, published in FR on October 25, 2010, and effective October 22, 2010.

  Note: Producers have a right of review or appeal on any adverse decision on FSA-860, **not** FSA-578, where there are legitimate disputes of fact. See paragraph 7 and 1-APP.**--***

79-110 (Reserved)

Part 5 Qualifying Loss

111 Qualifying Loss

A Overview

Participants must have a 5 percent or greater loss because of disaster as specified in this handbook and 7 CFR 760.702 to qualify for the CAP payment. This loss can be from a loss *--of production or a loss of quality. Producers are certifying to the 5 percent or greater loss by crop (rice, cotton, soybeans, or sweet potatoes), share, and farm.

Note: See paragraph 22 for eligible acres. The 5 percent or greater loss will be based on the eligible acres of the producer on a farm.**--***

Example: Producer W had soybeans for grain and soybeans for forage in County U on farm 6 with a 100 percent share. Producer W certified to a 5 percent or greater loss of production on the 578 acreage for the farm (20 acres for grain and 10 acres for forage). Production records proved a 6 percent loss on the soybeans for grain and a 3 percent loss on the soybeans for forage. Producer W qualified for a 5 percent or greater loss for the crop of soybeans on the farm.

.06 x 20 acres = 1.2
.03 x 10 acres = 0.3
1.5/30 acres = .05

Note: Producer W must have the eligible CAP crops in a disaster county recorded on FSA-578 on an eligible FSA farm number.

At the time of application eligible producers certify to a 5 percent or greater loss because of disaster. Unless otherwise determined necessary by COC, producers will not be required to submit evidence in support of the certification of loss. However, the producer must have verifiable or reliable production evidence to support the certification and producers who apply agree to retain the documentation for 3 years after the date of application.

The producer is making the loss certification by the producer's share of the crop on each FSA farm number in a disaster county. If verifiable or reliable production records are comingled between farm numbers, tracts within or outside a disaster county, or producers, the production must be prorated unless the production was made a matter of record before comingling.

The producer certification will be a certification of production or reduced production because of quality as indicated on FSA-860. The 5 percent or greater loss threshold must be met by 1 or the other; depending on the producer's certification. It will **not** be met by a combination of the 2.

111 Qualifying Loss (Continued)

B Loss of Production

The certification of the 5 percent or greater loss of production will be based off of the highest of the 2009 county average yield by crop, type, intended use, or a producer's weighted approved yield for insurance or NAP as compared to their actual production based off of verifiable or reliable production records. Producers that do not have an insurance or NAP approved yield for CAP crops will have the qualifying loss based off of the county average yield. Producers may have more than 1 county average yield or insurance or NAP approved yield for CAP eligible crops because of practice. If so, the yield will be weighted to determine the qualifying loss base yield.

--Note:** Physical location county average yield shall be used.**--

Example 1: County Y has a county average yield of 30 bu./acre on dryland soybeans and 60 bu./acre on irrigated soybeans. Producer X does not have an approved yield for a risk management plan of protection. Producer X's 578 on farm 5 shows 30 acres of dryland beans planted and 130 acres of irrigated beans. Producer X's 5 percent or greater loss of production will be based off of a county average yield of 54.38 bu.

130 acres x 60 bu./acre = 7,800 bu.
30 acres x 30 bu./acre = 900 bu.
8,700 bu./160 acre = 54.38 bu.

Example 2: Producer A produces upland cotton in County B on farm number 1 with a 100 percent share. The 578 acres reflect 100 acres of upland cotton planted. The county average yield for upland cotton in 2009 for County B is 980 lbs./acres. Producer A insures the upland cotton and has an insured approved yield of 1000 lbs. per acre for 2009. Producer A determines from their production records that they produced 93,600 lbs. of cotton on the 100 acres. Producer A had only a 4.5 percent loss on upland cotton using the 2009 county average yield.

100 acre x 980 lbs./acre = 98,000 lbs.
93,600 lbs./98,000 lbs. = .955
1-.955 = .045, 4.5 percent loss

However, Producer A has an insurance approved yield of 1000 lbs. per acre. Producer A qualifies with a 6.4 percent loss using the insurance approved yield.

1000 lbs. x 100 acre = 100,000 lbs.
93,600 lbs./100,000 lbs.= .936
1-.936 = .064, 6 percent loss

111 Qualifying Loss (Continued)

C Loss of Production Because of Quality

The 5 percent or greater loss can be certified that it was met from a loss of production because of quality conditions from a disaster that caused a reduction in production. All 4 eligible CAP crops are eligible for quality conditions.

Verifiable production records must exist for a producer to certify that the loss of production was because of quality. Quality affected production will be determined at the level in which these verifiable records exist (bale, truckload, bin etc). Producers that certify to the 5 percent loss of production because of quality do so for all eligible crop acreage on the farm. If verifiable records for quality documentation only exist for part of the crop the loss certification because of quality will still be considered valid as long as on average the crop suffered 5 percent or greater loss.

Note: Crops with a final use of left standing or crops that are unharvested are not eligible for a production loss because of quality unless they are partial acres and verifiable evidence exists on the rest of the production from harvested acres to support on average a 5 percent or greater loss because of quality on all of the acres.

Example: Producer Z applies for CAP because of quality loss on 20 acres of soybeans for grain on farm 2 with a 100 percent share. Producer Z has verifiable production evidence that 800 bu. of soybeans were produced. However, the verifiable evidence shows that the quality affected production was 10 percent on only 400 bu. (400 bu. x .10 = 40 bu. loss). There is not any quality evidence for the remaining production. It is determined that Producer Z meets the 5 percent loss because of quality because, on average, the CAP crop acres on the farm suffered a 5 percent or greater quality loss. (800 bu. x .05 = 40 bu. loss)

111 Qualifying Loss (Continued)

D Quality for Rice, Cotton, and Soybeans

Quality adjustment factors and methodology found in 7-CN or 2-LP to calculate quality losses for upland cotton, rice, and soybeans with a final use of lint grain or seed will be used by FSA to determine if the 5 percent or greater loss threshold was met. The methodology will apply regardless of whether the producer put the crop under loan. If evidence shows that the producer loan rate would be reduced 5 percent or greater because of quality as compared to the county loan rate, the producer's crop will be considered to have satisfied the loss threshold for CAP.

