

For: State and County Offices

2000 Crop Disaster Program (CDP) and Other Disaster Programs

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Pub. L. 106-387, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (the Act), was signed by the President on October 29, 2000. The Act authorized numerous disaster related programs.

B

Purpose

This notice:

- provides preliminary information on some authorized disaster related programs for 2000
- instructs State Committees (STC's) and County Committees (COC's) of determinations that must be made before signup
- provides preliminary signup information.

Additional information will be provided as it becomes available.

<p>Disposal Date</p> <p>April 1, 2001</p>	<p>Distribution</p> <p>State Offices; State Office relay to County Offices</p>
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2 2000 CDP

A

General Information

Signup: Signup for 2000 CDP will begin January 18, 2001. An ending date has not yet been established, but will be announced as soon as possible.

Funding: Funding for 2000 CDP is not limited. Therefore, a national payment factor will not apply and payments can be issued as soon as the regulations have been published and all payment criteria has been met.

Regulations and Procedure: The Federal Regulation and handbook (3-DAP) providing policy and procedure are currently being drafted.

Software: Application software will be in the field by the beginning of signup. It is anticipated that payment software will be included in the same release.

Forms: Because of changes from the 1999 CDP, new forms have been designed for 2000 CDP. Forms from previous CDP's shall **not** be used.

B

Changes for 2000

The basic program criteria is the same as 1999 CDP; however, there are some changes. The Act specified some changes and a field office task force was convened to recommend other changes. Brief descriptions of some of the changes are listed below.

- The Act limits payments for multiple losses on the same acreage. See subparagraph D for required COC and STC actions.
 - COC's will be given more authority to adjust RMA downloaded data. Specific guidelines will be provided in 3-DAP.
 - STC's have the option of establishing additional unharvested and prevented planted factors. See subparagraph E for STC actions and responsibilities.
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2 2000 CDP (Continued)

C

Eligibility for Multiple Losses on Same Acreage

The Act specifies that 2000 CDP payments may not be earned for losses on more than one 2000 crop on the same acreage unless there is an established practice of planting 2 or more crops for harvest on this acreage in the same crop year. This limitation applies to insured, uninsured, and noninsurable crops.

If it is determined that there is not an established practice of planting 2 or more crops for harvest on the same acreage in the same crop year, only 1 crop can be selected for payment. Producers who apply for benefits on acreage which was devoted to more than 1 crop during the 2000 crop year shall designate the crop for which assistance will be requested.

When the multiple crops were planted on the same acreage by different producers, all producers having an interest in a crop planted on the acreage must agree to the selected crop by the end of signup or payment will not be made on the acreage for any crop.

Additional information on eligibility criteria will be provided in a future directive.

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2 2000 CDP (Continued)

D

Establishing Multiple Planting Practices

COC shall submit recommendations to STC using Exhibit 1 for 2000 crops to be included as an established multiple planting practice. Recommendations shall be submitted as soon as COC is aware of a multiple planting situation. For the recommended crops, COC shall certify that:

- the normal growing season is sufficient for the specific crops to be planted on the same acreage with reasonable expectations and realistic possibilities of harvesting both crops within the same crop year and repeating the cycle in the immediately succeeding crop year
- there is sufficient average rainfall in the county for the designated crops to be planted with reasonable expectation for harvest

The recommendation shall include the following:

- the length of the growing season required to produce the crops recommended for established multiple planting practice
- documentation of rainfall amounts needed during the growing season for the specific crops
- data to support rainfall amounts normally received in the county during the growing season for each crop
- the RMA- or COC-established final planting dates for the specific crops
- the COC-established normal harvest date for the specific crops

Note: Include documentation from Extension Service and other available sources.

If COC determines that the growing season is sufficient to produce multiple crops in 1 crop year but average rainfall is insufficient, COC may recommend that only acreage with full irrigation facilities available and in use on the specific acreage be determined eligible for a multiple planting practice.

STC shall establish assigned production factors for COC's to use for producers who carry out practices which result in yields less than the historical yield. See 2-DAP, subparagraph 103 E.

