

For: State Offices and Service Centers

**Disabling 2002 Direct and Counter-Cyclical (CC) Payment Processing**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Farm Security and Rural Investment Act of 2002 provided for direct and CC payments for covered commodities, oilseeds, and peanuts beginning with crop years 2002 through 2007. The 2002 direct and CC payment and overpayment processes use supporting files to determine whether a producer has been underpaid or overpaid. Because some of the supporting files only maintain data for the most current 3 years, some of the:

- outstanding payments cannot be processed because the supporting files cannot be updated
- producers may be listed on the overpayment register who are not actually overpaid.

**B Purpose**

This notice informs State and County Offices that:

- direct and CC processing for crop year 2002 will be disabled after the installation of County Release No. 549
- the following 2002 direct and CC processing functions will not be available after the installation of County Release No. 549:
  - payment processing
  - overpayment processing

**Note:** The payment history print (PPH) and CCC-509E will be the only processing options available after County Release No. 549 is installed.

- it will be required to submit documentation to the National Office for any situation where a 2002 direct or CC payment was earned by the producer, but not issued before processing software being disabled in County Release No. 549.

<b>Disposal Date</b> May 1, 2005	<b>Distribution</b> State Offices; State Offices relay to Service Centers
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### 2 State and County Office Action

#### A State Office Action

State Offices shall:

- ensure that County Offices are immediately informed of the contents of this notice
- forward the documentation to PECD, Common Provisions Branch (CPB), using either of the following methods:
  - FAX to 202-720-0051, Attention: Sandy Bryant
  - overnight mail to:     USDA, FSA, PECD, CPB  
                                  Attn: Sandy Bryant  
                                  Room 3643, South Building  
                                  1400 Independence Ave. SW  
                                  Washington, DC 20250.

#### B County Office Action

County Offices shall:

- ensure that County Release No. 549 is installed upon receipt
- submit the following crop year 2002 documentation to the State Office for any direct or CC payment that was **not** issued before the installation of County Release No. 549:
  - explanation of why payment was not issued before the installation of County Release No. 549
  - CCC-509
  - CCC-509E
  - direct or CC PPH
  - production flexibility contract (PFC) PPH, if the request is to issue a direct payment

**Reminders:** If the producer is a joint operation, PPH must be submitted for each member of the joint operation.

PPH must be submitted for each combined producer, if applicable.

**Note:** If the producer was multi-county, a direct, CC, or PFC PPH must be submitted for **all** counties the producer had an interest in for 2002.

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### 2 State and County Office Action (Continued)

#### B County Office Action (Continued)

- current MABDIG for each:
  - producer
  - affected member of the joint operation

**Note:** PPH shall be printed by selecting the applicable menu options from the enabled 2002 direct, CC, or PFC payment menus. An accounting history print or transaction statement will **not** be accepted in place of PPH from the direct, CC, or PFC processing menus.

- enter an overpayment according to 67-FI if the County Office has determined that an overpayment has occurred.