

FSA
HANDBOOK

Quality Loss Adjustment Program

For State and County Offices

SHORT REFERENCE

1-QLA

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

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Quality Loss Adjustment Program 1-QLA	Amendment 4
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Paragraph 42 C has been amended to update the list of insured crops.

Paragraph 52 has been added to include special provisions for peanuts.

Page Control Chart		
TC	Text	Exhibit
1, 2	3-1, 3-2 3-33, 3-34 3-35 through 3-44 (add)	1, pages 1, 2

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Part 1 General Information and Administrative Provisions

1 Overview

A Handbook Purpose

This handbook provides procedure for the QLA Program that is administered by DAFP through the Safety Net Division.

B Related Handbooks

Handbooks related to the QLA Program are listed in this table.

IF the material concerns...	THEN see...
referring possible fraud cases to OIG	9-AO.
State and county organization and administration	16-AO.
outreach	22-AO.
appeals	1-APP.
signatures, powers of attorney, registers, name and address files, controlled substances, deceased individuals, or estates	1-CM.
common payment reports	9-CM.
acreage reporting, acreage determinations, and spot checks	2-CP.
conservation compliance	6-CP.
requests for relief and finality rule provisions	7-CP.
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prompt payment interest	61-FI.
assignments and joint payees	63-FI.
NRRS	64-FI.
managing crop acreage data	1-GIS.
providing public information	1-INFO.
NAP-covered crops	1-NAP.
web-based subsidiary files	3-PL (Rev. 2).
payment eligibility, payment limitation, and person determinations	5-PL.
referring FSA/RMA discrepancies and/or potential abuse cases to RMA Regional Offices on AD-2007	4-RM.
WHIP+ production losses	2-WHIP.
QLA Program automation	2-QLA.
records management	32-AS.
file maintenance and disposition	32-AS Supplement

2 Authority

A Public Law

The Additional Supplemental Appropriations for Disaster Relief Act of 2019 (Pub. L. 116-20), as amended by the Further Consolidated Appropriations Act of 2020 (Pub. L. 116-94), authorizes the Secretary to implement the QLA Program.

B Regulation

The QLA Program regulation is in 7 CFR Part 760, subpart R.

C Limitations

If different handbook provisions appear to apply to an issue or question, the provision that is the most restrictive on benefits or eligibility applies.

This handbook provides FSA's internal operating guidelines issued by DAFP for carrying out the QLA Program. Handbook provisions are considered interpretive of regulations. Whenever an unintended conflict appears to exist between any handbook provision and the pertinent applicable Federal regulations, the regulations apply.

3 General Information

A Assistance

The QLA Program provides money for crop quality losses resulting from hurricanes, excessive moisture, floods, qualifying drought, tornadoes, typhoons, volcanic activity, snowstorms, or wildfires occurring in calendar years 2018 and 2019.

B Funding

The Further Consolidated Appropriations Act, 2020 provides funding for the QLA Program in an amount equal to the remaining funds provided under the Bipartisan Budget Act of 2018 (Pub. L. 115–123) for losses due to Hurricanes Harvey, Irma, Maria, and other hurricanes and wildfires occurring in calendar year 2017 (2017 WHIP) and remaining funds provided under the Additional Supplemental Appropriations for Disaster Relief Act of 2019 (Pub. L. 116-20) for losses due to Hurricanes Michael and Florence, other hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms, and wildfires occurring in calendar years 2018 and 2019 (WHIP+).

C Application Period

The application period is January 6, 2021, through March 5, 2021. To apply, participants must file FSA-898, Quality Loss Adjustment (QLA) Program Application, in the recording County Office.

D Signature Requirements

Signatures **must** be entered on applications and received by FSA by the application deadline. If an application is received after the deadline, the application will be disapproved, and appeal rights provided according to 1-APP.

Follow 1-CM for signature requirements.

Note: General partnerships **must** have a permanent tax ID number to receive an FSA payment. FSA payments will **not** be issued to the individual members of a general partnership when the general partnership does **not** have a permanent tax ID number.

FSA payments may be issued to either of the following:

- a joint venture with a permanent tax ID number
- the individual members of a joint venture, using the individual member's ID number, when the joint venture does **not** have a permanent tax ID number.

3 General Information (Continued)

E Modifying Provisions

Provisions in this handbook will **not** be revised without prior written approval from the National Office.

F Authorized Forms

The use of forms, worksheets, applications or documents, other than those provided in this handbook or issued by the National Office are **not** permitted.

G Public Information

Follow instructions in 1-INFO for providing program information.

H Other Criteria

The following are other program and administrative provisions that apply:

- controlled substance provisions
- fraud/FCIC
- equitable relief provisions.

Exception: Participants either qualify for payments or they do not. Participants do not render performance; therefore, failure to fully comply relief provisions do **not** apply.

County Offices will record determinations for the applicable criteria in the eligibility file according to 3-PL (Rev. 2).

4 Responsibilities and Delegations

A STC Responsibilities

Within the authority and limitations in this section and 7 CFR Part 760, subpart R, STC will:

- direct the administration of the program
- ensure that State and County Offices follow program provisions
- approve crop data according to 1-NAP (Rev. 2), as applicable
- handle suspected fraud cases according to applicable procedure
- thoroughly document all actions taken in STC meeting minutes
- provide COC and DD with a copy of STC or DAFP determinations for appeals or misinformation/misaction cases
- handle appeals according to 1-APP and 7 CFR Parts 780 and 11
- require all applications executed by State Office employees, COC members, CED's, County Office employees, and their spouses to be sent to STC, or designee, for approval
- require the first 5 applications of an employee in the Service Center to be reviewed by the State Office representative according to subparagraph B to ensure program provisions are followed

Note: STC's may establish additional reviews.

- determine if authority will be delegated to COC to act on QLA Program matters in other than routine cases.

4 Responsibilities and Delegations (Continued)

B SED Responsibilities

Within the authority and limitations in this handbook and 7 CFR Part 760, subpart R, SED's will:

- ensure that County Offices follow program provisions
- handle appeals according to 1-APP and 7 CFR Parts 780 and 11
- ensure that State Office representative conducts reviews according to subparagraph A

Note: SED may establish additional reviews to ensure that the program is implemented according to program provisions.

- immediately notify the National Office of software problems, incomplete or incorrect procedures, and specific problems or findings
- apply SED equitable relief authority in 7-CP.

SED's may delegate responsibility to the State Office staff for approving routine applications

C DD Responsibilities

Within the authority and limitations in this handbook and 7 CFR Part 760, subpart R, DD's will ensure that COC's and CED's carryout program provisions as follows:

- conduct reviews according to subparagraphs D and E and any additional review established by STC or SED according to subparagraphs A and B
- ensure that County Offices publicize the program provisions according to paragraph 5.

4 Responsibilities and Delegations (Continued)

D COC Responsibilities

Within the authority and limitations in this handbook and 7 CFR Part 760, subpart R, COC's will:

- fully comply with all program provisions
- ensure that CED's fully comply with all program provisions
- research data and available resources for a general knowledge of quality losses and quality adjustments applicable to crops in the county

Note: If losses occur outside of the county, the COC may consult with other counties, as applicable.

- handle suspected fraud cases according to applicable procedure
- ensure the claimed share reflects the participant's share ownership interest in the crop at the time of loss

Note: If the participant claiming a share of the payment has entered into any agreement or contract to grow or produce the crop for another and without retaining any ownership share and risk in the crop, the participant **cannot** be considered to have a valid claim to a share of the payment.

- handle appeals according to 1-APP and 7 CFR Parts 780 and 11
- thoroughly document all actions taken in COC meeting minutes

Important: All the following must be thoroughly documented for all program determinations made by COC:

- references to applicable handbooks, notices, and regulations
- all sources of information obtained for review or consideration.

4 Responsibilities and Delegations (Continued)

D COC Responsibilities (Continued)

- notify participants in writing, of any adverse action taken by COC

Note: Notifications must include the following information:

- reason the application was adjusted or denied
 - factors reviewed or considered in making the determination
 - appeal rights of the producer
 - copy of the application
 - CFR and handbook references.
- ensure that producers receive complete and accurate program information
 - ensure that program provisions and other important items are publicized as soon as possible after information is received from the National Office, including but not limited to the following:
 - application period
 - payment limitation
 - basic participant eligibility criteria
 - general data required to complete applications
 - act on all applications

Note: This authority cannot be delegated beyond routine determinations.

- complete Phase 1 reviews of all applications
- not delegate responsibility to CED or County Office for determinations involving any of the following:
 - disapproving applications
 - COC adjustments
 - determining ineligible loss conditions.

Exception: COC can delegate CED authority to disapprove applications received after the deadline. In this instance, the appeal right will be to COC.

COC's may delegate responsibility to CED or County Office employees for approving routine applications.

4 Responsibilities and Delegations (Continued)

E CED Responsibilities

Within the authority and limitations in this handbook and 7 CFR Part 760, subpart R CED's will:

- fully comply with all program provisions
- ensure that County Office employees fully comply with all program provisions
- handle appeals according to 1-APP and 7 CFR Parts 780 and 11
- ensure that modifications to data provided by the applicant are not made unless the applicant initials and dates the modification
- ensure that a second party review is completed before payments are issued
- ensure that producers receive complete and accurate program information
- immediately notify SED, through DD, of software problems and incomplete or incorrect procedures
- ensure that general provisions and other important items are publicized according to paragraph 5.

F Program Technician Responsibilities

Within the authority and limitations in this handbook and 7 CFR Part 760, subpart R, program technicians will:

- fully comply with all program provisions
- immediately notify CED of software problems and incomplete or incorrect procedures
- ensure that producers receive complete and accurate program information.

4 Responsibilities and Delegations (Continued)

G Producer Responsibilities

Producers are responsible for:

- being aware of program provisions
- accurately reporting all required information on FSA-898
- providing acceptable records according to paragraph 23 with their application for benefits.

Participants receiving QLA Program payments or any other person who provides information to USDA **must** permit authorized representatives of USDA or GAO during regular business hours, to enter the agricultural operation and to inspect, examine, and to allow representatives to make copies of books, records, or other items for confirming the accuracy of the information provided by the participant.

Programs administered by DAFP require accurate information from producers. Producers must understand that failure to provide complete and accurate information and records could result in any or all of the following:

- an application for QLA assistance being disapproved, COC adjusted, or approved but ineligible for payment
- the producer being determined ineligible for FSA programs for the year or multiple years
- the producer being liable under any civil or criminal fraud statute or any statute or provision of law.

5 Outreach

A Background

Program information, including sign-up and eligibility, is publicized in a variety of ways as resources allow, including but not limited to:

- press releases
- print media
- electronic media including GovDelivery newsletters, bulletins, and SMS texting
- Federal Register
- direct mailings (may be limited by FSA resource availability)
- radio and television announcements
- posting program information in the USDA Service Center.

B Producer Responsibilities

Participants are responsible for being aware of program provisions. FSA **cannot** be responsible for reaching out to every potential program participant with all program information. Participants **must** seek information on program details and **not** wait for FSA to individually write or communicate with them about program provisions.

C Agency Responsibilities

COC will ensure that program provisions are publicized and maintain a record of all publicity efforts, including postings in Service Centers. Conduct public relations and outreach efforts according to 1-INFO and 22-AO.

6 Payment Eligibility

A Payment Calculation

The QLA Program has two basic payment calculations that are applicable based on the crop and the producer's verifiable evidence.

- If a producer has acceptable evidence of quality loss, the payment will be calculated based on **the value of the crop's quality loss x 70% QLA Factor**.
- If a producer does not have acceptable evidence to substantiate individual quality loss, the payment will be calculated based on **the county average loss for the crop x 70% QLA Factor x 50%**.

7 Payment Limitation and Average AGI

A Payment Limitation

The rules for payment limitation and attribution apply to QLA Program payments according to 5-PL and 7 CFR Part 1400. Accordingly, the rules for notification of interest, substantive change and common attribution apply.

The payment limitation is \$125,000 per person or legal entity for each of the program years 2018, 2019, and 2020.

B Average AGI Limitation

The \$900,000 average AGI provisions in 5-PL are applicable.

A person or legal entity, other than a joint venture or general partnership, is ineligible for a 2018, 2019, or 2020 payment if the person's or legal entity's average AGI is more than \$900,000, unless at least 75 percent of that person's or legal entity's average AGI is derived from farming, ranching, or forestry-related activities.

The average AGI for each of the program years (2018, 2019, or 2020) is determined using the average of the AGI's for the 3 taxable years preceding the most immediately preceding tax year.

Example: For the 2019 program year, the producer's average AGI is based on the 2015, 2016, and 2017 tax years.

If at least 75 percent of the person's or legal entity's average AGI is derived from farming, ranching, or forestry-related activities and the participant provides the required certification and documentation, the person or legal entity is eligible to receive QLA Program payments up to the applicable payment limitation.

With respect to joint ventures and general partnerships, average AGI provisions apply to each member of the joint venture and general partnership.

8 Conservation Compliance

A Applying Provisions

A program participant is subject to the applicable 6-CP conservation compliance provisions.

It is **not** necessary to delay issuing payments pending NRCS' HEL or wetland determinations. AD-1026 require a producer to refund program payments if an NRCS determination results in the discovery of an HELC/WC violation.

9 Deadline for Filing Eligibility Documents

A Deadline

An applicant **must** file eligibility documents (AD-1026, CCC-902, CCC-941, CCC-942, if applicable) within 60 calendar days from the date of signing FSA-898. Failure to timely provide eligibility forms may result in no payment or a reduced payment.

10 Appeals

A Producer Rights

Participants have the right to appeal when FSA has issued a determination on an application for benefits and there is a question of fact or some dispute as to the correct application of a rule, regulation, or generally applicable provision for that application. Follow 1-APP for appealable determinations.

B Nonappealable Matters

The following are not determinations but are program matters that are not subject to individual appeals according to 1-APP:

- responses to inquiries about eligibility
- eligibility criteria
- signature requirements
- payment calculations.
- payment rates
- deadlines
- national payment factor.

11 Misrepresentation, Scheme, or Device

A Impact or Ramification of Misrepresentation, Scheme, or Device

A person is ineligible to receive QLA Program payments for any crop year if it is determined by STC, COC, or an official of FSA that the person has:

- adopted any scheme or other device that tends to defeat the purpose of a program operated
- made any fraudulent representation with respect to the QLA Program
- misrepresented any fact affecting a program determination.

B Other Amounts Owed

If FSA determines that a violation according to subparagraph A occurs, the person or persons are liable for refunds with applicable interest from date of disbursement of all amounts paid to any such person or persons, applicable to all crop years.

C Joint and Several Liability

All producers sharing in payments are jointly and severally liable to refund any unearned payments.

12 NEPA Requirements

A Background

NEPA requires that Federal agencies consider all potential environmental impacts before implementing activities that have the potential to significantly impact the human environment; all environmental processes must be fully completed before an action can be approved; and agencies must consult with and obtain comments from Federal agencies that manage or have expertise about resources that are potentially affected. FSA's environmental compliance program mission is to use all practicable means to ensure FSA compliance with all applicable environmental laws, regulations, and procedures. FSA uses an environmental review process to determine the appropriate level of NEPA analysis and documentation required.

B Programmatic Determination of Environmental Compliance

The National Office has determined that all applicable environmental review requirements are met for the program. The final rule published in the Federal Register serves as documentation of the programmatic environmental compliance decision for the QLA Program. County Offices are not required to complete or file FSA-850.

13 FSA-770 QLA Program

A Overview

FSA-770 has been developed to assist County Offices to ensure that payments are issued properly. It may be used to determine if program policies and procedures are being followed before issuing payments and to fulfill the second party review requirements according to paragraph 4.

B Completing FSA-770 QLA Program

Complete FSA-770 QLA Program according to the following.

Item	Instructions
1	Enter producer’s name.
2	Enter applicable State name.
3	Enter the County Office name that is completing FSA-770 QLA Program.
4-8	Check “Yes”, “No”, or “N/A”, as applicable for each entry.
9A through 9H	An employee that initials any of the items from 4 through 8 must certify by signing as preparer and entering date of signature.
10 A, B and C	<p>Important: Complete if FSA-770 is selected for spot check. If selected for spot check, CED or designated representative must certify:</p> <ul style="list-style-type: none"> • Item 10A by checking “Concur” or “Do Not Concur” accordingly if FSA-770 QLA Program items have been verified and completed • Item 10B by signing • Item 10C by entering date of signature.
11 A, B and C	<p>Important: Complete if FSA-770 QLA Program is selected for spot check. If FSA-770 QLA Program is selected for spot check, DD or designated representative must certify:</p> <ul style="list-style-type: none"> • Item 10A by checking “Concur” or “Do Not Concur” accordingly if FSA-770 QLA Program items have been verified and completed • Item 10B by signing • Item 10C by entering date of signature.
12	Enter any remarks that may explain special circumstances or explanations for items checked “NO”.

13 FSA-770 QLA Program Checklist (Continued)

C Example of FSA-770 QLA Program

Following is an example of FSA-770 QLA Program.

*__

This form is available electronically. FSA-770 QLA U.S. DEPARTMENT OF AGRICULTURE (01-25-21) Farm Service Agency		1. Participant Name			
QUALITY LOSS ADJUSTMENT PROGRAM CHECKLIST		2. State Name			
		3. County Office Name			
Office Staff Actions:		Handbook or Other Applicable References	YES	NO	N/A
4. APPLICATION					
A. Was the FSA-898 filed timely?		1-QLA, Pars. 3, 62	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Has the FSA-898 been signed by a person or legal entity who has signature authority on file (if the person is signing in a representative capacity) and a CCC Representative?		1-QLA, Par. 62	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Was verifiable evidence of the quality loss submitted with the application?		1-QLA, Pars. 21, 43, 44 and 45	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Were all forms required for a complete application submitted timely?		FSA-578, FSA-899, if applicable, FSA-895 Linkage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. AFFECTED PRODUCTION					
A. Have production records been timely submitted and date stamped by the county office?		1-QLA, Par. 43	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Did the COC determine affected production was due to a qualifying disaster event?		1-QLA, Par. 21	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Did the affected production have minimum 5 percent loss?		1-QLA, Pars. 21, 42	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. ELIGIBILITY					
A. Has the CCC-902 Farm Operating Plan been completed and loaded into the web-based eligibility system? (Producer must file within 60 days after signing FSA-898)		1-QLA, Par. 62	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Has the FSA-578 Report of Acreage been filed and signed by the participant for all crops on the FSA-898? Note: Acreage reports are acceptable for QLA Program purposes only if they do not meet 2-CP late filed provisions.		1-QLA, Par. 23	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Has the participant and affiliated persons filed the required AD-1026 and has the eligibility information been recorded in the web-based eligibility system? (Producer must file within 60 days after signing FSA-898.)		1-QLA, Par. 62	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. REVIEW/PAYMENT					
A. Did the COC complete the phase 1 review of the application for reasonableness?		1-QLA, Par. 76	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Were COC adjustments on FSA-898 recording in the minutes?		1-QLA, Par. 76	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. After approvals were authorized by DAFFP, were second party reviews complete prior to approval?		1-QLA, Par. 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. CERTIFICATION					
<i>I, the undersigned, certify the above items have been verified or updated accordingly.</i>					
9A. Signature of Preparer		9B. Date (MM-DD-YYYY)	9C. Signature of Preparer		9D. Date (MM-DD-YYYY)
9E. Signature of Preparer		9F. Date (MM-DD-YYYY)	9G. Signature of Preparer		9H. Date (MM-DD-YYYY)
10A. I concur/do not concur the above items have been verified and updated accordingly:			<input type="checkbox"/> Concur	<input type="checkbox"/> Do Not Concur	
10B. CED Signature for Spotcheck				10C. Date (MM-DD-YYYY)	
11A. I concur/do not concur the above items have been verified and updated accordingly:			<input type="checkbox"/> Concur	<input type="checkbox"/> Do Not Concur	
11B. DD/State Office Representative Signature for Spotcheck				11C. Date (MM-DD-YYYY)	
12. Remarks					

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13 FSA-770 QLA Program Checklist (Continued)

C Example of FSA-770 QLA Program (Continued)

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FSA-770 QLA (01-25-21) Page 2 of 2

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

14-20 (Reserved)

Part 2 Eligibility

21 Eligibility

A Overview

*--A producer is eligible for payment if harvested production of a crop suffered a quality loss due to a qualifying disaster event.

The portion of the production that suffered the quality loss discount due to a qualifying disaster event is the affected production.--*

B Qualifying Disaster Event

A qualifying disaster event is a named hurricane, qualifying drought, excessive moisture, flooding, snowstorm, tornado, typhoon, volcanic activity, or a wildfire that occurred in the 2018 or 2019 calendar year.

Note: There may be qualifying events in both 2018 and 2019.

21 Eligibility (Continued)

B Qualifying Disaster Event (Continued)

A qualifying disaster event must have occurred for the related conditions to be considered eligible. Conditions occurring that are not related to a qualifying disaster event are not eligible. Qualifying disaster events and related conditions include but are not limited to the following.

Qualifying Disaster Event	Related Conditions
Drought	<ul style="list-style-type: none"> • heat • excessive wind • hot wind
Excessive moisture	
Flooding	<ul style="list-style-type: none"> • silt/debris
Hurricanes	<ul style="list-style-type: none"> • excessive wind • excessive rain • flooding • storm surges • tornado • tropical storm • tropical depression
Snowstorm	<ul style="list-style-type: none"> • blizzard
Tornado	<ul style="list-style-type: none"> • excessive wind
Typhoon	<ul style="list-style-type: none"> • hurricane • excessive wind • excessive rain • flooding • storm surges • tornado • tropical storm • tropical depression
volcanic activity	<ul style="list-style-type: none"> • ash • fire • vog • lava • earthquake
Wildfires	<ul style="list-style-type: none"> • heavy smoke

Note: The list of related conditions is not all inclusive; COC may approve additional related conditions if it determines the related condition was directly caused by the qualifying disaster event.

21 Eligibility (Continued)**C Examples of Related Conditions**

A related condition must have occurred at the time of the qualifying disaster event.

Example 1: A named hurricane makes landfall, becomes a tropical storm, and later a tropical depression. The tropical storm and tropical depression are considered to be related; therefore, losses from the areas affected by the tropical storm and tropical depression would be eligible.

Example 2: A tropical storm intensifies to become a named hurricane. The named hurricane's path later becomes a tropical storm and a tropical depression. The named hurricane and the subsequent tropical storm and subsequent tropical depression are considered qualifying events and related conditions; therefore, only the losses from those events would be eligible.

