



## “SCOOP”

### ARKANSAS FARM SERVICE AGENCY - STATE OFFICE

FEBRUARY 2013

**DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP) AND  
AVERAGE CROP REVENUE ELECTION PROGRAMS (ACRE)  
HAVE BEEN EXTENDED FOR 2013**

The American Taxpayer Relief Act of 2012 was enacted on January 2, 2013 and extended the DCP and ACRE Programs for one additional year. The provisions of the DCP and ACRE Programs remain unchanged from 2012. However, producers are encouraged to read the terms, and conditions in the Appendix to the Contract that is given to them at program signup. **FSA will begin DCP and ACRE enrollment on February 19, 2013.** The ACRE enrollment will end June 3, 2013, and the DCP enrollment will end August 2, 2013. Producers may choose to enroll in either DCP or ACRE or vice versa. Producers can enroll by visiting a county office, or on-line if proper security clearance has been completed and authorized. Fact sheets for the DCP Program and the Fruit and Vegetable and Wild Rice Provisions for both DCP and ACRE have been added to the end of this SCOOP. A fact sheet for the ACRE Program has been added as an attachment to this SCOOP.

**BEFORE YOU SIGN FSA DOCUMENTS**

Before signing documents prepared by FSA county offices employees, producers shall review the documents for accuracy. Your signature agrees to the information reflected on the document. Later if it is determined the information is incorrect, and the applicable deadline has passed, the incorrect information may result in you being determined ineligible for payment.

**ABSENTEE LANDOWNERS MAY BE DECEASED**

Learn from other producers mistakes, check with absentee landowners to ensure they still own the farm, and are not deceased. Many farm producers rely on the FSA-211, Power of Attorney, and sign documents on behalf of the absentee landowner, and later discover through FSA review that the landowner is deceased. When this occurs usually everyone on FSA's participation documents are required to refund all payments. Don't let this happen to you. It is very costly! FSA must be notified **immediately** upon the death of producers who are participating in FSA programs. Failure to notify FSA, and make timely modifications to program contracts may result in a loss of benefits. ***Once a person dies, the power-of-attorney is no longer valid.*** It is everyone's responsibility that signs an FSA document to ensure that the document they sign is correct.

## **FSA SIGNATURE POLICY**

Using the correct signature when doing business with FSA can save time and prevent a delay in program and farm loan program benefits. The following are FSA signature guidelines:

### **Policy for Program Benefits such as but not limited to DCP, ACRE, LDPs, MAL, Price Support Loans, SURE, NAP, LIP, LFP, BWEP, CRP:**

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature, and a signature from an eligible parent
- (Note, by signing the applicable document, the parent is liable for actions of the minor, and may be liable for refunds, liquidated damages, etc.)
- When signing on one's behalf, the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J. W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.
- FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.
- Spouses may sign documents on behalf of each other for FSA, and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office.
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities.
- Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office.
- Persons signing in a representative capacity must ensure that the applicant is still living. Once a person is deceased, signature authority ceases to exist. If an FSA document is signed in a representative capacity for a deceased person, then the document is invalid and FSA program benefits are not earned.

**Policy for Farm Loan Programs:** - Farm Loan Programs and Farm Programs have different signature requirements. Producer's requesting benefits with our FSA Loan Division should work with their local representative to ensure correct signatures are obtained.

### **OTHER FORMS ARE REQUIRED TO PARTICIPATE IN THE 2013 DCP OR ACRE PROGRAM**

*Before payments can be issued for the 2013 DCP or ACRE Program, the following supporting documentation must be submitted:*

1. CCC-902, Farm Operating Plan for Payment Eligibility Review
2. AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC)
3. CCC-933, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information
4. A FSA-578 acreage report for all acreage on the farm.

