

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Farm Reconstitutions
2-CM (Revision 6)**

Amendment 7

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraphs 29 B, 29 C, 41 D, 41 E, 56 A, 69 A, 71 B, and 125 A have been amended to provide regulatory references.

Subparagraph 70 A has been amended to indicate a reconstitution may be initiated by the farm operator with the concurrence of the owner or owners of the farm.

Subparagraph 70 C has been amended to add a note to indicate that COC may not initiate combination reconstitutions on farms with 10.0 or less total base acreage.

Subparagraph 71 A has been amended to:

- indicate a reconstitution of a farm either by division or by combination is required
- add an exception about farms with 10.0 or less total base acres.

Subparagraph 71 D has been amended to indicate the subparagraph applies to both CRP and non-DCP farms.

Subparagraph 72 B, item 1 has been amended to indicate that the county FSA name and address are to be entered.

Subparagraph 88 B has been amended to add an exception about farms with 10.0 or less total base acres.

Subparagraph 89 B has been amended to indicate only new owner or owners to a combination of separate ownership farms must agree to the combination.

Subparagraph 89 C has been added to indicate farm combinations that are not allowed.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Paragraph 111 has been amended to delete the refusal of owners to sign CRP-15 from the reason for farm division.

Subparagraphs 120 A, 121 A, 124 A, and 136 A have been amended to correct regulatory references.

Paragraph 135 has been amended to indicate:

- base adjustments may be made if all owners agree within 30 calendar days after notification of reconstitution results
- the 10 percent base variance no longer applies.

Subparagraph 136 A has been amended to delete the ability of COC to use the farm's original yield when combined to increase or decrease yields.

Subparagraph 153 A has been amended to delete the reference to CRP-15.

Subparagraph 267 D has been amended to delete base acres as an option for variations.

Subparagraph 267 E has been amended to:

- indicate the resulting farm is to be entered on CRP-1
- add a reminder that the deletion of FSA-578 can take up to 3 full workdays.

Subparagraph 268 A has been amended to delete the reference to base acres on the Farm Reconstitution Approve/Delete Screen.

Subparagraph 268 B has been amended to delete action for "Base Acres" field.

Subparagraph 286 B has been amended to provide an updated example of the Report Selection Screen.

Subparagraph 286 C has been amended to:

- add or correct data on all reports
- add Reconstitution Status Report
- delete Potentially Missing Owners and Potentially Missing Farm Producers Reports.

Amendment Transmittal (Continued)

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Part 2 Land Classification

29 Definitions

A Definition of Farmland

[7 CFR 718.2] Farmland is the sum of the following:

- DCP cropland
- forest
- NAP crop acreage as specified in 1-NAP not meeting the definition of cropland or DCP cropland
- other land on the farm.

B Definition of Cropland

--[7 CFR 718.2] Cropland is land that COC determines meets any of the following-- conditions:

- currently being tilled to produce a crop for harvest
- Note:** Land that is seeded by drilling, broadcasting, or other no-till planting practices shall be considered tilled.
- not currently tilled, but has been tilled in a prior year and is suitable to be tilled for crop production
 - currently devoted to 1- or 2-row shelterbelt planting, orchard, vineyard, or other related crops
 - in terraces that, according to FSA records, were cropped in the past even though they are no longer capable of being cropped
 - in sod waterways or filter strips planted to perennial cover
 - under CRP-1, including alternative perennials, until CRP-1 expires or is terminated

Note: Violations of HELC or WC provisions do not affect cropland classification.

29 Definitions (Continued)

B Definition of Cropland (Continued)

- new land broken out if both of the following conditions are met:
 - land is planted to a crop to be carried through to harvest
 - tillage and cultural practices in planting and harvesting the crop must be consistent with normal practices in the area.

Land classified as cropland shall be removed from this classification upon a determination by COC that the land is:

- no longer used for an agricultural use
- no longer suitable for producing a crop
- *--subject to a restrictive easement or contract that prohibits the planting of an annual crop--*

Note: This does not include land under CRP-1.

- converted to ponds, tanks, or trees.

Note: This does not include trees planted under CRP-1 or currently devoted to 1- or 2-row shelterbelt planting, orchard, or vineyard.

C Definition of DCP Cropland

--[7 CFR 718.2] DCP cropland is land for which 1 or more of the following apply:--

- the land currently meets the definition of cropland
- the land met the definition of cropland at the time it was enrolled in PFC and the land is currently being used for an agricultural or related activity
- the land met the definition of cropland on or after April 4, 1996, and the land continues to be devoted to an agricultural or related activity.

Note: Refer to 1-DCP, paragraph 426 for a list of agricultural uses.

30-40 (Reserved)

Part 3 Owner, Operator, and Land Determinations

Section 1 Owner and Operator Determinations

41 Person for Reconstitution Purposes

A Minors

[7 CFR Part 718.202] For reconstitution purposes, a minor shall be considered to be the same owner or operator as the parent or court-appointed guardian unless all of the following apply:

- the minor:
 - child is a producer on a farm
 - establishes and maintains a separate household from the parent or guardian
 - personally carries out the farming activities in the operation
 - maintains a separate accounting for the farming operation
- neither the minor's parents nor guardian has any interest in the minor's farm or production from the farm

Exception: A minor shall not be considered to be the same owner or operator as the parent or court-appointed guardian if the minor's interest in the farming operation results from being the beneficiary of an irrevocable trust, and ownership of the property is vested in the trust or the minor.

B Life Estate Tenant

[7 CFR Part 718.202] A life estate tenant shall be considered to be the owner of the property for their life.

41 Person for Reconstitution Purposes (Continued)

C Trust

[7 CFR 718.202] A trust shall be considered to be an owner with the beneficiary of the trust, except a trust can be considered a separate owner or operator from the beneficiary if all of the following apply. The trust:

- has a separate and distinct interest in the land or crop involved
- exercises separate responsibility for the separate and distinct interest
- maintains funds and accounts separate from that of any other individual or entity for the interest.

D Immediate Family

-[7 CFR 718.202] Land owned by different members of an immediate family living in the-- same household and operated as a single farming unit shall be considered as being under the same ownership in determining a farm.