Example 3: A wildfire occurred in September. Subsequent rains caused a mudslide in November which destroyed the crop. The mudslide was not concurrent and is not a related condition of the wildfire; therefore, the loss is not eligible.

Example 4: Saturated ground, or excessive moisture resulting from the spring melting of a winter snowstorm, is not a related condition and any loss from those conditions is not eligible.

21 Eligibility (Continued)

D Qualifying Loss

To be eligible for payment, a crop's affected production must have had:

- a quality loss due to a qualifying disaster event, and
- at least a 5 percent quality loss due to all eligible causes of loss combined.

***--Notes:** Whether a crop met the 5 percent minimum quality loss in value is determined for the crop by State, physical location county, crop, crop type, intended use, organic practice, and nutritional value, if applicable.

The percent quality loss is calculated separately for each crop year.--*

A crop's affected production must have suffered a loss caused by a qualifying disaster event. However, the affected production may have been further damaged by an additional eligible cause of loss.

If all or a part of the production did not have a loss because of a qualifying disaster event, then that portion of the production is not eligible.

Example 1: Producer suffered a quality loss on 10,000 bushels of corn for grain due to excessive moisture. The grain suffered additional quality losses prior to harvest from a subsequent hailstorm. Because all 10,000 bushels had a quality loss due to a qualifying disaster event (although further damaged by hail, an eligible cause of loss) all 10,000 bushels are eligible.

Example 2: Producer suffered a quality loss on 10,000 bushels of corn for grain. Only 1,000 bushels were affected by a qualifying disaster event (excessive moisture). The remaining 9,000 bushels were affected by hail only. Only the 1,000 bushels affected by a qualifying disaster event are eligible. All quality losses to the 1,000 bushels affected by the qualifying disaster event, including those losses caused by hail, are eligible for payment.

21 Eligibility (Continued)

E Eligible Causes of Loss

Eligible causes of loss are specified in 1-NAP, (Rev. 2) and include:

- damaging weather, including but **not** limited to drought, hail, excessive moisture, freeze, excessive wind, or any combination thereof
- adverse natural occurrences, such as earthquake, flood, volcanic eruption, or any combination thereof
- related conditions, including but **not** limited to heat, disease, or insufficient chill hours that occur because of an adverse natural occurrence or damaging weather.

Notes: Damaging weather or adverse natural occurrence **must** have occurred for a related condition to be an eligible cause of loss.

Insect infestation is **not** an eligible cause of loss for QLA Program.

F Ineligible Causes of Loss

Ineligible causes of loss are losses that are **not** the result of an eligible disaster, including but not limited to:

- losses due to any condition occurring after harvest
- insect infestation
- losses during storage
- drifting herbicides

21 Eligibility (Continued)

F Ineligible Causes of Loss (Continued)

- failure to reseed or failure to replant to the same crop in the county before the final planting date
- losses initiated after harvest or because of conditions occurring outside the applicable crop year growing season for the crop
- losses **not** the result of disaster
- losses to crops not intended for harvest in the applicable crop year
- lack of good farming practices
- failure of a power supply or brownout
- failure to harvest or market the crop due to lack of plan or resources.

G Eligible States/Counties for Qualifying Disaster Events other than Drought

The QLA Program is available to an eligible producer in:

- Presidential-declared and Secretarial-designated primary counties for qualifying disaster events, listed in subparagraph B

Note: A current listing of Presidential-declared and Secretarial-designated primary counties can be found on the FSA Disaster Designation site at <https://www.farmers.gov/recover/whip-plus>.

- any county not listed as a primary county with a Presidential declaration or a Secretarial designation; however, the producer **must** provide documentation to COC satisfaction showing the loss was due to a 2018 or 2019 qualifying disaster event or related condition.

Notes: A producer in any of the declared counties must certify that the producer had quality losses of at least 5 percent due to a qualifying disaster event.

21 Eligibility (Continued)

H Eligible States/Counties for Drought

For quality losses because of drought and drought-related conditions, the QLA Program is **only** available to an eligible producer in counties rated by the U.S. Drought Monitor of having a D3 or higher level of drought intensity occurring in 2018 and 2019. The D3 or higher level may have occurred any time between January 1 through December 31 for the year in which the loss occurred, provided COC determines the loss was a direct result of drought.

Example 1: County A triggered a D4 drought rating by the U.S. Drought Monitor in August 2018 and came out of D4 September 30, 2018. The producer applied for 2019 soybean losses due to drought. County A did not have a D3 or higher rating by the U.S. Drought Monitor in 2019.

The D3 or higher rating by the U.S. Drought Monitor is year-specific. Because County A did not have a D3 or higher rating by the U.S. Drought Monitor in 2019 (the year in which the loss occurred) producers in that county are not eligible for 2019 crop losses due to drought.

Example 2: County B triggered D3 on January 15, 2019, and came out of D3 on February 15, 2019. Cotton was planted on May 15, 2019. The producer applied for 2019 cotton losses due to drought.

Because County B was rated as a D3 or higher in 2019 (the year in which the loss occurred), the producer can apply for cotton losses due to drought. However, COC must determine that the loss was caused due to drought.

21 Eligibility (Continued)

I Quality Discounts

Quality discounts are:

- grading factors for crops other than forage.

Note: The QLA Program will consider grading factors recognized by the industry for the crop, such as low test weight, broken kernels, and low protein. For crops other than forage, quality losses are measured using grading factors such as low test weight, broken kernels, and low protein.

- nutritional values for forage crops.

Quality discounts that are associated with a loss that could have been mitigated, such as high moisture, and insect infestation, are **not** eligible.

Example: A producer's corn crop received a quality discount due to high moisture content. The producer could have mitigated that quality loss by using best practices for drying and storing the crop; therefore, the producer's quality loss due to high moisture is not eligible.

The COC is responsible for determining whether a quality loss could have been mitigated considering resources available in the county for protecting and maintaining the crop.

J Verifiable Quality Loss

Only quality losses supported by verifiable documentation are eligible. For a producer to receive a payment that is calculated based on their individual quality loss, verifiable documentation must show **both** a quality discount and a total dollar loss due to quality.

- For crops other than forage, verifiable documentation must show the quality discount or grading factor and the reduction in price due to quality.
- For forage crops, verifiable documentation (tests) must show the application year's nutritional value and the prior 3 years' nutritional value of the crop.

21 Eligibility (Continued)

J Verifiable Quality Loss (Continued)

Example: A producer sold 10,000 bushels of corn. The settlement sheet shows the producer received a reduced price of \$2.00 per bushel due to low test weight. The price for corn on the date of sale was \$4.00. The producer's verifiable evidence shows both a loss in quality (low test weight) and a total dollar value loss of \$20,000 (discounted price of \$2.00 per bushel due to quality x 10,000 bushels of affected production). In this example, the producer has verifiable documentation of both the quality discount and total dollar loss. Therefore, the QLA payment can be calculated based on their individual quality loss.

If a producer has verifiable evidence of a quality loss but **no dollar loss due to quality**, a quality payment cannot be calculated based on their individual loss because there is not sufficient evidence to determine the value of the quality loss. In these cases, the producer's quality payment will be calculated using the county average percentage of loss for producers in the county with verifiable evidence of both a quality loss and total dollar loss because of quality for the same crop, crop type, organic practice, and intended use.

Notes: If less than 5 producers in the county have applied for QLA payment for the same crop, crop type, organic practice, and intended use, DAFP has discretion to use a county average percentage of loss based on producers in a contiguous county. If there is insufficient data in the contiguous county, the producer may be determined ineligible for payment.

The QLA Program software will calculate the county average loss after sign-up.

- For crops other than forage, verifiable evidence must show a quality discount or grading factor even though there may not be a reduction in price or dollar loss because of quality.
- For forage crops, verifiable evidence must show the application year nutritional value but there may not be historical nutritional values.

Example: A producer delivered 10,000 bushels of corn. The scale ticket shows the corn had a quality discount due to broken kernels. The producer did not sell the corn but stored it for feed. In this example, the producer has verifiable evidence of a quality loss but no evidence of a total dollar loss. Because the evidence does not have a total dollar loss due to quality, there is not sufficient information to calculate quality based on the producer's individual loss. Therefore, the county average percentage of loss will be used.

Note: A producer with no verifiable evidence of the quality loss is ineligible.

22 Producer Eligibility

A Definition of Eligible Producer

Eligible producer means, in addition to other eligibility requirements as may apply, an individual or legal entity that is entitled to an ownership share and is at risk in the crop, production, and marketing associated with the agricultural production of crops on the farm and is any of the following:

- a United States citizen
- resident alien; for purposes of this program, resident alien means “lawful alien”
- a partnership consisting solely of citizens of the United States or resident aliens
- a corporation, limited liability company, or other organizational structure organized under State law consisting solely of citizens of the US or resident aliens.

Note: Landowners, landlords, tenants, contract growers, or anyone else not having both a share of the risk and a valid claim of share ownership of a crop are ineligible for assistance for that crop.

If a producer was determined ineligible for NAP or crop insurance, that determination of ineligibility also applies to the QLA Program.

Note: The determination of ineligibility is applicable to the year in which the determination is made.

22 Producer Eligibility (Continued)**B Verifying Producer Eligibility**

A producer must be able to show, with verifiable evidence, that the producer had a valid ownership share and risk in the crop produced and control of the crop acreage on which the commodity was grown at the time of the disaster. For persons or legal entities producing a crop under a grower's contract or a Community Supported Agriculture Agreement, a copy of the contract or agreement must be provided.

Applicants certifying to having a claim to a share of payments are subject to spot check. If agreements or contracts are discovered to show a grower did not have a valid claim to a share of a crop for which assistance was claimed, payments must be returned.

COC will review on a case-by-case basis, leases, rental agreements, and other written statements documenting verbal agreements. The review **must** determine the amount of interest and risk in the production for the lessor or lessee. For a crop grown under contract, 1 of the following must be obtained, as determined by COC:

- copies of signed written leases or written agreements
- copies of signed rental agreements
- copies of other legal documents showing land ownership or control
- statement signed by landowner that producer had control of the acreage
- statement signed by operator or producer that person or legal entity had control of the acreage on a farm.

Note: Lease or rental arrangements provided by persons or legal entities must exist before the date of the disaster event and be reviewed by COC. Any negotiation, agreement, or performance of parties to a rental or lease arrangement after the date of the disaster event will have no bearing on the question of eligible producer.

22 Producer Eligibility (Continued)**B Verifying Producer Eligibility (Continued)**

If there is any question that the documentation submitted does not clearly authorize the representative to sign, the County Office will forward a copy of the application form signed by the representative together with a copy of the documentation submitted in support of the signature to the Regional Attorney.

If an application involving a deceased individual or closed estate is determined to have been signed by an authorized individual:

- payments will be issued using the TIN of the eligible individual or individual's estate, as applicable
- payments may be issued in the name of the heirs, based on OGC's determination, according to 1-CM.

If a producer is a general partnership or joint venture that was dissolved, all members of the general partnership or joint venture at the time of dissolution, or their representatives, must sign the application and required forms.

Note: A single application will be submitted for the partnership or joint venture; however, all members must sign the single application.

C Deceased, Missing, or Incompetent Producers and Dissolved Entities

See 1-CM for guidance about deceased, missing, or incompetent persons and dissolved entities.

D Change in Crop Ownership

A person or legal entity with no interest in the marketed, fed, or stored quality-affected production is ineligible.

Persons or legal entities who assume interest and ownership share through a transfer of indemnity for insured crops or transfers of coverage for NAP crops may assume QLA Program eligibility.

23 Acreage Reporting

A Requirement to File

A producer must file an acreage report for all crops for which they are requesting benefits.

Acreage reports may be any of the following:

- already on file according to 2-CP or 2-WHIP
- late-filed according to 2-CP
- submitted **for QLA Program purposes only.**

B Acreage Reports for QLA Program Purposes

A producer filing acreage reports for QLA Program purposes only **must**:

- show evidence of existence or disposition of the crop to support the acreage report.

Note: Follow policy in 2-CP for acceptable evidence of existence or disposition of the crop. COC's are responsible for determining reasonableness of acreage based on the evidence provided.

- sign FSA-578.

The County Office will load reported acreage in CARS but will **not** certify in the system.

Note: If farm records are not established, County Offices will establish CRM Farm Records according to 10-CM, 3-CM, 1-GIS, and CRM Farm Records Work Instructions before starting an application. Requests for farm replication for prior years must be submitted to State Offices, as applicable.

24 Crop Eligibility

A Eligible Crop

Eligible crops include the following:

- crops for which Federal crop insurance is available
- crops eligible for NAP according to 1-NAP (Rev. 2), unless identified as ineligible in subparagraph B.

Notes: STC's must ensure crop data for eligible crops is established/approved for use in the 2018, 2019, and/or 2020 NCT before QLA Program application and payment calculations can occur.

Crop data must be loaded according to 1-NAP (Rev. 2) and 3-NAP in the applicable year's NCT.

B Ineligible Crops

Ineligible crops include crops:

- for which FCIC or NAP coverage is not available
 - not grown commercially
 - intended for grazing
 - not intended for harvest
 - subsequent crops that do not meet double cropping provisions in 2-CP
 - volunteer crops, as defined in 2-CP
 - value loss crops
 - maple sap
 - honey
 - prevented planting crops
 - first-year seeding of forage crops
 - crops that were destroyed
 - immature fruit crops
- *--crops with a final use that is different than the reported intended use, with limited exceptions. See subparagraph 45 C.--*

25 Linkage Requirement

A Rule

As a condition of payment eligibility, producers must obtain crop insurance or NAP coverage, as applicable, on the crop. Crop insurance or NAP coverage must be obtained for the first 2 available consecutive crop years with respect to which crop insurance or NAP coverage is available after the enrollment period ends. The definition of 2 consecutive crop years is 2022 and 2023 for all crops.

Producers who obtained crop insurance or NAP coverage for the crop according to the requirements for WHIP+ are considered to have met the requirement to purchase crop insurance or NAP coverage for the QLA Program.

Determine the level of coverage a producer needs to obtain to meet linkage according to guidance in the following table.

IF the producer has received QLA Program benefits...	THEN for linkage, the producer is required to obtain...
on an insurable crop	crop insurance at a level of 60/100 or equivalent, if available.
on a NAP-eligible crop	<p>NAP coverage at a level of 60/100 or equivalent, if available, including paying the administrative fee and filing an annual acreage report.</p> <p>Exceptions: If a producer is ineligible to receive a NAP payment because of average AGI, they must purchase WFRP at the 60/100 coverage level or equivalent, if qualified to purchase.</p> <p>If a producer cannot purchase NAP coverage at the 60/100 coverage level because of failure to meet the NAP growing history requirement, they can meet the linkage requirement by obtaining basic NAP coverage.</p>
and exceeds average AGI for NAP and cannot meet WFRP eligibility	NAP coverage at a level of 60/100 or equivalent, if available, including the administrative fee and filing an annual acreage report.

25 Linkage Requirement (Continued)**A Rule (Continued)**

If program benefits were received on:

- a NAP crop and crop insurance becomes available for this crop in a linkage year, the producer is required to obtain crop insurance at a level of coverage at 60/100 or equivalent
- an insured crop and crop insurance is **not** available for this crop in a linkage year, the producer is required to obtain NAP coverage at a level of 60/100 or equivalent, including paying the administrative fee and filing an annual acreage report
- a crop that is no longer eligible for NAP or crop insurance, the producer is required to obtain WFRP.

If the linkage requirement is not met, the producer will be required to refund benefits for the crop, plus interest.

The linkage requirement applies to the producer's interest in the crop (specifically receiving benefits) in the county where the crop was physically planted or prevented planted.

If an applicant or entity quits farming, dissolves, or a member leaves an entity and now farms under a different TIN, linkage can be met for the applicant if the majority share of the persons receiving a QLA Program payment met linkage.

A producer must complete FSA-895 at the time of application acknowledging the crop insurance and/or NAP linkage requirement.

Note: If a producer is applying for quality losses for the same crop they received a WHIP+ production loss payment, the signed FSA-895 for WHIP+ is sufficient for the QLA Program.

25 Linkage Requirement (Continued)**A Rule (Continued)**

See Exhibit 6 for completion instructions and an example of FSA-895.

Example 1: Recording County A covers 2 physical counties (County A and County B). An approved applicant had a crop that suffered an eligible loss due to quality in County A during the disaster year. Crop insurance linkage applies to County A. The producer is not required to purchase crop insurance for County B.

Example 2: Recording County A covers 2 physical counties (County A and County B). An approved applicant had a crop that suffered an eligible loss due to quality in both counties. Crop insurance linkage applies to both County A and County B.

Example 3: An approved applicant had a crop that suffered an eligible loss due to quality in County A, and also had a crop that suffered an eligible loss due to quality in County B during the disaster year. County A and County B are separate recording counties. The producer received assistance for a loss only in County A. Crop insurance linkage applies to County A.

Example 4: Q. What happens if the applicant or entity quits farming?

A producer applied for the QLA Program and received a benefit in 2021 for a quality loss on insured cotton. Policy requires the producer to purchase crop insurance for the next 2 available crops years (2022 and 2023 for all crops). However, before the next available closing date to purchase insurance, the producer retires from farming. Because the producer will no longer be farming, the producer will not have to meet the linkage requirement. However, any member of a dissolved entity that is still actively farming would be required to meet linkage.

25 Linkage Requirement (Continued)**A Rule (Continued)**

Example 5: Q. What happens if an entity dissolves completely?

ABC Farms, LLC incurred a quality loss in 2018 on its insured peanut crop due to a hurricane. The entity applied for the QLA Program. Policy requires ABC Farms, LLC to purchase crop insurance for the next 2 available crops years (defined as 2022 and 2023 for all crops). ABC Farms, LLC obtains insurance coverage for the 2022 crop year. At the end of the harvest season in 2022, the members decide to dissolve the entity. ABC Farms, LLC will no longer be in existence and is not required to purchase insurance for peanuts in 2023 for linkage purposes. If any members are still actively farming they would need to meet linkage.

Example 6: Q. How do we handle a member of an entity that leaves the entity and now farms on their own using a different TIN?

ABCD Farms, LLC consisted of 4 members with each having a 25 percent share of ownership in the entity. The entity incurred a quality loss in 2018 on its insured corn crop due to a hurricane and received a QLA Program benefit in 2021. Subsequently, member A decides to leave the entity and farm as an individual for 2022. The remaining members continue to operate the entity. The entity is required to meet linkage for 2022 and 2023. The former member A, farming as an individual, is not required to obtain insurance coverage for ABCD Farms, LLC's linkage requirement.

25 Linkage Requirement (Continued)

B Linkage Within a Pay Group

Linkage will apply to each crop, type, and intended use if applicable, listed on the approved application.

Example: If dry edible kidney, navy, and pinto beans are in the same pay group, but the producer only grew navy and pinto beans during the disaster year, then linkage would:

- apply to navy and pinto beans
- **not** apply to kidney beans.

However, the producer may have to purchase a dry edible bean policy to obtain coverage on navy and pinto beans. That policy may also cover kidney beans because it is part of the same RMA crop policy, even though linkage would not be applicable to that type.

C Linkage Years

Linkage must be obtained at the 60/100 level for the first 2 consecutive years after the enrollment period ends but not to exceed the 2023 crop year. The definition of the 2 consecutive years is 2022 and 2023 for all crops.

If the linkage requirement is not met in the 2022 and 2023 crop years, the producer will receive a letter requesting a refund of QLA Program benefits. If a producer obtained sufficient coverage in prior years, they may request an exception to the 2022 and 2023 crop years. Requests for exceptions will be reviewed on a case-by-case basis. The following are possible **exceptions** to the 2022 and 2023 linkage requirement:

Exception Example: A producer received QLA payment for 2019 quality losses on corn. The producer purchased insurance at the 60/100 coverage level for corn in 2021 and 2022. The producer may request an exception to the requirement to purchase crop insurance in 2022 and 2023 based on obtaining coverage in 2021 and 2022.

All producers and all crops will be subject to verification of proper crop insurance requirements. For crops that received payments and are no longer insurable or are unable to obtain NAP, the producer must obtain WFRP.

25 Linkage Requirement (Continued)

D NAP Coverage

To meet the linkage requirement for NAP eligible crops, as provided in subparagraph A, the producer must:

- file CCC-471 and obtain NAP coverage at a level of 60/100 or equivalent, including paying the applicable administrative fee
- file an acreage report.

--Note:** Paying a NAP administrative fee alone, without filing an acreage report will **not-- satisfy or meet the linkage requirement.

E Federal Crop Insurance Coverage

Crop insurance policies reinsured by FCIC, including WFRP and written agreements, will meet the linkage requirement if the coverage level is at least 60/100 or equivalent.

See subparagraph 24 A for the definition of insured crops.

F Refund of QLA Program Payment

A participants not satisfying or meeting linkage requirements must repay the amount of the payment for the crop not meeting linkage plus applicable interest. The County Office will immediately notify the producer in writing of the noncompliance.

The notification letter will include the following:

- notification that the participant did not comply with FSA-895
- factors reviewed or considered in making the determination
- the dollar amount to be refunded, plus interest
- if applicable, an explanation of the exception to the Finality Rule
- copy of application and signed FSA-895
- CFR and handbook references
- applicable appeal rights according to 1-APP
- applicable appeal rights according to 1-APP, CFR, and handbook references.

25 Linkage Requirement (Continued)**G Waivers**

There will be no waivers of the linkage requirement. Participants have applied acknowledging that they must refund the benefit received plus interest for the crop if insurance or NAP coverage as applicable is not purchased.

H Producers Indebted to FCIC

According to RMA guidelines, producers indebted to FCIC are unable to purchase crop insurance until the debt is satisfied. For linkage purposes, if a producer received a QLA Program benefit but subsequently became indebted to FCIC, the producer is still considered eligible for the QLA Program provided linkage requirements are met. It is the producer's responsibility to satisfy the debt so crop insurance can be purchased.

Example: A producer received a QLA Program payment in 2021. In 2022, crop insurance determined the producer ineligible for failure to pay a debt. The producer remains eligible for the QLA Program; however, the producer must satisfy the debt so crop insurance can be purchased to meet linkage requirements. If the debt is not satisfied in time for the producer to meet linkage, the producer is ineligible and must refund the QLA Program payment plus interest.

26-41 (Reserved)

Part 3 Affected Production**42 Affected Production****A Overview**

Affected production means the producer's ownership share of harvested production, adjusted to standard moisture, of an eligible crop that had both:

- a quality loss due to a qualifying disaster event; and
- at least a 5 percent quality loss due to all eligible disaster events combined.

***--Note:** All production that was discounted due to quality must be included on the FSA-898. The percent quality loss due to all eligible disaster events combined is determined by crop year, physical location state and county, crop, crop type, intended use, organic status, and nutritional category, if applicable.--*

B Producer Responsibilities

A producer must certify to the producer's share of quality affected production on FSA-898 and provide acceptable production records at the time of application.

The producer's signature on FSA-898 is the producer's certification that the records provided are correct and accurate. COC may accept the producer's certification of affected production without reviewing the producer's documentation. A review is required only when COC has reason to question the producer's certification.

Example: Producer certified 50,000 bushels of 2019 corn for grain suffered a quality loss due to excessive moisture. Producer reported 100 acres planted to corn for grain on their 2019 FSA-578. COC questioned the producer's certified affected production in comparison to acres reported to the crop on the FSA-578. In this instance, COC should review the producer's documentation to determine if it substantiates the producer's certification.

42 Affected Production (Considered)

C Ineligible Affected Production

Affected production of the following is ineligible:

- crops identified in subparagraph 24 B
- a subsequent crop if double cropping provisions are not met
- multiple market crops that were previously paid under crop insurance or WHIP+
- crops that are considered unmarketable or secondary use
- sugar beets that were compensated through cooperative agreements with cooperative processors
- by-products resulting from processing or harvesting a crop, such as, but not limited to, cotton seed, peanut shells, wheat or oat straw, or corn stalks or stovers
- for insured crops, production to count reduced because of the ratio between established insurance price and sales price and received a WHIP+ payment. This includes the following crops:

- *--• cotton
 - cranberries
 - dry beans
 - dry peas
 - grapes (processing)
 - lentils
 - peaches
 - peanuts
 - stonefruit (fresh and processed):
 - apricots
 - nectarines
 - peaches
 - plums
- tobacco, burley and flue cured
- tobacco, other.--*

42 **Affected Production (Continued)**

D Commingled Affected Production Between Years and Counties

Production that is commingled between crop years and/or counties before it was a matter of record and **cannot** be separated by using records or other means will be prorated to each respective year or county in proportion to each county’s harvested crop acreage according to this table.

Step	Action
1	Total the commingled affected production of the eligible crop.
2	Total the harvested acreage of the crop in each identified year/county.
3	Divide the acres of each year/county by the total acres to calculate the prorated factor.
4	Multiply each factor times the total year’s/county’s affected production of the crop to calculate respective affected production.

E COC Adjustments

COC will adjust the producer’s certified affected production on FSA-898 in cases where all or a portion of the affected production:

- did not suffer a loss due to a qualifying disaster event
- included ineligible causes of loss
- is not substantiated by verifiable records.

COC must thoroughly document the reason for the adjustment.

F Notification of Adjustments

COC will notify a producer in writing when affected production on FSA-898 is adjusted. The notification must include:

- reason for the adjustment
- factors reviewed or considered in making the adjustment
- adjusted production will be used in payment calculation
- appeal rights of the producer according to 1-APP
- a copy of FSA-898
- CFR and handbook references.

43 Acceptable Records

A Overview

It is the producer's responsibility to submit acceptable records. Production records acceptable to FSA include verifiable or nonverifiable.

Documentation must be presented at the time of application, but no later than 14 days after the end of the application period.

B Verifiable Records

Verifiable records are records that:

- can be verified by FSA through an independent source
- are used to substantiate the amount of quality loss.

Verifiable records **must**:

- be dated
- show final disposition, including specific quantity and price, as applicable
- be seasonal or crop-specific for commodities produced more than once in a calendar year
- be provided, if they exist, to support a producer's certification of a quality loss.

C Examples of Verifiable Production Records

Verifiable records include the following:

- sales receipts from buyers
- settlement sheets
- truck or warehouse scale tickets
- actual measurements or appraisals by FSA, RMA or reinsured companies, LA's, other USDA employees, if performed as part of their work duties, feed company representatives, or STC-approved consultants
- written sales contracts
- similar records that represent actual and specific quality loss information
- forage tests for nutritional values

Notes: Verifiable records do **not** include certifications, estimates, producer ledgers, or diaries.

Verifiable production records are subject to COC's determination of acceptability.

43 Acceptable Records (Continued)

D Nonverifiable Records of Production

Where verifiable records are **not** available or required to substantiate the amount of affected production, the producer **must** provide any documentation available, including, but **not** limited to:

- copies of receipts
- ledgers of income
- income statements of deposit slips
- cash register tapes
- invoices for custom harvesting
- u-pick records.

Nonverifiable production records are subject to COC determination of acceptability as reliable to substantiate the producer’s amount of affected production when verifiable records are unavailable.

E County Office Responsibility

The County Office will follow this table when receiving acceptable records.

Step	Action
1	Date stamp original acceptable records.
2	Place a photocopy in the producer’s file. Return the original date-stamped acceptable record to the producer. Note: Once copies of acceptable records have been placed in the producer’s file, they will not be removed or returned to the producer.
3	Ensure that the producer understands that the acceptable records must be: <ul style="list-style-type: none"> • complete and represent the quality loss and affected production as applicable • for the correct crop, type, intended use, and organic status. Note: The County Office is not responsible for ensuring that the quality loss and affected production are properly represented on the FSA-898 or FSA-899.

Note: The producer is responsible for providing the documentation at the time of application; however, the County Office is not required to review the documentation unless COC questions the producer’s certification on FSA-898 or FSA-899.

44 Forage Crops

A Eligible Forage

Eligible forage is vegetation consisting of annual, biennial, and perennial grasses, legumes, small grains, etc. produced in a commercial operation for animal consumption. Eligible forage must have been mechanically harvested and the loss of quality attributed to a qualifying disaster event.

Forage crops intended for grazing are ineligible.

Quality losses or deterioration of the forage crop due to poor management decisions, poor farming practices, poor storage practices, or drifting herbicides are ineligible.

For example, flood damage to the quality of a hay crop stored in the field would not be an eligible quality loss.

B Nutritional Categories

Eligible forage will be broken into high and low nutritional value categories, based on the expected quality for the timing of harvest within the crop year.

Example: Producer Jane routinely harvests 5 cuttings of alfalfa each year. The first and last cuttings are generally lower in quality, while the second, third, and fourth cuttings are higher quality. This producer suffered a loss due to drought in 2018 at a time that a fourth cutting would typically be harvested. This producer would use the representative laboratory analyses for the second, third, and fourth cuttings to determine the nutritional values.

Note: If there is typically only one harvest for the crop within the year, it will be categorized as high quality.

C Forage Price

All quality losses and benefits for forage crops will be calculated using the NCT price.

Note: If there is no approved organic price in the NCT, 145 percent of the conventional price will be used.

See paragraph 94 for calculation of benefits.

44 Forage Crops (Continued)

D Forage Quality

Forage quality:

- is determined by its nutritional value, which is measured using laboratory analysis, or tests, of representative samples of forage to establish this value
- losses are determined using a comparison of current and historical nutritional values for each category as applicable.

E Forage Analysis

Laboratory analysis is used to determine the nutritional values.

It is recommended that TDN be used as the standard nutritional value for measuring forage quality. STC's may determine that industry standards within the State warrant the use of an alternate nutritional value such as RFV or RFQ.

Forage quality tests or analysis must have been completed within 30 days of harvest and considered representative of the condition of the affected production at the time of harvest to be considered verifiable. Quality losses for hay and forage crops **must** be documented with an analysis from either of the following:

- a State university laboratory
- other laboratories approved by STC.

*--COC may consider tests taken more than 30 days after harvest if the sample or test is considered representative of the condition of the crop at the time of harvest. Factors to consider include but are not limited to:

- weather conditions during and after harvest
- harvest and handling procedures
- storage location, facility type, and condition
- steps taken to prevent the crop from deteriorating
- date of harvest
- ability to mitigate the loss in quality of the crop.--*

F Affected Forage Production

The amount of affected production on the FSA-898 will include all mechanically harvested, quality affected production resulting from a qualifying disaster event regardless of disposition at the time of application. Affected production can include forage:

- intended to be fed to livestock
- previously fed to livestock
- stored
- sold at a discounted price due to quality.

44 Forage Crops (Continued)

F Affected Forage Production (Continued)

Example 1: Producer Dale harvested 75 tons of production in 2019 that was affected by drought in an eligible county. He intends to feed it to his livestock.

Example 2: Producer Chip harvested 75 tons of mixed grass forage in 2019 that was affected by excess moisture. All 75 tons were fed to his livestock.

Example 3: Producer Dale harvested 75 tons of mixed grass forage in 2019 that was affected by drought in an eligible county. It is stored in his hay barn to be sold at a later date.

Example 4: Producer Chip harvested 75 tons of mixed grass forage in 2019 that was affected by excess moisture. He sold all production at a discounted price due to quality to his neighbor.

G Acceptable Records for Forage Quality

All affected forage production and historical forage production must be supported by verifiable documentation of the nutritional value of that production. The verifiable evidence **must** be specific to the claimed quantity. The documentation must include all of the following data elements:

- date of test
- producer name
- testing location
- laboratory name
- tested forage type information
- nutritional value.

44 Forage Crops (Continued)

G Acceptable Records for Forage Quality (Continued)

The quantity of affected production claimed on FSA-898 and production claimed on FSA-899 must also include acceptable documentation and be specific to the verifiable forage test. Acceptable documentation must identify the:

- amount of production
- date of harvest.

Example: Producer Gene routinely harvests 5 cuttings of alfalfa each year. Gene suffered a loss due to drought in 2018 at a time that a fourth cutting would typically be harvested. Gene provided the **verifiable** representative laboratory analyses for the second, third, and fourth cuttings for 2015, 2016, 2017, and 2018, as well as representative weight tickets and calendar for each year to support the amount of production as **acceptable** evidence of the affected production.

H Determining Quality Loss

Quality losses will be determined for each crop, crop type, intended use, organic status, and nutritional value by comparing historical nutritional values to the application year nutritional values, using the appropriate high and low nutritional value categories. This comparison can be made one of three ways.

- Using a producer's own current and historical nutritional values as recorded on the FSA-899.
- For a new producer, using current nutritional value and historical nutritional value from the same farm as recorded on the FSA-899.
- Using a producer's current nutritional values and county average nutritional value (see subparagraph J).

If less than 5 producers applied in the county for the same crop, type, intended use, and organic status, DAFP will determine eligibility.

If the producer does not have at least the current nutritional value, the forage crop is ineligible.

44 Forage Crops (Continued)

I Minimum Quality Loss (Threshold)

The minimum eligible quality loss for all forage crops is 5 percent, which will be determined by comparing the historical nutritional value to the nutritional value for the application year. Where historical values are not provided by the producer, the county average quality loss will be calculated according to paragraph 77 and used to determine that the minimum has been met. For a detailed calculation of loss and benefit computations, see paragraph 94.

J Documenting Historical Nutritional Value on the FSA-899

A producer must have 4 years of nutritional values representing either high or low nutritional value categories, 1 for the year of application year and 3 historical years. The producer must provide the production and historical nutritional value of the specific crop, type, intended use, and organic status using the FSA-899.

Example: Producer Don submits an application for 2018 because of drought in an eligible county. Don will provide verifiable documentation of nutritional value and acceptable documentation of production for 2015, 2016, and 2017 to calculate the weighted average historical nutritional value, and 2018 verifiable documentation for the application year nutritional value and acceptable documentation of affected production.

HISTORICAL NUTRITIONAL VALUE WEIGHTED AVERAGE WORKSHEET (QLA Program Forage Only)						
PART A - GENERAL INFORMATION						
1. State	2. County	3. Producer's Name			4. Crop Year	
PART B - CROP INFORMATION						
5. Crop Name	6. Crop Type	7. Intended Use	8. Practice	9. Organic Status	10. Nutritional Category	11. Unit of Measure
Crop Year 20__						
12. Production		13. Nutritional Value		14. Production Times Nutritional Value		
Crop Year 20__						
15. Production		20. Nutritional Value		17. Production Times Nutritional Value		
Crop Year 20__						
18. Production		20. Nutritional Value		20. Production Times Nutritional Value		

44 Forage Crops (Continued)

J Documenting Historical Nutritional Value on the FSA-899 (Continued)

The weighted average nutritional value will be computed on FSA-899, page 2 using the data entered on page 1.

TOTALS		
21. Total Production (Items 12, 15, & 18) █	22. Sum of Production Times Nutritional Value (Items 14, 17 & 20) █	23. Historical Average Nutritional Value (Items 22 divided by 21) █
PART E- PRODUCER'S CERTIFICATION		
<p><i>I hereby certify that the information included on this form includes a complete and accurate record of actual production history. The actual production history is accurately identified to the unit, crop and crop years shown. I understand that the information on this form may be spot checked and failure to certify accurately may result in a loss of program benefits. Additionally, I direct the purchaser, warehouse operator, ginner, or any person who otherwise stores or purchases crop production identified on this form to disclose those storage or purchase records of the identified crop to USDA representatives for the purpose of verification of production. I understand that the payment yield may be different than the approved yield if the unit acreage increases or plant density changes.</i></p>		
19A. Signature of Producer (By) █	19B. Title/Relationship of the Individual Signing in a Representative Capacity █	19C. Date (MM-DD-YYYY) █

Note: For more detailed instructions on completing the FSA-899, see Exhibit 7.

K Forage Crops with Application Year and Historical Nutritional Values

The historical 3-year weighted average of nutritional values will be compared with the application year nutritional value to determine the overall quality.

The weighted average of historical nutritional value will be calculated using FSA-899. The producer must provide the most recent 3 years of nutritional values and production prior to the year of application.

44 Forage Crops (Continued)**K Forage Crops with Application Year and Historical Nutritional Values (Continued)**

The 3 years of historical values will be broken into high and low nutritional value categories to be placed on FSA-899. The producer will submit historical nutritional values that are representative of the disaster/application year based on the timing, number of harvests within the year.

Example: Producer Jessica routinely harvests 5 cuttings of alfalfa each year. The first and last cuttings are generally lower in quality, while the second, third, and fourth cuttings are higher quality. Jessica suffered a loss due to drought in 2018 at a time that a 4th cutting would typically be harvested. Jessica would use the representative laboratory analyses for the second, third, and fourth cuttings for 2015, 2016, and 2017 and complete the FSA-899 to determine the weighted average that will be entered on FSA-898 (Exhibit 5).

L Forage Crops with Application Year Nutritional Values Only

Where the producer has verifiable documentation of the application year nutritional value, but no historical value, a weighted average of submitted applications in the county will be used to determine the percent of quality loss for the crop, type, and intended use. The county average percent of loss will be computed after all applications within the county have been submitted and reviewed as described in Part 5. An additional reduction of 50 percent will apply to the producer's computed benefit.

If less than 5 producers have applied with quality losses within the same nutritional value category, with both historical and current nutrient values, DAFP reserves the right to determine eligibility for a quality loss benefit.

45 Crops Other than Forage

A Eligibility

For crops other than forage to be eligible for the QLA Program, affected production must ~~have~~ suffered at least a 5 percent loss because of quality with verifiable grading factors ~~directly~~ related to a qualifying disaster event.

The amount of affected production on FSA-898 will include total affected production resulting from a qualifying disaster event that could have been:

- sold
- stored
- fed to livestock.

B Verifiable Documentation

Producers must have verifiable documentation of the quality loss and total dollar value loss to calculate a payment based on their individual loss.

Verifiable documentation must include the following:

- date of sale
- producer name
- location of point of sale
- buyer's name
- sold commodity information
- affected production, adjusted to standard moisture
- unit of measure
- quality discount factors
- quality loss discount, per unit of measure
- price before discount.

Verifiable documentation **must** be dated within 30 days of harvest.

Exception: For grain crops that were sold, verifiable documentation at time of sale is acceptable, provided the crop was maintained using best management practices.

~~COC~~ may consider samples or grading factors taken more than 30 days after harvest if the sample or test is considered representative of the condition of the crop at the time of harvest. Factors to consider include but are not limited to:

- weather conditions during and after harvest
- harvest and handling procedures
- storage location, facility type, and condition
- steps taken to prevent the crop from deteriorating
- date of harvest
- ability to mitigate the loss in quality of the crop. ~~---~~

See paragraph 94 for payment calculation examples.

45 Crops Other than Forage (Continued)

C Crops Without Documentation of a Total Dollar Loss

A producer that has verifiable documentation of grading factors, but no documentation of the total dollar loss does not have enough evidence to calculate a payment based on the producer's individual loss.

For a producer with grading factors, but no verifiable total dollar value loss documentation, verifiable documentation must include the following:

- date of sample
- producer name
- grading location
- grader's name
- graded commodity information
- unit of measure
- quality discount factors.

If part of the affected production is sold or has obtained verifiable documentation of grading factors, the verifiable documentation of those grading factors can be used for the remainder of the crop in storage, fed, or sold without verifiable documentation of total dollar value loss provided the producer certifies the grading factors are representative of what is in storage, fed, or sold without verifiable documentation of total dollar value loss.

Example: The producer had 10,000 bushels of quality affected corn in 2019 due to drought in an eligible county. The producer sold 5,000 bushels of corn at a discount of \$2.00/bushel due to low test weight. The producer can use the verifiable documentation of the grading factors from the sold production for the production in storage if the grading factors are representative of the production in storage.

*--QLA Program eligibility is determined according to intended use, with limited exceptions. If a producer has verifiable evidence of grading factors for the intended use, they may be used for a portion of the production with a different final use.

Example: The producer reported corn intended for grain, harvested the crop, and sold a portion as grain with verifiable grading factors. The producer chopped the remainder of the corn for silage. The grading factors for the portion that was harvested for grain may be considered acceptable if the producer can state the grading factors were representative of the corn harvested for silage. The production can be converted to the unit of measure for the intended use.--*

45 Crops Other than Forage (Continued)**C Crops Without Documentation of a Total Dollar Loss (Continued)**

The quantity of affected production claimed on the application must be supported with nonverifiable records of production, which may include:

- copies of receipts
- ledgers of income
- income statements of deposit slips
- cash register tapes
- invoices for custom harvesting
- u-pick records.

The quantity of affected production claimed on the FSA-898 must also include acceptable documentation and identify the:

- amount of production
- date of harvest.

D Determining Quality Loss

Quality losses will be determined for each crop, crop type, intended use, and organic status by one of the following:

- using a producer's total dollar value loss based on verifiable documentation.
- for crops without verifiable documentation of the total dollar value loss, the total dollar value loss will be calculated using a weighted average of all producers in the county with the same crop, type, intended use, and organic status with verifiable documentation of total dollar loss, provided at least 5 producers in the county have verifiable documentation of total dollar value loss.

If less than 5 producers applied in the county for the same crop, type, intended use, and organic status, DAFP will determine eligibility.

If the crop does not have verifiable documentation of grading factors, the crop is ineligible.

45 Crops Other than Forage (Continued)

E Stored Production

The storage facility needs to maintain the same quality of the crop determined at the time of harvest, using best management practices.

Crops that deteriorated during storage are not eligible. The producer must have verifiable documentation of a quality loss within 30 days of harvest.

*--COC may consider samples or grading factors taken more than 30 days after harvest if the sample or test is considered representative of the condition of the crop at the time of harvest. Factors to consider include but are not limited to:

- weather conditions during and after harvest
- harvest and handling procedures
- storage location, facility type, and condition
- steps taken to prevent the crop from deteriorating
- date of harvest.--*

--46 Upland Cotton*A Background**

Upland cotton is graded based on the applicable premiums and discounts as outlined in 7-CN. Each bale is priced based on the net adjustment to loan value with all grading factors considered.

The price per bale may be based on a contract price or some other pricing methodology if the cotton is sold via marketing pool.

B Eligibility

Affected production must have suffered a loss due to quality with verifiable grading factors directly related to a qualifying disaster event.

Eligible production only includes production from bales with either of the following:

- a loan value of less than \$0.52 after applying adjustments based on the schedule of premiums and discounts
- a net discount based on the schedule of premiums and discounts.

C Verifiable Documentation

Producers must have verifiable documentation of the adjustment to the upland cotton loan price. Verifiable documentation will include:

- date of sale
- producer name
- location of point of sale
- buyer's name
- sold commodity information
- affected production, adjusted to standard moisture
- unit of measure
- adjusted loan value based on the schedule of premiums and discounts, or the net discount to the loan value based on the schedule of premiums and discounts
- price before discount if sold under a marketing contract.--*

--46 Upland Cotton (Continued)*C Verifiable Documentation (Continued)**

Note: Upland cotton that is not sold under a marketing contract will use a price before discount of \$0.52/lb.

Verifiable documentation must be dated within 30 days of harvest unless it meets the exceptions in subparagraph 45 B.

D Determining Quality Loss

Quality losses will be determined separately for each organic status based on total value dollar loss.

The total dollar value loss will be based on the weight of each eligible bale multiplied by the net discount amount, which is either of the following:

- available on the verifiable documentation
- equal to the result of \$0.52 minus the adjusted loan rate on the verifiable documentation, if the net discount is not available on the verifiable documentation.

Notes: The producer can summarize the production and total dollar value loss for the eligible bales as stated above by using the weight of the bales and the total dollar value loss. The summary should be completed separately for bales sold under contract and bales using the loan price.

The County Office will not calculate the total production and total dollar value loss for the producer.

