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CCC-509 Appendix
(11-14-08)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO FORM CCC-509, 2009-2012 DIRECT and COUNTER-CYCLICAL PROGRAM CONTRACT

NOTE: *The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246 and any amendments to such act as may follow). The information requested is necessary for CCC to consider and approve the contract to enter into the Direct and Counter-Cyclical Program, to assist in determining eligibility, and to determine the correct producers on the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA. The information collected as a result of this form may be released to USDA employees, USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 2008, the E-Government Act of 2002, and related authorities. The information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal, civil, and privacy statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

1 PURPOSE

This Appendix sets forth additional terms and conditions of the Direct and Counter-Cyclical Program Contract (CCC-509). A producer who signs the Direct and Counter-Cyclical Program Contract agrees to follow the terms and conditions contained in this CCC-509 Appendix, and acknowledges the applicability of any provisions of the federal regulations applicable to the contract including those found at 7 CFR Parts 12, 718, 1400, and 1412.

2 DEFINITIONS

- A ACRE contract** means a contract for participation in the Average Crop Revenue Election program.
- B Base Acres** means the number of acres for the covered commodity or peanuts on the farm specified on the contract (CCC-509). Base acres may be increased if a Conservation Reserve Program contract applicable to the farm expires or is voluntarily terminated. The adjustment in the base acres of a crop, if any, will be determined by the Secretary of Agriculture. The producer's total base acres on the farm for all covered commodities and peanuts can never exceed the amount equal to the currently available cropland plus eligible double-cropping acreage on the farm minus that amount of that cropland which is (1) in the Department's Conservation Reserve Program; (2) in the Department's Wetland Reserve Program; or (3) enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.
- C Contract Period** means the compliance period set out below for the contract for the particular program year. The "program year" is designated in item 1 of the contract. In this appendix, contracts for different program years will be referenced by their program year. Thus, for example, a reference to the "2009 Contract" means the contract for the 2009 program year. The compliance periods for the various program years are as follows:
- (1) for the 2009 Contract, the period that begins on October 1, 2008 and carries through September 30, 2009;
 - (2) for the 2010 Contract, the period that begins on October 1, 2009 and carries through September 30, 2010;

- (3) for the 2011 Contract, the period that begins on October 1, 2010 and carries through September 30, 2011;
- (4) for the 2012 Contract, the period that begins on October 1, 2011 and carries through September 30, 2012.

- D Covered Commodity** means wheat; corn; grain sorghum; barley; oats; upland cotton; long grain rice; medium grain rice; dry peas; lentils; small chickpeas (Desi Garbanzo beans); large chickpeas (Kabuli Garbanzo beans); sesame; soybeans; canola; crambe; flax; mustard; rapeseed; safflower; sunflowers; or other oilseeds, if any, as designated by the Secretary of Agriculture.
- E Crop Year** means the calendar year in which the crop is normally harvested or in which the majority of the crop would have been harvested.
- F Deputy Administrator** means the person who holds the position of Deputy Administrator for Farm Programs for the Farm Service Agency, or the successor position if that position is abolished.
- G DCP** means the Direct and Counter-Cyclical program addressed in this Appendix.
- H Dry Peas** means Austrian, wrinkled seed, yellow, Umatilla, and green, excluding peas grown for the fresh, canning, or frozen markets.
- I Limited Resource Farmer** means, as determined in accordance with paragraph 3P of this Appendix, a farmer or rancher who meets both of the following criteria:
- (a) the person did not have, counting both direct and indirect interests, total gross farm sales for all farms in which that person has an interest of not more than the triggering level, as defined below, in both of the two calendar years that precede the calendar year in which the contract year begins. The triggering level is an indexed number that was originally for other programs, \$100,000. Beginning in October 2004 that number has been adjusted for inflation using the Prices Paid by the Farmer Index compiled by the National Agricultural Statistical Service. The triggering level for this contract shall be the indexed number as adjusted for the fiscal year that begins on the first day of the contract period, and
- (b) the person's total household income is at or below the national poverty level for a family of 4 or less than 50 percent of county median household income in each of the previous two years determined annually using Commerce Department Data.
- For purposes of making these determinations, interested persons are encouraged to use the USDA Limited Resource Farmer and Rancher Only Self Determination Tool at <http://www.lrftool.sc.egov.usda.gov/tool.asp>
- J Medium Grain Rice** includes short grain rice.
- K Producer** means an owner, operator, landlord, tenant, or sharecropper who *shares in the risk of producing a crop* and is *entitled to share in the crop available for marketing* from the farm, or would have shared had the crop been produced. In determining whether a grower using hybrid seed, under contract, to produce a covered commodity or peanuts is eligible for a program payment to which the contract applies, the CCC shall ignore the contract with the seed producer and allow the payment to the grower of the hybrid seed. The preceding sentence shall only apply, however, if the grower of the hybrid seed would, but for the contract, be eligible to be considered a producer of the crop.
- L Pulse Crops** means dry peas, lentils, small chickpeas (Desi Garbanzo beans), and large chickpeas (Kabuli Garbanzo beans).

