

**For:** State and County Offices

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**2003 2<sup>nd</sup> Advance Counter-Cyclical Rates**

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**Approved by:** Deputy Administrator, Farm Programs



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**1 2003 2<sup>nd</sup> Advance Counter-Cyclical Payments**

**A Background**

The Farm Security and Rural Investment Act of 2002 provides for counter-cyclical payments for covered commodities and oilseeds beginning with crop year 2002.

Advance counter-cyclical payments are to be issued in October and February following the crop year.

2003 Counter-Cyclical payment software was included in County Release No. 522. A new program parameter file containing the advance payment rates will be downloaded to County Offices on February 26, 2004, according to the forthcoming Information Bulletin.

**B Purpose**

This notice informs State and County Offices of the second advance payment rates for eligible crops for FY 2003 counter-cyclical payments.

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<b>Disposal Date</b>	<b>Distribution</b>
February 1, 2005	State Offices; State Offices relay to County Offices

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## Notice DCP-107

### 1 Overview (Continued)

#### C 2003 Crops and Rates for 2<sup>nd</sup> Advance

The following table indicates eligible crops to receive a first advance counter-cyclical payment and the payment rate.

<b>Crop</b>	<b>Rate</b>	<b>70 Percent of Rate</b>
Rice	\$0.0090	\$0.0063
Peanuts	\$0.0370	\$0.0259

**Note:** Producers who have chosen a second counter-cyclical advance will be paid at 70 percent of the payment rate minus any 1<sup>st</sup> advance counter-cyclical payment.

### 2 Action

#### A State Office Action

State Office shall ensure that County Offices:

- are informed of this notice
- follow directions in the forthcoming Information Bulletin for loading the program parameter file.

#### B County Office Action

County Offices shall:

- follow directions in the forthcoming Information Bulletin for loading the program parameter file
- begin issuing 2003 second advance counter-cyclical payments, as applicable.

**3 Possible Overpayments**

**A 2003 Possible Crop Overpayments**

Producers who receive partial payments from advance counter-cyclical installments must repay any excess amounts if the advance payments exceed the final counter-cyclical payment amount for each respective commodity. If projected market prices are realized, then producers who received a 1<sup>st</sup> advance for wheat, corn, grain sorghum, and upland cotton will be required to repay part or all of the advance amount. County Offices will be notified after final market prices are determined of final counter-cyclical payment rates for these crops.