

For: State and County Offices

**2000 Linkage Noncompliance Report**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

3-DAP, paragraph 15, outlines the crop insurance linkage requirements for 1999 Quality Loss Program for Apples and Potatoes (QLP-AP), 2000 Crop Disaster Program (CDP), Quality Loss Program (QLP), and 2000 QLP-AP participants. Producers who elected not to purchase crop insurance on a crop in 2000 for which disaster benefits were received were required to purchase crop insurance on that crop for the 2001 and 2002 crop years.

These linkage requirements apply to the producer's interest in all counties regardless of where the benefits were obtained.

The software to print the 2000 Linkage Noncompliance Report is included in County Release No. 510. The 2000 Linkage Noncompliance Report will automatically generate a list of producers:

- who received a 1999 QLP-AP, 2000 CDP, QLP, and/or 2000 QLP-AP payment on an uninsured crop
- for whom RMA has no record of a 2002 crop insurance policy being purchased on the crop receiving a disaster benefit.

**Note:** The report will serve as a basis for disaster linkage compliance verification.

**B Purpose**

This notice provides instructions for using the 2000 Linkage Noncompliance Report as a basis for compliance determinations for 1999 QLP-AP, 2000 CDP, QLP, and 2000 QLP-AP participants.

<p><b>Disposal Date</b></p> <p>December 1, 2003</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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### 2 County Office Action

#### A Reviewing Report for Potential Violations

County Offices shall review the list of producers on the 2000 Linkage Noncompliance Report and annotate those producers readily identifiable as being in compliance.

A producer may appear on the report, but may be in compliance with the linkage requirements if any of the following apply:

- producer did not plant the listed insurable crop during the 2002 crop year
- producer has already paid liquidated damages to the County Office according to 3-DAP, paragraph 15
- at the time the producer applied for disaster benefits, the crop insurance sales closing date for 2002 had passed for the specific crop
- producer is no longer farming
- producer is no longer farming as the entity listed on the report.

#### B Mailing Notification Letter to the Producers on the Report

Using the 2000 Linkage Noncompliance Report as a basis, mail each producer a notification letter informing them of their crop insurance linkage requirements and the lack of an RMA record indicating insurance was purchased for the 2002 crop year. Use the suggested format in Exhibit 1.

The notification letter shall be mailed by May 30, 2003.

#### C Producer Response Within 30 Calendar Days

If the producer contacts the County Office within 30 calendar days of the date of the notification letter and the County Office determines that liquidated damages are due, the County Office shall manually establish a receivable for the amount of the liquidated damages according to 67-FI. The County Office shall use program code "LIDACDP" for 2000 liquidated damages.

If the producer contacts the County Office within 30 calendar days of the date of the notification letter and the producer provides proof that the crop or crops were not planted in 2002, no action is necessary. The County Office shall manually annotate this on the report.

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### 2 County Office Action (Continued)

#### D Follow Up After 30 Calendar Days

After 30 calendar days, the County Office shall follow up the notification letter with a demand letter listing the amount of liquidated damages being assessed. A demand letter shall be sent to those producers who have not responded to the initial notification letter.

The amount of liquidated damages to be assessed in the demand letter will be the lesser of the disaster payment or \$200 per crop.

**Note:** The total amount of liquidated damages assessed cannot exceed the disaster payment.

Refer to the insurable crop table printed out according to 3-DAP, paragraph 228, to determine the insurable crops in the county.

The initial assessment may be reduced if the producer provides evidence to COC's satisfaction indicating that any of the crops for which the producer is being assessed were not planted during the 2002 crop year.

**Example:** A producer may initially be assessed \$600 because a QLP payment was received on 3 insurable crops in the county. The producer indicates only 1 insurable crop was actually planted in 2002 and the claim is verified with a previously filed acreage report. COC may reduce the liquidated damage amount to \$200.

#### E Establishing Receivables and Claims

The County Office shall manually establish a receivable for the amount of liquidated damages according to 67-FI. The County Office shall use program code "LIDACDP" for 2000 liquidated damages.

### 3 Printing the 2000 Linkage Noncompliance Report

#### A Initial Download of the 2000 Linkage Noncompliance Report

The software to print the 2000 Linkage Noncompliance Report and the data for the report will be included in County Release No. 510.

The report identifies the producers who received 2000 disaster benefits, but RMA has no record of an insurance policy being purchased by the producer in 2002. The report lists the following:

- producer ID number
- producer name
- crop
- dollar amount received.