Production is ineligible if the producer does not have either of the following:

- verifiable documentation of the adjusted loan value based on the schedule of premiums and discounts
- the net discount to the loan value based on the schedule of premiums and discounts.--*

*--46 Upland Cotton (Continued)

E Examples

The following are examples of bale listings with grading factors and discounts:

Example 1: Cotton Not Under Contract:

Producer Bale Book																			
Crop Year: 2019																			
0530-05 Block:2 Dryland																			
State-County-Farm:																			
	Regular Bales	Remnant Bales	Built Up Bales	Voided Bales	Classed Bales	Invoiced Bales	To Be Invoiced Bales	Outside Bales	Lint Weight	Whse Weight	Bales Received	Loan Rate							
TOTALS	24	0	0	0	24	18	0	0	12,181	12,133	24	0.5147							
	Ginning			Lint	Whse		Net Storage												
	Gin Tag	Sts	SKT No	Load	Date	Wgt	Tag	Wgt	Date	Clr	Lf	Stpl	Mic	Str	Unif	R1	R2	Loan	Status
1	4403251	205	1079	11/5/19	499	1038749	497	11/6/19	21	2	33	46	27.7	79.0				0.5110	Invoiced
2	4403252	205	1079	11/5/19	522	1038750	520	11/6/19	11	2	33	46	27.7	79.0				0.5110	Invoiced
3	4403253	205	1079	11/5/19	497	1038528	495	11/6/19	21	3	33	46	27.7	79.0				0.5085	Invoiced
4	4403254	205	1079	11/5/19	498	1038529	496	11/6/19	21	3	33	46	27.7	79.0				0.5085	Invoiced
5	4403255	205	1079	11/5/19	511	1038530	509	11/6/19	21	2	33	46	27.7	79.0				0.5110	Invoiced
6	4403256	205	1079	11/5/19	500	1038531	498	11/6/19	11	2	33	46	27.7	79.0				0.5110	Invoiced
7	4403257	205	1079	11/5/19	498	1038511	496	11/6/19	11	3	33	46	27.7	79.0				0.5085	Invoiced
8	4403258	205	1079	11/5/19	506	1038510	504	11/6/19	11	3	33	46	27.7	79.0				0.5085	Invoiced
9	4403259	205	1079	11/5/19	510	1038509	508	11/6/19	11	2	33	46	27.7	79.0				0.5110	Invoiced
10	4403260	* 205	1079	11/5/19	520	1038508	518	11/6/19	11	3	33	46	27.7	79.0				0.5085	Invoiced

The bale sheet for the cotton not under contract does not reflect a price before discount. The producer will:

- enter the loan rate of \$0.52 as the price before discount on FSA-898
- include all bales with a loan value of less than \$.52 as affected production on FSA-898
- enter “loan discount” as the type of quality discount on FSA-898. All quality discounts on the settlement sheet are recognized for cotton.--*

46 Upland Cotton (Continued)

E Examples (Continued)

Example 2: Cotton Under Contract

Producer:		Base Price: 71.0000
Farm ID:		
Gross value of 53 bales (wt 24282, avg 58.7772)		14272.27
Charges:		
Cotton Board Assessment	-	(124.36)
USDA Classing	(53 bales)	(113.95)
Producer Ginning Charges		(552.56)
Bagging & Ties	(686.35)	
Seed Credit (14.57 tons)	2112.44	
Ginning Charges (879 Clbs)	(1978.65)	
Receiving (3.00 per bale)	(53 bales)	(159.00)
Boll Weevil Mnt (2.00 per bale)	(53 bales)	(106.00)
Monthly Storage	(1284190 bale storage months)	(0.00)
	Total Charges	(\$1,055.87)

GinBale	WhBale	GWt	Tr	Ng	Gr	Lf	St	Mic	EM	Rm	Str	CGr	Rd	+b	Tr	Len	Unif	Eing	Price	BValue	WPen	NetValue
19770	19770	463	2	461	43	3	32	3.7			25.5	43-4	65.4	10.9	3	100	75.6		-9.9500	-43.87	0.00	-43.87
19771	19771	476	2	474	53	4	32	3.7	11		25.5	53-3	64.1	10.8	5	100	75.6		-15.1500	-71.81	0.00	-71.81
19772	19772	473	2	471	43	3	32	3.7			25.5	43-4	64.0	11.2	4	100	75.6		-9.9500	-46.86	0.00	-46.86
19773	19773	449	2	447	43	4	32	3.7			25.5	43-4	64.9	11.1	4	100	75.6		-10.4500	-46.71	0.00	-46.71
19774	19774	450	2	448	43	4	32	3.7			25.5	43-4	64.9	11.1	4	100	75.6		-10.4500	-46.82	0.00	-46.82

The producer’s contract for cotton has a base price of \$0.71 per pound. The producer will:

- enter contract price of \$0.71 as the price before discount on FSA-898
- include all bales that were discounted as affected production on FSA-898
- enter “**loan discount**” as the type of quality discount on FSA-898. All quality discounts on the settlement sheet are recognized for cotton.

--47 Special Provisions for Small Grains Sold as Feed*A Background**

In some areas, quality damage was so excessive that many crops did not meet the quality specifications for the intended market and were sold as feed. In addition, quality losses due to qualifying disaster events may have been so widespread that elevators and mills did not complete documentation of the grading factors. In these instances, the elevator or mill did not grade or test the crop; instead, they assessed the quality loss by visual inspection. To address these situations, this paragraph includes additional provisions that apply to small grains including, but not limited to, wheat, barley, oats, millet, and rye.

Note: The provisions in this paragraph do not apply when production was considered salvage or as a secondary use.

B Eligibility

Affected production must have suffered a loss because of quality with grading factors (quality discount factors) directly related to a qualifying disaster event.

C Verifiable Documentation

Verifiable documentation **must** meet the requirements in subparagraphs 43 B and 45 B with the following exceptions:

- When quality discount factors are not included in the verifiable documentation, a letter from the elevator or mill may be accepted. Unless specifically included in other documentation, the letter **must** include all of the following:
 - producer's name
 - location of point of sale
 - buyer's name
 - sold commodity
 - date of sale
 - a description of the grading factors that affected the production
 - price received for the affected production
 - price before discount (for example, milling price on the date commodity was sold for feed)
 - a signature from the elevator or mill that visually inspected the crop.--*

*--47 Special Provisions for Small Grains Sold as Feed (Continued)

C Verifiable Documentation (Continued)

- When quality discount factors are not included in the verifiable documentation for crops under contract, the contract rejection letter may be accepted.
- When the price before discount is not included in the verifiable documentation, documentation from the elevator or mill of the effective market price on the date the crop was sold as feed for each affected load will be used as the price before discount. For crops under contract, the specified contract price as reflected on the contract will be the price before discount.
- When the quality loss discount per unit of measure is not included in the verifiable documentation, the quality loss will be determined according to subparagraph D.

Note: Handwritten documentation from the elevator or mill can be considered acceptable if all required data elements are readable and present in accordance with current policy.

Documentation **must** be dated within 30 days of harvest unless it meets the exceptions in subparagraph 45 B.

D Determining Quality Loss

Quality losses will be determined separately depending on whether a sample or test was performed.

When quality discount factors **were** determined by a sample or test, QLA benefits will be determined based on the total dollar value loss. The total dollar value loss will be calculated by multiplying the affected production by the difference between the market price on the date of sale, or contract price if applicable, and the feed price received. Producers will complete FSA-898, Part D.

When quality discount factors **were not** determined by a sample or test, the quality loss will be calculated using the county average of price before discount and total dollar value loss per unit of measure. Producers will complete FSA-898, Part E.--*


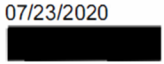







*--47 Special Provisions for Small Grains Sold as Feed (Continued)

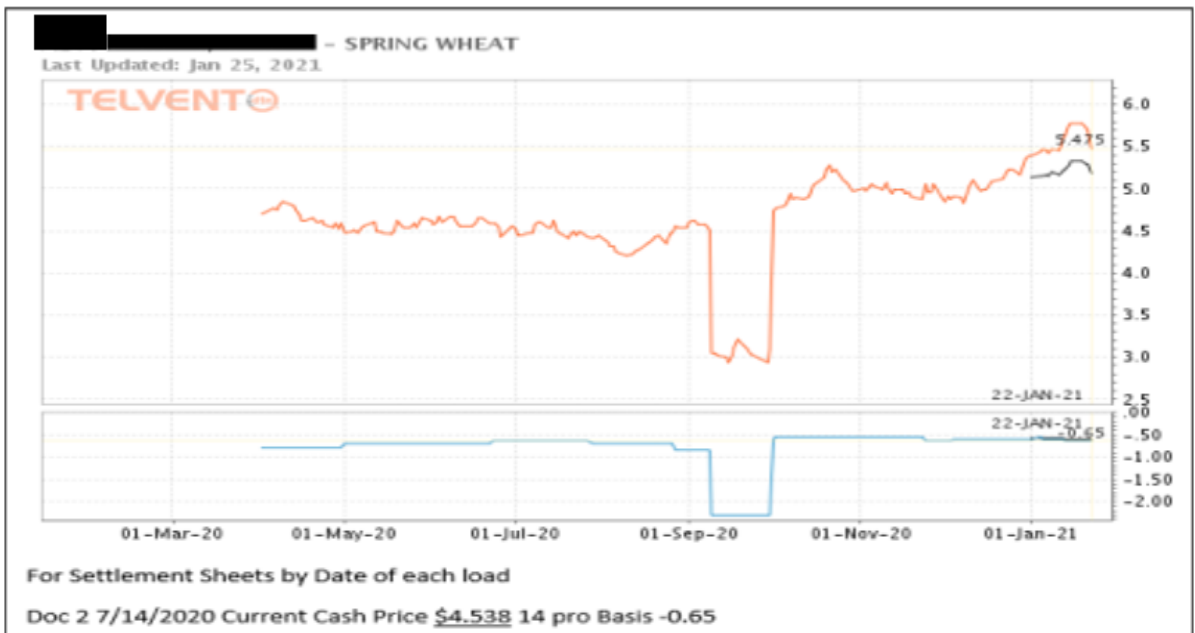
E Examples

Example 1: Grain Crop Sold for Feed with a Sample/Test

The following example describes how to determine quality loss when quality discount factors are determined by a sample or test.

Producer had verifiable documentation of grading factors for falling numbers for spring wheat (FN = 84). The documentation provided shows that the producer received \$3.24/bushel for 1,221.19 bushels of affected production. This is \$1.298 less than the market price before quality discounts of wheat (\$4.538) on the date of sale, July 14, 2020.

		FINAL Settlement Date: 07/23/2020 Customer: 																																																																																																																														
Customer: 		SPRING WHEAT																																																																																																																														
<table border="1"> <thead> <tr> <th>Ticket</th> <th>Date</th> <th>Gross BU</th> <th>Adjust</th> <th>Net BU</th> <th>Gross</th> <th>Tare</th> <th>Net</th> <th>Contract</th> <th>Price</th> <th>Page</th> <th>Extension</th> </tr> <tr> <th>TEST WEIGHT</th> <th>PROTEIN</th> <th>MOISTURE</th> <th>DOCKAGE</th> <th>SHRUNKEN &</th> <th>INFESTED</th> <th>DAMAGE</th> <th>VOMITOXIN</th> <th>FALLING NUMBERS</th> <th>COFO</th> <th>MOLD</th> <th>FOREIGN MATERIALS</th> <th>TRUCK FREIGHT</th> <th>SOUR</th> <th>MUSTY</th> <th>RAIL FREIGHT</th> </tr> </thead> <tbody> <tr> <td>0079175-01</td> <td>7/14/2020</td> <td>1,227.33</td> <td>6.14</td> <td>1,221.19</td> <td>111260</td> <td>37620</td> <td>73640</td> <td>S178655-01</td> <td>3.24000</td> <td>1 of 2</td> <td>\$3,956.66</td> </tr> <tr> <td>60.00</td> <td>16.90</td> <td>13.20</td> <td>0.50</td> <td>0.00</td> <td>0</td> <td>4.4</td> <td>0</td> <td>84</td> <td>0</td> <td>0</td> <td>0</td> <td>N</td> <td>N</td> <td></td> <td></td> </tr> <tr> <td>c</td> <td>c</td> <td>%B</td> <td>-5%B</td> <td></td> <td></td> <td>B</td> <td></td> <td>c</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Delivery Loc</td> <td colspan="4"></td> <td>052529-01</td> <td>Elev Ticket#</td> <td colspan="4"></td> <td>Shipment ID</td> <td colspan="2">ISK80079175-1-1</td> </tr> <tr> <td>Sub Vendor</td> <td colspan="4"></td> <td></td> <td>Header</td> <td colspan="4"></td> <td>Vehicle ID</td> <td colspan="2">ND-13459</td> </tr> <tr> <td>Ticket Remark</td> <td colspan="15"></td> </tr> </tbody> </table>													Ticket	Date	Gross BU	Adjust	Net BU	Gross	Tare	Net	Contract	Price	Page	Extension	TEST WEIGHT	PROTEIN	MOISTURE	DOCKAGE	SHRUNKEN &	INFESTED	DAMAGE	VOMITOXIN	FALLING NUMBERS	COFO	MOLD	FOREIGN MATERIALS	TRUCK FREIGHT	SOUR	MUSTY	RAIL FREIGHT	0079175-01	7/14/2020	1,227.33	6.14	1,221.19	111260	37620	73640	S178655-01	3.24000	1 of 2	\$3,956.66	60.00	16.90	13.20	0.50	0.00	0	4.4	0	84	0	0	0	N	N			c	c	%B	-5%B			B		c								Delivery Loc					052529-01	Elev Ticket#					Shipment ID	ISK80079175-1-1		Sub Vendor						Header					Vehicle ID	ND-13459		Ticket Remark															
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*--47 **Special Provisions for Small Grains Sold as Feed (Continued)**

E Examples (Continued)

Example 1: Grain Crop Sold for Feed with a Sample/Test (Continued)

To complete FSA-898, Part D, the producer will:

- enter \$4.538 (the HRS Wheat Grade 1 price) as the price before discount for July 14, 2020
- enter 1,221.19 bushels of total affected production from load 0079175-01
- enter “falling number” as the type of quality discount
- calculate the total dollar value loss by multiplying the affected production by the difference in the effective market price of wheat on the date of sale and the feed price received (1,221.19 bushels * \$1.298 (\$4.538 – \$3.24) = \$1,585.10).

Note: Handwritten documentation of the price before discount and grading factors from the elevator or mill can be accepted if all required data elements are readable and present according to current policy.

Example 2: Grain Crop Under Contract

The following example describes how to determine quality loss when quality discount factors were determined by a sample or test and the crop was under contract.

A producer grew malting barley under contract with a specified contract price of \$3.24 per bushel. Because of qualifying disaster events, the malting barley suffered quality losses. The malting barley buyer tested and rejected the barley because vomitoxin levels exceeded the quality specifications of the contract. The buyer sent a contract rejection letter to the producer. The producer sold 1,000 pounds of rejected barley as feed barley for \$2.40 per bushel.

In this example, the producer’s total dollar value loss for malting barley is calculated as follows.

Affected Production		The Difference in Malting Barley Contract Price and Feed Price Received	Total Dollar Value Loss
1,000 bu.	multiplied by	\$3.24 - \$2.40 = \$0.84	\$840.00 (1,000 bu. x \$0.84)

--*

*--47 **Special Provisions for Small Grains Sold as Feed (Continued)**

E Examples (Continued)

Example 2: Grain Crop Under Contract (Continued)

To complete FSA-898, Part D, the producer will enter:

- 1,000 bushels as total affected production
- vomitoxin as the type of quality loss discount
- the malting barley contract price of \$3.24 as the price before discount
- \$840.00 as the total dollar value loss on affected production.

Example 3: Grain Crop Sold for Feed with No Sample/Test

The following example describes how to determine quality loss when quality discount factors were not determined by a sample or test, and a letter from the elevator or mill was provided.

Producer’s documentation shows he received \$3.00/bushel for spring wheat. According to the letter provided by Grain Inc., this was \$1.00 less than the market price before quality discounts of wheat, which was \$4.00 on the date of sale, January 6, 2020. The producer’s share of the affected wheat sold was 1,312.02 bushels.



In FSA-898, Part E, the producer will enter:

- 1,310.02 bushels of total affected production
- “sprout and falling number” as the type of quality discount.--*

--48 Special Provisions for Oilseeds Sold to an Alternative Market*A Background**

Oilseeds may be grown for multiple uses and markets. Due to quality damage, oilseed crops may not have met the quality specifications for the intended market, resulting in processors and buyers grading and rejecting the crop and producers selling to an alternative market at a reduced price. In these instances, buyers in the alternative market did not grade the crop again; therefore, the producer's settlement sheet or sales document will not reflect any discounts for quality but will show only the price received for the alternative market. In these cases, producers may have a combination of third-party verifiable documentation of their total dollar value loss. This paragraph includes additional provisions to address these situations.

Note: The provisions in this paragraph do not apply when production was considered salvage or as a secondary use.

B Eligibility

Affected production must have suffered a loss due to quality with grading factors (quality discount factors) directly related to a qualifying disaster event.

C Verifiable Documentation

Verifiable documentation **must** meet the requirements in subparagraphs 43 B and 45 B with the following exceptions:

- When quality discount factors are not included on settlement sheets or sales documents, the quality discount factor from the processor or buyer that originally rejected the crop may be used. For crops under contract, the contract rejection letter may be accepted.
- When the price before discount is not included in the verifiable documentation, documentation from the processor or buyer showing the market price for the crop on the date of sale may be used. For crops under contract, the specified contract price as reflected in the contract will be the price before discount.
- When the quality loss discount per unit of measure is not included in the verifiable documentation, the quality loss will be determined according to subparagraph D.

Documentation **must** be dated within 30 days of harvest unless it meets the exceptions in subparagraph 45 B.--*

*--48 **Special Provisions for Oilseeds Sold to an Alternative Market (Continued)**

D Determining Quality Loss

Quality losses will be determined separately depending on whether a sample or test was performed.

When quality discount factors **were** determined by a sample or test, QLA benefits will be determined based on the total dollar value loss. Total dollar value loss will be calculated by multiplying affected production by the difference in the market price on the date of sale, or the contract price if applicable, by the price received in the alternative market.

When quality discount factors **were not** determined by a sample or test, the quality loss will be calculated using the county average of price before discount and total dollar value loss per unit of measure.

Producers will complete FSA-898, Part E.

E Example

Producer had a contract with a processor to grow and sell sunflower seed for human consumption. The contract price was \$19.20/cwt. The producer delivered 1,000 cwt. of sunflower seed to the processor. The processor tested and rejected the sunflower seed because it did not meet the quality specifications of the contract. The contract rejection letter specifically indicated that the sunflower seed did not meet the contract specification due to quality conditions of dark roast and sclerotinia. The producer delivered the sunflower seed to another facility for an alternative market for \$18.10/cwt. The alternative market buyer did not grade or discount the sunflower seed, but the producer received a reduced price.

In this example, total dollar value loss is calculated as follows:

Affected Production		The Difference in Sunflower See Contract Price and Price Received in Alternative Market	Total Dollar Value Loss
1,000 cwt.	multiplied by	\$19.20 - \$18.10 = \$1.10	\$1,100 (1,000 cwt. x \$1.10)

To complete FSA-898, Part D, the producer will enter:

- 1,000 cwt. as affected production
- the contract price of \$19.20 as the price before discount
- dark roast and sclerotinia as the type of quality discount
- \$1,100 as the total dollar value loss.--*

*--49 **Pulse Crops Sold for Feed****A Background**

Pulse crops, including dry beans, lentils, and dry peas, are mainly planted for the food market. Because of quality damage, pulse crops may not have met the quality specifications for the intended market, resulting in processors rejecting the crop and producers selling to feedlots or feed buyers at a reduced price. In some cases, damage was so significant that processors only performed visual inspections and did not complete a quality test. This paragraph includes additional provisions to address these situations.

Note: The provisions in this paragraph do not apply when production was considered salvage or as a secondary use.

B Eligibility

Affected production must have suffered a loss due to quality with grading factors (quality discount factors) directly related to a qualifying disaster event.

C Verifiable Documentation

Verifiable documentation **must** meet the requirements in subparagraphs 43 B and 45 B with the following exceptions:

- When quality discount factors are not included in the verifiable documentation, a letter from the regional buyer may be accepted. Unless specifically included in other documentation, the letter **must** include:
 - buyer's name
 - affected commodity
 - a description of the grading factors that affected the production.

Note: For crops under contract, the contract rejection letter may be accepted.

- When the price before discount is not included in the verifiable documentation for crops subject to purchase contract, the specified contract price, as reflected in the contract, will be the price before discount.
- When the price before discount is not included in the verifiable documentation for crops not subject to purchase contract, the average price per pulse crop from USDA Bean Market News will be used. If a weekly price is not available for a specific region, the price for the nearest applicable region may be used. USDA Market News is available at <https://www.ams.usda.gov/market-news>.--*

--49 Pulse Crops Sold for Feed (Continued)*C Verifiable Documentation (Continued)**

Note: To obtain the weekly price report for the applicable crop, from the home page:

- select “search market news” from the left menu
 - under “Slug ID”, enter “2914” and CLICK “Apply”
 - a list of reports titled “Dry Edible Bean Market News and Weekly Bean, Pea and Lentil Market Review” will populate
 - search for the appropriate date and CLICK the “view report” hyperlink.
- When the quality loss discount per unit of measure is not included in the verifiable documentation, the quality loss will be determined according to subparagraph D.

D Determining Quality Loss

Quality losses will be determined separately depending on the verifiable documentation provided.

When quality discount factors are determined **by a sample or test**, the total dollar value loss will be determined using the affected production multiplied by the difference between the weekly regional average price, or contract price if applicable, and the feed price received.

When quality discount factors **were not** determined by a sample or test, the quality loss will be calculated using the county average of price before discount and total dollar value loss per unit of measure.

Producers will complete FSA-898, Part E.--*

*--50 Sugarcane

A Background

Sugarcane is a perishable crop that is harvested on a strict processing schedule. Because of this schedule, the crop is harvested regardless of weather and is prone to quality losses when harvested during periods of excessive moisture.

Sugarcane is delivered in tons of sugarcane to the sugar mill, and quality factors may reduce the value of each ton. Grading factors are applied for high fiber content, high sediment or mud content, and low sucrose content.

B Eligibility

Affected production must have suffered a loss due to quality with grading factors (quality discount factors) directly related to a qualifying disaster event.

Note: Any production that received a WHIP+ payment based on a reduction in the percentage of sugar is ineligible.

C Verifiable Documentation

All verifiable documentation **must** meet the requirements in subparagraphs 43 B and 45 B with the following exceptions:

- The affected production for sugarcane will be the tons of sugarcane the producer delivered to the mill for the entire crop year. The last daily transaction report of the crop year (Total Page) will be referenced and the Year to Date (Y-T-D) Cane Delivered Tons total will be used for the producer's share of the production.
- The price before discount will be provided by the mill and calculated by multiplying all of the following:
 - the mill quality standard

Note: The mill quality standard is determined by using a five-year average of total pounds of sugar per ton of sugarcane delivered to the mill, based on the following years:

- 2013-2017 for 2018 quality losses
- 2014-2018 for 2019 quality losses.
- the grower shares of revenue of sugar production (percent)
- the mill price of sugar (dollars per pound of sugar).

