

For: State and County Offices

**Updating 2003/2004 Gross Revenue for Disaster and Other
Determinations for Livestock Assistance Program (LAP) Applicants**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

4-DAP (Rev. 1), subparagraph 13 C provides that a “person” who had gross revenue in excess of \$2.5 million for the applicable year shall not be eligible for benefits under LAP.

When signing CCC-740, applicants must certify whether they meet the \$2.5 million gross revenue provision.

The 2003/2004 LAP payment software will read the Gross Revenue for Disaster determination recorded in the web-based eligibility system for the applicable year. The Gross Revenue for Disaster determination is used for payment eligibility purposes when a disaster program is in effect that uses the \$2.5 million gross revenue provision.

The Gross Revenue for Disaster determination value was defaulted to “Not Filed” for all producers for the 2003 and 2004 subsidiary years because it is not a continuous certification.

The National Office has determined that the Gross Revenue for Disaster determination information has not been updated in the eligibility system for most 2003/2004 LAP applicants.

B Purpose

This notice:

- instructs County Offices to ensure that the Gross Revenue for Disaster determination for all LAP applicants is updated based on the applicant’s certification on CCC-740 or COC determination
- provides a list of subsidiary files and applications that will be read by the 2003/2004 LAP payment software.

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2 Gross Revenue

A Gross Revenue Policy Limit

A "person" who had gross revenue in excess of \$2.5 million for the:

- 2002 tax year, shall not be eligible for 2003 benefits under LAP
- 2003 tax year, shall not be eligible for 2004 benefits under LAP.

Note: See 4-DAP (Rev. 1), subparagraph 13 D for determining annual gross revenue.

When completing CCC-740, each applicant must certify whether they meet the \$2.5 million gross revenue provision. See 4-DAP (Rev. 1), paragraphs 13 and 21.

The gross revenue certification on CCC-740 is for the "person" as determined according to 1-PL. "Person" determinations for general partnerships and joint ventures are made at the member level. See 4-DAP (Rev. 1) subparagraph 13 C.

The applicant's certification on CCC-740 shall be used to update the applicant's Gross Revenue for Disaster determination information in the web-based eligibility system.

B Updating Gross Revenue for Disaster Determination in Web-Based System

The Gross Revenue for Disaster determination value was defaulted to "Not Filed" for all producers for the 2003 and 2004 subsidiary years. Producers with a Gross Revenue for Disaster determination value set to "Not Filed" will not be issued a LAP payment.

The Gross Revenue for Disaster determination value for many LAP applicants is set at "Not Filed".

3-PL, paragraph 34 provides instructions for updating the Gross Revenue for Disaster determination information.

Important: The Gross Revenue for Disaster determination value must be updated for both the joint operation and the members.

3 Other Producer Records

A Other Determinations/Certifications

In addition to the Gross Revenue for Disaster determination information, the 2003/2004 LAP payment software will read the information for the following determinations/certifications:

- AD-1026
- conservation compliance
- controlled substance
- "person".

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3 Other Producer Records (Continued)

B Other Producer and Farm Data

Once 2006 rollover is completed, County Offices will no longer have the capability to add, update, or delete 2003 data for the following applications:

- farm and tract maintenance
- combined producer maintenance
- payment limitation maintenance
- joint operation and entity maintenance.

It is critical that County Offices verify that these applications are updated correctly for 2003 LAP applicants. Failure to do so could result in FSA's inability to properly issue payments to producers.

Important: See Notice DAP-228.

4 LAP Applications

A Action Required on All LAP Applications

COC must act on **all** CCC-740's submitted. If a county is approved for LAP for both 2003 and 2004, eligible producers shall be instructed to complete CCC-740 for both years. See 4-DAP (Rev. 1), paragraph 20.

Important: If a producer elects to apply for only 1 year, COC shall request that the producer sign a statement indicating the producer was instructed to complete CCC-740 for both years, but the producer elected to apply for only 1 year.

When a producer submits CCC-740 for both years, and COC approves both CCC-740's, the 2003/2004 LAP payment software will determine which application provides the greatest benefit to the producer.

Important: County Offices shall not attempt to determine which year provides the greatest benefit to the producer.

B Status of LAP Applications

As of August 22, 2005, over 26,000 LAP applications have been recorded in the web-based system with no action taken by COC.

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5 Action

A County Office Action

County Offices shall:

- review and update, if necessary, the Gross Revenue for Disaster determination information for each LAP applicant, based on the applicant's certification on CCC-740 or COC determination

Note: 3-PL, paragraph 34 provides instructions for updating the Gross Revenue for Disaster determination information.

Important: The Gross Revenue for Disaster determination information is year specific; therefore, it must be updated for both 2003 and 2004 for LAP applicants who submitted a LAP application for both years.

- verify that data is recorded properly in the automated system for all determinations/certifications provided in subparagraph 2 B before 2006 rollover
- ensure that all CCC-740's are acted on and the action recorded in the web-based LAP application system in a timely manner.