

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Direct and Counter-Cyclical Program and
Average Crop Revenue Election for 2009
and Subsequent Crop Years
1-DCP (Revision 3)**

Amendment 13

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 188 A has been amended to clarify how the producer-paid crop insurance affects the farm ACRE guarantee.

Subparagraph 332 B has been amended to clarify the instructions for CCC-509, item 6. This policy is applicable to CCC-509's filed in the 2009 contract year and all future years.

Subparagraph 397 B has been amended to clarify the timeframe to provide zero share signatures.

Subparagraph 445.5 F has been added to emphasize that the late-filed enrollment period has no effect on ACRE Elections.

Page Control Chart		
TC	Text	Exhibit
	4-31, 4-32 6-2.5, 6-2.6 6-155, 6-156 7-63, 7-64	

188 Per Acre Producer-Paid Crop Insurance Premium

A Requirement for Reporting Per Acre Producer-Paid Crop Insurance Premium

[7 CFR 1412.76] The farm ACRE benchmark revenue for the crop year for a covered commodity or peanuts will equal the sum obtained by adding:

(1) The amount determined by multiplying:

- (i) The average yield per planted acre for the covered commodity or peanuts of the producers on the farm for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields and
- (ii) The ACRE program guarantee price for the applicable crop year for the covered commodity or peanuts in a State

(2) The amount of the per acre crop insurance premium required to be paid by the producers on the farm for the applicable crop year for the covered commodity or peanuts on the farm.

Producers are **not** required to purchase crop insurance to participate in ACRE; however, if a producer does have crop insurance with a premium-based insurance policy, value is added to *--the farm ACRE guarantee that increases the likelihood that a farm will trigger.--*

The farm ACRE guarantee calculation requires that producers report their per acre producer-paid crop insurance premium. Collect this information on CCC-538. The amount of the premium recorded on CCC-538 shall **not** include the State or Federal subsidized portion of the premium.

There is no timeframe for completing CCC-538; however, payments will **not** be calculated until the information is provided to the County Office and CCC-538 is complete.

If a State trigger is **not** met for a specific covered commodity or peanuts, the producer-paid crop insurance premium for that covered commodity or peanuts does not need to be provided by the producer. The insurance software will default to zero, however, County Offices will need to enter signature types according to 2-DCP.

All producers who share in an ACRE crop on FSA-578 **must** have an entry in the crop insurance system **before** an approval date can be entered in that system.

All designated crops must have insurance premium data loaded into the system before an approval date can be entered.

***--188 Per Acre Producer-Paid Crop Insurance Premium (Continued)**

B Completing CCC-538

Complete CCC-538 according to the following table.

Item	Instructions
1A	Enter the County Office name and address.
1B	Enter the County Office telephone number. Note: This is an optional entry.
2	Enter the applicable crop year.
3	Enter the applicable State code.
4	Enter the applicable county code.
5	Enter the applicable farm number.
6	Enter the applicable covered commodity or peanuts and the practice that the producer is reporting the per acre producer-paid crop insurance premium.
7	Enter the producer's name who is reporting the per acre producer-paid crop insurance premium.
8	Enter the producer's premium per acre.
9A	Each producer identified in item 7 shall sign.
9B	If the individual signing in item 9A is signing in a representative capacity for the participant, a title/relationship shall be listed. If the individual in item 9A is the signatory, then no entry is required.
9C	Enter the date the producer or person signing in a representative capacity completes CCC-538.
10A	The County Office employee accepting the completed CCC-538 shall sign. Note: The employee shall not sign until CCC-538 is complete.
10B	Enter the title of the County Office employee accepting the completed CCC-538.
10C	Enter the date the County Office employee accepted the completed CCC-538.

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332 Overview of CCC-509 (Continued)

B CCC-509 Instructions (Continued)