Note: A letter from the sugar mill with the total price paid for the crop year will be considered acceptable documentation of the mill price of sugar.--*

*--50 Sugarcane (Continued)

C Verifiable Documentation (Continued)

Example: In 2018, sugarcane experienced a quality loss due to excessive moisture. The mill quality standard (based on an average of 2013-2017) was \$197.89. The grower's share was 60 percent, and the mill price of sugar was \$0.255. Therefore, the price before discount will be \$30.28 ($\$197.89 \times 0.60 \times \0.255).

- The grower's price received will be provided by the mill based on producer data and will be calculated by multiplying the grower's sugar average pounds per ton delivered to the mill by both the:
 - grower's share
 - mill price of sugar per pound.

Example: In 2018, sugarcane experienced a quality loss due to excessive moisture. The grower's sugar average pounds per ton delivered was 183.96 pounds. The grower's share was 60 percent, and the mill price of sugar was \$0.255. Therefore, the grower payment received will be \$28.15 ($\$183.96 \times 0.60 \times \0.255).

- When the quality loss discount per unit of measure is not included in the verifiable documentation, the quality loss will be determined according to subparagraph D.

Note: Handwritten documentation from the elevator or mill can be considered acceptable if all required data elements are readable and present in accordance with current policy.

Documentation **must** be dated within 30 days of harvest unless it meets the exceptions in subparagraph 45 B.

D Determining Quality Loss

Quality losses will be based on total dollar value loss.

The total dollar value loss will be calculated by multiplying the difference between the price before discount (according to subparagraph C) and the grower's price received (according to subparagraph C) by the affected production.

E Calculator

A sugarcane calculator has been created and will be provided to sugar mills to assist them in determining the price before discount, the price received, and the total dollar value loss for their producers. The sugar mills will provide the data for producers to complete the application using FSA-898, Part D.--*

--51 Special Provisions for Sugar Beets for Crop Year 2019*A Background**

The quality of sugar beets is measured by the net sugar produced after processing. In some areas, disaster conditions delayed harvest and caused the sugar content of beets to drop significantly before processing could be completed. Production from multiple producers is combined after delivery to the processor, making it impossible to identify the net sugar content of an individual producer's beets.

This paragraph provides special provisions for determining quality losses for sugar beets applicable **only** for the 2019 crop year.

B Eligibility

Affected production must have suffered a loss in sugar content due to a qualifying disaster event.

Note: Production is ineligible for QLA if either of the following apply:

- the producer received a WHIP+ payment for the production
- the producer was a member of a cooperative processor.

C Verifiable Documentation

All verifiable documentation **must** include the following:

- producer's name
- location of point of sale
- buyer's name
- sold commodity
- net tons of beets delivered to the processor.

D Determining Quality Loss

Quality losses will be determined by multiplying the net tons of sugar beets delivered to the processor by a flat rate of \$4.71 per net ton. The producer completes FSA-898, Part D. For all eligible sugar beets, the following will be applicable:

- the affected production will be the producer's share of the net tons of beets delivered from the producer's remittance statement
- the price before discount will be \$4.71
- the quality discount factor will be "sugar loss"
- the total dollar value loss will be equal to the affected production multiplied by the flat rate of \$4.71.--*

51 Special Provisions for Sugar Beets for Crop Year 2019 (Continued)

E Example

REMITTANCE STATEMENT

September 22, 2020

For Sugarbeets Delivered on Contract Addendum:

ADDENDUM	FIELD COMMON NAME	ACRES	TONSHARE
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Glendive, MT 59330

Note:
 2019 Final Beet Payment @ 100%
 Freight Participation @ 100%
 Regular Harvest Pol Difference @ .582%
 Frozen Beets Pol Difference @ 1.509%

YIELD SUMMARY			
	EARLY	REGULAR	TOTAL
SCREEN TONS		1,052.920	1,052.920
NET TONS		1,009.626	1,009.626
SUGAR	%	17.22%	17.22%
TARE	%	4.11%	4.11%
LOADS		36	36
DDRS		3	3
DISTRICT: PLE1		PRIMARY RECEIVING STATION: PLEA	

PAYMENT SUMMARY	
CROP YEAR	2019
RUN	Final
NSP	\$30.82614
TO DATE POL LOSS	0.582%
CHECK	107450
CHECK DATE	10-31-2020

Note: Projected totals are based on current NSP and POL loss calculations which may vary between payments.

ID	DESCRIPTION	PROJECTED TOTAL	PREV PAID TO DATE	CURRENT PAYMENT	PAID TO DATE
BEET PAYMENT:					

The producer will:

- enter their individual share of the affected production from the remittance statement expressed in net tons on FSA-898, item 31 (1,009.63 tons)
- enter “sugar loss” as the type of quality loss discount on FSA-898, item 32
- calculate the total dollar value loss by multiplying the net tons by \$4.71 (1,009.63 x \$4.71 = \$4,755.36) and enter that total on FSA-898, item 33
- enter \$4.71 as the price before discount on FSA-898, item 34.

--52 Peanuts*A Background**

Peanuts are graded based on sound mature kernels (SMK). For segregation (Seg) 1 peanuts, the loan value is adjusted based on applicable premiums and discounts after considering all grading factors.

Seg 2 and Seg 3 peanuts are discounted to 35 percent of the national loan rate for the crop and type with no additional premiums and discounts.

B Eligibility

Affected production must have suffered a loss due to quality and have verifiable grading factors directly related to a qualifying disaster event.

C Verifiable Documentation

FSA-1007, "Inspection Certificate and Calculation Worksheet", Settlement Worksheet, and/or Farm Summary print out will be used as verifiable documentation. Verifiable documentation must include all the following:

- date of sale
- producer's name
- location of point of sale
- buyer's name
- commodity information
- affected production (net production including LSK, as shown in Item G or FSA-1007 and the Settlement Worksheet)

Note: Affected production is shown as "net production" on the Farm Summary.

- unit of measure (pounds)

Note: If the unit of measure is reflected in tons on verifiable documentation, convert to pounds by multiplying the number of tons by 2,000. For example, 22 tons equals 44,000 pounds (22 tons x 2,000 = 44,000 pounds).--*

*--52 Peanuts (Continued)

C Verifiable Documentation (Continued)

- quality discount

Note: All quality discounts on verifiable documentation are recognized for peanuts. “Loan Discount” will be entered as the quality discount factor.

- adjusted loan value based on the schedule of premiums or discounts
- price before discount if sold under contract.

Note: If the crop was **not** sold under contract, the price before discount will be the national announced loan rate for the crop/type.

National loan rates for peanuts for 2018 and 2019 are listed in the following table. The rates are announced per ton. The rate per pound should be used in QLA calculations.

National Loan Rates				
Type	2018 Rate Per Ton	2018 Rate Per Pound	2019 Rate Per Ton	2019 Rate Per Pound
Runner	\$354.49	\$0.177245	\$354.13	\$0.177065
Spanish –	\$345.84	\$0.17292	\$346.70	\$0.17335
Valencia	\$359.80	\$0.1799	\$360.94	\$0.18047
Virginia	\$359.80	\$0.1799	\$360.94	\$0.18047

Verifiable documentation must be dated within 30 days of harvest unless it meets the exceptions in subparagraph 45 B.

D Determining Quality Loss

Quality loss will be determined based on total dollar value loss.

The total dollar value loss will be determined by the difference in the value of the loan before discount and the value of the loan after discount.

The data elements used in calculating the value of the loan before discount and the value of the loan after discount vary based on if the peanuts were under contract and by the Seg type. The following tables provide the data elements to use for calculating total dollar value loss for peanuts not under contract and peanuts under contract.

Note: Total dollar value loss will be determined separately for each State, county, crop, crop type, intended use, and organic status.--*

D Determining Quality Loss (Continued)

Peanuts Not Under Contract		
FSA-1007 or Settlement Worksheet	Seg 1 Peanuts	Seg 2 and Seg 3 Peanuts
value of loan before discount	price before discount (national loan rate) multiplied by affected production	price before discount (national loan rate) multiplied by affected production
value of loan after discount	loan value after discounts. (Item P on FSA-1007, and Settlement Worksheet)	<ul style="list-style-type: none"> • Seg 2 and Seg 3 peanuts are discounted to 35 percent of the national loan rate • multiply the discounted loan rate by the affected production <p>Example: The loan rate for 2018 runner peanuts is \$0.177245/pound.</p> $\$0.177245/\text{pound} \times 0.35 = \$0.06203575/\text{pound}.$ <p>The value of the loan after discount is \$0.06203575 multiplied by the affected production.</p>
total dollar value loss	difference in the loan value before discount and the loan value after discount	difference in the loan value before discount and the loan value after discount

--*

D Determining Quality Loss (Continued)

Peanuts Under Contract		
Settlement Worksheet/Farm Summary Printout	Seg 1 Peanuts	Seg 2 and Seg 3 Peanuts
value of loan before discount	<p>contract price multiplied by the affected production</p> <p>Note: Contract price can be determined by:</p> <ul style="list-style-type: none"> • multiplying the Option Percentage by the national loan rate. The Option Percentage is identified on the Farm Summary printout as "VAL OF OPTION". The result is the Option Price. • The contract price is the Option Price plus the national loan rate. 	contract price multiplied by the affected production
value of loan after discount	<p>loan value in Item P on FSA-1007/Settlement Worksheet plus Option Value</p> <p>Notes: Option Value is shown as "VALUE OF OPTION" on the Farm Summary printout.</p> <p>Option Value is shown as "Farmer Stock Cost" on Settlement Worksheets.</p>	<ul style="list-style-type: none"> • Seg 2 and Seg 3 peanuts are discounted to 35 percent of the national loan rate. • Multiply the discounted loan rate by the affected production. <p>Example: The loan rate for 2018 runner peanuts is \$0.177245/pound.</p> <p>$\\$0.177245/\text{pound} \times 0.35 = \\$0.06203575/\text{pound}.$</p> <p>The value of the loan after discount is equal to \$0.06203575 multiplied by the affected production.</p>
total dollar value loss	difference in the loan value before discount and the loan value after discount	difference in the loan value before discount and the loan value after discount

--*

*--52 Peanuts (Continued)

E Calculator

A calculator has been developed to assist producers in summarizing data and calculating total dollar value loss. The calculator and instructions for use can be accessed at: **Quality Loss Adjustment (QLA) Program (usda.gov)**.

F Examples

Example 1: Peanuts Not Under Contract

Producer's 2018 runner peanuts suffered quality losses due to hurricane conditions. Producer's net production was 35,866 pounds. After applying schedule of premiums and discounts, the loan value was adjusted. The loan value after discount was \$5,743.76.

FSA-1007 (06-01-05) FINAL USDA/FSA/AMS INSPECTION CERTIFICATE AND CALCULATION WORKSHEET										The authority for collecting the information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information.											
Farm Producer Name/Seller's Name, St. & CO. Code & Farm No.										Buying Point No. & Location					Serial No. Corrected 8600113						
										Share % 100.000					Applicant/Buyer's Name and No. 1. 2. 3.						
SECTION I - INSPECTION CERTIFICATE - FARMERS STOCK PEANUTS										Warehouse, Description and Bin No. O11-01					Delivery Point, if not the same as Warehouse.						
The certificate is issued pursuant to the Agricultural Marketing Act of 1946 as amended (7 U.S.C. 1621 et seq.) and is subject to the same basic evidence in all courts in the United States. Any person who knowingly and falsely makes, alters, forges, or counterfeits this certificate, electronic image, or participates in any such act is subject to a fine not more than \$100,000, imprisonment for not less than 1 year, or both.										Type Storage COMM.											
Vehicle No. S 16										Weight Ticket No. COMB-000001					In <input type="checkbox"/> Out <input type="checkbox"/>						
P.P. No. 3 Type of Inspection 10/10/2018										SECTION II - CALCULATION WORKSHEET											
No. Bags		Bulk		Type		Seg		Crop Year		Time		Seg.		A. Weight Including Vehicle		72140 lbs.					
X		RU		1		2018		01:21 PM				HMC %		B. Weight of Vehicle		34780 lbs.					
WT. OF FM SAMPLE		1592.4 GR.		VALENCIA TYPE ONLY		LSK		D. Foreign Material (% of FM x C)		1494 lbs.		MST		E. Weight Less FM (C minus D)		35866 lbs.					
FOREIGN MATERIAL		63.3 GR.		4 %		SAMPLE WT		SMK		F. Excess Moisture (% of EM x E)		0 lbs.		SS		G. NET WEIGHT (E minus F)		35866 lbs.			
OTHER/UNUSUAL FM				CRACKED/BROKEN				SSKRS		H. LSK (% of LSK x C)		374 lbs.		OK		I. Net Weight excluding LSK (G minus H)		35492 lbs.			
LSK		23.8 GR.		1 %		DISCOLORED				FRZ		J. Kernel Value Per Ton/Lb. (Exc. LSK)		\$/¢		322.19					
CLEANED SAMPLE WT		505.3 GR.		VIRGINIA TYPE ONLY		SMKRS		HULLS		K. ELK Premium		\$/¢		0.00		L. Total (J + K)		\$/¢		322.19	
METER READINGS/MOISTURE		0.0		7 %		SAMPLE WT		DAM		M. Damage		Excess FM		Excess Splits		TOTAL		\$/¢		0.000	
TOTAL KRS		318.0 GR.		BLUE PAN WT		FRZ		N. Net Value Per Ton/Lb. Exc. LSK (L minus M)		\$/¢		322.190		O. Value Per Lb. Exc. LSK (N divided by 2000)		16.10950 ¢					
DAMAGED KRS		2.6 GR.		FANCY		C RMD		P. Value Per Pound Including LSK		N or O x I = \$		5717.59		H x 80.07 = \$		25.18					
SOUND MATURE KRS		315.4 GR.		62 %		KERNELS RELS				TOTAL = \$		5743.76 + G =		16.01450 ¢							
SOUND SPLITS		13.1 GR.		3 %		ELK DAMAGE															
TOTAL SMK				65 %		NET ELK															
OTHER KERNELS		35.9 GR.		7 %		KERNELS RPS															
DAMAGED SPLITS		0.6 GR.		FEEZE DAMAGE		0.0 GR.		0.00 %		ELK											
TOTAL DAMAGE		3.2 GR.		1 %		CONCEALED RAD		0.0 GR.		0.00 %		FANCY									
TOTAL KERNELS				73 %		A. FLAVAS NOT FOUND				TOTAL KRS & HULLS		100.00 %									
HULLS		136.5 GR.		27 %																	
REMARKS 10-10																					
I, the undersigned, a duly authorized inspector of the United States Department of Agriculture, do hereby certify that, at the request of the applicant and on the date indicated indicated above, samples of the bulk physical products were inspected and the quality and/or condition as shown by said samples were as herein stated.										Applicant No. 1		R. Unrecpt'd/Stored		Applicant No. 2		S. Recipted		Applicant No. 3		T. Commercial	
Signature of Inspector		Date Signed		LBS. (Line G)		35866		LBS. (Line G)		LBS. (Line G)		LBS. (Line G)									
		10/10/2018		x Line P = \$		x Line P = \$		x Line P = \$		x Line P = \$		x Line P = \$									
Signature of Licensed Weigher		Date Signed		Value of Segment = \$		Value of Segment = \$		Value of Segment = \$		Value of Segment = \$		Value of Segment = \$									
		10/12/2018																			
Deductions		1. Peanut Promotion																			
2. Tax - Ser. Fee		\$																			
3. SGNAD		\$		-10.00		\$															
4. S/R		\$		-1,537.37		\$															
5. CURE		\$		-316.80		\$															
6.		\$																			
7. Net Amount		\$																			
Q. REMARKS		Date Delivered for Immediate Sale:		10/12/2018																	
United States Warehouse Act Nut Weight Certificate																					
Peanut Variety: GA-09B										6-379101640		Applicant Original									
Note: THIS IS NOT A WAREHOUSE RECEIPT - NOT NEGOTIABLE																					

--*

*--52 Peanuts (Continued)

F Examples (Continued)

Example 1: Peanuts Not Under Contract (Continued)

Calculate total dollar value loss as follows:

value of loan before discount = \$6,357.07

- national loan rate for 2018 runner peanuts (\$0.177245/pound)
multiplied by

- affected production (35,866 pounds) (Item G, FSA-1007)

value of loan after discount = \$5,743.76 (Item P, FSA-1007)

Total Dollar Value Loss = \$613.31 (\$6,357.07 - \$5,743.75)

To complete FSA-898, Part D, enter:

- 35,866 in line 31. “Total Affected Production”
- “Loan Discount” in line 32. “Type of Quality Loss Discount”
- \$613.31 in line 33. “Total Dollar Value Loss on Affected Production”
- \$0.177245 in line 34. “Price Before Discount”.

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PART D - CROPS OTHER THAN FORAGE WITH TOTAL DOLLAR VALUE LOSS								
Line	22. State/ County	23. Crop	24. Crop Type	25. Intended Use	26. Organic Status (O/C)	27. Disaster Event	28. Disaster Event Beginning Date (MM/DD/YYYY)	29. Disaster Event Ending Date (MM/DD/YYYY)
1	Georgia, Seminole	Peanuts	Runner	NP	C	Hurricane	10/10/2018	10/12/2018
2								
3								
Line	30. Unit of Measure	31. Total Affected Production	32. Type of Quality Loss Discount	33. Total Dollar Value Loss on Affected Production	34. Price Before Discount	COC USE ONLY		
						35. COC Adjusted Total Affected Production	36. COC Adjusted Total Dollar Value Loss on Affected Production	37. COC Adjusted Price Before Discount
1	pounds	35,866	Loan discount	\$613.31	0.177245			
2								
3								

--*

*--52 Peanuts (Continued)

F Examples (Continued)

Example 2: Peanuts Under Contract (Continued)

DOCUMENT NUMBER		S DRY	GROSS POUNDS	NET POUNDS	NET - LSK POUNDS	PURCHASE VALUE	VAL OF OPTION	VICAM PPB	SRG 2/3	STORED LOADS	PURCHASED LOADS	PURCHASED VALUE	VALUE OF OPTION	PURCHASED + OPTION VALUES	PREMIUM/ DEDUCTION	NET AMOUNT
9600113	300641	9B	37,360	35,866	35,492	26.94	0			5,743.76			1,547.37	1,547.37	1,864.17-	316.80-
PD=00.0 SKM=42.0 SS=03.0 OK=07.0 DAW=01.0 HUL=27.0 FM=04.0 LSK=01.0 NOI=07.0 FAN=00.0 ELK=00.0 WT TICKET# COMB=000001 VEHICLE# S 16 PREM/DUCT CURE 316.80- S/R 1,537.37- SGNAD 10.00-																

Calculate total dollar value loss as follows:

value of loan before discount = \$8,069.85

- contract price (\$450.00/ton ÷ 2,000 = \$0.225 per pound)
multiplied by
- affected production (35,866 pounds) (Item G, FSA-1007)

value of loan after discount = \$7,291.13

- loan value (\$5,743.76; Item P, Settlement Worksheet)
plus
- option value (\$1,547.37; Farmer Stock Cost on Settlement Worksheet/Value of Option on Farm Summary)

Total Dollar Value Loss = \$778.72 (\$8,069.85 – 7,291.13)--*

*--52 Peanuts (Continued)

F Examples (Continued)

Example 2: Peanuts Under Contract (Continued)

To complete FSA-898, Part D, enter:

- 35,866 in line 31. “Total Affected Production”
- “Loan Discount” in line 32. “Type of Quality Loss Discount”
- \$778.72 in line 33. “Total Dollar Value Loss on Affected Production”
- \$0.225 in line 34. “Price Before Discount”.

FSA-898 (01-06-21)							Page 2 of 2	
PART D – CROPS OTHER THAN FORAGE WITH TOTAL DOLLAR VALUE LOSS								
Line	22. State/ County	23. Crop	24. Crop Type	25. Intended Use	26. Organic Status (O/C)	27. Disaster Event	28. Disaster Event Beginning Date (MM/DD/YYYY)	29. Disaster Event Ending Date (MM/DD/YYYY)
1	Georgia, Seminole	Peanuts	Runner	NP	C	Hurricane	10/10/2018	10/12/2018
2								
3								
Line	30. Unit of Measure	31. Total Affected Production	32. Type of Quality Loss Discount	33. Total Dollar Value Loss on Affected Production	34. Price Before Discount	COC USE ONLY		
						35. COC Adjusted Total Affected Production	36. COC Adjusted Total Dollar Value Loss on Affected Production	37. COC Adjusted Price Before Discount
1	pounds	35,866	Loan discount	\$778.72	0.225			
2								
3								

Example 3: Seg 2 and Seg 3 Peanuts Not Under Contract

Producer’s 2018 runner peanuts suffered quality losses due to hurricane conditions. Producer’s net production was 35,866 pounds. Due to quality issues, the producer’s peanuts were graded as Seg 2.--*

*--52 Peanuts (Continued)

F Examples (Continued)

Example 3: Seg 2 and Seg 3 Peanuts Not Under Contract (Continued)

Calculate total dollar value loss as follows:

value of loan before discount = \$6,357.07

- national loan rate for 2018 runner peanuts \$0.177245
multiplied by
- affected production (35,866 pounds) (Item G, FSA-1007)

value of loan after discount = \$2,224.97

- 35 percent of national loan rate ($\$0.177245 \times 0.35$) \$0.06203575
multiplied by
- affected production (35,866 pounds).

Total Dollar Value Loss = \$4,132.10 (\$6,357.07 - \$2,224.97)

To complete FSA-898, Part D, enter:

- 35,866 in line 31. "Total Affected Production"
- "Loan Discount" in line 32. "Type of Quality Loss Discount"
- \$4,132.10 in line 33. "Total Dollar Value Loss on Affected Production"
- \$0.177245 in line 34. "Price Before Discount".

Notes: There is no Option Payment (contract payment) for Seg 2 and Seg 3 peanuts; therefore, the **value of the loan after discount** will be calculated the same for Seg 2 and Seg 3 peanuts under contract.

For Seg 2 and Seg 3 peanuts under contract, the only difference in calculating total dollar value loss is that the contract price is used as the price before discount.--*

53-61 (Reserved)

Part 4 QLA Program Application**62 Applying for the QLA Program****A Application Submission**

A producer will submit one application for the producer's entire operation nationwide in the recording County Office. The application will include all eligible crops suffering a quality loss. If a producer is applying for losses sustained in more than one crop year, a separate application is required for each crop year.

A producer may submit an application using any of the following methods:

- in person, when available
- by mail
- electronically by:
 - FAX
 - email with a scanned photocopy of FSA-898
 - other authorized method (provided by supplemental notice or other guidance).