## **FARM LEASES AFFECT DCP AND ACRE**

Crop leases that provide for both:

- Guaranteed amount, such as fixed dollar amount or quantity
- Share of the crop or crop proceeds

Are considered cash leases, and the landlord is not eligible for DCP or ACRE Program payments for the leased acreage. Producers are also reminded that the terms of all leases, whether they only contain a fixed dollar value or only a share of the crop, will directly impact the DCP program payments. For example: When base acres are leased on a share basis, neither the landlord nor the tenant will be eligible to receive 100 percent of the contract payment.

## **MAINTAINING IDLE DCP & ACRE CONTRACT ACRES**

DCP and ACRE participants are required to protect all idle contract acres from erosion and weeds. Idle fields designated as “contract acres” must have a sod cover, crop residue, or volunteer grass cover. Weeds are not an acceptable cover and must be mowed. Failure to control weeds on contract acres will cost you program benefits if the County Committee determines that the producer failed to demonstrate a good faith effort to control weeds and/or erosion.

## **PLANTING FLEXIBILITY FOR THE DCP AND ACRE PROGRAMS**

Any commodity may be planted on the following:

- Any land, including base acres, on a farm NOT enrolled in a DCP contract
- Non base acres of a farm enrolled in a DCP contract
- Base acres of a farm enrolled in a DCP contract, except for fruits, vegetables and wild rice.

Check with your local office to see if you or the farm qualifies for allowable exceptions.

## **PLANTING OF FRUITS AND VEGETABLES (FAV's) OR WILD RICE ON DCP OR ACRE BASE ACRES**

If you or your farm qualifies to plant FAV's, or wild rice, you are reminded to check with your local FSA office to determine the number of acres that are eligible to be planted to FAV's, or wild rice. We often find that producers are not advising FSA of changes in available land, such as a sale of land, until after the FAV's or wild rice has been planted, and/or harvested. Unfortunately, some producers have had large penalties enforced for planting too many acres of FAV's or wild rice. **Do not let this happen to you.**

## **ADVANCE PAYMENTS AND FINAL PAYMENTS**

For 2013 advance “direct” payments are not authorized. Final payments are expected as soon as practical after October 1, 2013.

Partial advanced “counter-cyclical” payments are not authorized for 2013 either. Final counter-cyclical payments will be made beginning October 1, or as soon as practical, after the end of the 12-month marketing year for the applicable commodity.

**EXPIRED, VOLUNTARILY TERMINATED, OR RELEASED  
CRP CONTRACTS COULD INCREASE DCP OR ACRE PAYMENTS**

Farms with Conservation Reserve Program (CRP) contracts that have expired, voluntarily terminated, or early released after September 30, 2012, that held base acres must enroll those acres by June 3, 2013 for ACRE, and August 2, 2013 for DCP.

- Throughout different farm bills, in some situations, reduction of base, and/or Production Flexibility (PFC) acres was required upon enrollment into the CRP Program.
- The American Taxpayer Relief Act of 2012 allows for restoration of these acres as base acres for the DCP or ACRE Program.
- Producers with acreage that has come out of the CRP Program should visit their local FSA Office to determine eligibility.

**OWNERSHIP INTEREST DATE**

June 1, 2013 is the date FSA uses to determine the ownership interest of operations when determining payment limitation allocations for 2013 programs subject to direct attribution.

- For example, a producer has 50 percent stock in Corporation on June 1, but sells 25 percent of his share on or after June 2.
- FSA will still attribute 50 percent of the corporation's payment to the producer for 2013 payment limitation.
- Since the sale occurred after June 1, the change is not recognized for the 2013 program payments.
- Exceptions are allowed for death of an interest holder.
- The June 1 deadline is not applicable to new entities.

**PARTICIPATION IN BOTH  
FARM PROGRAMS AND FARM LOAN PROGRAMS**

Producers and lenders are being reminded that FSA must ensure that producers consistently participate in Farm Loan Programs and Farm Programs, such as but not limited to DCP, LDP's, and CRP. For example: If FSA Farm Loan Program approves a loan for an individual to produce crops on FSN 100, then the applicable DCP payments must reflect that he is receiving payments as an individual and not as a corporation, partnership, or other. Producers are also reminded, although FSA is monitoring both Farm Loans, and Farm Programs for consistency, farm producers are the ones that must comply with all FSA programs.

