

For: State Offices and Service Centers

Disabling 2004 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 2004 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 payment and overpayment processing for crop year 2004 will be disabled after the installation of County Release No. 598

Note: The producer payment history (PPH) and CCC-509E will be the only processing options available after County Release No. 598 is installed.

- they will be required to submit documentation to the National Office where a 2004 direct or CC payment was earned by the producer, but **not** issued **before** the disabling of payment processing software in County Release No. 598.

Disposal Date	Distribution
May 1, 2007 8-18-06	State Offices; State Offices relay to Service Centers

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2 Action

A State Office Action

State Offices shall:

- ensure that County Offices are immediately informed of the contents of this notice
- ensure that County Offices have issued all outstanding 2004 direct and CC payments
- ensure that County Office have computed and transferred all 2004 direct and CC overpayments to the Common Receivable System (CRS)
- forward authorization request documentation to PECD, CPB, using either of the following methods:
 - FAX to Sandy Bryant at 202-720-0051
 - overnight mail to: USDA, FSA, PECD, CPB
 Attn: Sandy Bryant
 STOP 0517
 1400 Independence Ave. SW
 Room 3643, South Building
 Washington, DC 20250-1021.

Note: The request must be accompanied by a statement from the District Director explaining why the County Office was unable to process payments for 2004 before October 2006.

B County Office Action

County Offices shall:

- issue any outstanding 2004 direct and CC payments to eligible producers before County Release No. 598 is installed unless prohibited by reasons **not** within their control
- compute and transfer 2004 direct and CC overpayments for all farms to ensure that all debts are transferred to the CRS

Note: After overpayment software is disabled in County Release No. 598, County Offices shall enter an overpayment according to 67-FI if it is determined that an overpayment has occurred.

- ensure that County Release No. 598 is installed upon receipt

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2 Action (Continued)

B County Office Action (Continued)

- submit the following crop year 2004 documentation to the State Office for any direct or CC payment that was **not** issued before installing County Release No. 598:
 - explanation why a 2004 payment was **not** issued before installing County Release No. 598 in 2006
 - CCC-509
 - CCC-509E
 - direct or CC PPH

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

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

Note: PPH shall be printed by selecting the applicable menu options from the enabled 2004 direct or CC payment menus. An accounting history print or transaction statement will **not** be accepted in place of PPH from the direct or CC processing menus.

- current MABDIG for each:
 - producer
 - affected member of the joint operation
- 2004 Farm Payment Reduction Report.