B Complete Application

An application is considered completed when the producer has submitted all of the following:

- FSA-898, Quality Loss Adjustment (QLA) Program Application
- FSA-899, Historical Nutrient Weighted Average Worksheet, if applicable;
- FSA-895, Crop Insurance and/or NAP Coverage Agreement
- FSA-578, Report of Acreage
- acceptable records in accordance with paragraph 43.

Failure to submit the documentation for a complete application within 14 days after sign-up ends will result in FSA not being able to determine the eligibility of the producer and therefore make the producer ineligible for payment.

62 Applying for the QLA Program (Continued)

C Signing and Certifying FSA-898

By signing FSA-898, the producer is:

- applying for a QLA Program payment
- certifying the information on FSA-898 is true and correct
- agreeing:
 - to comply with QLA Program regulations in CFR Part 760, subpart R
 - that the affected production of each crop on the application suffered at least a 5 percent loss due to quality
 - to provide FSA all information needed to verify the information on FSA-898 and to allow FSA access to all documents and records of the producer.

D Additional Eligibility Forms

In addition to submitting the forms required for a complete application, the following eligibility forms must be submitted within 60 calendar days from the date the producer signed the FSA-898:

- AD-1026
- CCC-902
- CCC-941
- CCC-942 (if applicable).

Note: Completing eligibility forms (AD-1026, CCC-902, CCC-941, and CCC-942 if applicable) is not required before COC, or CED, review and approval of FSA-898. However, these forms must be filed within 60 calendar days of the producer signing FSA-898. Failure to timely provide all eligibility forms may result in no payment or a reduced payment. County Offices must immediately update Business File and applicable subsidiary records when the eligibility forms are filed.

63 Signature Requirements**A Late Filed FSA-898**

A complete FSA-898, including the applicant's signature, **must** be received no later than March 5, 2021. STC or COC do not have authority to approve late-filed FSA-898. See 1-CM for signature requirements.

B Recording Receipt of FSA-898

Offices must make every effort to process FSA-898 in the system and then have the producer sign the application.

If a producer submits an application to a County Office that is not the producer's recording County Office, the receiving County Office will date stamp the signed application and send a copy by e-mail or FAX to the recording County Office.

64 COC Action and Redelelegation of Authority**A COC Action on FSA-898**

COC must complete:

- Part G of FSA-898 following the initial review process in Phase I
- Part H of FSA-898 only **after** notification by DAFP.

B Redelelegation of Approvals of FSA-898

- COC may redelegate authority to CED to approve routine FSA-898's; however, CED **cannot** complete the review process on behalf of the COC.
- All adverse actions must be presented to the COC for review.

Important: Approved FSA-898's are subject to prompt pay interest; therefore, every effort must be made to complete the payment process as soon as possible for approved FSA-898's.

65-74 (Reserved)

Part 5 Review Process

75 Review Process

A Overview

The QLA Program will include a two-phase review process.

Phase 1: After the application period has concluded, the COC must complete an initial review of all applications. The purpose of the review is to determine if the information provided is reasonable.

Phase 2: After the COC Phase 1 review is complete, a second review will be conducted to determine if county averages can be established for those applications that do not include historical nutrient values or a total dollar value loss.

76 Phase 1 – COC Review

A COC Review for Reasonableness

After the application deadline, the COC is required to review all producer-signed applications for reasonableness. During this time, COC's may request additional documentation from an applicant to support their certification of production quantity or quality.

Notes: The COC review process cannot be redelegated to the CED.

The COC is not required to review a producer's documentation unless the COC has reason to question the producer's certification

76 Phase 1 – COC Review (Continued)

B COC Considerations

COC must consider each of the following items when reviewing the application:

- the quality of production was affected due to an eligible disaster event
- the quality loss could not have been mitigated
- total affected production is reasonable based on the type and timing of event
- affected production is reasonable based on reported acreage and share

Example: Lew certified 50,000 bushels of 2019 corn for grain which suffered a quality loss due to excessive moisture. The FSA-578 indicates that Lew planted 100 acres to corn intended for grain on July 1, 2019. The COC questioned the affected production from the FSA-898 compared to his 2019 FSA-578, which resulted in a yield of 500 bushels per acre. The average yield for the county is 163 bushels per acre.

- double crop provisions were met if the crop is a subsequent crop
- the producer is considered an eligible producer
- the claimed reduction in nutrient value was caused by disaster event
- severity of the loss is reasonable for the disaster event/dates
- the nutritional value of the current test (for disaster year) is appropriate
- historical forage tests and total production on the FSA-899 are reasonable
- the quality discount type was caused by an eligible disaster event
- amount of discount is reasonable
- the claimed discount was caused by a disaster event
- the grading factors of sold production are representative of the quantity remaining in storage.

76 Phase 1 – COC Review (Continued)

B COC Considerations (Continued)

The COC may adjust the following based on its findings.

- total affected production
- current verifiable nutrient value
- historical nutrient value from FSA-899
- total dollar value loss on affected production.

Example based on total affected production:

Producer Isabelle harvested and baled 2019 timothy grass hay and due to wet weather the hay was baled before drying to a reasonable moisture content. The laboratory analysis indicated a musty odor and the presence of mold. Isabelle sold it in 2020 without acceptable evidence of quantity for a significantly lower price due to the mold. The COC adjusted the quantity to zero because there was no acceptable documentation of quantity and the mold was a quality loss that could have been mitigated.

Example based on current verifiable nutrient value:

Producer Lee harvested 75 tons of alfalfa that was affected by drought and certified that he had a TDN of 56.75 for the application year. Upon review of the verifiable forage test, the COC adjusted his application year TDN to 65.75 based on the laboratory test provided.

Example based on historical nutrient value:

Producer Anita had 40 acres of alfalfa that yielded 80 tons per acre for a total of 3,200 tons hay. Anita certified she had 800 tons of alfalfa that had a quality loss due to excessive moisture on June 1, 2019, through August 31, 2019, that she fed on the farm. Anita produces high quality alfalfa hay and she has a quality test done annually. Anita completed the FSA-899 for the years 2016, 2017, and 2018 to find her Weighted Historical Nutritional Value was 316. However, after a review the COC adjusted the historical nutritional value because the verifiable historical tests indicate the average is actually 116.

76 Phase 1 – COC Review (Continued)**B COC Considerations (Continued)****Example based on total dollar value loss on affected production:**

Producer Lance had 1,200 acres of yellow corn for grain conventionally grown that yielded 185 bushels per acre for a total of 222,000 bushels of corn. Lance certified he had 120,000 bushels that had a quality loss due to drought from June 15, 2019, until November 15, 2019. Lance certified he had verifiable evidence of 120,000 bushels that he had priced before the discount at \$3.70 per bushel, but he only received \$332,000 for the 120,000 bushels due to low test weight when it was sold. The crop with a quality loss was valued at \$444,000 (120,000 times \$3.70). Upon review of the verifiable evidence, Lance actually received \$350,000 for the crop. The COC adjusted his total dollar value loss to \$94,000 based on the evidence.

The COC must complete FSA-898 Part G after its review of the application is complete.

77 Phase II**A DAFP Review**

After the Phase I review is completed and the applications have been updated, if necessary, in the software to reflect any COC adjustments, the Phase II review will occur. The Phase II review is to determine if DAFP can establish county averages based on the applications that were submitted with verifiable documentation of both loss of quality and loss of value on the same crop, type, organic status, and intended use.

FSA may determine that a county average cannot be calculated and producers in that county applying for payment under the applicable calculation are ineligible.

The county average percentage of loss and the county average loss per unit of measure will be based on the average loss for a crop obtained from producers applying with verifiable documentation of historical nutritional factors or the total dollar value loss. FSA may determine that a county average cannot be calculated, and those losses are ineligible.

After Phase II is complete, COC's will be notified when determinations may be completed and recorded in the software.

78-93 (Reserved)

Part 6 QLA Program Payment Calculation**94 Payment Calculations****A Overview**

There following are 4 calculations for QLA Program payments based on the type of crop and documentation provided:

- Crops Other than Forage with Total Dollar Value Loss
- Crops Other than Forage without Total Dollar Value Loss
- Forage Crops with Current and Historical Nutritional Values
- Forage Crops with Current Nutritional Values and without Historical Nutritional Values.

Note: Crops with an intended use of grazing are not eligible for the QLA Program.

B QLA Program Factor

The QLA Program payment factor is 70 percent. This factor will be applied to all 4 payment calculations.

C Additional 50 Percent Factor

An additional 50 percent factor is applied when the payment uses a Weighted County Average Percentage of Loss, a Weighted Average Total Dollar Value Loss on Affected Production, or a Weighted Average Price based on Crops with Verifiable Total Dollar Value Loss.

D Forage Price

Prices used in the payment calculations for forage crops will be from the NCT. The Average Market Price for conventionally grown crops must be established and approved for NAP according to 3-NAP. The Organic Market Price for organically grown crops will be used for organically grown crops if the NCT has a price established.

Note: If the crop is certified organic and an organic price is not found in the NCT, the payment application will calculate an organic price based on the approved Average Market Price times 1.45.

94 Payment Calculations (Continued)**E Weighted Average Calculated Percentage Loss**

The Weighted Average Percentage of Forage Crops with Verifiable Nutritional Values is calculated if at least 5 producers in the county have verifiable current and historical nutritional values for the same crop, crop type, intended use, nutritional category, and organic status. It is obtained by taking a weighted average of the Calculated Percentage of Nutrient Loss of the applications with verifiable current and historical nutritional values for forage crops. If less than 5 producers have the data for the physical location county a 0 will be used.

Policy will be provided in the future for producers without a Weighted Average Percentage of Loss.

F Weighted Average Total Dollar Value Loss on Affected Production

The Weighted Average Total Dollar Value Loss on Affected Production for Crops Other than Forage without Total Dollar Value Loss Values is calculated if at least 5 producers in the county have Total Dollar Value Loss values for the same crop, crop type, intended use, and organic status. It is obtained by taking a weighted average of the applications with Total Dollar Value Loss Value Losses on Affected Production divided by Total Affected Production. If less than 5 producers have the data for the physical location county a 0 will be used.

Policy will be provided in the future for producers without a Weighted Average Total Dollar Value Loss on Affected Production.

G Weighted Average Price Before Discount on Affected Production

The Weighted Average Price Before Discount on Affected Production for Crops Other than Forage without Total Dollar Value Loss Values is calculated if at least 5 producers in the county have Total Dollar Value Loss values for the same crop, crop type, intended use, and organic status. It is obtained by taking a weighted average of the Price Before Discount for applications with Total Dollar Value Loss value losses. If less than 5 producers have the data for the physical location county, a 0 will be used.

Policy will be provided in the future for producers without a Weighted Average Total Price Before Discount on Affected Production.

94 Payment Calculations (Continued)

H Crops Other than Forage with Total Dollar Value Loss

Crops Other than Forage with Total Dollar Value Loss Payments are calculated by using the Total Dollar Value Loss on affected production times the 70 percent payment factor.

Example: Producer Jimmy had 1,200 acres of yellow corn for grain conventionally grown that yielded 185 bushels per acre for a total of 222,000 bushels of corn. Jimmy certified he had 120,000 bushels that had a quality loss due to drought from June 15, 2019, until November 15, 2019. Jimmy certified he had verifiable evidence of 120,000 bushels that he had priced before the discount at \$3.70 per bushel, but he only received \$332,000 for the 120,000 bushels due to low test weight when it was sold. The crop with a quality loss was valued at \$444,000 (120,000 times \$3.70). Jimmy received \$332,000 for the crop and he certified his verifiable evidence had \$112,000 in quality loss.

Jimmy had a Calculated Percentage of Loss of 25.23 percent. Jimmy's Expected Value on Affected Production was 112,000 bushels times \$3.70 per ton equaling \$444,000. Jimmy's certified Total Dollar Value Loss on Affected Production, which could be supported by verifiable documentation was \$112,000. \$112,000 divided by \$444,000 equals 25.23 percent. Since Jimmy has a loss of 5 percent or greater, Jimmy qualifies for the following payment:

\$112,000.00 Total Dollar Value Loss on Affected Production, multiplied by
70 percent Payment Factor, equals
\$78,400.00 Gross Estimated Payment

Note: This amount may be factored based on availability of funds after sign-up ends.

94 Payment Calculations (Continued)

I Crops Other than Forage without Verifiable Total Dollar Value Loss

Crops other than forage without Total Dollar Value Loss payments are calculated by:

- Total Affected Production, multiplied by,
- Weighted Average Dollar Value on Affected Production determined from subparagraph 94 F equals,
- Loss Amount, multiplied by,
- 70 percent payment factor, multiplied by
- 50 percent.

Example: Producer Jimmy had 80 acres of wheat that yielded 65 bushels per acre for a total of 5,200 bushels of durum wheat. Jimmy certified he had 1,200 bushels that had a quality loss due to falling numbers on June 15, 2019, that was due to an eligible weather event. Jimmy certified he had the wheat sampled and tested for quality, and he has the verifiable documentation that supports the loss; however, Jimmy did not have a price before the discount for the crop.

After sign-up ended it was determined that the Average Dollar Value Loss on Affected Production for durum wheat intended for grain conventionally planted was \$1.10. This was based on the applications filed with Crops Sold with Verifiable Total Dollar Value Loss. It was further determined that Price for durum wheat intended for grain conventionally planted was \$6.00. This was based on weighted average of applications filed with Crops Sold with Verifiable Total Dollar Value Loss. \$1.10 divided by \$6.00 results in a calculated percentage of loss of 18.33 percent.

Because the loss was calculated at 18.33 percent, which is greater than the 5 percent threshold, Jimmy qualifies for the following payment:

1,200 bushels (Total Affected Production), multiplied by
 \$1.10 (Average Dollar Value Loss on Affected Production), equals
 \$1,320.00 (Loss Amount), multiplied by
 70 percent Payment Factor, multiplied by
 50 percent, equals
 \$462 Gross Estimated Payment

Note: This amount may be factored based on availability of funds after sign-up ends.

94 Payment Calculations (Continued)

J Forage with Current and Historical Nutritional Values

Payments for Forage with Current and Historical Nutritional Values are determined using the following calculation:

- Total Affected Production, multiplied by,
- Calculated Verifiable Percentage of Loss, multiplied by,
- Approved Physical Location NCT Price, equals,
- Loss Amount, multiplied by,
- 70 percent Payment Factor.

Note: The Calculated Percentage of Nutrient Loss is determined by subtracting the application Year Nutritional Value divided by the Historical Nutritional Value from 1.

Example: Producer Joe had 800 acres of alfalfa that yielded 4 tons per acre for a total of 3,200 tons of hay. Joe certified he had 800 tons of alfalfa that had a quality loss due to excessive moisture occurring June 1, 2019, through August 31, 2019, that he fed to livestock. Joe produces high quality alfalfa hay and tests for quality annually.

Joe completed the Historical Nutritional Value Weighted Average Worksheet (FSA-899) for 2016, 2017, and 2018 to find his Weighted Historical Nutritional Value was 116. Joe certified that in 2019 he had verifiable documentation that supported he had an application year Nutritional Value of 80.

Joe's Calculated Verifiable Percentage of Nutrient Loss was determined to be 31.03 percent (1 minus [80 divided by 116]).

Because Joe's loss of 31.03 percent was higher than the 5 percent loss threshold, Joe qualifies for the following payment:

800 tons (Total Affected Production), multiplied by
 31.03 percent (Calculated Verifiable Percentage of Nutrient Loss), multiplied by
 \$125 (determined price for the commodity), equals
 \$31,030 (Loss Amount), multiplied by
 70 percent Payment Factor, equals
 \$21,721.00 Gross Estimated Payment

Note: This amount may be factored based on availability of funds after sign-up ends.

94 Payment Calculations (Continued)

K Forage Crops Without Historical Verifiable Nutritional Values

Forage Crops without Historical Verifiable Nutritional Values are determined using the following calculation:

- Total Affected Production, multiplied by
- Weighted Average Percentage of Loss according to par. 32E, multiplied by,
- Approved Physical Location NCT price, equals
- Loss Amount, multiplied by,
- 70 percent Payment Factor, multiplied by,
- 50 percent.

Example: Producer Dale had 800 acres of legume/grass mixed forage conventionally grown for forage that yielded 4 tons per acre for a total of 3,200 tons hay. Dale certified he had 400 tons of mixed forage that had a quality loss due to excessive moisture on July 1, 2019, that he fed to livestock. Dale had a quality test done on the 400 tons and he has produced hay in the prior years but was unable to provide a verifiable forage test for the historical years.

After sign-up was finished, it was determined that the Weighted Average percent of loss for legume, grass mixed forage conventionally grown for forage in the high tier nutritional category was 25 percent, which was greater than the 5 percent threshold, so Joe qualifies for the following payment:

400 tons (Total Affected Production), multiplied by
 25 percent (Weighted Average Percentage of Loss), multiplied by
 \$90 (NCT price for the commodity), equals
 \$9,000.00 (Loss Amount)
 70 percent Payment Factor, multiplied by
 50 percent, equals
 \$3,150 - Gross Estimated Payment

Note: This amount may be factored based on availability of funds after sign-up ends.

95-120 (Reserved)

Part 7 QLA General Payment Provisions

121 General Payment Provisions

A Manual Calculation Worksheets

Manual Calculation Worksheets are available for the payment calculation. The gross payment calculation is completed through the automated software and is provided on the Estimated Calculated Payment Report for all signed applications. Payment amounts will be automatically sent to the payment process.

The Manual Calculation Worksheets can be used by State and County Offices to determine how the system is calculating the gross payment amounts.

121 General Payment Provisions (Continued)

A Manual Calculation Worksheets (Continued)

The QLA Program Payment Calculator can be found at
 *--<https://inside.fsa.usda.gov/program-areas/dafp/dap/qla/index>.

The workbook has multiple tabs. One tab is labeled “Forage Expanded,” and the other tab is labeled “Other than Forage Expanded.”

Item	Description
Producer Information	
1) Name	Enter Producer’s Name from FSA-898, Item 5.
2) Crop Year	Enter 2018, 2019, or 2020.
Total Estimated QLA Payment	Calculated Estimated Payment before Payment Factors by adding Gross Estimated Payments for Crops Other than Forage with Total Dollar Value Loss (Item 18), Crops Other than Forage without Total Dollar Value Loss, (Item 36), Current and Historical Nutrient Values (Item 51), and Forage without Historical Nutrient Values (Item 71).
Print	Prints the Quality Loss Adjustment Calculator.
Erase All	Clears the Calculator.
Forage Expanded	
Note: This section is used for forage crops. The calculator will perform calculations based on if a Historical Nutritional Value is entered.	
3) Physical State/County	Enter the Physical County State and County FIPs from FSA-898, Item 6.
4) Crop	Enter the crop impacted by the disaster from FSA-898, Item 7.
5) Crop Type	Enter the crop type, if applicable, from FSA-898, Item 8.
6) Intended Use	Enter the crop’s intended use from FSA-898, Item 9.
7) Organic (C/O)	Enter “C” for Conventional and “O” for Certified Organic. Note: Transitional organic is considered conventional for FSA-898, Item 10.
8) Disaster Event	Enter the disaster event from FSA-898, Item 11.
9) Disaster Event Beginning Date	Enter the beginning date of the disaster event from FSA-898, Item 12.
10) Disaster Event Ending Date	Enter the ending date of the disaster event from FSA-898, Item 13.
11) Unit of Measure	Enter the commodity unit of measure from FSA-898, Item 14.
12) Total Affected Production	Enter the total affected production from FSA-898, Item 15 or Item 18, as applicable.
13) Nutritional Category	Enter the nutritional category from FSA-898, Item 16.
14) Current Nutritional Value	Enter the current verifiable nutritional value from FSA-898, Item 17A or Item 19, as applicable.

--*

121 General Payment Provisions (Continued)

A Manual Calculation Worksheets (Continued)

*--

Item	Description
Forage Crops with Current and Historical Nutritional Values	
15) Weighted Average Current Nutritional Value	The calculator will calculate a weighted average for the current nutritional value for the crop, crop type, intended use, nutritional category, and organic status.
16) Historical Nutritional Value	Enter the historical nutritional value from FSA-898, Item 17B.
17) Weighted Average Historical Nutritional Value	The calculator will calculate a weighted average for the historical nutritional value for the crop, crop type, intended use, nutritional category, and organic status.
18) Weighted Average Percentage of Loss	If Historical Nutritional Values are not entered for the crop, a weighted average percentage of loss based on physical county, crop, crop type, intended use, nutritional category, and organic status will be calculated after signup is completed.
19) Calculated % of Nutrient Loss	Calculated as (Weighted Average Current Nutritional Value, Item 15, divided by Weighted Average Historical Nutritional Value, Item 17).
20) Price (NCT)	Enter the price for the commodity from the NCT. Note: If item 10 is "O" and a price is not entered in the NCT, enter the conventional price from the NCT multiplied by 1.45.
21) Loss Amount	Total Affected Production, multiplied by Calculated % of Loss multiplied by Price.
22) Payment Factor	70% Payment Factor.
23) County Average Factor for Forage without Historical	For forage without historical nutritional values: 50 percent applied since a county average was used in the calculation.
22) Gross Estimated Payment	Loss Amount multiplied by Payment Factor (Item 21 multiplied by Item 22, multiplied by item 23, if applicable.

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121 General Payment Provisions (Continued)

A Manual Calculation Worksheets (Continued)

*--

Item	Description
Crops Other Than Forage Expanded	
3) Physical State/County	Enter the Physical County State and County FIPs from FSA-898, Item 22.
4) Crop	Enter the crop impacted by the disaster from FSA-898, Item 23.
5) Crop Type	Enter the crop type, if applicable, from FSA-898, Item 24.
6) Intended Use	Enter the crop's intended use from FSA-898, Item 25.
7) Organic (C/O)	Enter "C" for Conventional and "O" for Certified Organic. Note: Transitional organic is considered conventional for FSA-898, Item 26.
8) Disaster Event	Enter the disaster event from FSA-898, Item 27.
9) Disaster Event Beginning Date	Enter the beginning date of the disaster event from FSA-898, Item 28.
10) Disaster Event Ending Date	Enter the ending date of the disaster event from FSA-898, Item 29.
11) Type of Quality Loss Discount	Enter the condition that caused the quality loss from FSA-898, Item 32.
12) Unit of Measure	Enter the commodity unit of measure from FSA-898, Item 30.
13) Total Affected Production	Enter the total affected production from FSA-898, Item 31, or from Item 36 (COC adjusted) if applicable.
14) Total Dollar Value Loss on Affected Production	Enter the total dollar value loss on the affected production from FSA-898, Item 33.
15) Price Before Discount	Enter the price before discount from FSA-898, Item 34.
16) Weighted Average Price Before Discount	Calculated Field: The weighted average of the Price Before Discount based on Physical Location County, Crop, Crop Type, Intended Use, and Organic Status will be displayed.
17) Weighted Average Total Dollar Value Loss per Unit of Measure	Only enter if Item 14 or 15 is not available: Enter the Weighted Average Total Dollar Value Loss by using a weighted average of Total Dollar Value Loss on Affected Production (from FSA-898, Item 33) divided by Total Affected Production (from FSA-898, Item 31) by County, Crop, Crop Type, Intended Use, and Organic Status (calculated after applications have been reviewed).
18) Weighted Average Price Before Discount	Only enter if Item 14 or 15 is not available: Enter the Weighted Average Price using a weighted average of Price Before Discount (from FSA-898, Item 34) by County, Crop, Crop Type, Intended Use, and Organic Status (calculated after applications have been reviewed).