**2011 SUPPLEMENTAL REVENUE ASSISTANCE PAYMENTS (SURE) PROGRAM**

FSA is still accepting 2011 crop loss applications for the Supplemental Revenue Assistance Payments (SURE) Program. **The signup deadline is June 7, 2013.**

### **2013 FAILED ACREAGE PROVISIONS**

Producers should report failed crop acres to their local FSA Office when the crop failed due to disaster related conditions. **To be timely filed the failed acreage shall be reported to FSA before the crop is destroyed.** County Committee review and action is required to receive history credit in accordance with applicable rules and regulations. The County Committee may require the office to conduct a field visit for crop residue, and verification.

### **2013 MARKETING ASSISTANCE LOANS (MAL'S) AND LOAN DEFICIENCY PAYMENTS (LDP'S)**

The 2008 Food, Conservation, and Energy Act of 2008 (2008 Act) expired with the 2012 crop year. The 2008 Act authorized 2008 through 2012 crop MAL's and LDP's on barley, canola, corn, crambe, dry peas, flaxseed, grain sorghum, honey, large chickpeas, lentils, mohair, mustard seed, oats, peanuts, rapeseed, rice, safflower, sesame seed, small chickpeas, soybeans, sunflower seed, wheat, and graded and non-graded wool.

The American Taxpayer Relief Act of 2012, signed by the President on January 2, 2013, extended MAL's and LDP's for the 2013 crop year.

The Consolidated and Further Continuing Appropriations Act of 2012 suspended funding for mohair MAL's and LDP's through FY 2012. The Continuing Appropriations Resolution 2013 extended the suspension for mohair. **Therefore, crop year 2013 mohair MAL's and LDP's are not authorized.** Unshorn pelts are eligible for LDP but **not** for MAL.

### **CONSERVATION RESERVE PROGRAM (CRP)**

CRP is a program that FSA will be administering due to enactment of the American Taxpayer Relief Act of 2012. A Signup will be announced when all forms and software have been updated. Producers will be notified through news releases, and through SCOOP, when that is announced.

### **EMERGENCY CONSERVATION PROGRAM (ECP)**

The 2013 Emergency Conservation Program is a program that FSA is currently administering. Limited funds are available through the Stafford Act funds, all non-Stafford Act funds have been exhausted on the 2012 Drought.

### **EMERGENCY FOREST RESTORATION PROGRAM (EFRP)**

The 2013 Emergency Forest Restoration Program is a program that FSA is currently administering. All current funds have been exhausted, additional funding is needed.

**BIOMASS CROP ASSISTANCE PROGRAM (BCAP)**

BCAP is one of the programs FSA could be administering due to enactment of the American Taxpayer Relief Act of 2012; but it will require an appropriation in a subsequent bill, which may or may not occur.

Contracts that were approved for the 2011, and 2012 years, are not affected by this, and will continue to be funded. If there is any change in this, we will notify our producers.