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2 2000 CDP (Continued)

E

Unharvested and Prevented Planting Factors

Unharvested and prevented planting payment factors apply to 2000 CDP. STC's shall review payment factors previously set and ensure that they are correct. If a payment factor was not previously set for a crop, the factors shall be set according to 1-NAP, paragraph 109 and 2-DAP, paragraph 88.

For a limited number of crops, the production inputs vary significantly depending on the date that the crop is abandoned or destroyed. For 2000 CDP **only** STC's are authorized to establish an adjusted unharvested factor and an adjusted prevented planting factor for those cases that are not accurately factored. These factors are in addition to the unharvested and prevented planting factors and must always be lower than the original factors.

STC may set an adjusted unharvested factor for a crop if all the following apply:

- production inputs significantly increase during the growing season for the crop
- because of the significant difference, the established unharvested factor does not reflect the lower inputs incurred by producers who destroy their crop early in the growing season
- a date can be established by which the inputs increase.

Example: The unharvested factor is set based on the harvest cost, therefore it assumes that most other production costs are incurred. A producer plants cotton but destroys it shortly after planting. This producer has not incurred costs such as irrigation, herbicides, insecticides, and boll weevil assessment. STC may establish an adjusted factor to apply to this producer to reflect the lower inputs.

STC may set an adjusted prevented planting factor for a crop if all the following apply:

- there is a significant difference in preplant expenses during the preplant period
- because of the significant difference, the established prevented factor does not reflect the lower inputs incurred by some producers
- a date can be established by which the inputs increase.

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2 2000 CDP (Continued)

E

Unharvested and Prevented Planting Factors (Continued)

Example: The prevented factor is set based on preplant costs, therefore it assumes that most preplant costs are incurred. A producer elects not to apply preplant herbicides nor to perform other normal preplant activities. COC may use the adjusted factor for this producer.

Adjusted factors are applicable only to crops having significant variances in input costs. It is expected that this provision will apply to a limited number of crops. STC's shall:

- thoroughly document in the minute all data used to establish the factors
- provide adjusted factors and dates to applicable COC's.

Note: These adjusted factors apply to insured, uninsured, and noninsurable crop applications. The adjusted factors shall not be entered in the crop table. The software will allow the user to override the original factor in the worksheet process with the adjusted factor on a case-by-case basis.

F

Rates and Yields

STC should review the 1999 crop table for needed changes, additions, or deletions. Any rate or yield that needs to be added or corrected must use the base years of 1993 through 1997 for rate and yield data. Any added or corrected rate must be based on the average market price without including transportation, storage, processing, packing, marketing, or other post-harvest expenses.

As in previous years, the crop table will be issued with updated RMA prices. These prices will be added at the National Office with no further action needed at the State level. For 2000 CDP, NAP rates and yields approved for 1998 and 1999 will be used. National Office will include as many previously approved NAP rates and yields as possible in the 2000 crop table issued via the Intranet database application. However, States will need to perform some updates.

The projected date to have all records added, updated, or deleted is January 11, 2001. A future notice will include more specific information on the Intranet database application.

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2 2000 CDP (Continued)

G

Maximum Loss

Maximum loss provisions apply to 2000 CDP as in previous programs. COC shall establish maximum loss percentages or yield per acre according to 2-DAP, subparagraph 103 B. Maximum loss for the specific crop in the county or area of the county should be based on the average loss incurred on the majority of the acreage of that crop. STC concurrence is required. Exhibit 2 is provided as an optional worksheet.

3 Other Programs

A

Livestock Assistance Program (LAP)

2000 LAP provides assistance for pasture losses in counties meeting the same criteria as under 1999 LAP. However, an additional statutory requirement in effect for 2000 LAP is that a county must also be named under a Secretarial or Presidential disaster after January 1, 2000. Contiguous counties are not eligible.

Signup begins on January 18, 2001, but cannot begin in a county until DAFP approval is received. COC's shall submit requests to State Offices as soon as possible to be received and submitted for DAFP approval so that signup can begin on January 18.

See 1-DAP, paragraphs 703 and 708 for instructions and guidance in preparing and processing requests for LAP approval to be sent to DAFP.

Note: A 1-DAP amendment with 2000 LAP policy and procedure is forthcoming.

