



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

OVERVIEW

The Agricultural Act of 2014 (the 2014 Farm Bill), re-authorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP) to reimburse geographically disadvantaged producers with a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

FUNDING

RTCP is subject to appropriated funding and rescissions may apply. The Consolidated and Further Continuing Appropriations Act of 2015 authorized \$1.996 million for fiscal year 2015.

ELIGIBLE PRODUCERS

Producers eligible for RTCP include geographically disadvantaged farmers and ranchers in an insular area. This includes farmers and ranchers from the following states, territories and 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

The following agricultural commodities are eligible for the RTCP Program:

- Aquaculture
- Feed
- Fiber
- Floriculture
- Food
- Horticulture, including trees

- Insects or products thereof
- Livestock, including elk, reindeer, bison, horses and deer.

ELIGIBILITY REQUIREMENTS

To be eligible for RTCP program benefits, producers must:

- Be a geographically disadvantaged farmer or rancher producing, marketing and transporting 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 \$900,000, 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 (cost of living allowance or COLA) for the applicable fiscal year in the applicable area;

Example: A producer incurred transportation costs in Hawaii for fiscal year 2015 totaling \$15,000. The fiscal year 2015 percentage of allowance in Maui County, Hawaii, is 25 percent. $\$15,000 \times 25$ percent = \$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.

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.

FISCAL YEAR 2015 SIGN-UP PERIOD (RTCP-6)

Sign-up for fiscal year 2015 will begin **July 20, 2015**, and end **Sept. 11, 2015**. Since RTCP benefits are based on transportation costs incurred during a fiscal year, producers will have until Nov. 2, 2015, to provide supporting documentation of their actual transportation costs to replace any certified amounts for fiscal year 2015.

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 to the following address during the announced sign-up period.

Hawaii State and Pacific Basin
Farm Service Agency Office
P.O. Box 50065
300 Ala Moana Blvd, Rm 5-108
Honolulu, HI 96850

MORE INFORMATION

For more information about FSA programs, contact the closest USDA Service Center or visit the FSA website at www.fsa.usda.gov. To locate an FSA county office or service center, visit <http://offices.usda.gov>.

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