Item	Instructions
4	Enter the applicable farm serial number. Note: This will be prefilled if generated in DCP/ACRE software.
5A	Enter the County Office name and address of the farm serial number in item 4. Note: This will be prefilled if generated in DCP/ACRE software.
5B	Enter the telephone number of the County Office identified in item 5A (optional). Note: This will be prefilled if generated in DCP/ACRE software.
6	Check (✓) the box adjacent to: <ul style="list-style-type: none"> • “DCP” if the farm serial number in item 4 is participating in DCP • “ACRE” if the farm serial number in item 4 is participating in the ACRE Program. An entry cannot be made in both boxes. If the farm is participating in ACRE, an approved CCC-509 ACRE must be on file for either the current year or a previous year. Producer’s *--initials must be 1 or more of the following: <ul style="list-style-type: none"> • operator • any producer receiving a share of the direct payment.--*
7	This item is only applicable to farms with 10.0 base acres or less. The farm operator or farm owners shall check (✓) the box adjacent to “YES” if the ownership interest of the farm is at least 50 percent held by SDA or limited resource farmer or rancher or group of farmers or ranchers.
8	Enter the commodity or peanuts that have base acres on the farm listed in item 4. Note: This will be prefilled if generated in DCP/ACRE software.
9	Enter the number of base acres of the commodity or peanuts listed in item 8. Note: This will be prefilled if generated in DCP/ACRE software.
10A	Enter 83.3 percent of the base acres listed in item 9 for the commodity identified in item 8. This amount may be calculated by multiplying the number of base acres in item 9 times 83.3 percent. This percentage is used for calculating DCP direct payment acres for 2009 through 2011. Note: This will be prefilled if generated in DCP/ACRE software.
10B	Enter 85 percent of the base acres listed in item 9 for the commodity identified in item 8. This amount may be calculated by multiplying the number of base acres in item 9 times 85 percent. This percentage is used for calculating DCP direct payment acres for 2012 only and counter-cyclical payment acres for 2009 through 2012. Note: This will be prefilled if generated in DCP/ACRE software.
11A	Enter the direct payment yield for the crop in item 8. Note: This will be prefilled if generated in DCP/ACRE software.

332 Overview of CCC-509 (Continued)

B CCC-509 Instructions (Continued)

Item	Instruction
11B	Enter the counter-cyclical yield for the crop in item 8. Notes: This will be prefilled if generated in DCP/ACRE software. This yield is not applicable for ACRE payments.
12A	Enter the name and address of the farm operator, owner, or other tenant for the farm identified in item 4. Note: This will be prefilled if generated in DCP/ACRE software.
12B	Enter the telephone number for the producer in item 12A (optional). Note: This will be prefilled if generated in DCP/ACRE software.
13	Enter the commodity or peanuts that have base acres on the farm listed in item 4. Note: This will be prefilled if generated in DCP/ACRE software.
14	Enter the percentage interest of direct, counter-cyclical, and direct ACRE payments that the producer in item 12A has in the covered commodity or peanuts listed in item 13. Note: This percentage is not applicable to ACRE payments.
15A	The producer shall check (✓) any box to refuse: <ul style="list-style-type: none"> • all direct payments • all counter-cyclical payments • all ACRE payments. If no payments are refused, no entry is required.
15B	The producer refusing the payment shall initial. If no payments are refused, no entry is required.
15C	The producer refusing the payment shall enter the date the payment was refused. If no payments are refused, no entry is required.
16	If the producer in item 12A wishes to receive an advance direct payment for either DCP or ACRE, then the month and year shall be entered.
***	***
17A	The producer identified in 12A shall sign.
17B	If the individual signing in item 17A is signing in a representative capacity for the participant, a title/relationship shall be listed. If the individual in item 17A is the signatory, then no entry is required.
17C	Date the shareholder or person signing in a representative capacity signs CCC-509.
18A	The CCC representative or delegated representative shall sign indicating approval of CCC-509.
18B	Enter the date the CCC representative signs item 18A.
19	Enter any applicable remarks.

396 Other Signature Requirements

A Approving CCC-509 and Advance Payments

CCC-509 participants may receive a 22 percent advance direct payment at anytime after enrollment, but no later than September 30 of the contract period. COC can approve CCC-509's for payments if:

- signature requirements have been met according to paragraph 394
- all required documents have been provided
- the participant has specified the month payments are requested.

--CCC-509 participants may request to receive a partial counter-cyclical payment at any time after enrollment through the date the final payment rate becomes effective. If the Secretary estimates that counter-cyclical payments will be required, a partial payment of no more than 40 percent may be made after completion of the first 6 months of the marketing year.--

Notes: See 2-DCP (Rev. 1) for entering requests for advances in the system.

*--Advance direct payments are **not** authorized for 2012.

Partial counter-cyclical payments are **not** authorized for 2011 and 2012.--*

B Processing Revised CCC-509's

If it is necessary to revise shares on an approved CCC-509 before September 30 of the contract period and before issuing payments, follow these steps.

Step	Action
1	Use automated procedures in 2-DCP (Rev. 1) to remove COC approval date when producer signature requirements have not been met.
2	Use the automated procedure in 2-DCP (Rev. 1) to process share revisions.
3	Print a revised CCC-509 and obtain signatures for producers revising shares.
4	On the revised CCC-509, ENTER "See Attached" in the signature block for owners who previously designated shares and producers whose shares were not affected by a transfer or change in interest of land.
5	Attach the revised CCC-509 to the original CCC-509.

COC shall approve payment shares on the revised CCC-509.

Notes: COC CCC-509 approval date should reflect the date COC approves the revised CCC-509 for payment.

See paragraphs 175, 187, and 207 for ACRE Program CCC-509's.

397 Missing Signatures

A Incomplete Enrollments With a Share Greater Than Zero

[7 CFR 1412.41(a)(3)] Under no circumstances will enrollment be permitted except as provided at 7 CFR 1412.41. DCP or ACRE Program contracts will not be approved unless all producers sharing in base acres with more than a zero share have enrolled.