E Parent Corporations

-[7 CFR 718.202] All land operated as a single farming unit and owned and operated by a-- parent corporation and subsidiary corporation of which the parent corporation owns more than 50 percent of the value of outstanding stock, or where the parent is owned and operated by subsidiary corporations, shall be constituted as 1 farm.

42 Definitions

A Definition of Owner

[7 CFR 718.2] An owner is an individual or entity who has legal ownership of farmland, including individuals or entities that are any of the following:

- buying farmland under a contract for deed

Note: Regional attorney shall review contracts that are questionable before changing FSA ownership records.

- retaining a life estate in the property
- purchasing a farm in a foreclosure proceeding and both of the following apply:
 - the redemption period has not passed
 - the original owner has not redeemed the property
- a spouse in community property States
- spouses owning property jointly.

Note: COC shall require specific proof of ownership when land ownership is transferred.

Examples: Proof of ownership may include:

- copy of the deed, if recorded
- unrecorded deed, if specific program does not require a recorded deed
- land contract
- FSA employee's check of the record at the county land records office
- proof of gift tax
- real estate tax assessment or bill.

42 Definitions (Continued)

B Definition of Operator

[7 CFR 718.2] An operator is an individual, entity, or joint operation who is determined by COC as being in * * * control of the farming operations on the farm.

43-54 (Reserved)

Section 2 Land Determinations

55 Tract

A Definition of Tract

[7 CFR Part 718.2] A tract is a unit of contiguous land that is both of the following:

- under 1 ownership
- operated as a farm or a part of a farm.

B Tract Determinations

After applying the rule in subparagraph A, determine tracts according to this table.

IF the land is...	THEN classify as...
part of a field that extends into the adjoining county, and the county boundary is not clearly defined	1 tract.
entirely in another county or bisected by a clearly defined county line	separate tracts.
bisected by community or township lines, roads, streams, or other boundary	1 tract, unless circumstances justify separate tracts.

56 Farm

A Definition of Farm

--[7 CFR 718.2] A farm is made up of tracts that have the same owner and the same-- operator.

Land with different owners may be combined if all the land is operated by 1 producer with all of the following elements in common and substantially separate from other tracts:

- labor
- equipment
- accounting system
- management.

Note: Land on which other producers provide their own labor and equipment and do not meet the definition of an operator, shall not be considered a separate farm.

57-67 (Reserved)

Part 4 Initiating a Reconstitution

68 Overview

A Previously Constituted Land

[7 CFR 718.201] Land that was properly constituted under procedures existing at the time of reconstitution shall remain so constituted until a change in operation or ownership occurs that requires a reconstitution.

B Approval Restrictions

COC shall not approve a reconstitution by combination or division if it determines that the primary purpose of the reconstitution is to do either of the following:

- increase the amount of program benefits received
- circumvent any other program provisions, penalties, or reductions.

69 Substantive Change in Farming Operations and Changes to Legal Entities**A Approval Restrictions**

--[7 CFR 718.205] Land that is properly constituted shall not be reconstituted if:--

- the reconstitution request is based on the formation of a newly established entity that owns or operates the farm or any part of it, and COC determines there is not a substantive change in the farming operation
- COC determines that the primary purpose of the request for the reconstitution is to:
 - obtain additional benefits under any commodity program
 - avoid damages under a contract or statute
 - correct an erroneous acreage report
 - circumvent other program provisions.

In addition, no farm shall remain as constituted when COC determines that a substantive change in the farming operation has occurred that would require a reconstitution, except as otherwise approved by STC with the concurrence of DAFP.

B Determining Substantive Change

In determining whether substantive change has occurred with respect to a farming operation, COC shall consider factors such as composition of the legal entities having an interest in the farming operation with respect to management, financing, and accounting. COC shall also consider the use of land, labor, and equipment available to the farming operations and any other relevant factors that bear on the determination.

69 Substantive Change in Farming Operations and Changes to Legal Entities (Continued)

C STC Approval

Unless otherwise approved by STC with the concurrence of DAFP, when COC determines that a corporation, trust, or other legal entity is formed primarily for the purpose of obtaining additional benefits under the commodity programs, the farm shall remain as constituted or shall be reconstituted, as applicable, when the farm is owned and operated by 1 of the following:

- a corporation having more than 50 percent stock owned by members of the same family living in the same household
- corporations having more than 50 percent of the stock owned by stockholders common to more than 1 corporation
- trusts in which the beneficiaries and trustees are family members living in the same household.

70 Who May Initiate

A Who May Initiate a Reconstitution

[7 CFR 718.203] A reconstitution may be initiated by:

- *--the farm operator with the concurrence of the owner or owners of the farm--*
- the farm owner
- COC.

B FSA-155 Signatures

Signatures required on FSA-155 vary depending on the:

- type of reconstitution
- method of division, if applicable.

Notes: FSA-155's initiated by COC are not required to have owner or operator signatures. However, the County Office shall use the signature lines provided in item 15 to include a statement that the reconstitution is being initiated by COC. A date shall be included with this statement.

An operator may request a reconstitution without the owner's signature if the reconstitution would be required by COC.

C Annual Review

COC shall:

- annually review appropriate documents to determine that land is properly constituted
- process reconstitution if a farm is improperly constituted.

*--**Note:** COC shall not initiate a combination reconstitution for any farms with 10.0 acres or less of total base acreage, including in-transfer farms, unless a change in ownership occurred after May 22, 2008, and the owners of each of the farms in the requested combination are identical and have identical ownership shares in both farms.--*

71 When to Initiate

A Required Reconstitutions

*--[7 CFR 718.201] A reconstitution of a farm either by division or by combination is required and shall be initiated when any of the following occur.

- A change has been made in the operation of the land since the last constitution or--* reconstitution, and the farm no longer meets the definition of a farm in paragraph 56. As applicable, initiate either of the following:
 - a farm combination according to paragraph 88
 - a farm division according to paragraph 111.

Note: Restrictions in paragraph 68 apply.