Example: Producer C produces long grain rice in County D on farm 3 with a 100 percent share. The FSA-578 acres reflect 50 acres of long grain rice. Producer C supplies *--verifiable production evidence that Producer C harvested 340,000 lbs. (3,400 cwt.) of rice on the 50 acres. The evidence also provides that the entire crop graded at U.S. No. 4 because of quality conditions. County D has a loan rate of $9.94 per cwt. for long grain rice. The discounted loan rate for U.S. No. 4 grade is $0.60 per cwt.

$9.94 - $0.60 = $9.34
$9.34/$9.94 = .939; 1 - .939 = .061
.061 x 100 percent = 6.1 percent--*

Producer C had a 6.1 percent loss of production because of quality.

E Quality Sweet Potatoes

Sweet potatoes are considered a multi-marketed crop. The following must be present for fresh and processed sweet potatoes to be eligible for quality loss:

- actual prices received by the producer, separated by fresh and processed markets
- STC market price for each applicable market based on market prices for unaffected production at the time of harvest for both fresh and processed markets
- verifiable evidence of the quality loss because of an eligible disaster condition.

111 Qualifying Loss (Continued)

E Quality Sweet Potatoes (Continued)

If the actual price received shows a 5 percent or greater reduction in price, because of quality conditions, from the combination of fresh and processed markets as compared to the STC established unaffected by quality market prices for fresh and processed, the crop will be considered to have a 5 percent or greater loss in production because of quality.

Note: Because market conditions are often the determining factor for fresh and processed markets on sweet potatoes, historical marketing percentages are **not** a factor in the quality loss determination.

Example 1: Producer G in County H has 10 acres of sweet potatoes on farm 5 with 100 percent share. Verifiable production records show that 3400 cwt. was produced. 5 percent reduction in production because of quality is the threshold for qualification for CAP. Therefore, of the 3400 cwt. of sweet potatoes produced, a total of 170 cwt. or more (3400 cwt. x .05 = 170 cwt.) must have been lost because of quality. Producer G's production evidence provides that of the 3400 cwt. of sweet potatoes, 2040 cwt. went to a fresh market and 1360 cwt. went to processed market (60 percent fresh, 40 percent processed). The STC fresh market price established for unaffected by quality for fresh marketed sweet potatoes was $16.00 cwt. and $8.00 cwt. for processed markets. Producer G's verifiable production evidence provides a quality condition present on only the fresh marketed sweet potatoes. The actual price received by Producer G was $14.40 cwt. for fresh sweet potatoes. The actual price for the processed sweet potatoes is not relevant to the quality determination as there was not any evidence of a quality condition present. Accordingly 60 percent of the production (fresh production only) has a 10 percent reduction because of quality ($14.40/$16.00 = .9, 1-.9 = .10). It is determined that Producer G meets the 5 percent loss threshold because the loss of quality was determined to be greater than 170 cwt. (2040 cwt. x .10 =204 cwt.).

111 Qualifying Loss (Continued)

E Quality Sweet Potatoes (Continued)

Example 2: Producer I in County J has 20 acres of sweet potatoes on farm 6 with 100 percent share. The verifiable production records provide evidence that 6800 cwt. were produced. 5 percent reduction in production because of quality is the loss threshold for CAP. Therefore, of the 6800 cwt. of sweet potatoes produced, a total of 340 cwt. or more (6800 cwt. x .05 = 340 cwt.) must be determined to have been lost because of quality. Producer I's production evidence provides that of the 6800 cwt. of sweet potatoes 4080 cwt. went to fresh market and 2720 cwt. went to processed market (60 percent fresh, 40 percent processed). The STC fresh market price established for unaffected by quality for fresh marketed sweet potatoes was $16.00 cwt. and $8.00 cwt. for processed markets. Producer J's verifiable production evidence provides a quality condition present on both the fresh and processed sweet potatoes. The actual price received by Producer J was $15.50 cwt. for the fresh and $7.50 cwt. for the processed. The fresh production is determined to have a 3.1 percent reduction in quality ($15.50/$16.00 = .969, 1-.969 = .031). The processed production is determined to have a 9.4 percent reduction in quality ($7.25/$8.00 = .906, 1 - .906 = .094). Accordingly, Producer J meets the 5 percent loss threshold for quality because the loss was determined to be greater than 340 cwt.

Fresh –	4080 cwt. x .031 =	126.5 cwt.
Processed –	2720 cwt. x .094 =	255.7 cwt.
		382.2 cwt.

111 Qualifying Loss (Continued)

F Determining Quality on Farm-Stored Production

***--**For production that was stored in 2009 after harvest and sold, the verifiable quality tests that were taken at the time of the sale of the crop will be acceptable. If the average quality loss from verifiable evidence is determined to be 5 percent or greater from the methods described in this paragraph, the quality threshold will be considered as met.

Quality tests from farm-stored production will be considered verifiable if done by any of**--***
the following:

- FSA employees
- FSA-certified LA's
- RMA or reinsured company appraisers.

112-140 (Reserved)

Part 6 Applying for CAP Benefits

141 Applying for Benefits

A Required Forms

In addition to FSA-860, producers applying for CAP benefits must either file or have the following on file:

- CCC-902
- CCC-926
- AD-1026
- FSA-578.

--**FSA-578 must be on file for every producer's crop acreage as of October 22, 2010. Revisions occurring after October 22, 2010, **cannot** be performed to increase acreage for**-- CAP payments. All other supporting documentation in this subparagraph must be received in the applicable County Office before issuance of the CAP payment.

