

For: State and County Offices

**Announcement of the 2000 Crop Fresh Russet Potato Diversion Program (PDP)**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

To encourage the domestic consumption of the 2000 crop of fresh Russet potatoes by diverting them from normal channels of trade and commerce, the Secretary of Agriculture, pursuant to the authority conferred by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c) (Section 32), will make payments to producers who divert fresh Russet potatoes that they produced.

Regulations for the 2000 crop of fresh Russet potatoes were published on April 13, 2001, and are provided in 7 CFR Part 80.

**B**

**Purpose**

This notice provides State and County Offices with provisions of PDP.

**Note:** Software for PDP will be provided in a future software release.

**C**

**Action**

State Offices shall immediately publicize the contents of this notice to the maximum extent possible.

County Offices shall:

- immediately notify producers
- accept applications from May 14, 2001, through June 13, 2001.

<b>Disposal Date</b>	<b>Distribution</b>
January 1, 2002	State Offices; State Offices relay to County Offices

## Notice FV-14

### 2 General Information

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#### A

##### Source of Authority

The source of authority for PDP is section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c).

Regulations for PDP are:

- provided in 7 CFR Part 80
  - available on BBS
  - available on the Price Support Division (PSD) home page at <http://www.fsa.usda.gov/dafp/psd>.
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#### B

##### Program Authorization

PDP will be:

- administered under the direction and supervision of the Director, Fruit and Vegetable Division, AMS
  - implemented under the direction and supervision of PSD.
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#### C

##### Eligible Producers

Eligible producers are those producers who produced all types and varieties of 2000 crop fresh Russet potatoes, except sweet potatoes.

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#### D

##### Diversion Period

PDP is available to fresh Russet potato producers who divert their potato production from the normal channels of trade and commerce between April 13, 2001, and May 13, 2001.

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## Notice FV-14

### 2 General Information (Continued)

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#### E

##### Sign-up Period

Sign-up for PDP begins on May 14, 2001, and ends on June 13, 2001. Eligible producers may file an application anytime during this sign-up period. Producers shall file FSA-117 for a payment at the County Office nearest to the producer's place of residence or, if the producer is already an FSA customer, where the producer's records are maintained.

**Note:** A multi-county potato producer should make application for PDP benefits in the county where the headquarters is located.

All PDP applications must be submitted to the applicable County Office by COB June 13, 2001. Late-filed provisions do not apply to PDP. FSA-117 requested or received after COB June 13, 2001, will not be accepted. This includes FAXed applications, accepted according to 1-CM, paragraph 1008.

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#### F

##### Application Form

The application form, FSA-117, will be the **only** application form needed to apply for payment under this program.

**Note:** The application form is in clearance for OMB approval and a future notice will be issued with instructions about FSA-117.

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#### G

##### AD-1026 Requirement

Producers shall:

- file AD-1026 according to 6-CP
- certify on AD-1026 that they are in compliance with highly erodible land conservation/wetland conservation provisions before payments are made.

**Note:** CCC-502 is not required for PDP.

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#### H

##### Related FSA Handbooks

Handbooks related to PDP include:

- 1-CM for signatures, estates, trusts, or minors
  - 1-APP for appeals
  - 1-FI for issuing payments
  - 4-CP for scheme or device.
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## Notice FV-14

### 2 General Information (Continued)

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#### I Offsets, Withholdings, Payment Limitation, and Assignments

PDP payments **will** be subject to:

- offsets
- assignments.

PDP payments will **not** be subject to:

- withholdings
  - payment limitations.
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### 3 Payment Rates and Calculations

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#### A Funding

Because the spending authority is limited to \$10,250,000, PDP payments will not be issued until:

- signup has ended
  - a weight factor on hundredweight has been determined.
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#### B National Payment Rate

The payment rate is \$1 per hundredweight for all methods of diversion. The payment rate includes all costs, but is not limited to processing, transportation, and inspection costs.

**Note:** FSA will determine a uniform hundredweight deduction, if necessary, so that total outlays will not exceed the \$10,250,000, less administrative funds, available under this program.

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#### C Advance Payments

Advance payments will not be issued for PDP.

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## Notice FV-14

### 4 Methods of Diversion

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#### A

##### **Potatoes Designated for Charitable Institutions**

If producers divert potatoes for human consumption to charitable institutions, the potatoes must:

- meet all the requirements of U.S. Grade No. 2 inspection (fairly clean)
- be diverted between April 13, 2001, and May 13, 2001
- be inspected by a qualified authorized or licensed USDA grading inspector.