- M** **Socially Disadvantaged Farmer or Rancher** means, as determined in accordance with subparagraph 3P of this Appendix, a member of a group that, as declared and approved by the Deputy Administrator, is considered for these purposes to be a group whose members have been subject generally to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. The groups have been identified to include: (1) American Indians and Alaskan Natives; (2) Asian-Americans; (3) Black or African-Americans; (4) Hispanic-Americans; (5) Women. Other groups will not be included as a group to which this definition applies unless so declared by the Deputy Administrator. Persons submitting the contract should not check the box for socially disadvantaged farmer or rancher unless they certify that they are members of one of the five specific groups named above.
- N** **All words and phrases** have the meanings assigned to them in the regulations found at 7 CFR Parts 718, 1400, and 1412 except to the extent that such definitions would be inconsistent with the specific provisions of this Appendix or of the contract.

3 CONTRACT

By signing CCC-509 the owners and producers on a farm understand and agree that:

- A** Only a “producer”, as defined in item 2K of this appendix, is entitled to earn direct, counter-cyclical payments. The payment shares for each commodity, as identified on CCC-509, must be representative of each producer’s interest in base acres based on farming practices in the area to the satisfaction of the FSA County Committee;
- B** The payment shares for a producer may not exceed the producer’s applicable interest in base acres;
- C** Producers have from October 1 of the contract period through June 1 of the contract period to timely file CCC-509. Under no circumstances will enrollment be permitted after June 1 of the contract period. Contracts will not be approved unless all producers sharing in base acres with more than a zero share have submitted all applicable contracts and documentation necessary to make such approval, as determined by the Deputy Administrator. For those producers with an interest but a zero share of contract, the contract will not be approved before all producers have signed the contract or furnished supportive and necessary contractual documents (such as cash leases in lieu of signing for a zero share). A contract not having all requisite signatures of producers having more than a zero share of contract acreage on or before June 1 will not be considered submitted to CCC for any purpose and will not be acted on or approved. Those contracts submitted by a producer on or before June 1 that were not signed by other producers according to this section will be deemed withdrawn and will not be approved. Producers on a farm are solely responsible for ensuring that enrollment occurs;
- D** CCC-509 becomes effective when signed by an authorized representative of CCC; however, the contract period is from October 1 of the contract period represented by the CCC-509 through September 30 of the contract period irrespective of when the contract is signed by the CCC representative or the person applying for benefits. Producers signing CCC-509 are representing compliance with the terms and conditions of the CCC-509 Appendix and federal regulations for the entire contract period;
- E** At any time prior to September 30 of the contract period covered by this contract, the contract may be terminated upon written agreement of all producers receiving payment under the contract and, if applicable, each producer shall repay advance direct payments received for the crop year, plus interest;
- F** The payments, with respect to the base acres shall be terminated for a producer or owner whose interest in the crops or land on the farm is transferred during the contract period, in which case each applicable producer shall repay payments received for the crop year and shall not be entitled to earn direct payments or counter-cyclical payments with respect to the farm for that contract period. The transferee may assume the

obligation of the contract if the transferee is otherwise eligible to participate in the program by entering into a revised contract during the period of time prescribed by CCC. In the event a succession-in-interest occurs and the contract obligation is not assumed timely for the crop year, all producers on the contract shall refund to CCC payments received for the crop year in which the succession occurred, plus interest, and the farm will be considered not enrolled for that crop year;

- G** Changes in the farming operation that may affect any determination after the Direct and Counter-Cyclical Program contract is signed, including, but not limited to, ownership changes, producer changes, changes in the crop share arrangements on the farm, enrollment in the Planting Transferability Pilot Project, or as a result of adding pulse crop bases to the farm shall be reported to CCC by all applicable producers signing a revised CCC-509 to reflect the change no later than September 30 of the applicable contract period. The failure of producers to timely report changes and file a revised CCC-509 may result in the loss of payments for all producers on the farm for the crop year covered by the contract. In such event, all producers on the contract shall refund to CCC payments received for the crop year, plus interest and the farm will be considered not enrolled for that crop year;
- H** A completed farm reconstitution which divides or combines farms shall result in the termination of the initial contract and, with respect to the base acreage assigned by the Secretary to the resulting farms of a reconstitution, the farm producers must enroll the base acres for a crop year by signing a new Direct and Counter-Cyclical Program Contract (CCC-509) for the resulting farm by the later of June 1 of the contract period or 30 days after notification of the bases and yields of the resulting farm. A contract not having all requisite signatures of producers having more than a zero share of base acres on or before June 1 or 30 days after notification of the bases and yields of the resulting farm, will not be considered submitted to CCC for any purpose and will not be acted on or approved. Those contracts not enrolled by a producer on or before June 1 or 30 days after notification of the bases and yields of the resulting farm will be deemed withdrawn and will not be approved. Producers on a farm are solely responsible for ensuring that enrollment occurs. In addition, after June 1, the combination of a farm enrolled in DCP with a farm not enrolled in DCP is not allowed. The failure of producers and owners to timely enroll the base acres may result in the loss of payments for all producers on the original or new farm for the crop year.
- I** Producers will timely file in the manner prescribed by CCC with the FSA County Committee the following, and agree to meet any other certification or filing requirements, as may be required by CCC, if not already on file:
- (1) A certification of the acreage of all cropland on the farm in accordance with 7 CFR Part 718; and
 - (2) A farm operating plan in accordance with 7 CFR Part 1400; and
 - (3) A certification of compliance with the highly erodible land and wetland conservation provisions set forth in 7 CFR Part 12; and
 - (4) A certification of compliance with the adjusted gross income provisions in accordance with 7 CFR Part 1400.
- J** Violations of the highly erodible land and wetland conservation provisions of 7 CFR Part 12 may result, at CCC's discretion, in termination of the payments with respect to each producer in violation or a reduction in the contract payment. Upon termination, each producer shall forfeit all rights to receive contract payments on each farm in which the producer has an interest and shall refund to CCC all contract payments received by such producer during the period of violation, plus interest;
- K** The pay limit provisions of 7 CFR Part 1400 relating to payment limits and payment eligibility requirements are applicable to this contract as indicated by such regulation. Except as specified below, for direct payments, the payment limitation per person or legal entity received directly or indirectly for any crop year is \$40,000 for direct payments for all covered commodities for all farms together under all

contracts and separately, \$40,000 for peanuts. For counter-cyclical payments, the general limit per person or legal entity per crop year under all contracts for that person or legal entity, received directly or indirectly, is \$65,000 for all covered commodities and separately \$65,000 for peanuts. These limits are modified for persons or legal entities that elect to participate in the Average Crop Revenue Election program provided for in Section 1105 of the Food, Conservation, and Energy Act of 2008 on any farm. For those persons or legal entities, the limits are for all covered commodities together per contract year for ACRE payments and counter-cyclical payments together shall be, for all covered commodities together and peanuts separately, equal to \$65,000 plus the amount by which direct payments for those commodities, as applicable, were reduced for that person or legal entity under the ACRE contract or contracts. It is understood that a producer may be subject to an ACRE contract on some farms but not others. On those farms where the ACRE contract applies, there is no eligibility for counter-cyclical payments and the direct payments are reduced by 20 percent. Under no circumstances can the total amount received per person or legal entity per contract year on all farms for covered commodities together or peanuts separately exceed \$105,000 for all direct, counter-cyclical, and ACRE payments. All of these determinations shall be made using the procedures and rules of part 1400. Further, for entities, an otherwise due payment will be reduced commensurately to the extent that any person with an interest in the entity, as determined under the pay limit regulations in part 1400, would otherwise have a direct or indirect interest in program payments greater than the foregoing limits. Each producer determined by CCC to have adopted a scheme or device designed to evade, or which has the effect of evading such regulations, must refund any contract payment, marketing loan gain, or loan deficiency payment and any other applicable payment received on all farms in which such producer has an interest and shall be ineligible for such payments for the following contract year;