B Signing and Certifying FSA-860

Producers interested in CAP must file an application during the signup period beginning October 25, 2010, through December 9, 2010. By signing FSA-860, item 14A, the applicant is:

- applying for CAP benefits for the producer listed on FSA-860, item 3
- certifying all of the following:
  - information provided on FSA-860 is true and correct
  - that the participant suffered a 5 percent or greater loss on eligible acres in the disaster county because of excess moisture or related condition for each crop and farm for which there is a claim for payment
  - the loss was because of excessive moisture or related condition, or disaster as specified in this handbook and 7 CFR Part 760.702
  - the acres affected were physically located in a primary county for which a secretarial disaster designation was approved
  - the participant has documentation to support the application and will retain that documentation for 3 years after the date of this application

--Note:** If FSA-902, FSA-926, etc., are not received by December 23, 2010, to allow payment eligibility decisions to be made on approved FSA-860's, payment action cannot be taken. Producers not submitting supporting forms are at risk because funds for CAP will be terminated at the conclusion of the program.**--

141 Applying for Benefits (Continued)

B Signing and Certifying FSA-860 (Continued)

- whether the claimed loss was because of a loss of quantity or quality for each crop on each farm in a disaster county

- that the share of the crop on FSA-860 is the producer's ownership share of the eligible crop acreage in a disaster county on a farm

  Note: If the share is incorrect, see subparagraph 22 E.

- authorizing FSA officials to request documentation to support the application for 3 years after the date of application

- acknowledging:

  - that it will be up to FSA to determine whether the documentation meets program requirements

  - that the participant will be required to refund a crop's payment with interest from date of disbursement in the event it is later determined that the producer did not suffer the claimed loss on that crop on that farm

  - all eligibility provisions, terms, and conditions of regulations governing this program at 7 CFR Part 760, Subpart H

  - that any payment made under this program will be treated as revenue under the SURE Program, 7 CFR Part 760, Subpart G.

C FSA-860 Approval or Disapproval

CAP is based on self-certification of the producer choosing to file FSA-860. COC will **not** make CAP eligibility determinations. Rather, action on FSA-860 is COC finding that the producer satisfied program requirements in filing FSA-860. All applications are subject to spot check.

The applicable COC is responsible for approving or disapproving FSA-860.

Important: FSA-860 shall be complete and contain all required information **before** requesting the producer to sign FSA-860. **No** entries shall be made on FSA-860 by FSA employees, except entries designated for COC use, **after** the producer signs FSA-860. Any additions or corrections by the producer shall be initialed and dated by producer.

141 Applying for Benefits (Continued)

C FSA-860 Approval or Disapproval (Continued)

If COC determines the applicable FSA-860 should be disapproved, County Offices shall immediately notify the producer in writing of the disapproval. The letter to the producer shall include the following:

- notification that FSA-860 was disapproved
- reason or reasons for disapproval
- applicable appeal rights according to 1-APP.

D Late-Filed FSA-860's

Neither STC nor COC has authority to approve late-filed FSA-860's.

***--** COC and STC will take no action on FSA-860's not filed by December 9, 2010, the enrollment deadline, or applicable deadline permitted using an authorized register that are not accompanied by a written statement signed by the producer explaining any of the following:

- why FSA 860 should be considered timely or why it was not filed by the deadline

- any incorrect action or advice by a specific FSA employee upon which the producer relied to the producer's detriment.

Any FSA-860 submitted **after** December 9, 2010 **must** be accompanied by an explanation from the producer before any action is taken on FSA-860. Possible action includes, but is not limited to:

- disapproving FSA-860 as simply not timely filed with no recommendation of relief

- requesting additional information from the producer

- determining that the circumstances of the case warrant consideration of relief to either STC or DAFP, as applicable.

Note: If FSA-860's submitted after December 9, 2010 are not accompanied by a signed written explanation from the producer, they will be considered incomplete and no action will be taken whatsoever.**--***

E Eligible Producers for CAP

See Part 2 for eligible producers for CAP. Each producer applying for CAP must sign FSA-860.

141 Applying for Benefits (Continued)

F General Signature Requirements

Signatures must meet the requirements of this handbook and 1-CM. An applicant must sign in the applicant's individual capacity.

G Delegation of Authority Requirements

COC or CED must act on all completed and signed FSA-860's submitted.

H Amending or Withdrawing FSA-860's

An approved FSA-860 may be amended or withdrawn at any time until the end of signup December 9, 2010; however, copies of any and all FSA-860's that have already been submitted must always be kept in the file.

Producers may, at any time from October 25, 2010, through December 9, 2010, do any of the following, as applicable:

- apply for CAP on FSA-860
- amend FSA-860 to add additional farms or crops to FSA-860, item 7
- amend FSA-860 to remove a farm or crop from FSA-860, item 7
- amend FSA-860, item 8 for any farm or crop
- withdraw 1 or more or all farms and crops from CAP.

Note: Producers must repay all CAP payments received for any farm or crop under FSA-860 that is withdrawn.

*--I Submitting FSA-860's

FSA-860's may be submitted in person at the appropriate County Office. FSA-860's may also be submitted by FAX according to 1-CM.**--***

142 FSA-860

A Parts of FSA-860

FSA-860 includes data for long grain rice, medium or short grain rice, upland cotton, soybeans, and sweet potatoes in which the producer has an interest within the disaster county. This paragraph provides a general overview of FSA-860's parts and itemizes when a part has to be completed by the producer or by the administrative county.

The following describes the parts of FSA-860.

Part		Description	Completed by
A	Producer Information	Provide producer's name, address, and phone number.	• Administrative County Office in CAP Workbook (items 3 and 4) • Producer (item 5).
B	Farm and Crop Information	Indicate eligible losses and type of loss for CAP crops for each farm number.	• Producer (items 7, 8, and 11) • Administrative County Office in CAP Workbook (items 6, 9, 10, 12, and 13).
C	Producer Certifications	Record of producer's agreement with information on FSA-860 and request to participate.	Producer after entry of all data.
D	Administrative COC Approval	Record of COC approval or disapproval of FSA-860.	Administrative COC after producer signs FSA-860.

B Crops Recorded on FSA-860

Crops that will be included on FSA-860 are long grain rice, medium or short grain rice, upland cotton, soybeans, and sweet potatoes for which a producer 2009 crop acreage in a disaster county on FSA-578. If a producer's FSA-578 did not include acreage for 1 or more of these crops for the 2009 crop year in a disaster county, the crop or crops will not appear on the application. If a producer did not have crop acreage for a crop on FSA-578 in a disaster county, that crop is not eligible for payment consideration under CAP.

