FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

(Revised) July 2011

Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers

Overview

The Food, Conservation, and Energy Act of 2008 authorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP) to provide assistance to geographically disadvantaged farmers and ranchers. The program reimburses producers for a portion of the transportation cost for transporting their agricultural commodity, or inputs used to produce an agricultural commodity, during a fiscal year. RTCP is subject to appropriated funding.

Eligible Producers

Producers eligible for RTCP include geographically disadvantaged farmers and ranchers in Hawaii and Alaska or an insular area who transported an agricultural commodity, or inputs used to produce an agricultural commodity, during a fiscal year. This includes farmers and ranchers from the following areas:

- Hawaii
- Alaska
- Commonwealth of Puerto Rico
- Guam
- American Samoa
- Commonwealth of the Northern Mariana Islands
- Federated States of Micronesia
- Republic of the Marshall Islands
- Republic of Palau
- Virgin Islands of the United States

Eligible Commodities

Any agricultural commodity (including horticulture, aquaculture, and floriculture) food, feed, fiber, livestock (including elk, reindeer, bison, horses, and deer), insects or products thereof, are eligible for RTCP.

Eligibility Requirements

To be eligible for RTCP program benefits, producers must:

- Be a geographically disadvantaged farmer or rancher producing and marketing, including the transportation of an agricultural commodity, in an approved area;
- Submit an application during the specified period applicable for each fiscal year;
- Provide proof of the amount of costs incurred for the transportation of the agricultural commodity or input;
- Comply with conservation and wetland protection requirements on all their land;
- Have an average non-farm income that does not exceed $500,000 and;
- Be a citizen or a legal resident alien of the United States in accordance with 7 CFR Part 1400 for foreign persons.

Note: Commercial fishermen are not eligible for RTCP program benefits.

Payment Calculation

RTCP payments will be:

- Calculated based on the amount of costs incurred by the producer for transportation of the agricultural commodity or inputs during a fiscal year and multiplied by the applicable percentage of allowance (COLAs) for the applicable fiscal year in the applicable area;

o **Example -** A producer incurred transportation costs in Hawaii for fiscal year 2011 totaling $15,000. The fiscal year 2011 percentage of allowance in Maui County, Hawaii, is 25 percent. $15,000 x 25 percent = $ 3,750. The producer would receive direct reimbursement in the amount of $ 3,750.

- Subject to an $8,000 per producer cap per fiscal year and;

- Subject to a payment factor if the funding availability is exceeded in a fiscal year. The 2010 Agriculture Appropriations Bill authorized $2.6 million for fiscal year 2010. The Department of Defense and Full-Year Continuing Appropriations Act of 2011 authorized $1.996 million for fiscal year 2011.

Transportation Rates

Types of transportation rates used to determine reimbursable amounts are as follows:

- **Actual** – rate is based on the actual transportation costs incurred by the applicant and must be determined, in all cases, from verifiable records. No other type of transportation rate is permitted under this option for the same request.
- **Fixed** – rate is established by FSA State Committee (STC) with Deputy Administrator for Farm Programs (DAFP) concurrence and reflects transportation rates applicable to certain agricultural commodities or inputs used to produce the agricultural commodity.
- **Set** – rate is established by the STC with DAFP concurrence and reflects a percent of the total cost used to represent the transportation cost incurred. This rate will only be used if the inputs do not have an established fixed rate or if a breakdown of the transportation costs is not available.

Applicants who have certified their costs, and either a fixed or set transportation rate is used to determine the reimbursable amounts, are subject to a compliance spot check to provide verifiable proof that the transportation of the agricultural commodities or inputs occurred for the applicable fiscal year.

FY 2010 Sign-Up Period (RTCP-I)

Sign-up for fiscal year 2010 began on Aug. 2, 2010, and ended on Sept. 10, 2010. Since RTCP benefits are based on transportation costs incurred during a fiscal year, producers had until Nov. 4, 2010 to provide supporting documentation of their actual transportation costs to replace any certified amounts for fiscal year 2010.

FY 2011 Sign-Up Period (RTCP-II)

Sign-up for fiscal year 2011 will begin on **July 25, 2011**, and ends on **Sept. 9, 2011**. Since RTCP benefits are based on transportation costs incurred during a fiscal year, producers will have until Nov. 4, 2011 to provide supporting documentation of their actual transportation costs to replace any certified amounts for fiscal year 2011.

Where to File an Application

Applicants must file an application for benefits at the FSA Service Center that maintains the farm records for their business. Applicants located in the insular areas of the Pacific Basin must file an application for benefits directly with the Hawaii State and Pacific Basin Office. Applications and other documents required for RTCP program participation may be obtained by calling toll free: 1-866-794-1079.

Applicants in the insular areas of the Pacific Basin may submit completed program documents during the announced sign-up period to the following address:

Hawaii State and Pacific Basin
Farm Service Agency Office
737 Bishop Street
Suite 2340
Honolulu, HI 96813

More Information

For more information about FSA programs contact the closest FSA office or USDA Service Center, or visit t www.fsa.usda.gov