- The farm was not properly constituted under the applicable regulations in effect at the time of the last reconstitution. Make corrections according to paragraph 74.
- COC determines that the farm was reconstituted on a basis of false information provided by the owner or farm operator.
- COC determines that the tracts of land included in a farm are not being operated as a single farm according to paragraph 56.
- An owner requests in writing that the owner's land no longer be included in a farm that is composed of tracts under separate ownership. See paragraph 111 for farm divisions.
- Farms are participating in DCP, have the same owner, are located in the same county, and are operated as 1 farm.

*--**Exception:** Farms with 10.0 acres or less of total base acreage, including in-transfer farms, can **only** be combined with another farm if 1 of the following applies:

- reconstitution request for the combination was before May 22, 2008
- reconstitution request for the combination was received after May 22, 2008; however, the reconstitution was completed and the owner or owners were notified before June 24, 2008
- a change in ownership occurred after May 22, 2008, and the owners of each of the farms in the requested combination are identical and have identical ownership shares in both farms.

Note: If COC did **not** initiate a reconstitute to combine a farm with total base acreage of 10.0 acres or less with another farm, according to procedure in this handbook, before May 22, 2008, the combination cannot be initiated.--*

71 When to Initiate (Continued)

B Timing of Farm Reconstitutions

*--[7 CFR 718.204] To be effective for the current FY, farm combinations and farm divisions--
* must be requested by August 1 of the FY for farms subject to DCP.

Notes: A request for a farm combination or farm division after current FY DCP payments have been made shall be processed in the subsequent FY. However, if the producer requests that the reconstitution not be processed in the subsequent FY, all payments shall be refunded. After the payment is refunded, the reconstitution may be processed.

When money has been received from the producers on the farm or farms to be reconstituted, cancel CCC-509. By canceling CCC-509, the producers who received payments will be listed on the overpayment register. The amounts listed on the overpayment register can then be transferred to CRS so the DCP refund can be processed.

County Offices **shall not** apply DCP payments issued on the resulting farm or farms to repay DCP payments issued on the parent farm or farms.

A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

71 When to Initiate (Continued)

C Timing of Tract Divisions

Tract divisions shall be processed at any time during FY to ensure tract record accuracy.

If a farm reconstitution is required, process the reconstitution according to subparagraph B and paragraph 73.

--D Total CRP and Non-DCP Farms--

The following farms may be reconstituted at any time:

- total CRP, without CRP reduction or CRP pending acres
- non-DCP.

E Completion Date

County Offices shall update reconstitutions by August 31 of FY. This will allow sufficient time for producers to return signatures and documentation by the deadline for DCP.

F Software Lockout

Starting August 15, the reconstitution software will not allow a farm combination or farm division to be initiated for the current FY on a farm:

- with DCP bases
- protecting CAB's under a CRP contract.

Note: This means that farm reconstitutions on these farms must be initiated by COB August 14. A reconstitution cannot be initiated on August 15.

The software to initiate farm level reconstitutions will be opened for the following FY when farm record rollover is performed.

72 How to Initiate

A Requesting a Reconstitution

[7 CFR 218.203] Any request for a farm reconstitution shall be filed with COC. County Offices shall prepare FSA-155 for each requested reconstitution.

Note: A separate FSA-155 is not required for a tract division if the reconstitution also includes a farm division.

B Completing FSA-155

Complete FSA-155 according to this table.

Item	Instructions
1	*--Enter county FSA name and address.--*
2	Enter computer-assigned reconstitution number.
3	Check the appropriate box for the type of reconstitution. When the request is for a tract division and followed by a farm division, check both boxes.
4	Enter a brief explanation of the reason for the reconstitution. Examples: "Tract 100 sold." or "Operator change."
5	Enter approximate date of change, such as sale or lease date.
6	Enter the following data for each parent and resulting farm and/or tract: <ul style="list-style-type: none"> • farm data when item 3 indicates a farm combination or division • tract data when item 3 indicates a tract combination or division • tract and farm data when item 3 indicates a tract division and a farm division.
7 A	For divisions, enter each crop on the parent farm from FSA-156EZ.
7 B	For divisions, enter appropriate base for each crop on the parent farm.
7 C	Check appropriate method of division for each base on the parent farm.
8 A through D	Enter the appropriate farm number, tract number, crop, and base acres on the parent farm if the method of division is landowner designation or estate. ENTER "N/A" if not applicable.

Part 5 Types of Reconstitutions**87 Overview****A Reconstitution Types**

The following are 4 types of reconstitutions:

- farm combinations
- farm divisions
- tract combinations
- tract divisions.

B Definition of Farm Combination

A farm combination is the consolidation of 2 or more farms, having the same operator, into 1 farm.

C Definition of Farm Division

A farm division is the dividing of a farm into 2 or more farms because of a change in ownership or operation.

D Definition of Tract Combination

A tract combination is the optional consolidation of 2 or more tracts because of common ownership unit and contiguous land.

E Definition of Tract Division

A tract division is the dividing of a tract into 2 or more tracts because of a change in ownership or operation. A tract division does not always require a subsequent farm division.

Section 1 Combinations

Subsection 1 Farm Combinations

88 Common Ownership Farm Combinations

A Definition of Common Ownership Unit

A common ownership unit is a distinguishable part of a farm, consisting of 1 or more tracts of land with the same owners, as determined by FSA.

B Required Combinations

Farms shall be combined when:

- both of the following apply:
 - the tracts are under common ownership unit
 - the resulting farm would meet the definition of a farm in paragraph 56

Note: All DCP farms with the same owner, operated as 1 farm, and located in the same county, shall be combined.

- the farm was not properly constituted under the applicable procedure in effect at the time of the last reconstitution
- COC determines that the farm was reconstituted on the basis of false information provided by the owner or farm operator.

Notes: Combinations of CRP land with non-CRP land are not required even though the criteria in this subparagraph may be met.

DCP and non-DCP farms may be combined.

***--Exception:** Farms with 10.0 acres or less of total base acreage, including in-transfer farms, can **only** be combined with another farm if 1 of the following applies:

- reconstitution request for the combination was before May 22, 2008
- reconstitution request for the combination was received after May 22, 2008; however, the reconstitution was completed and the owner or owners were notified before June 24, 2008--*

88 Common Ownership Farm Combinations (Continued)

B Required Combinations (Continued)

- *--a change in ownership occurred after May 22, 2008, and the owners of each of the farms in the requested combination are identical and have identical ownership shares in both farms.