- L** The regulations at 7 CFR Parts 12, 718, 1400, and 1412 are incorporated by reference as part of this contract;
- M** Representatives of CCC may enter the farm to determine if the producers are in compliance with this contract;
- N** The base acres must be devoted to an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use. Base acres that are devoted to an agricultural or conserving use through noncultivation of any portion, require effective control of noxious weeds and other maintenance measures through sound agricultural practices.
- O** Payments are subject to the availability of funds and to limits on payments as may be provided for in the program regulations;
- P** Generally, no producer on a farm that has a total of 10 base acres or less shall be eligible to receive payments on that farm, as determined by the Secretary. However, such a prohibition does not apply to a farm that is wholly owned by a socially disadvantaged or limited resource farmer or rancher. If the farm is owned by a legal entity, such as a corporation, each individual or entity with any interest in the entity must be a socially disadvantaged or limited resource farmer or rancher. Socially disadvantaged farmers and rancher and limited resource farmers and ranchers shall have the meaning assigned in part 2 of this appendix;
- Q** Owners of land that contains rice DCP base acres have their rice base acres apportioned to long grain rice or medium grain rice according to Section 1108 of the Food, Conservation, and Energy Act of 2008. For the purpose of this apportionment, medium grain rice includes short grain rice.
- R** Calculations provided for in this Appendix shall be made by farm, as provided for in the program contract (Form CCC-509) and each farm from which a producer wants to receive payments must have a separate CCC-509 on file. All payments are subject to the availability of funds, compliance with all applicable laws and regulations, and any statutory changes in payment rates or payment eligibility that may occur. A separate CCC-509 is required for each program year for each farm from which a producer seeks to receive

payment and calculations for each program year will be made separately. There shall only be one CCC-509 from any farm for any program year – that is, all producers on the farm must for each program year, file the same CCC-509;

- S** If there is a discrepancy between terms of the CCC-509, the CCC-509 Appendix, or any subsequent statutory changes or amendments that may change the terms of subjects covered by the CCC-509 or this CCC-509 Appendix, then the statutory language shall apply.

4 PLANTING FLEXIBILITY PROVISION

- A** Producers may plant that part of their cropland in excess of the total base acres on the farm to any commodity. For that part of the cropland equal to the eligible base acres, the producer shall be subject to the restrictions set out below.
- B** The planting of fruits (including nuts), vegetables (other than mung beans and pulse crops) or wild rice on base acres on the farm is prohibited and shall result in a violation of the terms of this contract unless one of the following exceptions are met:
- (1) The fruit (including nuts), vegetable or wild rice is planted in a double-cropping practice with a covered commodity or peanuts, as determined by the FSA County Committee, in any region designated by CCC in the regulations at 7 CFR Part 1412 as having a history of double-cropping covered commodities or peanuts with fruits, vegetables or wild rice, in which case there is no contract violation or reduction in DCP payments;
 - (2) The fruit (including nuts), vegetable or wild rice is planted on a farm that has an established history of planting fruits, vegetables or wild rice, as determined by the FSA County Committee, in which case there is no contract violation; however, DCP payment acres shall be reduced by an acre for each acre of base acres planted to a fruit (including nuts), vegetable (other than mung beans and pulse crops) or wild rice; or
 - (3) The producer(s) with an interest in the specific fruit (including nuts), vegetable or wild rice planted has an established history of planting the specific fruit, vegetable or wild rice, and the plantings on base acres do not exceed the producer's average annual planting history for the specific fruit, vegetable or wild rice for either the 1991 through 1995 crop years or the 1998 through 2001 crop years, but not both, as selected by the producer, in which case there is no contract violation; however, DCP payment acres shall be reduced by an acre for each acre of base acreage planted to a fruit (including nuts), vegetable (other than mung beans and pulse crops) or wild rice. When calculating a producer's average annual planting history, all years in which the producer did not plant the specific fruit, vegetable or wild rice, as applicable, shall be excluded.
- C** Failure to comply with the fruit, vegetable and wild rice provisions of this section may result in the termination of the contract or a reduction in the DCP payments, at CCC's discretion.