**Note:** U.S. Grade Standards are accessible on the Internet at [www.ams.usda.gov/standards](http://www.ams.usda.gov/standards).

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#### B

##### **Potatoes Designated for Livestock Feed**

Potatoes intended for livestock feed must:

- meet the requirements of U.S. Grade No. 2 Processing
  - be diverted between April 13, 2001, and May 13, 2001
  - be inspected by a qualified authorized or licensed USDA grading inspector between April 13, 2001, and May 13, 2001
  - be processed using 1 of the following methods:
    - cutting
    - chopping
    - slicing
    - gouging
    - crushing
    - ensiling
    - freezing
    - cooking.
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#### C

##### **Other Eligible Methods of Diversion**

Producers may also divert fresh Russet potatoes into ethanol production and/or render them nonmarketable and dispose of the potatoes in accordance with Federal, State, and local regulations.

Potatoes diverted using these methods must meet all the requirements of subparagraph 4 B.

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## Notice FV-14

### 5 Inspection

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#### A

##### Before Diversion

Before diversion, the potatoes must be inspected and certified by AMS or the Federal State Inspection Service. The inspector must be authorized or licensed by USDA to inspect and certify the class, quality, and condition of potatoes.

**Note:** A list of authorized and licensed USDA inspectors is accessible on the Internet at [www.ams.usda.gov/fv/fpboffices.html](http://www.ams.usda.gov/fv/fpboffices.html). For information about USDA inspector contacts not included on the Internet accessible list, contact the AMS, Field Operations Section at 202-720-2482 or 1-800-811-2373.

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#### B

##### Producer Responsibilities

Producers:

- are responsible for requesting, arranging for, and payment of inspection and U.S. Grading costs
  - must provide an original grading inspection certificate (FV-184 or FV-301) to the FSA County Office before the application form, FSA-117, is approved for payment
  - must provide scale tickets, weighing facilities, or volume measurements as determined by the inspector to ascertain the net weight of the potatoes that are to be diverted
  - who use the livestock feed method of diversion, must also incur all costs associated with processing the potatoes to be diverted.
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#### C

##### USDA Inspector Responsibilities

USDA inspector will:

- determine the quantity or percent of the potatoes meeting:
    - U.S. Grade No. 2 (fairly clean) for charitable institutions
    - U.S. Grade No 2 Processing for livestock feed, ethanol production, and/or rendered nonmarketable and disposed of
  - prepare an FV-184 or FV-301 certification
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## Notice FV-14

### 5 Inspection (Continued)

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#### C

#### USDA Inspector Responsibilities, Continued

- distribute FV-184 or FV-301 as follows:
  - original and 1 copy to the producer
  - keep a copy.

**Note:** The producer must submit the original FV-184 or FV-301 with the additional required information to the County Office no earlier than May 13, 2001, and no later than June 13, 2001.

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#### D

#### Required Documentation

The required documentation needed to obtain payment must be submitted by the producer to the FSA County Office as follows:

- for diversion by charitable institution:
    - original FV-184 or FV-301 obtained from the authorized or licensed USDA grading inspector
    - bill of lading showing shipment was made to the charitable institutions between April 13, 2001, and May 13, 2001
  - for diversion by livestock feed, ethanol production and/or rendered nonmarketable and disposed of:
    - original FV-184 or FV-301 obtained from the authorized or licensed USDA grading inspector
    - name and address of the owner or the person or persons who received the eligible diverted potatoes.
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## Notice FV-14

### 6 Definitions

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#### A

#### **Charitable Institutions**

Charitable institutions are those organizations that offer food, housing, and other necessities to low income, homeless, or other persons in need of assistance.

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#### B

#### **Diversion**

Diversion means the delivery of domestic potatoes to an eligible outlet.

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#### C

#### **Eligible Outlet**

Eligible outlet means charitable institutions, livestock feed, ethanol production, and/or rendered nonmarketable and disposed of according to Federal, State, and local regulations.

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#### D

#### **Fresh Russet Potatoes**

Fresh Russet potatoes means the 2000 crop of all types and varieties of potatoes, except sweet potatoes, which meet the U.S. standard for russets fit for human consumption and produced and stored in the United States.

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#### E

#### **FSA-117**

FSA-117 is the payment application for PDP.

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#### F

#### **Producer**

Producer means any person or group of persons who as a single unit produce fresh Russet potatoes and whose production and facilities are located in the United States and is in possession of these potatoes as of April 13, 2001.

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