Note: If COC did **not** initiate a reconstitute to combine a farm with total base acreage of 10.0 acres or less with another farm, according to procedure in this handbook, before May 22, 2008, the combination cannot be initiated.--*

89 Separate Ownership Farm Combinations

A Basic Rule

Combinations of land under separate ownership:

- are voluntary
- shall not be encouraged.

B Criteria for Combinations

[7 CFR 718.201] Land under separate ownership may be combined if all of the following apply:

- the resulting farm meets the definition of a farm in paragraph 56
- all owners agree in writing
- *--the land is under a lease agreement of at least 1 year duration.

Exception: All owners who had previously agreed to the combination of land under separate ownership are **not** required to agree again in writing. Only owners contributing new land to the combination must agree in writing.

Note: DCP and non-DCP farms may be combined.

C Combinations Not Allowed

Farms with 10.0 acres or less of total base acreage, including in-transfer farms, cannot be combined with a farm under separate ownership unless:

- reconstitution request for the combination was before May 22, 2008
- reconstitution request for the combination was received after May 22, 2008; however, the reconstitution was completed and the owner or owners were notified before June 24, 2008.--*

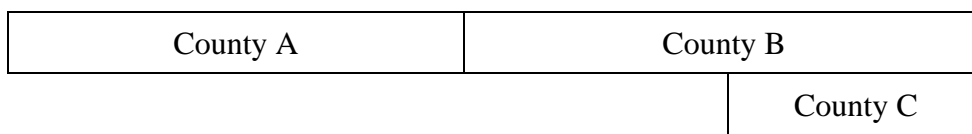
90 Combinations Across State and County Lines

A Base and Non-Base Farms

[7 CFR 718.201] Farms across State or county lines may be combined upon request if all of the following conditions apply:

- *--the farms meet the criteria for being transferred according to 3-CM, paragraph 63--*
- the farms meet the criteria for combination according to paragraph 88 or 89
- any of the following:
 - counties that are contiguous; that is, touching at corners, sides, etc

Example: County A is contiguous to County B. County B is contiguous to County C.



Land in counties A, B, and C may be combined if there are parent farms located in all 3 counties.

If the land in County B is divided from the farm, separate the land in counties A and C, because counties A and C are not contiguous.

- farms within 20 road miles of each other
- counties divided by a river
- counties that do not touch because of a correction line adjustment.

Section 2 Divisions

Subsection 1 Reasons for Divisions

111 Reasons for Farm Divisions

A Rules

Following are rules for dividing farms.

Reason for Farm Division	Who May Initiate Reconstitution
Part of the farm is sold or ownership changes and the land no longer meets the definition of a farm in paragraph 56.	COC, owner, or operator
The land no longer meets the definition of a farm in paragraph 56.	COC, owner, or operator
The farm was not properly constituted under the applicable regulations in effect at the time of the last reconstitution.	COC, owner, or operator
COC determines that the farm was reconstituted on the basis of false information provided by the owner or farm operator.	COC
<p>An owner of a multiple-ownership farm requests, in writing, that the land owned by that owner no longer be included in the farm.</p> <p>Note: This request must be in writing; however, the owner’s signature on FSA-155 may serve as the written request. When a tract of land on a multiple-ownership farm is owned by persons with undivided interest, only 1 undivided interest owner’s request and signature is required.</p>	owner
* * *	* * *

The resulting farms shall be administratively located in the county where the land is physically located.

112 Reasons for Tract Divisions

A Rules

Following are rules for dividing tracts.

Reason for Tract Division	Who May Initiate Reconstitution
The tract no longer meets the definition of a tract according to paragraph 55.	COC or owner
Part of the tract is sold or ownership changes.	COC or owner

113-119 (Reserved)

Subsection 2 Methods of Division

120 Overview

A What Are the Methods of Division

--[7 CFR 718.206] The methods of division in priority order are shown in this table.--

Priority Order	Method of Division	Paragraph Reference
1	Estate.	121
2	Designation by landowner.	122
3	DCP cropland (applicable to base acres for tract divisions only).	124
4	Default (applicable to base acres for farm divisions only).	125

B Selection of Methods

Select the proper method of division:

- on a crop-by-crop basis
- using the priority order in subparagraph A.

121 Estate**A Definition of Estate Method**

--[7 CFR 718.206] The estate method is the division of bases for a parent farm among heirs-- in settling an estate.

B Documentation Required

Divide bases among heirs according to this subparagraph.

To divide a farm by the estate method, obtain either of the following documentation and attach to FSA-155:

- copy of the will by the testator

Note: COC shall determine whether a division can be made reasonably according to the terms of the will. If COC determines the terms are not reasonable, do not use the estate method.

- written agreement by all heirs or devisees who acquire an interest in the property for which bases have been established.

Notes: The written statement shall only be used if there is no will or COC determines the terms of the will are not clear as to the division of the bases.

An agreement by the administrator or executor shall not be accepted instead of an agreement by the heirs or devisees.

C FSA-155 Signature Requirements

Signatures are not required on FSA-155, however, a copy of the will or written agreement signed by all heirs or devisees shall be attached to FSA-155.

123 Publicizing Designation by Landowner Method of Division

A Publicizing Method of Division

County Offices shall:

- publicize the designation by landowner method of division, including the definition and criteria for its use

- distribute the information in any manner available including, but not limited to:
 - newspaper articles
 - newsletters
 - radio and television spots.

B When to Publicize

Publicize this method of division:

- once a year, at a minimum
- toward the end of each FY.

Note: This will ensure that producers are familiar with the method and criteria throughout the coming FY.

124 DCP Cropland**A Definition of DCP Cropland Method**

--[7 CFR 718.206] The DCP cropland method is the division of bases in the same-- proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract.

B Verifying DCP Cropland

Before using the DCP cropland method, verify the DCP cropland acres on each tract. Redetermine the acreage if there is any question, doubt, or suspicion about the authenticity of the DCP cropland acreage on record.

C When to Use This Method

The DCP cropland method may be used if COC determines paragraphs 121 and 122 do not apply.

D When Not to Use This Method

The DCP cropland method shall not be used to divide base acres in a farm division.

