

For: California State and County Offices

**Processing Additional Payments for 1999 California Citrus Crops**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, was recently signed into law. This Act provides authority to issue additional payments to 1999 Crop Disaster Program (CDP) producers in California that:

- incurred a loss on 1999 citrus crops
- applied for and received disaster benefits under 1999 CDP instead of 1998 Crop Loss Disaster Assistance Program (CLDAP).

**B**

**Purpose**

This notice provides State and County Offices with:

- general payment provisions
- instructions for ensuring that payment limitation allocations are set properly for multi-county producers
- information and instructions for issuing additional payments to California producers with eligible citrus losses
- instructions for canceling payments
- instructions for printing the Producer Payment History (PPH).

<b>Disposal Date</b>	<b>Distribution</b>
January 1, 2002	California State Office; State Office relays to County Offices

## Notice DAP-94

### 2 General Payment Provisions

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#### A Eligible Producers and Crops

Payments to California producers with citrus losses is not a new program. Rather, it is an additional payment to specific producers who:

- suffered a loss on their 1999 citrus crop because of weather occurring in December 1998
- subsequently filed CCC-547 under the 1999 CDP program.

Producers are eligible to receive the California Citrus payment if all of the following apply.

- Physical location of the 1999 crop loss was in California
- Producer timely filed CCC-547 for a crop loss on Valencia Oranges.

**Note:** CCC-547's must have been filed by the February 25, 2000, program signup deadline. County Offices are not authorized to approve applications filed after March 27, 2000. These additional payments do not have to be requested by the producer.

- COC has approved the producer's CCC-547.
- All program requirements have been met.

**Note:** All program provisions that applied to 1999 CDP also apply to issuing the California Citrus payments.

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#### B Payment Factor

An additional 15.3 percent payment will be issued to eligible producers as defined in subparagraph A. This payment factor is the difference between:

- 84.9 percent payment factor used for 1998 CLDAP payments
  - 69.6 percent payment factor used for 1999 CDP payments.
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#### C Assignments

County Offices shall process assignments and joint payments according to 63-FI using program code "99CITRUS". Payments shall:

- be assigned if CCC-36 was filed on or after October 29, 2000
  - **not** be assigned based on previous CCC-36's filed for 1999 CDP.
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**Notice DAP-94**

**2 General Payment Provisions (Continued)**

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**D**

**Offsets**

As with 1999 CDP payments, the additional payment for California Citrus losses are not subject to administrative offset.

**Exception:** The additional California Citrus payment shall be offset and applied against any outstanding debt that resulted from a 1999 CDP overpayment.

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**E**

**Bankruptcy**

County Offices shall contact the OGC Regional Attorney for guidance on issuing California Citrus payments on all bankruptcy cases.

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**3 Handling Payment Limitation**

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**A**

**Review**

Payments for the 1998 CLDAP and 1999 CDP programs were factored as well as the payment limitation amount needed to issue those payments. Counties shall ensure that the payment limitation amount has been set correctly. Counties shall also provide any additional unallocated payment limitation amounts to counties with producers with citrus losses.

**Note:** Because of the complexity of the payment limitation factors with CLDAP and CDP programs, several examples are illustrated in the remainder of this paragraph showing the most common situations that may occur.

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**B**

**County Office  
Actions**

County Offices shall take the following steps to ensure that payment limitation allocations are set correctly.

<b>Step</b>	<b>Action</b>
1	Print a "Producer Payment History" report of <b>all multi-county producers</b> that received a 1999 CDP citrus loss payment. <ul style="list-style-type: none"><li>• Divide the total 1999 CDP payment amount by .696; this is the minimum amount of payment limitation amount that must be allocated to the county. To determine the amount of the 1999 CDP payments issued, total all "CHK/EFT" records; then subtract all "RECV" records.</li><li>• The control county shall distribute any unallocated payment limitation to counties with citrus applications.</li></ul>
2	Ensure all 1999 CDP applications, that are approved, have been paid. The County Offices shall run an "ALL" payment batch to ensure all payments have been issued. Counties shall then review the payment reports and correct any problems that the reports indicate.
3	County Offices shall run an "All" overpayment register for 1999 CDP. Correct all problems that the overpayment register indicates. If a producer has been overpaid, the county shall set up a receivable immediately.

