

For: State and County Offices

New Policy for CCC-509's on Farms With 10.0 or Less Base Acres

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (the 2008 Act) was enacted on June 18, 2008. Section 1101(d) of the 2008 Act provides that a producer on a farm will **not** receive direct payments, counter-cyclical payments, or average crop revenue election payments if the sum of the base acres of covered commodities and peanuts on the farm is 10.0 acres or less. This has commonly been referred to at the “10-acre provision.”

A notice to FR was published June 30, 2008, about the 2008 Act. In part, the notice states:

“A producer on a farm may not receive DCP payments if the sum of the base acres of covered commodities and peanuts on the farm is 10 acres or less. However, such prohibition does not apply to a farm that is wholly owned by socially disadvantaged or limited resource farmers or ranchers, as provided by Section 1101 of the 2008 Farm Bill. If the farm is owned by a legal entity, such as a corporation, each shareholder, partner, or member of the entity must be a socially disadvantaged or limited resource farmer or rancher.”

H.R. 6849 was enacted on October 13, 2008. The legislation provides for both of the following:

- suspending the 10.0 acre provision for the 2008 crop year
- extending the 2008 DCP signup for farms with 10.0 base acres or less of covered commodities and peanuts until November 26, 2008.

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| Disposal Date | Distribution |
| April 1, 2009 | State Offices; State Offices relay to County Offices |

Notice DCP-201

1 Overview (Continued)

B Purpose

This notice:

- provides additional guidance to State and County Office employees about 2008 CCC-509's with 10.0 base acres or less of covered commodities and peanuts
- obsoletes Notice DCP-191.

2 2008 DCP Changes

A CCC-509 on Farms With 10.0 Base Acres or Less of Covered Commodities and Peanuts

Before H.R. 6849, producers could enroll farms having 10.0 base acres or less of covered commodities and peanuts and COC's could approve CCC-509's for farms that have 10.0 or less base acres of covered commodities and peanuts if all eligibility criteria had been met. However, Section 1101(d) of the 2008 Act prohibits payment to producers on those farms.

After H.R. 6849 passage, for contract year 2008 **only**, farms with 10.0 base acres or less of covered commodities and peanuts may receive payments, provided **all** eligibility criteria has been met.

Notes: 2008 DCP software will be modified to allow payment on farms with an approved CCC-509 with 10.0 base acres or less.

If adverse decisions about payment ineligibility because of the 10-acre provision were previously issued, the adverse decisions should be withdrawn (1-APP, paragraph 24).

B Extending Signup for Farms With 10.0 Base Acres or Less of Covered Commodities and Peanuts

Before H.R. 6849, any 2008 CCC-509 **must** have been:

- signed by at least 1 producer by September 30, 2008
- signed by all producers with a share of the covered commodities or peanuts by October 15, 2008.

H.R. 6849 provides for an extension of the 2008 DCP enrollment deadline for farms with 10.0 base acres or less. Producers on farms with 10.0 base acres or less have until November 26, 2008, to initiate and complete enrollment of a farm for 2008 DCP. H.R. 6849 does **not** extend the DCP signup deadline for farms with greater than 10.0 base acres.

Notice DCP-201

2 2008 DCP Changes (continued)

B Extending Signup for Farms With 10.0 Base Acres or Less of Covered Commodities and Peanuts (Continued)

Note: 2008 DCP software has been modified to allow 2008 CCC-509's to be initiated, enrolled, and approved through November 26, 2008.

SED's, State Office specialists, and DD's are responsible for reviewing County Office files to ensure that enrollment is **not** initiated by a producer for any farm with greater than 10.0 base acres.

3 Action

A SED, State Office DCP Specialist, and DD Action

SED's, State Office DCP specialists, and DD's, shall:

- provide guidance to CED's and program technicians about the provisions of this notice
- thoroughly review County Office files to ensure that **only** 10.0 base acres or less farms are allowed to enroll through this extended 2008 DCP deadline.

B County Office Employee Action

County Office employees shall:

- notify producers that 2008 CCC-509's on farms with 10.0 base acres or less may be enrolled in DCP by November 26, 2008
- **not** approve CCC-509's on farms with greater than 10.0 base acres that were not initiated by **September 30, 2008**, and enrolled by **October 15, 2008**
- publicize these provisions using all available means.