

For: State and County Offices

Apple Market Loss Assistance Payment (AMLAP) Program

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, provides the nation's apple growers with economic assistance for market losses.

B

Purpose

This notice provides:

- a correction to subparagraph 5 C and obsoletes Notice LP-1771
- policy and procedure on implementing AMLAP
- eligibility criteria
- procedure for applying for benefits
- instructions for completing CCC-891.

<p>Disposal Date</p> <p>June 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
---	--

Notice LP-1773

2 General Information

A

Source of Authority

The source of authority for AMLAP is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (the 2001 Act). Section 811 of Public Law 106-387 under the 2001 Act provides an appropriation of up to \$100 million of CCC funds for direct payment to apple producers.

B

Program Availability

AMLAP is available to producers on apple operations if the apple operation produced and harvested apples during the 1998 or 1999 crop year.

C

Signup Period

Signup for AMLAP begins on March 5, 2001, and ends on April 13, 2001. The contact producer for an apple operation may file an application for benefits anytime during this signup period. Producers shall file CCC-891 for benefits in the county where the apple operation is located.

All AMLAP applications must be submitted to the applicable County Office by COB April 13, 2001. Late-filed provisions will not apply to AMLAP. CCC-891's received or requested after COB April 13, 2001, will not be approved, including FAXed or mailed CCC-891's. In these cases, accept and disapprove CCC-891 in the normal manner.

D

National Payment Rate

Since a set amount of money is available, a national payment rate for payments will be determined and announced after the end of signup. Payments cannot be issued until after the national payment rate is determined.

E

Policies and Procedures

The following instructions will be issued through LP and PS notices:

- procedural instructions for administering AMLAP
 - automated instructions for recording AMLAP through the automated price support system (APSS).
-

Continued on the next page

Notice LP-1773

2 General Information (Continued)

F

Regulations

Regulations for AMLAP will be:

- provided in 7 CFR Part 1470
 - available on BBS after publication in the Federal Register (FR)
 - available on the PSD homepage at <http://www.fsa.usda.gov/dafp/psd/>, after publication in FR.
-

G

Related Handbooks

Handbooks related to AMLAP include:

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

Note: Assignments do not apply.

3 Responsibilities

A

FSA Responsibilities

FSA has primary responsibility through STC's and COC's for administering AMLAP.

B

STC Action

STC's shall supervise and monitor AMLAP to ensure that policies and procedures in this notice are being uniformly followed by County Offices.

C

COC Action

COC's shall:

- administer AMLAP at the county level under STC supervision
 - inform producers about the eligibility requirements for AMLAP payments
 - approve or disapprove requested AMLAP payments according to this notice.
-

4 AMLAP Definitions

A

Definitions

- A apple operation is any person or group of persons who, as a single unit as determined by CCC, produce and market apples and whose production and facilities are located in the United States.
 - Eligible production is any apples that were produced in the United States anytime during the 1998 and/or 1999 crop year, subject to a maximum production of 1,600,000 pounds per apple operation.
 - Harvested production is all production of the eligible crop from the operation that can be supported by an acceptable record, including, but not limited to production:
 - gathered by hand
 - mechanically harvested.
 - Higher production year is the crop year, either 1998 or 1999, as selected by the apple operation, during which the greater quantity of apples were produced.
 - A person is any individual, group of individuals, partnership, corporation, estate, trust, association, cooperative, or other business enterprise or other legal entity who is, or whose members are a citizen or citizens of, or legal resident alien or aliens in, the United States.
 - United States means the 50 United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.
 - Verifiable production is evidence that is used to substantiate the amount of production reported and that can be verified by CCC through an independent source.
-

5 Eligibility Requirements

A

Eligible Apple Operations

An eligible apple operation for AMLAP purposes is any person or group of persons who, as a single unit as determined by CCC, produces and markets apples and whose production and facilities are located in the United States and may also include any of the following entities that are engaged in an operation that markets apples in the United States:

- an individual that has a beneficial interest in an apple operation, has a financial risk in the apple operation, and is a citizen of, or legal resident alien in, the United States
 - a corporation, partnership, joint operation, estate, association, cooperative, or other business enterprise or other legal entity and, whenever applicable, a State, political subdivision of a State, or any agency thereof, and whose members are a citizen of, or legal resident alien in, the United States
 - Indian tribe of the Indian Self-Determination and Education Assistance Act
 - Indian organization or entity chartered under the Indian Reorganization Act
 - economic enterprise under the Indian Financing Act of 1974
-

B

Eligible Production

Eligible production for AMLAP is the crop year of the higher production of either 1998 or 1999, subject to a maximum of 1,600,000 pounds per apple operation.

C

Apple Operation Eligibility

AMLAP payments are made to producers on apple operations. Only 1 application per apple operation is required. To be eligible to receive payment, producers on an apple operation must:

- have produced and harvested apples in the United States anytime during the 1998 and/or 1999 crop year
 - not have been compensated for the same market loss by any other Federal programs, except an indemnity provided under a policy or plan or insurance offered under the Federal Crop Insurance Act and also excluded for the 1998 and 1999 crop years are the following:
 - an apple farm loan
 - crop disaster payment
 - any other program not specifically for the market loss of apples
 - apply for payment during the application period.
-

6 Payment Rate and Calculations

A

Funding

\$100 million has been made available to eligible producers on apple operations for payments under AMLAP.

Because the spending authority is limited to \$100 million, AMLAP payments cannot 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.

B

**National
Payment Rate**

The per pound payment rate will be established based on eligible apple production up to 1,600,000 pounds that was produced and harvested during either the 1998 or 1999 crop year.

C

**Advance
Payments**

Advance payments will not be issued for AMLAP.

D

**Administrative
Offset**

Section 842 of the 2001 Act provides for issuing payments from amounts appropriated pursuant to Title VIII without regard to administrative offset to alleviate the critical financial situation of the apple industry.

AMLAP is a Title VIII program; therefore, AMLAP payments to eligible producers will not be subject to the following:

- offset
 - withholding.
-

7 Filing Applications

A

Filing CCC-891

Eligible producers on apple operations shall file CCC-891 to apply for AMLAP benefits. A separate CCC-891 shall be filed for each apple operation that produced and harvested apples during the 1998 and/or the 1999 crop year. The total production quantity of apples produced and harvested under the apple operation for all producers receiving a share of the apples marketed must be included on one CCC-891 to complete the application. More than 1 application for an apple operation is not acceptable for AMLAP.

Example: Apple Operation 1 consists of 2 persons who jointly share in the operation 50 percent. Apple Operation 2 consists of 1 of the persons from Apple Operation 1, but this person has 100 percent interest in Apple Operation 2. There will be two CCC-891's:

- Apple Operation 1 files an application that includes all apple production harvested and produced during the 1998 and/or the 1999 crop year by both persons on Apple Operation 1 and application and payment is shared 50-50 between the 2 persons
- Apple Operation 2 files an application for all apple production harvested and produced during the 1998 and/or 1999 crop year on Apple Operation 2.

APSS will assign application numbers and must be manually transferred to CCC-891 after the County Office has entered the information.

See Exhibit 1 for instructions on completing CCC-891. CCC-891 is available on the:

- eForms website at <http://www.sc.egov.usda.gov/>
- FSA website at <http://intranet.fsa.usda.gov/dam/ffasforms/forms.html>.

State Offices shall locally reproduce CCC-891.

B

Requests

Eligible apple operations can obtain CCC-891 to request AMLAP from the County Office where the apple operation is physically located as follows:

- in person
 - by mail
 - by telephone
 - by facsimile.
-

Continued on the next page

7 Filing Applications (Continued)

**B
Requests
(Continued)**

Applications may also be downloaded by the producer from the Internet at the following websites:

- PSD website located at <http://www.fsa.usda.gov/dafp/psd/>
- USDA E-Commerce website located at <http://www.sc.egov.usda.gov/>.

If CCC-891's are requested by mail, telephone, facsimile, or downloaded from the Internet, CCC-891's must be completed correctly, signed, and returned to the applicable County Office by COB April 13, 2001, to be considered eligible for AMLAP.

**C
Signature
Requirements**

All producer signatures, including FAXed signatures, must be received by COB April 13, 2001.

**D
Direct Deposit**

The Debt Collection Improvement Act of 1996 requires any recipient of Federal payments who becomes eligible for that payment after July 25, 1996, to receive the payment by electronic funds transfer. All producers receiving benefits under AMLAP must file SF-1199A according to 1-FI, Part 3.

**E
Producer
Self-Certification**

Apple operations must:

- complete CCC-891 by self-certifying the apple production harvested and produced during the 1998 and/or 1999 crop years
- answer the 3 questions for eligibility.

Because the producer certifies that the information is correct, no additional documentation is requested from the apple operation at time of signup.

Continued on the next page

7 Filing Applications (Continued)

F
COC Approval
of CCC-891

COC, or designee, shall be satisfied that all eligibility requirements of paragraph 5 have been met before approving CCC-891.

COC, or designee, shall not approve any CCC-891 that was requested or received after COB April 13, 2001. This includes CCC-891's that are mailed or FAXed to the County Office.

