

For: State and County Offices

**Livestock Assistance Program (LAP) Payment Reduction Mismatch Report**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

4-DAP, Part 4 provides that an applicant’s LAP payment will be reduced by the amount(s) the applicant received under the 2002 Cattle Feed Program (CFP), Livestock Compensation Program-I (LCP-I), and Livestock Compensation Program-II (LCP-II), regardless of whether the LAP payment is for 2001 or 2002.

For general partnerships and joint ventures, each member of the general partnership or joint venture must submit a separate LAP application for their respective share.

The LAP software displays the CFP, LCP-I, and LCP-II benefits received by the applicant from the County Office in which the applicant is completing the LAP application. However, some CFP, LCP-I, and LCP-II benefits were issued to general partnership or joint venture ID numbers instead of each member of the general partnership or joint venture. The LAP application software does **not** display CFP, LCP-I, and LCP-II benefits received by an individual:

- through a general partnership or joint venture
- from any other County Office.

The amount of CFP benefits actually received by some LAP applicants were different than the amount recorded in the System 36 because, for example, the applicant may not have obtained as much feed as indicated on their CFP application. In these situations, modifications to the amounts received by the producer were made to ensure correct information was provided for tax purposes. However, County Offices were not notified of the modifications; therefore, the CFP benefit amount recorded in the System 36 for certain LAP applicants may not be accurate.

A LAP payment reduction mismatch report has been developed that compares a LAP applicant’s CFP, LFP-I, and LFP-II reduction amount(s) recorded on the applicant’s LAP application to that applicant’s amount of CFP, LFP-I, and LFP-II benefits provided for tax purposes.

<b>Disposal Date</b>	<b>Distribution</b>
April 1, 2004	State Offices; State Office relay to County Offices

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### 1 Overview (Continued)

#### B Purpose

This notice provides:

- State and County Offices with instructions on how to use the LAP payment reduction mismatch report
- an example of the LAP payment reduction mismatch report (Exhibit 1).

#### C LAP Payment Reduction Mismatch Report

The LAP payment reduction mismatch report provides a list of LAP applicants, in ID number order, by State and county, for which their LAP payment reduction amount(s) for CFP, LCP-I, or LCP-II do not match the applicant's CFP, LCP-I, or LCP-II benefit amount(s) provided for tax purposes.

The LAP payment reduction mismatch report includes CFP, LCP-I, or LCP-II benefits received by the LAP applicant through general partnerships or joint ventures.

#### D Distribution

PECD will distribute, through e-mail to each applicable State Office, a copy of the LAP payment reduction mismatch report for each applicable county within the State. The first report is scheduled to be distributed the week of October 27, 2003.

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**2 Example**

**A Example of LAP Payment Reduction Mismatch Report**

Exhibit 1 provides an example of the LAP payment reduction mismatch report. The following table provides an explanation for each applicant on the example report.

<b>Applicant</b>	<b>Situation</b>	<b>Action</b>
John R Doe	<p>John R Doe received \$5,244 of CFP benefits and \$2,649.46 (\$1,987 as an individual and \$662.46 through a joint operation) of LCP-I benefits. All benefits were received from Logan County Colorado.</p> <p>John R Doe's 2002 LAP application payment amount was reduced by only \$2,622 for CFP and \$1,987 for LCP-I.</p>	<p>County Office shall ensure the total amount the applicant received for both CFP and LCP, including the amount they received through a joint operation, is reduced from the LAP payment.</p>
Mary Smith	<p>Mary Smith received \$1,357 for CFP and \$3,445 for LCP-I from Cheyenne County Colorado, and \$3,312 for CFP and \$2,574 for LCP-I from Logan County Colorado.</p> <p>Mary Smith's 2002 LAP application payment amount was reduced by only \$3,312 for CFP and \$2,574 for LCP-I.</p>	<p>Logan County Office shall coordinate with the Cheyenne County Office to ensure that the total amount the applicant received for both CFP and LCP in both counties is reduced from the applicant's LAP payment(s).</p>
Mike Jones	<p>Mike Jones received \$1,889.91 (\$1,794 as an individual and \$95.91 through a joint operation) of CFP benefits and \$1,113.04 (\$1,062 as an individual and \$51.04 through a joint operation) of LCP-I benefits. All benefits were received from Logan County Colorado.</p> <p>Mike Jones' 2002 LAP application payment amount was reduced by only \$1,794 for CFP and \$1,062 for LCP-I.</p>	<p>County Office shall ensure the total amount the applicant received for both CFP and LCP, including the amount they received through a joint operation, is reduced from the LAP payment.</p>
Farm/Ranch Inc.	<p>Farm/Ranch Inc. received \$3,450 for CFP and \$2,790 for LCP-I from Platte County Wyoming.</p> <p>Farm/Ranch Inc's 2002 LAP application payment amount was reduced by only \$1,012 for CFP and \$1,314 for LCP-I.</p>	<p>Logan County Colorado Office shall coordinate with the Platte County Wyoming Office, through the respective State Offices, to ensure that the total amount the applicant received for both CFP and LCP is reduced from the applicant's LAP payment.</p>

