

For: State and County Offices

Apple Market Loss Assistance Payment (AMLAP-II) 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, 2002, provides the nation's apple growers with economic assistance for market losses.

B

Purpose

This notice provides:

- policy and procedure on implementing AMLAP-II
- the sign-up date for AMLAP-II
- eligibility criteria
- procedure for applying for benefits
- instructions for completing CCC-891.

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| <p>Disposal Date</p> <p>June 1, 2003</p> | <p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p> |
|---|--|

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2 General Information

A

Source of Authority

The source of authority for AMLAP-II is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (the 2002 Act). Section 741 of Public Law 107-76 which implements the 2002 Act provides an appropriation of up to \$75 million of CCC funds for direct payment to apple producers.

B

Program Availability

AMLAP-II is available to producers on apple operations if the apple operation produced and harvested apples during the 2000 crop year.

C

Sign-Up Period

Sign-up for AMLAP-II begins on **April 29, 2002**. An ending date has not yet been established. The contact producer for an apple operation may file an application for benefits anytime during this sign-up period. Producers shall file CCC-891 to apply for AMLAP-II benefits in the county where the apple operation is located.

D

Software

AMLAP-II application software will **not** be in the field by the beginning of the sign-up. Therefore, the County Offices shall take manual AMLAP-II applications.

AMLAP-II application software is scheduled for County Release No. 484, to be mailed to the field on April 29, 2002. Software for batch payment processing will be provided in County Release No. 489, to be mailed July 8, 2002.

E

Data Upload

County Offices will have at least 4 weeks after the sign-up deadline to complete the data upload process in System 36. A program upload date will be provided in a future notice.

F

National Payment Rate

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

Continued on the next page

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2 General Information (Continued)

G

Policies and Procedures

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

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

Regulations

Regulations for AMLAP-II will be:

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

Related Handbooks

Handbooks related to AMLAP-II include:

- 1-CM for signatures, estates, trusts, or minors
 - 1-APP for appeals
 - 1-FI for issuing payments
 - 4-CP for scheme or device
 - 63-FI for assignments and joint payments
 - 58-FI for offsets.
-

J

Compliance

Procedures for AMLAP-II compliance will be provided in a future notice.

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3 Responsibilities

A

**FSA
Responsibilities**

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

B

STC Action

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

C

COC Action

COC's shall:

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

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Definitions

- An apple operation is any individual, joint operation, or entity 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 2000 crop year, subject to a maximum production of 5,000,000 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.
 - A person is defined according to 1-PL, subparagraph 110 A.
 - A separate person is defined according to 1-PL, subparagraph 110 B.
 - 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.
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5 Eligibility Requirements

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Eligible Apple Operations

An eligible apple operation for AMLAP-II purposes is any individual, joint operation, or entity who share in the risk of an apple operation's total production and 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-II is the 2000 crop year, subject to a maximum of 5,000,000 pounds per apple operation.

C

Apple Operation Eligibility

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

- have produced and harvested apples in the United States anytime during the 2000 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 2000 crop year 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.
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6 Payment Rate and Calculations

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Funding

\$75 million has been made available to eligible producers on apple operations for payments under AMLAP-II.

Because the spending authority is limited to \$75 million, AMLAP-II payments cannot be issued until:

- sign-up 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 5,000,000 pounds that was produced and harvested during the 2000 crop year.

C

Advance Payments

Advance payments will not be issued for AMLAP-II.

D

Offsets and Withholdings

AMLAP-II payments are subject to administrative offset and withholding, as applicable.

7 Filing Applications

A

Filing CCC-891

Eligible producers on apple operations shall file CCC-891 to apply for AMLAP-II benefits. A separate CCC-891 shall be filed for each apple operation that produced and harvested apples during the 2000 crop year. The total 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-II.

Example: Apple Operation 1 consists of 2 producers who jointly share in the operation 50 percent. Apple Operation 2 consists of 1 of the producers from Apple Operation 1, but this producer 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 2000 crop year by both producers on Apple Operation 1 and application and payment is shared 50-50 between the 2 producers
- Apple Operation 2 files an application for all apple production harvested and produced during the 2000 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-II 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 received by the applicable County Office by COB on the deadline date determined by FSA to be considered eligible for AMLAP-II.