E FSA-155 Signature Requirements

FSA-155 shall be signed by 1 of the following:

- owner
- operator.

Note: The owner's signature is not required for a reconstitution initiated by the operator if the division would be required by COC.

125 **Default**

A Definition of Default Method

--[7 CFR 718.206] The default method is the division of bases for a parent farm with each-- tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

B When to Use This Method

The default method may be used if COC determines paragraphs 121 and 122 do not apply.

C FSA-155 Signature Requirements

FSA-155 shall be signed by 1 of the following:

- owner removing the tract or tracts
- operator.

Note: The owner's signature is not required for a reconstitution initiated by the operator if the division would be required by COC.

126-134 **(Reserved)**

Subsection 3 Adjustments After Farm Divisions

135 Base Adjustments

A Basic Rule

*--Base acres apportioned among the resulting farms using the default method may be increased and decreased if all of the following apply:

- a subsequent transfer of ownership has **not** occurred
- all owners agree in writing by signing CCC-517 within 30 calendar days of notification of base acres
- the increase in base acres with respect to a farm is offset by a corresponding decrease for the base acres established on the other resulting farm or farms.

Note: The 10 percent variation of base acres is no longer applicable.--*

* * *

136 Direct and CC Yield Adjustments

A Basic Rule

--[7 CFR 718.206] Farm program payment yields calculated for the resulting farms of a-- division may be increased or decreased if all of the following apply:

- COC determines that the division provided an inequitable distribution considering:
 - available land
 - cultural operations
 - changes in the type of farming conducted on the farm
- * * *
- the increase in a farm program payment yield on a resulting farm is offset by a corresponding decrease on another resulting farm of the division.

B Adjusting Direct and CC Yields

Use the following guidelines to determine whether 1 yield may be adjusted or if both yields must be adjusted.

If the direct and CC yields are:

- different, either yield or both yields may be adjusted

Note: If both yields are adjusted, they may be adjusted by different amounts.
- the same, both yields shall be adjusted and be adjusted by the same amount.

136 Direct and CC Yield Adjustments (Continued)

C Applying Adjustment

Yield adjustments shall be applied to program crops by updating reconstitutions after COC approval on the Farm Reconstitution Approve/Delete Screen, according to paragraph 268.

D Adjustment Example When Direct and CC Yields Are Different

In this example, the direct and CC yields are different. In this case, either or both yields may be adjusted and they may be adjusted by different amounts. Use the following data for the example.

Tract No.	Tract Wheat Acres	Tract Wheat Direct Yield	Direct Extension (Acres x Yield)	Tract Wheat CC Yield	CC Extension (Acres x Yield)
600	35.0	50	1,750	47	1,645
1492	20.0	50	1,000	47	940
1500	15.0	50	750	47	705
Total			3,500		3,290

In this example, only the direct yield will be adjusted.

During the division, Tracts 600 and 1492 are assigned to Resulting Farm 800 and Tract 1500 is assigned to Resulting Farm 801.

Both resulting farms have a wheat payment yield of 50. Tract 1492 has very good quality soil and consistently produces a yield of 65. Tract 1500 has poor quality soil and has yield potential of less than 50.

COC determined that the yield on Tract 1492 will be increased to 65 and the yield on Tract 1500 will be decreased.

The sum of the resulting farms' extensions cannot exceed the parent farm extension.

Exception: The parent farm extension may be exceeded only because of normal rounding rules.

Part 6 CRP Reconstitutions**152 Overview****A Rule**

If the operator of a farm which contains land enrolled in CRP-1 does not share in CRP, review the farming operation to ensure that the land meets the definition of a farm according to paragraph 56.

Note: If the farm is under common ownership and the operator does not share in CRP-1, do not divide the farm.

B Distributing CRP Reduction Acres

Before a reconstitution is initiated, the CRP reduction acres shall be moved to the tracts that will make up the CRP farm with CRP-15.

These reduction acres shall be distributed:

- to the tracts on the CRP farm in the same proportion as DCP cropland on each tract
- using tract maintenance software according to 3-CM.

C Distribution of Acres

Before a reconstitution is initiated, the sum of the tract level data must equal the farm level data for the following:

- CRP acres
- CRP MPL acres, if applicable
- CRP pending acres, if applicable
- CRP reduction acres, if applicable.

Note: CRP pending acres are the result of an expired or terminated CRP-1.

Follow procedure in 3-CM for tract maintenance to distribute the CRP acres, pending acres, and reduction acres.

153 Dividing Farms During CRP Signup

A Dividing Farms for Current Year Contracts

Divide farms that enter into CRP-1's if either of the following applies:

- the land no longer meets the definition of a farm in paragraph 56

Exception: If the farm is under common ownership and the operator does not share in CRP-1, do not divide the farm.

- 1 or more owners refuse to sign * * * CRP-1 that will be effective in either the current or future FY. For future year contracts, see subparagraph B.

B Dividing Farms for Future Year Contracts

Process the reconstitution in FY CRP-1 is effective.

154-159 (Reserved)