**PROGRAM DEADLINES**

<b><u>Final</u> date to <b>inform FSA of crop losses</b></b>	<b>Before Crop Disposition</b>
<p><b>2013 NAP Application Closing Date for:</b>                      (Last date to purchase 2013 crop year coverage for:)</p> <ul style="list-style-type: none"> <li>• Beets</li> <li>• Beans (spring and fall plantings, all varieties, except green beans)</li> <li>• Cantaloupes</li> <li>• Corn for grain</li> <li>• Cotton</li> <li>• Cucumbers (spring and fall plantings)</li> <li>• Eggplant</li> <li>• Grain Sorghum for grain</li> <li>• Lettuce</li> <li>• Okra</li> <li>• Peanuts</li> <li>• Peas (spring and fall plantings)</li> <li>• Peppers</li> <li>• Pumpkins</li> <li>• Rice</li> <li>• Soybeans</li> <li>• Squash (spring and fall plantings)</li> <li>• Sugarcane</li> <li>• Sunflowers</li> <li>• Sweet Potatoes</li> <li>• Watermelons</li> <li>• Corn for forage (hay or silage)</li> <li>• Millet for forage</li> <li>• Sorghum for forage (hay or silage)</li> </ul>	<p><b>February 28, 2013</b></p>
<p align="center"><b>2013 NAP Application Closing Date</b>                      (Last date to purchase 2013 crop year coverage for:)</p> <ul style="list-style-type: none"> <li>• Green Beans (fresh &amp; processed)</li> <li>• Sweet Corn</li> <li>• Tomatoes, (spring and fall plantings), fresh</li> <li>• Tomatillos</li> <li>• Alfalfa for forage or grazing</li> <li>• Bahia for forage or grazing</li> <li>• Bermuda, Costal for forage or grazing</li> </ul>	<p><b>March 15, 2013</b></p>

<ul style="list-style-type: none"> <li>• Bermuda, Common for forage or grazing</li> <li>• Bermuda, Hybrid for forage or grazing</li> <li>• Bluestem, Old World for forage or grazing</li> <li>• Lovegrass for forage or grazing</li> <li>• Mixed Forage (warm season) for forage or grazing</li> <li>• Native Interseeded for forage or grazing</li> <li>• Sundangrass for forage or grazing</li> <li>• Hybrid Turnips (barkant) for grazing</li> </ul> <p>All forage and grazing crops - (except wheat, rye, barley, and oats)</p>	
<b>Final</b> date to file prevented planted acreage/credit for <b>Corn</b>	<b>May 10, 2013</b>
<p style="text-align: center;"><b>Acreage Reporting Dates for NAP</b></p> <ul style="list-style-type: none"> <li>• Spring greens (turnip, mustard, spinach, collards, and kale)</li> <li>• Broccoli</li> <li>• Cabbage</li> <li>• Carrots</li> <li>• Lettuce</li> <li>• Green Onions</li> <li>• Potatoes</li> <li>• Spring Forage Crops for hay or grazing</li> </ul>	<p><b>Report these crops</b> <b><u>15 calendar days</u></b> <b>before the onset of harvest</b></p>
<p style="text-align: center;"><b>Acreage Reporting Dates for NAP (continued)</b></p> <ul style="list-style-type: none"> <li>• Tomatoes</li> <li>• Tomatillo</li> </ul>	<p><b>Report these crops</b> <b><u>on or before</u></b> <b>May 15, 2013</b></p>
<b>Final</b> date to file prevented planted acreage/credit for <b>Grain Sorghum</b>	<b>May 30, 2013</b>
<b>2012 Final Marketing Assistance Loan Availability Dates</b> Rice, Upland Cotton, Corn, Grain Sorghum, Soybeans	<b>May 31, 2013</b>
The date FSA uses to look at the structure of farming operations to calculate direct attributions	<b>June 1, 2013</b>
<p><b>Final</b> date to file a 2013 ACRE Contract</p> <p><b>Final</b> date to have <u>signatures returned</u> to FSA for <u>all producers sharing in the ACRE contract.</u></p> <p><b>Final</b> date to <u>withdraw a 2013 ACRE Contract</u></p>	<b>June 3, 2013</b>
<b>Final</b> date for <b>Sign-up for 2011 Losses for the SURE Program</b>	<b>June 7, 2013</b>
<b>Final</b> date to file prevented planted acreage/credit for <b>Upland Cotton for: Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, St. Francis, White, and Woodruff Counties</b>	<b>June 4, 2013</b>
<b>Final</b> date to file prevented planted acreage/credit for <b>Rice</b>	<b>June 9, 2013</b>
<b>Final</b> date to file prevented planted acreage/credit for <b>Upland Cotton for: Arkansas, Ashley, Bradley, Chicot, Clark, Dallas, Desha, Drew, Jefferson, Lafayette, Lee, Lincoln, Little River, Lonoke, Miller, Monroe, Phillips, Prairie, and Pulaski Counties</b>	<b>June 9, 2013</b>