Note: If the operation is returning CCC-891 by FAX, the producer must have FSA-237 on file in the County Office according to 1-CM.

C

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-II must file SF-1199A according to 1-FI, Part 3.

D

**Producer
Self-Certification**

Apple operations must:

- complete CCC-891 by self-certifying the apple production harvested and produced during the 2000 crop year
- 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 sign-up. However, compliance policies will be implemented. If a producer is subsequently selected for a compliance check, County Offices may request additional information or documentation.

Continued on the next page

7 Filing Applications (Continued)

E

**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 on the deadline date determined by FSA. 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.

F

**Conversion From
Bushels to
Pounds**

Producers must report the apple operations production during the 2000 crop year 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 2000 crop year. Multiply 10,000 times 42 to get a total of 420,000 pounds of production for the 2000 crop year.

G

**Conversion From
Gallons to
Pounds**

If producers do not have verifiable production evidence showing bushels or pounds but do have verifiable production evidence for cider or juice, 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 1 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 2000 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.

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7 Filing Applications (Continued)

H

**Maximum
Production**

Producers will only be paid up to a maximum quantity of 5,000,000 pounds of apple production per separate apple operation which is equivalent to 119,047 bushels per separate apple operation.

I

**Forms
Applicable**

AD-1026 is required for AMLAP.

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

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-II in person at the County Office.

Production for all producers who share in the apple operation and who produced and harvested apples during the 2000 crop year 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 "2002" 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 2000 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 | Enter the total pounds of apples produced and harvested during the 2000 crop year. |
| 12-15 | After reading the certification statement in Part D, all producer's must sign, provide ID number, date, and indicate share, as applicable. |
| 16 & 17 | COC designee shall sign and provide date. |
| 18 | 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.

This form is available electronically. Form Approved - OMB No. 0560-0210

CCC-891 U.S. DEPARTMENT OF AGRICULTURE
 (04-07-02) Commodity Credit Corporation

APPLE MARKET LOSS ASSISTANCE PAYMENT (AMLAP) PROGRAM APPLICATION

Part A - General Information

| | | | | |
|--|---------------|--|-----------------|-----------------------|
| 1. Name of Apple Operation | 2. State Code | 3. County Code | 4. Program Year | 5. Application Number |
| 6. Contact Producer's Name and Address | | 7. Name and Address of County FSA Office | | |
| Telephone No. (include Area code) | | Telephone No. (include Area code) | | |

Part B - Eligibility Determinations (Producers should not complete or submit this form if the eligibility questions below indicate ineligibility)

| | | |
|---|-----|----|
| 8. Did the apple operation produce and harvest apples in the United States during the 2000 crop year? | Yes | No |
| 9. Did the apple operation receive a payment other than crop insurance, from any other Federal program for the market loss of apples? | | |
| 10. Do you understand that the CCC will perform random spot checks and request documentation? | | |

Part C - Apple Production

11. Crop Year 2000

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 2000 crop year. I understand that the apple operation: (1) must have produced and harvested apples anytime during the 2000 crop year and has indicated above the production for the crop year; (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 5 million pounds of apple production which is equivalent to 119,047 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.

| | | | |
|--------------------------|--------------------------|-----------------------|------------|
| 12. Producer's Signature | 13. Producer's ID Number | 14. Date (MM-DD-YYYY) | 15. Share: |
| | | | % |
| | | | % |
| | | | % |
| | | | % |
| | | | % |

Part E - COC Determination

| | | |
|----------------------------------|--------------------------------|---|
| 16. Signature of COC or Designee | 17. Date Approved (MM-DD-YYYY) | 18. Application Status: |
| | | <input 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, 2002 (Pub. L. 107-76). 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.**

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

C

Instructions to Producer

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

- complete items 2 through 4 and 7
- **not** complete items 5 and 16 through 18 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 2000 crop year?” |
| 9 | <p>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?”</p> <p>Note: Crop Disaster Payments are not considered compensation for the market loss of apples. See subparagraph 5 C.</p> |
| 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 2000 crop year. |
| 12-15 | <p>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.</p> <p>When all signatures and information have been obtained, take your completed application to the County Office in item 7 by COB on the deadline date announced by FSA. If you elect to mail or FAX your completed application, the County Office in item 7 must receive the application by COB on the deadline date announced by FSA.</p> <p>Note: There are no exceptions.</p> |