Section 2 Updating/Deleting Reconstitutions on the Computer

267 Updating/Deleting Reconstitutions

A How to Begin

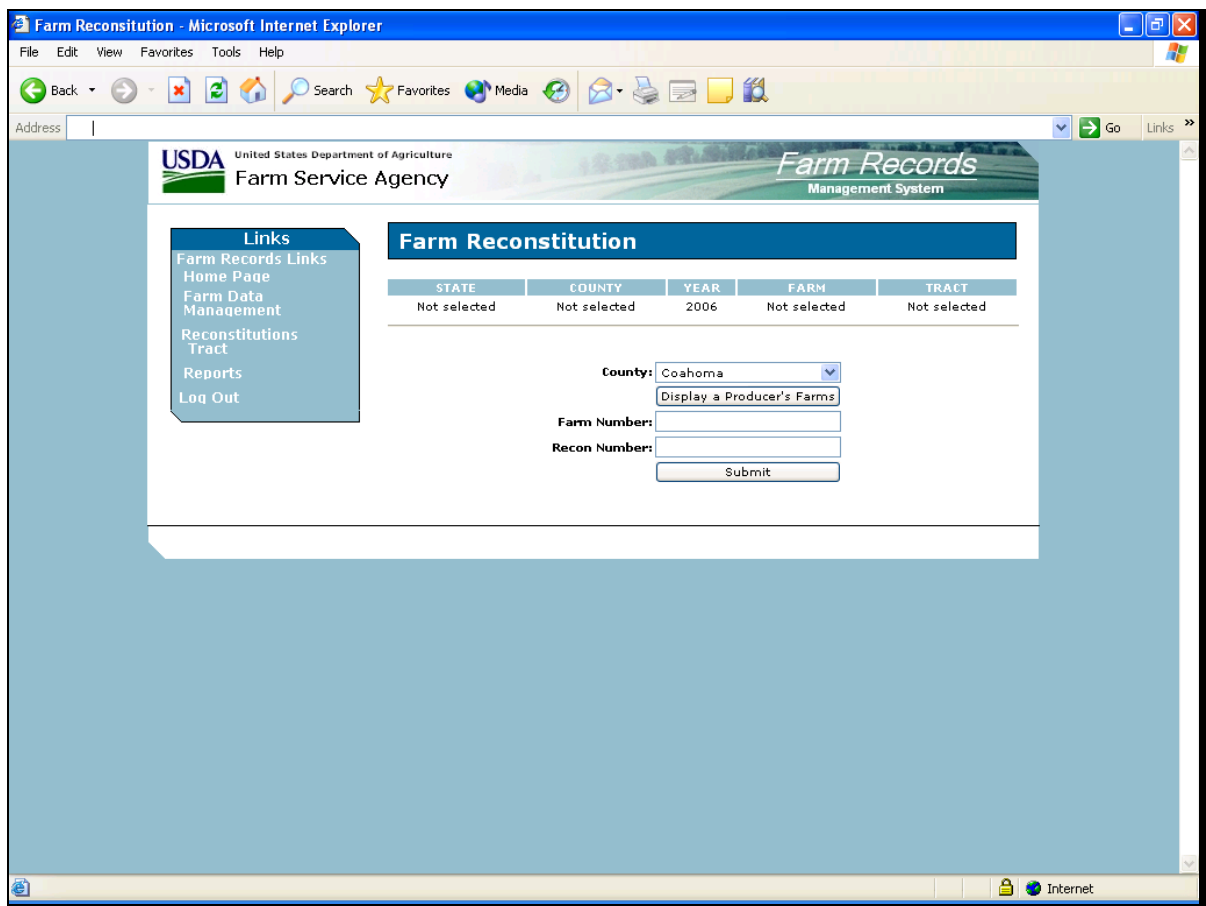
On Farm Reconstitution Screen, select to display a Producer’s Farms, enter a farm number, or enter a reconstitution number.

Note: If user selects to display a producers farms and the producer is associated with more than 1 farm, the Associated Farms Screen will be displayed. User must select the farm number to be updated.

The reconstitution shall not be updated until COC has approved the reconstitution according to paragraph 262.

B Example of Farm Reconstitution Screen

Following is an example of the Farm Reconstitution Screen.



267 Updating/Deleting Reconstitutions (Continued)

C Verifying Reconstitutions

The Farm Reconstitution Approve/Delete Screen will display basic data for the reconstitution.

Following is an example of Farm Reconstitution Approve/Delete Screen.

USDA United States Department of Agriculture
Farm Service Agency

Farm Reconstitution Approve/Delete

STATE	COUNTY	YEAR	FARM	TRACT
IA	Adair	2008	Not selected	Not selected

Recon Number: 193
Recon Type: Farm Division

Parent

FARM	TRACTS	IDENTIFIER	OPERATOR	CRP CONTRACT	FSA-578
5298	4		DONALD EUGENE POOL	N	N

Result

FARM	TRACTS	IDENTIFIER	OPERATOR
5307	2		DONALD EUGENE POOL
5308	2		DONALD EUGENE POOL

Crops: WHEAT, OATS, RICE, UPLAND COTTON, GRAIN SORGHUM, SUNFLOWERS, SAFFLOWER

Do variations apply for DCP yields? Yes

COC Approval Date:

267 Updating/Deleting Reconstitutions (Continued)

D Fields

The following table provides the fields available on the Farm Reconstitution Approve/Delete Screen.

Field/Button	Description	Action
Recon Number	Reconstitution number.	
Recon Type	Reconstitution type will display as 1 of the following: <ul style="list-style-type: none"> • farm division • farm combination. 	
Parent		
Farm	Parent farm numbers.	
Tracts	Number of tracts on the parent farm.	
Identifier	Parent farm identifier.	
Operator	Operator of the parent farm.	
CRP Contract	Indicates whether the parent farm has a CRP contract.	See subparagraph E.
FSA-578	Indicates whether the parent farm has a FSA-578.	See subparagraph E.

267 Updating/Deleting Reconstitutions (Continued)

D Fields (Continued)

Field/Button	Description	Action
Result		
Farm	Resulting farm numbers.	
Tracts	Number of tracts on the resulting farm number.	
Identifier	Resulting farm identifier.	
Operator	Operator of the resulting farm.	
Crops	Indicates the crops for which base acres exist on the resulting farms.	
Do variations apply for DCP yields * * *?	Allows the user to select that variations apply for DCP yields * * *. Note: Only applies to farm divisions.	Click “Yes” if variations apply. Farm Division - Variation Screen will display. See paragraph 268.
COC Approval Date	Allows the user to enter the COC approval date.	Enter COC approval date. The date must be entered as mm/dd/yyyy.
Approve Recon	Allows the user to approve the farm reconstitution.	Click “Approve Recon” after a COC approval date has been entered.
Delete Recon	Allows the user to delete the reconstitution.	Click “Delete Recon” to delete the current reconstitution. Once “Delete Recon” is clicked, the reconstitution will be deleted and no data will be saved for the resulting farms.
Cancel	Allows the user to cancel the approval/deletion of the farm reconstitution.	Click “Cancel” to cancel the approval/deletion of the farm reconstitution. No data will be saved if “Cancel” is clicked.

267 Updating/Deleting Reconstitutions (Continued)

E CRP Contract and FSA-578 Required Action

Determine necessary action according to this table.