<b><u>Final</u> date to file prevented planted acreage/credit for Peanuts</b>	<b>June 9, 2013</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Soybeans Not Following Another Crop (NFAC)</b>	<b>June 30, 2013</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Soybeans Following Another Crop (FAC)</b>	<b>July 10, 2013</b>
<b><u>Final</u> date to Report 2013 Spring Seeded Crops</b> (Note crop insured under the NAP Program may have an earlier acreage reporting date. Check with your local county office for verification.) <b><u>Final</u> date to report 2012 production for ACRE farms</b>	<b>July 15, 2013</b>
<b><u>Last</u> date to request a 2013 reconstitution on a DCP or ACRE farm</b>	<b>August 1, 2013</b>
<b><u>Final</u> date to file 2013 DCP Contracts</b> <b><u>Last</u> date to withdraw a 2013 DCP Contract</b> <b><u>Final</u> date to have signatures returned to FSA for all producers sharing in the 2013 DCP contract.</b>	<b>August 2, 2013</b>
<b><u>Final</u> date to prioritize crops to receive ACRE Payments</b> <b><u>Final</u> date to complete and have all signatures returned on a 2013 successor-in-interest DCP or ACRE contract</b>	<b>September 30, 2013</b>
<b><u>Final</u> date to report 2014 planted and prevented planted wheat and oats</b>	<b>December 15, 2013</b>
<b><u>Final</u> date to report 2013 production for ACRE farms</b>	<b>July 15, 2014</b>

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# FACT SHEET

## UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY

January 2013

### Average Crop Revenue Election (ACRE) and the Direct and Counter-Cyclical (DCP) Programs: Fruit, Vegetable, and Wild Rice Provisions (FAV/WILD RICE)

#### Overview

The American Taxpayer Relief Act of 2012, enacted on Jan. 2, 2013, amends the Food, Conservation, and Energy Act of 2008 and provides for a one-year extension of the ACRE and DCP programs. These programs are administered by USDA's Farm Service Agency (FSA). DCP provides payments to eligible producers for the 2008 to 2013 crop years. ACRE provides payments to eligible producers for the 2009 to 2013 crop years.

Producers who participate in ACRE and DCP are subject to certain restrictions on the planting of fruits, vegetables, and wild rice on base acres.

#### Applicable Crops

FAV/WILD RICE planting provisions apply to the following commodities:

- fruits (including nuts);
- vegetables, other than mung beans and pulse crops; and
- wild rice.

#### FAV/WILD RICE Planting Provisions on Base Acreage

In general, harvesting FAV/WILD RICE on base acres is a violation of the ACRE and DCP contracts. Also, planting perennial FAV/WILD RICE on base acres is a violation of the ACRE and DCP contracts even if the FAV/WILD RICE is destroyed without benefit before harvest.

FAV/WILD RICE may be planted on base acres and an ACRE or DCP contract violation will not occur if any of the following three exceptions to the planting restriction rule apply:

#### Double-Cropping Exception

FAV/WILD RICE may be planted in a double-cropping practice with a crop eligible for ACRE or DCP payments. The following provisions apply to this exception:

- Direct and counter-cyclical payment acres are not reduced for such plantings.
- The farm must be in a region approved for double-cropping eligible commodities with FAV/WILD RICE. These regions were established by FSA state committees and are published in the Federal Register (7 CFR 1412).

