

For: State and County Offices

1998 CLDAP Linkage Noncompliance Report

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

1-DAP, paragraph 1001 outlines the crop insurance linkage requirements for 1998 CLDAP participants. Producers receiving a single-year CLDAP payment were required to purchase crop insurance in 1999 and 2000 on all insurable crops of economic significance.

This linkage requirement applies to the producer's interest in all counties regardless of where the benefits were obtained.

The software to print the 1998 CLDAP Linkage Noncompliance Report is included in County Release No. 426. The actual data for the report will be transmitted on February 4, 2000, with County Offices receiving the data during start-of-day on February 7, 2000. The report will automatically generate a list of producers who:

- received a 1998 uninsured CLDAP payment
- RMA has no record of a 1999 crop insurance policy being purchased.

That report will serve as a basis for CLDAP linkage compliance verification.

B

Purpose

This notice provides instructions for using the 1998 CLDAP Linkage Noncompliance Report as a basis for compliance determinations.

Disposal Date	Distribution
September 1, 2000	State Offices; State Offices relay to County Offices

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2 County Office Action

A

Reviewing Report for Potential Violations

County Offices shall review the list of producers on the 1998 CLDAP Linkage Noncompliance Report and notate those producers readily identifiable as being in compliance.

A producer may appear on the report, but not be out of compliance with the linkage requirements if any of the following apply:

- the producer planted an insurable crop, but the crop did not meet the definition of economic significance
 - the producer did not plant an insurable crop during the 1999 and 2000 crop years
 - the producer has already paid liquidated damages to the County Office to regain eligibility for the 1999 Crop Disaster Program
 - the producer is no longer farming
 - the producer is no longer farming as the entity listed on the report.
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B

Mailing Notification Letter to Producers on Report

Using the 1998 CLDAP Linkage Noncompliance Report as a basis, mail each producer a notification letter informing them of their crop insurance requirements and the lack of an RMA record indicating insurance was purchased for the 1999 crop year. Use the suggested format in Exhibit 1.

The notification letter shall be mailed by February 18, 2000.

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2 County Office Action (Continued)

C

Follow Up

After 30 calendar days, the County Office shall follow up the notification letter with a demand letter listing the liquidated amount being assessed. A demand letter shall be sent to those producers who have not responded to the initial notification letter.

The amount of liquidated damages to be assessed in the demand letter will be:

- \$120 if there is 1 insurable crop in the county
- \$240 if there are 2 insurable crops in the county
- \$360 if there are 3 insurable crops in the county
- \$400 if there are 4 or more insurable crops in the county.

Refer to the insurable crop table printed out according to 1-DAP, paragraph 1088 to determine the insurable crops in the county.

If the number of insurable crops planted by the producer was less than the maximum insurable in the county, the initial assessment may be reduced. The producer must provide evidence to COC's satisfaction indicating the number of insurable crops planted during the 1999 crop year.

Example: A producer may initially be assessed \$400 because there are 4 insurable crops grown within the county. The producer indicates only 1 insurable crop was actually planted and the claim is verified with a previously filed acreage report. COC may reduce the liquidated damage amount to \$120.

C

Establishing a Claim

Follow 58-FI to establish a claim for the linkage liquidated damage assessment claim.

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3 Printing the 1998 CLDAP Linkage Noncompliance Report

A

Initial Download of Report

The software to print the 1998 CLDAP Linkage Noncompliance Report is included in County Release No. 426.

The actual data for the report will be transmitted from KCMO on February 4, with County Offices receiving the data during start-of-day on February 7. The report **will not** be generated until County Release No. 426 has been installed. If County Release No. 426 has not been installed by February 7, the report will generate during the next start-of-day after the release is installed.

The report identifies the producers that received 1998 uninsured CLDAP payments, but RMA has no record of an insurance policy being purchased by the producer for 1999. The report lists the following:

- producer ID number
- producer name
- dollar amount received.

RMA made the determination of which county the producer should be downloaded to based on the CLDAP payment history file; therefore, a record will be downloaded to each County Office that the producer received a payment.

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3 Printing the 1998 CLDAP Linkage Noncompliance Report (Continued)

B

**Reprinting the
Report From
Menu MHADR0**

The 1998 CLDAP Linkage Noncompliance Report can be reprinted if necessary from Menu MHADR0. Follow these steps to reprint 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/Compliance", and PRESS "Enter".
4	M00000	ENTER "1", "NAP and Disaster", and PRESS "Enter".
5	MH0000	ENTER "10", "Crop Loss Disaster Assistance Program", and PRESS "Enter".
6	MHAX00	ENTER "1", "Crop Loss", and PRESS "Enter".
7	MHAD00	ENTER "4", "Reports", and PRESS "Enter".
8	MHADR0	ENTER "4", "Linkage Noncompliance Report", and PRESS "Enter".
9	MHADPS01	Enter the printer ID and PRESS "Enter" to generate report.

Example of Notification Letter

United States
Department of
Agriculture

County Office Name and Address

February 18, 2000

To : Participants in the 1998 Crop Loss Disaster Assistance Program

Producers who received single-year payments under the 1998 Crop Loss Disaster Assistance Program (CLDAP) were required to purchase crop insurance in 1999 and 2000 for all insurable crops of economic significance.

In _____ County, crops that were insurable are:
(insert County name)

(List each crop in which at least CAT level insurance was available according to 1-DAP, paragraph 1088.)

Noncompliance with the crop insurance linkage requirement will result in a liquidated damage assessment for 1999 of the lesser of:

- your 1998 disaster payment, or
- twice the fee for CAT level insurance coverage (\$60. X 2 = \$120) for the crop or crops for which you did not purchase crop insurance, not to exceed \$400 per county for single-county producers and \$1,200 for multi-county producers.

There has been no record received in the _____ FSA County Office from the Risk Management Agency indicating you purchased the required crop insurance for 1999. You should immediately contact the _____ FSA County Office to resolve any differences.

If you did not grow any of the crops listed above during 1999, you may indicate so by signing the attached certification and returning it to the _____ FSA County Office within 30 calendar days from the date of this letter.

Example of Notification Letter (Continued)

Crop Insurance Linkage Certification

During the 1999 crop year, I did not plant or have an economic interest in any crop which at least Catastrophic level crop insurance coverage was available. I understand this linkage requirement for payments received under the 1998 Crop Loss Disaster Assistance Program applies to my interest in all counties regardless of where the benefits were obtained.

Print Name of producer receiving payments under the 1998
Crop Loss Disaster Assistance Program.

Signature of the Producer
or authorized agent

Date