



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

May 9, 1984

SUBJECT: Clarification on Calculating Actual Losses on "Controlled"
Crops and Submission of State Office Issuances to the National
Office for Post Approval

TO: All State Directors

The Office of Inspector General (OIG) has disclosed in a recent Interim Audit Report that emergency (EM) actual losses on "controlled" crops such as tobacco and peanuts are not being calculated on a uniform basis nationwide. Section 1945.163 (a)(2)(iv) of FmHA Instruction 1945-D was revised February 23, 1983, to require that the calculation of "controlled" crop losses be done the same as for all other crops.

Actual losses for tobacco, peanuts and other crops grown under acreage and/or poundage control must not be calculated differently than any other crops; i.e., the calculations must not include the dollar value of under-produced pounds to be sold or produced in future years. The value of under-produced poundage allotments and quotas must not be subtracted from the loss. All "controlled" crop acreage planted in the disaster year, including acreage above the producers' allotments and quotas, will be considered even though the carryover crop is not eligible for price support until the next marketing year.

The FmHA State Directors for Georgia, Kentucky, North Carolina, Tennessee, South Carolina, Virginia, and other States that produce crops under Government programs having acreage and/or poundage control must update their State issuances to conform to this AN. The revised State issuances must be submitted to the National Office, Attention: Directives Management Branch (DMB), for post approval as required by FmHA Instruction 2006-B.

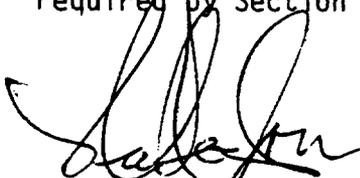
EXPIRATION DATE: December 31, 1984

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1945-D.



1017(1945)

The Emergency Division routinely reviews all State Instructions, State forms, State Form Manual Inserts (FMIs) and State guide letters that are submitted through DMB and have a bearing on EM-type assistance. However, the recent OIG Interim Audit Report found that some States have not forwarded any State issuances to the National Office for post approval. Therefore, all FmHA State Directors must immediately submit to the EM Division, through DMB, all current State issuances concerning the EM program which have not been post approved by the National Office, as required by Section 2006.55 of FmHA Instruction 2006-B.


Fa CHARLES W. SHUMAN
Administrator

Sent via electronic mail on May 9, 1984 at 4:31 p.m. by MISD (IMPS).
Please distribute promptly to all County Supervisors and District Directors.