#### Farm History Exception

FAV/WILD RICE may be planted on a farm with an established history of planting FAV/WILD RICE. The following provisions that apply to this exception are farm-specific:

- Although no contract violation will result, the direct and counter-cyclical payment acres will be reduced by an acre for each acre of base acreage planted to FAV/WILD RICE.

- FAV/WILD RICE farm history is based on the farm's plantings for crop years 1991-1995 or 1998-2001.

#### Producer History Exception

A producer with an interest in planting a specific FAV/WILD RICE has an established history of planting that specific FAV/WILD RICE. The following provisions apply to this exception:

- Although no contract violation will result, the direct and counter-cyclical payment acres will be reduced by an acre for each acre of base acreage planted to FAV/WILD RICE.
- The planting must not exceed the producer's average annual planting history for the specific FAV/WILD RICE for either (but not both) the 1991-1995 or 1998-2001 crop years, as chosen by the producer and determined by FSA.

#### Failure to Comply with FAV/WILD RICE Planting Restrictions

In general, if FAV/WILD RICE are planted on base acres and one of the above three exceptions does not apply, the ACRE or DCP contract has been violated and may be terminated by FSA.

If FSA determines the violation does not warrant contract

termination, the farm's direct and counter-cyclical payment acres will be reduced by an acre for each acre of FAV/WILD RICE planted on base acres. FSA will also assess an additional payment reduction based on the market value of the FAV/WILD RICE. FSA state committees establish the per-acre market value of the FAV/WILD RICE planted. The reductions cannot exceed the total amount of direct and counter-cyclical payments for the farm for that crop year.

### **FAV/WILD RICE Planting Provisions on Non-Base Acreage**

Planting FAV/WILD RICE on acres that are not considered base acres is not an ACRE or DCP contract violation and will not result in payment reductions. This rule applies regardless of whether or not the farm or producer has a FAV/WILD RICE history.

### **FAV/WILD RICE Planting Provisions for Non-Enrolled Farms**

- If a farm is eligible to participate in ACRE or DCP but is not enrolled in ACRE or DCP for a particular year,

unlimited FAV/WILD RICE can be planted and harvested for that year:

- The farm will not receive any ACRE or DCP payments for the applicable year; and
- Production of loan commodities from the farm is eligible for marketing assistance loans and loan deficiency payments.

### **For More Information**

For additional information on FAV/WILD RICE rules or other ACRE or DCP program matters, please contact your local USDA Service Center, or visit FSA's Web site at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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# FACT SHEET

## UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY

January 2013

### Direct and Counter-Cyclical Program (DCP) - 2013

#### Background

The American Taxpayer Relief Act of 2012, enacted on Jan. 2, 2013, amends the Food, Conservation, and Energy Act of 2008 and provides for a one-year extension of the Direct and Counter-Cyclical (DCP) program. To be eligible for direct and counter-cyclical payments, producers must enroll their farms in DCP on or before Aug. 2, 2013.

There are two types of DCP payments: direct payments and counter-cyclical payments. Both are calculated using the base acres and payment yields established for the farm. DCP is administered by the U.S. Department of Agriculture's Farm Service Agency (FSA). Regulations covering the provisions for DCP appear at 7 CFR Part 1412.

#### Eligibility Requirements

To be eligible for DCP, owners, operators, landlords, tenants, or sharecroppers must:

- Share in the risk of producing a crop on base acres on a farm enrolled in DCP, and be entitled to share in the crop available for marketing from the base acres or would have shared had a crop been produced;
- Annually report the use of the farm's cropland acreage;
- Comply with highly erodible land conservation and wetland conservation requirements on all of their land;
- Comply with average adjusted gross income limitation provisions;
- Meet requirements to be considered actively engaged in farming;
- Comply with planting flexibility requirements;
- Use the base acres for agricultural or related activities and;
- Protect all base acres from erosion, including providing sufficient cover as determined necessary by the county FSA committee, and controlling weeds.