142 FSA-860 (Continued)

C Acres Recorded on FSA-860

The acreage used on FSA-860 is the reported or determined acreage of the producer in a disaster county as shown on FSA-578. Producers filing FSA-860 certify that for their eligible acreage in a disaster county, a 5 percent or greater loss was suffered because of excessive moisture or related condition. Acreage not shown on a producer's FSA-578 will not be included in the calculation and will not be eligible for payment under CAP. Producers must verify that the acres provided on FSA-860 represent only eligible acres that are physically located in a disaster county. Producers may revise the acreage downward to exclude ineligible acres.

In some instances, the determined acreage for a crop was loaded as zero on FSA-578 for prevented planted acres of an initial crop because a subsequent crop was planted that did **not** meet double-cropping provisions. If the initial crop would otherwise be eligible under CAP, the approved acreage for the initial crop will be considered eligible for CAP payment. The producer must manually file FSA-860 to apply for CAP payment for those acres.

Reminder: Crop acreage eligible for payment consideration is limited to 2009 crop year planted and considered planted acreage in a disaster county on FSA-578 as of October 22, 2010. There are **no** provisions for adding 2009 crop acreage not shown in a disaster county on FSA-578 by October 22, 2010, as reported or ***--**determined crop acreage, other than the exception in this subparagraph.**--***

Note: Because some farms have tracts that may be outside disaster counties, producers filing FSA-860 for those farms are responsible for limiting acreage to the amount of acres of an eligible crop in a disaster county for that farm. If 50 percent or more of a tract's acreage physically resides in the disaster county, the tract will be considered in the disaster county for CAP purposes. The producer must manually revise the acreage recorded on FSA-860 to reflect the correct eligible acreage, if necessary.

D Share Recorded on FSA-860

The share used on FSA-860 is the producer's share for each eligible crop for each farm number reported by the producer on FSA-578. Shares not reported on a producer's FSA-578 will not be included in the calculation and will not be eligible for payment under CAP.

Producers signing FSA-860 certify that the share on FSA-860 is the producer's ownership share of the eligible crop acreage in a disaster county on a farm.

Notes: The share reflected on FSA-860 will not necessarily match the share shown on the FSA-578 summary. The eligible share for CAP is the producer's share of the crop acreage in a disaster county on a farm.

If a producer indicates a producer's share is incorrect on FSA-860, follow subparagraph 22 E.

142 FSA-860 (Continued)

E Whether Producer Suffered a 5 Percent or Greater Loss

The producer shall indicate whether or not the producer suffered a 5 percent or greater loss for the producer's share of the eligible crop acreage reflected on the application. The producer must have verifiable or reliable documentation of a 5 percent or greater loss and must retain that documentation for 3 years from the time of application; however, unless otherwise required by COC, the producer does not need to provide documentation of loss at the time of application.

--Note:** If in FSA-860, item 7, the producer does not indicate "Yes" or "No" for any crop on any farm by the end of the signup period, FSA will interpret that as "no application made" for that crop on that farm. Failure to indicate "Yes" or "No" in FSA-860, item 7 for any crop on any farm does **not** result in an incomplete FSA-860 and does **not** prevent FSA from taking action on that FSA-860.**--

F Whether Producer's Loss Was Because of Quantity or Quality

For each crop for which a producer claims a 5 percent or greater loss, the producer shall indicate whether the crop's loss was in quantity or quality. The producer must have verifiable or reliable documentation of the loss and must retain that documentation for 3 years from the time of application.

G Timing of Producer Signature

The producer shall **not** sign FSA-860 until both Parts A and B are complete. COC **cannot** act on FSA-860 until the producer has completed the application and signed Part C.

Note: Incomplete applications or applications that are not signed require no action by FSA. Producers are due decisions from FSA only on applications submitted.

142 FSA-860 (Continued)

H Example of FSA-860

The following is an example of FSA-860.

*--

This form is available electronically. Form Approved – OMB No. 0560-0272

FSA-860 (10-25-10) **U.S. DEPARTMENT OF AGRICULTURE** Farm Service Agency

2009 CROP ASSISTANCE PROGRAM (CAP) APPLICATION

1. Administrative State and County Code: 19-191

COC USE ONLY
2. Total Payment: $ 586.00

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 760, Subpart H, and Section 32 of the Agricultural Adjustment Act of 1935 (Pub. L. 74-320). The information will be used to determine eligibility to participate in disaster assistance programs for those commodity producers who suffered losses and are located in counties designated as primary disaster counties by the Secretary due to excessive moisture or related condition. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in disaster assistance programs for those commodity producers who suffered losses and are located in counties designated as primary disaster counties by the Secretary due to excessive moisture or related condition.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0272. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

PART A – PRODUCER INFORMATION

3. Producer Name	4. Producer Address *(Including Zip Code)*	5. Producer Telephone Number *(Including Area Code) (Optional)*
Joe Iowa	1234 Any Way Winning, IA 43210	111-555-1111

PART B – FARM AND CROP INFORMATION

6. Farm Number	7. Did crop in Item 9 suffer a 5 percent or greater loss?		8. If "YES" to Item 7, was loss a quantity or quality loss?		9. Crop Name	10. Share %	11. Acres	12. Payment Rate $	13. Payment Amount $
	YES	NO	QUANTITY	QUALITY					
111	X		X		soybeans	1.0	50	$15.62	$585.75

PART C – PRODUCER CERTIFICATIONS

I certify that all information contained on this application, for each crop and farm where this application is being made, is true and correct to the best of my knowledge.

I certify that I have documentation to support this application and acknowledge that FSA can demand documentation to support the application for up to 3 years after the date of application. I acknowledge that FSA shall determine whether the documentation meets program requirements.

I certify that for each crop and farm where I am making this application, I suffered a 5 percent or greater loss on my acres of the farm in the disaster county due to excess moisture or related condition, which includes flood, flash flooding, excessive rain, moisture, humidity, severe storms, thunderstorms, ground saturation or standing water, hail, winter storms, ice storms, snow, blizzard, hurricane, typhoons, tropical storms, or cold wet weather, as provided at 7 CFR Part 760, Subpart H. I agree that in the event it is later determined that I did not suffer the claimed loss on any crop and farm, I will be required to refund the payment on that farm for that crop with interest from date of disbursement.

