

For: State Offices and Service Centers

2007 Direct Payments With Fruit and Vegetable (FAV) Payment Reductions

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Farm Security and Rural Investment Act of 2002:

- provides direct or counter-cyclical payments for covered commodities and peanuts
- restricts planting FAV's and wild rice on base acres enrolled in DCP.

Note: DCP payments can also be subject to payment reductions if FAV planting, reporting, or maintenance default reductions apply to the farm, producer, and crop.

B Purpose

This notice informs State and County Offices that:

- software incorporating 2007 FAV payment reductions into 2007 direct payments was included in County Release No. 618

Note: Compliance FAV payment reduction software is also included in County Release No. 618.

Disposal Date	Distribution
December 1, 2007	State Offices; State Offices relay to Service Centers

Notice DCP-178

1 Overview (Continued)

B Purpose (Continued)

- FAV payment reductions will be reduced from 2007 direct payments when both of the following apply:
 - County Release No. 618 has been installed
 - farm payment reduction (FPR) rates and/or violations have been entered into the compliance software according to 4-CP.

Note: 2007 final direct payments require that FPR rates be present in compliance software. Failure to follow FAV procedure will result in Screen MZAAQS03 displaying the message, "Direct payments cannot be issued until all 2007 payment reductions have been computed", when attempting to process 2007 final direct payments.

2 Action

A State Office Action

State Offices shall ensure that County Offices are immediately informed of this notice.

B County Office Actions

County Offices shall:

- ensure that FAV payment reductions are entered according to 4-CP, Part 4 after County Release No. 618 is installed

Note: If the county does **not** have DCP payment reductions, County Offices are still required to create the DCP payment reduction file according to 4-CP to issue 2007 final direct payments starting October 2007.

- compute and transfer 2007 direct overpayments **after** installing County Release No. 618 and ensuring that FAV payment reductions have been entered according to 4-CP.