--*

121 General Payment Provisions (Continued)

A Manual Calculation Worksheets (Continued)

*--

Item	Description
Crops Other Than Forage	
19) Calculated % of Loss	Calculated Field: Total Dollar Value (Item 14) divided by Total Affected Production (Item 15) times Price Item 16).
20) Loss Amount	Calculated Field: If the Calculated % of Loss is 5 percent or greater, Total Dollar Value Loss on Calculated Production will be displayed. If the Calculated % of Loss is less than 5 percent, "0" will be displayed.
21) Payment Factor	70 Percent Payment Factor.
22) County Average Factor	Only if an actual Price Before Discount or Total Dollar Value Loss is omitted: 50 percent factor is applied since a county average was used in the calculation.
23) Gross Estimated Payment	Calculated Field: Loss Amount (Item 20) multiplied by Payment Factor (Item 21), multiplied by County Average Factor (Item 22).

--*

121 General Payment Provisions (Continued)

B Manual Calculation Worksheets Example

Example 1: Producer Dale completed the FSA-898 as follows.

*--

than 60 days from the date the applicant signs this application. Payments may be reduced or not issued if the documentation is not submitted timely.

PART B - PRODUCER INFORMATION								
5. Producer's Name Address (City, State and Zip Code) and Phone Number (Include Area Code)								
Producer Dale 1234 Hancock Ave Somewhere, Iowa 99999 999-999-9999								
PART C - FORAGE								
Line	6. State/County	7. Crop	8. Crop Type	9. Intended Use	10. Certified Organic (O/C)	11. Disaster Event	12. Disaster Event Beginning Date (MM/DD/YYYY)	13. Disaster Event Ending Date (MM/DD/YYYY)
1	19033	Alfalfa		FG	C	Extreme Moisture	06/01/2019	08/31/2019
2								
3								
Line	14. Unit of Measure	15. Total Affected Production	16. Current Verifiable Nutritional Value	17. Historical Verifiable Nutritional Value (From FSA-898)	COC USE ONLY			
					18. COC Adjusted Total Affected Production	19. COC Adjusted Current Verifiable Nutritional Value	20. COC Adjusted Historical Verifiable Nutritional Value	21. COC Determined Average Percentage of Loss
1	tons	800.00	80.00	116.00				
2								
3								

--*

121 General Payment Provisions (Continued)

B Manual Calculation Worksheets Example (Continued)

*--Producer Dale has land physically located in 2 counties. Dale produced Alfalfa and Mixed Forage AGM in County 19-033 that had a quality loss because of excessive moisture from June 1 through August 31, 2019. He had Historical Verifiable Nutritional Values that were calculated on the FSA-899, but he also had losses on his mixed forage for which he was unable to provide Historical Nutritional Values.

He also suffered losses on his corn and wheat in County 19-195 because of drought. He had verifiable Total Dollar Value Losses for a portion of the corn harvested in the county; however, he only had verifiable quality loss discounts for the other bushels of corn and wheat and pounds of canola that he produced. He completed FSA-898 as follows.

PART C - FORAGE									
Line	6. State/ County	7. Crop	8. Crop Type	9. Intended Use	10. Certified Organic (O/C)	11. Disaster Event	12. Disaster Event Beginning Date (MM/DD/YYYY)	13. Disaster Event Ending Date (MM/DD/YYYY)	
1	19/033	Alfalfa		FG	C	Excessive Moisture	06/01/2019	08/31/2019	
2	19/033	Mixed Forage	LGM	FG	C	Excessive Moisture	06/01/2019	08/31/2019	
3									
Line	14. Unit of Measure	15. Total Affected Production	16. Nutritional Category	17A. Current Verifiable Nutritional Value	17B. Historical Verifiable Nutritional Value (Item 23 on FSA-899)	COC USE ONLY			
						18. COC Adjusted Total Affected Production	19. COC Adjusted Current Verifiable Nutritional Value	20. COC Adjusted Historical Verifiable Nutritional Value	21. COC Determined Average Percentage of Loss
1	tons	800.00	High Tier	80.00	116.00				
2	tons	400.00	High Tier	119.99					

FSA-898 (proposal 12)

Page 2 of 2

PART D - CROPS OTHER THAN FORAGE WITH TOTAL DOLLAR VALUE LOSS									
Line	22. State/ County	23. Crop	24. Crop Type	25. Intended Use	26. Certified Organic (O/C)	27. Disaster Event	28. Disaster Event Beginning Date (MM/DD/YYYY)	29. Disaster Event Ending Date (MM/DD/YYYY)	
1	19/195	Corn	YEL	GR	C	Drought	06/01/2019	11/30/2019	
2									
3									
Line	30. Unit of Meas.	31. Total Affected Production	32. Type of Quality Loss Discount	33. Total Dollar Value Loss on Affected Production	34. Price Before Discount	COC USE ONLY			
						35. COC Adjusted Total Affected Production	36. COC Adjusted Total Dollar Value Loss on Affected Production	37. COC Adjusted Price Before Discount	
1	bu	120,000	Low Test Weight	112,000	3.70				
2									
3									

PART E - CROPS OTHER THAN FORAGE WITHOUT TOTAL DOLLAR VALUE LOSS									
Line	38. State/ County	39. Crop	40. Crop Type	41. Intended Use	42. Certified Organic (O/C)	43. Disaster Event	44. Disaster Event Beginning Date (MM/DD/YYYY)	45. Disaster Event Ending Date (MM/DD/YYYY)	
1	19/195	Wheat	DUR	GR	C	Drought	06/01/2019	11/30/2019	
2	19/195	Corn	YEL	GR	C	Drought	06/01/2019	11/30/2019	
3	19/033	Canola	SFR	GR	C	Extreme Moisture	06/01/2019	08/31/2019	

--*

121 General Payment Provisions (Continued)**B Manual Calculation Worksheets Example (Continued)**

*--After sign-up ended, the following was determined based on the weighted averages for the county, crop, crop type, intended use, organic status, and nutritional category for the following crops:

- Weighted Average Percentage Loss:
 - 19-033, Mixed Forage, AGM, FG, Conventional, High Tier = 25 percent.
- Weighted Average Total Dollar Value Loss:
 - 19-195, Wheat, DUR, GR, Conventional = \$1.1000
 - 19-195, Corn, YEL, GR, Conventional = \$0.5000
 - 19-033, Canola, SPR, GR, Conventional = \$0.0000 (fewer than 5 producers had applications with this information).
- Weighted Average Price Before Discount:
 - 19-195, Wheat, DUR, GR, Conventional = \$6.0000
 - 19-195, Corn, YEL, GR, Conventional = \$3.6500
 - 19-033, Canola, SPR, GR, Conventional = \$0.0000 (fewer than 5 producers had applications with this information).--*

121 General Payment Provisions (Continued)

B Manual Calculation Worksheets Example (Continued)

*--The Manual Calculation worksheets are completed as follows.

Quality Loss Adjustment Calculator - Version 1.1										1/21/2021			
A. Producer Information:								Total Estimated QLA Payment:					
1. Name:		Producer Dale			2. Crop Year:		2019		\$24,871.00				
B. Forage													
3. Physical State/County	4. Crop	5. Crop Type	6. Intended Use	7. Organic Status (O/C)	8. Disaster Event	9. Disaster Event Beginning Date (MM-DD-YYYY)	10. Disaster Event Ending Date (MM-DD-YYYY)	11. Unit of Measure	12. Total Affected Production	13. Nutritional Category			
19-033	Alfalfa		FG	C	Excess Moisture	6/1/2019	8/31/2019	tons	800.0000	High Tier			
19-033	Mixed Forage	LGM	FG	C	Excess Moisture	6/1/2019	8/31/2019	tons	400.0000	High Tier			
4. Crop	5. Crop Type	14. Current Nutritional Value	15. Weighted Average Current Nutritional Value	16. Historical Nutritional Value	17. Weighted Average Historical Nutritional Value	18. If Historical Nutritional Value Not Provided, Weighted Average Percentage of Loss	19. Calculated % of loss	20. Price (NCT)	21. Loss Amount				
Alfalfa		80.0000	80.0000	116.0000	116.00		31.03%	\$125.0000	\$31,030.0000				
Mixed Forage	LGM	119.9900				25.00%	25.00%	\$90.0000	\$9,000.0000				
3. Physical State/County	4. Crop	5. Crop Type	6. Intended Use	7. Organic Status (O/C)	8. Disaster Event	9. Disaster Event Beginning Date (MM-DD-YYYY)	10. Disaster Event Ending Date (MM-DD-YYYY)	11. Unit of Measure	12. Total Affected Production	21. Loss Amount	22. Payment Factor	23. County Average Factor For Forage without Historical	24. Estimated Payment Forage Crops Before Additional Factor
19-033	Alfalfa		FG	C	Excess Moisture	6/1/2019	8/31/2019	tons	800.0000	\$31,030.0000	70%	70%	\$21,721.00
19-033	Mixed Forage	LGM	FG	C	Excess Moisture	6/1/2019	8/31/2019	tons	400.0000	\$9,000.0000	70%	50%	\$3,150.00

Note: Since only alfalfa had historical verifiable nutritional values, that will be the only forage crop with a historical nutritional value entered in this section.--*

121 General Payment Provisions (Continued)

B Manual Calculation Worksheets Example (Continued)

*--The section “Crops Other than Forage” would be completed as follows.

Crops Other Than Forage									
3. Physical State/County	4. Crop	5. Crop Type	6. Intended Use	7. Organic Status (O/C)	8. Disaster Event	9. Disaster Event Beginning Date (MM-DD-YYYY)	10. Disaster Event Ending Date (MM-DD-YYYY)	11. Type of Quality Loss Discount	12. Unit of Measure
19-195	corn	yel	gr	c	Drought	6/1/2019	11/30/2019	TW	bu
19-195	wheat	yel	gr	c	Drought	6/1/2019	11/30/2019	Falling Numbers	bu
19-195	corn	yel	gr	c	Drought	6/1/2019	11/30/2019	TW	bu
19-033	canola	spr	gr	c	excessive moisture	6/1/2019	8/31/2019	sprouted	pounds

Crops Other Than Forage										
3. Physical State/County	4. Crop	5. Crop Type	6. Intended Use	13. Total Affected Production	14. Total Dollar Value Loss on Affected Production	15. Price Before Discount	16. Weighted Average Price Before Discount	17. Weighted Average Total Dollar Value Loss per Unit of Measure	18. Weighted Ave Price Before Discount	19. Calculated % of loss
19-195	corn	yel	gr	120,000.00	112,000.00	3.7000	3.70			25.23%
19-195	wheat	yel	gr	1,200.00	5,000.00			\$1.10	\$6.00	18.33%
19-195	corn	yel	gr	50,000.00				\$0.50	\$3.65	13.70%
19-033	canola	spr	gr	5,000.00						0.00%

Note: Since the price before discount was unknown for the wheat, 50,000 bushels of corn, and canola, no entry was made in the Price Before Discount Section. Entries were required in the Weighted Average Total Dollar Value Loss per Unit of Measure (Item 17) and Weighted Ave Price Before Discount (Item 18) to compute a payment.--*

121 General Payment Provisions (Continued)

B Manual Calculation Worksheets Example (Continued)

*--

<i>Crops Other Than Forage</i>			<i>Crops Other Than Forage</i>				
3. <i>Physical ate/County</i>	4. <i>Crop</i>	5. <i>County</i>	6. <i>%</i>	20. <i>Loss Amount</i>	21. <i>Payment Factor</i>	22. <i>County Average Factor For Crops without Total Value Discount Loss</i>	23. <i>Estimated Payment Other than Forage Before Additional Factor</i>
19-195	corn	5	70%	\$112,000.00	70%		\$78,400.00
19-195	wheat	5	70%	\$1,320.00	70%	50%	\$462.00
19-195	corn	5	70%	\$25,000.00	70%	50%	\$8,750.00
19-033	canola	5	70%	\$0.00	70%	50%	\$0.00

Note: Since at least 5 producers did not apply for payment for conventional spring canola for grain in 19-033, \$0 was used in the payment calculation.--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

The following lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (Includes AD-1026 Appendix)		8, 9
CCC-471	Non-Insured Crop Disaster Assistance Program (NAP) Application for Coverage with Buy-Up Option (2015 and Subsequent Crop Years)		25
CCC-901	Members Information		Ex. 5
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Programs Years		9, 62, Ex. 5
CCC-902E	Farm Operating Plan for an Entity		Ex. 5
CCC-902I	Farm Operating Plan for an Individual		Ex. 5
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information		9, 62
CCC-942	Certification of Income from Farming Ranching and Forestry Operations		9, 62
FSA-578	Report of Acreage		23, 42, 62, 76, Ex.5, Ex. 7
FSA-770 QLA	Quality Loss Adjustment Program Checklist	13	
FSA-850	Environmental Screening Worksheet		12
FSA-895	Crop Insurance and/or NAP Coverage Agreement	Ex. 6	25, 62
FSA-898	QLA Program Application	Ex. 5	Text, Ex. 7
FSA-899	Historical Nutritional Value Weighted Average Worksheet (QLA Program Forage Only)	Ex. 7	43, 44, 45, 62, 76, 94, 121, Ex. 5
--FSA-1007	Inspection Certificate and Calculation Worksheet		52--

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following lists approved abbreviations not listed in 1-CM.

Approved Abbreviation	Term	Reference
CRM	Customer Relationship Management	23
QLA	Quality Loss Adjustment	Text
RFV	Relative Feed Value	44
RFQ	Relative Feed Quality	44
TDN	Total Digestible Nutrients	44, 76
WFRP	Whole-Farm Revenue Protection	25

Delegations of Authority

COC can redelegate CED authority to approve routine applications.

COC can delegate CED authority to disapprove applications received after the deadline according to paragraph 4.

Definitions of Terms Used in This Handbook

Affected Production

Affected production means the producer's ownership share of harvested production, adjusted to standard moisture, of an eligible crop that had both:

- a quality loss due to a qualifying disaster event; and
- at least a 5 percent quality loss due to all eligible disaster events combined.

Crop Year

Crop year is the period of time within which the crop is normally grown and designated by the calendar year in which the crop is normally harvested. For crops:

- harvested over 2 calendar years, the crop year is the calendar year in which the majority of the crop would have been harvested
- grown over more than 2 calendar years, each year in the growing period will be considered as a separate crop year designated by the calendar year in which the crop sustained a loss
- for which Federal Crop Insurance Coverage is available, the crop year will be as defined by such coverage.

Eligible Crops

Eligible crops are crops, types, IU's (excluding grazing), and practices:

- eligible for NAP according to 1-NAP
- for which Federal crop insurance is available.

Grading Factor

Grading factor is a factor that describes the physical condition or a feature that is evaluated to determine the quality of the production, such as broken kernels and low-test weight.

Harvested production

Harvested production means the total amount of harvested production for the unit supported by an acceptable record and/or certification by the producer. The production of any eligible crop harvested more than once in a crop year will include the total harvested production from all harvests.

Definitions of Terms Used in This Handbook (Continued)**Misrepresentation, Scheme, or Device**

Misrepresentation, scheme, or device means, but is not limited to:

- concealing any information having a bearing on the application of any of the rules governing NAP
- submitting false information to a CCC representative, including, but not limited to, COC, STC, or authorized agent or employee thereof
- creating fictitious entities for the purpose of concealing the interest of a person in a farming operation.

Multiple Market Crop

Multiple market crop means a crop that is delivered to 1 market but can have fresh and processed prices based on grading. For example, a producer may intend to sell all production of an apple crop as fresh production; however, based on grading of the crop at the market, the producer is compensated for some production at the fresh price and for some production at the processing price.

Nutrient Factor

Nutrient factor means a factor determined by a test that measures the nutrient value of crop to be fed to livestock. Examples include, but are not limited to, relative feed value and total digestible nutrients.

Prevented Planting

Prevented planting means the inability to plant the intended crop acreage with proper equipment during the established planting period for the crop type.

Quality Discount

Quality discount means a physical condition or feature used to describe the quality of the crop.

Definitions of Terms Used in This Handbook (Continued)

Salvage Value

Salvage value is the dollar amount or equivalent received by or available to the producer for the quantity of the commodity that **cannot** be marketed or sold in any market for which a NCT price or yield is established by FSA. The loss of quality resulting in a commodity becoming salvage **must** be because of natural disaster.

Secondary Use

--Secondary use means the harvested production bears little resemblance to, or has a different unit of expression than, the unit of expression for the reported intended use. It does not apply to fresh and processed harvested production and is not salvage.--

Share

Share means the producer's percentage interest in the eligible crop as an owner, operator, or tenant at the time of planting or beginning of the crop year.

Unmarketable Production

Unmarketable production includes unharvested or harvested production that cannot be marketed through normal channels because of eligible disaster conditions.

Value Loss Crop

Value loss crop means ornamental nursery, Christmas trees, aquaculture, or other crops determined by DAFP that because of their unique nature do not lend themselves to yield calculations or expected yield loss situations.

FSA-898 Application and Instructions

A Instructions for Completing FSA-898, Quality Loss Adjustment (QLA) Program Application

The following table provides instructions for completing a manual FSA-898 for producers who suffered eligible crop quality losses because of hurricanes, excessive moisture, floods, drought, tornadoes, typhoons, volcanic activity, snowstorms, and wildfires occurring in calendar years 2018 and 2019.

Note: For FSA County Offices, enter the data for all FSA-898’s received in the County Office in the QLA Program application system to print the completed FSA-898 (QLA application) for the applicant.

Item	Instructions
For COC Use Only	
1	Enter the producer’s recording State and FSA code.
2	Enter the producer’s recording county and FSA code.
3	Enter the applicable crop year that suffered a quality loss.
4	Enter application number. Note: This number is assigned by the automated system.
Part A – Producer Agreement	
For Informational Purposes	
Applicants who are an individual person must complete automated CCC-902 or manual CCC-902I or CCC-902 Short Form.	
Applicants who are a legal entity, including General Partnership or Joint Venture, must complete automated CCC-902 or manual CCC-902E and CCC-901 (if applicable).	
Part B Producer Information	
5	Enter the producer’s name, address, including the ZIP code, and telephone number, including area code.
Part C - Forage	
Items 6 through 17B are required to be completed by the producer. The “Line” field is included to indicate how information should be recorded for each separate entry; for example, the entry on line 1, items 6 through 13, should be continued on line 1, items 14 through 17B.	
-- Important: A separate line item must be entered when there is any difference in the following fields: physical location, State and county, crop, crop type, intended use, organic status, nutritional category, and qualifying disaster event.--	
Note: Items 18 through 21 are for COC use only. If additional lines are needed use FSA-898 continuation.	
6	Enter the physical State and county were the quality loss occurred.
7	Enter the eligible crop that suffered a quality loss.
8	Enter the crop type or variety indicated on the FSA-578 that suffered a quality loss.
9	Enter the intended use for the crop entered in item 7 at the time of planting indicated on FSA-578.