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### 3 Printing the 2000 Linkage Noncompliance Report (Continued)

#### A Initial Download of the 2000 Linkage Noncompliance Report (Continued)

RMA made the determination to which county the producer should be downloaded based on the CDP payment history files; therefore, a record will be downloaded to each County Office for the program, 1999 QLP-AP, 2000 CDP, QLP, and/or 2000 QLP-AP, that the producer received a payment.

#### B Reprinting the 2000 Linkage Noncompliance Report

The 2000 Linkage Noncompliance Report can be reprinted, if necessary, from Crop Disaster Program Reports Menu MHADR0. Follow these steps to reprint the report.

Step	Menu	Action
1	FAX250	ENTER "3" or "4", "Application Processing", as applicable, and PRESS "Enter".
2	FAX09002	Enter the appropriate county, if applicable, and PRESS "Enter".
3	FAX07001	ENTER "11", "PFC/DCP/Compliance", and PRESS "Enter".
4	M00000	ENTER "1", "NAP and Disaster", and PRESS "Enter".
5	MH0000	ENTER "1", "Crop Disaster Program", and PRESS "Enter".
6	MHA0YR	ENTER "2", "2000 Crop Year", and PRESS "Enter".
7	MHAX00	ENTER "1", "Crop Disaster Program", and PRESS "Enter".
8	MHAD00	ENTER "2", "Reports", and PRESS "Enter".
9	MHADR0	ENTER "9", "Linkage Noncompliance Report", and PRESS "Enter".
10	MHADRL	ENTER "2", "2002 Linkage Report", and PRESS "Enter".
11	MHADPS01	Enter the printer ID and PRESS "Enter" to generate the report.

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**3 Printing the 2000 Linkage Noncompliance Report (Continued)**

**C Example of the 2000 Linkage Noncompliance Report**

The following is an example of the 2000 Linkage Noncompliance Report.

North Dakota	USDA-FSA	Prepared: 05-01-2003	
A RANSOM	2000 Linkage Noncompliance Report		
Report ID: MHADR9-R001		Page: 1	
<p>This report lists the producers who received an uninsured 1999 QLP-AP, 2000 CDP, QLP, and/or QLP-AP payment. These producer were required to purchase crop insurance in 2001; however, RMA has no record of an insurance policy being purchased.</p>			
<u>Producer ID</u>	<u>Producer Name</u>	<u>Crop</u>	<u>Dollar Amt Received</u>
123456789 S	John Smith	UPCN	500.00

Example of Notification Letter

United States  
Department of  
Agriculture

County Office Name and Address

Date

To: Participants in 1999 QLP-AP, 2000 CDP, QLP, and/or 2000 QLP-AP

Producers who received a 1999 QLP-AP, 2000 CDP, QLP, and/or 2000 QLP-AP payment were required to purchase crop insurance in 2002 for any insurable crop for which payment was received.

In \_\_\_\_\_ County, crops that were insurable are:  
(Insert County Name)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(List each crop in which at least CAT level insurance was available according to 3-DAP, paragraph 228.)

Noncompliance with the crop insurance linkage requirement will result in a liquidated damage assessment for 2002 of the lesser of:

- your 2000 disaster payment, or
- twice the fee for CAT level insurance coverage ( $\$100 \times 2 = \$200$ ) for the crop or crops for which you did not purchase crop insurance.

There has been no record received in the \_\_\_\_\_ FSA County Office from the Risk Management Agency indicating you purchased the required crop insurance for 2002. You should immediately contact the \_\_\_\_\_ FSA County Office to resolve any differences.

If you did not grow any of the crops listed above during 2002, you may indicate so by signing the attached certification and returning it to the \_\_\_\_\_ FSA County Office within 30 calendar days from the date of this letter.

Example of Notification Letter (Continued)

### Crop Insurance Linkage Certification

During the 2002 crop year, I did not plant any crop for which at least Catastrophic level crop insurance coverage was available and a payment was received. I understand this linkage requirement for payments received under 1999 QLP-AP, 2000 CDP, QLP, and/or 2000 QLP-AP applies to my interest in all counties regardless of where the benefits were obtained.

\_\_\_\_\_  
Print Name of producer receiving payments under 1999 QLP-AP,  
2000 CDP, QLP, and/or 2000 QLP-AP

\_\_\_\_\_  
Signature of the Producer  
or authorized agent

\_\_\_\_\_  
Date