

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Crop Disaster Program
5-DAP (Revision 2)**

Amendment 9

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Part 7 has been added to provide policy and procedure for quality.

Paragraph 243 has been added to provide FSA-840A-2 instructions and example.

Paragraph 245 has been added to provide FSA-840B-2 instructions and example.

Paragraph 247 has been added to provide FSA-840D instructions and example.

Paragraph 248 has been added to provide FSA-840G-1 instructions and example.

Paragraph 249 has been added to provide FSA-840G-2 instructions and example.

Paragraph 250 has been added to provide FSA-840H instructions and example.

Exhibit 2 has been amended to:

- update the definitions for affected price and production
- add definitions for falling number, harvested acres for potatoes, and maximum affected production.

Exhibit 20 has been added to provide a Marking Contract Requirement Checklist.

Exhibit 21 has been added to provide loss level assignment examples.

Exhibit 22 has been added to provide loss level allocation examples.

Exhibit 23 has been added to provide examples of quality tests of forage.

Amendment Transmittal (Continued)

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132 Adjusting RMA Download Data (Continued)**I Net Indemnity for Malting Barley**

The RMA download provides 2 units for producers that have malt barley endorsements. The original unit provides the production loss data and the “duplicate” unit has data for the malt endorsement. In this case, CDP payments shall only be issued on the original unit.

However, both the original and “duplicate” units provide a net indemnity. When completing FSA-840 (subparagraph 240 C), and when calculating the 95 percent cap, both indemnities shall be included in the net indemnity. Therefore, COC shall correct the net indemnity for the original unit to include the net indemnity from the “duplicate” unit.

133 Crops Having Insured and Noninsurable Practices**A Overview**

There are situations where RMA insures a practice, but does not insure all practices of the crop. If a producer suffers an eligible loss on both practices, only those acres of the insurable practice are eligible for CDP.

Example: Single-cropped (053) soybeans is an insurable crop in the county, but double-cropped (043) soybeans is not insurable. Only the acreage of single-cropped soybeans (053) will be eligible under CDP.

Note: If the producer purchased NAP coverage on the double-cropped soybean practice, it too would then be eligible for CDP.

B Policy for Producers Who Insure the Available Crop Practice

For producers that insure the practice recognized by RMA, but also grow a noninsurable practice, only the insured practice shall be used. The insured practice will be downloaded by RMA and will be pre-filled by the insured application process. County Offices shall not attempt to establish a basic unit for the noninsurable practice and enter the crop in the NAP-covered worksheet process. The insured unit will stand alone in determining crop loss.

134 Notification of Adjustments**A Producer Notification**

COC **shall** notify applicable producers in writing when production is assigned. The notification shall include the following information:

- why the production was assigned
- how the assigned production was determined
- the assigned production will be used when determining the disaster payment
- appeal rights of the producer
- copy of the revised FSA-840.

Note: The maximum average loss level established by COC for a crop in a county is considered a matter of general applicability and, therefore, not appealable. However, a producer may appeal the reason for assigned production, such as lack of adequate weed control.

135 Changing the Yield**A Yield Adjustment**

COC is required to adjust the yield downward for an individual application if:

- the practice used by the producer is not capable of producing the historical yield in a normal year
- for double-cropped commodities
- the area, regional climate, soil type, or other environmental factors do not normally allow a producer to obtain the historical yield

B Double Cropping

For double-cropped commodities where 1 or both of the growing seasons would not normally allow a producer to obtain the historical yield, COC shall establish a lower county or area wide yield to use for similar applicants.

136-149 (Reserved)

--Part 7 Quality*150 Overview of Quality Losses****A Quality Loss Prerequisite**

A producer **must** apply for quantity loss to apply for a quality loss. Producers do **not** need to qualify for a quantity loss.

B Quality Losses

In addition to quantity losses, a quality loss payment is available for **all** eligible crops. Quality affected production may be determined at the level in which verifiable records exist, such as bale, truckload, bin, and bunk. The severity of the quality loss for the production from each distinct piece of verifiable evidence is used to determine a numerical loss level for that portion of production. As the quality decreases, the assigned loss level increases so that a portion of production with a severe reduction in quality has a higher numerical loss level than a portion with a moderate reduction in quality. A higher numerical loss level has a higher payment rate than a lower level. For CDP purposes, there are 5 assigned numerical loss levels along with production considered unaffected. This 5-level quality-loss calculation method covers quality losses on harvested production, regardless of quantity loss.

C Quality Loss Threshold

Each distinct piece of the commodity's verifiable evidence is looked at individually to determine if that portion of production has a verifiable loss of 25 percent or more on both quality and price because of eligible quality disaster conditions.

Note: Production reduced in value is **not** eligible for a quality loss payment, if the price received for that portion of the production is within 25 percent of STC's market price for the crop.--*

*--150 Overview of Quality Losses (Continued)

D Reductions for Quality in Quantity Payments

According to paragraph 99, the downloaded production data supplied by RMA includes production adjustments because of quality for many crops. Some NAP crops may also include similar production adjustments. Since these production adjustments for quality were already included when calculating the quantity loss, the calculated quality loss payment will be reduced to account for these adjustments **before** issuing the quality loss payment. This will ensure that the producer is **not** paid twice on the same quality factors.

E Applicability

The 5-level method is applicable to FSA-840's where:

- acceptable verifiable evidence of both production and quality loss is provided, **however eligible affected production is limited to the expected production for the unit**
- the production is covered by a market contract price that is in excess of the CDP payment rate.

151 Quality Loss Commodities**A Eligible Commodities**

Eligible commodities for quality loss are:

- single-market crops
- multiple-market crops.

B Single-Market Commodity

A single-market commodity is any crop, with an intended use **other than** FH, JU, or PR listed on the CDP crop table.

Examples: Intended use of:

- DE for beans
- FG for alfalfa
- GR for wheat.--*

--151 Quality Loss Commodities (Continued)*C Multiple-Market Commodities**

A multiple-market commodity is a crop with an intended use of FH, JU, or PR listed on the CDP crop table. The commodity may have 1 or multiple unique prices established for pay group.

Examples: Apples, with a unique price for FH and a separate price for PR.
Oranges, with a single-price established for PR.
Potatoes, with a single blended-price for FH and PR.

Multiple-market commodities with multiple unique prices for the pay group are handled differently than those with a single-price for calculating quality loss.

D Multiple-Market Single-Price Commodities

A multiple-market single-price commodity is a crop with an intended use of FH, JU, or PR that has only 1 unique price established for the pay group.

Note: For quality loss purposes, a single-price commodity's affected production is allocated into 5 levels, the same as a single-market commodity.

E Multiple-Market Multiple-Price Commodities

A multiple-market commodity is a crop with an intended use of FH, JU, or PR that has more than 1 unique price established for the pay group.

Note: For quality loss purposes, a multiple-price commodity's affected production is allocated into 5 separate levels for each unique price, using the historical marketing percentages to determine the quantity of production allocated to FH, JU, or PR.--*

--151 Quality Loss Commodities (Continued)*F Ineligible Commodities**

Crops ineligible for quality losses are:

- value loss crops, including the following:
 - aquaculture
 - Christmas trees
 - crops with RS or SE intended uses
 - floriculture
 - ginseng root
 - mushroom
 - nursery
- specialty crops, including the following:
 - honey
 - maple sap
 - turfgrass sod
- prevented planted crops
- crops that remained unharvested are ineligible for quality loss payments.

Note: Unharvested acres are compensated under a quantity loss.--*

--152 Quality Loss General Requirements*A STC Quality Adjustments and Discount Factors**

STC is responsible for establishing the appropriate Statewide, crop-specific quality adjustment factors. For loan commodities, the adjustments factors are based on either 2-LP quality factors or adjusted 2-LP quality factors using local market discounts. For **all** other commodities, the adjustments and factors are based on price or quality factors used by a buyer to grade and reduce the value of a commodity.

B STC Market Price

If STC uses price as the main source for establishing quality factors for a commodity, STC **must** establish a market price based on either the CDP crop table price or an average of the local market prices received during the crops marketing season.

Note: COC is responsible for determining whether a price reduction suffered by a commodity was the result of quality factors or market conditions. A price reduction because of market conditions does **not** qualify for a quality loss.

C Marketing Contracts

In cases where any production of a commodity is sold according to 1 or more marketing contracts, the quantity designated in the contracts is eligible for quality loss assistance based on 1 or more prices specified in the contracts. Using the marketing contract is optional by the applicant. However, to use the marketing contract price, the producer **must** provide a bona fide marketing contract acceptable to COC according to paragraph 156.

D COC Eligibility Determinations

COC is responsible for determining:

- if the reduction in quality or price was because of an eligible cause of loss as listed in paragraph 8
- production evidence meets requirements for verifiable evidence
- the applicable quality loss level for affected production.--*

***--152 Quality Loss General Requirements (Continued)**

E Payment Rate

The payment rate for calculating quality loss payments will be the larger of the CDP payment rate or the marketing contract price for a commodity in the unit, if applicable.

Note: The marketing contract price used will be limited to the eligible production identified in the marketing contract.

F Economic Loss Requirement

The loss of quality in harvested production must have resulted in at least a 25 percent reduction in value when compared to the value of the affected production of the commodity in the absence of a quality loss. See paragraph 155 for determinations of economic loss.

G Price Levels

The affected price is equal to the applicable CDP crop table price, or marketing contract price, if applicable, multiplied by the applicable quality loss percentage as shown in this table.

Level	Affected Price
I	70 percent of the CDP price
II	55 percent of the CDP price
III	35 percent of the CDP price
IV	15 percent of the CDP price
V	5 percent of the CDP price
Unaffected	0 percent of the CDP price

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--152 Quality Loss General Requirements (Continued)*H Factors Needed for Quality Adjustments**

All of the following must be available to calculate a quality adjustment:

- actual prices received by the producer, separated by crop and use
- STC market price for each applicable market
- STC established levels for all applicable markets of the crop
- evidence of the quality loss because of an eligible disaster condition.

In addition to the above, the following are required for multiple-market commodities:

- historical marketing percentages
- actual production broken down by FH, JU, PR, and unmarketable.

The quantity loss calculations along with quality adjustments are built into the payment calculation included on FSA-840B-1.

I RMA Downloaded Production

The downloaded production data supplied by RMA includes production adjustments because of reduced quality for many crops. The following subparagraph provides a complete list of those crops. Producers choosing to accept the RMA quality adjustment included in the download do not need to submit any additional production or quality loss data.

A CDP production loss payment will be calculated using RMA's production that may or may not have been adjusted for quality.

Note: If the producer had additional quality related losses not recognized by RMA and wishes to be further compensated for those losses, see paragraph 150.--*

*--152 Quality Loss General Requirements (Continued)

J RMA Quality Adjustments Table

This table lists insurable crops and indicates whether a potential quality adjustment on production is built into the policy.

Crop	Quality Adjustment	Crop	Quality Adjustment
Almonds	No	Onions	Yes
Apples (available as an option)	No	Peas, Dry	Yes
Avocados (California and Florida)	No	Peas, Green	No
Barley	Yes	Peanuts	Yes
Beans (DE)	Yes	Pears	Yes
Beans (FH, PR, Snap)	No	Pecans	No
Blackberries	No	Peppers (Chile, FH)	No
Blueberries	Yes	Plums	Yes
Cabbage	Yes	Popcorn	Yes
Canola	Yes	Potatoes (Central and Southern)	Yes
Cherries	No	Potatoes (Northern)	Yes
Citrus (Arizona and California)	Yes	Potatoes (Sweet)	No
Citrus (Florida)	No	Prunes	Yes
Citrus Fruit (Texas)	Yes	Raisins	No
Citrus, Dollar (California)	No	Rapeseed	Yes
Clams, Cultivated	No	Raspberries	No
Corn	Yes	Rice	Yes
Corn (Hybrid Seed)	No	Rice, Wild	No
Cotton (Upland and ELS)	Yes	Rye	Yes
Crambe	Yes	Safflower	Yes
Cranberries	No	Sorghum (Hybrid Seed)	No
Cucumber	No	Soybeans	Yes
Figs	Yes	Squash, Winter	No
Flax	Yes	Stonefruit (Peaches, Apricots, Nectarines)	Yes
Forage (Production and Seeding)	No	Strawberries	No
Grain Sorghum	Yes	Sugar Beets	Yes
Grapes	Yes	Sugarcane	Yes
Grapes (Table)	Yes	Sunflower Seed	Yes
Macadamia Nuts	No	Sweet Corn (FH, PR)	No
Millet	Yes	Tobacco (Guaranteed and Quota)	Yes
Mint	No	Tomatoes (FH, PR)	Yes
Mustard	Yes	Walnuts	Yes
Nursery	No	Wheat	Yes
Oats	Yes		

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--153 Establishing Quality Loss Levels*A Overview**

STC must establish Statewide, year, and crop-specific criteria for each of the 5 quality loss levels for COC to use when assigning production to the applicable levels. STC shall make the determination to set level criteria based on price received for quality affected production and the availability of marketing data and quality price discounts that can be documented for the specific crop.

Note: This procedure is applicable to both single-market and multiple-market commodities.

The criteria for adjustments and factors may be based on any 1 of the following for:

- loan commodities:
 - 2-LP quality factors
 - adjusted quality factors
- nonloan commodities:
 - price
 - quality factors used by a buyer to grade and reduce the value of a commodity using eligible grading factors.

B Establishing Loss Level Criteria

STC shall establish criteria for each quality loss level in a manner compatible with the quality adjustments.--*

***--153 Establishing Quality Loss Levels (Continued)**

C Loan Commodities

For loan commodities, the criteria for each of the 5 quality-loss level values shall be compatible with the quality adjustment factors used when adjusting production, as follows.

Possible STC Criteria for Loan Commodities	
Level	CDP Quality Adjustment Factor
I	.75 to .651
II	.65 to .451
III	.45 to .251
IV	.25 to .051
V	.05 or lower
Unaffected	larger than .75

Example: Wheat producer had gross production reduced for CDP purposes based on a quality adjustment factor (producer’s loan rate divided by County average loan rate).

Producer's Loan Rate	\$1.55
County Average Loan Rate	\$2.58
Quality Adjustment Factor	\$.60.

The producer’s \$1.55 loan rate is determined using the discount tables in the applicable 2-LP handbook. The \$.60 quality adjustment factor is calculated by dividing \$1.55 by \$2.58. Under the 5-level method, gross production for this producer could be placed in Level II, providing the producer was paid a reduced price for the crop representative of the quality loss.

D Price-Based Quality Factors

STC may establish quality adjustment factors for the State using the average local market discounts for reduced quality. These discounts are those used by the buyer to grade and reduce the value of the commodity, based on eligible grading factors.

If the quality factors are price-based, STC **must** also establish a market price based on either the CDP crop table price or an average of the local market prices received during the crop’s normal marketing season.

Note: It is essential to ensure that factors such as timing and location of sales, competition, and market glut or shortages are considered when looking at local market prices.--*

--153 Establishing Quality Loss Levels (Continued)*E Determining STC Market Prices**

STC **must** establish market prices used in quality loss calculations. The STC market price shall be established by using the CDP crop table price or an average of the local market prices received during the crop's market season. The STC market price will be used in calculating quality loss when price data is the main source in determining the quality adjustment. These prices shall be established by:

- crop year
- crop, type, and intended use
- using NASS market year dates or the date range determined by STC that reflects the normal market season.

The CDP crop table price can be used for the STC market price if the:

- CDP crop table price is reflective of the crop's normal marketing season prices
- crop's quality loss can be easily determined by using the schedule of loan discounts.

STC has the discretion to determine the STC market price using the average market price received during the normal market season, when it is more reflective of quality losses and can be verified with production evidence. In this case, the STC market price must be established by using an average market price for the state, or area of the state if RMA has established multiple-prices for the crop within the State. Sources to use in determining the STC established market price may be:

- local buyers (vegetable sheds, grain elevators, cotton gins, etc.)
- NASS average market prices for the State
- AMS average market prices that are State-specific (<http://marketnews.usda.gov/portal/fv>).

Note: Use the shipping point prices

Example 1: Potatoes: 2005 CDP Crop Table Price: \$7.06 cwt
2005 Average of Market Prices Received: \$8.30 cwt

STC shall determine the STC-established average market price to use for quality loss calculations.

Example 2: Potatoes: 2006 CDP Crop Table Price: \$7.42 cwt
2006 Average of Market Prices Received: \$7.45 cwt

The 2 prices are similar. Therefore, there is no requirement to calculate a separate average market price. The CDP crop table price may be used for quality calculations.--*

***--153 Establishing Quality Loss Levels (Continued)**

F Nonprice Based Nonloan Commodities Quality Factors

For nonloan commodities **not** using price-based quality factors, the criteria for each quality-loss level value shall be established by STC, based on quality factors from established third party sources such as:

- universities
- Cooperative State Research, Education. and Extension Service
- forage analysis labs.

Examples of nonprice based quality factors for a nonloan commodity would be:

- relative feed value (RFV) for hay.
- acid detergent fiber (ADF) for sorghum/sudan
- net energy lactation (Nel) for oat silage
- neutral detergent fiber (NDF) for corn silage.

G Defining Quality Loss Levels

The following table shows the 5 quality loss levels and the applicable quality loss range and affected price.

Level	IF quality losses are between...	THEN they receive a payment rate based on 42 percent of the difference between the CDP price and the following affected price...
I	25 percent and 34.9 percent	70 percent of the CDP price.
II	35 percent and 54.9 percent	55 percent of the CDP price.
III	55 percent and 74.9 percent	35 percent of the CDP price.
IV	75 percent and 94.9 percent	15 percent of the CDP price.
V	95 percent and 100 percent	5 percent of the CDP price.

Note: The CDP price is replaced with the marketing contract price, if applicable.--*

--153 Establishing Quality Loss Levels (Continued)*H Additional Factors for Loan Commodities**

In some cases, the schedule of premiums and discounts in the applicable 2-LP handbook does not compensate the producer for specific quality losses experienced in the market. STC may establish or modify premiums and discounts to account for quality factors or market conditions not covered in the applicable 2-LP handbook. For example, for durum, hard red spring, and winter wheat, STC may establish or modify the following quality adjustment factors:

- falling numbers
- hard and vitreous amber color (HVAC).

In those areas where discounts for damaged kernels were excessive because of falling numbers, STC may adjust the damaged kernel discounts. To adjust the damaged kernel discounts in 2-LP for establish loss levels for quality loss, STC **must** obtain evidence from buyers of the commodity to show in the applicable marketing period they were discounting the commodity in excess of the 2-LP standards. Quality loss levels may then be established for damaged kernels using the applicable discounts in place by the commodity buyers rather than the discounts used in 2-LP.--*

--153 Establishing Quality Loss Levels (Continued)*I Additional Quality Factors for Malting Barley**

For malting barley, STC may establish quality adjustment factors separately. The following are examples of quality adjustment factors:

- blight
- deoxynivalenol (DON), also know as vomitoxin
- germination
- mold
- plump
- protein
- skinned/broken
- sprout
- thin.

Note: As for all crops, producers **must** have verifiable evidence showing the quality grading factors of the affected production, such as university or other commercial lab test results. Therefore, documentation showing only that a crop graded as “feed” will **not** be considered verifiable evidence to substantiate the quality of the crop. However, verifiable evidence from a warehouseman to support quality factors resulting in a feed price can be provided according to paragraph 154.--*

--154 Quality Loss Production*A Affected Production**

Affected production is the **harvested** production of an eligible crop that has a verifiable quality reduction of 25 percent or more. The quality reduction may be based on either of the following:

- grading discounts
- price.

Unmarketable production (because of poor quality) is eligible. The producer **must** provide verifiable evidence substantiating the quantity and quality of the production.

Affected production may be determined at the level in which verifiable evidence exists, such as bale, truckload, bin, and bunk.

Note: Unharvested production is not eligible for a quality loss.

B Unaffected Production

Unaffected production is the producer's harvested production of the crop that did not experience an eligible quality loss of at least 25 percent.

C Maximum Affected Production

Affected production for quality loss payments **may not exceed the expected production** from the harvested acreage of the commodity for the unit. See paragraph 158 for calculating the maximum affected production.

Example: Total production of wheat on the unit: 20,000 bu.
 Expected production on the unit: 15,000 bu.
 Eligible affected production for quality loss benefits: 5,000 bu.

20,000 bu suffers a quality loss of at least 25 percent.
 5,000 bu will be loaded as ineligible affected production.

D Ineligible Affected Production

Ineligible production is the harvested production of the crop that exceeds the expected production for the unit. See paragraph 161 for procedure on allocating ineligible affected production between quality levels.--*

--154 Quality Loss Production (Continued)*E Documentation of Affected Quantity and Quality Loss**

Producers **must** provide acceptable verifiable evidence substantiating the quantity, quality, and price received or value of the stored production. See paragraph 90 for verifiable records.

Note: If the commodity is stored, a value of the commodity must be determined by COC according to subparagraph F.

Quality documentation **must** be specific for the affected production. COC shall determine whether the low quality was a result of eligible disaster conditions.

Examples: Examples of acceptable quality documentation include the following:

- grading receipts from a warehouse or licensed grader
- sales receipts providing the grade of the crop or the price of the crop
- university or other commercial lab test results acceptable to COC
- sales receipts showing disposition to a secondary market and documenting the quality loss, such as malting barley sold for feed. This may include buyer statement of price received; providing the buyer has verifiable evidence to support grading factors that resulted in reduced price for the commodity.

FSA-840's for quality losses shall **not** be approved without verifiable evidence substantiating the quality of production.

Harvested production documentation **must:**

- include the amount of affected production
- include the total harvested production
- be verifiable (sales receipts, actual measurements or appraisals, warehouse receipts, etc.)
- be adjusted to standard moisture where applicable.

Note: Producer or third party certification statements cannot be used for this quality adjustment.--*

--154 Quality Loss Production (Continued)*F Determining Quantity and Price of Stored Production**

For farm-stored production, the producer **must** have had the quantity and quality of production determined by:

- FSA employees, if done as part of an official measurement service
- FSA-certified LA's
- RMA or reinsured company appraisers.

Note: Actual measurements to verify production for a particular year **must** be taken **before** harvesting the next year's crop to document the year of production.

See subparagraph 162 D for forage crops.