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**3 Handling Payment Limitation (Continued)**

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**C**

**Example 1**

In this example, the producer:

- is a multi-county producer
- applied for benefits on the citrus crop only
- reached payment limitation on the citrus crop.

In County A, Joe Smith receives a 1999 CDP payment of \$55,000, and in County B a payment of \$680. The payment allocation amount must be set equal to or greater than the payment amount divided by .696:

- County A - \$55,000 divided by .696 = \$79,023
- County B - \$680 divided by .696 = \$977.

The payment limitation amount must be at least \$79,023 in County A and \$977 in County B.

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**D**

**Example 2**

In this example, the producer:

- is a multi-county producer
- applied for benefits on multiple crops (wheat and citrus)
- reached payment limitation on the citrus crop.

In County A, Steve Jones received a 1999 CDP payment of:

- \$10,440 for wheat
- \$17,400 for citrus.

In County B, he received a payment of \$27,840 for citrus.

The payment allocation amount must be set equal to or greater than the total payment amount issued in each county divided by .696:

- County A - \$10,440 + \$17,400 divided by .696 = \$40,000
- County B - \$27,840 divided by .696 = \$40,000

The payment limitation amount must be at least \$40,000 in both counties.

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**3 Handling Payment Limitation (Continued)**

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**E**

**Example 3**

In this example, the producer:

- is a multi-county producer
- applied for benefits on multiple crops (citrus and apples)
- reached payment limitation on the apple crop.

In County A, Sara Johnson received a 1999 CDP payment of:

- \$24,360 for citrus
- \$1,392 for apples.

In County B, she received payments of:

- \$6,960 for citrus
- \$3,480 for apples.

The payment allocation amount must be set equal to or greater than the total payment amount divided by .696:

- County A -  $\$24,360 + \$1,392$  divided by  $.696 = \$37,000$
- County B -  $\$6,960 + \$3,480$  divided by  $.696 = \$15,000$ .

The payment limitation amount in County A must be at least \$37,000 and in County B at least \$15,000

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## Notice DAP-94

### 4 Issuing Payments

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#### A

##### Timing of Payments

On March 7, 2001, KC-ITSDO transmitted software to County Offices that provides the menu option to the California Citrus payments. However, this software transmission only provides the menu. The actual payment software is included in County Release No. 454 to arrive in County Offices on or about March 7, 2001.

Once the transmitted software and County Release No. 454 are installed, County Offices shall **immediately** process payments to eligible producers.

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#### B

##### Prerequisites for Issuing California Citrus Payments

Before processing California Citrus payments, County Offices shall ensure that all the following have been completed.

- All CCC-547's have been updated properly in the system.
  - Assignments and joint payments data is loaded in the system according to subparagraph 2 C.
  - 1999 CDP payment limitation allocations have been adjusted and downloaded according to paragraph 3.
  - 1999 CDP overpayments have been computed and legitimate overpayments have been transferred to the Common Receivable System (CRS).
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#### C

##### Accessing Payment Processing Options

The software developed to issue the California Citrus payments functions similar to the 1999 CDP payment software.

Access the California Citrus payment process from Menu FAX250 according to this table.

Step	Menu or Screen	Action
1	FAX250	ENTER "3" or "4", "Application Processing".
2	FAX09002	Menu FAX09002 will be displayed if option 4 was selected on Menu FAX250. Select the appropriate county to continue to Menu FAX07001.
3	FAX07001	ENTER "11", "PFC/Compliance".
4	M00000	ENTER "1", "NAP and Disaster".
5	MH0000	ENTER "1", "Crop Disaster Program".

