

For: State and County Offices

Cranberry Market Loss Assistance Payment (CMLAP) Program

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

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Background

The U.S. cranberry market has experienced significant and severe supply and price jolts over the past year because of recent increases to acreage and yields, while demand has remained fairly constant. Pub. L. 106-387, Section 816 directs the Secretary of Agriculture to:

- provide payments to producers of the 1999 crop of cranberries
- ensure that no duplication of payment is made to cranberry producers for the same market loss of cranberries, excluding indemnity payments made under the Federal Crop Insurance Act.

FSA is administering a payment program to provide assistance to producers of the 1999 crop of cranberries.

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Purpose

This notice provides:

- policy and procedure on implementing the CMLAP program
- eligibility criteria
- procedure for applying for benefits.

<p>Disposal Date</p> <p>March 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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2 General Information

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Source of Authority

The source of authority for the CMLAP program is Section 816 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (the 2001 Act).

Regulations for CMLAP will be:

- provided in 7 CFR Part 1476
 - available on BBS after it is published in FR
 - available on the PSD home page at <http://www.fsa.usda.gov/dafp/psd/>, after it is published in FR.
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Program Availability

CMLAP is available to producers on cranberry farm units if the farm unit produced cranberries anytime during the 1999 crop year. The 2001 Act provides an appropriation of up to \$20 million of CCC funds for direct payment to cranberry producers.

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Application Period

Signup for CMLAP began on February 5, 2001, and will end 2 weeks following publication of program regulations in FR. Producers of cranberry farm units may file an application for benefits anytime during this application period. Producers shall file applications for benefits directly with PSD by mail or private parcel delivery service.

Note: County Offices shall **not** accept completed CCC-890's for benefits. CCC-890 instructions specify that the application **must** be returned directly to PSD by mail or private parcel delivery service by the application deadline preprinted on CCC-890.

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Application Deadline Extension

PSD mailed applications containing an application deadline receipt date of February 23, 2001, to each cranberry farm unit. This deadline date has been extended until 2 weeks following publication of program regulations in FR. The signup end date will be issued in a future notice.

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3 Responsibilities

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PSD Responsibilities

PSD mailed program applications to all cranberry growers in the United States. A list has been obtained from the Cranberry Marketing Committee containing the names, addresses, and production of cranberry growers in all cranberry-producing States, except Maine, who marketed cranberries under the AMS Cranberry Marketing Order for 1999.

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State and County Office Responsibilities

State and County Offices will not be involved in providing or processing CCC-890's or payments under the CMLAP program. CCC-890's will be mailed from and returned to PSD. Payments will be made by EFT from KC-ITSDO.

State and County Offices shall inform producers about the eligibility requirements for CMLAP, according to paragraph 4.

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Maine State and County Office Responsibilities

There are approximately 30 cranberry producers in Maine, who do not market under the AMS Cranberry Marketing Order, who will be:

- identified from a CCC-approved outside source
- contacted to make application.

To ensure that those cranberry producers for which contact information could not be obtained are informed about the CMLAP program, County Offices shall:

- announce details of the CMLAP program through County Office newsletters
 - inform producers in Maine about:
 - where to obtain CCC-890, according to subparagraph 6 A
 - eligibility requirements, according to subparagraph 4 A
 - the application period, according to subparagraph 2 C.
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4 Eligibility Requirements

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Cranberry Farm Unit Eligibility

CMLAP payments are made to producers on cranberry farm units. Only 1 application per farm unit, according to subparagraph B, is required. To be eligible to receive payment, a cranberry farm unit must:

- produce cranberries in the United States during the 1999 crop year
 - not have been compensated for the market loss of cranberries by any other Federal program, except an indemnity provided under a policy or plan of insurance offered by the Federal Crop Insurance Act
 - be engaged in the business of producing and marketing agricultural products at the time of application for payment
 - submit a timely application.
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Definition of a Cranberry Farm Unit

The CMLAP program authorizes payments to be issued on a per pound basis for each qualifying farm unit's 1999 production of cranberries. An eligible cranberry farm unit is a separate and distinct farming operation:

- that reports independent production information to the Cranberry Marketing Committee
- whose production facilities are located in the United States.

Note: All cranberry producers in the United States will be eligible to apply.

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Eligible Production

Eligible production for CMLAP will be based on the quantity of the 1999 crop of cranberries produced on each farm unit. The maximum eligible 1999 production is 1.6 million pounds per farm unit for 1999 crop cranberry production.

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5 Payment Rate and Calculations

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Funding

Because the spending authority is limited to \$20 million, CMLAP payments will not be issued until:

- signup has ended
- a payment rate has been determined
- KC-ITSDO mainframe payment calculations have been processed.

Information about the determination of the payment rate will be issued in a:

- future notice
 - press release.
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National Payment Rate

CCC will determine the national payment rate at the close of the application period, based on:

- the number of applicants
- reported cranberry production.

The payment rate per pound of cranberries will then be determined based on the factoring of the available funds divided by the total pounds of 1999 cranberry production from each applying farm unit, with no farm exceeding 1,600,000 pounds of cranberry production for the 1999 cranberry crop.

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Advance Payments

Advance payments will not be issued for the CMLAP program.

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Assignments, Offsets, Withholdings, and Payment Limitations per “Person”

CMLAP payments are not subject to:

- assignment
 - offset
 - withholding
 - payment limitation per “person”.
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6 CCC-890's

A Requests

On January 29, 2001, PSD mailed CCC-890's with instructions to all known cranberry growers in the United States. The mailed CCC-890 will have the cranberry farm unit's name, address, grower identification number, and 1999 production preprinted on the application.

Producers who do not receive CCC-890 from PSD may request CCC-890 by:

- mail
- telephone
- facsimile.

In addition, applicants may download a copy of CCC-890 from the Internet at <http://www.sc.egov.usda.gov>. Preprinted entries will not be included on forms downloaded from the Internet and must be completed by the cranberry producer and returned to PSD.

B Contact

Cranberry farm units that have not received CCC-890, as of February 5, 2001, the start of the application period, should contact Danielle Cooke at 202-720-1919 for a duplicate application.