The quality affected production, whether commercially or farm-stored, is assigned a sales value equal to the local market price, for that level of quality, in effect the day the quality loss FSA-840 was filed.

G Quality Test Deadline

To be considered acceptable, tests for forage and stored commodities must have been completed by January 1 of the year following harvest. Tests associated with the sale of commodities may be used for quality adjustment purposes up to FSA-840 deadline.

Note: If the harvested commodity is stored and sold after January 1 follow subparagraph H for providing verifiable evidence.--*

***--154 Quality Loss Production (Continued)**

H Tests Taken After January 1

If the forage or stored commodity test is taken after January 1 of the year following harvest, COC shall limit the quality loss to the average loss documented before January 1.

Note: The average loss can be determined based on verifiable quality tests or sales evidence determined before January 1.

COC shall use all available data to determine the average loss including:

- a representative sample of the crop tests or sales evidence taken before January 1 by similar farms
- Extension Service or university data documenting quality losses
- any other published data determined to be representative of the area by COC.

If COC cannot substantiate a minimum of a 25 percent reduction in quality, based on similar farm losses in the county or contiguous county, a quality adjustment cannot be approved for producers having commodity tests taken after January 1.--*

--154 Quality Loss Production (Continued)*I Documentation of Unaffected Production**

Producers may certify the quantity of unaffected production. COC may substantiate the producer's certification by requiring verifiable evidence to reasonably verify the claim. Examples include the following:

- acreage report
- crop insurance records
- field appraisals
- disposition records
- certified statements from consultants, Extension Service, university or government personnel, pesticide, or chemical applicators
- any other available documentation to substantiate the claim.

J Certifications

For quality loss payments, certification statements **cannot** be accepted. The quality loss must have either:

- a test from a State university or STC-approved lab
- sales evidence that shows a reduction in price or grade of the crop related to the loss in quality.

The affected production **must** be documented with an actual measurement or appraisal.--*

--154 Quality Loss Production (Continued)*K Exception for Certification of Evidence**

As for all crops, producers must have acceptable written documentation showing the quality grading factors of the affected production, such as a university or other commercial lab test results. Therefore, documentation showing only that a crop graded as "feed" will **not** be considered acceptable documentation to substantiate the quality of the crop.

However, certification of evidence from a warehouseman to support quality factors resulting in a feed price can be provided when specific grade or quality factors were **not** recorded on the production evidence, if the time and cost of completing this task was prohibitive for the buyer and producer. This can occur when the disaster-affected area has resulted in significant damage to the crop in the delivery area of a buyer that requires the buyer to purchase all production at a reduced price without completing grade determinations or lab tests. In these cases:

- to complete a quality FSA-840, the producer will be allowed to ask the buyer of the commodity to provide additional information supporting the grade and price determination
- this may include a certification statement from the buyer indicating what grading/quality factors caused a reduction in price for the commodity.
- the buyer **must** have, on file, evidence that the commodity was quality affected and subsequently sold for a reduced price.

In these instances, COC may accept a buyer certification indicating what quality factors reduced the value of the commodity.--*

--154 Quality Loss Production (Continued)*L Salvage**

Unlike the quantity loss calculations, salvage value provisions do **not** apply to the 5-level method. All actual production, including production marketed as salvage, shall be assigned to the loss level associated with the STC-determined quality factors.

Example: A spring wheat producer harvested 2,000 bu that could not be marketed in normal wheat markets because of the presence of previous crop barley that was not eliminated because of abnormally warm winter weather conditions. The producer was able to sell the wheat for livestock feed at \$1 per bu. The established price for wheat was \$4.20 per bu resulting in a 76 percent loss.

Under the quantity loss calculations, the 2,000 bu **are not included as production** and a salvage value of \$1,000 was recognized.

Under the 5-level method, the 2,000 bu **are included as production**. The production shall be assigned to the loss level associated with the criteria established by STC, at a 76 percent loss, and loaded as Level IV.--*

***--155 Economic Loss Requirement**

A Overview

For producers on a farm to be eligible to obtain a payment for a quality loss for a crop, the quality loss shall be at least 25 percent of the value of affected production of the crop would have had if the crop had not suffered a quality loss.

Economic loss is determined at the level for which verifiable records, such as bale, truckload, bin, and bunk, were used to assign affected production into quality loss levels. The reduction in quality must have also caused a 25 percent or greater reduction in value compared to the value the commodity would have had if it had not suffered a quality loss.

B Determining Base Price

To determining economic loss, the difference between the base price, which is the value of the commodity in the absence of a disaster, and the value of the affected production, **must** equal or exceed 25 percent. Follow this table to determine the applicable base price to use for economic loss calculation.

IF production was...	THEN the applicable base price is the...
considered sold according to a marketing contract	marketing contract price.
sold, but not under a marketing contract; is in storage; or was fed	STC market price for the year the commodity was produced.

C Determining Value of Affected Production

Follow this table to determine the applicable price to use for the value of the affected production in the economic loss calculation.

IF production...	THEN the applicable price for the value of affected production is...
was sold	the sales price from verifiable evidence.
has eligible quality test and is in storage or was fed	determined by COC using local market conditions and applicable quality discounts in effect on the date FSA-840 is submitted.

--*

***--155 Economic Loss Requirement (Continued)**

D Determining Economic Loss

For each verifiable record used to assign affected production into a quality loss level, follow these steps to determine if the economic loss requirement was met.

Step	Action	Result	
1	Divide the applicable price for the value-affected production by the applicable base price.	The ratio between the value of affected production and the base price is determined. Note: Round to 4 decimal places.	
2	Subtract result of Step 1 from 1.0000.	The percent of economic loss is determined.	
3	Compare the percent of economic loss determined in Step 2 to .2500.	IF result of step 3 is...	THEN production ...
		less than .2500	did not meet the economic loss requirement and is considered unaffected.
		equal to or greater than .2500	met the economic loss requirement.

Example 1: 2006 Corn, No Marketing Contract

STC Market Price: \$3.20.

The corn sold for \$1.86.

\$1.86 divided by \$3.20 = .5813

1 minus .5813 = .4187 loss

Corn met the economic loss requirement.--*

--155 Economic Loss Requirement (Continued)*D Determining Economic Loss (Continued)****Example 2:** 2005 Wheat, Marketing Contract

STC Market Price: \$3.32.
 Marketing Contract Price: \$3.85
 Marketing Contract Production: 8,000 bu.

8,000 bu of wheat sold according to marketing contract for \$2.71.
 $\$2.71 \text{ divided by } \$3.85 = .7039$
 $1 \text{ minus } .7039 = .2961 \text{ loss}$
 Marketing contract wheat met the economic loss requirement.

5,000 bu of noncontract wheat sold for \$2.55.
 $\$2.55 \text{ divided by } \$3.32 = .7681$
 $1 \text{ minus } .7681 = .2319 \text{ loss}$
 Noncontract wheat did **not** meet the economic loss requirement and is considered unaffected.

Example 3: 2006 Barley

STC Market Price: \$2.85.

10,000 bu of barley was sold at harvest in 2006 for \$1.75.
 $\$1.75 \text{ divided by } \$2.85 = .6140$
 $1 \text{ minus } .6140 = .3860 \text{ loss}$
 The sold barley met the economic loss requirement.

2,000 bu of barley is in storage and has eligible quality test.
 COC determined that local market price for quality reduced barley at the time producer's FSA-840 was filed was \$2.53.
 $\$2.53 \text{ divided by } \$2.85 = .8877$
 $1 \text{ minus } .8877 = .1123 \text{ loss}$
 The unsold barley did **not** meet the economic loss requirement and is considered unaffected.--*

--156 Marketing Contracts*A Marketing Contract Overview**

Quality loss payments shall be made using the market contract price, if the contract price is in excess of the CDP payment rate. The marketing contract price may be used in calculation of the quality loss payment, provided the production of the commodity was sold or was intended to be sold, according to 1 or more marketing contracts for which appropriate documentation is provided.

Note: Providing a marketing contract is optional by the applicant/producer. If a marketing contract is considered eligible by COC, the marketing contracts price for the commodity will be used.

Only the quantity designated in the marketing contracts shall be eligible for a quality loss payment based on 1 or more prices specified in the marketing contracts. Multiple contracts within the same unit or marketing contracts with multiple-prices will have a weighted average price used as a marketing contract price when calculating the quality loss payment.

Using the marketing contract price instead of the CDP payment rate applies to marketing contracts entered into by the producers on the farm either before or after harvest of the crop.

Note: For marketing contracts entered into **after** harvest of the crop, the marketing contract **must** have been executed within 10 calendar days after the:

- end of the insurance period for insured crops
- normal harvest date for NAP covered crops.

See Exhibit 20 for a checklist of marketing contract requirements.

B Marketing Contract Retention

Retain copies of **all** marketing contracts submitted by the producers for COC determination of sold production under contract.--*

***--156 Marketing Contracts (Continued)**

C Eligible Marketing Contracts

A marketing contract exists when a contractor agrees to buy a known quantity and quality of a commodity from a producer for a negotiated price. The producer owns the commodity while it is being produced and receives a price reflecting the value of the commodity. For quality loss payments, the marketing contract price is used as the market value for the quantity of the commodity under the marketing contract.

Examples of marketing contracts include:

- basis contracts
- cash forward contracts
- credit sale contracts
- delayed price contracts
- hedge to arrive contracts.--*

--156 Marketing Contracts (Continued)*D Marketing Contract Criteria**

A marketing contract **must** meet all of the following conditions:

- be a legal contract in the State where executed
- specify the commodity under contract
- specify crop year, or a method to determine the crop year
- be signed by both the producer, or their legal representative, and the purchaser of the specified commodity
- include the producer's commitment to deliver contracted quantity
- include a commitment to purchase contracted quantity that meets specified minimum quality standards and other criteria as specified.
- contain either of the following:
 - specified production quantity
 - a specified acreage that can be used to determine a specific quantity
- contain either of the following:
 - specified price
 - method to determine the price
- contain a relationship between the price and the quality using either of the following:
 - specified quality standards
 - method to determine the quality standards from published third party data
- have been executed by not later than 10 calendar days after:
 - end of insurance period for insured crops
 - normal harvest date for NAP covered crops.--*

--156 Marketing Contracts (Continued)*E Eligible Purchaser**

The purchaser of the commodity specified in the marketing contract must meet at least 1 of the following:

- be a licensed commodity warehouseman
- be a business enterprise regularly engaged in the purchasing and selling or processing of a commodity, that possesses all licenses and permits for marketing the commodity required by the State in which it operates, and that possesses or has contracted for facilities with enough equipment to accept and process the commodity within a reasonable amount of time after harvest
- is able to physically receive and take control and title of the harvested production.

Examples of an eligible purchaser include, but are not limited to,:

- warehousemen
- processors of food
- packers
- grocery stores.

F Sold Pursuant

For the commodity specified in the marketing contract to be considered sold pursuant to the marketing contract, the commodity **must** have been produced by the producer in the crop year specified in the contract, and at least 1 of the following conditions **must** be met:

- commodity was sold under the terms of the contract
- producer attempted to deliver the commodity to the purchaser, but the commodity was rejected based upon the quality factors as specified in the contract.--*

--156 Marketing Contracts (Continued)*G Excess Production Sold Under Marketing Contract**

In some cases, producers sell more production than the quantity specified in the marketing contract. When this occurs, the excess production sold under the marketing contract will be considered as noncontract production for quality purposes, even though it was sold to the buyer specified in the marketing contract.

The excess production that will be considered noncontract will be based on level of quality loss. The production that suffered the least amount of quality loss will be allocated to noncontract first and will continue to the next least amount of quality loss until the marketing contract quantity is met.

Note: Unaffected production will **always** be considered production that suffered the least amount of quality loss and will be the first allocated to noncontract.

Example: The marketing contract **maximum** is 10,000 bu.

Producer sold 12,000 bu to the marketing contract buyer, as follows:

- unaffected: 1,000 bu
- CDP Quality Adjustment Factor of .655: 500 bu
- CDP Quality Adjustment Factor of .650: 10,500 bu.

Marketing contract production: 10,000 bu with CDP factor of 650.

Noncontract production:

- unaffected 1,000 bu
- CDP factor of .655: 500 bu
- CDP factor of .650: 500 bu.--*

***--156 Marketing Contracts (Continued)**

H COC Determinations on Marketing Contracts

COC is responsible for determining whether the:

- marketing contract meets the eligibility criteria in subparagraph D
- purchaser named in the contract meets the eligibility criteria in subparagraph E
- commodity was sold according to the marketing contract according to subparagraph F
- production covered in the contract for multiple-market multiple-price commodities should be considered primary, secondary, or tertiary.

COC has authority to require a participant to provide necessary documentation, which may include but is **not** limited to previous marketing contracts fulfilled, to substantiate and validate:

- quality standards specified in the marketing contract
- the marketing contract price received for the commodity for which crop quality loss assistance is requested.

I Calculating Quantity for a Marketing Contract

When the marketing contract specifies acres instead of a specific production quantity, the contract production is calculated by multiplying the contract acres by the applicable unit's historical yield.

Example: Contract acres: 15.
Unit's historical yield: 500 bu.

Contract acres	X	Historical Yield	=	Calculated Contract Production
15	X	500 bu	=	7,500 bu.--*

***--156 Marketing Contracts (Continued)**

J Multiple-Marketing Contract Prices

When 2 or more prices exist for a specified quality in a marketing contract, use the highest price when calculating the weighted average price according to subparagraph J.

K Calculating the Weighted Average for Marketing Contract Price

When 2 or more marketing contracts exist for a commodity in a unit and the producer chooses to use the applicable marketing contracts, the weighted average contract price will be calculated as follows.

Step	Action
1	Multiply the production under marketing contract times the marketing contract price to determine a value of each of the marketing contracts.
2	Total the value of the commodity in the unit from Step 1 for all marketing contracts.
3	Total the production of the commodity for all marketing contracts.
4	Divide the result of Step 2 by the result of Step 3 to determine the weighted average marketing contract price.

Example: 1,000 bu X \$2/bu = \$2,000
 1,000 bu X \$4/bu = \$4,000
 Totals: 2,000 bu = \$6,000

\$6,000/2,000 bu = \$3 weighted average marketing contract price for the unit.--*

*--157 Sorting Production Into Quality Loss Levels

A Overview

A producer applying for a quality loss payment is required to submit verifiable production evidence that includes both the price reduction and/or the quality factors. **Before** the County Offices calculates a quality loss payment, COC shall review each producer's records to determine:

- if the records meet the requirements for verifiable evidence according to paragraph 90
- if production met the minimum 25 percent reduction in quality because an eligible cause of loss
- if production had a reduction in price reflective of the quality factors
- the applicable quality loss level for the affected production.

Note: Production may be attributed to a quality loss level on a bin-by-bin or load-by-load basis. COC shall divide affected production into 1 or more of 5 established quality loss levels, according to the extent of quality loss.

B Verifiable Production Evidence Retention

Copies of evidence that COC determines to meet verifiable evidence shall be retained by the County Office and clearly marked as “**verifiable**”.

C Nonverifiable Production Evidence Retention

Production evidence that does **not** meet the verifiable evidence is excluded from the 5 quality loss levels and will be considered unaffected. Copies of evidence that COC determines does **not** meet verifiable evidence shall be retained by the County Office and clearly marked as “**not considered verifiable**”.--*

--157 Sorting Production Into Quality Loss Levels (Continued)*D Available Quality Loss Levels**

For quality loss purposes, the STC **must** establish a maximum of 5 quality loss levels for each:

- single-market commodity
- multiple-market single-price commodity
- unique price in the pay group for multiple-market multiple-price commodity.

Only the production eligible to use market contract prices according to paragraph 156 can be allocated by COC into quality loss levels based on market contract price. COC shall use the appropriate quality loss levels for **all** other production.

E Unmarketable Production

Unmarketable production shall be allocated to the loss level associated with its value, providing the documentation is verifiable.

Example: A producer had 1,000 cwt of unmarketable potatoes. It was sold for 20 percent of the value of unaffected potatoes to a buyer for feed. Under the production loss calculations, the potatoes were **not** included as marketable production and a “salvage” amount was assigned to account for the feed value. The 1,000 cwt of potatoes shall be counted as affected production for quality and assigned to Level IV (losses between 75 percent and 94.9 percent).

F Allocating Production Between Primary, Secondary, and Tertiary Markets

For multiple-market multiple-price commodities, quality adjustments to production may apply by each unique market. COC will allocate a multiple-market multiple-price commodity’s affected production into separate 5 level quality loss tables for each unique market based on price, using the historical marketing percentages to determine the quantity of harvested production allocated to the primary, secondary, and tertiary markets.

Example: Common apples in New York have 2 unique prices, 1 for primary (FH) and another for secondary (PR). STC established 80 percent FH and 20 percent PR historical marketing percentages. A producer submits verifiable production evidence for 12,000 lbs of apples. The production is determined using the following calculations:

$$12,000 \text{ lbs} \times 80 \text{ percent} = 9,600 \text{ lbs of primary (FH)}$$

$$12,000 \text{ lbs} \times 20 \text{ percent} = 2,400 \text{ lbs of secondary (PR).--*}$$

--157 Sorting Production Into Quality Loss Levels (Continued)*G Eligible Market Losses**

A quality loss requires a 25 percent reduction in expected price or quality factors. Verifiable evidence of the price reduction and/or quality factors **must** be provided by the producer.

Note: Price may indicate quality; however, price reflects other factors, such as timing and location of sales, competition, and market glut or shortages. Commodities sold on the same day in different locations may have different quality discounts. Quality discounts may also vary from day to day.

Sales price may **not** be the sole determinant of quality losses and can **only** be used along with verifiable evidence substantiating the quality.

Example 1: Price-Based Quality Loss Levels

Producer received \$5.12/bu for his apples. The expected primary market price for the year is \$10.24; causing a 50 percent reduction in expected price because of reduction in quality because of a natural disaster. The production evidence showed that the apples were sold in the FH market (primary). The producer is eligible for a quality adjustment.

Example 2: Quality Factor-Based Quality Loss Levels

Producer had 1,000 bu of wheat sold for 50 percent of the value of unaffected wheat to an elevator for feed. Using the discounts in 2-LP, the quality factor shown on the verifiable evidence equals a 50 percent quality loss. The 1,000 bu of wheat shall be counted as affected production for quality and assigned to Level II (loss between 35 and 54.9 percent).

Example 3: Quality Factor-Based Quality Loss Levels

Producer had 1,000 bu of wheat sold for 80 percent of the value of unaffected wheat to an elevator for feed. Using the discounts in 2-LP, the quality factor shown on the verifiable evidence equals a 50 percent quality loss. The 1,000 bu of wheat shall be counted as unaffected production for quality because it did **not** suffer a 25 percent reduction in both the price and quality factor.--*

--157 Sorting Production Into Quality Loss Levels (Continued)*H Applicability/Using the STC Market Price**

The STC market price will be used to determine the appropriate level in which to load the quality-affected production. Levels can be established by either of the following methods:

- quality factors, such as those outlined for loan commodities
- STC, based on multiple-prices producers receive based on commodity quality.

The CDP crop table price will be the CDP payment rate in the quality payment calculation process.

Example: The CDP crop table price is \$7.42/cwt for potatoes. STC determined the market price to be \$9/cwt. Producer submitted settlement sheets that reflect the actual price received based on quality factors was \$5/cwt for 200 cwt of production. To determine the applicable level in which to load the quality-affected production, County Offices should compare the \$5/cwt received to the STC \$9/cwt market price. The 200 cwt will be loaded in Level II because the producer suffered a 44 percent loss because of quality. The quality payment calculation will be based on 42 percent of the difference between the CDP \$7.42/cwt price and 55 percent of the CDP \$7.42/cwt price.

Payment calculation:

$$200 \text{ cwt} \times .65 = 130 \text{ cwt} \times \$7.42 - (7.42 \times 55\%) = \$3.34 \times 42\% = \$182.$$

See Exhibit 21 for additional examples of placing production into loss levels.--*

--157 Sorting Production Into Quality Loss Levels (Continued)*I FH/PR Crops With Different Pay Codes**

For the following applicable crops:

- RMA insures the intended uses of FH and PR under separate policies
- different pay group codes on the county crop table for FH and PR have been assigned
- each use is considered a different crop
- unlike other multiple-market crops, production under FH, as opposed to PR, will **not** offset each other; FH and PR crops are considered multiple-market single-price
- all marketings **must** be designated on FSA-840 under their original intended use.

The applicable crops include the following:

- apricot
- beans
- bell peppers
- grapefruit (Florida)
- grapes
- oranges (Florida)
- peas
- peaches (California)
- sweet corn
- tomatoes.

These crops are eligible for quality discounts as outlined in multiple-market single-price.--*

--158 Maximum Affected Production*A Definition**

The maximum affected production for 2005-2007 CDP is the highest amount of **quality** affected production that can be used in determining the quality payment.

B Determining the Maximum Affected Production for Payment

Eligible affected production for payment will be limited to the smaller of:

- actual production of the commodity affected by a quality loss of the commodity on the unit
- expected production for the unit that is determined using the same method as the quantity loss expected production (acres X historical yield X share X historical marketing percentage, if applicable).

Example: Producer plants 100 acres of soybeans.

Historical yield: 60 bu/acre

Share in the production: 100 percent.

Actual production on the unit: 7,000 bu.

The production cap is the smaller of actual or expected production; therefore:

$100 \times 60 \times 100\% = 6,000$ bu (based on the smaller of actual or expected).--*

--159 Single-Market Quality Loss Levels*A Factors Needed for Single-Market Quality Adjustments**

All of the following **must** be available to calculate a quality loss for single-market commodities:

- actual prices received by the producer, separated by crop and use
- STC market price
- STC-established levels for the crop
- verifiable evidence of the quality loss because of an eligible disaster condition.

B Single-Market Commodities

For single-market price crops, the production will be loaded into the appropriate level for the crop listed on the CDP crop table. The applicable quality loss payment level will be determined by the value received, based on either price or grading factors, for the eligible quality-affected production to the STC-established levels for the crop. The payment level received is always limited based on the difference between the following:

- the price received for the crop
- the value the crop would have had if the crop had been sold at the STC market price.

See the following 2 examples.--*

***--159 Single-Market Quality Loss Levels (Continued)**

B Single-Market Commodities (Continued)

Example 1: CDP Payment Price: \$2.53
 STC Market Price for Barley for Malt: \$2.53/bu
 Quality Loss Levels for Barley at 25 percent or greater loss of price.

Noncontract	
Level	Prices
I	\$1.90 - \$1.65
II	\$1.64 - \$1.14
III	\$1.13 - \$0.63
IV	\$0.62 - \$0.13
V	\$0.12 - \$0.00

Verifiable Production Evidence: the malting barley crop was graded U.S. #2 feed barley and 3,000 bu were sold for \$1.50/bu. The price was reduced because of a high protein test; the malting barley sold at the feed barley price.

The production would be loaded in the levels as follows for malting barley.

Noncontract	
Level	Production
I	0
II	3,000 bu
III	0
IV	0
V	0
Unaffected	0

--*

***--159 Single-Market Quality Loss Levels (Continued)**

B Single-Market Commodities (Continued)

Example 2: CDP Payment Price: \$2.53
 STC Market Price for Barley for Malt: \$2.53/bu
 Marketing Contract Price for Malt Barley: \$3/bu
 Quality loss levels for barley at 25 percent or greater loss at marketing contract price are as follow.

Marketing Contract	
Level	Prices
I	\$2.25 - \$1.96
II	\$1.95 - \$1.36
III	\$1.35 - \$0.76
IV	\$0.75 - \$0.16
V	\$0.15 - \$0.00

Verifiable Production Evidence: the malting barley crop was graded as quality-reduced malting barley, 9,000 bu were harvested, and the price received was \$2.40/bu. The \$2.40 was a discounted malting barley price, delivered on a malting barley-marketing contract that was entered into at \$3/bu. The price was reduced from \$3/bu to \$2.40/bu because of high levels of protein and vomitoxin.

The 9,000 bu of barley would have met Level I based solely on 2-LP grading factors. However, since the price received was **not** less than 25 percent of the marketing contract price for malt barley, no quality loss payment can be issued.

Marketing Contract	
Level	Production
I	0
II	0
III	0
IV	0
V	0
Unaffected	9,000 bu.

--*

--160 Multiple-Market Quality Loss Levels*A Factors Needed for Multiple-Market Quality Adjustments**

All of the following **must** be available to calculate a quality adjustment for multiple-market commodities:

- historical marketing percentages
- actual production broken down by FH, JU, PR, and unmarketable
- actual prices received by the producer, separated by crop and use
- STC market price for each applicable market
- STC-established levels for all applicable markets of the crop (primary, secondary, tertiary)
- verifiable evidence of the quality loss because of an eligible disaster condition.

The production loss calculations along with quality adjustments are built into the payment calculation included on:

- FSA-840A-2 for multiple-market single-price crops
- FSA-840B-2 for multiple-market multiple-price crops.--*

***--160 Multiple-Market Quality Loss Levels (Continued)**

B Marketing Percentages

Historical marketing percentages:

- will be considered when calculating quality loss adjustments for multiple-market crops
- will be 100 percent for crops with only 1 unique price established within a pay group; these crops are multiple-market single-price crops
- shall be established by STC
- will apply any time a primary, secondary, and, if applicable, tertiary price is established for the crop.

The determination of whether a crop is multi-market multiple-price is made for:

- insured crops, by the number of prices RMA has established for the crop, by use
- NAP crops, by the number of prices established on the national crop table, by use.

The historical marketing percentage used for quality calculation is the historical marketing percentage used for quality.--*

--160 Multiple-Market Quality Loss Levels (Continued)*B Marketing Percentages (Continued)**

Example 1: RMA established 1 unique price, \$7.42 per hundredweight, for potatoes for **all** crop uses. The producer sold 300 cwt of potatoes for a reduced price because of quality discounts. The loss will be determined using FH intended use **only**, because there is only 1 unique established price for the pay group.

Note: The quality level production will also be loaded under FH intended use.

Example 2: RMA established 2 unique prices for apples as follow:

- 1 for FH
- 1 for PR that includes PR and JU.

The producer sold **all** of the production as PR. The marketing percentages established are 75 percent FH and 25 percent PR. Therefore, the loss will be determined using 75 percent of the production using FH intended use and 25 percent using PR intended use.--*

***--160 Multiple-Market Quality Loss Levels (Continued)**

C Multiple-Market Single-Price Commodities

For multiple-market single-price crops, the production will be loaded into the appropriate level for the crop listed on the CDP crop table. The applicable level will be determined by comparing the following for the crop:

- value received, based on either price or grading factors, for the eligible quality affected production
- the STC established levels.

Example: STC market price for FH potatoes is \$8/cwt. Quality loss levels for potatoes are as follow.

Level	Prices
I	\$5.20 - \$6
II	\$3.60 - \$5.19
III	\$2 - \$3.59
IV	\$.40 - \$1.99
V	\$.39 & under.

Verifiable Production Evidence: U.S. #1: 100 cwt at \$8.10/cwt.
 U.S. #1: 200 cwt at \$4/cwt.
 U.S. #2: 350 cwt 15 \$3/cwt.
 Unmarketable: 500 cwt at \$0/cwt.

The production would be loaded in the levels for potatoes with FH intended use, as follows.

Level	Production
I	0
II	200 cwt
III	350 cwt
IV	0
V	500 cwt
Unaffected	100 cwt

--*

***--160 Multiple-Market Quality Loss Levels (Continued)**

D Multiple-Market Multiple-Price Commodities

For multiple-market multiple-price crops, the production will be loaded in multiple loss levels by market in the corresponding level. The historical marketing percentages will be used in calculating the production for multiple-market multiple-price crops. The production for the primary use crop will be capped by the marketing percent that normally is sold in the primary market. The secondary use production will be the amount of production that is normally sold in the secondary market. This amount of production is determined by multiplying the historical marketing percentage by the actual production.

Example: Producer harvested production: 4,500 bu.
 Producer harvested production for FH-primary apples: 3,600 bu.
 Producer harvested production for PR-secondary apples: 900 bu.

Harvested acres: 10.
 Historical yield: 500 bu.
 Share: 100 percent.

Producer expected production for apples: 5,000 bu.
 Producer expected production for FH-primary apples: 4,000 bu.
 Producer expected production for PR-secondary apples: 1,000 bu.

STC Market Price		Historical Marketing Percentages	
Primary-FH	Secondary-PR	Primary-FH	Secondary-PR
\$7.55/bu	\$2.31/bu	80 percent	20 percent

Quality Loss Levels			
Primary-FH		Secondary-PR	
Level	Prices	Level	Prices
I	\$4.91 - \$5.66	I	\$1.50 - \$1.73
II	\$3.40 - \$4.91	II	\$1.04 - \$1.49
III	\$1.89 - \$3.40	III	\$.58 - \$1.03
IV	\$.38 - \$1.89	IV	\$.12 - \$.57
V	\$.37 & below	V	\$.11 & below

--*

***--160 Multiple-Market Quality Loss Levels (Continued)**

D Multiple-Market Multiple-Price Commodities (Continued)

Verifiable Production Evidence: sold 4,500 bu in PR market for \$1. The production will be allocated in the levels as follows.

Primary-FH		Secondary-PR	
Level	Production	Level	Production
I	0	I	0
II	0	II	0
III	0	III	900 bu
IV	3,600 bu	IV	0
V	0	V	0
Unaffected	0	Unaffected	0

The production was split because of normal marketing percentages. All production was actually sold in PR market; however, the normal marketing percent for FH is 80 percent and PR is 20 percent. The 4,500 bu of production was multiplied by the corresponding marketing percentages to determine the amount of production to load in each loss level:

- 4,500 bu X .80 = 3,600 bu FH
- 4,500 bu X .20 = 900 bu PR

Once the total amount of production for each use was determined, the actual price received was compared to the quality loss levels to determine the correct level to load the quality-affected production.--*

***--161 Allocating Ineligible Affected Production**

A Overview

Affected production for quality loss payment **cannot** exceed the expected production from the harvested acreage of the commodity for the unit. Affected production in excess of the expected production is considered ineligible affected production for the unit.

When the producer has affected production in more than 1 quality loss level, the ineligible affected production shall be allocated according to this paragraph.

B Calculating Expected Production

Expected production for a unit is calculated by multiplying the unit’s harvested acres times the historical yield times the marketing percentage.

Example 1: Single-price:

Unit’s harvested acres: 100.
 Unit’s historical yield: 50 bu.
 Marketing percentage: 100 percent.

$$\begin{array}{rcccccc} \text{Harvested Acres} & \times & \text{Historical Yield} & \times & \text{Marketing Percentage} & = & \text{Expected Production} \\ 100 & \times & 50 \text{ bu} & \times & 100 \text{ percent} & = & 5,000 \text{ bu.} \end{array}$$

Example 2: Multiple-market multiple-price:

Unit’s harvested acres: 100.
 Unit’s historical yield: 50 bu.
 Historical Marketing percent:

- 80 percent primary (FH)
- 20 percent secondary (PR).

Primary (FH) market:

$$\begin{array}{rcccccc} \text{Harvested Acres} & \times & \text{Historical Yield} & \times & \text{Marketing Percentage} & = & \text{Expected Production} \\ 100 & \times & 50 \text{ bu} & \times & 80 \text{ percent} & = & 4,000 \text{ bu.} \end{array}$$

Secondary (PR) market:

$$\begin{array}{rcccccc} \text{Harvested Acres} & \times & \text{Historical Yield} & \times & \text{Marketing Percentage} & = & \text{Expected Production} \\ 100 & \times & 50 \text{ bu} & \times & 20 \text{ percent} & = & 1,000 \text{ bu.--*} \end{array}$$

***--161 Allocating Ineligible Affected Production (Continued)**

C Types of Situations

The method used to allocate ineligible affected production between quality loss levels depends on:

- whether the commodity is either of the following:
 - single-market/multiple-market single-price
 - multiple-market multiple-price
- if production was sold according to a marketing contract.

D Allocating Between Quality Loss Levels

Allocating ineligible affected production within quality loss levels **always** starts with the lowest numerical level of the 5 quality loss levels that has affected production. This provides the highest benefit for a producer.--*

***--161 Allocating Ineligible Affected Production (Continued)**

D Allocating Between Quality Loss Levels (Continued)

Example: Single-market commodity, barley, with **no** marketing contract, has a total of 1,000 bu ineligible affected production.

CDP Payment Price: \$2.53.

STC Market Price for Barley for Malt: \$2.53/bu

Quality Loss Levels for Barley at 25 percent or greater loss of price, as follows.

Noncontract	
Level	Prices
I	\$1.90 - \$1.65
II	\$1.64 - \$1.14
III	\$1.13 - \$0.63
IV	\$0.62 - \$0.13
V	\$0.12 - \$0.00

Unit's Harvested Production for barley: 6,000 bu.

Unit's Harvested Acres: 100.

Historical Yield: 50 Share – 100 percent.

Unit's Expected Production for barley: 5,000 bu.

Verifiable Production Evidence: the barley was tested in 2 batches. While both tests showed high protein, 1 batch was worse and; therefore, the malting barley was purchased at 2 different feed barley prices as follows:

- 5,500 bu of the malting barley, graded as U.S. #3 feed barley: \$1.05/bu.
- 500 bu of the malting barley, graded as U.S. #1 feed barley: \$1.68/bu.

Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	500	500 bu	0
II	0	n/a	n/a
III	5,500 bu	500 bu	5,000 bu
IV	0	n/a	n/a
V	0	n/a	n/a
Unaffected	0	n/a	n/a
Total	6,000	1,000	5,000

The 500 bu of ineligible affected production assigned to Level I was capped at the amount of affected production. The remaining 500 bu of ineligible production was assigned to Level III. See Exhibit 22 for additional examples.--*

***--161 Allocating Ineligible Affected Production (Continued)**

E Allocating Between Marketing Contract and Nonmarketing Contract Production

For commodities with production considered sold according to a marketing contract and nonmarketing contract production, the ineligible affected production is **always** taken first from the noncontract production. Ineligible production is assigned to production sold according to a marketing contract, **only** if the total ineligible production is greater than the affected nonmarket affected production.

Example: Single-Market Commodity - All Ineligible Production Assigned to Noncontract Production

COC determined verifiable production evidence for 3,000 bu sold according to a marketing contract and 8,500 noncontract bu. Affected production was placed into levels as shown in the following tables. There was **no** unaffected production.

Total Actual Production: 11,500 bu; Total Expected Production: 7,500 bu.
 11,500 bu – 7,500 bu = 4,000 bu of ineligible production.

Production Not Sold According to Marketing Contract			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	2,000 bu	2,000 bu	0
II	0	n/a	0
III	1,500 bu	1,500 bu	0
IV	0	n/a	0
V	5,000 bu	500 bu	4,500 bu
Unaffected	0	n/a	n/a

The ineligible 2,000 bu of affected production assigned to Level I was capped at the amount of affected production. The ineligible 1,500 bu of production was next assigned to Level III and capped at the amount of affected production. The remaining 500 bu of ineligible production was assigned to Level V.

Production Sold According to Marketing Contract			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	0	n/a	0
II	0	n/a	0
III	3,000 bu	0	3,000 bu
IV	0	n/a	0
V	0	n/a	0
Unaffected	0	n/a	n/a

The 3,000 bu of production sold according to the marketing contract did **not** have any ineligible affected production assigned. See Exhibit 22 for additional examples.--*

***--161 Allocating Ineligible Affected Production (Continued)**

F Allocating between Primary, Secondary, and Tertiary Markets

For multiple-market multiple-price commodities, the historical marketing percentages are used to allocate both expected and affected production to primary, secondary, and tertiary markets. As a result, the ineligible affected production is calculated separately for **each** market. Once the expected cap is calculated for a market, the ineligible affected production for that market is allocated between the quality loss levels with affected production, beginning with the lowest numerical level.

Example: Multiple-Market Multiple-Price Commodity - No Marketing Contract

Total Actual Production: 8,000 bu; Total Expected Production: 5,700 bu.

Primary-FH market: Historical Marketing: 85 percent.

Actual Production: 6,800 bu; Expected Production: 4,845 bu.

6,800 bu - 4,845 bu = 1,955 bu of ineligible production.

Primary-FH Market			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	0	n/a	0
II	0	n/a	0
III	3,000 bu	1,955 bu	1,045 bu
IV	3,300 bu	0	3,300 bu
V	0	n/a	0
Unaffected	500 bu	n/a	n/a

The 1,275 bu of ineligible affected production was assigned to Level III.

Secondary-PR market: Historical Marketing: 15 percent.

Actual Production: 1,200 bu; Expected Production: 855 bu.

1,200 bu - 855 bu = 345 bu of ineligible production.

Secondary-PR Market			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	0	n/a	0
II	200 bu	200 bu	0
III	0	n/a	0
IV	0	n/a	0
V	1,000 bu	145 bu	855 bu
Unaffected	0	n/a	n/a

The 200 bu of ineligible affected production assigned to Level I was capped at the amount of affected production. The 145 bu of remaining ineligible production was assigned to Level V. See Exhibit 22 for additional examples.--*

--162 Hay and Forage Provisions*A Eligibility**

Producers of hay or forage may be eligible for quality losses if the quality loss was attributed to an eligible disaster condition. Deterioration of the crop because of storage practices is **not** eligible for a quality adjustment. For example, flood damage to the quality of a hay crop stored in the field would **not** be considered to have been caused by an eligible disaster condition because the damage was caused by the storage practice.

B Documentation

Producers **must** provide written verifiable evidence indicating both the quality loss and the amount of the affected production. The quality loss verifiable evidence **must** be specific for the affected quantity.

Example 1: The forage consultant provided a hay test taken using the third cutting of hay and actual measurements corresponding to the forage analysis sample. A hay test taken using third cut hay, in this example, will **only** be applicable to the production from the third cut and may **not** be used to document losses from other cuttings.

Example 2: Producer provides a statement from Custom Harvest Company that they baled approximately 400 round bales of hay in 2005 for Clay Farms weighing approximately 700 lbs. per bale. The applicant had 1 forage analysis that was dated June 15, 2005; however, it did **not** indicate the amount of production. There was **no** documentation showing what quantity this analysis was taken from. COC would assign **all** production to unaffected because the applicant could **not** provide acceptable verifiable evidence to substantiate the quantity and quality of the affected production.

See Exhibit 23 for additional examples.

C Production Documentation

Production documentation is the same for **all** crops. The affected production **must** be documented using verifiable evidence, such as sales receipts or actual measurements. The documentation **must** be dated and contain specific production information related to the quality affected crop (bu, pounds, tons, etc.). COC shall determine whether the documentation provided substantiates the crop, production, and year of the requested quality loss adjustment. Certifications, maximum loss levels, and average quality loss levels are **not** applicable.--*

--162 Hay and Forage Provisions (Continued)*D Forage Measurements**

Actual measurements to verify production for a particular year **must** have been taken **before** harvesting the next year's crop to document the year of production. Acceptable farm-stored forage measurements are those taken by the following:

- FSA employees, if done as part of an official measurement service
- FSA certified LA's
- Extension Service or USDA employees acting in an official capacity
- feed company consultants approved by COC
- private feed and forage consultants approved by COC
- RMA or reinsured company appraisers.

Note: Using sales receipts to document production eliminates the need for an on-farm hay or forage measurement.

E COC Guidelines for Approval of Forage Measurements

COC's shall review applicants' documents from feed and forage consultants and make approvals based on whether or not the documents meet CDP requirements for hay and forage quality loss determinations. It is evident that feed and forage consultants do **not** necessarily provide the same service to all customers. COC's shall ensure that certification for quantities **not** affected by quality losses are **not** approved. Records submitted shall reflect actual circumstances and **not** be constructed to meet paragraph 90 requirements.

Applicants are required to submit **all** forage tests for affected quantities. COC's shall:

- refer to paragraph 90 procedure requirements when making forage measurement determinations
- spot check FSA-840's of forage analysis by obtaining originals or data from the university or other commercial lab, if COC is concerned whether or not the analysis meets CDP requirements.--*

--163 Special Potato Provisions*A Definition of Harvested Acres for Potatoes**

For CDP potato harvested acres, FSA will use RMA's definition that defines harvested acres as lifting potatoes from within the soil to the soil surface.

Note: Lifting potatoes refers to removing the potatoes from the soil, but does **not** require that the potatoes be removed from the field.

B Late Blight

Damage or deterioration of the crop that occurs **after** harvest is **not** an eligible cause of loss under CDP. However, late blight is a weather-related eligible disaster condition that begins in the field, but may not become evident until the crop is in storage. Late blight is caused by the fungus-like oomycete pathogen *Phytophthora infestans*.

Potato production in storage, that is otherwise eligible for the "unmarketable" quality adjustment, **must** be verified through production and sales records.--*

164-179 (Reserved)

--243 Completing FSA-840A-2*A Instructions for Completing FSA-840A-2**

FSA-840A-2 is **only** for producers who are applying for an additional quality payment on single-market or multiple-market single-price commodities. Complete FSA-840A-2 according to the following table.

Item	Instructions
1	Check the crop year for which disaster benefits are being requested.
2 and 3	Enter FSA-840, item 3.
4 and 5	Enter producer's name and ID number (last 4 digits) from FSA-840, items 1 and 2.
6	Enter FSA-840, item 7.
7	From FSA-840, item 10 check the appropriate block.
8	Prefilled, no entry required.
9	Enter FSA-840, item 5.
10	Enter crop code for item 9 crop specified.
11	Enter payment crop code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
12	Enter payment type code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
13	Enter FSA-840, item 6.
	Part A – Commodity Line Item Identification
14	Enter FSA-840, item 31.
15	From FSA-840, item 32 for California grapes only.
16	Enter FSA-840, item 33.
17	Enter FSA-840, item 34.
18	Enter FSA-840, item 35, up to 4 decimal places.
19	Enter FSA-840, item 36.
20	Enter FSA-840, item 37.
21	Enter FSA-840, item 38.

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*--243 Completing FSA-840A-2 (Continued)

A Instructions for Completing FSA-840A-2(Continued)

Item	Instructions
Part B – Expected Production Cap Calculation	
22	Enter FSA 840G-1, item 38.
23	Enter result of multiplying FSA-840A-1, item 21 times item 22.
24	Enter result of subtracting item 23 from item 22. If result is negative, enter zero. Note: If commodity: <ul style="list-style-type: none"> • does not have a marketing contract, the result is the affected ineligible production • has a marketing contract, the ineligible production is assigned first to noncontract production.

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*--243 Completing FSA-840A-2 (Continued)

A Instructions for Completing FSA-840A-2(Continued)

Item	Instructions			
Part C – Quality Loss Payment – Noncontract Production Calculation				
25	Prefilled, no entry required.			
26	From FSA-840G-1, Part C enter: <ul style="list-style-type: none"> • affected production summed by loss level • sum of unaffected production. 			
27	Enter the unit’s ineligible affected production for each applicable loss level by following these steps.			
	Step	Action	Result	
	1	Beginning with the first level with an amount greater than zero in item 26, that has the lowest quality payment rate, compare item 24 (unallocated ineligible production) to item 26 (unit’s affected production) for the level	IF item 24 is...	THEN...
			less than or equal to item 26	<ul style="list-style-type: none"> • enter item 24 unallocated quantity in item 27 for that level • continue to step 3.
			greater than item 26	<ul style="list-style-type: none"> • enter amount in item 26 in item 27 • continue to step 2.
	2	Subtract amount entered in item 27 for the loss level from item 24 unallocated ineligible production. Use the result as the item 24 unallocated ineligible production for future comparison purposes. Note: The amount in item 24 does not change.	IF the result is greater than zero and ...	THEN...
			affected production remains	repeat step 1 for the next level with an amount greater than zero in item 26 that has the next lowest quality payment rate.
			no affected production remains	<ul style="list-style-type: none"> • remaining production is used as item 24 unallocated ineligible production for marketing contract • continue to step 3.
			0	continue to step 3.
	3	Enter total of affected ineligible production allocated to loss levels in item 27 “Total” block.		

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*--243 Completing FSA-840A-2 (Continued)

A Instructions for Completing FSA-840A-2(Continued)

Item	Instructions
Part C – Quality Loss Payment – Noncontract Production Calculation	
28	Enter result of subtracting item 27 from item 26 for each loss level.
29	Enter FSA-840, item 35.
30	Enter the producer’s eligible affected production for loss levels 1 through 5 determined by multiplying item 28 times item 29.
31	Enter the net production for payment determined by multiplying item 30 times 65 percent.
32	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
33	Prefilled, no entry required.
34	Enter the quality payment rate determined by multiplying item 32 times item 33 times 42 percent.
35	Enter the calculated payment for each loss level determined by multiplying item 31 times item 34. Note: Round the result to whole dollars.
36	Enter the NASS seasonal average, if available.
37	Enter the value of production determined by multiplying item 26 times item 29 times the higher of (item 32 or item 36) times (1 minus item 33). Note: Calculation is performed for all levels with production, including unaffected production.
38	Enter the total of calculated payment amounts for all loss levels determined in item 35.

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*--243 Completing FSA-840A-2 (Continued)

A Instructions for Completing FSA-840A-2(Continued)

Item	Instructions		
Part D – Quality Loss Payment – Market Contract Production Calculation			
39A	Enter maximum contract production.		
39B	Enter FSA-840H, item 16.		
40	Prefilled, no entry required.		
41	Enter FSA-840G-1, Part D: <ul style="list-style-type: none"> • affected production, summed by loss level • sum of unaffected production. 		
42	Enter the unit’s ineligible affected production for each applicable loss level by following these steps.		
	Step	Action	Result
	1	Beginning with the first level with an amount greater than zero in item 41, that has the lowest quality payment rate, compare item 24 (unallocated ineligible production) to item 41 (unit’s affected production) for the level	IF item 24 is...
			THEN...
			less than or equal to item 41 <ul style="list-style-type: none"> • enter item 24 unallocated quantity in item 42 for that level • continue to step 3.
		greater than item 41 <ul style="list-style-type: none"> • enter amount in item 41 in item 42 • continue to step 2. 	
	2	Subtract amount entered in item 42 for the loss level from item 24 unallocated ineligible production. Use the result as the item 24 unallocated ineligible production for future comparison purposes. Note: The amount in item 24 does not change.	IF the result is...
			THEN...
			greater than zero and affected production remains <ul style="list-style-type: none"> repeat step 1 for the next level with an amount greater than zero in item 26 that has the next lowest quality payment rate.
		0	continue to step 3.
	3	Enter total of affected ineligible production allocated to loss levels in item 42 “Total” block.	

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*--243 Completing FSA-840A-2 (Continued)

A Instructions for Completing FSA-840A-2(Continued)

Item	Instructions
43	Enter result of subtracting item 42 from item 41 for each loss level.
44	Enter FSA-840, item 35.
45	Enter the producer's eligible affected production for loss levels 1 through 5 determined by multiplying item 43 times item 44.
46	Enter the net production for payment determined by multiplying item 45 times 65 percent.
47	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
48	Prefilled, no entry required.
49	Enter the quality payment rate determined by multiplying item 47 times item 48 times 42 percent.
50	Enter the calculated payment for each loss level determined by multiplying item 46 times item 49. Note: Round the result to whole dollars.
51	Enter the NASS seasonal average, if available.
52	Enter the value of production determined by multiplying item 41 times item 44 times the higher of (item 47 or item 51) times (1 minus item 48). Note: Calculation is performed for all levels with production, including unaffected production.
53	Enter the total of calculated payment amounts for all loss levels determined in item 50.

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*--243 Completing FSA-840A-2 (Continued)

A Instructions for Completing FSA-840A-2(Continued)

Item	Instructions		
Part E – Quality Amount Included in Production Loss Payment Calculation			
54	Enter the production in each column determined according to the following. Note: If the result of item 54A is less than or equal to item 54B, then quality was not included in production loss calculation in Part A. Skip to item 58A and enter zero.		
FOR Column...		IF COC...	THEN from FSA-840...
A		assigned production	add the following production together:
		Note: Assigned production is indicated with an “A” in FSA-840, item 47.	<ul style="list-style-type: none"> • item 41 actual harvested • item 46 COC-assigned.
		did not assign production	item 41.
B		adjusted the production	item 46.
		Note: Adjusted production is indicated with an “O” in FSA-840, item 47.	
		assigned production	add the following production together:
		Note: Assigned production is indicated with an “A” in FSA-840, item 47.	<ul style="list-style-type: none"> • item 46 RMA/NAP • item 46 COC-assigned.
		did not assign or adjust production	item 41.
55	Enter the production attributable to the producer determined by multiplying FSA-840A-2, items 54A and 54B times FSA-840A-1, item 18.		
56	Enter the net production for payment determined by subtracting FSA-840A-1, item 23 from FSA-840A-2, items 55A and 55B. Note: If the result is negative, enter zero.		

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*--243 Completing FSA-840A-2 (Continued)

A Instructions for Completing FSA-840A-2(Continued)

Item	Instructions
57	Enter the salvage value determined by multiplying FSA-840, item 45 times FSA-840A-1, item 18 times 42 percent. Note: Round the result to whole dollars.
58	Enter the calculated payment determined by multiplying FSA-840A-2, items 56A and 56B times FSA-840A-1, item 26 times item 8. Notes: Round the result to whole dollars. Subtract salvage value determined in FSA-840A-2, items 57A and 57B.
Part F – Additional Quality Payment & Net Disaster Payment Calculation	
59	Enter FSA-840A-1, item 45. Enter zero if negative.
60	Enter the sum of FSA-840A-2, item 58A for all crop types, intended uses, and practices within the same pay crop grouping that applied for quality for the unit. Enter zero if negative.
61	Enter the sum of FSA-840A-1, item 29 for harvested and unharvested for all crop types, intended uses, and practices within the same pay crop grouping that did not apply for quality for the unit.
62	Enter the total revised quantity payment determined by adding items 60 and 61.
63	Enter the gross quality payment determined by adding items 38 and 53.
64	Enter the total quantity plus quality determined by adding items 62 and 63.
65	Enter the actual quantity plus quality payment as the higher of item 59 or 64.
66	Enter the quality amount included in the quantity payment by subtracting item 62 from item 59.
67	Enter the additional quality payment by subtracting item 59 from item 65.
68	Enter FSA-840A-1, item 46.
69	Enter the total payment for the unit determined by adding items 65 and 68.

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*--243 Completing FSA-840A-2 (Continued)

B Example of FSA-840A-2

FSA-840A-2 U.S. DEPARTMENT OF AGRICULTURE (03-12-08) Farm Service Agency 2005, 2006, and 2007 CROP DISASTER PROGRAM QUALITY PAYMENT CALCULATION WORKSHEET Yield Based Single Market and Multiple Market-Single Price Crops		1. Crop Year (Check only one): <input type="checkbox"/> 2005 <input checked="" type="checkbox"/> 2006 <input type="checkbox"/> 2007															
		2. Location State Code 06	3. Location County Code 045	4. Producer's Name Joe E. Brown													
		5. Producer's Identification No. (Last 4 digits) 7890	6. Unit Number 00100	7. Insured Status <input checked="" type="checkbox"/> Insured <input type="checkbox"/> NAP covered	8. Payment Level 42 %												
		9. Crop Name Barley	10. Crop Code 0091	11. Pymt. Crop Cd. 0091	12. Pymt. Type Cd. 011	13. Planting Period 01											
PART A – COMMODITY LINE ITEM IDENTIFICATION (Applies to Parts B, C, D, E, and F)																	
14. Type SPR	15. Crushing District	16. Intended Use GR	17. Practice NI	18. Producer's Share 1.000	19. RMA Crop 0091	20. RMA Type 092	21. RMA Practice 003										
PART B – EXPECTED PRODUCTION CAP CALCULATION																	
22. Total Affected Production (Total of affected production from FSA-840G-1, Item 38.)				5,000													
23. Total Expected Production (FSA-840A-1, Item 21 producer harvested acres times Item 22 historic yield).				10,000													
24. Total Ineligible Production (Item 22 minus Item 23). (If the result is negative, enter zero.)				0													
PART C – QUALITY LOSS PAYMENT – NON CONTRACT PRODUCTION CALCULATION (Unless otherwise specified, round to 2 decimal places.)																	
25. Loss Level	26. Unit Production	27. Unit Affected Ineligible Production	28. Unit Affected Eligible Production (Item 26 Minus Item 27)	29. Producer's Share	30. Producer's Eligible Affected Production (Item 28 X Item 29)	31. Producer's Net Production for Payment (Item 30 X 65%)	32. Payment Rate	33. Quality Payment Percentage	34. Quality Payment Rate (Item 32 X Item 33 X 42%)	35. Producer's Calculated Quality Loss Level Payment (Item 31 X Item 34) Round to whole dollars	(For 95% Cap Only)						
				1.000			\$1.85	30%	\$	\$	\$2.85	36. NASS Seasonal Average (if available)	37. Value of Production (Item 26 X Item 29) x Item 32 or 36 X (1 minus Item 33))				
I																	
II										45%				\$	\$		
III										65%				\$	\$		
IV										85%				\$	\$		
V										95%				\$	\$		
Unaffected	3,000												\$ 8,550				
Total:													\$				
38. Producer Gross Quality Loss Level Payment (Total Item 35 for all levels):											\$ 0						
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small></p>																	

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*--243 Completing FSA-840A-2 (Continued)

B Example of FSA-840A-2 (Continued)

FSA-840A-2 (03-12-08)											Page 2 of 3		
PART D. QUALITY LOSS PAYMENT – MARKET CONTRACT PRODUCTION CALCULATION (Unless otherwise specified, round to 2 decimal places).													
39A. Marketing Contract Quantity				5,000				39B. Marketing Contract Price			\$ 3.00		
40. Loss Level	41. Total Affected Production	42. Unit Affected Ineligible Production	43. Unit Affected Eligible Production (Item 41 Minus Item 42)	44. Producer's Share	45. Producer's Eligible Affected Production (Item 43 X Item 44)	46. Producer's Net Production for Payment (Item 45 X 65%)	47. Market Contract Payment Rate	48. Quality Payment Percentage	49. Quality Payment Rate (Item 47 X Item 48 X 42%)	50. Producer's Calculated Quality Loss Level Payment (Item 46 X Item 49) Round to whole dollars	51. NASS Seasonal Average (If available)		52. Value of Production (Item 41 X Item 44) x (Item 47 or 51 X (1 minus Item 48))
I				1,000			3.00	30%	\$	\$	\$2.85	\$	
II								45%	\$	\$		\$	
III	5,000	0	5,000		5,000	3,250		65%	\$.819	\$ 2,662		\$ 5,250	
IV								85%	\$	\$		\$	
V								95%	\$	\$		\$	
Unaffected													\$
Total:											\$		
53. Producer's Gross Quality Loss Level Payment (Total Item 50 for all levels):											\$ 2,662		
PART E – QUALITY AMOUNT INCLUDED IN PRODUCTION LOSS PAYMENT CALCULATION (See Page 4 for additional entries)													
54. Production							A. Actual Harvested Production		B. RMA/NAP Production				
Note: If Item 54A is less than or equal to Item 54B, then skip to Item 59 and enter zero.							8,000		5,000				
55. Production Attributable to Producer (Item 54 times FSA-840A-1, Item 18).							8,000		5,000				
56. Net Production for Payment (FSA-840A-1, Item 23 minus Item 55) If the result is negative, enter zero.							0		1,500				
57. Salvage Value (FSA-840 Item 45 times FSA-840A-1 Item 18 times 42%).							\$ 0		\$ 0				
58. Calculated Payment (Item 56 times FSA-840A-1, Item 26 times Item 8) minus Item 57) Round to Whole \$							\$ 0		\$ 1,166				

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*--243 Completing FSA-840A-2 (Continued)

B Example of FSA-840A-2 (Continued)

FSA-840A-2 (03-12-08)		Page 3 of 3
PART F – ADDITIONAL QUALITY PAYMENT & NET DISASTER PAYMENT CALCULATION – BY PAY GROUP		
59. Total Quantity Payment (FSA-840A-1, Item 45). Enter zero if negative.	\$	1,166
60. Revised Quantity Payment based on actual production (Sum of Item 58A for pay group crops applying for quality). Enter zero if negative.	\$	0
61. Total of Harvested and Unharvested Quantity Payments (Sum of FSA-840A-1, Item 29 for harvested and unharvested for pay groups crops that did not apply for quality).	\$	-
62. Total Revised Quantity Payment (Sum of items 60 and 61 for pay group). Enter zero if negative.	\$	0
63. Total Quality Payment (Sum of Items 38 and 53).	\$	2,662
64. Total Revised Quantity Plus Quality (Sum of Items 62 and 63).	\$	2,662
65. Actual Quantity Plus Quality Payment (Higher of Item 59 or 64).	\$	2,662
66. Total Quality Amount Included in Quantity Payment (Item 59 minus Item 62).	\$	1,166
67. Additional Quality Payment (Item 65 minus Item 59).	\$	1,496
68. Prevented Planting Payment (Enter FSA-840A-1, Item 46).	\$	-
69. Total Unit Payment (Sum of Items 65 and 68).	\$	2,662

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244 Completing FSA-840B-1 (Continued)

B Example of FSA-840B-1

Following is a completed example of FSA-840B-1.

This form is available electronically. FSA-840B-1 U.S. DEPARTMENT OF AGRICULTURE (10-11-07) Farm Service Agency 2005, 2006, and 2007 CROP DISASTER PROGRAM QUANTITY PAYMENT CALCULATION WORKSHEET Yield Based Multiple Market-Multiple Price Crops													1. Crop Year (Check only one): <input checked="" type="checkbox"/> 2005 <input type="checkbox"/> 2006 <input type="checkbox"/> 2007				
2. Location State Code 6			3. Location County Code 77			4. Producer's Name Mr. Smith											
5. Producer's Identification No. (Last 4 digits) 4321				6. Unit Number 0100		7. Insured Status <input checked="" type="checkbox"/> Insured <input type="checkbox"/> NAP covered			8. Payment Level 42 %								
9. Crop Name Apples				10. Crop Code 0054		11. Pymt. Crop Cd. 0054		12. Pymt. Type Cd. 011		13. Planting Period 1							
PART A - HARVESTED ACRES																	
14. Crop Type	15. Int. Use	16. Prac.	17A. RMA Crop	17B. RMA Type	17C. RMA Prac.	18. Acres	19. Hist. Yield	20. Share	21. Mkt %	22. Disaster Level (Item 18 X Item 19 X Item 20 X Item 21 X 65%)	23. Net Production	24. Net Production for Payment (Item 22 minus Item 23)	25. Payment Rate \$	26. Payment Factor	27. 42% of Salvage	28. Calculated Payment (Item 24 X Item 25 X Item 26 X Item 27 minus Item 27)	
COM	a. Primary	FH	N	0054	111	003	20.0	500	1.00	55	3,575.0	3,000	575.0	10.00	1.00	0	\$ 2,415.00
	b. Secondary	PR	N	0054	111	003				45	2,925.0	1,000	1,925.0	2.70			\$ 2,183.00
	c. Tertiary																
PART B - UNHARVESTED ACRES																	
a. Primary																	\$
b. Secondary																	\$
c. Tertiary																	\$
PART C - PREVENTED PLANTED ACRES																	
29. Crop Type	30. Int. Use	31. Prac.	32A. RMA Crop	32B. RMA Type	32C. RMA Prac.	33. Share	34. Acres	35. Hist. Yield	36. Mkt. %	37. Eligible PP Production (Item 33 X Item 34 X Item 35 X Item 36 X 65%)	38. Assigned Production	39. Net Production For Payment (Items 37 minus Item 38)	40. Payment Rate	41. Payment Factor	42. Calculated Payment (Item 39 X Item 40 X Item 41 X Item 8)		
a. Primary															\$		
b. Secondary															\$		
c. Tertiary															\$		
PART D - NET DISASTER PAYMENT CALCULATION FOR PRODUCTION LOSS																	
43. Total Calculated Payment on Harvested and Unharvested Acres (Total of Item 28 for harvested and unharvested acres. If negative, enter zero.)													\$ 4,598.00				
44. Total Calculated Payment on Prevented Planted Acres (Total of Item 42 (If negative, enter zero).)													\$ 0				
45. Total Quantity Unit Payment (Sum of Items 43 and Item 44).													\$ 4,598.00				

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--245 Completing FSA-840B-2*A Instructions for Completing FSA-840B-2**

FSA-840B-2 is a payment calculation worksheet for multiple-market crops with 2 unique prices within the pay group. Complete FSA-840B-2 according to the following table.

Item	Instructions
1	Check crop year for disaster benefits requested.
2 and 3	Enter FSA-840, item 3.
4 and 5	Enter producer's name and ID number (last 4 digits) from FSA-840, items 1 and 2.
6	Enter FSA-840, item 7.
7	Enter FSA-840, item 10, check the appropriate block.
8	Prefilled, no entry required.
9	Enter FSA-840, item 5.
10	Enter crop code for item 9 crop specified.
11	Enter payment crop code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
12	Enter payment type code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
13	Enter FSA-840, item 6.
	Part A – Commodity Line Item Identification
14	Enter FSA-840, item 31.
15	Enter FSA-840, item 34.
16	Enter FSA-840, item 35, up to 4 decimal places.
17	Enter FSA-840, item 36.
18	Enter FSA-840, item 37.
19	Enter FSA-840, item 38.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
Part B – Primary Expected Production Cap Calculation	
20	From FSA 840G-2, item 42.
21	Enter result by multiplying, FSA-840B-1, item 18 times FSA-840B-1, item 19 times FSA-840B-1, item 20 times FSA-840B-1, item 21.
22	Enter result of subtracting item 21 from item 20. If result is negative, enter zero. Note: If commodity: <ul style="list-style-type: none"> • does not have a marketing contract, the result is the affected ineligible production • has a marketing contract, the ineligible production is assigned first to noncontract production.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions			
Part C – Primary Quality Loss Payment – Noncontract Production Calculation				
23	Prefilled, no entry required.			
24	From FSA-840G-2, Part D enter: <ul style="list-style-type: none"> affected production summed by loss level sum of unaffected production. 			
25	Enter the unit’s ineligible affected production for each applicable loss level by following these steps.			
	Step	Action	Result	
	1	Beginning with the first level with an amount greater than zero in item 24, that has the lowest quality payment rate, compare item 22 (unallocated ineligible production) to item 24 (unit’s affected production) for the level	IF item 22 is... less than or equal to item 24	THEN... <ul style="list-style-type: none"> enter item 22 unallocated quantity in item 25 for that level continue to step 3.
			greater than item 24	<ul style="list-style-type: none"> enter amount in item 24 in item 25 continue to step 2.
	2	Subtract amount entered in item 25 for the loss level from item 22 unallocated ineligible production. Use this result as the item 22 unallocated ineligible production for future comparison purposes. Note: The amount in item 22 does not change.	IF the result is greater than zero and ...	THEN...
			affected production remains	repeat step 1 for the next level with an amount greater than zero in item 26 that has the next lowest quality payment rate.
			no affected production remains	<ul style="list-style-type: none"> remaining production is used as item 24 unallocated ineligible production for marketing contract continue to step 3.
			0	continue to step 3.
	3	Enter total of affected ineligible production allocated to loss levels in item 25 “Total” block.		

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
26	Enter result of subtracting item 25 from item 24 for each loss level.
27	Enter FSA-840, item 35.
28	Enter the producer's eligible affected production for loss levels 1 through 5 determined by multiplying item 26 times item 27.
29	Enter the net production for payment determined by multiplying item 28 times 65 percent.
30	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
31	Prefilled, no entry required.
32	Enter the quality payment rate determined by multiplying item 30 times item 31 times 42 percent.
33	Enter the calculated payment for each loss level determined by multiplying item 29 times item 32. Note: Round the result to whole dollars.
34	Enter the NASS seasonal average, if available.
35	Enter the value of production determined by multiplying item 24 times item 27 times the higher of (item 30 or item 34) times (1 minus item 31). Note: Calculation is performed for all levels with production, including unaffected production.
36	Enter total of calculated payment amounts for all loss levels determined in item 33.
Part D – Primary Quality Loss Payment – Market Contract Production Calculation	
37A	Enter maximum contract production.
37B	Enter FSA-840H, item 16.
38	Prefilled, no entry required.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions			
39	From FSA-840G-2, Part E enter: <ul style="list-style-type: none"> • affected production summed by loss level • sum of unaffected production. 			
40	Enter the unit's ineligible affected production for each applicable loss level by following these steps.			
	Step	Action	Result	
	1	Beginning with the first level with an amount greater than zero in item 39, that has the lowest quality payment rate, compare item 22 (unallocated ineligible production) to item 39 (unit's affected production) for the level	IF item 22 is...	THEN...
	less than or equal to item 39		<ul style="list-style-type: none"> • enter item 22 unallocated quantity in item 40 for that level • continue to step 3. 	
	greater than item 39		<ul style="list-style-type: none"> • enter amount in item 24 in item 25 • continue to step 2. 	
	2	Subtract amount entered in item 40 for the loss level from item 22 unallocated ineligible production. Use this result as the item 22 unallocated ineligible production for future comparison purposes. Note: The amount in item 22 does not change.	IF the result is greater than zero and...	THEN...
affected production remains	repeat step 1 for the next level with an amount greater than zero in item 39 that has the next lowest quality payment rate.			
no affected production remains	<ul style="list-style-type: none"> • remaining production is used as item 39 unallocated ineligible production for marketing contract • continue to step 3. 			
		0	continue to step 3.	
3	Enter total of affected ineligible production allocated to loss levels in item 40 "Total" block.			

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
41	Enter result of subtracting item 40 from item 39 for each loss level.
42	Enter FSA-840, item 35.
43	Enter the producer's eligible affected production for loss levels 1 through 5 determined by multiplying item 41 times item 42.
44	Enter the net production for payment determined by multiplying item 43 times 65 percent.
45	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
46	Prefilled, no entry required.
47	Enter the quality payment rate determined by multiplying item 45 times item 46 times 42 percent
48	Enter the calculated payment for each loss level determined by multiplying item 44 times item 47. Note: Round the result to whole dollars.
49	Enter the NASS seasonal average, if available.
50	Enter the value of production determined by multiplying item 39 times item 42 times the higher of (item 45 or item 49) times (1 minus item 46). Note: Calculation is performed for all levels with production, including unaffected production.
51	Enter total of calculated payment amounts for all loss levels determined in item 48.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
Part E – Secondary Expected Production Cap Calculation	
52	Enter FSA-840G-2, item 59.
53	Enter the total expected production determined by multiplying FSA-840B-1, item 18 times FSA-840B-1, item 19 times FSA-840B-1, item 20 times FSA-840B-1, item 21.
54	<p>Enter the total ineligible production determined by subtracting item 53 from item 52. If result is negative, enter zero.</p> <p>Note: If commodity:</p> <ul style="list-style-type: none"> • does not have a marketing contract, the above result is the affected ineligible production • has a marketing contract, the ineligible production is assigned first to noncontract production.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions			
	Part F – Secondary Quality Loss Payment – Noncontract Production Calculation			
55	Prefilled, no entry required.			
56	From FSA-840G-2, Part H enter: <ul style="list-style-type: none"> affected production summed by loss level sum of unaffected production. 			
57	Enter the unit’s ineligible affected production for each applicable loss level by following these steps.			
	Step	Action	Result	
	1	Beginning with the first level with an amount greater than zero in item 56, that has the lowest quality payment rate, compare item 54 (unallocated ineligible production) to item 56 (unit’s affected production) for the level	IF item 54 is... less than or equal to item 56	THEN... <ul style="list-style-type: none"> enter item 54 unallocated quantity in item 57 for that level continue to step 3.
			greater than item 56	<ul style="list-style-type: none"> enter amount in item 56 in item 57 continue to step 2.
	2	Subtract amount entered in item 57 for the loss level from item 54 unallocated ineligible production. Use this result as the item 54 unallocated ineligible production for future comparison purposes. Note: The amount in item 54 does not change.	IF the result is greater than zero and...	THEN...
			affected production remains	repeat step 1 for the next level with an amount greater than zero in item 39 that has the next lowest quality payment rate.
			no affected production remains	<ul style="list-style-type: none"> remaining production is used as item 39 unallocated ineligible production for marketing contract continue to step 3.
			0	continue to step 3.
	3	Enter total affected ineligible production allocated to loss levels in item 57.		

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
58	Enter result of subtracting item 57 from item 56 for each loss level.
59	Enter FSA-840, item 35.
60	Enter the producer's eligible affected production for loss levels 1 through 5 determined by multiplying item 58 times item 59.
61	Enter the net production for payment determined by multiplying item 60 times 65 percent.
62	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
63	Prefilled, no entry required.
64	Enter the quality payment rate determined by multiplying item 62 times item 63 times 42 percent
65	Enter the calculated payment for each loss level determined by multiplying item 61 times item 64. Note: Round the result to whole dollars.
66	Enter the NASS seasonal average, if available.
67	Enter the value of production determined by multiplying item 56 times item 59 times the higher of (item 62 or item 66) times (1 minus item 63). Note: Calculation is performed for all levels with production, including unaffected production.
68	Enter total of calculated payment amounts for all loss levels determined in item 65.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions			
Part G – Secondary Quality Loss Payment – Market Contract Production Calculation				
69A	Enter maximum contract production.			
69B	Enter FSA-840H, item 16.			
70	Prefilled, no entry required.			
71	From FSA-840G-2, Part I enter: <ul style="list-style-type: none"> • affected production summed by loss level • sum of unaffected production. 			
72	Enter the unit’s ineligible affected production for each applicable loss level by following these steps.			
	Step	Action	Result	
	1	Beginning with the first level with an amount greater than zero in item 71, that has the lowest quality payment rate, compare item 54 (unallocated ineligible production) to item 71 (unit’s affected production) for the level	IF item 54 is...	THEN...
			less than or equal to item 71	<ul style="list-style-type: none"> • enter item 54 unallocated quantity in item 72 for that level • continue to step 3.
			greater than item 71	<ul style="list-style-type: none"> • enter amount in item 71 in item 72 • continue to step 2.
	2	Subtract amount entered in item 72 for the loss level from item 54 unallocated ineligible production. Use this result as the item 54 unallocated ineligible production for future comparison purposes. Note: The amount in item 54 does not change.	IF the result is...	THEN...
			greater than zero	repeat step 1 for the next level with an amount greater than zero in item 71 that has the next lowest quality payment rate.
			0	continue to step 3.
	3	Enter total of affected ineligible production allocated to loss levels in item 72 “Total” block.		

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
73	Enter result of subtracting item 72 from item 71 for each loss level.
74	Enter FSA-840, item 35.
75	Enter the producer's eligible affected production for loss levels 1 through 5 determined by multiplying item 73 times item 74.
76	Enter the net production for payment determined by multiplying item 75 times 65 percent.
77	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
78	Prefilled, no entry required.
79	Enter the quality payment rate determined by multiplying item 77 times item 78 times 42 percent
80	Enter the calculated payment for each loss level determined by multiplying item 76 times item 80. Note: Round the result to whole dollars.
81	Enter the NASS seasonal average, if available.
82	Enter the value of production determined by multiplying item 71 times item 74 times the higher of (item 77 or item 81) times (1 minus item 78). Note: Calculation is performed for all levels with production, including unaffected production.
83	Enter the total of calculated payment amounts for all loss levels determined in item 80.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
Part H - Quality Amount Included in Production Loss Payment Calculation	
84	Enter FSA-840, item 31.
85	Enter FSA-840, item 33. Reminder: A separate line entry shall be completed for each primary, secondary, and/or tertiary use specified.
86	Enter FSA-840, item 34
87A	Enter FSA-840, item 36.
87B	Enter FSA-840, item 37.
87C	Enter FSA-840, item 38.
88	Enter FSA-840, item 39. The acres entered should be the actual harvested acreage in the unit, as applicable. If the producer has a unit relationship where the shares differ by farm, ensure that the acres entered are only the harvested acres corresponding to the share in item 91. Example: Producer A and Owner B share in the acreage on 2 farms. On 1 farm, the shares for wheat are 50/50. On the other farm, the shares are 75/25. A separate line entry shall be used for the acres attributable to each share relationship.
89	Enter the producer's historic yield by determining the greater of the following: <ul style="list-style-type: none"> • producer's approved yield, irrigated or nonirrigated as applicable, for the crop, crop type, and intended use • approved county average yield, irrigated or nonirrigated as applicable, that was downloaded from ADC in the disaster crop table. Note: Enter the manually adjusted yield, if applicable. See paragraph 135 for additional information on adjusting historic yields.
90	Enter FSA-840, item 35.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions	
91	Enter the actual marketing percentage for the primary, secondary, and/or tertiary use for the specified crop type. Determine the actual marketing percentage by dividing the actual production entered for each market on FSA-840, item 41 by the total actual production entered for all markets on FSA-840, item 41.	
92	Enter the producer's disaster level determined by multiplying item 88 times item 89 times item 90 times item 91 times 65 percent.	
93	IF COC...	THEN enter net actual production calculated by...
	assigned production Note: Assigned production is indicated with an "A" in FSA-840, item 47.	adding FSA-840, item 46 COC-assigned to FSA-840, item 41 actual production and multiplying by FSA-840B-2, item 90.
	did not assign production	multiplying FSA-840, item 41 times FSA-840B-2, item 90.
94	Enter the net production for payment determined by subtracting item 93 from item 92.	
95	Enter the payment rate for the specified crop code, crop type, and intended use from the disaster crop table.	
96	ENTER "1.00".	
97	Enter the salvage value attributable to the producer determined by multiplying the FSA-840, item 45 times FSA-840B-2, item 90 times 42 percent. Note: Round the result to whole dollars.	
98	Enter the calculated payment for each harvested and unharvested line item determined by multiplying item 94 times item 95 times item 96 times item 8 minus item 97. Notes: Round the result to whole dollars. If the result is negative, enter a negative dollar amount in this item.	

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
Part I – Additional Quality Payment & Net Disaster Payment Calculation	
99	Enter FSA-840B-1, item 43. Enter as zero if negative.
100	Enter the sum of item 98, and FSA-840B-1, item 28 unharvested, for all crop types, intended uses, and practices within the same pay crop grouping that applied for quality for the unit.
101	Enter the sum of FSA-840B-1, item 28 harvested and unharvested for all crop types, intended uses, and practices within the same payment crop grouping that did not apply for quality for the unit.
102	Enter the total revised quantity payment determined by adding items 100 and 101. Enter zero if negative.
103	Enter the gross quality payment determined by adding items 36, 51, 68, 83, 126, and 141.
104	Enter the total quantity plus quality by adding items 102 and 103.
105	Enter the higher of item 99 or 104.
106	Enter the quality amount included in the quantity payment by subtracting item 102 from item 99.
107	Enter the additional quality payment determined by subtracting item 99 from item 105.
108	Enter FSA-840B-1, item 44.
109	Enter the total payment for the unit determined by adding item 105 and item 108.
Part J – Tertiary Expected Production Cap Calculation	
110	Enter the total of the affected production from FSA-840G-2, item 76
111	Enter the total expected production determined by multiplying FSA-840B-1, item 18 times FSA-840B-1, item 19 times FSA-840B-1, item 20 times FSA-840B-1, item 21.
112	<p>Enter the total ineligible production determined by subtracting item 111 from item 110. If result is negative, enter zero</p> <p>Note: If commodity:</p> <ul style="list-style-type: none"> • does not have a marketing contract, the above result is the affected ineligible production • has a marketing contract, the ineligible production is assigned first to noncontract production.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions			
Part K - Tertiary Noncontract Contract Production Calculation				
113	Prefilled, no entry required.			
114	From FSA-840G-2, Part L enter: <ul style="list-style-type: none"> • affected production summed by loss level • sum of unaffected production. 			
115	Enter the unit’s ineligible affected production for each applicable loss level by following these steps.			
	Step	Action	Result	
	1	Beginning with the first level with an amount greater than zero in item 114, that has the lowest quality payment rate, compare item 112 (unallocated ineligible production) to item 114 (unit’s affected production) for the level	IF item 112 is...	
			less than or equal to item 114	THEN... <ul style="list-style-type: none"> • enter item 112 unallocated quantity in item 115 for that level • continue to step 3.
			greater than item 114	THEN... <ul style="list-style-type: none"> • enter amount in item 114 in item 115 • continue to step 2.
	2	Subtract amount entered in item 115 for the loss level from item 112 unallocated ineligible production. Use this result as the item 112 unallocated ineligible production for future comparison purposes. Note: The amount in item 112 does not change.	IF the result is greater than zero and...	
			affected production remains	THEN... repeat step 1 for the next level with an amount greater than zero in item 114 that has the next lowest quality payment rate.
			no affected production remains	THEN... <ul style="list-style-type: none"> • remaining production is used as item 114 unallocated ineligible production for marketing contract • continue to step 3.
			0	continue to step 3.
	3	Enter total of affected ineligible production allocated to loss levels in item 115 “Total” block.		

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
116	Enter result of subtracting item 115 from item 114 for each loss level.
117	Enter FSA-840, item 35, up to 4 decimal places.
118	Enter the producer's eligible affected production for loss levels 1 through 5 determined by multiplying item 116 times item 117.
119	Enter the net production for payment determined by multiplying item 118 times 65 percent.
120	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
121	Prefilled, no entry required.
122	Enter the quality payment rate determined by multiplying item 120 times item 121 times 42 percent
123	Enter the calculated payment for each loss level determined by multiplying item 119 times item 122. Note: Round the result to whole dollars.
124	Enter the NASS seasonal average, if available.
125	Enter the value of production determined by multiplying item 114 times item 117, times the higher of (item 120 or item 124) times (1 minus item 121). Note: Calculation is performed for all levels with production, including unaffected production.
126	Enter the total of calculated payment amounts for all loss levels determined in item 123.

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions																										
Part L - Tertiary – Market Contract Production Calculation																											
127A	Enter maximum contract production.																										
127B	Enter FSA-840H, item 16.																										
128	Prefilled, no entry required.																										
129	From FSA-840G-2, Part M enter: <ul style="list-style-type: none"> • affected production summed by loss level • sum of unaffected production. 																										
130	Enter the unit’s ineligible affected production for each applicable loss level by following these steps.																										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="391 741 483 779">Step</th> <th data-bbox="483 741 927 779">Action</th> <th colspan="2" data-bbox="927 741 1469 779">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="391 779 483 1236" rowspan="2">1</td> <td data-bbox="483 779 927 1236" rowspan="2">Beginning with the first level with an amount greater than zero in item 129, that has the lowest quality payment rate, compare item 112 (unallocated ineligible production) to item 129 (unit’s affected production) for the level</td> <td data-bbox="927 779 1118 856">IF item 112 is...</td> <td data-bbox="1118 779 1469 856">THEN...</td> </tr> <tr> <td data-bbox="927 856 1118 1085">less than or equal to item 129</td> <td data-bbox="1118 856 1469 1085"> <ul style="list-style-type: none"> • enter total of item 130 quantity in item 130 for that level • continue to step 3. </td> </tr> <tr> <td data-bbox="927 1085 1118 1236">greater than item 129</td> <td data-bbox="1118 1085 1469 1236"> <ul style="list-style-type: none"> • enter amount in item 129 in item 130 • continue to step 2. </td> </tr> <tr> <td data-bbox="391 1236 483 1677" rowspan="3">2</td> <td data-bbox="483 1236 927 1677" rowspan="3"> Subtract amount entered in item 130 for the loss level from item 112 unallocated ineligible production. Use this result as the item 112 unallocated ineligible production for future comparison purposes. Note: The amount in item 112 does not change. </td> <td data-bbox="927 1236 1118 1314">IF the result is...</td> <td data-bbox="1118 1236 1469 1314">THEN...</td> </tr> <tr> <td data-bbox="927 1314 1118 1535">greater than zero</td> <td data-bbox="1118 1314 1469 1535">repeat step 1 for the next level with an amount greater than zero in item 129 that has the next lowest quality payment rate.</td> </tr> <tr> <td data-bbox="927 1535 1118 1677">0</td> <td data-bbox="1118 1535 1469 1677">continue to step 3.</td> </tr> <tr> <td data-bbox="391 1677 483 1753">3</td> <td colspan="3" data-bbox="483 1677 1469 1753">Enter total affected ineligible production allocated to loss levels in item 130 “Total” block.</td> </tr> </tbody> </table>				Step	Action	Result		1	Beginning with the first level with an amount greater than zero in item 129, that has the lowest quality payment rate, compare item 112 (unallocated ineligible production) to item 129 (unit’s affected production) for the level	IF item 112 is...	THEN...	less than or equal to item 129	<ul style="list-style-type: none"> • enter total of item 130 quantity in item 130 for that level • continue to step 3. 	greater than item 129	<ul style="list-style-type: none"> • enter amount in item 129 in item 130 • continue to step 2. 	2	Subtract amount entered in item 130 for the loss level from item 112 unallocated ineligible production. Use this result as the item 112 unallocated ineligible production for future comparison purposes. Note: The amount in item 112 does not change.	IF the result is...	THEN...	greater than zero	repeat step 1 for the next level with an amount greater than zero in item 129 that has the next lowest quality payment rate.	0	continue to step 3.	3	Enter total affected ineligible production allocated to loss levels in item 130 “Total” block.		
Step	Action	Result																									
1	Beginning with the first level with an amount greater than zero in item 129, that has the lowest quality payment rate, compare item 112 (unallocated ineligible production) to item 129 (unit’s affected production) for the level	IF item 112 is...	THEN...																								
		less than or equal to item 129	<ul style="list-style-type: none"> • enter total of item 130 quantity in item 130 for that level • continue to step 3. 																								
greater than item 129	<ul style="list-style-type: none"> • enter amount in item 129 in item 130 • continue to step 2. 																										
2	Subtract amount entered in item 130 for the loss level from item 112 unallocated ineligible production. Use this result as the item 112 unallocated ineligible production for future comparison purposes. Note: The amount in item 112 does not change.	IF the result is...	THEN...																								
		greater than zero	repeat step 1 for the next level with an amount greater than zero in item 129 that has the next lowest quality payment rate.																								
		0	continue to step 3.																								
3	Enter total affected ineligible production allocated to loss levels in item 130 “Total” block.																										

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*--245 Completing FSA-840B-2 (Continued)

A Instructions for Completing FSA-840B-2 (Continued)

Item	Instructions
131	Enter result of subtracting item 130 from item 129 for each loss level.
132	Enter FSA-840, item 35, up to 4 decimal places.
133	Enter the producer's eligible affected production for loss levels 1 through 5 determined by multiplying item 131 times item 132.
134	Enter the net production for payment determined by multiplying item 133 times 65 percent.
135	Enter the payment rate from the disaster crop table for the specified crop, crop type, and intended use.
136	Prefilled, no entry required.
137	Enter the quality payment rate determined by multiplying item 135 times item 136 times 42 percent
138	Enter the calculated payment for each loss level determined by multiplying item 134 times item 137. Note: Round the result to whole dollars.
139	Enter the NASS seasonal average, if available.
140	Enter the value of production determined by multiplying item 129 times item 132 times the higher of (item 135 or item 139) times (1 minus item 136). Note: Calculation is performed for all levels with production, including unaffected production.
141	Enter the total of calculated payment amounts for all loss levels determined in item 138.

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*--245 Completing FSA-840B-2 (Continued)

B Example of Completed FSA-840B-2

FSA-840B-2 U.S. DEPARTMENT OF AGRICULTURE (03-12-08) Farm Service Agency 2005, 2006, and 2007 CROP DISASTER PROGRAM QUALITY PAYMENT CALCULATION WORKSHEET Yield Based Multiple Market-Multiple Price Crops		1. Crop Year (Check only one): <input type="checkbox"/> 2005 <input checked="" type="checkbox"/> 2006 <input type="checkbox"/> 2007										
		2. Location State Code 06	3. Location County Code 045	4. Producer's Name Joe E. Brown								
		5. Producer's Identification No. (Last 4 digits) 7890	6. Unit Number 00100	7. Insured Status <input checked="" type="checkbox"/> Insured <input type="checkbox"/> NAP covered	8. Payment Level 42 %							
		9. Crop Name Apple	10. Crop Code 0054	11. Pymt. Crop Cd. 0054	12. Pymt. Type Cd. 011	13. Planting Period 01						
PART A – COMMODITY LINE ITEM IDENTIFICATION (Applies to Parts B through J).												
14. Type COM	15. Practice NI	16. Producer's Share 1.000	17. RMA Crop 0054	18. RMA Type 115	19. RMA Practice 003							
PART B – PRIMARY EXPECTED PRODUCTION CAP CALCULATION												
20. Total Affected Production (Total of affected production from FSA-840G-2, Item 42).				13,200								
21. Total Expected Production (FSA-840B-1, Item 18 times Item 19 times Item 20 times Item 21 for market).				23,520								
22. Total Ineligible Production (Item 20 minus Item 21). (If the result is negative, enter zero.)				0								
PART C – PRIMARY QUALITY LOSS PAYMENT – NON CONTRACT PRODUCTION CALCULATION (Unless otherwise specified, round to 2 decimal places).												
23. Loss Level	24. Unit Production	25. Unit Affected Ineligible Production	26. Unit Affected Eligible Production (Item 24 minus Item 25)	27. Producer's Share	28. Producer's Eligible Affected Production (Item 28 X Item 27)	29. Producer's Net Production for Payment (Item 28 X 65%)	30. Payment Rate	31. Quality Payment Percentage	32. Quality Payment Rate (Item 30 X Item 31 X 42%)	33. Producer's Calculated Quality Loss Level Payment (Item 29 X Item 32) Round to whole dollars	(For 95% Cap Only)	
I				1.00			7.55	30%	\$	\$	11.0250	\$
II								45%	\$	\$		\$
III	13,200	-	13,200		13,200	8,580		65%	\$ 2.0612	\$ 17,685		\$ 50,936
IV								85%	\$	\$		\$
V								95%	\$	\$		\$ 11,025
Unaffected										\$		\$
Total:												\$
36. Producer Gross Quality Loss Level Payment (Total Item 33 for all levels):											\$ 17,685	
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small></p>												

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*--245 Completing FSA-840B-2 (Continued)

B Example of Completed FSA-840B-2 (Continued)

FSA-840B-2 (03-12-08)											Page 2 of 4		
PART D. PRIMARY QUALITY LOSS PAYMENT – MARKET CONTRACT PRODUCTION CALCULATION (Unless otherwise specified, round to 2 decimal places).													
37A. Marketing Contract Quantity:					37B. Marketing Contract Price:					\$			
38. Loss Level	39. Total Affected Production	40. Unit Affected Ineligible Production	41. Unit Affected Eligible Production (Item 39 minus Item 40)	42. Producer's Share	43. Producer's Eligible Affected Production (Item 41 X Item 42)	44. Producer's Net Production for Payment (Item 43 X 65%)	45. Market Contract Payment Rate	46. Quality Payment Percentage	47. Quality Payment Rate (Item 45 X Item 46 X 42%)	48. Producer's Calculated Quality Loss Level Payment (Item 44 X Item 47) Round to whole dollars	(For 95% Cap Only)		
											49. NASS Seasonal Average (If available)	50. Value of Production (Item 39 X Item 42) X (Item 45 or Item 49 X (1 minus Item 47))	
I								30%	\$	\$		\$	
II								45%	\$	\$		\$	
III								65%	\$	\$		\$	
IV								85%	\$	\$		\$	
V								95%	\$	\$		\$	
Unaffected												\$	
Total:												\$	
51. Producer's Gross Quality Loss Level Payment (Total Item 48 for all levels):											\$		
PART E – SECONDARY EXPECTED PRODUCTION CAP CALCULATION													
52. Total Affected Production (Total of affected production from FSA-840G-2, Item 59.)											3,550		
53. Total Expected Production (FSA-840B-1, Item 18 times Item 19 times Item 20 times Item 21 for market).											5,880		
54. Total Ineligible Production (Item 52 minus Item 53). (If the result is negative, enter zero.)											0		
PART F – SECONDARY QUALITY LOSS PAYMENT – NON CONTRACT PRODUCTION CALCULATION (Unless otherwise specified, round to 2 decimal places).													
55. Loss Level	56. Unit Production	57. Unit Affected Ineligible Production	58. Unit Affected Eligible Production (Item 56 minus Item 57)	59. Producer's Share	60. Producer's Eligible Affected Production (Item 58 X Item 59)	61. Producer's Net Production for Payment (Item 60 X 65%)	62. Payment Rate	63. Quality Payment Percentage	64. Quality Payment Rate (Item 62 X Item 63 X 42%)	65. Producer's Calculated Quality Loss Level Payment (Item 61 X Item 64) Round to whole dollars	(For 95% Cap Only)		
											66. NASS Seasonal Average (If available)	67. Value of Production (Item 56 X Item 59) X (Item 62 or Item 66 X (1 minus Item 63))	
I	3,550	-	3,550	1.00	3,550	2,307.5	2.050	30%	\$.2583	\$ 596	2.17	\$ 5,392	
II									45%	\$		\$	\$
III									65%	\$		\$	\$
IV									85%	\$		\$	\$
V									95%	\$		\$	\$
Unaffected												\$	
Total:												\$	
68. Producer's Gross Quality Loss Level Payment (Total Item 65 for all levels):											\$ 596		

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*--245 Completing FSA-840B-2 (Continued)

B Example of Completed FSA-840B-2 (Continued)

FSA-840-B-2 (03-12-08)													Page 3 of 4			
PART G – SECONDARY QUALITY LOSS PAYMENT – MARKET CONTRACT PRODUCTION CALCULATION (Unless otherwise specified, round to 2 decimal places).																
69A. Marketing Contract Quantity:								69B. Marketing Contract Price:			\$					
70. Loss Level	71. Total Affected Production	72. Unit Affected Ineligible Production	73. Unit Affected Eligible Production (Item 71 minus Item 72)	74. Producer's Share	75. Producer's Eligible Affected Production (Item 73 X Item 74)	76. Producer's Net Production for Payment (Item 75 X 65%)	77. Market Contract Payment Rate	78. Quality Payment Percentage	79. Quality Payment Rate (Item 77 X Item 78 X 42%)	80. Producer's Calculated Quality Loss Level Payment (Item 75 X Item 79) Round to whole dollars	(For 95% Cap Only)					
I								30%	\$	\$	81. NASS Seasonal Average (If available)	82. Value of Production (Item 71 X Item 74) x (Item 77 or Item 81 X (1 minus Item 78))				
II								45%	\$	\$						
III								65%	\$	\$						
IV								85%	\$	\$						
V								95%	\$	\$						
Unaffected																
Total:																
83. Producer's Gross Quality Loss Level Payment (Total Item 80 for all levels):											\$					
PART H – QUALITY AMOUNT INCLUDED IN PRODUCTION LOSS PAYMENT CALCULATION																
84. Crop Type	85. Use	86. Prac.	87A. RMA Crop	87B. RMA Type	87C. RMA Prac.	88. Acres	89. Hist. Yield	90. Share	91. Actual Market %	92. Disaster Level (Item 88 X Item 89 X Item 90 X Item 91 X 65%)	93. Actual Net Production	94. Net Production for Payment (Item 92 minus Item 93)	95. Payment Rate	96. Payment Factor	97. 42% of Salvage	98. Calculated Payment (Item 94 X Item 95 X Item 96 X Item 97 minus Item 97)
a. Primary	FH	NI	0054	115	003	60.0	490	1.00	2339	4,469.83	4,152	317.83	7.55	1.00	-	\$ 1,008
b. Secondary	PR	NI	0054	115	003				7661	14,640.17	13,598	1,042.17	2.05			\$ 897
c. Tertiary																
PART I – ADDITIONAL QUALITY PAYMENT & NET DISASTER PAYMENT CALCULATION – BY PAY GROUP																
99. Total Quantity Payment (FSA-840B-1, Item 43). Enter zero if negative.											\$ 13,717					
100. Revised Quantity Payment based on actual production (Sum of Item 98, and FSA-840B-1, Item 28 unharvested for pay group crops applying for quality) Enter zero if negative.											\$ 1,905					
101. Total of harvested and unharvested quantity payments (Sum of FSA-840A-1, Item 28 for harvested and unharvested for pay groups crops that did not apply for quality).											\$ 0					
102. Total Revised Quantity payment (Sum of Items 100 and 101 for pay group).											\$ 1,905					
103. Total Quality Payment (Sum of Items 36, 51, 68, 83, 126, and 141).											\$ 18,281					
104. Total Quantity Plus Quality (Sum of Items 102 and 103).											\$ 20,186					
105. Actual Quantity Plus Quality Payment (Higher of Item 99 or 104).											\$ 20,186					
106. Total Quality Amount Included in Quantity Payment (Item 99 minus Item 102).											\$ 11,812					
107. Additional Quality Payment (Item 105 minus Item 99).											\$ 6,469					
108. Prevented Planting Payment (Enter FSA-840B-1, Item 44).											\$ 0					
109. Total Unit Payment (Sum of Items 105 and 108).											\$ 20,186					

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*--245 Completing FSA-840B-2 (Continued)

B Example of Completed FSA-840B-2 (Continued)

FSA-840-B-2 (03-12-08)											Page 4 of 4		
PART J – TERTIARY EXPECTED PRODUCTION CAP CALCULATION													
110. Total Affected Production (Total of affected production from FSA-840G-2, Item 76.)													
111. Total Expected Production (FSA-840B-1, Item 18 times Item 19 times Item 20 times Item 21 for market).													
112. Total Ineligible Production (Item 110 minus Item 111). (If the result is negative, enter zero.)													
PART K – TERTIARY NON CONTRACT PRODUCTION CALCULATION													
113. Loss Level	114. Unit Production	115. Unit Affected Ineligible Production	116. Unit Affected Eligible Production (Item 114 minus Item 115)	117. Producer's Share	118. Producer's Eligible Affected Production (Item 116 X Item 117)	119. Producer's Net Production for Payment (Item 118 X 65%)	120. Payment Rate	121. Quality Payment Percentage	122. Quality Payment Rate (Item 120 X Item 121 X 42%)	123. Producer's Calculated Quality Loss Level Payment (Item 119 X Item 122) Round to whole dollars	(For 95% Cap Only)		
											124. NASS Seasonal Average (If available)	125. Value of Production (Item 114 X Item 117) X (Item 120 or Item 124 X (1 minus Item 121))	
I								30%	\$	\$		\$	
II								45%	\$	\$		\$	
III								65%	\$	\$		\$	
IV								85%	\$	\$		\$	
V								95%	\$	\$		\$	
Unaffected												\$	
Total:												\$	
126. Producer Gross Quality Loss Level Payment (Total Item 123 for all levels):											\$		
PART L – TERTIARY – MARKET CONTRACT PRODUCTION CALCULATION													
127A. Marketing Contract Quantity:								127B. Marketing Contract Price:				\$	
128. Loss Level	129. Total Affected Production	130. Unit Affected Ineligible Production	131. Unit Affected Eligible Production (Item 129 minus Item 130)	132. Producer's Share	133. Producer's Eligible Affected Production (Item 131 X Item 132)	134. Producer's Net Production for Payment (Item 133 X 65%)	135. Market Contract Payment Rate	136. Quality Payment Percentage	137. Quality Payment Rate (Item 135 X Item 136 X 42%)	138. Producer's Calculated Quality Loss Level Payment (Item 134 X Item 137) Round to whole dollars	(For 95% Cap Only)		
											139. NASS Seasonal Average (If available)	140. Value of Production (Item 129 X Item 132) X (Item 135 or Item 139 X (1 minus Item 136))	
I								30%	\$	\$		\$	
II								45%	\$	\$		\$	
III								65%	\$	\$		\$	
IV								85%	\$	\$		\$	
V								95%	\$	\$		\$	
Unaffected												\$	
Total:												\$	
141. Producer's Gross Quality Loss Level Payment (Total Item 138 for all levels):											\$		

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***--247 Completing FSA-840D**

A Instructions for Completing FSA-840D

FSA-840D:

- is manual
- should **only** be when the payment calculation software is **not** available
- shall be completed by unit for the crop year selected (2005, 2006, 2007).

Complete FSA-840D according to the following table.

Item	Instructions
1	Check the crop year for which disaster benefits are being requested.
2 and 3	Enter FSA-840, item 3.
4	Enter producer's name from FSA-840, item 1.
5	Enter FSA-840, item 2.
6	Enter FSA-840, item 7.
7	From FSA-840, item 10, check the appropriate box.
8	Enter FSA-840, item 5.
9	Enter payment crop code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
10	Enter payment type code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
11	Enter FSA-840, item 6.
	<p style="text-align: center;">Part A - Harvested and Unharvested Acres Part B - Prevented Planted Acres</p> <p>Notes: Parts A and B, items 12-21 are for the unit.</p> <p style="text-align: center;">Marketing contract "MC" shaded boxes shall be left blank.</p>
12	Enter FSA-840, item 31.
13	Enter FSA-840, item 32.
14	Enter FSA-840, item 33.
15	Enter FSA-840, item 34.
16	Enter FSA-840, item 35.
17	Enter FSA-840, item 36.
18	Enter FSA-840, item 37.
19	Enter FSA-840, item 38.

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*--247 Completing FSA-840D (Continued)

A Instructions for Completing FSA-840D (Continued)

Item	Instructions
20	<p>Harvested and unharvested acres are:</p> <ul style="list-style-type: none"> • combined on FSA-840D, Part A • separated on FSA-840A-1 and FSA-840B-1. <p>Therefore, the harvested and unharvested acres from FSA-840A-1 and FSA-840B-1 must be added together before entering in FSA-840D, item 20 according to the following:</p> <ul style="list-style-type: none"> • for single-market and multiple-market single-priced crops, enter acres from FSA-840A-1, item 21. • for multiple-market multiple-priced crops, multiply FSA-840B-1, item 33 times FSA-840B-1, item 34. <p>For prevented planted acres, enter the producer's acres according to the following:</p> <ul style="list-style-type: none"> • for single-market and multiple-market single-priced crops, enter acres from FSA-840A-1, item 37. • for multiple-market multiple-priced crops, enter acres from either of the following: <ul style="list-style-type: none"> • FSA-840A-1, item 37 • multiply FSA-840B-1, item 33 times FSA-840B-1, item 34.
21	<p>Enter the producer's historic yield for:</p> <ul style="list-style-type: none"> • single-market crops from FSA-840A-1, item 22. • multiple-market multiple-price crops from FSA-840B-1, item 19.

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*--247 Completing FSA-840D (Continued)

A Instructions for Completing FSA-840D (Continued)

Item	Instructions	
22	Enter the producer's expected production as follows.	
	IF market contract production is for...	THEN enter the lesser of the following...
	single-market and multiple-market single-price crops	<ul style="list-style-type: none"> • item 20 times item 21 • FSA 840A-2, item 39A.
	multiple-market multiple-price crops	<ul style="list-style-type: none"> • item 20 times item 21 times FSA-840B-1, item 21 • sum of FSA-840B-2, items 39A, 71A, and 124-A.
	IF noncontract production is for...	THEN calculate as follows:
	single-market and multiple-market single-price crops	item 20 times item 21 minus FSA-840A-2, item 39A. Note: Marketing contract must be present. If no marketing contract is on file, than marketing contract entry is always zero.
	multiple-market multiple-price crops	item 20 times item 21 times FSA-840B-1, item 21. Note: Marketing contract must be present. If no marketing contract is on file, than marketing contract entry is always zero.

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*--247 Completing FSA-840D (Continued)

A Instructions for Completing FSA-840D (Continued)

Item	Instructions							
23	<p>For:</p> <ul style="list-style-type: none"> • nonmarket contract crops, enter the higher of the following: <ul style="list-style-type: none"> • price for the specified crop, crop variety/type, and intended use from the disaster crop table • NASS seasonal average price. • market contract crops, enter the higher of the NASS seasonal average price or the marketing contract price as follows. <table border="1" data-bbox="451 705 1474 911"> <thead> <tr> <th data-bbox="451 705 740 741">IF for...</th> <th data-bbox="740 705 1474 741">THEN enter...</th> </tr> </thead> <tbody> <tr> <td data-bbox="451 741 740 842">single-market and multiple-market single-price crops</td> <td data-bbox="740 741 1474 842">FSA-840A-2, item 39B.</td> </tr> <tr> <td data-bbox="451 842 740 911">multiple-market multiple-price crops</td> <td data-bbox="740 842 1474 911">the sum of FSA-840B-2, items 39B, 71B, and 124B.</td> </tr> </tbody> </table>		IF for...	THEN enter...	single-market and multiple-market single-price crops	FSA-840A-2, item 39B.	multiple-market multiple-price crops	the sum of FSA-840B-2, items 39B, 71B, and 124B.
IF for...	THEN enter...							
single-market and multiple-market single-price crops	FSA-840A-2, item 39B.							
multiple-market multiple-price crops	the sum of FSA-840B-2, items 39B, 71B, and 124B.							
24	<p>Enter the net production for the producer according to the following.</p> <table border="1" data-bbox="383 982 1474 1098"> <thead> <tr> <th data-bbox="383 982 1122 1018">IF for...</th> <th data-bbox="1122 982 1474 1018">THEN enter...</th> </tr> </thead> <tbody> <tr> <td data-bbox="383 1018 1122 1054">single-market and multiple-market single-price crops</td> <td data-bbox="1122 1018 1474 1054">FSA-840A-1, item 24.</td> </tr> <tr> <td data-bbox="383 1054 1122 1098">multiple-market multiple-price crops</td> <td data-bbox="1122 1054 1474 1098">FSA-840B-1, item 23.</td> </tr> </tbody> </table>		IF for...	THEN enter...	single-market and multiple-market single-price crops	FSA-840A-1, item 24.	multiple-market multiple-price crops	FSA-840B-1, item 23.
IF for...	THEN enter...							
single-market and multiple-market single-price crops	FSA-840A-1, item 24.							
multiple-market multiple-price crops	FSA-840B-1, item 23.							
25	<p>Enter FSA-840, item 43; round the result to whole dollars.</p> <p>Note: For malt barley endorsements, include the indemnities for both units according to subparagraph 132 I.</p>							
26	<p>If producer applied for:</p> <ul style="list-style-type: none"> • only a quantity loss payment, enter the value of production by multiplying item 23 times item 24; round the result to whole dollars • an additional quality loss payment, enter the value of production for each applicable loss level according to either of the following. <table border="1" data-bbox="451 1495 1474 1814"> <thead> <tr> <th data-bbox="451 1495 691 1530">IF for...</th> <th data-bbox="691 1495 1474 1530">THEN enter the following, as applicable...</th> </tr> </thead> <tbody> <tr> <td data-bbox="451 1530 691 1673">single-market and multiple-market single-price crops</td> <td data-bbox="691 1530 1474 1673"> FSA-840A-2: <ul style="list-style-type: none"> • item 37 for nonmarketing contracts • item 52 for marketing contracts. </td> </tr> <tr> <td data-bbox="451 1673 691 1814">multiple-market multiple-price crops</td> <td data-bbox="691 1673 1474 1814"> FSA-840B-2, the sum of: <ul style="list-style-type: none"> • items 35, 67, and 125 for nonmarketing contracts • items 50, 82, and 140 for marketing contracts. </td> </tr> </tbody> </table>		IF for...	THEN enter the following, as applicable...	single-market and multiple-market single-price crops	FSA-840A-2: <ul style="list-style-type: none"> • item 37 for nonmarketing contracts • item 52 for marketing contracts. 	multiple-market multiple-price crops	FSA-840B-2, the sum of: <ul style="list-style-type: none"> • items 35, 67, and 125 for nonmarketing contracts • items 50, 82, and 140 for marketing contracts.
IF for...	THEN enter the following, as applicable...							
single-market and multiple-market single-price crops	FSA-840A-2: <ul style="list-style-type: none"> • item 37 for nonmarketing contracts • item 52 for marketing contracts. 							
multiple-market multiple-price crops	FSA-840B-2, the sum of: <ul style="list-style-type: none"> • items 35, 67, and 125 for nonmarketing contracts • items 50, 82, and 140 for marketing contracts. 							
27	<p>Enter the 95 percent cap by multiplying item 22 times item 23 times 95 percent.</p>							

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*--247 Completing FSA-840D (Continued)

A Instructions for Completing FSA-840D (Continued)

Item	Instructions	
Part C – Value Loss Crops		
28	For value loss crops only , enter FSA-840C, item 16.	
29	For value loss crops only , enter FSA-840, item 30. Note: Round the result to whole dollars.	
30	For value loss crops only , enter FSA-840C, item 20.	
31	For value loss crops only , enter FSA-840C, item 16 times .95 percent.	
Part D – Net Disaster Payment for Unit and Pay Grouping		
For calculating the 95 percent cap, crops with different pay groupings may not be combined on FSA-840D.		
Example: Various beans have multiple intended uses that result in different pay type codes.		
32	Enter the Total Unit Payment according to the following.	
	IF losses on ...	THEN enter...
	quantity for single-priced crops	FSA-840A-1, item 47
	quantity for multiple-priced crops	FSA-840B-1, item 45
	quality for single-priced crops	FSA-840A-2, item 69
quality for multiple-priced crops	FSA-840B-2, item 106	
33	Enter FSA-840C, item 27.	
34	Enter sum of items 26 and 30.	
35	Enter sum of items 25 and 29.	
36	Enter sum of items 27 and 31.	
37	Enter sum of items 32 through 35.	
38	Enter the amount that exceeds the 95 percent cap by subtracting item 37 from item 36. Note: If the amount is less than zero, enter zero.	
39	Enter the Net Unit Payment for the pay grouping by adding items 32 and 33, and subtracting item 38. Note: If the amount is less than zero, enter zero.	

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*--247 Completing FSA-840D

B Sample of Completed FSA-840D

This form is available electronically.

FSA-840D (03-12-08)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	
2005, 2006, and 2007 CROP DISASTER PROGRAM CALCULATION OF 95% CAP AND NET DISASTER PAYMENT			
1. Crop Year (Check only one):		<input type="checkbox"/> 2005 <input checked="" type="checkbox"/> 2006 <input type="checkbox"/> 2007	
2. Location State Code	3. Location County Code	4. Producer's Name	
06	045	Joe E. Brown	
5. Producer's ID Number (last 4 digits)	6. Unit Number	7. Insured Status	
7890		<input checked="" type="checkbox"/> Insured <input type="checkbox"/> NAP Coverage	
8. Crop Name	9. Payment Crop Code	10. Payment Type Code	11. Planting Period
Barley	0091	011	01

PART A - HARVESTED AND UNHARVESTED ACRES																
12. Crop Type	13. Crush. District	14. Use	15. Practice	16. Share	17. RMA Crop	18. RMA Type	19. RMA Practice	20. Producer Acres	21. Historic Yield	22. Expected Production	23. Price (\$)	24. Net Production	25. Indemnity (\$)	26. Value of Production (\$)	27. 95% Cap (Items 22 x 23 x .95) (\$)	
NON	SPR		GR	N	1.00	0091	092	003	200.0	50.0	5,000	2.85	5,000	2,000	8,550	13,538
MC											5,000	3.00			5,250	14,250
NON																
MC																

PART B - PREVENTED PLANTED ACRES																

PART C - VALUE LOSS CROPS			
28. Field Market Value A (Expected Production)	29. Indemnity	30. Value of Production (Field Market Value B)	31. 95% Cap (Field Market Value A x .95)
\$	\$	\$	\$
\$	\$	\$	\$

PART D - NET DISASTER PAYMENT FOR UNIT AND PAY GROUPING	
32. Total Unit Payment	\$ 2,662
33. Total Unit Payment for Value Loss Crops	\$ -
34. Total Production Value (Sum of Item 26 and Item 30)	\$ 13,800
35. Total Net Indemnity (Sum of Item 25 and Item 29)	\$ 2,000
36. 95% Cap (Sum of Item 27 and Item 31)	\$ 27,788
37. Total Unit Crop Value (Sum of Items 32 through Item 35)	\$ 18,462
38. Exceeds Unit Cap (Item 37 minus Item 36) If less than zero = zero	\$ 0
39. Net Unit Payment (sum of Item 32 and Item 33) minus Item 38 (Exceeds Unit Cap) If less than zero = zero	\$ 2,662

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*--248 Completing FSA-840G-1

A Instructions for Completing FSA-840G-1

FSA-840G-1 is only for producers who are applying for an additional quality payment on single-market or multiple-market single-price commodities. Complete FSA-840G-1 according to the following table.

Item	Instructions
1	Check the crop year for which disaster benefits are being requested.
2 and 3	Enter FSA-840, item 3.
4 and 5	Enter producer's name and ID number (last 4 digits) from FSA-840, items 1 and 2.
6	Enter FSA-840, item 7.
7	Enter FSA-840, item 10, check the appropriate block.
8	Prefilled, no entry required.
9	Enter FSA-840, item 5.
10	Enter crop code for item 9 crop specified.
11	Enter payment crop code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
12	Enter payment type code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
13	Enter FSA-840, item 6.
Part A – Commodity Line Item Identification	
14	Enter FSA-840, item 31.
15	Enter FSA-840, item 32 for California grapes only.
16	Enter FSA-840, item 33.
17	Enter FSA-840, item 34. Note: A separate line entry shall be completed, if the producer has both irrigated and nonirrigated acres.
18	Enter FSA-840, item 35, up to 4 decimal places.
19	Enter FSA-840, item 36.
20	Enter FSA-840, item 37.
21	Enter FSA-840, item 38.

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*--248 Completing FSA-840G-1 (Continued)

A Instructions for Completing FSA-840G-1 (Continued)

Item	Instructions
Part B – Quality Loss Reference Tables	
22A	Enter STC market price used to determine quality factors.
22B	Prefilled, no entry required.
22C	Enter the minimum calculated price for the level by multiplying the STC market price in item 22A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.
22D	Enter the maximum calculated price for the level by multiplying the STC market price in item 22A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected.
23A	Prefilled, no entry required.
23B	Prefilled, no entry required. See paragraph 153 for further explanation of quality adjustment factors.
24A	Enter FSA-840H, item 16.
24B	Prefilled, no entry required.
24C	Enter the minimum calculated price for the level by multiplying item 24A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.

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*--248 Completing FSA-840G-1 (Continued)

A Instructions for Completing FSA-840G-1 (Continued)

Item	Instructions
24D	Enter the maximum calculated price for the level by multiplying the marketing contract price in item 24A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected
Part C - Noncontract Production Worksheet	
25	Enter receipt number from the verifiable evidence. Note. This is an optional entry.
26	Enter quantity of production from verifiable evidence submitted by producer according to paragraph 154.
27	Enter price from verifiable evidence.
28	Enter discount from verifiable evidence if commodity is using quality factors.
29	Enter quality level from verifiable evidence if commodity is using quality levels.
30	Enter loss level assigned by COC according to paragraph 159 for the production.
Part D - Marketing Contract Production Worksheet	
	Note: See subparagraph 156 G if the producer indicates that more production was sold under a marketing contract than the quantity specified in the contract.
31	Enter receipt number from the evidence. Note. This is an optional entry.
32	Enter quantity of production from evidence submitted by producer according to paragraph 154.
33	Enter price from verifiable evidence.
34	Enter discount from verifiable evidence if commodity is using quality factors.
35	Enter quality level from verifiable evidence if commodity is using quality levels.
36	Enter loss level assigned by COC according to paragraph 159 for the production.
Part E – Total Production Calculation	
37	Enter the total of unaffected production from items 30 and 36.
38	Enter the total of affected production from items 30 and 36.

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*--248 Completing FSA-840G-1 (Continued)

B Example of FSA-840G-1

This form is available electronically.

FSA-840G-1 U.S. DEPARTMENT OF AGRICULTURE (03-12-08) Farm Service Agency 2005, 2006, and 2007 CROP DISASTER PROGRAM QUALITY LOSS LEVELS WORKSHEET Yield Based Single Market and Multiple Market - Single Price Crops		1. Crop Year (<i>Check only one</i>) <input type="checkbox"/> 2005 <input checked="" type="checkbox"/> 2006 <input type="checkbox"/> 2007					
		2. Location State Code 06	3. Location County Code 045	4. Producer's Name Joe E. Brown			
		5. Producer's Identification No. (<i>Last 4 digits</i>) 7890	6. Unit Number 00100	7. Insured Status <input checked="" type="checkbox"/> Insured <input type="checkbox"/> NAP covered	8. Payment Level 42 %		
		9. Crop Name Barley	10. Crop Code 0091	11. Pymt. Crop Cd. 0091	12. Pymt. Type Cd. 011	13. Planting Period 01	
PART A – COMMODITY LINE ITEM IDENTIFICATION							
14. Type Spr	15. Crushing District GR	16. Intended Use NI	17. Practice 1.000	18. Producer Share 0091	19. RMA Crop 092	20. RMA Type 003	21. RMA Practice
PART B – QUALITY LOSS REFERENCE TABLES							
22. Non-Contract Levels Reference Table			23. Quality Adjustment Levels Reference Table		24. Marketing Contract Levels Reference Table		
A. STC Market Price \$ 1.85					A. Marketing Contract Price \$ 3.00		
B. Quality Level	C. Minimum Calculated Price	D. Maximum Calculated Price	A. Quality Level	B. CDP Quality Adjustment Factor	B. Quality Level	C. Minimum Calculated Price	D. Maximum Calculated Price
Level I	\$	\$	Level I	.75 to .651	Level I	\$	\$
Level II	\$	\$	Level II	.65 to .451	Level II	\$	\$
Level III	\$	\$	Level III	.45 to .251	Level III	\$	\$
Level IV	\$	\$	Level IV	.25 to .051	Level IV	\$	\$
Level V	\$	\$	Level V	.05 or lower	Level V	\$	\$
Unaffected	Greater than	\$ 1,3875	Unaffected	▶ .750	Unaffected	Greater than	\$ 2,2500
PART C - NON-CONTRACT PRODUCTION WORKSHEET							
25. Receipt	26. Quantity	State Committee Established Quality Factors			30. Loss Level		
		27. Price	28. Quality Adjustment Factor	29. QL Level			
1109	3,000	\$ 1.50		3	U*		
		\$					
		\$					
		\$					
		\$					
		\$					

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*--248 Completing FSA-840G-1 (Continued)

B Example of FSA-840G-1 (Continued)

FSA-840G-1 (03-12-08)					Page 2
PART D – MARKETING CONTRACT PRODUCTION WORKSHEET					
31. Receipt	32. Quantity	State Committee Established Quality Factors			36. Loss Level
		33. Price	34. Quality Adjustment Factor	35. QL Level	
81	2,500	\$ 1.50		\$	3
1561	2,500	\$ 1.50		\$	3
		\$			
		\$			
PART E – TOTAL PRODUCTION CALCULATION					
37. Total Unaffected Production (Total of unaffected production from Items 30 and 36)				3,000*	
38. Total Affected Production (Total of affected production from Items 30 and 36)				5,000	

*Did not meet economic loss requirement

$$\begin{aligned} & \$1.50 \div \$1.85 = .8108 \\ & 1 - .8108 = .1892 \end{aligned}$$

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***--249 Completing FSA-840G-2**

A Instructions for Completing FSA-840G-2

FSA-840G-2 is only for producers who are applying for an additional quality payment on multiple-market multiple-price. Complete FSA-840G-2 according to the following table.

Item	Instructions
1	Check the crop year for which disaster benefits are being requested.
2 and 3	Enter FSA-840, item 3.
4 and 5	Enter producer's name and ID number (last 4 digits) from FSA-840, items 1 and 2.
6	Enter FSA-840, item 7.
7	Enter FSA-840, item 10, check the appropriate box.
8	Prefilled, no entry required.
9	Enter FSA-840, item 5.
10	Enter crop code for item 9 crop specified.
11	Enter payment crop code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
12	Enter payment type code from the disaster crop table for the specified crop, crop type, intended use, and practice. See paragraph 50 for additional information on payment groupings.
13	Enter FSA-840, item 6.
Part A – Commodity Line Item Identification	
14	Enter FSA-840, item 31.
15	Enter FSA-840, item 32 for California grapes only.
16	Enter FSA-840, item 34. Note: A separate line entry shall be completed, if the producer has both irrigated and nonirrigated acres.
17	Enter FSA-840, item 35, up to 4 decimal places.
18	Enter FSA-840, item 36.
19	Enter FSA-840, item 37.
20	Enter FSA-840, item 38.
Part B – Division of Primary and Secondary Production	
21	Enter FSA-840, item 41 for all markets.
22	Prefilled, no entry required.
23	Enter intended use for applicable markets.
24	Enter FSA-840, item 44.
25	Enter the expected production cap by multiplying item 21 times item 24.

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*--249 Completing FSA-840G-2 (Continued)

A Instructions for Completing FSA-840G-2 (Continued)

Item	Instructions
Part C – Primary Quality Loss Reference Tables	
26A	Enter STC market price used to determine quality factors.
26B	Prefilled, no entry required.
26C	Enter the minimum calculated price for the level by multiplying item 26A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.
26D	Enter the maximum calculated price for the level by multiplying item 26A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected.
27A	Prefilled, no entry required.
27B	Prefilled, no entry required. See paragraph 153 for further explanation of quality adjustment factors.
28A	Enter FSA-840H, item 16.
28B	Prefilled, no entry required.
28C	Enter the minimum calculated price for the level by multiplying item 28A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.

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*--249 Completing FSA-840G-2 (Continued)

A Instructions for Completing FSA-840G-2 (Continued)

Item	Instructions
28D	Enter the maximum calculated price for the level by multiplying item 28A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected.
Part D – Primary Noncontract Production Worksheet	
29	Enter receipt number from verifiable evidence. Note: This is an optional entry.
30	Enter quantity of production from verifiable evidence submitted by producer according to paragraph 154.
31	Enter price from verifiable evidence.
32	Enter discount from verifiable evidence if commodity is using quality factors.
33	Enter quality level from verifiable evidence if commodity is using quality levels.
34	Enter loss level assigned by COC according to paragraph 160 for the production.
Part E – Primary Marketing Contract Production Worksheet	
Note: See subparagraph 156 G if the producer indicates that more production was sold under a marketing contract than the quantity specified in the contract.	
35	Enter receipt number from the verifiable evidence. Note: This is an optional entry.
36	Enter quantity of production from verifiable evidence submitted by producer according to paragraph 154.
37	Enter price from verifiable evidence.
38	Enter discount from verifiable evidence if commodity is using quality factors.
39	Enter quality level from verifiable evidence if commodity is using quality levels.
40	Enter loss level assigned by COC according to paragraph 160 for the production.
Part F – Primary Production Calculation	
41	Enter the total of unaffected production from items 34 and 40.
42	Enter the total of affected production from items 34 and 40.

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*--249 Completing FSA-840G-2 (Continued)

A Instructions for Completing FSA-840G-2 (Continued)

Item	Instructions
Part G – Secondary Quality Loss Reference Tables	
43A	Enter STC market price used to determine quality factors.
43B	Prefilled, no entry required.
43C	Enter the minimum calculated price for the level by multiplying item 43A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.
43D	Enter the maximum calculated price for the level by multiplying item 43A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected.
44A	Prefilled, no entry required.
44B	Prefilled, no entry required. See paragraph 153 for further explanation of quality adjustment factors.
45A	Enter FSA-840H, item 16.
45B	Prefilled, no entry required.
45C	Enter the minimum calculated price for the level by multiplying item 45A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.
45D	Enter the maximum calculated price for the level by multiplying item 45A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected.

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*--249 Completing FSA-840G-2 (Continued)

A Instructions for Completing FSA-840G-2 (Continued)

Item	Instructions
Part H– Secondary Noncontract Production Worksheet	
46	Enter receipt number from the verifiable evidence. Note: This is an optional entry.
47	Enter quantity of production from verifiable evidence submitted by producer according to paragraph 154.
48	Enter price from verifiable evidence.
49	Enter discount from verifiable evidence if commodity is using quality factors.
50	Enter quality level from verifiable evidence if commodity is using quality levels.
51	Enter loss level assigned by COC according to paragraph 160 for the production.
Part I – Secondary Marketing Contract Production Worksheet	
Note: See subparagraph 156 G if the producer indicates that more production was sold under a marketing contract than the quantity specified in the contract.	
52	Enter receipt number from the verifiable evidence. Note: This is an optional entry.
53	Enter quantity of production from verifiable evidence submitted by producer according to paragraph 154.
54	Enter price from verifiable evidence.
55	Enter discount from verifiable evidence if commodity is using quality factors.
56	Enter quality level from verifiable evidence if commodity is using quality levels.
57	Enter loss level assigned by COC according to paragraph 160 for the production.
Part J – Secondary Production Calculation	
58	Enter the total of unaffected production from items 51 and 57.
59	Enter the total of affected production from items 51 and 57.

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*--249 Completing FSA-840G-2 (Continued)

A Instructions for Completing FSA-840G-2 (Continued)

Item	Instructions
Part K – Tertiary Quality Loss Reference Tables	
60A	Enter STC market price used to determine quality factors.
60B	Prefilled, no entry required.
60C	Enter the minimum calculated price for the level by multiplying item 60A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.
60D	Enter the maximum calculated price for the level by multiplying item 60A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected.
61A	Prefilled, no entry required.
61B	Prefilled, no entry required. See paragraph 153 for further explanation of quality adjustment factors.
61A	Enter FSA-840H, item 16.
62B	Prefilled, no entry required.
62C	Enter the minimum calculated price for the level by multiplying item 62A by: <ul style="list-style-type: none"> • 25 percent for Level I • 35 percent for Level II • 55 percent for Level III • 75 percent for Level IV • 95 percent for Level V.
62D	Enter the maximum calculated price for the level by multiplying item 62A by: <ul style="list-style-type: none"> • 34.9 percent for Level I • 54.9 percent for Level II • 74.9 percent for Level III • 94.9 percent for Level IV • 100 percent for Level V • 24.9 percent for Unaffected.

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*--249 Completing FSA-840G-2 (Continued)

A Instructions for Completing FSA-840G-2 (Continued)

Item	Instructions
Part L– Tertiary Noncontract Production Worksheet	
63	Enter receipt number from the verifiable evidence. Note: This is an optional entry.
64	Enter quantity of production from verifiable evidence submitted by producer according to paragraph 154.
65	Enter price from verifiable evidence.
66	Enter discount from verifiable evidence if commodity is using quality factors.
67	Enter quality level from verifiable evidence if commodity is using quality levels.
68	Enter loss level assigned by COC according to paragraph 160 for the production.
Part M – Tertiary Marketing Contract Production Worksheet	
	Note: See subparagraph 156 G if the producer indicates that more production was sold under a marketing contract than the quantity specified in the contract.
69	Enter receipt number from the verifiable evidence. Note: This is an optional entry.
70	Enter quantity of production from verifiable evidence submitted by producer according to paragraph 154.
71	Enter price from verifiable evidence.
72	Enter discount from verifiable evidence if commodity is using quality factors.
73	Enter quality level from verifiable evidence if commodity is using quality levels.
74	Enter loss level assigned by COC according to paragraph 160 for the production.

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***--249 Completing FSA-840G-2 (Continued)**

A Instructions for Completing FSA-840G-2 (Continued)

Item	Instructions
	Part N – Tertiary Production Calculation
75	Enter total unaffected production from items 68 and 74.
76	Enter total affected production from items 68 and 74.
	Part O –Total Production Calculation
77	Enter total unaffected production from items 34, 40, 51, 57, 68, and 74.
78	Enter total affected production from items 34, 40, 51, 57, 68, and 74.

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*--249 Completing FSA-840G-2 (Continued)

B Example of Completed FSA-840G-2

This form is available electronically.

FSA-840G-2 U.S. DEPARTMENT OF AGRICULTURE (03-12-08) Farm Service Agency 2005, 2006, and 2007 CROP DISASTER PROGRAM QUALITY LOSS LEVELS WORKSHEET Yield Based Single Market and Multiple Market – Multiple Price Crops		1. Crop Year (Check only one) <input type="checkbox"/> 2005 <input checked="" type="checkbox"/> 2006 <input type="checkbox"/> 2007				
		2. Location State Code 06	3. Location County Code 045	4. Producer's Name Joe E. Brown		
		5. Producer's Identification No. (Last 4 digits) 7896	6. Unit Number 00100	7. Insured Status <input checked="" type="checkbox"/> Insured <input type="checkbox"/> NAP covered	8. Payment Level 42 %	
		9. Crop Name Apple	10. Crop Code 0054	11. Pymt. Crop Cd. 0054	12. Pymt. Type Cd. 011	13. Planting Period 01
PART A – COMMODITY LINE ITEM IDENTIFICATION						
14. Type Com	15. Crushing District NI	16. Practice NI	17. Producer Share 1.00	18. RMA Crop 0055	19. RMA Type 115	20. RMA Practice 003
PART B – DIVISION OF PRIMARY AND SECONDARY PRODUCTION						
21. Actual Production (FSA-840, Item 41) 17,750		22.	23. Use	24. Historical Marketing Percentage (FSA-840, Item 44)	25. Production Cap (Item 21 times Item 24)	
		A. Primary	Fresh	80	14,200	
		B. Secondary	Processed	20	3,550	
		C. Tertiary				
PART C – PRIMARY QUALITY LOSS REFERENCE TABLES						
26. Non-Contract Levels Reference Table			27. Quality Adjustment Levels Reference Table		28. Marketing Contract Levels Reference Table	
A. STC Market Price \$ 7,550					A. Marketing Contract Price \$	
B. Quality Level	C. Minimum Calculated Price	D. Maximum Calculated Price	A. Quality Level	B. CDP Quality Adjustment Factor	B. Quality Level	C. Minimum Calculated Price
Level I	\$ 4,9076	\$ 5.6625	Level I	.75 to .651	Level I	\$
Level II	\$ 3.3976	\$ 4.9075	Level II	.65 to .451	Level II	\$
Level III	\$ 1.8876	\$ 3.3975	Level III	.45 to .251	Level III	\$
Level IV	\$.3776	\$ 1.8975	Level IV	.25 to .051	Level IV	\$
Level V	\$	\$.3775	Level V	.05 or lower	Level V	\$
Unaffected	Greater than	\$ 5.6625	Unaffected	> .750	Unaffected	Greater than
						\$
PART D – PRIMARY NON-CONTRACT PRODUCTION WORKSHEET						
29. Receipt		30. Quantity	State Committee Established Quality Factors			34. Loss Level
			31. Price	32. Quality Adjustment Factor	33. QL Level	
2		1,000	\$ 7.00			U
3		3,152	\$ 3.29			3
1		10,048	\$ 2.00			3
			\$			
			\$			

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*--249 Completing FSA-840G-2 (Continued)

B Example of Completed FSA-840G-2 (Continued)

FSA-840G-2 (03-12-08)								Page 3 of 3
PART K – TERTIARY QUALITY LOSS REFERENCE TABLES								
60. Non-Contract Levels Reference Table			61. Quality Adjustment Levels Reference Table		62. Marketing Contract Levels Reference Table			
A. STC Market Price \$					A. Marketing Contract Price			\$
B. Quality Level	C. Minimum Calculated Price	D. Maximum Calculated Price	A. Quality Level	B. CDP Quality Adjustment Factor	B. Quality Level	C. Minimum Calculated Price	D. Maximum Calculated Price	
Level I	\$	\$	Level I	.75 to .651	Level I	\$	\$	
Level II	\$	\$	Level II	.65 to .451	Level II	\$	\$	
Level III	\$	\$	Level III	.45 to .251	Level III	\$	\$	
Level IV	\$	\$	Level IV	.25 to .051	Level IV	\$	\$	
Level V	\$	\$	Level V	.05 or lower	Level V	\$	\$	
Unaffected	Greater than	\$	Unaffected	> .750	Unaffected	Greater than	\$	
PART L – TERTIARY NON CONTRACT PRODUCTION WORKSHEET								
63. Receipt		64. Quantity		State Committee Established Quality Factors			68. Loss Level	
				65. Price	66. Quality Adjustment Factor	67. QL Level		
				\$				
				\$				
				\$				
				\$				
PART M – TERTIARY MARKETING CONTRACT PRODUCTION WORKSHEET								
69. Receipt		70. Quantity		State Committee Established Quality Factors			74. Loss Level	
				71. Price	72. Quality Adjustment Factor	73. QL Level		
				\$				
				\$				
				\$				
				\$				
PART N – TERTIARY PRODUCTION CALCULATION								
75. Tertiary Unaffected Production (Total of unaffected production from Items 68 and 74)								
76. Tertiary Affected Production (Total of affected production from Items 68 and 74)								
PART O – TOTAL PRODUCTION CALCULATION								
77. Total Unaffected Production (Total of unaffected production from Items 34, 40, 51, 57, 68 and 74)							1,000	
78. Total Affected Production (Total of affected production from Items 34, 40, 51, 57, 68 and 74)							16,750	
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***--250 Completing FSA-840H**

A Instructions for Completing FSA-840H

A manual FSA-840H is completed when a producer has a marketing contract. Complete FSA-840H according to the following table

Item	Instructions	
Part A – Blended Market Contract Price Calculation		
1	Check the crop year for which disaster benefits are being requested.	
2 and 3	Enter producer’s name and ID number (last 4 digits) from FSA-840, items 1 and 2.	
4	Enter FSA-840, item 5.	
5	Enter FSA-840, item 31.	
6	Enter FSA-840, item 33.	
7	Enter marketing contract ID number.	
8	Enter purchaser’s name.	
9	Enter contract acres if contract has acres, but not production amount.	
10	Enter historical yield if contract acres entered in item 9.	
11	Enter production under contract as follows.	
	IF contract...	THEN enter...
	acres were entered in item 9 and historical yield entered in item 10	result of multiplying item 9 times item 10.
	contains production amount	contract production.
12	Enter market contract price for the production listed in item 11.	
13	Enter the result of multiplying item 11 times item 12; repeat for each contract.	
14	Enter total of all entries in item 13.	
15	Enter total of all entries in item 11.	
16	Divide item 14 by item 15; round the result to 4 decimal places.	
Part B – Net Noncontract Production for Unit Calculation		
17	Enter unit number.	
18	Enter FSA-840, item 41.	
19	Enter marketing contract production for the unit. If marketing contract covers multiple units, use rules applied to commingled production to divide the production.	
20	Enter net allocated harvested production determined by subtracting the item 19 from item 18.	

--*

*--250 Completing FSA-840H (Continued)

B Example of Completed FSA-840H

This form is available electronically.

<p>FSA-840H (03-12-06)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency</p> <p style="text-align: center;">2005, 2006, and 2007 CROP DISASTER PROGRAM MARKETING CONTRACT WORKSHEET Yield Based Single Market and Multiple Market Crops</p>	<p>1. Crop Year (Check only one): <input type="checkbox"/> 2005 <input checked="" type="checkbox"/> 2006 <input type="checkbox"/> 2007</p> <p>2. Producer's Name Joe E. Brown</p> <p>3. Producer's Identification No. (Last 4 digits) 7890</p> <p>4. Crop Name Barley</p> <p>5. Type SPR</p> <p>6. Intended Use GR</p>
---	---

PART A - BLENDED MARKET CONTRACT PRICE CALCULATION						
7. Contract ID Number	8. Purchaser	9. Contract Acres	10. Historical Yield	11. Production Amount	12. Market Contract Price	13. Extension
1	Aggro			2,800	\$ 2.90	7,250
2	Aggro			2,500	\$ 3.10	7,750
					\$	
					\$	
					\$	
					\$	
					\$	
					\$	
					\$	
					\$	
14. Total Extension (Sum of Item 13 for all entries)					15,000	
15. Total Production (Sum of Item 11 for all entries)					5,000	
16. Blended Market Contract Price (Item 14 divided by Item 15 rounded to 4 places)					\$ 3.00	

PART B - NET NON-CONTRACT PRODUCTION FOR UNIT CALCULATION	
17. Unit	
18. Actual Harvested Production for Unit (FSA-840, Item 41)	
19. Marketing Contract Production for Unit	
20. Net Non-Contract Production for Unit (Item 18 minus Item 19)	

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Reports, Forms, Abbreviations, and Delegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification		Text
AD-2007	FSA/RMA Compliance Referral Form		1, 71, 132
CCC-36	Assignment of Payment		35, 472
CCC-37	Joint Payment Authorization		35, 472
CCC-184	CCC Check		Text
CCC-502	Farm Operating Plan for Payment Eligibility Review		10, 34, 240
CCC-509	Direct and Counter-Cyclical Program Contract		10
CCC-526	Payment Eligibility Average Adjusted Gross Income Certification		240
CCC-576	Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program		240
CCC-770 Eligibility	Eligibility Checklist		1, 451
CRP-15	Agreement for Reduction for Bases, Allotments, and Quotas		71
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		10, 36, 451
FSA-472	Crop Disaster Program Second Party Review Worksheet		4, 276
FSA-570	Waiver of Eligibility for Emergency Assistance		3
FSA-578	Report of Acreage		Text
FSA-770 CDP	2005, 2006, and 2007 CDP Checklist	11	276

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

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-840	2005, 2006, and 2007 Crop Disaster Program Application	241	Text
FSA-840A-1	2005, 2006, and 2007 Crop Disaster Program Quantity Payment Calculation Worksheet (Yield Based Single Market and Multiple Market-Single Price Crops)	242	243, 247, 276, 455, 475
FSA-840A-2	2005, 2006, and 2007 Crop Disaster Program Quality Payment Calculation Worksheet (Yield Based Single Market and Multiple Market-Single Price Crops)	243	160, 247
FSA-840B-1	2005, 2006, and 2007 Crop Disaster Program Quantity Payment Calculation Worksheet (Yield Based Multiple Market-Multiple Price Crops)	244	152, 245, 247, 276, 455, 475
FSA-840B-2	2005, 2006, and 2007 Crop Disaster Program Quality Payment Calculation Worksheet (Yield Based Multiple Market-Multiple Price Crops)	245	160, 247
FSA-840C	2005, 2006, and 2007 Crop Disaster Program Payment Calculation Worksheet (Value Loss Crops)	246	181, 240, 251, 276, 455, 475
FSA-840D	2005, 2006, and 2007 Crop Disaster Program Calculation of 95% Cap and Net Disaster Payment	247	Ex.
FSA-840E	Estimated Calculated Payment Report - Producer Summary Report		451, 521, 540, 541
FSA-840E-1	Detailed Statement of Calculated Payment Amounts for Single-Market Crops		451, 521, 542, 545
FSA-840E-2	Detailed Statement of Calculated Payment Amounts for Multiple-Market Crops		451, 521, 543, 545
FSA-840E-3	Detailed Statement of Calculated Payment Amounts for Value Loss Crops		451, 521, 544, 545
FSA-840G-1	2005, 2006, and 2007 Crop Disaster Program Quality Loss Levels Worksheet (Yield Based Single Market Market Multiple - Single Price Crops)	248	243
FSA-840G-2	2005, 2006, and 2007 Crop Disaster Program Quality Loss Levels Worksheet (Yield Based Single Market Market Multiple - Multiple Price Crops)	249	245
FSA-840H	2005, 2006, and 2007 Crop Disaster Program Marketing Contract Worksheet (Yield Based Single Market and Market Multiple Crops)	250	243, 245, 248, 249
FSA-840M	2005, 2006, and 2007 Crop Disaster Program for Multiple Crop - Same Acreage Certification	253	7, 72, 240, 251, 402
FSA-841	2005, 2006, and 2007 CDP Certification of Duplicate Benefits Under HIP, HDP, and Sugarcane Programs	254	37, 240, 251, 320

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

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviations	Term	Reference
ADC	Application Development Center, ITSD	Text
AGI	adjusted gross income	Text
AGR	adjusted gross revenue	8, 276, 348-350
APH	actual production history	Text, Ex. 2
CAT	catastrophic risk protection	50, 418
CDP	Crop Disaster Program	Text, Ex. 2
CRC	crop revenue coverage	8
CRS	Common Receivable System	1, Part 13, Ex. 2
DE	dry edible	151, 152
EFT	electronic funds transfer	1, Part 13
FFA	Future Farmers of America	6
FG	forage	50, 151, Ex. 7
FH	fresh	Text, Ex. 7, 21, 22
FSN	farm serial number	72, 348
GR	grain	50, 151, 253, Ex. 7
GRIP	Group Risk Income Plan	276, 344, 418
GRP	Group Risk Plan	276, 344, 418
HDP	Hurricane Disaster Program	3, 37
HEL	highly erodible land	32, 451
HIP	Hurricane Indemnity Program	3, 37
JU	juice	151, 160, 348
LA	loss adjuster	90, 91, 130, 132, 154, 162, 252
NAACP	National Association for the Advancement of Colored People	6
PPH	producer payment history	Part 13
PR	processed	Text, Ex. 7, 21, 22
PRF	pasture, rangeland, and forage	348
RS	root stock	151, 180, Ex. 7
SCIMS	Service Center Information Management System	317, 471, 534
SE	set	151, 180, Ex. 7

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

Redelegations of Authority

This table lists redelegations of authority in this handbook.

Redelegation	Reference
COC may delegate responsibility to CED or County Office for approving routine applications.	5

Definitions of Terms Used in This Handbook

Actual Production

Actual production is the total amount of harvested and appraised production on a unit.

Affected Price for Multiple-Market Crops

The affected price for multiple-market crops is the COC-determined value of the quality-reduced crop. For multi-market crops, the affected prices are the secondary or tertiary crop table price and the unmarketable price.

Affected Price for Single-Market Crops

The affected price for single-market crops is a percent of the primary market price for each quality level.

*--Level I	70 percent of the Primary Price
Level II	55 percent of the Primary Price
Level III	35 percent of the Primary Price
Level IV	15 percent of the Primary Price--*
Level V	5 percent of the Primary Price

Affected Production

Affected production is, for quality loss purposes, the amount of an eligible commodity which has
--incurred a minimum of a 25 percent loss in quality.--

Application Period

Application period means the date established by DAFP for producers to apply for program benefits.

Appraised Production

Appraised production is the crop's unharvested yield potential at the time of appraisal, as determined by certified adjuster, FSA-certified employee, RMA, a company reinsured by FCIC, or other appraiser acceptable to CCC.

Definitions of Terms Used in This Handbook (Continued)**Assigned Production**

The amount of production assigned by COC that must be attributed to the unit:

- because of ineligible cause of loss
- when producers certify that an acceptable record of harvested production is not available from any source
- if acreage was destroyed without consent and no appraisal exists
- if producer carries out a practice, such as double cropping, that generally results in a lower yield than that established as the historic yield
- because of a guaranteed contract, payment, or similar arrangement.

Basic Unit

A basic unit is all acreage of the eligible crop, in the administrative county, for the crop year, under either of the following criteria:

- the person has 100 percent crop share
- acreage is owned by 1 person and operated by another person on a share basis.

Commercial Use

Commercial use means used in the operation of a business activity engaged in as a means of livelihood for profit by the eligible producer.

Converted Production

Converted production is LDP crop production when the crop is harvested for a use different than intended, such as corn intended for grain but harvested for silage.

Definitions of Terms Used in This Handbook (Continued)

Crop Insurance

Crop insurance is an insurance policy re-insured by FCIC under the provisions of the Federal Crop Insurance Act, as amended.

Crop Year

The crop year for:

- insured commodities is the crop year defined according to the applicable crop insurance policy
- NAP-covered commodities is the year harvest normally begins for the crop

Note: The crop year for commodities that could be harvested in either of 2 calendar years will be the year in which the majority of the harvest would normally occur.

- value-loss crops shall mean the period from October 1 through the following September 30
- calculation honey losses shall be the period running from January 1 through the following December 31.

Debt Basis Code

The debt basis code is the code transferred to CRS that identifies the reason for the debt.

Disaster Level

Disaster level is historic production multiplied by 65 percent.

Farming Operation

Farming operation is a business enterprise engaged in the production of agricultural products.

*--Falling Number

The falling number is a measurement used by grain quality specialists to indicate the amount of sprout damage that occurs in a small grain sample (usually wheat).

Note: The full name of the International standard is the Hapburg Falling Number that is the measurement for the amount of time it takes a steel ball or plunger to fall through a flour/water slurry that has been heated to release the starch from the water. The greater the sprout damage, the faster the ball or plunger falls.--*

Definitions of Terms Used in This Handbook (Continued)

Ginseng Root

Ginseng root is a value loss crop and ginseng seed is a yield-based crop. All NAP standards and requirements apply to ginseng according to 1-NAP, paragraph 185.

Harvested

Harvested means:

- for **insured** and **uninsured** crops, harvested as defined according to the applicable crop insurance policy
- for **NAP-covered single harvest** crops, that a crop has been removed from the field, either by hand or mechanically, or by grazing of livestock
- for **NAP-covered** crops with potential multiple harvests in 1 year or harvested over multiple years, that the producer has, by hand or mechanically, removed at least 1 mature crop from the field during the crop year
- for **mechanically harvested NAP-covered** crops, that the crop has been removed from the field and placed in a truck or other conveyance, except hay is considered harvested when in the bale whether removed from the field or not.

Note: Grazed land will not be considered harvested for the purpose of determining an unharvested or prevented planting payment factor.

*--Harvest Acres for Potatoes

For CDP potato harvested acres, FSA will use RMA's definition that defines harvested acres as lifting potatoes from within the soil to the soil surface.

Note: Lifting potatoes refers to removing the potatoes from the soil, but does **not** require that the potatoes be removed from the field.--*

Harvested Production

Harvested production is all production of the eligible crop from the unit that can be supported by an acceptable record, including, but not limited to, production:

- gathered by hand
- mechanically harvested.

Definitions of Terms Used in This Handbook (Continued)

Historic Production

Historic production is acres multiplied by historic yield.

Historic Yield

Historic yield for:

- insured crops is the higher of the crop's APH, or the county average yield
- NAP-covered crops with an approved NAP yield is the higher of the applicable crop year's approved NAP yield established according to 1-NAP or the county average yield.

Insured Crops

Insured crops are those crops covered by crop insurance and the producer purchased either catastrophic or buy-up crop insurance.

Marketing Contract

Marketing contract means a legally-binding, written contract between a purchaser and grower for the purpose of marketing a crop.

*--Maximum Affected Production

The maximum affected production for 2005-2007 CDP is the highest amount of **quality** affected production that can be used in determining the quality payment.--*

Multiple-Cropping

Multiple-cropping is the planting of 2 or more different crops on the same acreage for harvest within the same crop year. The specific crops must be approved as eligible multiple-cropping practices and the farm containing the acreage that is planted to multiple crops must have a history of multiple-cropping as determined by COC.

Multiple-Market Crops

A multiple-market crop is:

- a crop listed on the county crop table having an intended use of fresh, processed, juice, or any combination
- not a value loss crop.

Definitions of Terms Used in This Handbook (Continued)**Multiple-Planted Crops**

A multiple-planted crop is a crop planted or prevented from being planted in more than 1 approved planting period in a crop year on different acreage.

Net Production

Net production is the total amount of harvested, appraised, and assigned production on the unit as adjusted for quality, as applicable.

***--NAP-Covered Crops**

NAP-covered crops are those crops for which NAP coverage was attained.

Owner

Owner means 1 who had legal ownership of the commodity or livestock for which benefits--* are being requested under 7 CFR Part 760 subparts B through F, on the day such plant or livestock perished or suffered losses because of an eligible hurricane.

Primary Price

A primary price is the price listed on the county crop table for a particular crop and type corresponding to the intended use with the highest price.

Producer

A producer is an owner, landlord, tenant, or sharecropper who:

- shares in the risk of producing the crop
- is entitled to share in the crop available for marketing from the farm or would have shared had the crop been produced.

***--Marketing Contract Requirement Checklist**

The following table provides the marketing contract requirement checklist.

Item	Marketing Contract Requirements	Yes	No
1	Is it a legal contract in the State where executed?		
2	Does the contract specify the commodity under contract?		
3	Does the contract specify the crop year?		
4	Did both the producer, or their legal representative, and the purchaser of the specified commodity sign the contract?		
5	Does the contract include the producer's commitment to deliver contracted quantity?		
6	Does the contract include a commitment to purchase contracted quantity that meets specified minimum quality standards and other criteria as specified?		
7	Does the contract contain either of the following: <ul style="list-style-type: none"> • specified production quantity • a specified acreage that can be used to determine a specified quantity? 		
8	Does the contract contain either of the following: <ul style="list-style-type: none"> • specified price • a method to determine such a price? 		
9	Does the contract contain a relationship between the price and the quality using either of the following: <ul style="list-style-type: none"> • specified standards • a method to determine such quality standards from published third party data? 		
10	Was the contract executed by not later than 10 calendar days after either of the following: <ul style="list-style-type: none"> • end of insurance period for insured crops • normal harvest date for NAP covered crops? 		

--*

***--Examples of Placing Production Into Loss Levels**

A Example for Potatoes

Producer submitted settlement sheets that reflect the actual price received based on quality factors was \$5/cwt for 200 cwt of production. The numbers for this example are as follow:

- CDP crop table price for potatoes: \$7.42/cwt
- STC-established market price: \$9/cwt
- actual price received: \$5/cwt.

To determine the applicable level in which to assign the quality-affected production, County Offices should compare the \$5/cwt received to the STC \$9/cwt market price. The 200 cwt will be loaded in Level II because the producer suffered a 44 percent loss because of quality. Base the quality payment calculation on the difference between CDP \$7.42/cwt price and 55 percent of CDP \$7.42/cwt price (\$4.08/cwt X 42%). Total production affected totaled 200 cwt and falls into Level II; therefore, calculate payment at \$182, based on the formula:

$$200 \text{ cwt} \times .65 = 130 \text{ cwt} \times 7.42 \times .55 \times .42 = \$182.$$

B Example for Barley

The 2006 barley CDP payment rate is based on the RMA \$2.85 price. The producer had a malt marketing contract at \$3. The STC-established market price for barley for 2006 was \$2.50. The producer was rejected selling the barley for “malt off the combine - high vomitoxin”. The barley “malt off combine” price in August 2006 was \$2.50. Producer stored the barley, and then sold it to the local warehouse in December 2006, for feed at \$2.60, after corn and feed barley prices had a big run up. The numbers for this example are as follow:

- CDP payment rate (RMA price): \$2.85
- malt marketing contract: \$3
- STC-established market price for malt barley: \$2.50
- August 2006 rejected malt delivery: (high vomitoxin)
- sold for feed in December: \$2.60.

Even though the barley crop was rejected at the malt market because of high vomitoxin, under CDP, the crop is **not** eligible for a quality payment because the crop was sold at a price higher than the STC-established \$2.50 market price.--*

***--Examples of Placing Production Into Loss Levels (Continued)**

C Example for Hard Red Spring Wheat

The 2006 wheat production was affected by excessive rainfall in September during harvest. This caused a high damaged kernel count and lowered the falling number test. The 2006 wheat sold at a \$3.20/bu discount. The numbers for this example are as follow:

- CDP payment rate: \$4.20
- STC-established market price: \$4.40
- sold in December: \$3.20.

Because the crop was sold at a discounted price because of a low falling number, at \$3.20/bu that was 73 percent of what was expected for top milling wheat, the production is eligible for a Level I quality loss payment.

D Example for Apples

The numbers for this example are as follow:

- STC-established:
 - market price for apples, FH: \$7.55/bu
 - STC-established market price for apples, PR: \$2.31/bu
 - STC-established normal marketing percentages:
 - FH: 80 percent
 - PR: 20 percent
- producer acres: 10
- historical yield: 500
- share: 100 percent
- producer expected production for apples:
 - FH: 4,000 bu
 - PR: 1,000 bu.

This table provides quality loss levels.

Primary-FH		Secondary-PR	
Level	Prices	Level	Prices
I	\$4.91 - \$5.66	I	\$1.50 - \$1.73
II	\$3.40 - \$4.91	II	\$1.04 - \$1.49
III	\$1.89 - \$3.40	III	\$.58 - \$1.03
IV	\$.38 - \$1.89	IV	\$.12 - \$.57
V	\$.37 & below	V	\$.11 & below

--*

***--Examples of Placing Production Into Loss Levels (Continued)**

D Example for Apples (Continued)

Verifiable production evidence: sold 5,000 bu in the apple, PR market for \$.63

Although FSA-840 was loaded with **all** production sold in the apple, PR market, the normal marketing percentage is 80 percent for FH and 20 percent for PR. Multiple-market multiple-price commodities use the total of primary, secondary, and tertiary “actual production” loaded on FSA-840 multiplied by the corresponding marketing percentages to determine the amount of production to allocate in each loss level.

In this case, 5,000 bu multiplied by the:

- primary normal marketing percentage of 80 percent for FH for 4,000 bu
- secondary normal marketing percentage of 20 percent for PR for 1,000 bu.

Once the total amount of production for FH and PR was determined, the actual price received was compared to STC-established price levels to determine the correct level to load the quality affected production.

The production will be loaded in the levels as follows.

Primary – Apples, FH		Secondary – Apples, PR	
Level	Production	Level	Production
I	0	I	0
II	0	II	0
III	0	III	1,000 bu
IV	0	IV	0
V	4,000 bu	V	0
Unaffected	0	Unaffected	0

--*

***--Quality Loss Level Allocation Examples**

A Single-Market Commodities Without Marketing Contracts

Single-market commodities **without** marketing contracts have the ineligible affected production allocated between the quality loss levels with affected production, beginning with the lowest level.

Example: A single-market crop with **no** marketing contracts has 400 bu total ineligible affected production because the affected production exceeded the expected production, as follows.

Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	100 bu	100 bu	0
II	0	n/a	0
III	200 bu	200 bu	0
IV	500 bu	100 bu	400 bu
V	0	0	0
Unaffected	100 bu	n/a	n/a

The ineligible affected production was assigned as follows:

- first 100 bu to Level I was capped at the amount of affected production
- next 200 bu to Level III was capped at the amount of affected production
- remaining 100 bu to Level IV.--*

***--Quality Loss Level Allocation Examples (Continued)**

B Single-Market Commodities With Marketing Contracts

Single-market commodities with production sold according to a marketing contract have ineligible production taken first from the noncontract production.

Note: Assign ineligible production to production sold, according to a marketing contract, **only** if the total ineligible production is greater than the affected noncontract affected production.

Example: Single-Market Commodity With Some Ineligible Production Assigned to Contract Production

A single-market crop with a marketing contract has total ineligible affected production of 4,000 bu, because the affected production exceeded the expected production. COC determined that 8,000 bu were sold according to a marketing contract and 3,500 were noncontract.

Production Not Sold According to Marketing Contract			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	0	n/a	0
II	0	n/a	0
III	0	n/a	0
IV	0	n/a	0
V	3,500 bu	3,500 bu	0
Unaffected	0	n/a	n/a

The ineligible affected production was assigned as follows:

- 3,500 bu to Level V was capped at the amount of affected production
- remaining 500 bu to the marketing contract affected production.

Production Sold According to Marketing Contract			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	0	n/a	0
II	0	n/a	0
III	8,000 bu	500 bu	7,500 bu
IV	0	n/a	0
V	0	n/a	0
Unaffected	0	n/a	n/a

The 8,000 bu of affected production sold according to the marketing contract was reduced by subtracting the 500 bu of ineligible affected production. The eligible affected production for Level III is 7,500 bu.--*

***--Quality Loss Level Allocation Examples (Continued)**

C Multiple-Market Multiple-Price Commodities With Marketing Contracts

Multiple-market multiple-price commodities have the expected production cap calculated separately by **each** market. Once the expected cap is calculated for a market, the ineligible affected production for that market is allocated first to the noncontract production. Like single-market commodities, ineligible production is assigned to production sold according to a marketing contract for the market, **only** if the total ineligible production is greater than the affected noncontract production.

In this example, the 4,500 bu considered sold according to the marketing contract was determined to be primary FH production. The primary and secondary markets have ineligible production because the affected production exceeded the expected production, as follows.

Example 1: Primary-FH market: 1,500 bu.

Primary Production Not Sold According to Marketing Contract			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	0	n/a	0
II	0	n/a	0
III	0	n/a	0
IV	0	n/a	0
V	1,250 bu	1,250 bu	0
Unaffected	0	n/a	n/a

The ineligible affected production was assigned as follows:

- 1,250 bu to Level V was capped at the amount of affected production
- remaining 250 bu to the marketing contract affected production.

Primary Production Sold According to Marketing Contract			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	500 bu	250 bu	250 bu
II	0	n/a	0
III	0	n/a	0
IV	0	n/a	0
V	0	n/a	0
Unaffected	4,000 bu	n/a	n/a

The 500 bu of affected production sold according to the marketing contract was reduced by subtracting the 250 bu of ineligible affected production.--*

*--Quality Loss Level Allocation Examples (Continued)

C Multiple-Market Multiple-Price Commodities With Marketing Contracts (Continued)

Example 2: Secondary-PR market: 1,200 bu.

Secondary-PR Production Sold According to Marketing Contract			
Level	Total Affected Production	Ineligible Affected Production	Eligible Affected Production
I	0	n/a	0
II	4,000 bu	1,200 bu	2,800 bu
III	0	n/a	0
IV	0	n/a	0
V	0	n/a	0
Unaffected	0	n/a	n/a

The ineligible affected production of 1,200 bu was assigned to Level II.--*

***--Examples of Quality Tests on Forage**

A Example 1

The applicant hired a forage consultant. The forage consultant had provided the applicant with worksheets dated August 20th, September 15th, October 19th, and November 22, 2005. The worksheets provided the actual measurements and locations of the 2005 harvested forage crops. Each quantity had a corresponding forage-analysis sample number and the applicant provided the actual test. The COC also had knowledge of the services provided and methods used by this forage consultant. COC could approve the documentation from this forage consultant and determine that the records provided were acceptable verifiable evidence for substantiating the quantity and quality of the affected production.

B Example 2

The forage consultant visits a field of 12 round bales and takes a representative sample from 4 round bales. A representative sample test for quality in this example may be applied to associated production (8 bales). The actual measurement of 12 bales is also completed. The forage consultant is following the guidelines from the forage company in taking a number of representative samples.

C Example 3

The applicant takes a forage analysis from a bunk silo on July 1, 2005, from his first 2005 forage cutting. The applicant certified his production from his mixer wagon computer printout. For quality adjustments, certification statements **cannot** be accepted. The affected production **must** be documented with an actual measurement or appraisal from paragraph 162.

D Example 4

The applicant sells his alfalfa hay to Wild Horse Farm and receives \$60 a ton because of quality loss, **not** because of the market according to COC knowledge of loss conditions in areas and documentation for area. The crop insurance and STC price is \$120 a ton. \$120 is price used Statewide for that crop year. No forage analysis is completed. The applicant received 50 percent less than what he would normally receive. The applicant provided verifiable evidence (production receipts) with a price. The applicant is eligible for quality loss.

E Example 5

In this example, the applicant in subparagraph D had an additional 20 tons of alfalfa hay he did **not** sell, but instead fed to the livestock. The applicant is ineligible for quality loss, because the applicant did **not**:

- sell the production with a quality loss price
- show a forage analysis
- provide verifiable (certified production) evidence for the 20 tons of alfalfa hay.--*