If a joint venture or joint operation does not have a permanent Federal ID number, do not approve CCC-891 unless all members of the joint venture or joint operation who share in the apple production from apple operation have signed CCC-891.

G
Conversion From
Bushels to
Pounds

Producers must report the apple operations production during 1998 and/or 1999 in pounds. One bushel of apples is equivalent to 42 pounds.

To convert bushels to pounds, multiply the number of bushels times 42.

Example: An apple operation produced and harvested 10,000 bushels during the 1998 crop year. Multiply 10,000 times 42 to get a total of 420,000 pounds of production for the 1998 crop year.

H
Conversion From
Gallons to
Pounds

If producers do not have verifiable production evidence showing bushels or pounds, use this subparagraph to convert cider or juice to production.

Gallons of cider or single-strength juice must also be reported in pounds. A conversion rate of 3.59 gallons is equivalent to one bushel or 42 pounds of production.

To convert gallons to pounds, divide the number of gallons by 3.59. Take the answer and multiply it times 42.

Example: An apple operation produced 600 gallons of apple juice during the 1998 crop year. Divide the 600 gallons by 3.59 to get an answer of 167.13. Multiply 167.13 times 42 to get a total of 7,019.46 pounds of production.

Continued on the next page

7 Filing Applications (Continued)

I
Maximum
Production

Producers will only be paid up to a maximum quantity of 1,600,000 pounds of apple production per separate apple operation which is equivalent to 38,095 bushels per separate apple operation.

J
Forms
Applicable

AD-1026 is required for AMLAP.

Note: Highly erodible land conservation and wetland conservation rules do apply.

8 Compliance

A Spot Checks

County Offices shall spot check 5 percent of all approved CCC-891's to ensure that the apple operation is in compliance with approved policy and procedure. Use the following procedures to implement spot checks:

- by COB June 18, 2001, select 1 out of every 20 apple operations approved for AMLAP
 - by telephone, contact each contact producer of the selected apple operation to:
 - inform them that a spot check is being completed for the apple operation
 - request supporting documentation, according to subparagraph B, to verify apple production
-

B Verifiable Records

Inform the contact producer of the apple operation to provide, within 10 workdays, copies of verifiable production records to support a certification of production.

Verifiable records of production include current records provided by the producer that:

- may be verified by CCC through an independent source
- are used to substantiate the amount of production reported.

Verifiable records shall:

- be dated and correspond with the 1998 and/or 1999 crop year
 - show the name of the producer or apple operation
 - show production for the 1998 and/or 1999 crop year.
-

C Supporting Documentation

If verifiable records are not available, the producer shall provide any documentation available, including, but not limited to:

- copies of receipts
 - ledgers of income
 - invoices for custom harvesting
 - picking records
 - packing house receipts
 - payroll records.
-

Continued on the next page

Notice LP-1773

8 Compliance (Continued)

**C
Supporting
Documentation
(Continued)**

Any apple operation that cannot provide the required documentation will be ineligible for AMLAP.

**D
Reviewing
County Office
Records**

County Offices shall review documents available in the FSA office that may provide information or verify production amounts claimed on CCC-891.

These documents may include, but are not limited to, documentation for:

- RMA records
 - Crop Disaster Payments/Noninsured Crop Disaster Assistance Program records
 - FCI-74, crop insurance claim statement
 - acreage report information from the 1998 and/or 1999 crop year.
-

**E
Reviewing
Documentation**

When the supporting documentation is received in the County Office:

- make a copy, date stamp copy, and return originals to the contact producer
- review supporting documentation to verify that:
 - apples were produced and harvested during the 1998 and/or 1999 crop year
 - the total pounds of production equal the 1998 and/or 1999 crop year production from CCC-891.

Attach supporting documentation to CCC-891.

Continued on the next page

Notice LP-1773

8 Compliance (Continued)

F

**Completing
Reviews**

Complete spot check reviews by COB July 16, 2001. This table explains the action necessary based on results of the review.

IF the review verifies the apple production...	THEN...
<ul style="list-style-type: none"> • was produced and harvested during the 1998 and/or 1999 crop years • equal the pounds of apple production reported on CCC-891 • for all producers involved in the apple operation were reported on CCC-891 • was not compensated by any other Federal program, except crop insurance for the same market loss (see subparagraph 5 C) 	<p>no further action is necessary.</p>
<ul style="list-style-type: none"> • was not produced and harvested during the 1998 and/or the 1999 crop year • was compensated by another Federal program for the same market loss 	<p>the apple operation is not eligible for AMLAP and the entire payment must be refunded.</p>
<p>was produced and harvested during the crop year reported on CCC-891; however, documentation submitted raises concerns or questions about the apple operation's eligibility and certification</p>	<p>COC must review and determine either of the following:</p> <ul style="list-style-type: none"> • good faith • misrepresentation, scheme, or device.