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### 3 Action

#### A State Office Action

State Office shall:

- distribute the LAP payment reduction mismatch report to the applicable County Offices
- ensure that applicable County Offices take all necessary action to ensure LAP applicant's CFP, LCP-I, and LCP-II reduction amount(s) are correct
- assist in the coordination of LAP payment reductions for applicants with LAP applications filed in County Offices located across State lines.

#### B County Office Action

County Offices shall:

- ensure LAP applicant's CFP, LCP-I, and LCP-II reduction amount(s) are correct
- when more than 1 County Office is listed for the same LAP applicant, coordinate with the other County Office(s), and State Office when applicable, to ensure the correct amount of CFP, LCP-I, and LCP-II reductions are taken from the applicant's LAP applications.

LAP Payment Reduction Mismatch Report

10/08/03

USDA/FSA  
 2001/2002 LIVESTOCK ASSISTANCE PROGRAM  
 PRODUCERS WITH DEDUCTIONS THAT DON'T MATCH PPRS PAYMENT AMTS  
 STATE: 08-CO COUNTY: 075

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PRODUCER ID	PRODUCER NAME	JOINT OP ID		ST/CITY	CFP AMOUNT	LCP AMOUNT	LCP2 AMOUNT
999999999S	JOHN R DOE		PRIOR PMTS RECEIVED	08/075	5,244.00	1,987.00	.00
999999999S	JOHN R DOE	777777777E	PRIOR PMTS RECEIVED	08/075	.00	662.46	.00
999999999S	JOHN R DOE		PRIOR PMTS RECEIVED		5,244.00	2,649.46	.00
999999999S	JOHN R DOE		2002 LAP DEDUCTIONS	08/075	2,622.00	1,987.00	.00
999999999S	JOHN R DOE		2002 LAP DEDUCTIONS		2,622.00	1,987.00	.00
888888888S	MARY SMITH		PRIOR PMTS RECEIVED	08/017	1,357.00	3,445.00	.00
888888888S	MARY SMITH		PRIOR PMTS RECEIVED	08/075	3,312.00	2,574.00	.00
888888888S	MARY SMITH		PRIOR PMTS RECEIVED		4,669.00	6,019.00	.00
888888888S	MARY SMITH		2002 LAP DEDUCTIONS	08/075	3,312.00	2,574.00	.00
888888888S	MARY SMITH		2002 LAP DEDUCTIONS		3,312.00	2,574.00	.00
666666666S	MIKE JONES		PRIOR PMTS RECEIVED	08/075	1,794.00	1,062.00	.00
666666666S	MIKE JONES	555555555E	PRIOR PMTS RECEIVED	08/075	95.91	51.04	.00
666666666S	MIKE JONES		PRIOR PMTS RECEIVED		1,889.91	1,113.04	.00
666666666S	MIKE JONES		2002 LAP DEDUCTIONS	08/075	1,794.00	1,062.00	.00
666666666S	MIKE JONES		2002 LAP DEDUCTIONS		1,794.00	1,062.00	.00
444444444E	FARM/RANCH INC		PRIOR PMTS RECEIVED	56/031	3,450.00	2,790.00	.00
444444444E	FARM/RANCH INC		PRIOR PMTS RECEIVED		3,450.00	2,790.00	.00
444444444E	FARM/RANCH INC		2002 LAP DEDUCTIONS	08/075	1,012.00	1,314.00	.00
444444444E	FARM/RANCH INC		2002 LAP DEDUCTIONS		1,012.00	1,314.00	.00