5 DIRECT PAYMENTS

- A** Subject to limits otherwise provided for, the direct payment for each covered commodity or peanuts will be computed by multiplying: (1) 83.3 percent (85 percent in 2012) of the covered commodity's or peanut's base acres (the result of which is indicated by the payment acres in Item 8 of CCC-509), by (2) the covered commodity's or peanut's program payment yield (identified in Item 9A of CCC-509), by (3) the payment rate for the covered commodity or peanuts (identified in Item 10 of this appendix), by (4) the producer's share of the covered commodity or peanuts (identified in Item 12 of CCC-509).
- B** CCC will make advance payments available to producers who request such an advance by multiplying the payment amount determined in paragraph A of this section by 22 percent for contracts enrolled for the applicable 2009 through 2011 program year. Such payments may be made as soon as practical after December 1 of the contract period through September of the contract period. For 2012, advance direct payments are not available.

- C** A producer must refund to CCC any payment which exceeds the amount actually earned under this contract, including the refund of unearned payments for a crop year resulting from another owner or producer assuming an interest in the base acres for the crop year. Interest on such refunds shall be assessed in accordance with 7 CFR Part 1403 and will accrue from the date of disbursement. In the event a succession-in-interest is timely reported on a revised CCC-509, interest on refunds from predecessors is not charged if such refund is made by September 30 of the contract period.
- D** A final payment for the crop year will be made to producers as soon as practicable after October 1 of the crop year in which the crop is normally harvested.
- E** For any person or entity with an ACRE contract, the direct payment otherwise allowed by this section shall be reduced by 20 percent unless otherwise specified in the ACRE contract in which case the provisions of the ACRE contract will control.

6 COUNTER-CYCLICAL PAYMENTS

- A** Counter-cyclical payments are authorized for a covered commodity or peanuts when the effective price for the commodity is less than the target price of the commodity. The effective price for a covered commodity or peanuts is equal to the sum of: (1) the higher of the national average market price received by producers during the 12-month marketing year for the covered commodity or peanuts, as determined by the Secretary, or the national average loan rate for the commodity, as found in the regulations at 7 CFR Part 1412 as applicable and (2) the direct payment rate for the covered commodity or peanuts, as provided at 7 CFR Part 1412. The “marketing year” shall be the period identified in 7 CFR Part 718 or in replacement regulations, as the “marketing year” for the relevant commodity.
- B** The counter-cyclical payment, if any, for each covered commodity or peanuts will be computed by multiplying: (1) 85 percent of the covered commodity or peanut’s base acres (the results of which is indicated by the payment acres identified in Item 8 of CCC-509), by (2) the program payment yield (identified in Item 9B of Form CCC-509), by (3) the payment rate for the covered commodity or peanuts (identified in Item 10 of this appendix), by (4) the producer’s share of the covered commodity or peanuts (identified in Item 12 of CCC-509).
- C** The counter-cyclical payment rate for a commodity, when authorized for a crop year, is determined by subtracting the effective price for the commodity from the target price of the commodity. The direct payment rates, national loan rates, and maximum counter-cyclical payment rates are identified in Item 10 of this appendix. Counter-cyclical payments are not available for 2009 crops of canola, crambe, flax, mustard, rapeseed, safflower, sesame, or sunflowers, because the sum of the national loan rate and the direct payment rate for those covered commodities is equal to or greater than the target price. Payments for other eligible oilseeds, if any, shall be as determined by the Secretary.
- D** CCC may authorize partial counter-cyclical payments for a covered commodity or peanuts, if before the end of the applicable 12-month marketing year for the commodity, the Secretary estimates that counter-cyclical payments will be required. In this event, producers may request a partial payment of no more than 40 percent, as determined by the Secretary, of the projected payment amount, to be made after completion of the first 6 months of the marketing year for that crop. Partial counter-cyclical payments for 2011 and 2012 program years are not available.
- E** A final counter-cyclical payment for the crop year, if applicable, will be made to producers beginning October 1, or as soon as practical, after the end of the 12-month marketing year for the applicable commodity. As specified above, the particular twelve months encompassed in a “marketing year” shall be as defined in 7 CFR Part 718 or in replacement regulations.
- F** A producer must refund to CCC any payment which exceeds the amount actually earned under this contract, including the refund of any unearned partial counter-cyclical payment when actual market prices exceed the projected market prices used in determining the partial payment rates. CCC may, at its discretion, automatically reduce any partial, advance, or final direct payments or counter-cyclical payments earned by, or which would otherwise be received by, the producer (or affiliated person or entity as provided in 7 CFR

