

For: State and County Offices

**Crop Disaster Program (CDP) Linkage Noncompliance Report**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

5-DAP, paragraph 15, and Notice DAP-191 provide the linkage requirements for 2001 and 2002 CDP participants. Producers who elected not to purchase crop insurance or NAP coverage on a crop in 2001 or 2002 for which disaster benefits were received were required to purchase crop insurance or NAP coverage on that crop for the 2003 and 2004, 2004 and 2005, or, under some circumstances, 2005 and 2006 crop years, with exceptions.

The linkage requirement applies to the producer’s interest in the crop, specifically receiving benefits, in the county where the crop was physically planted or prevented from being planted.

Software for the CDP Linkage Noncompliance Report will be included in County Release No. 582. An information bulletin will be issued to notify County Offices when the report can be printed. The CDP Linkage Noncompliance Report will automatically generate a list of producers for whom:

- RMA has no record of a crop insurance policy being purchased in 2003 **and** 2004 or 2004 **and** 2005 on the crop receiving a disaster benefit
- NAP has no record of NAP coverage being purchased in 2003 **and** 2004 or 2004 **and** 2005 on the crop receiving a disaster benefit.

**B Purpose**

This notice provides instructions for using the CDP Linkage Noncompliance Report as a basis for compliance determinations for 2001 and 2002 CDP participants.

Disposal Date	Distribution
August 1, 2006	State Offices; State Offices relay to County Offices

## Notice DAP-239

### 2 County Office Action

#### A Reviewing Report for Potential Violations

County Offices shall review the list of producers on the CDP Linkage Noncompliance Report and annotate those producers that appear on the report, but may be in compliance with the linkage requirements because any of the following apply.

- At the time the producer applied for CDP, the crop insurance sales closing date for 2004 had passed for the specific crop. Refer to subparagraph B for additional information.
- The producer obtained buy-up crop insurance or NAP coverage for the 2005 crop year and is eligible to purchase coverage for the 2006 crop year. Refer to subparagraph B for additional information.
- The producer did not plant the listed insurable or noninsurable crop during either the 2004 and/or 2005 crop year. Refer to subparagraph C for additional information.
- Producer has already refunded the full amount of the 2001 or 2002 CDP payment to the County Office according to 5-DAP, paragraph 15.
- Producer is no longer farming.
- Producer is no longer farming as the entity listed on the report.

#### B Crop Insurance Sales Closing Date or Application Closing Date for NAP Had Passed

5-DAP, subparagraph 15 C provides an exception to the linkage rule if the sales closing date for crop insurance or the application closing date for NAP had expired for 2003 or 2004 on or before March 1, 2004. The applicant's CDP application date shall be used to determine the years of coverage needed to meet the linkage requirement.

**Exception:** If the sales closing date for 2004 crop insurance or NAP coverage occurred after March 1, 2004, the producer was required to obtain the required coverage for either of the following:

- 2003 and 2004 crop years
- 2004 and 2005 crop years.

If the sales closing date for 2004 crop insurance or NAP coverage occurred on or before March 1, 2004, producers were required to obtain the required coverage for 1 of the following:

- 2003 and 2004 crop years
- 2004 and 2005 crop years
- 2005 and 2006 crop years.

**Note:** 2003 cannot be used as a linkage year if the producer did not plant the crop.

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### 2 County Office Action (Continued)

#### B Crop Insurance Sales Closing Date or Application Closing Date for NAP Had Passed (Continued)

**Note:** This report only lists producers who did not purchase crop insurance or NAP coverage in 2003, 2004, and 2005. The report listing producers who did not purchase crop insurance or NAP coverage in 2006 will be provided after the deadlines to purchase 2006 crop insurance and NAP coverage have passed.

#### C Producer Did Not Plant the Crop

If a producer did not plant the crop during 2004 and/or 2005, the linkage requirement will be considered to have been met for the applicable crop year. This exception only applies to the year in which the crop was not planted.

**Examples:** The producer received 2001 CDP benefits on corn. The producer did not plant corn in 2003 but did plant corn in 2004. Since 2003 cannot be used as a linkage year if the producer did not plant the crop in 2003, the linkage requirement is that the producer purchase 2004 and 2005 crop insurance.

The producer received 2002 CDP benefits on peas. The producer planted peas in 2003 but did not plant peas in 2004. The linkage requirement is that the producer purchase 2003 NAP coverage only.

The linkage certification in Exhibit 1 shall be completed if the producer did not plant the crop for which disaster benefits were received.

**Note:** If FSA-578's are on file that cover all cropland on the farm and/or unit, a linkage certification is not required.

#### D Mailing Notification Letters to the Producers on the Report

Using the CDP Linkage Noncompliance Report as a basis, mail each applicable producer a notification letter informing them of their linkage requirements and the lack of a record indicating insurance or NAP coverage was purchased for the 2003, 2004, and/or 2005 crop years. Use the suggested format in Exhibit 1.