B

Apple and Potato Quality Program

Pub. L. 106-387, Section 811 authorizes the Secretary of Agriculture to use \$38 million of CCC funds to make payments to apple and potato producers to compensate them for quality losses to either or both their 1999 and 2000 crops. Eligible causes of loss are fire blight or weather-related disaster conditions, including hurricane or hail. The statute specifies that there will not be gross income or payment limitations for this provision. However, program payments will be limited to the \$38 million authorized. Producers shall be ineligible for payments under this program to the extent of the amount received as compensation for the loss under any other Federal program except Federal crop insurance.

Signup periods, eligibility requirements, and payment procedures will be included in a future directive.

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3 Other Programs (Continued)

C

**Livestock
Indemnity
Program (LIP)**

LIP will cover livestock losses because of natural disasters, except drought, that occurred in calendar year 2000 that have, or will have, a Presidential Declaration or Secretarial Designation. Evidence or documentation will be necessary to show that the livestock died from the disaster named in the declaration or designation.

Also included will be livestock losses because of anthrax. Producers must provide evidence that the animal's death was the result of anthrax.

Signup begins on January 18, 2001. Complete procedure will be provided in a future directive.

D

**LIP-Contract
Growers (CG)**

LIP for contract growers is extended only for livestock losses that occurred between January 1 and February 7, 2000. All other provisions under 99 LIP-CG apply. Access to LIP-CG for eligible counties will be included in the software.

Signup begins on January 18, 2001. Complete procedure will be provided in a future directive.

E

Crop Quality

The Act provides for a 2000 quality payment for quality losses not provided in 2000 CDP. The program is being developed and a signup will be held at a later date.

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4 STC and COC Action

A COC Responsibilities

COC shall submit the following to STC as soon as possible:

- maximum loss levels according to 2-DAP, subparagraph 103 B and Exhibit 2
 - multiple planting recommendation according to subparagraph 2 D
 - LAP requests according to subparagraph 3 A.
-

B STC Responsibilities

As soon as possible, STC shall:

- act on COC recommendations
 - review 1999 crop table according to subparagraph 2 F
 - establish assigned production factors according to subparagraph 2 D
 - determine, if applicable, to establish adjusted unharvested and prevented planting factors according to subparagraph 2 E.
-

COC Recommendation of Multiple Cropping Practice

County _____

	Initial Crop	Intended Use	Second Crop	Intended Use	Subsequent Crop	Intended Use
Crop Name						
Normal Ending Planting Date						
Ending Harvest Date						
Moisture in Inches Required to Produce Crop						
Average County Rainfall for Growing Season						
If average rainfall is not sufficient, is irrigation available?						

County Average Annual Rainfall _____

Are there any farms in county with PFC acres exceeding agricultural use land because of double cropping? Yes___ No___

If yes:

what percentage of farms in the county? _____

what are the contract commodities involved? _____

Is the county approved double cropping region for purpose of the PFC FAV exception? Yes ___ No ___

Submission of this request constitutes COC's certification that the above initial and subsequent crops can be planted on the same acreage in a crop year with reasonable and realistic possibilities of harvesting each crop within the same crop year and repeating the cycle in the immediately succeeding crop year.

(Attach information from Extension Service or other available sources and a copy of COC Minutes with recommendations.)

COC Signature _____ Date _____

DD Concurrence _____ Date _____

STC Action:

Approved _____ Disapproved _____

STC Signature _____ Date _____

Comments:

**COC-ESTABLISHED MAXIMUM LOSS LEVELS
BASED ON OTHER COUNTY LOSSES**

COUNTY: _____

Disaster Year: _____

CROP	UNIT OF MEASURE	PRACTICE (IR/NI)	INTENDED USE	STC ESTABLISHED COUNTY YIELD	MAXIMUM LOSS LEVEL (Average County Yield Produced Based on Other County or Area Losses)	PERCENT MAXIMUM LOSS (Average County Yield Divided by the STC Established Yield minus 1.0)
Cause of Loss:				Date(s) of Occurrence:		
Basis for Determination:						

CED Signature

Date:

District Director Signature

Date:

STO Use Below This Line:

Date Received From COF: _____

Date STC Reviewed: _____

STC Concurrence: yes no

Date Returned to COF: _____