

For: State and County Offices

**2003 Direct Payments for Covered Commodities and Peanuts**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

The Farm Security and Rural Investment Act of 2002 provides for direct payment for covered commodities and peanuts beginning with crop years 2002 through 2007.

**B**

**Purpose**

This notice informs State and County Offices that software to issue 2003 direct payments for covered commodities and peanuts was included in County Release No. 499 with payment processing options temporarily disabled. Software to allow for direct payment processing will be transmitted to State and County Offices on or about November 26, 2002.

**2 Direct Payments Affected by Adjusted Gross Income (AGI) Provisions**

**A**

**Direct Payment Software**

Software for reading AGI flags will not be included in the initial release of 2003 direct payments, but will be incorporated as soon as possible. A forthcoming DCP notice will provide information about the AGI software being incorporated into 2003 direct payment software and when software will become available.

**Note:** Although the AGI flag can be updated according to 2-PL, the setting of the flag will not affect direct payments until direct payment software has incorporated AGI provisions.

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<b>Disposal Date</b>	<b>Distribution</b>
May 1, 2003	State Offices; State Offices relay to County Offices

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### 2 Direct Payments Affected by Adjusted Gross Income (AGI) Provisions (Continued)

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#### B

#### Issuing 2003

#### Direct Payments

Direct payments shall be issued to all eligible producers meeting program requirements, however, **do not** issue direct payments to a producer if the County Office has not received CCC-526.

**Note:** See Notice PL-111 for information about AGI provisions.

If the payment being issued is for:

- a producer or entity with a 100 percent share on all crops for the farm and the producer or entity does not meet AGI provisions, remove the CCC-509 approval date to prevent the payment from being issued

**Note:** If the producer with the 100 percent share on all crops for the farm is a joint operation and 1 of the members of the joint operation is not eligible, follow procedure in the second bullet.

- a farm with multiple producers or entities and 1 of the producers or entities does not meet AGI provisions, change the “Refused Payment” flag to “Y” in the CCC-509 software for the specific producer or entity.

Software to prohibit payments for producers not meeting AGI provisions will be made available at a later date. Upon receipt of that software, if applicable:

- update the approval date for CCC-509
  - change the “Refused Payment” for the producer or entity to “N”, if that was the initial setting.
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### 3 State and County Office Action

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#### A

#### State Office Action

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

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#### B

#### County Office Actions

County Offices shall:

- install software upon receiving County Release No. 499
  - begin issuing 2003 direct payments, as applicable.
  - ensure that provisions in subparagraph 2 B are followed for producers or entities not meeting AGI provisions.
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