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**Notice DAP-94**

**4 Issuing Payments (Continued)**

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**C  
Accessing  
Payment  
Processing  
Options  
(Continued)**

<b>Step</b>	<b>Menu or Screen</b>	<b>Action</b>
6	MHA0YR	ENTER "1", "1999 Crop Year".
7	MHAX00	ENTER "7", "California Citrus Payment Processing".
8	MHAUN0	The following options are provided on the main menu for California Citrus payment processing. <ul style="list-style-type: none"> <li>• Option 1 - Issue Payments</li> <li>• Option 2 - cancel payables that have not been issued to producers</li> <li>• Option 3 - continue a suspended payment batch</li> <li>• Option 5 - print PPH.</li> </ul>

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**D  
Issuing  
California Citrus  
Payments**

An option has not been provided to process payments by producer. Each time the payment process is run, payments will be computed for all producers with an approved CCC-547. This process can be run as many times as necessary to ensure all producers are paid properly.

**Note:** Duplicate payments will not be issued if the option to issue payments is accessed more than 1 time.

Follow the procedure in this table to issue the California Citrus payments.

<b>Step</b>	<b>Action</b>	<b>Result</b>
1	Access Menu MHAUN0 according to subparagraph 4 C.	
2	Select the printer where the pending payment and nonpayment registers should be queued.	Screen MHADNE-05 will be displayed.
3	Screen MHADNE-05 is displayed with the current system date. The date displayed on Screen MHADNE-05 can be changed to a later date, but cannot be more than 14 calendar days after the system date.  Change the date or PRESS "Enter" to continue with the payment process.	Payments will be processed for all eligible producers with an approved CCC-547.
4	Follow 2-DAP, Part 9 to complete the payment process.	

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**Notice DAP-94**

**5 Canceling California Citrus Payments**

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**A**

**When to Cancel Payment**

The provisions for canceling 1999 CDP payments also applies to canceling California Citrus payments. County Offices shall follow 2-DAP, paragraph 300 to determine whether a payment should be canceled through the California Citrus payment process or the accounting process.

**Reminder:** Payments shall not be canceled through the California Citrus payment process if the payment has been issued to the producer. This includes situations where:

- CCC-184 has been mailed to the producer
  - electronic funds transfer (EFT) has been transmitted to KCFO for processing.
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**B**

**Canceling Payables Through Payment Process**

If it is determined that the payment was generated erroneously, **and CCC-184 is available in the County Office or EFT has not been transmitted**, County Offices shall follow the procedure in this table to cancel California Citrus payables.

Step	Action	Result
1	Access Menu MHAUN0 according to subparagraph 4 C.	
2	Menu MHAUN0: <ul style="list-style-type: none"> <li>• ENTER "2", "Cancel Payables"</li> <li>• PRESS "Enter".</li> </ul>	Screen MHADN007 will be displayed.
3	Information Screen MHAND007 advises County Offices that payments should not be canceled through this process unless the payment is available. <b>If the payable is available</b> , PRESS "Enter" to continue the cancellation process.	Screen MHADPRT2 will be displayed.
4	Select the printer where reports should be queued.	Screen MHADNA02 will be displayed.
5	Follow 2-DAP, subparagraph 301 B to complete the payment cancellation process.	

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## Notice DAP-94

### 6 Handling Overpayments

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#### A

##### Introduction

An automated overpayment process is not being developed for the California Citrus payment for the following reasons.

- Since payments are based on 1999 CDP applications that were filed before February 25, 2000, all application and eligibility data should be loaded properly in the system.
  - The limited number of applications does not warrant dedication of the resources required to automate an overpayment process.
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#### B

##### County Office Action

If it is determined that payments are based on inaccurate application or eligibility data, County Offices shall:

- manually determine the overpayment amount of the California Citrus payment
- establish a receivable in CRS according to 67-FI using program code "99CITRUS"
- notify the producer of the overpayment and provide appeal rights.

**Reminder:** County Offices shall not cancel payments already issued to producers to create a receivable. See paragraph 5 for additional information on payment cancellations.

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