IF the flag is “Y” for...	THEN the reconstitution process will...
CRP contract	*--continue. See 1-CRP to enter resulting farm on CRP-1.
FSA-578	not continue. Delete FSA-578 according to 2-CP. Note: Deletion of FSA-578 may take up to 3 full workdays.--*

In all cases:

- update the reconstitution
- notify the resulting farm operator and owners of:
 - reconstitution
 - HEL and WL determinations
 - appeal rights.

268 Recording DCP Variations

A Farm Division – Variation Screen

When the reconstitution selected for update is a farm division, the question, “Do variations apply for DCP Yields * * *?”, will display on the Farm Reconstitution Approve/Delete Screen. If “Yes” is clicked, the Farm Division - Variation Screen will be displayed. Following is an example of the Farm Division - Variation Screen.

USDA United States Department of Agriculture
Farm Service Agency

Farm Records
 Management System

Links
 Farm Records Links
 Reconstitutions
 Log Out eAuth
 Exit Farm Records

Farm Division - Variation

STATE	COUNTY	YEAR	FARM	TRACT
IA	Adair	2008	5298	Not selected

RECON NUMBER	PARENT FARM	FARMLAND	CROPLAND	DCP CROPLAND	OPERATOR
193	5298	84.0	33.0	34.0	DONALD EUGENE POOL

Crops - Farm-level

CROP	BASE ACRES	DIRECT YIELD	CC YIELD	DIVISION METHOD	REVIEWED
WHEAT	60.0	22	22	Default	<input checked="" type="checkbox"/>
OATS	55.0	29	29	Default	<input type="checkbox"/>
RICE	33.0	33	33	Default	<input type="checkbox"/>
UPLAND COTTON	55.0	55	55	Default	<input type="checkbox"/>
GRAIN SORGHUM	77.0	77	77	Default	<input type="checkbox"/>
SUNFLOWERS	33.0	18	18	Default	<input type="checkbox"/>
SAFFLOWER	66.0	66	66	Default	<input type="checkbox"/>

FARM	TRACT	BASE ACRES	DIRECT YIELD	CC YIELD	CRP YIELD	CRP REDUCT	CRP PENDING	CCC-505
5307	10396	15.0	22	22	0	0.0	0.0	CCC505
5307	10397	0.0	0	0	0	0.0	0.0	CCC505

5308	10398	45.0	22	22	0	0.0	0.0	CCC505
5308	10399	0.0	0	0	0	0.0	0.0	CCC505

Complete Cancel

268 Recording DCP Variations (Continued)

B Fields

The following table provides the fields available on the Farm Division – Variation Screen.

Field/Button	Description	Action
Recon Number	Reconstitution number.	
Parent Farm	Parent farm number.	
Farmland	Farmland on the parent farm.	
Cropland	Cropland on the parent farm.	
DCP Cropland	DCP cropland on the parent farm.	
Operator	Operator on the parent farm.	
Crop	Crops on the parent farm.	Click button applicable to each crop to review and/or update crop data.
Base Acres	Crop base acres on the parent farm.	
Direct Yield	Crop direct yield on the parent farm.	
CC Yield	Crop CC yield on the parent farm.	
Division Method	Division method used for the crop.	
Reviewed	Indicates whether the crop data has been reviewed.	
Farm	Resulting farm numbers.	
Tract	Tract numbers on the resulting farms.	
Base Acres	Base acres on the resulting farm and tract.	* * *
Direct Yield	Direct yield on the resulting farm and tract.	Adjust direct yield according to policy provided in paragraph 136.
CC Yield	CC yield on the resulting farm and tract.	Adjust CC yield according to policy provided in paragraph 136.

268 Recording DCP Variations (Continued)

B Fields (Continued)

Field/Button	Description	Action
CRP Yield	CRP yield on the resulting farm and tract.	
CRP Reduct	CRP reduction acres on the resulting farm and tract.	
CRP Pending	CRP pending acres on the resulting farm and tract.	
CCC-505	CCC-505 CRP Reduction data attributed to the resulting farm and tract.	Click “CCC505” button to view CCC-505 CRP Reduction data attributed to the farm and tract.
Complete	Allows the user to save the changes made to base acres and/or yields.	Click “Complete” button after all changes have been made to base acres and/or yields to save the changes.
Cancel	Allows the user to cancel the entry of DCP variations.	Click “Cancel” to cancel the entry of DCP variations. No data will be saved if “Cancel” is clicked.

269-274 (Reserved)

Part 14 Reports

286 Accessing Reports

A Accessing Reports

Reports can be accessed from the Farm Records Management System Home Page. Users must click on “Reports” to access the Report Selection Screen.

B Example of Report Selection Screen

Following is an example of the Report Selection Screen.

*--

USDA United States Department of Agriculture
Farm Service Agency

Farm Records Management System

Links
 Farm Records Links
 Home Page
 Farm Data Management
 Reconstitutions Farm
 Tract
 Manual Download
 Log Out eAuth
 Exit Farm Records

Report Selection

STATE	COUNTY	YEAR	FARM	TRACT
MS	Coahoma	Not selected	Not selected	Not selected

Reconstitution Reports

- COC Report
- FSA-476DCP
- Pending Reconstitutions Report
- Specific Reconstitution Report
- Reconstitution History of a Farm
- Reconstitution History of a Tract
- Reconstitution Status Report

Farm, Tract and Crop Reports

- CCC-517 Tract Redistribution Form
- DCP FSA-156EZ
- CRP Cropland Out of Balance Report
- CRP Pending Acres Out of Balance Report
- CRP Reduction Acres Out of Balance Report
- CRP Pending Report
- Wetland Violation Report
- Out of Balance Tracts Report
- AD-1026A Report
- Tract Data Summary Report
- Base Acreage & Yield Adjustment Report

Legend

- Live data
- Reporting database; data last updated on 5/30/08 1:45 AM Central Time

--*

286 Accessing Reports (Continued)

C Reports

The following table provides the available reports on the Reports Selection Screen.