Continued on the next page

8 Compliance (Continued)

**G
COC
Determination**

If COC:

- determines good faith, refer to subparagraph H
- cannot determine good faith and determines that misrepresentation, scheme, or device occurred, the apple operation is not eligible for AMLAP and the entire AMLAP payment must be refunded.

COC's shall use their judgment when determining good faith to ensure that the apple operation did not intentionally certify incorrectly.

**H
When to Adjust
Applications**

Corrections may be necessary as a result of the spot check when the following occurs:

- spot check results in minimal dollar differences
- judgment of good faith was determined by COC.

Use the following table to determine when a payment adjustment or payment refund is required.

IF the correct payment calculation results in a difference of...	THEN...
\$9.99 or less	no application adjustment is necessary. County Offices shall not enter adjustments in APSS. No overpayment has occurred.
over \$9.99	adjust application based on the corrected information. Producers must pay back entire overpayment. Information in the system must be corrected to reflect correct payment earned.

**I
Refunds**

For apple operations that must refund payments because the apple operation has been determined out of compliance, interest will accrue at the CCC borrowing interest rate from the date of payment through the date the refund is received. Inform the producer of any amounts due according to 58-FI. If refunds are not paid by the due date, establish a claim according to 58-FI in the normal manner.

Continued on the next page

8 Compliance (Continued)

**J
County Office
Action**

County Offices shall:

- document results of the spot check on the reverse side of CCC-891
 - notify State Offices of the spot check results at the completion of all spot check reviews as follows:
 - total number of CCC-891's selected for spot check
 - total number of CCC-891's with discrepancies
 - for CCC-891's with discrepancies only:
 - apple operation name
 - discrepancy found
 - COC action
 - dollar amount of refund, as applicable.
-

**K
State Office
Action**

State Offices shall:

- maintain a file of all spot check reports
- FAX a memorandum summarizing the spot check results to PSD.

Note: The FAX number for PSD is 202-690-3307.

**L
Misrepresentation,
Scheme, or
Device**

Any person who is determined by STC or COC to have committed any of the following violations shall be ineligible to receive payments under AMLAP:

- adopted any scheme or device that tends to defeat the purpose of AMLAP
 - made any fraudulent representation
 - misrepresented any fact affecting a program determination.
-

**M
Maintaining
Records**

Apple operations requesting payment under AMLAP shall maintain records for a period of 3 years after the date of the payment to document eligibility requirements are met.

CCC-891, Apple Market Loss Assistance Payment Program Application

A

Completing CCC-891

Complete CCC-891 according to this table if the producer is requesting AMLAP in person at the County Office.

Production for all producers who share in the apple operation and who produced and harvested apples during the 1998 and/or the 1999 crop years must be added together on one CCC-891.

Item	Instructions
1	Enter the name of the apple operation.
2	Enter the applicable State code.
3	Enter the applicable County code.
4	Enter "2001" for the program year.
5	Enter the application number assigned by APSS after CCC-891 has been recorded in APSS.
6	Enter the producer's name, address, and telephone number. This will be the contact producer if more than 1 producer shares in the apple operation.
7	Enter the name and address of the applicable County Office.
8	Check the applicable box in response to the question, "Did the apple operation produce and harvest apples during the 1998 or 1999 crop year?"
9	<p>Check the applicable box in response to the question, "Did the apple operation receive a payment other than crop insurance, from any other Federal program for the market loss of apples?"</p> <p>Note: Crop Disaster Payments are not considered compensation for the market loss of apples.</p>
10	Check the applicable box in response to the question, "Do you understand that the CCC will perform random spot checks and request documentation?"
11	<p>Enter the total pounds of apples produced and harvested during the 1998 crop year.</p> <p>Note: Production from only 1 crop year is acceptable.</p>
12	<p>Enter the total pounds of apples produced and harvested during the 1999 crop year.</p> <p>Note: Production from only 1 crop year is acceptable.</p>
13-16	After reading the certification statement in Part D, all producer's must sign, provide ID number, date, and indicate share, as applicable.
17-18	COC designee shall sign and provide date.
19	COC designee shall approve or disapprove CCC-891.

Continued on the next page

CCC-891, Apple Market Loss Assistance Payment Program Application (Continued)

B
Example of
CCC-891

This is an example of CCC-891.