Part 1403) in any current or future year to help satisfy any obligation to repay any unearned partial, advance, or final direct or counter-cyclical payment for the current year or any other year under this contract. Likewise, such other payments may be withheld in the case of partial or advance payments pending a determination of whether those payments would themselves be subject to a refund because of a recalculation made when final payments are due. In the event that any overpayment was due to an error or omission either by CCC or by the party that receives the payment, and in the event of a contract violation, interest shall be due on the refund from the date of the disbursement by CCC. The rate shall be determined in accordance with normal CCC procedures and rules.

- G** Notwithstanding any other provision of this section, for any person or legal entity with an ACRE contract for a particular farm, there shall be no counter-cyclical payment made or due for that farm. That is, for such person or legal entity, the counter-cyclical payment for that farm shall be zero.

7 OTHER PAYMENT PROVISIONS

- A** A producer who refuses to receive direct and counter-cyclical payments by indicating such on CCC-509 may subsequently decide to receive payments, provided that the producer signs a revised CCC-509 or otherwise notifies the FSA County Committee in writing on or before September 30 of the contract period.
- B** Payments shall not be earned by any producer on a contract for a crop year, unless payment shares are properly designated and all producers sign the contract in accordance with the regulations at 7 CFR Part 1412. In cases where a valid payment share dispute exists, direct and counter-cyclical payments shall not be earned by producers involved in the dispute on the farm unless the payment share in dispute is resolved by agreement of the parties and documented in writing to the satisfaction of the FSA County Committee on or before September 30 of the contract period, and the agreed upon payment shares are compliant with program regulations and provisions.
- C** Any payment or portion thereof due any producer will be made by CCC without regard to any question of title under state law, and without regard to any claim or lien against the crop, or proceeds therefrom, which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to producers or their assignees.
- D** Payments can be denied by any signatory who CCC determines has violated State law provisions that affect a tenant's right to lease agricultural land, or any person (including a subsequent tenant) who would profit by such a violation.
- E** Interest on any refund due CCC shall run from the date of disbursement by CCC.
- F** All payments are subject to the availability of funds and to other limits in this Appendix or elsewhere that may apply.
- G** In addition, no person or legal entity may receive a payment under this contract if their average annual adjusted gross nonfarm income for the relevant base period, as determined under the adjusted gross income (AGI) regulations in part 1400 is more than \$500,000 as determined under those regulations. Also, no person or legal entity can receive direct payments if their annual adjusted farm income for the relevant period (see Part 1400) exceeds \$750,000 (as determined under that part). Further, for entities, an otherwise due payment will be reduced commensurately to the extent that any person with an interest in the entity, as determined under the AGI regulations, had such income over the foregoing limit for the relevant period as determined under Part 1400.

8 LOSS OF BENEFITS

- A** If CCC determines a producer erroneously represented any fact affecting a determination to be made by CCC under this contract, direct and counter-cyclical payments shall not be allowed on the farm with respect to the payment shares of that producer. If CCC determines that the misrepresentation was intentional or fraudulent, or if the producer knowingly adopted any scheme or device which tends to defeat the purposes of this contract, the producer shall forfeit all rights to contract payments on each farm in which the producer has an interest and shall refund to CCC all contract payments received by the producer during the period of the violation, plus interest.
- B** All producers sharing in the contract payments are jointly and severally liable for any refunds determined pursuant to paragraph A of this section and CCC will establish claims for the full amount of the refund against each producer in accordance with 7 CFR Part 1403. A signatory to the contract who does not receive any share of the contract payments shall not be liable for the repayment of such refund.
- C** The provisions of this section are in addition to any liability which may be incurred under various criminal and civil fraud statutes, including, but not limited to, 18 U.S.C. 286, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729.