I acknowledge and agree that I have met all eligibility provisions, terms, and conditions of the regulations governing this program at 7 CFR Part 760, Subpart H.

I acknowledge that any payment made under this program will be treated as revenue under the Supplemental Revenue Assistance Payments (SURE) Program, 7 CFR part 760, Subpart G.

14A. Producer's Signature (By)	14B. Title/Relationship of the Individual Signing in the Representative Capacity	14C. Date (MM-DD-YYYY)
/s/ Joe Iowa		10-25-2010

PART D – RECORDING COC APPROVAL OR DISAPPROVAL OF APPLICATION

15A. COC Action on Application	15B. COC Signature	15C. Date (MM-DD-YYYY)
☒ Approved ☐ Disapproved	/s/ Bob Smith	10-29-2010

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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143 Processing FSA-860's

A Processing FSA-860's

Process FSA-860 for each eligible producer according to the following.

Step	Action
1	Confirm that producer has filed the following: •*--CCC-902--* • CCC-926 • FSA-578 • AD-1026.
2	Follow guidelines in Part 7 for assembling data for entry into spreadsheet.
3	Enter producer's telephone number (optional).
4	*--Enter applicable selections for which crops suffered a 5 percent or greater loss--* as directed by producer into spreadsheet according to Part 7.
5	Enter applicable selections for which loss was in quantity or in quality as directed by producer into spreadsheet according to Part 7.
6	Review acres with producer. Revise acres to exclude ineligible acres if necessary.
7	Review data on FSA-860 with producer.
8	See 1-CM for producer signature on FSA-860.
9	COC will determine producer overall eligibility according to Part 2.
10	COC will: • act on FSA-860 according to subparagraph 4 E • sign and date Part D.
11	Retain copy of complete FSA-860.

144 Restrictions and Limitations

A Restriction on Unapproved Forms

State and County Offices shall **not** use unapproved forms, worksheets, applications, or other documents to obtain or collect the data required from participants to complete FSA-860.

B Limitations on Initiating FSA-860's

A producer may initiate or complete FSA-860 for eligible crop acreage in disaster counties only in the producer's administrative county.

145-165 (Reserved)

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Part 7 CAP 2009 Workbook Process and GIS

166 CAP 2009 Excel Workbook

A Overview

The CAP 2009 Excel Workbook will:

- be used to process applications and calculate CAP benefits
- use queries from System 36 to pull eligible CAP crop acreage into the workbook.

The CAP 2009 Excel Workbook (filename fsa-860.xlm), along with System 36 and workbook instructions, can be found at **http://fsaintranet.sc.egov.usda.gov/dafp/**.

167 GIS in CAP

A Using GIS for CAP

Subparagraph B provides a process using GIS in CAP to locate, identify, and analyze CLU's by tract. For the purpose of this procedure, all mention of CLU's shall refer to all the CLU's comprised of the tract or tracts being identified. In addition, this procedure will provide:

- counties with a process to identify which CLUs' are not located within the physical boundary of county; i.e. in/out transfers

- an additional process to compare GIS results to the System 36 query results in identifying tracts that could result in any adjustments in program eligible acres.

Note: Counties shall use the GIS process for identifying CLU's physically located outside county boundaries, however, noncertified CLU counties shall **not** use GIS acres as their official FSA acres for any program analysis.

167 GIS in CAP (Continued)

B GIS Processes for Selecting CLU's

There are multiple ways that GIS can be used to identify CLU's that are physically located outside of a county boundary. This can be accomplished through out-of-the- box GIS or by using the FSA custom Maintenance Tool. The following are suggested methods to use:

- "Select By Attribute" - select CLU's based on their attribute of "FSA State Code" of "FSA County Code"
- "Select By Location" - select CLU's based on their physical location with respect to a county boundary file
- "Select by Producer/Farm/Tract" - selects CLU's based on a producer, farm, or tract.

Once the out of county CLU's have been identified, the following options for data output can be used to maintain and manage the data for this program:

- exporting the attribute table of the selected set will produce a printable report that can be compared with the System 36 report for tract acreage eligibility in the program
- clipping CLU's by using the Clip Analysis Tool to create a separate geospatial layer of out of county CLU's.

Notes: Management of the mentioned datasets are at the discretion of each State GIS Specialist. State Office GIS Specialists shall provide guidance to their County Offices as needed.

It is recommended that a mentioned CLU selection and output process be ran at least once for program analysis. However, if maintenance or editing, i.e. in/out transfers, of the CLU layer occurs during the duration of CAP, this process should be re-run to ensure accurate GIS data outputs.

C Additional Datasets and Documentations

Access the CAP Eligible Counties layer to be used in GIS projects as needed when identifying CLU's physically located outside a counties boundary at **https://fsa.sc.egov.usda.gov/mgr/GIS/training/Program%20Areas/GIS%20Data.aspx?RootFolder=%2fmgr%2fGIS%2ftraining%2fGIS%5fDATA%2fPECD&FolderCTID=&View=%7b93494D52%2dC48C%2d44FB%2dACD2%2d2E310C391DC5%7d**.

GIS tips and tricks documents for using the "Select by Location" and "Select by Attribute" process will be posted on the FSA GIS SharePoint web site at **https://fsa.sc.egov.usda.gov/mgr/GIS/training/Program%20Areas/Tips%20and%20Tricks.aspx**.

168-185 (Reserved)

Part 8 Payments

186 Payment Limitation

A Rule

Producers applying for 2009 CAP benefits are subject to direct attribution provisions.

B Payment Limitation

The payment limitation for the CAP Program is $100,000 per person or legal entity.

Since the payment process for CAP has **not** been fully automated, County Offices must **manually** monitor payment limitation to ensure that the total payment amount issued does **not** exceed the $100,000 payment limitation. The CAP payment will issue 75 percent of the payment in advance. After signup is completed and funds are evaluated, an additional payment of up to 25 percent may be issued in a final payment. The payment limitation will have to be manually monitored through the issue of final payments to ensure the total payment amount issued does **not** exceed the $100,000 payment limitation.