FSA-898 Application and Instructions (Continued)

A Instructions for Completing FSA-898, Quality Loss Adjustment (QLA) Program Application (Continued)

Item	Instructions
Part C – Forage (Continued)	
10	Enter the organic status code according to the following. <ul style="list-style-type: none"> • “C”, Conventional and Transitional • “O”, USDA Certified Organic
11	Enter the disaster event that caused the quality loss (for example, wildfire, hurricane, tornado). <p>*--Note: Enter only 1 qualifying disaster event.--*</p>
12	Enter the beginning date of the disaster event specified in item 11.
13	Enter the ending date of the disaster event specified in item 11.
14	Enter the unit of measure for the crop (such as pounds, bushels, or tons), crop type, and intended use.
15	<ul style="list-style-type: none"> •*--Enter the total affected production of item 7 through item 10. Only include the producer’s share of affected production associated with the qualifying disaster event from item 11, unless the producer chooses to separate the production for additional qualifying disaster events. • Enter all production that suffered a reduction in nutritional value due to a qualifying disaster event.--* <p>* * *</p>
16	Enter one of the following applicable nutritional categories, based on the expected quality for the timing of harvest within the crop year. <ul style="list-style-type: none"> • High Tier • Low Tier <p>Note: See subparagraph 44 B for additional details on nutritional categories.</p>
17A	Enter the current verifiable nutritional value, if the producer does not have at least the current nutritional value, the forage crop is ineligible. <p>Note: See paragraph 44 for additional details on current nutritional value.</p>
17B	*--Enter the historical verifiable nutritional value from the FSA-899, item 22.--* <p>Note: See paragraph 44 for additional details on historical nutritional value.</p>
18	COC may enter the adjusted total affected production, if applicable. <p>Note: An entry is only required when COC determines the total affected production is different than what is certified to by the producer in item 15.</p>
19	COC may enter the adjusted current verifiable nutritional value, if applicable. <p>Note: An entry is only required when COC determines the current nutritional value is different than what is provided by the producer in item 17A.</p>

FSA-898 Application and Instructions (Continued)

A Instructions for Completing FSA-898, Quality Loss Adjustment (QLA) Program Application (Continued)

Item	Instructions
Part D - Crops Other Than Forage with Total Dollar Value Loss	
<p>Items 22 through 34 are required to be completed by the producer. The “Line” field is included to indicate how information should be recorded for each separate entry; for example, the entry on line 1, items 22 through 29, should be continued on line 1, items 30 through 34.</p>	
<p>*--Important: A separate line item must be entered when there is any difference in the following fields: physical location, State and county, crop, crop type, intended use, organic status, price before discount, and qualifying disaster event.--*</p>	
<p>Note: Items 35 through 37 are for COC use only. If additional lines are needed use FSA-898 continuation.</p>	
20	<p>COC may enter the adjusted historical verifiable nutritional value, if applicable.</p> <p>Note: An entry is only required when COC determines the historical nutritional value is different than what is provided by the producer in item 17B and on FSA-899.</p>
21	<p>System will display the average percentage of loss.</p> <p>Note: This will only display for forage crops without a historical verifiable nutritional value.</p>
22	<p>Enter the physical State and county where the quality loss occurred.</p>
23	<p>Enter the eligible crop that suffered a quality loss.</p>
24	<p>Enter the crop type or variety indicated on FSA-578 that suffered a quality loss.</p>
25	<p>Enter the intended use for the crop entered in item 23 at the time of planting indicated on FSA-578.</p>
26	<p>Enter the organic status code according to the following.</p> <ul style="list-style-type: none"> • “C”, Conventional and Transitional • “O”, USDA Certified Organic
27	<p>Enter the disaster event that caused the quality loss (for example, wildfire, hurricane, tornado).</p> <p>*--Note: Include only 1 qualifying disaster event.--*</p>
28	<p>Enter the beginning date of the disaster event specified in item 27.</p>
29	<p>Enter the ending date of the disaster event specified in item 27.</p>

FSA-898 Application and Instructions (Continued)

A Instructions for Completing FSA-898, Quality Loss Adjustment (QLA) Program Application (Continued)

Item	Instructions
Part D - Crops Other Than Forage with Total Dollar Value Loss (Continued)	
30	Enter the unit of measure for the crop (such as pounds, bushels, or tons), crop type, and intended use.
31	<p>Enter the total affected production of item 23 through item 26.</p> <p>*--Notes: Only include the producer's share of affected production associated with the qualifying disaster event from item 27, unless the producer chooses to separate the production for additional qualifying disaster events.</p> <p>Enter all production that suffered the quality loss discount due to a qualifying disaster event.--*</p> <p>* * *</p>
32	*--Enter all types of quality loss discounts applicable to the affected production in item 31; this is the condition that caused the quality loss. (for example, low test weight, falling numbers, nutrient values).
33	<p>Enter the total dollar value loss from all quality loss discounts on the affected--* production in item 31.</p> <p>Note: Only report the producer's share; see paragraph 45 for additional details on total dollar value loss.</p>
34	<p>Enter the price of the crop entered in item 23, before the quality loss discount occurred.</p> <p>*--Note: Use separate lines for affected production with different prices before discount.--*</p>
35	<p>COC may enter the adjusted total affected production, if applicable.</p> <p>Note: An entry is only required when COC determines the total affected production is different than what is certified to by the producer in item 31.</p>
36	<p>COC may enter the adjusted total dollar value loss on affected production, if applicable.</p> <p>Note: An entry is only required when COC determines the total dollar value loss on affected production is different than what is provided by the producer in item 33.</p>
37	<p>COC may enter the adjusted price before discount, if applicable.</p> <p>Note: An entry is only required when COC determines the price before discount is different than what is provided by the producer in item 34.</p>

FSA-898 Application and Instructions (Continued)

A Instructions for Completing FSA-898, Quality Loss Adjustment (QLA) Program Application (Continued)

Item	Instructions
Part E - Crops Other Than Forage Without Total Dollar Value Loss	
<p>A producer is required to complete items 38 through 48. The “Line” field is included to indicate how information should be recorded for each separate entry; for example, the entry on line 1, items 38 through 45, should be continued on line 1, items 46 through 48.</p>	
<p>*--Important: A separate line item must be entered when there is any difference in the following fields: physical location, State and county, crop, crop type, intended use, organic status, price before discount, and qualifying disaster event.--*</p>	
<p>Note: Items 49 through 51 are for COC use only. If additional lines are needed use FSA-898 continuation.</p>	
38	Enter the physical State and county where the quality loss occurred.
39	Enter the eligible crop that suffered a quality loss.
40	Enter the crop type or variety indicated on FSA-578 that suffered a quality loss.
41	Enter the intended use for the crop entered in item 39 at the time of planting indicated on FSA-578.
42	<p>Enter the organic status code according to the following.</p> <ul style="list-style-type: none"> • “C”, Conventional and Transitional • “O”, USDA Certified Organic
43	<p>Enter the disaster event that caused the quality loss (for example, wildfire, hurricane, tornado).</p> <p>*--Note: Include only 1 qualifying disaster event.--*</p>
44	Enter the beginning date of the disaster event specified in item 43.
45	Enter the ending date of the disaster event specified in item 43.
46	Enter the unit of measure for the crop (such as pounds, bushels, or tons), crop type, and intended use.
47	<p>Enter the total affected production of item 39 through item 42.</p> <p>*--Notes: Only include the producer’s share of affected production associated with the qualifying disaster event from item 43, unless the producer chooses to separate the production for additional qualifying disaster events.</p> <p>Enter all production that suffered the quality loss discount due to a qualifying disaster event.</p>
48	Enter all types of quality loss discounts applicable to the affected production in item 47; these are the conditions that caused the quality loss (for example, low test weight, falling numbers, and nutrient values).--*
49	<p>COC may enter the adjusted total affected production, if applicable.</p> <p>Note: An entry is only required when COC determines the total affected production is different than what is certified to by the producer in item 47.</p>
50	<p>System will generate the COC determined county average loss per unit of measure.</p> <p>Note: See subparagraph 94 E, for details on county average loss per unit of measure.</p>

FSA-898 Application and Instructions (Continued)

A Instructions for Completing FSA-898, Quality Loss Adjustment (QLA) Program Application (Continued)

Item	Instructions
Part E - Crops Other Than Forage <u>without</u> Total Dollar Value Loss (Continued)	
51	System will generate the COC determined county average price before discount. Note: See subparagraph 94 G, for details on county average price before discount.
Part F – Production Certification	
52A	Producer applying for QLA Program benefits must sign.
52B	Enter title and/or relationship to the individual when signing in a representative capacity. Note: If the person signing is signing representative capacity, this field should be left blank.
52C	Enter the date FSA-898 is signed in item 52A.
Part G – COC Review	
53	COC or its designee will sign when the review has been completed.
54	Enter the date COC or its designee signs FSA-898 in item 53.
Part H – COC Determination	
55	COC or its designee will sign.
56	Enter the date COC or its designee signs FSA-898 in item 55.
57	COC or its representative will check (✓) either “Approved” or “Disapproved”. Important: FSA-898 will be approved or disapproved after applicable COC adjustment fields are completed.

FSA-898 Application and Instructions (Continued)

B Example of FSA-898

The following is an example of FSA-898.

*--

DATE STAMPED									
This form is available electronically.				Form Approved - OMB No. 0560-0298					
OMB Expiration Date: 07/06/2021									
FSA-898 (01-06-21)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	1. Recording State Name/Code	2. Recording County Name/Code	3. Crop Year	4. Application No.				
QUALITY LOSS ADJUSTMENT (QLA) PROGRAM APPLICATION									
<small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 760, Subpart R and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Pub. L. 116-20), as amended by the Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.</small>									
<small>Public Burden Statement (Paperwork Reduction Act): Public reporting burden for this collection is estimated to average 30 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</small>									
PART A - PRODUCER AGREEMENT									
The Department of Agriculture (USDA) will make payments to producers who meet the requirements of the QLA Program. The following information is needed in order for USDA to make a determination that the applicant is eligible to receive a QLA Program payment. By submitting this application, and upon approval by USDA, the applicant agrees:									
<ol style="list-style-type: none"> To comply with regulations set forth in 7 CFR Part 760, Subpart R, which may be found at https://www.regulations.gov/docket?D=FSA-2020-0011. That the affected production of each crop included in this application suffered at least a 5 percent loss due to quality due to an eligible cause of loss. To provide to USDA all information that is necessary to verify that the information provided on this form is accurate and to allow a USDA representative access to all documents and records of the applicant and those in the possession of a third-party such as a warehouse operator, processor or packer. A complete QLA Program application includes this form, all required documentation and the following forms, which the applicant must submit no later than 14 days from the sign-up deadline: <ul style="list-style-type: none"> FSA-578, Report of Acreage FSA-895, Crop Insurance and/or NAP Coverage Agreement FSA-899, Historical Nutritional Value Weighted Average Worksheet (QLA Program Forage Only), if applicable. Failure of an individual, entity, or member of an entity to timely submit all information required to determine payment eligibility may result in no payment or a reduced payment. The applicant must submit the following forms within 60 days from the date the applicant signs this application: <ul style="list-style-type: none"> CCC-902, Automated, Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information CCC-942, Certification of Income from Farming, Ranching and Forestry Operations AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification. 									
PART B - PRODUCER INFORMATION									
5. Producer's Name Address (City, State and Zip Code) and Phone Number (Include Area Code)									
PART C - FORAGE									
Line	6. State/ County	7. Crop	8. Crop Type	9. Intended Use	10. Organic Status (O/C)	11. Disaster Event	12. Disaster Event Beginning Date (MM/DD/YYYY)	13. Disaster Event Ending Date (MM/DD/YYYY)	
1									
2									
3									
Line	14. Unit of Measure	15. Total Affected Production	16. Nutritional Category	17A Current Verifiable Nutritional Value	17B. Historical Verifiable Nutritional Value (Item 22 on FSA-899)	COC USE ONLY			
						18. COC Adjusted Total Affected Production	19. COC Adjusted Current Verifiable Nutritional Value	20. COC Adjusted Historical Verifiable Nutritional Value	21. COC Determined Average Percentage of Loss
1									
2									
3									

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FSA-898 Application and Instructions (Continued)

B Example of FSA-898 (Continued)

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FSA-898 (01-06-21)								Page 2 of 2	
PART D CROPS OTHER THAN FORAGE WITH TOTAL DOLLAR VALUE LOSS									
Line	22. State/County	23. Crop	24. Crop Type	25. Intended Use	26. Organic Status (O/C)	27. Disaster Event	28. Disaster Event Beginning Date (MM/DD/YYYY)	29. Disaster Event Ending Date (MM/DD/YYYY)	
1									
2									
3									
Line	30. Unit of Measure	31. Total Affected Production	32. Type of Quality Loss Discount	33. Total Dollar Value Loss on Affected Production	34. Price Before Discount	COC USE ONLY			
						35. COC Adjusted Total Affected Production	36. COC Adjusted Total Dollar Value Loss on Affected Production	37. COC Adjusted Price Before Discount	
1									
2									
3									
PART E CROPS OTHER THAN FORAGE WITHOUT TOTAL DOLLAR VALUE LOSS									
Line	38. State/County	39. Crop	40. Crop Type	41. Intended Use	42. Organic Status (O/C)	43. Disaster Event	44. Disaster Event Beginning Date (MM/DD/YYYY)	45. Disaster Event Ending Date (MM/DD/YYYY)	
1									
2									
3									
Line	46. Unit of Measure	47. Total Affected Production	48. Type of Quality Loss Discount		COC USE ONLY				
					49. COC Adjusted Total Affected Production	50. COC Determined County Average Loss Per Unit of Measure	51. COC Determined County Average Price Before Discount		
1									
2									
3									
PART F PRODUCER CERTIFICATION									
<i>I hereby sign and acknowledge under penalty of perjury in accordance with 28 U.S.C. § 1746 and 18 U.S.C. § 1621 that the foregoing is true and correct.</i>									
52A. Signature (BY)					52B. Title/Relationship of the Individual Signing in the Representative Capacity			52C. Date (MM/DD/YYYY)	
PART G COC REVIEW									
53. COC or Designee Signature								54. Date (MM/DD/YYYY)	
PART H COC DETERMINATION									
55. COC or Designee Signature						56. Date (MM/DD/YYYY)	57. Determination <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED		
<small>In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, and employees participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small>									
<small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small>									
<small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.nrcr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9932. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</small>									

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FSA-895 Crop Insurance and/or NAP Coverage Agreement

A Completing FSA-895

An applicant must complete FSA-895 according to this table when applying for QLA Program benefits. Follow instructions in this table to complete FSA-895.

Item	Instructions
1	Check only if applying for WHIP+ and/or QLA Program benefits on at least one insurable crop. The producer certifies to purchase crop insurance at a level of 60/100 or the equivalent for the crop(s), trees, bushes or vines for the next two consecutive years following the crop year which the benefits are requested, and if the certification statement in Item 1 applies.
2	Check only if applying for WHIP+ and/or QLA Program benefits on at least one insurable crop. The producer certifies to purchase NAP Coverage at a level of 60/100 the crop(s), trees, bushes or vines for the next two consecutive years following the crop year which the benefits are requested and if the certification statement in Item 2 applies.
3A	Enter the producer's name.
3B	If you are mailing or faxing this form, print the form and manually enter your signature. If this form is approved for electronic transmission and you have established credentials with USDA to submit forms electronically, use the buttons provided on the form for transmitting the form to the USDA servicing office.
3C	Enter the date producer signs the agreement.
4A	Enter County FSA Office name and address.
4B	Enter County FSA Office telephone number including area code.

FSA-895 Crop Insurance and/or NAP Coverage Agreement (Continued)

B Example of FSA-895

	Date Stamp
This form is available electronically.	OMB Control No. 0560-0298 OMB Expiration Date: 07/06/2021
FSA-895 (01-06-21)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency
CROP INSURANCE AND/OR NAP COVERAGE AGREEMENT	
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 760, Subparts O and R, Bipartisan Budget Act of 2018 (Pub. L. 115-123) and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Disaster Relief Act) (Pub. L. 116-20). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.</p> <p>Public Burden Statement (Paperwork Reduction Act): Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number.</p> <p>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p>	
<p>In accordance with the Bipartisan Budget Act of 2018 and/or the Disaster Relief Act 2019, regarding eligibility for 2017, 2018, and/or 2019 disaster assistance, I hereby certify that I have read and understand the crop insurance and NAP coverage requirement as it pertains to the applicable box(es) checked. This statement of understanding shall remain in effect until the earlier of: (1) the year 2030, or (2) cancellation by the Department. This agreement does not supersede or modify any previous requirements to purchase crop insurance or NAP under any other law or program.</p>	
<p><input type="checkbox"/> 1. I understand that I have applied for a payment under the 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP), Wildfires and Hurricanes Indemnity Program + (WHIP+), and/or Quality Loss Adjustment (QLA) Program on at least one insurable crop. In return for receiving a payment under 2017 WHIP, WHIP+, and/or the QLA Program for a 2017, 2018, 2019 and/or 2020 insurable crop(s). I am required to purchase crop insurance at a coverage level of at least 60 percent (based on the elected yield percentage multiplied by the elected price percentage) for the first two consecutive crop years with respect to which crop insurance is available, after the enrollment period for 2017 WHIP, WHIP+, and/or the QLA Program ends, but no later than crop years 2022 and 2023. If crop insurance is not available for such crop(s), I am required to purchase buy-up NAP coverage at a level of 60/100. I understand that I am also required to file an acreage report for each year NAP coverage is purchased.</p>	
<p><input type="checkbox"/> 2. I understand that I have applied for a payment under the 2017 WHIP, WHIP+, and/or the QLA Program on at least one NAP eligible crop. In return for receiving a payment under 2017 WHIP, WHIP+, and/or the QLA Program on such 2017, 2018, 2019 and/or 2020 NAP eligible crop(s), I am required to purchase buy-up NAP coverage at a level of 60/100 for the first two consecutive crop years with respect to which NAP coverage is available, after the enrollment period for 2017 WHIP, WHIP+, and/or the QLA Program ends, but no later than crop years 2022 and 2023. If crop insurance becomes available for such crops, I will be required to purchase crop insurance at a level of at least 60 percent (based on the elected yield percentage multiplied by the elected price percentage) for such crop. Furthermore, with respect to NAP coverage, I understand that I am required to file an annual acreage report for each year NAP coverage is purchased. If I am or would become ineligible for a NAP payment for either or both of the relevant two consecutive years because I exceeded the average Adjusted Gross Income (AGI) limitation, then I may meet this requirement by one of two ways: (1) obtain NAP coverage as required above, regardless of my ineligibility for NAP payment; or (2) purchase Whole-Farm Revenue Protection (WFRP) crop insurance at a coverage level of at least 60 percent for the applicable year(s).</p>	
<p>By signing this form, I acknowledge that I am required to purchase crop insurance and/or NAP for the first two consecutive crop years for which coverage is available after the enrollment period for 2017 WHIP, WHIP+, and/or the QLA Program ends. I will be required to refund my 2017 WHIP, WHIP+, and/or QLA Program payment if I fail to meet this requirement.</p>	
3A. Producer's Name (Print)	3B. Producer's Signature
3C. Date Signed (MM-DD-YYYY)	
4A. Name and Address of County FSA Office (Include City, State and Zip Code)	4B. County FSA Office Telephone Number (Include Area Code)
<p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-6339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</i></p>	

Instructions for Completing FSA-899, Historical Nutritional Value Weighted Average Worksheet

A Completing FSA-899

The following table provides instructions for completing a manual FSA-899 for a producer who suffered an eligible **forage** crop quality loss. The purpose is to calculate the producer’s historical average nutritional value, if applicable.

Item	Instructions
Part A – General Information	
1	Enter the physical State where the forage crop suffered a quality loss.
2	Enter the physical county where the forage crop suffered a quality loss.
3	Enter the producer’s name that suffered a quality loss on their forage crop.
4	Enter the crop year for the forage crop that suffered a quality loss.
Part B – Crop Information	
<p>The crop information part of FSA-899 allows for producer to complete 3 historic years of forage crop data with 6 rows. At the top of each section you will see Crop Year 20__, complete the blank with the applicable year. This will be items 11 through 19.</p> <p>Totals will then be calculated using items 20 through 22.</p> <p>If additional lines are needed use FSA-899, Continuation.</p>	
5	Enter the eligible forage crop that suffered a quality loss.
6	Enter the crop type or variety indicated on FSA-578 that suffered a quality loss.
7	Enter the intended use for the crop entered in item 5 at the time of planting indicated on FSA-578.
8	<p>Enter the organic status code according to the following.</p> <ul style="list-style-type: none"> • “C”, Conventional and Transitional • “O”, USDA Certified Organic
9	<p>Enter one of the following applicable nutritional categories, based on the expected quality for the timing of harvest within the crop year.</p> <ul style="list-style-type: none"> • High Tier • Low Tier <p>This item will be entered in item 16 on FSA-898.</p> <p>Note: See subparagraph 44 B for more details on nutritional categories.</p>
10	Enter the unit of measure for the crop (such as pounds, bushels, or tons), crop type, and intended use.

Instructions for Completing FSA-899, Historical Nutritional Value Weighted Average Worksheet
(Continued)

A Completing FSA-899 (Continued)

Item	Instructions
11	Enter the production of the forage crop in items 5 through 10 during the applicable crop year entered in the blank above.
12	Enter the nutritional value of item 11.
13	Enter the answer from calculating item 11 times item 13.
14	Enter the production of the forage crop in items 5 through 10 during the applicable crop year entered in the blank above.
15	Enter the nutritional value of item 14.
16	Enter the answer from calculating item 14 times item 15.
Part B – Crop Information Continued	
17	Enter the production of the forage crop in items 5 through 10 during the applicable crop year entered in the blank above.
18	Enter the nutritional value of item 17.
19	Enter the answer from calculating item 17 times item 18.
20	Enter the sum of production. This is the total of all production entered in items 11, 14, and 17. Note: If a continuation was necessary for additional line, add those applicable lines in as well.
21	Enter the sum of production times nutritional values, as calculated in items 13, 16, and 19. Note: If a continuation was necessary for additional line, add those applicable lines in as well.
22	Calculate the historical average nutritional value by dividing item 21 by item 20.
Part C – Production Certification	
23A	Producer with a forage crop that suffered a quality loss and has historical nutritional value records must sign.
23B	Enter title and/or relationship to the individual when signing in a representative capacity. Note: If the producer signing is not signing in a representative capacity, this field should be left blank.
23C	Enter the date FSA-899 is signed in item 23A.
Part D – CCC Signature	
24A	CCC representative must sign.
24B	Enter the date the CCC representative signs FSA-899 in item 24A.

**Instructions for Completing FSA-899, Historical Nutritional Value Weighted Average Worksheet
(Continued)**

B Example of FSA-899 (Continued)

The following is an example of FSA-899.

<div style="border: 1px solid black; width: 150px; height: 25px; margin: 0 auto; text-align: center; font-size: 8px;">DATE STAMPED</div>					
OMB Control No. 0560-0298 OMB Expiration Date: 07-05-2021					
This form is available electronically.					
FSA-899 <small>(01-06-21)</small>		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency			
HISTORICAL NUTRITIONAL VALUE WEIGHTED AVERAGE WORKSHEET (QLA Program Forage Only)					
PART A - GENERAL INFORMATION					
1. State	2. County	3. Producer's Name		4. Crop Year	
PART B - CROP INFORMATION					
5. Crop Name	6. Crop Type	7. Intended Use	8. Organic Status (O/C)	9. Nutritional Category	10. Unit of Measure
Crop Year 20__					
11. Production		12. Nutritional Value		13. Production Times Nutritional Value	
Crop Year 20__					
14. Production		15. Nutritional Value		16. Production Times Nutritional Value	
Crop Year 20__					
17. Production		18. Nutritional Value		19. Production Times Nutritional Value	

Instructions for Completing FSA-899, Historical Nutritional Value Weighted Average Worksheet
(Continued)

B Example of FSA-899 (Continued)

FSA-899 (01-06-21)		Page 2 of 2
TOTALS		
20. Sum of Production <i>(All Applicable Items 11, 14, 17 & Continuation if needed)</i>	21. Sum of All Production Times Nutritional Value <i>(All applicable Items 13, 16, 19 & continuation if needed)</i>	22. Historical Average Nutritional Value <i>(Items 21 divided by 20)</i>
PART C - PRODUCER'S CERTIFICATION		
<p><i>I hereby certify that the information included on this form includes complete and accurate production information and historical nutritional values for the crop and crop years indicated on this form. I understand that the information on this form must be supported by acceptable documentation including verifiable forage tests. Failure to provide the required documentation may result in a loss of program benefits.</i></p>		
23A. Signature of Producer (By)	23B. Title/Relationship of the Individual Signing in a Representative Capacity	23C. Date (MM-DD-YYYY)
PART D - CCC SIGNATURE		
24A. Signature of CCC Representative		24B. Date (MM-DD-YYYY)
<p>NOTE: <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Disaster Relief Act) (Pub. L. 116-20); and 7 CFR Part 760, subpart O. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.</i></p> <p>Paperwork Reduction Act (PRA) Statement: <i>Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p>		
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