9 MODIFICATIONS

CCC reserves the right to correct all errors in entering data on Form CCC-509 and the results of computations made pursuant thereto and to modify this agreement to reflect statutory changes in the program, including changes in program payments and program eligibilities. In the event of such modifications, producers shall be allowed to withdraw from the contract in which case all partial payments received under the contract shall be refunded with interest to run from the date the funds were disbursed by CCC. CCC also reserves the right to require refunds of payments as the result of determinations made in accordance with the maximum payment limitations in the regulations at 7 CFR Part 1400.

10 PAYMENT RATE INFORMATION

Direct Payments and Maximum Counter-Cyclical Rates for Covered Commodities and Peanuts, Crop Year 2009						
Commodity	Units	Target Price	Direct Payment Rate	Loan Rate	Minimum Effective Price	Maximum Counter-Cyclical Payment Rate
Wheat	\$/bu.	3.92	0.52	2.75	3.27	0.65
Corn	\$/bu.	2.63	0.28	1.95	2.23	0.40
Grain Sorghum	\$/bu.	2.57	0.35	1.95	2.30	0.27
Barley	\$/bu.	2.24	0.24	1.85	2.09	0.15
Oats	\$/bu.	1.44	0.024	1.33	1.354	0.086
Upland Cotton	\$/lb.	0.7125	0.0667	0.5200	0.5867	0.1258
Rice, Long Grain	\$/cwt.	10.50	2.35	6.50	8.85	1.65
Rice, Medium Grain*	\$/cwt.	10.50	2.35	6.50	8.85	1.65
Soybeans	\$/bu.	5.80	0.44	5.00	5.44	0.36
Other Oilseeds	\$/cwt.	10.10	0.80	9.30	10.10	0.00
Dry Peas	\$/cwt.	8.32	0.00	5.40	5.40	2.92
Lentils	\$/cwt.	12.81	0.00	11.28	11.28	1.53
Small Chickpeas	\$/cwt.	10.36	0.00	7.43	7.43	2.93
Large Chickpeas	\$/cwt.	12.81	0.00	11.28	11.28	1.53
Peanuts	\$/short ton	495.00	36.00	355.00	391.00	104.00

Direct Payments and Maximum Counter-Cyclical Rates for Covered Commodities and Peanuts, Crop Year 2010 through 2012						
Commodity	Units	Target Price	Direct Payment Rate	Loan Rate	Minimum Effective Price	Maximum Counter-Cyclical Payment Rate
Wheat	\$/bu.	4.17	0.52	2.94	3.46	0.71
Corn	\$/bu.	2.63	0.28	1.95	2.23	0.40
Grain Sorghum	\$/bu.	2.63	0.35	1.95	2.30	0.33
Barley	\$/bu.	2.63	0.24	1.95	2.19	0.44
Oats	\$/bu.	1.79	0.024	1.39	1.414	0.376
Upland Cotton	\$/lb.	0.7125	0.0667	0.5200	0.5867	0.1258
Rice, Long Grain	\$/cwt.	10.50	2.35	6.50	8.85	1.65
Rice, Medium Grain*	\$/cwt.	10.50	2.35	6.50	8.85	1.65
Soybeans	\$/bu.	6.00	0.44	5.00	5.44	0.56
Other Oilseeds	\$/cwt.	12.68	0.80	10.09	10.89	1.79
Dry Peas	\$/cwt.	8.32	0.00	5.40	5.40	2.92
Lentils	\$/cwt.	12.81	0.00	11.28	11.28	1.53
Small Chickpeas	\$/cwt.	10.36	0.00	7.43	7.43	2.93
Large Chickpeas	\$/cwt.	12.81	0.00	11.28	11.28	1.53
Peanuts	\$/short ton	495.00	36.00	355.00	391.00	104.00

* Medium grain rice includes short grain rice.

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