Report	Description
Reconstitution Reports	
COC Report	COC Report provide the following parent and resulting farm data: <ul style="list-style-type: none"> • farm and tract level data • crop data. * * *
FSA-476DCP	Notice of contract acreage, payment yields and CRP reduction.
Pending Reconstitutions Report	Provides the following data for all pending reconstitutions in the county: <ul style="list-style-type: none"> • reconstitution number •*--parent farm number or numbers • resulting farm number or numbers • crops.
Specific Reconstitution Report	Provides the following data if applicable to the requested reconstitution: <ul style="list-style-type: none"> • year • reconstitution number • type of reconstitution • parent farm number or numbers • parent tract number or numbers • reconstitution status • approval date • completion date • resulting farm number or numbers • resulting tract number or numbers • associated tract or tracts • crops.
Reconstitution History of a Farm	Provides the following data if applicable to the entered farm: <ul style="list-style-type: none"> • farm number • identifier • current status • operator • year • reconstitution number • approval date • parent farm or farms • resulting farm or farms.--*

286 Accessing Reports (Continued)

C Reports (Continued)

Report	Description
Reconstitution Reports (Continued)	
Reconstitution History of a Tract	Provides the following data if applicable to the entered tract: <ul style="list-style-type: none"> • tract number •*--description • current status • year • reconstitution number • completion date • type of reconstitution • parent tract or tracts • resulting tract or tracts.
Reconstitution Status Report	Provides the following data if applicable to the entered farm, tract, or all for the date range selected: <ul style="list-style-type: none"> • selection criteria that includes year, reconstitution level, and date range • reconstitution number • type of reconstitution • status of reconstitution • reconstitution date • approval date • parent farm or farms • parent tract or tracts • resulting farm or farms • resulting tract or tracts.--*
Farm, Tract, and Crop Reports	
CCC-517 Tract Redistribution Form DCP FSA-156EZ CRP Cropland Out-of-Balance CRP Pending Acres Out-of-Balance CRP Reduction Acres Out-of-Balance CRP Pending Wetland Violation Out-of-Balance Tracts AD-1026A Tract Data Summary Report * * *	See 3-CM.

287 Printing COC Reports

A Printing COC Reports

COC reports will be displayed after completing a reconstitution; the report **will not** be automatically printed. COC reports may be reprinted for the current FY for a:

- pending farm combination
- pending farm division
- completed tract combination
- completed tract division.

Note: When a farm reconstitution is approved, COC reports for the farm reconstitutions and any prior tract reconstitutions on the farms are no longer available to be reprinted.

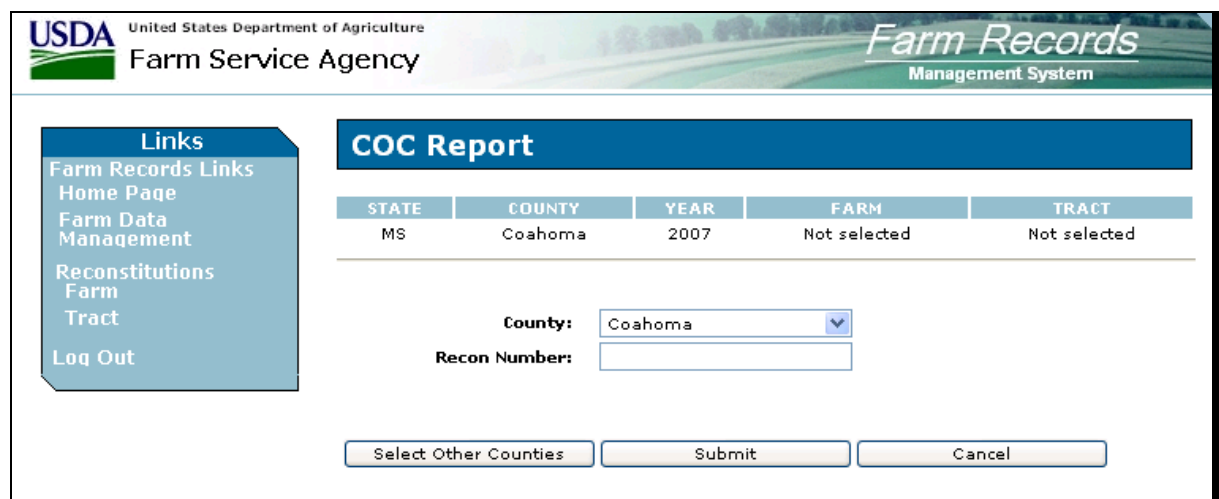
B Reprinting COC Reports

Reprint a COC report according to the following table.

Step	Action
1	For multiple County Offices only , select the applicable County Office.
2	Enter reconstitution number to be printed and CLICK “Submit”.
3	When the COC report opens in the Adobe PDF window, do either of the following: <ul style="list-style-type: none"> • select the browsers print button to print the report • save the report to your computer.

C Example of COC Report Selection Screen

Following is an example of COC Report Selection Screen.



Reports, Forms, Abbreviations, and Delegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026A	Supplemental to AD-1026		286
CCC-505	Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acreage Reduction		Text
CCC-509	Direct and Counter-Cyclical Program Contract		Text
CCC-517	Direct and Counter-Cyclical Program Tract Redistribution Form		121, 122, 135, 246, 286
CRP-1	Conservation Reserve Program Contract		Text, Ex. 2, 10
CRP-15	Agreement for Reduction of Bases, Allotments, and Quotas		152
FSA-155	Request for Farm Reconstitution	72	Text, Ex. 10
FSA-156EZ	Abbreviated 156 Farm Record and Tract Listing		Text, Ex. 10
FSA-476DCP	Notice of Contract Acreage, Payment Yields and CRP Reduction		Text, Ex. 10
FSA-578	Report of Acreage		185, 267, Ex. 10

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

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
CC	counter-cyclical	Text
CRS	Common Receivable System	71, 73
EWP	Emergency Watershed Protection	213, 227, 242, 253
FAV/WR	fruits and vegetables or wild rice	Text
HELC	highly erodible land conservation	2, 29
MOU	memorandum of understanding	Text
MPL	marginal pasture land	Text
SCIMS	State and County Information Management System	Text, Ex. 10
WC	wetland conservation	2, 29

Delegations of Authority

This table lists delegations of authority in this handbook.

Delegation	Reference
COC may redelegate to CED the authority to approve or disapprove reconstitutions.	262