C Effect of AGI on Payment Limitation for Entities

If a member of an entity is not eligible because of AGI provisions, the payment limitation for the entity is reduced by the ineligible member's ownership share in the operation. County Offices shall take this into consideration when controlling payment limitation.

Example: ABC Corporation has 2 members, each with a 50 percent share. Member 1 does not meet AGI provisions. The corporation has a $100,000 payment limitation, but since Member 1 does not meet AGI provisions, the payment limitation for the corporation is reduced by 50 percent and the maximum payment that can be issued to the corporation is $50,000.

Note: Other payment eligibility provisions, such as conservation compliance, fraud, etc., do **not** affect the payment limitation for the entity because AGI is the **only** payment eligibility that is checked for members of entities.

187 Payment Eligibility

A Introduction

Producers applying for CAP benefits must be in compliance with certain 2009 payment eligibility provisions in addition to being an eligible CAP producer.

*** * ***

187 Payment Eligibility (Continued)

B Payment Eligibility Requirements

The following provides:

- which 2009 eligibility provisions are applicable for CAP
- for applicable provisions, which values updated in the subsidiary web-based eligibility system make the producer eligible for payment or not eligible for payment.

Note: See 3-PL for additional information on updating eligibility data.

Payment Eligibility Certification/Determination	Applicable	Eligible	Not Eligible
Actively Engaged	No		
AD-1026	Yes	Certified	Not Filed
		Good Faith Determination	Awaiting Affiliate Certification
		COC Exemption	Affiliate Violation
Adjusted Gross Income	Yes	Compliant	Not Filed
		Compliant - Agent	Not Met – COC
		Exempt	Not Met – Producer
Beginning Farmer or Rancher	No		
Cash Rent Tenant	No		
Conservation Compliance (Farm Tract Eligibility)	Yes	In Compliance	In Violation
		Partial Compliance	No Association
		Reinstated	Past Violation
Controlled Substance	Yes	No Violation	Growing
			Trafficking
			Possession
Delinquent Debt	No		
Federal Crop Insurance	No		
Fraud, including FCIC Fraud	Yes	Compliant	Not Compliant
Foreign Person	No		
Gross Revenue for NAP	No		
Limited Resource Farmer or Rancher	No		
NAP Noncompliance	Yes	Compliant	Not Compliant – COC
Socially Disadvantaged Farmer or Rancher	No		

187 Payment Eligibility (Continued)

C Payment Eligibility for Members of Entities and Joint Operations

The following provides payment eligibility provisions applicable to members of joint operations and entities.

IF for members of…	THEN the following provisions are applicable...
entities	AGI. **Note:** Eligible values listed in subparagraph B also apply to members of entities for AGI eligibility.
joint operations	the same rules for producers applying for benefits also apply to: • 1st level members of joint operations • 2nd, 3rd, 4th, and 5th level members of joint operations of the previous level member is a joint operation. **Example:** ABC Partnership has 2 members, an individual and another general partnership. Payment eligibility is also checked for the 2nd level members of the 1st level general partnership.

188 Controlling the $100,000 Payment Limitation

A Nationwide Control

All 2009 CAP payments must be recorded manually:

- on a payment limitation ledger according to subparagraph B
- for each payment recipient, includes amounts received both directly and indirectly
- for members of joint operations
- for members of legal entities.

B Payment Limitation Ledger Requirements

--**Complete a ledger for each multi-county producer or any individual or entity expected to reach the payment limitation:**--

- legal entity
- member of a legal entity.

For a multi-county producer, either:

- the recording/control county will be the keeper of the ledger
- if the recording/control county are different counties, then any of the following:
  - the eligibility recording county
  - the county identified on the producer's MABDIG in the "Rc St&Cty" column of the Multi-County Information Section
  - County Offices may use FWADM to obtain a report of payments issued to a producer.

188 Controlling the $100,000 Payment Limitation (Continued)

C Application of the Maximum Limitation

When the maximum limitation is **reached**:

- notify all affected County Offices, including the control/recording county, by the quickest means possible
- no additional 2009 CAP payments can be issued:
  - to the "person" as determined
  - directly or indirectly to the individual and/or legal entity.

If the maximum limitation is **exceeded**, the recording/control county shall:

- notify **all** affected County Offices by the quickest means possible to cease all payment approval activity for the producer
- determine which payment caused the limitation to be exceeded
- notify the County Office that issued the payment and direct them to establish a receivable for the overpaid amount according to applicable FI notices about NRRS and 64-FI.

189 Available Spreadsheets for the Payment Limitation Ledger

A Payment Limitation Ledger

Excel spreadsheets have been developed to record and control manual CAP payments.

These Excel spreadsheets may be obtained online at **http://intranet.fsa.usda.gov/dafp**. The following is an example of a Payment Limitation Ledger for 2009 CAP.

Payment Limitation Ledger
2009 CAP Payments
(printed 9/23/2010 10:26 AM)

1) Individual's Name:	(NAME)	4) Crop Year:	2009
2) Common Attribution with this person:	(minor child/rev. trust)	5) Control/recording county:	
3) Related Farming Interests:			

A	B	C	D
Name of Payee (Farming Interest)	County	CAP Payment	Attributed Payment Amount
(Name) - individually	County	$ -	$ -
(Minor Child) - individually	County	$ -	$ -
(extra line - entity 1)	County	$ -	$ -
(extra line - entity 2)	County	$ -	$ -
(extra line - entity 3)	County	$ -	$ -
(extra line - entity 4)	County	$ -	$ -
(extra line - entity 5)	County	$ -	$ -
(extra line - joint operation 1)	County	$ -	$ -
(extra line - joint operation 2)	County	$ -	$ -
(extra line - joint operation 3)	County	$ -	$ -
(extra line - joint operation 4)	County	$ -	$ -
(extra line - joint operation 5)	County	$ -	$ -
TOTAL ATTRIBUTED PAYMENTS			$ -
Balance Available			$ 100,000.00

General Instructions (See example below)

1) Enter the name of the Individual for whom payment limitations will be tracked.
2) Enter the name of any minor child or revocable trust subject to common attribution with this Individual.
3) List all farming interests in which the Individual has a direct or indirect share (including interests subject to common attribution).
5) Enter name of Control/recording county.