#### Eligible Commodities

Base acres and payment yields are established for the following commodities:

- Wheat;
- Corn;
- Grain sorghum, including dual purpose varieties that can be harvested as grain;
- Barley;
- Oats;
- Upland cotton;
- Long grain rice and medium grain rice (which includes short grain rice), excluding wild rice;
- Soybeans;
- Canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, including oil and non-oil varieties, or any oilseed designated by the USDA secretary;
- Peanuts and;
- Dry peas, lentils, small chickpeas (Garbanzo bean, Desi), and large chickpeas (Garbanzo bean, Kabuli).

Farms with 10 or less base acres are not eligible for DCP payments, except for farms whose owners are socially disadvantaged or limited resource farmers or ranchers.

#### DCP Election and Enrollment — 2013

The sign-up period to enroll begins on Feb. 19, 2013 and ends on Aug. 2, 2013.

All producers may choose to enroll in either DCP or Average Crop Revenue Election (ACRE) for the 2013 crop year. This means that producers who enrolled in ACRE for 2012 may elect to enroll in DCP in 2013, or vice versa.

#### Maximum Payment Amounts

Direct payments are limited to \$40,000 per person or entity and counter-cyclical payments are limited to \$65,000 per person or entity. The limitation is applied by attributing both the amounts received directly by entities and persons, and

indirect amounts received through entities.

#### Adjusted Gross Income (AGI)

Persons or legal entities whose average non-farm AGI exceeds \$500,000 are not eligible for direct or counter-cyclical payments.

Persons or legal entities whose average farm AGI exceeds \$750,000 are not eligible for direct payments.

Persons or legal entities whose average total AGI exceeds \$1,000,000 are not eligible for direct payments.

#### Direct Payments

Direct payment rates for the eligible DCP commodities are as follows:

- Wheat: \$0.52 per bushel;
- Corn: \$0.28 per bushel;
- Grain sorghum: \$0.35 per bushel;
- Barley: \$0.24 per bushel;
- Oats: \$0.024 per bushel;
- Upland cotton: \$0.0667 per pound;
- Rice, long grain: \$2.35 per hundredweight;
- Rice, medium/short grain: \$2.35 per hundredweight;
- Soybeans: \$0.44 per bushel;
- Other oilseeds: \$0.80 per hundredweight;
- Peanuts: \$36 per ton.

For each commodity, the total direct payment for producers on a farm is determined by multiplying 85 percent of the farm's base acreage multiplied by the farm's direct payment yield multiplied by the direct payment rate.

Advance direct payments are not authorized and will not be issued.

The following is an example for corn:

Corn base acres:

$$\begin{aligned}
 &100 \text{ acres} \times 85 \text{ percent} \\
 &= 85 \text{ payment acres} \\
 &\times 110 \text{ bushels direct payment} \\
 &\text{yield} \\
 &\times \$0.28 \text{ per bushel direct} \\
 &\text{payment rate} \\
 &= \$2,618 \text{ direct payment}
 \end{aligned}$$

Direct payments are not based on producers' current plantings of covered commodities or peanuts, but instead are calculated using the base acres and payment yields established for covered commodities and peanuts on the farm.

**Counter-cyclical Payments**

In addition to direct payments, counter-cyclical payments are authorized, which provide income support as part of a "safety net" in the event of low crop prices. Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the target price for the commodity. Target prices for each commodity are as follows:

Crop	Target Price
Barley	\$2.63/bu
Chickpeas, large (Garbanzo bean, Kabuli)	\$12.81/cwt
Chickpeas, small (Garbanzo bean, Desi)	\$10.36/cwt
Corn	\$2.63/bu
Dry Peas	\$8.32/cwt
Grain Sorghum	\$2.63/bu
Lentils	\$12.81/cwt
Oats	\$1.79/bu
Other Oilseeds	\$12.68/cwt
Peanuts	\$495/ton
Rice, long grain	\$10.50/cwt
Rice, medium/short grain	\$10.50/cwt
Soybeans	\$6.00/bu

Upland Cotton	\$0.7125/lb
Wheat	\$4.17/bu

The counter-cyclical payment rate is the amount by which the target price of each commodity exceeds its effective price. The effective price for each commodity equals the direct payment rate plus the higher of:

- The national average market price received by producers during the marketing year as determined by the USDA Secretary (see Example A) or;
- The national loan rate for the commodity (see Example B).

