

For: State and County Offices

**Errors in the NASS Seasonal Average Crop Price Table for 2005 Spring Barley and
2005, 2006, or 2007 Grain Sorghum**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 requires that producer losses for a specific crop may **not** exceed 95 percent of what the value of the crop would have been in the absence of the losses, as estimated by the Secretary of Agriculture. The 95 percent cap is calculated by multiplying:

$$\text{Participant's Acres} \times \text{Historic Yield} \times \text{Price} \times 95 \text{ Percent} = 95 \text{ Percent Cap.}$$

NASS Seasonal Average Prices are used in this formula to calculate the 95 percent cap.

B Purpose

This notice informs State and County Offices of an error that was made when data was entered in the NASS Seasonal Average Price table for 2005 spring barley and 2005, 2006, and 2007 grain sorghum.

C Affected Producers

These errors will **not** impact all 2005 spring barley or 2005, 2006, or 2007 grain sorghum producer payments. Only producers who received CDP payments and were close to having their payment limited because of the 95 percent cap will be affected and possibly overpaid.

Disposal Date August 1, 2008	Distribution State Offices; State Offices relay to County Offices
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2 Errors in the NASS Seasonal Average Price Table

A 2005 Spring Barley

The NASS Seasonal Average Price for 2005 spring barley:

- is currently \$2.85 per bushel
- should be \$2.53 per bushel.

The 2006 spring barley \$2.85 per bushel rate was incorrectly entered as the 2005 spring barley rate.

B 2005, 2006, or 2007 Grain Sorghum

This table provides the values currently on the NASS Seasonal Average Price table for grain sorghum.

Year	Rate Per Bushel
2005	\$3.33
2006	\$5.90
2007	\$6.95

This table provides the values that should be on the NASS Seasonal Average Price table for grain sorghum.

Year	Rate Per Bushel
2005	\$1.8648
2006	\$3.3040
2007	\$3.8920

The prices provided by NASS for grain sorghum were in hundredweight and were **not** converted to bushels before being entered into the NASS Seasonal Average Price table.

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3 Action

A County Office Action

County Offices shall:

- verify Information Bulletin No. 4379 that references the NASS Seasonal Average Price table change for 2005 spring barley and 2005, 2006, and 2007 grain sorghum has been received and applied to the system
- **after** Information Bulletin No. 4379 has been applied, process a payment batch for “**All**” producers; the nonpayment register will print when payment processing is complete.

Some producers may be identified with the message, “Prior payments exceed current payment.” This means that the revised calculated amount due the producer is **less** than what has already been issued to the producer, which is an **overpayment**. If 2005 spring barley or 2005, 2006, or 2007 grain sorghum is listed on the nonpayment register with this message, then these applications **must** be researched to determine if the overpayment is because of the NASS Seasonal Average Price table change.

If the overpayment is because of the NASS Seasonal Average Price table change, the overpayment amount should be determined by manually calculating the payment according to 5-DAP (Rev. 2), paragraph 455 and comparing to the previously issued payment.

Note: When overpayment software is available, the overpayment will **not** have to be manually calculated.

Notify the producer:

- immediately, if overpayments are discovered **before** the 2005-2007 CDP overpayment software is released

Notes: If producers refund overpayments before the 2005-2007 CDP overpayment software is released, County Offices shall deposit overpayments using a manual CCC-257 according to 3-FI, paragraph 62.

Initial notification letters must be generated manually by County Offices.

- of overpayments using the 2005-2007 CDP overpayment software, if overpayment software has been released.

Finality rule provisions should apply, according to 7-CP, for overpayments that are 90 calendar days old.

B State Office Action

State Offices shall monitor County Office action on overpayments for 2005 spring barley and 2005, 2006, and 2007 grain sorghum.