For each payment made complete Columns A-G as follows:

Column A) List all farming interests receiving payment with direct or indirect interests attributable to this Individual.
Column B) Show the county where payment was issued.
Columns C) Enter TOTAL AMOUNT PAID in the County to the Payee listed in Column A.

Note: Formulas in the worksheet will calculate the attributed payment and total attributed payments.

Note: Extra lines under Columns A-H can be deleted without affecting the calculations.

Payment Limitation Ledger
2009 CAP Payments
(printed 9/23/2010 10:31 AM)

EXAMPLE

1) Individual's Name:	Joe Farmer	4) Crop Year:	2009
2) Common Attribution with this person:	Jimmy Farmer, Farmer Rev Trust	5) Control/recording county:	
3) Related Farming Interests:	Joe Farmer, Farmer Rev Trust, 2 F GP, Farmers Ltd		

A	B	C	D
Name of Payee (Farming Interest)	County	CAP Payment	Attributed Payment Amount
Joe Farmer - individually	Wilson	$ 22,030.00	$ 22,030.00
Farmer Rev Trust	Wilson	$ 4,210.00	$ 4,210.00
Farmers Ltd (Jimmy's share)	Harding	$ 1,380.00	$ 1,380.00
Farmers Ltd (Joe's direct & indirect share)	Harding	$ 2,600.00	$ 2,600.00
2 F GP (Joe's share)	Wilson	$ 23,425.00	$ 23,425.00
TOTAL ATTRIBUTED PAYMENTS			$ 53,645.00
Balance Available			$ 46,355.00

190 Manual Payment Process

A Determining the CAP Payment Amount

The CAP payment amount will be determined by completing FSA-860. Complete FSA-860 according to paragraph 143. CAP will prorate the payment by 75 percent. After signup is completed, available funds will be evaluated to determine whether an additional payment of up to 25 percent can be issued. The estimated CAP payment does **not** take into account any payment reductions for the following:

- AGI
- substantive change
- direct attribution
- payment limitation.

--**If applicable, these reductions will be applied before payments are issued.**--

B Determining Producer Payment Eligibility

County Offices must manually review eligibility files to determine whether a producer or members of joint operations meet the following eligibility conditions:

- average AGI provisions according to 4-PL
- conservation compliance provisions according to 6-CP
- controlled substance provisions
- fraud, including FCIC, determination
- CCC-901 on file for legal entities according to 4-PL.

191 Funds Control

A E-Funds Accounts

Funds for 2009 CAP will be allocated to fund code 2776 with program name "Disaster - High Moisture Disaster".

B State Office Access to the E-Funds Application

State Office specialists with access to programs categorized as "disaster programs program group" automatically have access to the CAP eFunds account.

If access is required for a State Office employee that currently does not have access to the "disaster programs program group", a request shall be e-mailed to Sandy Bryant at **sandy.bryant@wdc.usda.gov** with the name and eAuth ID of the individual that needs access.

C Requests for Additional State-Level Allocations

An initial allocation has been established for each account for each State. State Offices are responsible for allocating funds to County Offices. When the allocated funds for the State have been exhausted, State Offices shall send an e-mail to **all** of the following specifying the additional allocation needed for each account:

- Sandy Bryant at **sandy.bryant@wdc.usda.gov**
- Steve Peterson at **steve.peterson@wdc.usda.gov**
- Tracey Smith at **tracey.smith@wdc.usda.gov**
- Tina Nemec at **tina.nemec@wdc.usda.gov**
- Lenior Simmons at **lenior.simmons@wdc.usda.gov**.

Note: Funds are limited so State Offices shall ensure that amounts are requested based **only** on approved FSA-860's. A reserve is **not** available to provide allocations based on projected amounts.

191 Funds Control (Continued)

D Allocating Funds to County Offices

Initial funds will be allocated based on program estimates using eligible acreage from FSA-578. If necessary, authorized State Office users shall allocate funds to County Offices based on the amounts computed through the CAP Workbook process. However, amounts paid to entities and joint operations will be attributed to members, so the actual payment amount may differ slightly from the amount calculated through the CAP Workbook process.

Example: ABC Partnership is comprised of 2 members, each with a 50 percent share. The calculated CAP payment is $101. Amounts are attributed to members in whole dollars, so each member would be attributed $52, resulting in a final payment for ABC Partnership of $102.

If the State Office only allocated $101 for the CAP payment for ABC Partnership, then the payment will not be issued because of insufficient funds.

Recommendation: State Offices should allocate a small amount more than what is calculated through the CAP Workbook process to account for these rounding differences.

192 Financial System Provisions

A Administrative Offset

CAP payments are subject to administrative offset.

B Assignments

CAP payments are assignable and jointly payable. If a producer elects to assign the payment or make the payment jointly payable, CCC-36 or CCC-37, as applicable, shall be filed according to 63-FI in the producer's eligibility recording county.

County Offices shall establish the assignment or joint payment in the Financial Services System using program code 09DISCAP.

C Bankruptcy

CAP payments shall be issued to producers involved in bankruptcy proceedings according to guidance provided by the OGC regional attorney.

Note: County Offices shall not record the manually calculated payment amounts in the automated system until guidance is received from the OGC regional attorney.

D Direct Deposit

County Offices shall verify direct deposit information has been recorded correctly in the Financial Services System.

193 Preparing to Issue Payments

A Introduction

The 2009 CAP payment process is a manual process so the County Office will need to determine whether a payment should be issued and how much should be issued.

For payments to be issued correctly, all supporting files must be verified to be correct before the payment is issued.

B Action To Be Completed Before Issuing Payments

Before issuing any 2009 CAP payments, certain actions **must** be completed to ensure that the producer is eligible for payment. The following provides actions that **must** be completed **before** issuing CAP payments. COC, CED, or designee shall ensure that **all** actions are completed.