**Example A:**

If the 2013 national average market price for soybeans is \$11.21 per bushel:

\$0.44 direct payment rate  
 + \$11.21 average market price\*  
 = \$11.65 effective price

(\*Average market price is used since it is higher than the 2013 national loan rate of \$5.00/bu)

\$6.00 target price  
 -\$11.65 effective price  
 = \$0.00 counter-cyclical payment rate because the effective price is above the target price

**Example B:**

If the 2013 national average market price for corn is \$1.90 per bushel:

\$0.28 direct payment rate  
 + \$1.95 national loan rate\*  
 = \$2.23 effective price

(\*National loan rate of \$1.95/bu is used since it is higher than the average market price)

\$2.63 target price  
 \$2.23 effective price  
 = \$0.40 counter-cyclical payment rate

For each commodity, the total counter-cyclical payment for producers on a farm is determined by multiplying 85 percent of the farm's commodity base acres multiplied by the farm's commodity counter-cyclical payment yield multiplied by the counter-cyclical payment rate.

An example for 2013 soybeans (using the counter-cyclical payment rate of \$0.26) is:

100 base acres of soybeans  
 85 payment acres  
 x 30 bushels per acre counter-cyclical payment yield  
 x \$0.26 per bushel counter-cyclical payment rate  
 = \$663 counter-cyclical payment

The DCP payment schedule for the 2013 crop year is in the following table.

2013 Scheduled Timetable for DCP Payments						
Month/Year	Commodity					
	Barley Oats Wheat	Dry Peas Lentils	Peanuts Rice Upland Cotton	Corn Sorghum Soybeans	"Other" Oilseeds	Large Chickpeas Small Chickpeas
Marketing Year	June 1 - May 31	July 1 - June 30	August 1 - July 31	September 1 - August 31	Varies by crop	September 1 - August 31
Beginning October 2013	Final Direct		Final Direct	Final Direct	Final Direct	
Beginning October 2014	Final counter-cyclical	Final counter-cyclical	Final counter-cyclical for Peanuts & Upland Cotton	Final counter-cyclical		
Beginning December 2014					Final counter-cyclical	Final counter-cyclical
Beginning February 2015			Final counter-cyclical for Rice			

### **Timing of Payments**

For 2013, no advance direct or partial CC payments are authorized.

Producers will receive the entire 2013 direct payment in Oct. 2013.

Final counter-cyclical payments are made beginning October 2014, or as soon as practicable thereafter, after the end of the marketing year for the crop.

### **Planting Flexibility Provisions**

Producers who participate in DCP may plant cropland in excess of the total base acreage on the farm to any commodity. However, producers are subject to certain restrictions on the planting of wild rice, fruits and vegetables (other than mung beans and pulse crops). Information on wild rice, fruits and vegetable restrictions is contained in the FSA fact sheet "ACRE and DCP: Wild Rice, Fruit, and Vegetable Provisions." A 2013 fact sheet is available on FSA's website at [www.fsa.usda.gov](http://www.fsa.usda.gov); click on "find FSA fact sheets, or follow this link [http://www.fsa.usda.gov/FSA/newsRelease?pf\\_20130123\\_insup\\_en\\_acredcp.html](http://www.fsa.usda.gov/FSA/newsRelease?pf_20130123_insup_en_acredcp.html)

### **For More Information**

Further information on DCP is available at local FSA offices or on FSA's DCP website at: [www.fsa.usda.gov/dcp](http://www.fsa.usda.gov/dcp).

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