UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice DAP-261

For: State and County Offices

Linkage Noncompliance Reports

Approved by: Acting Deputy Administrator, Farm Programs

1 Overview

A Background

5-DAP, paragraph 15, provides the linkage requirements for 2001 and 2002 Crop Disaster Program (CDP) and Sugar Beet Disaster Program (SDP) 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 next 2 available crop years.

5-DAP (Rev. 1), paragraph 30 provides the linkage requirements for 2003, 2004, and 2005 CDP participants. Producers who elected not to purchase crop insurance or NAP coverage on a crop in 2003, 2004, or 2005 for which disaster benefits were received were required to purchase crop insurance or NAP coverage on that crop for the next 2 available crop years.

These linkage requirements apply 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.

The software to print the Linkage Noncompliance Reports is included in County Release No. 612. Linkage Noncompliance Reports will automatically generate a list of producers for whom:

- RMA has no record of a crop insurance policy being purchased for the required years on the crop receiving a disaster benefit

- NAP has no record of NAP coverage being purchased for the required years on the crop receiving a disaster benefit.

Disposal Date	Distribution
December 1, 2007	State Offices; State Offices relay to County Offices

1 Overview (Continued)

B Purpose

This notice:

- provides instructions for using the Linkage Noncompliance Reports as a basis for compliance determinations for participants in:
  - 2001 and 2002 CDP and SDP
  - 2003, 2004, and 2005 CDP
- obsoletes Notice DAP-258.

Note: Subparagraph 3 F has been corrected to provide updated steps for establishing a receivable for 2003, 2004, and 2005 CDP.

2 2001 and 2002 CDP and SDP

A Reviewing Linkage Noncompliance Reports for Potential Violations

County Offices shall review the list of producers on the Linkage Noncompliance Report for 2001 and 2002 CDP 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 the 2001 and 2002 CDP or SDP, the crop insurance sales closing date for had passed for the specific crop for next available crop year. Refer to subparagraph B for additional information.
- The producer did not plant the listed insurable or noninsurable crop during the required linkage years. Refer to subparagraph C for additional information.
- Producer has already refunded the full amount of the disaster payment to the County Office.
- Producer is no longer farming.
- Producer is no longer farming as the entity listed on the report.

2 2001 and 2002 CDP and SDP (Continued)

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 for 2001 and 2002 CDP and SDP, if the sales closing date for crop insurance or the application closing date for NAP had expired for the 2003 or 2004 crop year on or before March 1, 2004. The applicant's CDP or SDP 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, the producer was 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.

C Producer Did Not Plant the Crop

If a producer did not plant the crop during 1 or more of the required linkage years, the linkage requirement for 2001 and 2002 CDP and SDP 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, 2005, and/or 2006 crop insurance only.

The producer received 2002 CDP benefits on peas. The producer planted peas in 2004 but did not plant peas in 2005. The linkage requirement is that the producer purchase 2004 NAP coverage only.

The producer received 2002 CDP benefits on corn. The producer was required to obtain the required coverage for 2005 and 2006. The producer planted corn in 2005 but did not plant corn in 2006. The linkage requirement is that the producer purchase 2005 coverage only.

2 2001 and 2002 CDP and SDP (Continued)

C Producer Did Not Plant the Crop (Continued)

The linkage certification provided in Exhibit 1 shall be completed if the producer did not plant the crop for which 2001 and 2002 CDP or SDP benefits were received.

D Mailing Notification Letters to the Producers Linkage Noncompliance Reports

Using the Linkage Noncompliance Reports 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 required crop years. Use the suggested format in Exhibit 1.

The notification letter shall be mailed by June 1, 2007.

E Establishing Receivables for 2001 and 2002 CDP and SDP

County Offices shall use the following table to determine appropriate action for 2001 and 2002 CDP and SDP after the notification letter has been mailed according to subparagraph D.

IF the producer…	THEN the County Office shall…
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 disaster 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 disaster 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.

3 2003, 2004, and 2005 CDP

A Reviewing Report for Potential Violations

County Offices shall review the list of producers on the Linkage Noncompliance Report for 2003, 2004, and 2005 CDP 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 the 2003, 2004, and 2005 CDP, the crop insurance sales closing date had passed for the specific crop for the next available crop year. Refer to subparagraph B for additional information.
- The producer meets the AGI exception outlined in 5-DAP (Rev. 1), paragraph 30.
- The producer did not plant the listed insurable or noninsurable crop during the required linkage years. See subparagraph C for additional information.
- Producer has already refunded the full amount of the disaster payment to the County Office.
- 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 (Rev. 1), paragraph 30 provides an exception to the linkage rule for 2003, 2004, and 2005 CDP if the sales closing date for crop insurance or the application closing date for NAP for the next crop year is within 30 calendar days of the application date. The producer may choose to obtain the required coverage for the 2 crop years subsequent to the next crop year.

Example: On March, 4, 2005, an uninsured producer signed CCC-750 for a 2003 crop loss on corn. The federal crop insurance sales closing date for corn in that county is March 15, 2005.