If anyone who has an entitlement to a share of base acres has not signed CCC-509:

- COC shall take no action on CCC-509
- by June 1 (August 14, 2009, for 2009), consider CCC-509 withdrawn.

Note: See subparagraph D for exception.

See subparagraph 445.5 C for late-file enrollment provisions applicable to 2010 and subsequent crop years.

See subparagraph 394 G.

If an individual or entity has an FSA-578 share of covered commodity or peanuts and the individual or entity wants to make themselves potentially eligible for ACRE Program payments under an ACRE Program contract, the individual or entity must sign the ACRE Program contract by September 30 of the contract year.

The failure of any producer who does not have a share of base acres but who, according to FSA-578, has a share of covered commodities or peanuts planted or considered planted on a farm enrolled under an ACRE Program contract, to sign the ACRE Program contract during the contract period shall render that producer's share ineligible for ACRE payment consideration for that or any other producer.

See paragraph 207 for ACRE Program contracts.

B Incomplete Enrollments of Persons With an Interest But a Zero Share

[7 CFR 1412.41] For those producers with an interest but a zero share of base acres, the DCP or ACRE Program contract will not be approved before all producers have signed the CCC-509 or furnished supportive and necessary contractual documents (such as cash leases in lieu of signing for a zero share).

CCC-509 with missing signatures of producers with an interest, but a zero share of base acres, may be acted on and approved if the provisions of subparagraph 352 J are met.

--Missing signatures that are provided according to this subparagraph may be submitted at anytime.--

445.5 Enrollment (Continued)**E Prohibition on Enrollments Following Conclusion of the Contract Year**

The contract period for CCC-509's ends on September 30. No offer or enrollment attempt after September 30 of a contract year will be considered by COC or STC. Producers are **not** entitled to any sort of decision, relief, or other consideration on any request to enroll after the contract period has passed. Accordingly, FSA offices and committees will **not** do any of the following:

- consider or render any sort of adverse decision or relief decision on CCC-509's signed by anyone after the contract year has passed, **regardless** of the reason the individual or entity did not enroll before the contract period passed
- forward any recommendation of approval or relief for anyone who offered to enroll a contract after the contract period passed
- provide any right of appeal or appealability to anyone making an inquiry about enrollment after the contract period passed.

Note: Producers have a right of review or appeal **only** on adverse decisions and **only** where there are legitimate disputes of fact. See 1-APP.

Actions permitted when CCC-509's are received after September 30 of the contract year include the following:

- filing the original CCC-509 with producer's signature in the farm file
- not acting on, approving, or disapproving CCC-509's for the previous contract year.

Notes: County Offices will **not** discourage any producer from signing CCC-509's at any time. FSA is **not** required to act on CCC-509's submitted after the contract year ends. COC's and STC's will follow this subparagraph for all CCC-509's submitted after the contract year expires.

No letter of determination will be issued to producers who choose to submit CCC-509's after the end of a contract year.

***--F Effective on ACRE Election**

The policy included in this paragraph is for DCP and ACRE enrollment only. The deadline to complete ACRE election is in subparagraph 176 C. There are **no** provisions for late-filed ACRE elections.--*

446 Payment Limitation and AGI

A Payment Limitations

See subparagraph 10 I for payment limitations.

B AGI

See 4-PL for AGI provisions.

447 Commodities Grown Under Contract on Base Acres

A Background

In recent years, the number of and kinds of commercial grower contracts have increased. These contracts differ greatly in the amount of risk borne by the company and the grower.

Under commercial grower contracts, any of the following may occur:

- the grower has no share of the crop but may have risk

Note: The grower in this instance is actually an independent contractor or custom farmer for the company.

- both the company and the grower share in the crop and in the risk of producing the crops
- only the grower shares in the crop and in the risk of producing the crops.

Note: This paragraph does **not** apply to hybrid seed contracts.

B Eligibility for Payments

The following provides guidance for determining eligibility for payments when crops under a commercial grower contract are produced on base acres.

IF the grower has...	THEN, if otherwise eligible, the grower is...
a share of the crop and has all or some of the risk in producing the crop or crops grown on base acres	eligible to receive all of a DCP or ACRE payment for those acres.
no share of the crop under the grower contract but may have some or none of the risk in producing a crop that is grown on base acres	not eligible to receive a DCP or ACRE payment for those acres because the grower does not meet the definition of a producer on those acres.
a share of the crop under the grower contract and also some, but not all of the risk in producing a crop that is grown on base acres	<ul style="list-style-type: none"> • eligible to receive a portion of a DCP or ACRE payment if all other requirements are met • not eligible to receive the entire DCP or ACRE payment for those acres.

Note: Growers who have no share of a crop grown on base acres are always ineligible for payments on those acres, regardless of risk.