UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-9

1945-D, 1910-A

For: FSA Offices

Establishing Applicant's Normal Year Production

Approved by: Deputy Administrator, Farm Loan Programs

Carolyn B. Cooksie

1 Overview

A Background

FmHA Instruction 1945-D, Section 1945.163, requires that applicants for Emergency (EM) loans report their disaster losses and actual 5-year production history using FmHA 1945-22. Further, Section 1945.163 (a) establishes the records sources that may be used by the applicant for determining their normal year production and the priority in which those records may be used.

Additionally, FmHA Instruction 1910-A, Section 1910.4 (b)(17), requires that FmHA 1945-29 be obtained as part of a complete application. FmHA Instruction 1945-D, Section 1945.163 (a)(2)(ii), requires that the approval official cross check the information on FmHA 1945-29 with the information certified by the applicant.

If, after obtaining all required information and completing cross checks, the approval official believes that an applicant's certified production loss claims seem unreasonable, they will verify the findings and document them in the case file.

It is important that the approval official use all available sources to cross check and verify information.

B Purpose

This notice:

- stresses the importance of verifying producer records as well as the sources that must be used to cross check them
- reiterates the importance of following the priority for using records established in Section 1945.163 (a).

Disposal Date	Distribution
September 1, 1999	State Offices; State Offices relay to County Offices

2 Action

A Cross Checking Producer Records

The following records and sources will be used to cross check and verify all producer records:

- FmHA 1945-29 that is required on all applicants
- all FSA program reports which include information on producer's production histories or annual production levels, as well as program payments
- any actual producer histories (APH) required for participation in other FSA programs, that is, CAT or NAP
- producer histories or production levels reported to the Reinsured Multiperil Crop Insurance Agent or RMA.

Note: Loan approval officials must also verify with the Reinsured Mutiperil Crop Insurance Agent or RMA whether any crop insurance payments were received by the applicant.

B Priority for Using Producer Records

Loan approval officials will carefully review FmHA Instruction 1945.163 to ensure that they are fully aware of the proper priority source for records used to establish the applicant's normal year production.

Note: It is important to remember that, if an applicant was producing a particular commodity for all 5 years but does not have **actual reliable** records or any other records such as those listed in subparagraph 2 A, they must use the disaster year yield for those years in which they do not have records. Additionally, they may only use county or State averages for the years in which they did not produce that commodity, because it was part of their normal rotation or a new commodity, if they have not farmed for all 5 years or their records were lost in the disaster.

C Contact

State Offices shall direct questions about this notice to Chuck Ropp, LMD at 202-720-1472.