Based on the application date, this producer is required to obtain federal crop insurance at an “additional” level for the 2005 and 2006 crop years. However, since the application date was within 30 calendar days of the sales closing date for the 2005 crop year, the exception is applicable. This producer has the option to obtain the required coverage for either of the following:

- 2005 and 2006
- 2006 and 2007.

3 2003, 2004, and 2005 CDP (Continued)

C Producer Did Not Plant the Crop

If a producer did not plant the crop during the required linkage years, the linkage requirement for 2003, 2004, and 2005 CDP 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 2003 CDP benefits on peas. The producer planted peas in 2005 but did not plant peas in 2006. The linkage requirement is that the producer purchase 2005 NAP coverage only.

The producer received 2004 CDP benefits on corn. The producer was required to obtain the required coverage for 2005 and 2006. The producer did not plant corn in 2005 but did plant corn in 2006. The linkage requirement is that the producer purchase 2006 coverage only.

The linkage certification provided in Exhibit 2 shall be completed if the producer did not plant the crop for which 2003, 2004, and 2005 CDP benefits were received.

D Mailing Notification Letters to the Producers on Linkage Noncompliance Reports

Using the Linkage Noncompliance Reports 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 required crop years. Use the suggested format in Exhibit 2.

The notification letter shall be mailed by June 1, 2007.

3 2003, 2004, and 2005 CDP (Continued)

E Determining Appropriate Action for 2003, 2004, and 2005 CDP

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

IF the producer…	THEN the County Office shall…
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 refunds the CDP payment	• follow steps 1-4 in subparagraph F to establish the receivable • apply the collection to the established receivable.
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	follow subparagraph F to establish the receivable and notify the producer of the debt.
does not contact the County Office within 30 calendar days of the date of the notification letter	

F Establishing Receivables for 2003, 2004, and 2005 CDP

County Offices shall use the following table to determine appropriate action if 2003, 2004, and 2005 CDP participants do not fulfill the linkage requirement.

Step	Action
1	Enter a disapproval date on the original automated 2003, 2004, and 2005 CDP application. The disapproval date shall be the day the County Office becomes aware of the violation.
2	Run the overpayment process.
3	Transfer the linkage violation overpayments to the Common Receivable System.
4	Access the Common Receivable System and select to correct a receivable establishment according to 67-FI.
5	Enter the date of the original CDP disbursement as the interest start date.
6	Follow 50-FI, paragraph 30 to determine the applicable interest rate.

4 Printing the Linkage Noncompliance Reports

A Initial Download of the Linkage Noncompliance Reports

The software to print the Linkage Noncompliance Reports will be included in County Release No. 612.

The Linkage Noncompliance Reports:

- identify the producers who received disaster benefits, but for whom there is no record of an insurance policy or NAP coverage being purchased in the required linkage years
- list 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 2001 and 2002 CDP Report

The Linkage Noncompliance Report for 2001 and 2002 CDP can be printed from Crop Disaster Program Reports Menu MHADRM. Follow these steps to print 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 “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.

4 Printing the Linkage Noncompliance Reports (Continued)

C Printing the 2003, 2004, and 2005 CDP Report

The Linkage Noncompliance Report for 2003, 2004, and 2005 CDP can be printed from Crop Disaster Program Reports Menu MHADRM. Follow these steps to print 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 1 of the following and PRESS “Enter: • “7”, “2003 Application Processing” • “8”, “2004 Application Processing” • “9”, “2005 Application Processing”.
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.

Example Notification Letter for 2001 and 2002 CDP

By June 1, 2007, 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 required crop years. using the following suggested format.

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, 2004 **and** 2005, or, under some circumstances, 2005 **and** 2006 crop years 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, 2005, and/or 2006.

_____
_____
_____
_____
_____

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, 2005, and/or 2006, 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 Notification Letter for 2001 and 2002 CDP (Continued)

2003 Linkage Certification

During the 2003 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

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

Example Notification Letter for 2001 and 2002 CDP (Continued)

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

2006 Linkage Certification

During the 2006 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

Example Notification Letter for 2003, 2004, and 2005 CDP

United States
Department of
Agriculture

County Office Name and Address

Date:

To: Participants in 2003, 2004, or 2005 CDP

Producers who received a 2003, 2004, or 2005 CDP payment were required to purchase crop insurance or NAP coverage in 2005 **and** 2006, 2006 **and** 2007, or, under some circumstances, 2007 **and** 2008 crop years 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.

_____
_____
_____
_____
_____

Noncompliance with the linkage requirement will require a refund of your 2003, 2004, or 2005 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 the required linkage years 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 Notification Letter for 2003, 2004, and 2005 CDP (Continued)

2005 Linkage Certification

During the 2005 crop year, in_____County, I did not plant any of the following crops for which a 2003, 2004, or 2005 CDP payment was received.

_____
_____
_____
_____
_____

_____
Print Name of Producer receiving payments under 2003, 2004, or 2005 CDP

_____ _____
Signature of Producer or authorized agent. Date

2006 Linkage Certification

During the 2006 crop year, in_____County, I did not plant any of the following crops for which a 2003, 2004, or 2005 CDP payment was received.

_____
_____
_____
_____
_____

_____
Print Name of Producer receiving payments under 2003, 2004, or 2005 CDP

_____ _____
Signature of Producer or authorized agent. Date