Item	Action
1	Ensure that all FSA-860 data has been recorded in the CAP Workbook and the 2nd party review is completed.
2	Ensure that FSA-860 has been approved by COC or their designee, as applicable.
3	Ensure that SCIMS data is updated for the producer, and each member of a joint operation or entity, including: • customer name • citizenship country and resident alien status, if applicable • TIN • address.
4	Ensure that combined producer information is recorded in the web-based combined producer system according to 3-PL for producers applying for 2009 CAP benefits.
5	Ensure that the following 2009 eligibility certifications and determinations have been recorded in the web-based eligibility system according to 3-PL: * * * • AGI (2009 Farm Bill) • AD-1026 • Conservation Compliance.
6	Ensure that the 2009 entity and joint operation files are updated correctly according to 2-PL for the year for producers are seeking benefits.

193 Preparing to Issue Payments (Continued)

B Action To Be Completed Before Issuing Payments (Continued)

Item	Action
7	Ensure that sufficient funds have been allocated to the county.
8	Ensure that the Financial Services System has been updated with all the following information: • direct deposit information • assignments and joint payee information, if CCC-36, CCC-37, or both were filed for CAP • bankruptcy status.
9	Ensure that the payment amounts calculated through the CAP Workbook are recorded in the Online payment software according to paragraph 194.

194 Online Payment Process

A Web-Based Payments Process

Complete web-based payments according to this table.

Step	Action	Result
1	Access the Online Payments Home Page according to 1-FI, subparagraph 63 A.	The Online Payment Screen will be displayed.
2	On the Online Payment Screen, CLICK "Create a Payment".	The Create Payment Screen will be displayed.
3	On the Create Payment Screen: • select the State and county from the drop-down menu • enter program code "**09DISCAP**" • CLICK "Select".	The SCIMS Customer Search Screen will be displayed.
4	Select the applicable producer on the SCIMS Customer Search Screen.	The Create Payment – Payment Entry Screen will be displayed.
5	On the Create Payment – Payment Entry Screen, enter the following: • Payment Amount • Confirm Amount • Issue Date - **date payment is to be issued** • Prompt Payment Due Date - **enter 30 calendar days in the future, if applicable** ***--Note:** This is 30 calendar days from the later of the date the producer signs the application or submits all supporting documentation.**--*** • Contract Number - "**0001**".	The Create Payment – Payment Detail Screen will be displayed.
6	On the Create Payment – Payment Detail Screen, CLICK "OK".	The Online Payment Customer Search Screen will be displayed.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

No reports.

Forms

The following lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (Includes AD-1026 Appendix)		Text
CCC-36	Assignment of Payment		172, 173
CCC-37	Joint Payment Authorization		172, 173
CCC-576	Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program		77
CCC-770 ELIG 2008	Eligibility Checklist - 2008 Farm Bill		9
CCC-901	Members Information 2009 and Subsequent Years		170
CCC-902			21, 141, 143
CCC-926	Average Adjusted Gross Income (AGI) Statement		141, 143
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		21
FSA-578	Report of Acreage		Text
FSA-770 CAP	Crop Assistance Program (CAP) Checklist	9	Text
FSA-860	2009 Crop Assistance Program (CAP) Application	142	Text
I-551	Alien Registration Receipt Card		21

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following lists approved abbreviations not listed in 1-CM.

Approved Abbreviation	Term	Reference
BF	Beginning farmer or rancher	6
CAP	Crop Assistance Program	Text
FWADM	Financial Web Application Data Mart	168
IU	Intended use	51
LR	Limited resource farmer or rancher	6
NIFA	National Institute of Food and Agriculture	6, 51, 53
NRRS	National Receipts and Receivables System	1, 168

Redelegations of Authority

The following table lists redelegations of authority in this handbook.

Redelegation	Reference
COC may delegate responsibility to CED for approving FSA-860's.	5

Definitions of Terms Used in This Handbook

Actual Production

Actual production is the total of a farm's harvested and appraised production, by crop, type, and intended use.

Appraised Production

Appraised production is production determined by FSA, RMA, FCIC, company reinsured by FCIC, or other appraiser acceptable to CCC, that was unharvested but reflected the crop's yield potential at the time of appraisal.

CAP Acreage

CAP acreage is the reported or determined 2009 crop year acreage of an eligible crop on a farm or tract in a disaster county.

County Average Yield

County average yield is the per acre yield, of a crop by practice and intended use as applicable.

Crop

Crop means all acres based on crop, type, and IU.

Eligible Crops

Eligible crops mean the reported or determined 2009 crop year planted or considered planted acreage of long grain rice, medium or short grain rice, upland cotton, soybean, or sweet potato crop acreage for a producer on a farm in an eligible disaster county as reflected on 2009 crop *****--year FSA-578 as of October 22, 2010.--*****

Eligible Disaster

Eligible disaster is a producer's loss of an eligible crop on a farm in a disaster county because of disaster as specified in 7 CFR Part 760, Subpart H as excessive moisture or related condition, including flood, flash flooding, excessive rain, moisture, humidity, severe storms, thunderstorms, ground saturation or standing water, hail, winter storms, ice storms, snow, blizzard, hurricane, typhoons, tropical storms, or cold wet weather.

Definitions of Terms Used in This Handbook (Continued)

Eligible Producer

An eligible producer is an individual or legal entity that is entitled to an ownership share interest, production, and market risk associated with the agricultural production of crops on the farm and is any of the following:

- United States citizen
- lawful alien possessing a valid I-551
- partnership of citizens of the United States
- corporation, limited liability corporation, or other farm organizational structure organized under State law.

Note: Landowners, landlords, tenants, contract growers, or anyone else not having both an ownership share of a crop and share of the risk are ineligible for CAP assistance for that crop.

Established Market Price

Established market price is the average price established for the applicable crop/use based on unaffected by quality production sold at local markets at the time of normal harvest of the crop.

Harvested Production

Harvested production is all production of the eligible crop from the farm that can be supported by an acceptable record, including, but not limited to, production:

- gathered by hand
- mechanically harvested.

Insurance or NAP approved Yield

Insurance or NAP approved yield is the risk management yield, either established through crop insurance or NAP, which was the expected yield for a producer for the crop year.