complete reduction of all payments under the DCP or ACRE program contract.

(c) If there is a violation of §1412.66 due to an inaccurate report of either acreage or production and CCC determines that the violation was not a knowing and willing falsification or misrepresentation by producers on the contract under paragraph (a) of this section, payments may be made to the producers specified on the contract based on determined acreage and production.


§ 1412.62 Fruit, vegetable, and wild rice acreage reporting violations.

(a)(1) If an acreage report of fruits, vegetables, or wild rice planted on base acreage of a farm enrolled in DCP or the ACRE program is inaccurate but within tolerance as provided in paragraph (b) of this section and CCC determines the producer made a good faith effort to comply with the provisions of this section, the producers must accept a reduction in the direct, counter-cyclical, and ACRE program payments for each such acre.

(2) If an acreage report of fruits, vegetables, or wild rice planted on base acreage of a farm enrolled in DCP is inaccurate and exceeds the tolerance as provided in paragraph (b) of this section and CCC determines the producer made a good faith effort to comply with the provisions of this section, the producers must accept a reduction in the direct, counter-cyclical, and ACRE program payments for the farm in an amount equal to the sum of:

(i) The direct, counter-cyclical, and ACRE program payments in such year for each such acre, plus

(ii) Twice the average dollar value of the direct payment for the covered commodity and peanut base acres reduced because of the fruit, vegetable, and wild rice plantings on such acre, multiplied by the total number of acres in violation.

(3) The contract will be terminated if an acreage report of fruits, vegetables, or wild rice planted on base acres of a farm enrolled in DCP or ACRE program is inaccurate, and the county committee determines the producer did not make a good faith effort to comply with the provisions of this section. Upon such termination, producers subject to such contract must:

(i) Forfeit all rights to receive direct, counter-cyclical, and ACRE program payments for the farm;

(ii) Refund all direct, counter-cyclical, and ACRE program payments received for the farm under the contract, plus interest as determined in accordance with part 1403 of this chapter; and

(iii) Be determined to be ineligible for all program benefits according to part 718 of this title.

(b) For the purposes of this section, tolerance is the amount by which the determined acreage may differ from the reported acreage and still be considered in compliance with program requirements. Tolerance for fruits, vegetables, and wild rice plantings is 5 percent of the reported fruit, vegetable, and wild rice acreage, not to exceed 50 acres.

§ 1412.63 Contract liability.

All signatories to a DCP or ACRE program contract are jointly and severally liable for contract violations and resulting repayments and penalties.

§ 1412.64 Inaccurate representation, misrepresentation, and scheme or device.

(a) Producers must report and certify program matters accurately. Errors in reporting may impact eligibility or extent of eligibility. Benefits under this part will be based on the most correct information available. Producers are responsible for refunding, with interest from the date of the CCC disbursement, any program benefits that were paid based on incorrect program information.

(b) For those cases in which FSA determines that an inaccurate representation or certification is a misrepresentation or scheme or device, such person will be ineligible to receive DCP or ACRE payments and will have the person’s interest in all contracts terminated if it is determined that such person has done any of the following:

(1) Adopted any scheme or device that tends to defeat the purpose of this part: