

For: State and County Offices, CMA's, DMA's, and LSA's

2006 Crop Year Producer Eligibility Policy, Shutdown and Startup of Automated CMA Process, and Instructions for Downloading and Using New Secure File Transfer Protocol (FTP) Software

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

According to 1-CMA, CCC-approved Cooperative Marketing Associations (CMA's), peanut Designated Marketing Associations (DMA's), and cotton Loan Servicing Agents (LSA's) are responsible for the following:

- determining that CMA members, DMA producers, and LSA producers are eligible to receive CCC MAL's and LDP's
- allocating market gains and LDP's only within an eligible producer payment limitation (PLM) for the applicable producer
- using the automated CMA process to determine producer eligibility and to properly allocate market gains and LDP's.

Submissions to the automated CMA process will **begin** for the 2006 crop year on June 14, 2006. This should allow CMA's, DMA's, and LSA's adequate time to:

- make needed 2006 crop year PLM adjustments
- correct eligibility discrepancies.

Important: See paragraph 6 about new secure FTP software.

Disposal Date	Distribution
September 1, 2006	State Offices; State Offices relay to County Offices; CMA's, DMA's, and LSA's

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1 Overview (Continued)

B Purpose

This notice provides CMA's, DMA's, and LSA's with the following:

- 2006 crop year producer eligibility and payment limit provisions
- a June 7, 2006, deadline to submit the final eligibility submission file for the 2005 crop year
- a June 14, 2006, beginning date for 2006 crop year eligibility file submissions
- instructions for installing and using **new** secure FTP software. See paragraph 6.

2 2006 Crop Year Loan and LDP Producer Eligibility

A General Eligibility Requirements

Producers applying for loans or LDP's through CMA's, DMA's, or LSA's must:

- comply with USDA HELC and WC provisions by filing AD-1026 at their administrative FSA County Office
- comply with FSA actively engaged in farming and PLM provisions by filing CCC-502 at their administrative FSA County Office

Note: Producers not meeting actively engaged and PLM provisions remain eligible for a MAL to be repaid at principal plus interest or with a commodity certificate exchange.

- file a report of acreage of all cropland on the farm for which a loan or LDP is requested
- not have been convicted under Federal or State law of a controlled substance violation
- comply with the average adjusted gross income (AGI) limitation

Note: Producers not complying with AGI remain eligible for a loan to be repaid with principal plus interest or with a commodity certificate exchange.

- not be delinquent on any nontax Federal debt according to the Debt Collection Improvement Act of 1996 (DCIA)
- not be disqualified because of Federal crop insurance fraud.

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2 2006 Crop Year Loan and LDP Producer Eligibility (Continued)

B PLM's Effective for the 2006 Crop Year

Applicable PLM's are unchanged from the 2004 crop year and are as follows:

- \$75,000 for cotton, rice, and grains
- \$75,000 for wool, mohair, honey, and peanuts.

Note: Commodity certificate exchanges are **not** applicable to PLM.

3 Eligibility Requirements and Applicable CMA Process Output Fields

A HELC and WC Compliance

CMA, DMA, and LSA producers must visit their administrative FSA County Office to complete or update AD-1026 to comply or continue compliance with USDA HELC and WC provisions. The FSA County Office maintains eligibility information in subsidiary files that is applicable to each year. If a CMA, DMA, or LSA producer:

- is in violation of HEL/WC provisions, the CMA process output file will return:
 - a "Y" in field [47]
 - an "T" in field [1] making the producer ineligible
- does not file AD-1026, or AD-1026 is not certified, the CMA process output file will return:
 - a "Y" in field [60]
 - an "T" in field [1] making the producer ineligible.

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3 Eligibility Requirements and Applicable CMA Process Output Fields (Continued)

B Actively Engaged in Agriculture and Person Determination

CMA, DMA, and LSA producers must visit their administrative FSA County Office to maintain their applicable CCC-502 to establish:

- that they are actively engaged in farming
- that person determination has been completed
- compliance with cash rent tenant rules.

If a CMA, DMA, or LSA producer:

- “person” determination has not been completed, or the County Office flag is “Not Filed”, the CMA process output file will return a “Y” in field [61] or [72]
- is not actively engaged in farming, the CMA process output file will return a “Y” in field [59] or [71]
- does not have a PLM record in the County Office, the CMA process output file will return a “Y” in field [73]
- is not in compliance with cash rent tenant rules, the CMA process output file will return a percentage of cropland factor (PCF) value of less than 1.000 in field [69].

CMA's, DMA's, and LSA's shall:

- monitor these fields of the CMA Process file
- **deny** a market gain or LDP to producers according to 1-CMA, paragraph 134 when any of the applicable flags are set to "Y".

C Acreage Reporting Requirement

The 2002 Farm Bill requires that to receive loans and LDP's, a producer must file a report of acreage of all cropland on the farm for which a loan or LDP is requested. For producers not meeting the acreage reporting requirements, the CMA Process now returns:

- a "Y" in field [49] and an "I" in field [1] when:
 - the producer's ID number is not associated with a crop on any farm for which an eligibility record is requested by CMA
 - no crop shares were reported for the producer's ID number
- a "Y" in field [50] and an "I" in field [1] when the cropland reported for a farm does not equal the cropland amount.

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3 Eligibility Requirements and Applicable CMA Process Output Fields (Continued)

C Acreage Reporting Requirement (Continued)

PSD recognizes that loans and LDP's may be requested for crops, such as wheat, before a complete acreage report on other crops, such as corn, is filed. Therefore, a producer who has only reported wheat may be ineligible for a wheat loan or LDP. In these cases, according to 1-CMA, paragraph 385, CMA's, DMA's, and LSA's are authorized to:

- obtain loans and LDP's for producers they believe to be eligible
- repay loans or LDP's if after 90 calendar days from the date of loan or LDP the producer remains ineligible.

D Controlled Substance Violations

The CMA, DMA, or LSA producer's administrative FSA County Office will:

- determine whether a producer has been convicted under Federal or State law of a controlled substance violation
- set the appropriate determination in the web-based eligibility system.

If a producer is determined to be in violation of controlled substance provisions, the CMA Process will:

- return a flag set to "Y" in field [48]
- set the flag in field [1] to "I" making the producer ineligible.

E AGI Limitation

Effective for the 2003 through 2007 crop years, an individual or entity shall not be eligible for marketing loan gains and LDP's, if both of the following apply:

- the average AGI of the individual or entity exceeds \$2.5 million
- less than 75 percent of the average AGI is derived from farming, ranching, or forestry operations.

The CMA, DMA, or LSA producer's administrative FSA County Office will:

- accept certification of a producer's AGI on CCC-526
- update the web-based eligibility system if the producer does not meet AGI provisions.

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3 Eligibility Requirements and Applicable CMA Process Output Fields (Continued)

E AGI Limitation (Continued)

CMA's, DMA's, and LSA's shall:

- monitor field [54] of the CMA Process file
- **deny** a market gain or LDP to producers when the AGI flag is set to "Y".

For joint operations or entities, where a member does not comply with AGI, CMA's, DMA's, and LSA's shall:

- review ownership interest in any entity to the fifth level, if applicable, to determine applicable commensurate share reductions
- calculate commensurate share reductions according to 1-CMA, subparagraph 134 B.

F DCIA Compliance

According to DCIA, producers who are delinquent on nontax Federal debt are ineligible for Federal loans. Exemption for CCC loans and LDP's was rescinded by passage of the 2002 Farm Bill. CMA's, DMA's, and LSA's shall:

- not obtain loans and LDP's for delinquent Federal debtors, except if the debtor satisfies the delinquency before the loan or LDP is disbursed
- monitor field [67] of the CMA Process output file to identify producers who are delinquent debtors to FSA
- conduct further screening of CMA applicants by either of the following methods:
 - obtaining producer certification for DCIA by entering the following statement on an annual addendum to the CMA's uniform marketing agreement, "Are you or any co-applicant delinquent on any federal non-tax debt?", and obtaining DCIA certification from producers at least annually on the addendum to the uniform marketing agreement

Note: Provide blocks for the producer to check "yes" or "no" to the question.

- obtaining data about a producer's DCIA status from systems such as CAIVRS or Debtcheck at CMA expense to conduct screening of producers
- conduct farther screening of LSA or DMA applicants by either of the following methods:
 - obtaining producer certification on the applicable CCC Cotton A-5 or other CCC form containing the DCIA certification statement
 - obtaining data about a producer's DCIA status from systems such as CAIVRS or Debtcheck at LSA or DMA expense to conduct screening of producers.

Note: See 1-CMA, paragraph 107 for further policy.

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3 Eligibility Requirements and Applicable CMA Process Output Fields (Continued)

G Disqualification Because of FCIC Fraud

Producers determined by RMA of willingly and intentionally providing any false or inaccurate information to FCIC may be disqualified from receiving any monetary or non monetary benefits for a period of 5 years. If FSA is notified of such producers, the CMA Process will return:

- a "Y" in field [58]
- an "T" in field [1] making the producer ineligible.

4 Final 2005 Crop Year Input File Submission and Output File

A Deadline and Final Output File

The deadline for final 2005 crop year **input** file submission is 6 p.m. c.t. Wednesday, **June 7, 2006**. The final 2005 crop year **output** files will be available for downloading after 2 p.m. c.t. Tuesday, **June 13, 2006**.

5 Making Submissions for the 2006 Crop Year CMA Process

A Making Submissions and Requesting Assistance

CMA's, DMA's, and LSA's shall:

- follow the instructions in 1-CMA, paragraph 238, to determine the type of record submission

Important: For joint operations or entities, CMA's, DMA's, and LSA's shall submit the "parent" ID number in field [7] of the input file to the CMA Process, not the individual component member ID number. The CMA Process will return applicable eligibility and PLM data for each component member. Cotton cooperatives must not confuse the "parent" ID number with the primary ID number that is submitted to ACRS.

- begin regular 2006 crop year file submissions on **June 14, 2006**
- if necessary, for technical assistance contact the FSA National Help Desk at 1-800-255-2434; select option 1 for web support:
 - to verify if the CMA, DMA, or LSA system is functional with the Web Room
 - whenever there are transmission problems.

B Submission and Download Schedule

For the 2006 crop year, the submission deadline is **6 p.m. c.t. Wednesdays**. The resulting download will be available the following Tuesday.

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5 Making Submissions for the 2006 Crop Year CMA Process (Continued)

C Record Format of Input File

The input file:

- is named CMAxxyyy.MB1, where "xxyyy" is the applicable State and CMA or LSA code
- provides KC-Application Development Center (ADC) basic producer data to process producer eligibility and PLM data
- shall be submitted according to this notice, with a "06" in field [8]
- is created according to the following format.

Field No.	Contents	Begin	Length	Data Type
1	Record Status	1	1	Character
2	CMA, DMA, or LSA State Code	2	2	Character
3	CMA, DMA, or LSA County Code	4	3	Character
4	Crop Code	7	4	Character
5	State code of Administrative County Office	11	2	Character
6	County code of Administrative County Office	13	3	Character
7	Producer ID	16	9	Character
8	Crop Year	25	2	Character
9	Farm serial number (to delete records only)	27	7	Character
10	Filler	34	10	

D Control Record File

A control file:

- provides KC-ADC a count of the records submitted in the input file
- is named CMAxxyyy.MB4, where "xxyyy" is the applicable State and CMA or LSA code
- shall be created according to the following format.

Field No.	Contents	Begin	Length	Data Type
1	State Code of CMA, DMA, or LSA	1	2	Character
2	County code of CMA, DMA, or LSA	3	3	Character
3	Filler	6	1	
4	Number of records in input file	7	7	Character
5	Filler	14	1	
6	Date input file was prepared in the following format: yyyy/mm/dd	15	10	Character

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5 Making Submissions for the 2006 Crop Year CMA Process (Continued)

E Preparing Files for Submission

One file will be prepared for submission and transmitted as follows:

- create a zipped transmission file named KCXXXBBS.000, where "XXX" is the assigned CMA, DMA, or LSA **ALPHA** code and "000" is the next sequential transmission ID number after the last transmission
- the transmission file shall contain the MB1 input file and the MB4 control file
- FTP the file to host 165.221.200.44 using the assigned user ID and password.

Note: CMA's, DMA's, and LSA's will follow instructions provided in the remainder of this notice to begin using the new secure FTP client for CY 06.

6 New Secure FTP Software

A Background

Beginning with CY 06, CMA's, DMA's, and LSA's will begin sending and receiving files via an up-to-date secure encrypted FTP address, which will allow for a secure connection and encrypt any data that is transferred.

Note: Files to be submitted via secure FTP **also include** Section 1614 submission files.

Secure FTP has the same elements of all standard FTP clients, but is enhanced with Secure Socket Layer encryption. Secure FTP is **free** for noncommercial use and the client is supported on Windows, Mac OS X, and any Unix platform where a **Java 2** runtime environment (version 1.4+) is present. Secure FTP is 100 percent Java 2 compliant, which means an adequate version of Java will need to be loaded before secure FTP can be downloaded. Once the new secure FTP software has been successfully installed, CMA's, DMA's, and LSA's may begin sending and receiving data by obtaining a **new** user ID and password from the applicable contact in subparagraph 6 B.

B Contacts

CMA's, DMA's or LSA's that have questions or experience trouble should contact the following:

Name	Telephone	Purpose
Linda Morgan	816-926-2631	• problems installing secure FTP
Shanita Hines	202-720-9888	• new user ID's and passwords • problems installing secure FTP software
National FSA Help Desk	816-823-1531 option 1, then option 6	• problems installing secure FTP software • problems transmitting files

6 New Secure FTP Software (Continued)

C Installing and Using the Software

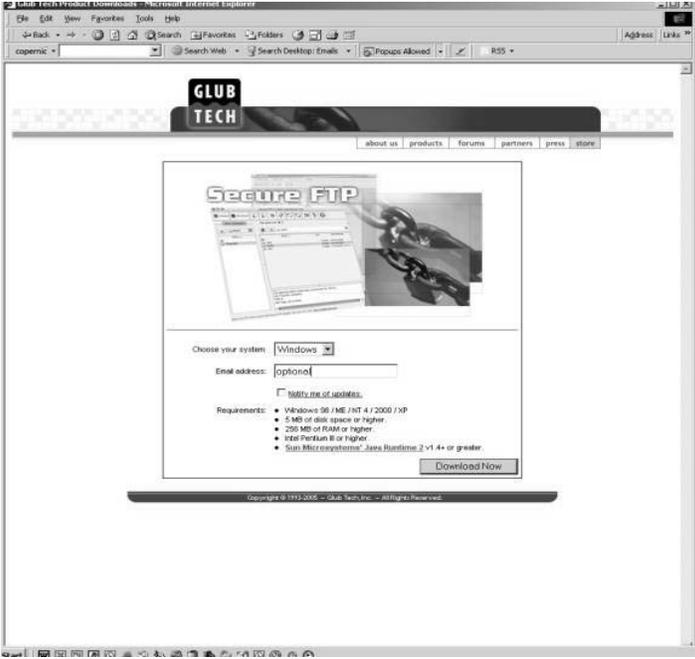
Before beginning the installation process, make sure all applications except Internet Access are closed on your computer. Also, if possible, turn off your anti-virus software so it does not slow down the process. The following instructions are for a one time installation by CMA's, DMA's, and LSA's.

Step	Action
1	<p>Access the free downloadable Secure FTP site at http://www.glub.com/products/secureftp/download.shtml</p> <p>Click "Installer" in the "Secure FTP (v2.5.9)" box.</p> 

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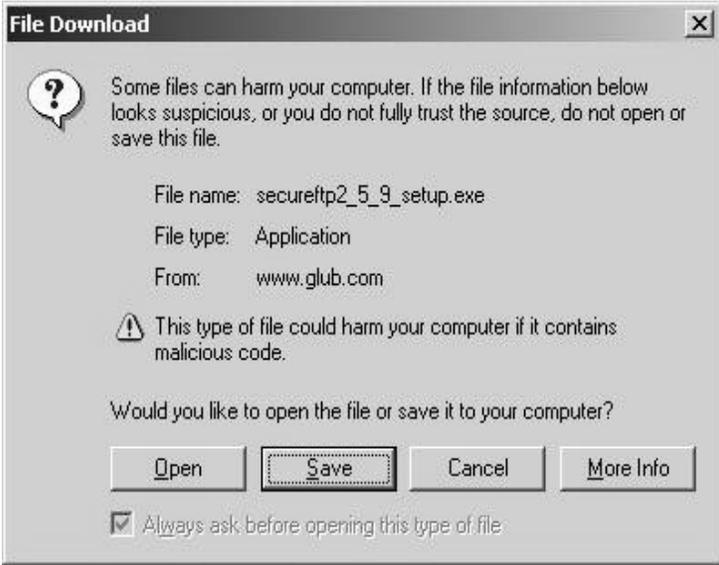
6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
2	<p>Choose the appropriate system from the drop down box.</p> <p>Note: Most will have Windows software.</p> <p>Providing an e-mail address is optional (field may be left blank). If an e-mail address is provided, the user will receive periodic updates from Sun Microsystems</p> <p>Be sure to read the list of requirement before downloading. Choose "Download Now".</p> 

6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
3	<p>On the File Download pop-up screen choose "Open".</p> 
	<p>This pop-up screen will be displayed when "open" is selected.</p> 

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6 New Secure FTP Software (Continued)

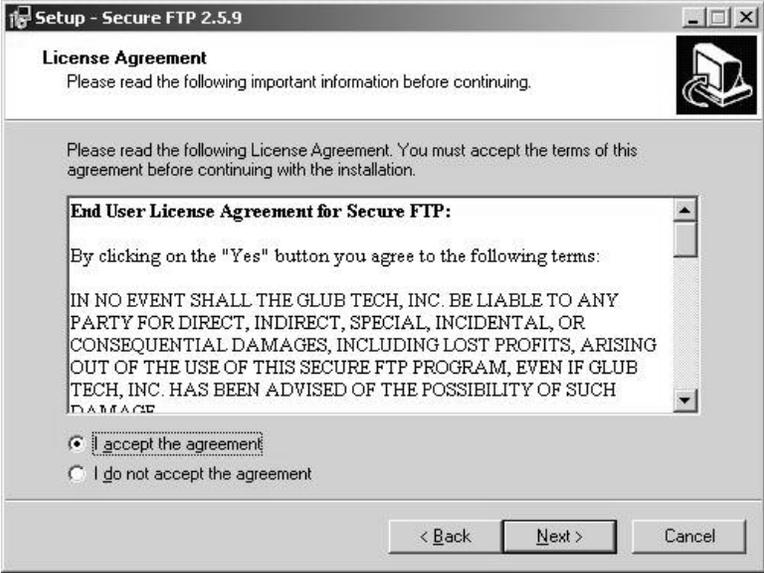
C Installing and Using the Software (Continued)

Step	Action	
4	IF an adequate version of JAVA is...	THEN...
	already loaded on the PC	continue with step 5.
	not loaded on the PC	<p>the following warning screen will be displayed</p>  <p>Chose "OK" to be directed to the free Java site.</p>
	<p>Choose "Download Now" and follow the instructions to download and install JAVA. Once installation is complete, close out the JAVA window.</p> <p>Go back to the Secure FTP site at http://www.glub.com/products/secureftp/download.shtml and proceed to Step 5 to begin downloading the Secure FTP software.</p> 	

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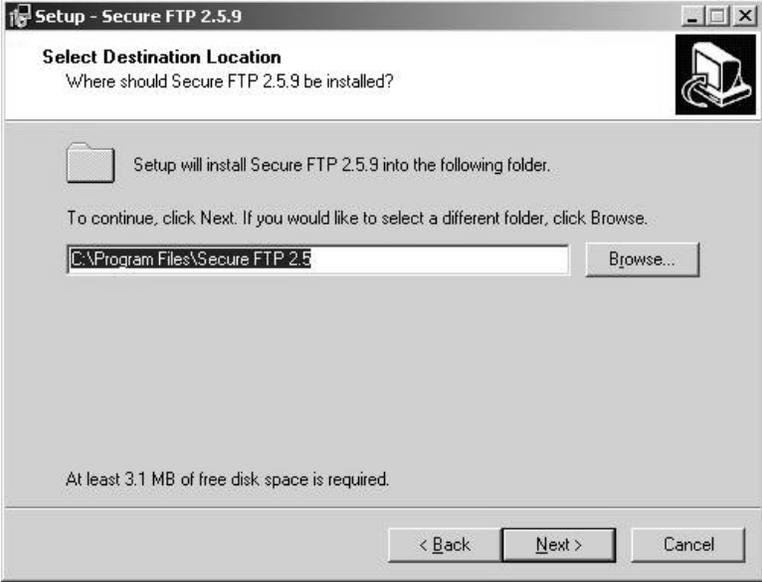
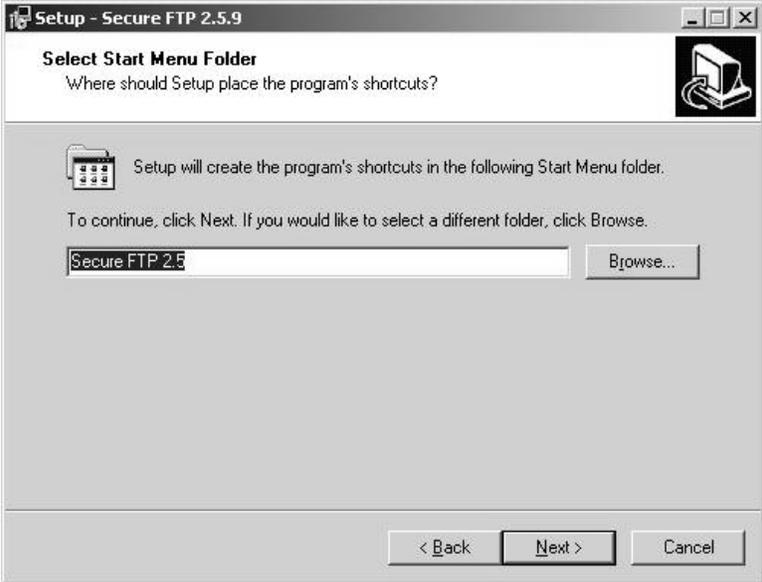
6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
5	<p>Begin the SFTP download.</p> <p>Note: Close all other applications except Internet Explorer before choosing "Next".</p> 
6	<p>On the License Agreement Screen, choose "Accept" and click "Next".</p> 

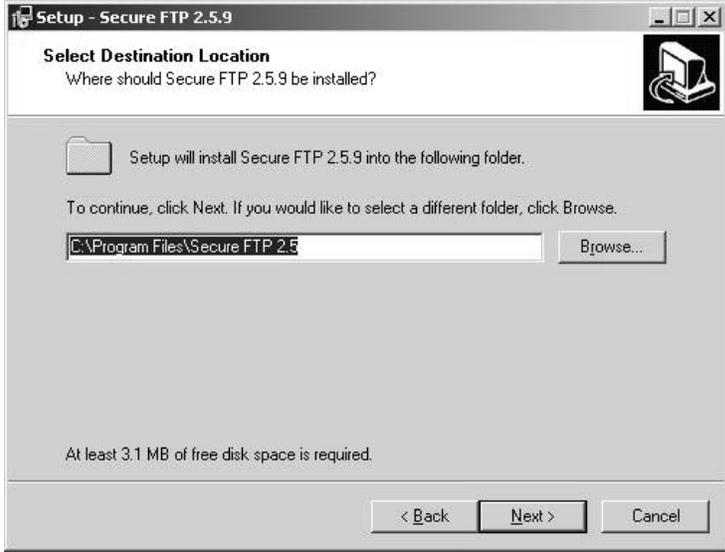
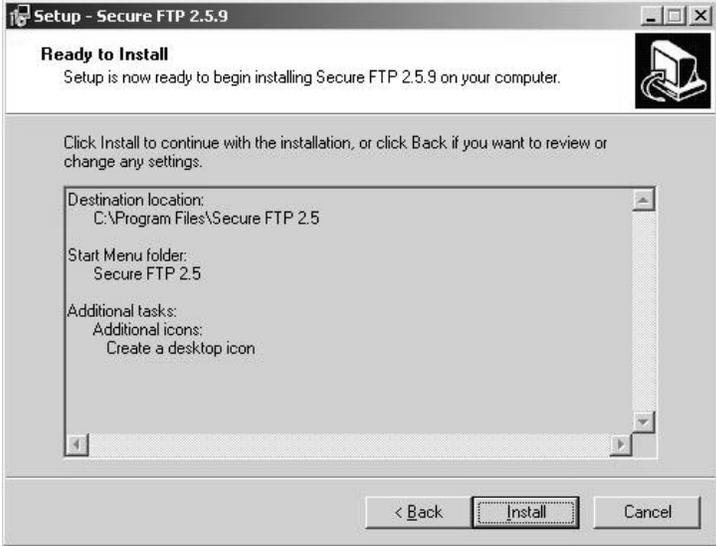
6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
7	<p>It is recommended that the software be installed under C:\Program Files.</p> <p>Note: The user may choose "Browse" to install in another location, then choose "Next".</p> 
8	<p>On the Select Start Menu Folder Screen, choose "Next" to install Secure FTP 2.5 in the Start Menu folder.</p> 

6 New Secure FTP Software (Continued)

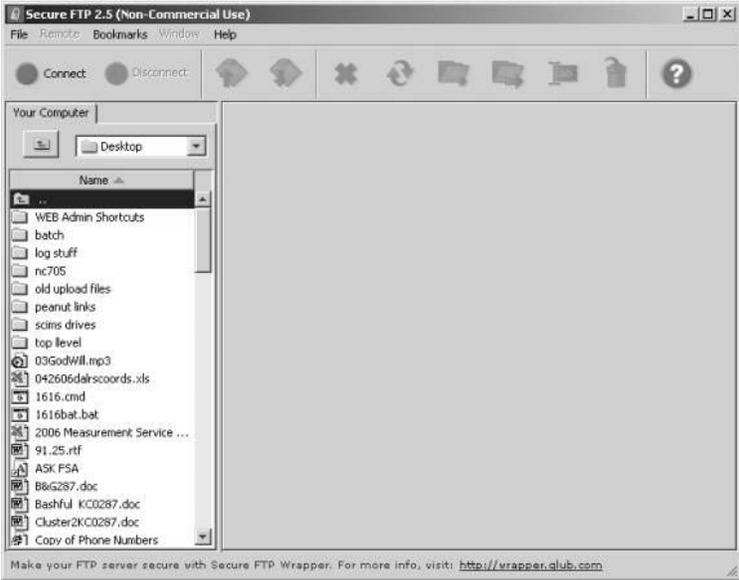
C Installing and Using the Software (Continued)

Step	Action
9	<p>On the Select Destination Location Screen, choose "Create Desktop icon", remove the check mark from "Create a Quick Launch icon", and choose "Next".</p> 
10	<p>The Ready to Install Screen will be displayed with the user's selections for installation. Review and choose "Install" to begin installation.</p> 

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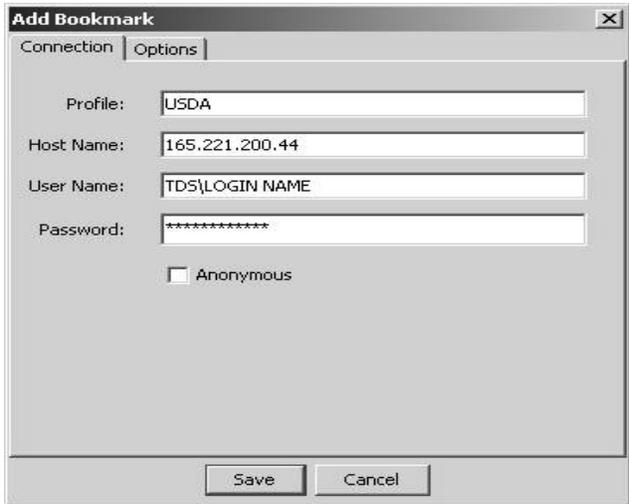
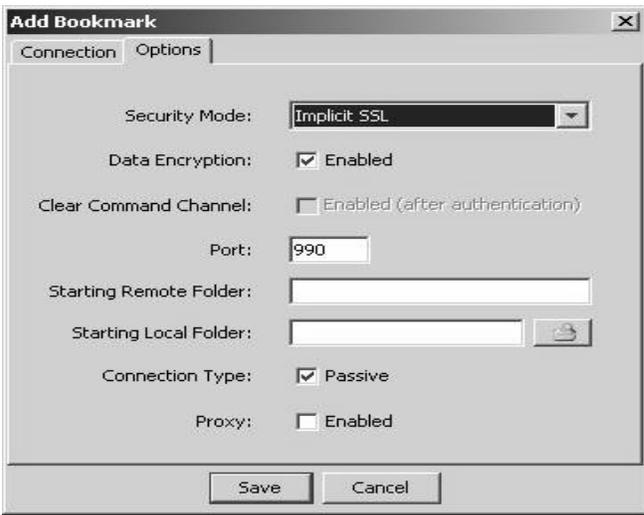
6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
11	<p>On the Setup Wizard Screen choose "Finish" to complete the installation. The user will automatically be directed to the next screen, which may take approximately 30 seconds.</p> 
12	<p>The left side of the screen contains the user's files. To create a connection to the SFTP server, select "Bookmarks" from the menu bar at the top of the screen and select "Add Bookmark" from the drop down list.</p> 

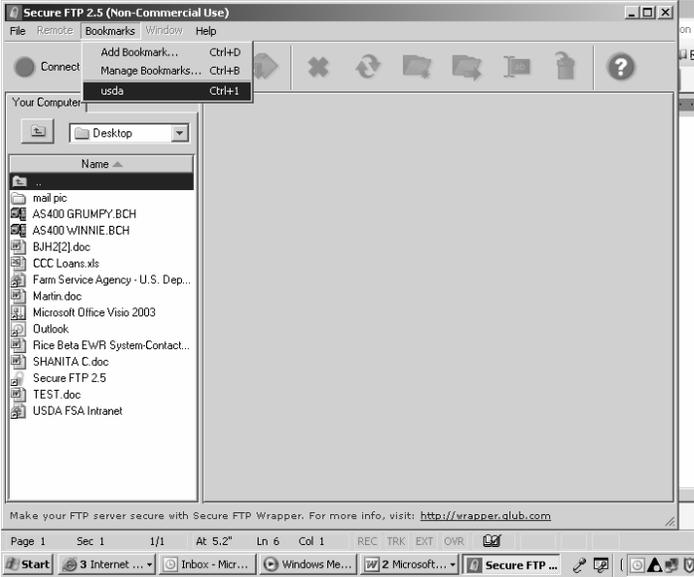
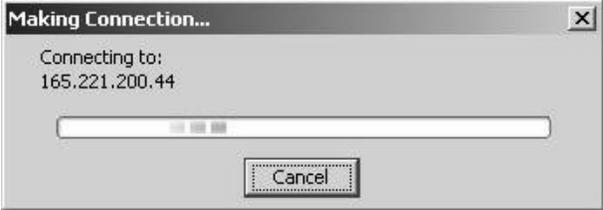
6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
13	<p>Complete the information for the "Connection" tab on the Add Bookmark Screen according to the following:</p> <ul style="list-style-type: none"> • "Profile" will be what the user chooses to name the connection. • "Host Name" is always "165.221.200.44" • "User Name" will always begin with tds\ . Enter the new user name and password received from the National Office. See subparagraph 6 B. • Click on the "Options" tab and go to step 14. Do not save or cancel. 
14	<p>Under the "Options" tab change "Security Mode" to "Implicit SSL" by using the drop down list. Choose "Save". This will close the window.</p> 

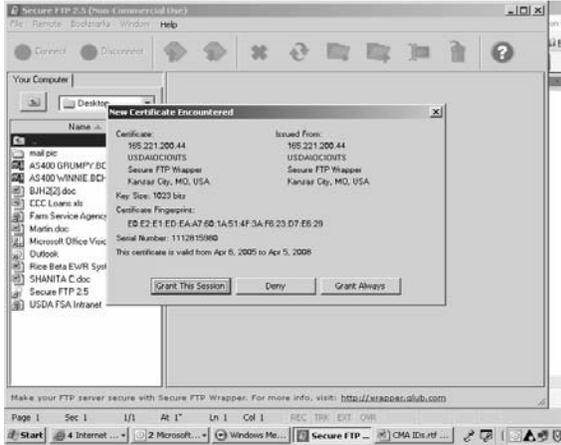
6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
15	<p>Click on "Bookmarks" from the menu and from the drop down list click on the specified "Profile Name" which was created in step 13. The software will be launched.</p>  <p>The screenshot shows the 'Secure FTP 2.5 (Non-Commercial Use)' application window. The 'Bookmarks' menu is open, displaying a list of saved profiles. The profile named 'usda' is highlighted. The main window area shows a file explorer view of the local computer's desktop, listing various files and folders such as 'mail pic', 'AS 400 GRUMPY.BCH', and 'Secure FTP 2.5'. The taskbar at the bottom shows several open applications including Internet Explorer, Outlook, and the Secure FTP software.</p>
	<p>The following pop-up screen will be displayed while the software is being launched; the next screen will automatically pop-up.</p>  <p>The screenshot shows a small dialog box titled 'Making Connection...'. It contains the text 'Connecting to:' followed by the IP address '165.221.200.44'. Below the text is a progress bar with several small squares. A 'Cancel' button is located at the bottom of the dialog box.</p>

6 New Secure FTP Software (Continued)

C Installing and Using the Software (Continued)

Step	Action
16	<p>Choose "Grant Always" to close the window and connect to SFTP.</p> 
17	<p>The next screen displayed shows that the user is connected to the Secure FTP. Users will see a folder with the title "Howdy.txt".</p> <p>Users may upload the files by the "drag and drop" method or simply right click on the files and choose "upload".</p> <p>Click on "Remote" at the top of the screen, from the drop down box, highlight "Transfer Mode" and then choose "Binary".</p> <p>To end the session, click on "File" from the top menu and choose "Exit".</p> <p>Note: After uploading a file, the user will see it on the right side until it has been processed by KC. After that time, it will still be there but will be hidden.</p> 