The notification letter shall be mailed by March 17, 2006.

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**2 County Office Action (Continued)**

**E County Office Action After Producer Notification Letter Is Mailed**

County Offices shall use the following table to determine appropriate action after the notification letter has been mailed according to subparagraph D.

<b>IF the producer...</b>	<b>THEN the County Office shall...</b>
contacts the County Office within 30 calendar days of the date of the notification letter and provides proof of any of the exceptions listed in subparagraph A	manually annotate this on the report. No further action is necessary.
contacts the County Office within 30 calendar days of the date of the notification letter and notifies the County Office that the linkage requirement was not met	manually establish a receivable for the amount of the CDP payment plus interest according to 67-FI. Interest shall be computed according to 50-FI. The County Office shall use program code "01-02CDP" or "01-02SDP", as applicable.
does not contact the County Office within 30 calendar days of the date of the notification letter	manually establish a receivable for the amount of the CDP payment plus interest and initiate the debt collection process by mailing the initial notification letter to the producer according to 67-FI. Interest shall be computed according to 50-FI. The County Office shall use program code "01-02CDP" or "01-02SDP", as applicable.

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### 3 Printing the CDP Linkage Noncompliance Report

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

Software for the CDP Linkage Noncompliance Report will be included in County Release No. 582. An information bulletin will be issued to notify County Offices when the CDP Linkage Noncompliance Report can be printed.

The report identifies the producers who received 2001 or 2002 disaster benefits, but for whom there is no record of an insurance policy or NAP coverage being purchased in 2003, 2004, and/or 2005. The report lists the following:

- producer ID number
- producer name
- crop
- coverage type by year – coverage type will only be printed for the years that the producer met the linkage requirements.

#### B Printing the Report

Print the CDP Linkage Noncompliance Report from Crop Disaster Program Reports Menu MHADRM according to the following table.

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 "3", "2001 Application Processing", or "4", "2002 Application Processing", and PRESS "Enter".
7	MHAD00	ENTER "2", "Reports", and PRESS "Enter".
8	MHADRM	ENTER "9", "Linkage Noncompliance Report", and PRESS "Enter".
9	MHADPS01	Enter the printer ID, and PRESS "Enter" to generate the report.

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3 Printing the CDP Linkage Noncompliance Report (Continued)

C Example of the CDP Linkage Noncompliance Report

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

North Dakota A RANSOM Report ID: MHADRE-R001	U.S. Department of Agriculture Farm Service Agency CDP Linkage Noncompliance Report	Prepared: 07-27-2004 Page: 1				
-----						
<p>This report lists the producers that received 2001 or 2002 CDP payments. These producers were required to purchase crop insurance or NAP coverage in 2003 and 2004, however, RMA has no record of an insurance policy and NAP has no record of coverage being purchased.</p>						
<u>Producer ID</u>	<u>Producer Name</u>	<u>Crop</u>	<u>Coverage Type by Year</u>			
			<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
123456789 S	John Doe	WHEAT – HARD WHITE	NAP		NAP	
987654321 S	Jim Jones	CORN		INS		INS

Example of Notification Letter

United States  
Department of  
Agriculture

County Office Name and Address

Date:

To: Participants in 2001 or 2002 CDP

Producers who received a 2001 or 2002 CDP payment were required to purchase crop insurance or NAP coverage in 2003 **and** 2004 or 2004 **and** 2005 on any crop for which benefits were received.

In \_\_\_\_\_ County, there is no record indicating you purchased the required crop insurance or NAP coverage on the following crops for 2003, 2004, and/or 2005.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noncompliance with the linkage requirement will require a refund of your 2001 or 2002 disaster payment, plus interest, on the crop(s) for which benefits were received.

You should immediately contact the \_\_\_\_\_ FSA County Office to resolve any differences.

If you did not grow one or more of the crops listed above during 2003, 2004, and/or 2005, you may indicate so by signing the attached certification(s) and returning it to the \_\_\_\_\_ FSA County Office within 30 calendar days from the date of this letter.

Example of Notification Letter (Continued)

**2004 Linkage Certification**

During the 2004 crop year, in \_\_\_\_\_ County, I did not plant any of the following crops for which a 2001 or 2002 CDP payment was received.

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

\_\_\_\_\_  
Print Name of Producer receiving payments under 2001 or 2002 CDP

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

\_\_\_\_\_  
Date

**2005 Linkage Certification**

During the 2005 crop year, in \_\_\_\_\_ County, I did not plant any of the following crops for which a 2001 or 2002 CDP payment was received.

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

\_\_\_\_\_  
Print Name of Producer receiving payments under 2001 or 2002 CDP

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

\_\_\_\_\_  
Date