REPRODUCE LOCALLY. Include form number and date on all reproductions. Form Approved - OMB No. 0560-0210

CCC-891 U.S. DEPARTMENT OF AGRICULTURE
 (03-07-01) Commodity Credit Corporation

APPLE MARKET LOSS ASSISTANCE PAYMENT (AMLAP) PROGRAM APPLICATION

Part A - General Information

1. Name of Apple Operation Juicy and Plenty Operation	2. State Code 20	3. County Code 165	4. Program Year 2001	5. Application Number 383
6. Contact Producer's Name and Address Lewis Butler 7245 Newman Street Blacksmith NY 54112 Telephone No. ()		7. Name and Address of County FSA Office Curry County FSA Office 9001 Cider Lane Red Smith 54108		

Part B - Eligibility Determinations

8. Did the apple operation produce and harvest apples in the United States during the 1998 or 1999 crop year?	Yes	No
	X	
9. Did the apple operation receive a payment other than crop insurance, from any other Federal program for the market loss of apples?		X
10. Do you understand that the CCC will perform random spot checks and request documentation?	X	

Part C - Apple Production (Enter the total pounds of apple production for each year applicable)

11. Crop Year 1998 580,562 LBS.	12. Crop Year 1999 472,110 LBS.
------------------------------------	------------------------------------

Part D - Producer's Certification

I certify that all the information entered on this application is true and correct and all persons involved in this operation have submitted the total pounds of apples produced and harvested during the 1998 and/or 1999 crop year. I understand that the total pounds of production of the apple operation will be used to establish the highest of 1998 or 1999 production but can only be one crop year and that the choice of which of the 1998 or 1999 crop year to use will be made from the higher number of pounds of production. I also understand that the apple operation: (1) produced and harvested apples anytime during the 1998 or 1999 crop year and has indicated above the production for those crop years; (2) must not have been compensated for the same market loss of apples by any other Federal program, except crop insurance; and (3) will be paid only up to a maximum of 1.6 million pounds of apple production which is equivalent to 38,095 bushels. To ensure that all program eligibility requirements are met for this apple operation, I understand that my apple operation may be selected for spot check. If my apple operation is selected for spot check, I may be required to provide any information that may be required to determine program eligibility. Providing a false certification to the government is punishable by imprisonment, fines and other penalties. All information provided herein is subject to verification by the Commodity Credit Corporation. The provision of criminal and civil fraud statutes that apply to this certification, includes 18 USC 286, 297, 371, 641, 651, 1001 and 1014; 15 USC 714m; and 31 USC 3729.

13. Producer's Signature	14. Producer's ID Number	15. Date	16. Share

Part E - COC Determination

17. Signature of COC or Designee <i>/s/ George Walker</i>	18. Date Approved <i>03/02/XX</i>	19. Application Status <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved
--	--------------------------------------	--

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Pub. L. 109-287). The information will be used to establish eligibility and determine payment amounts for the apple operations in the United States. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0210. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 725-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

Continued on the next page

CCC-891, Apple Market Loss Assistance Payment Program Application (Continued)

C

Instructions to Producer

If a producer requests AMLAP by telephone, mail, or by facsimile, County Offices shall:

- complete items 2 through 4 and 7
- not complete items 5 and 17 through 19 until the apple operation has completed and returned CCC-891 to the County Office
- send CCC-891 to the apple operation as requested
- provide the following instructions for the apple operation to complete CCC-891.

Item	Instructions
1	Enter the name of your apple operation.
6	Enter your name, address, and telephone number.
8	Enter your response to the question, "Did the apple operation produce and harvest apples during the 1998 or 1999 crop year?"
9	Enter your response to the question, "Did the apple operation receive a payment other than crop insurance, from any other Federal program for the market loss of apples?" Note: Crop Disaster Payments are not considered compensation for the market loss of apples. See subparagraph 5 C.
10	Enter your response to the question, "Do you understand that the CCC will perform random spot checks and request documentation?"
11	Enter the total pounds of apples produced and harvested by the apple operation during the 1998 crop year.
12	Enter the total pounds of apples produced and harvested by the apple operation during the 1999 crop year.
13-16	After reading the certification statement in Part D, sign, provide your ID number, date, and indicate your share, as applicable. All producer's who share in the apple operation must also sign, date, indicate shares, and provide ID numbers, as applicable. When all signatures and information have been obtained, take your completed application to the County Office in item 7 by COB April 13, 2001. If you elect to mail or FAX your completed application, the County Office in item 7 must receive the application by COB April 13, 2001. Note: There are no exceptions.