

For: State and County Offices

Issuing 1998 Market Loss Assistance (MLA) Payments

Approved by: Deputy Administrator, Farm Programs

Richard O. Swuman

1 Overview

A

Background

Notice PF-99 informed State and County Offices that MLA payments:

- are to be issued to producers who were eligible for FY 1998 PFC payments
- shall be proportional to the amount of PFC payments received by the producers for FY 1998.

B

Purpose

This notice provides:

- MLA payment rates
- procedure for proportioning FAV acre-for-acre payment reductions
- instructions for issuing and canceling 1998 MLA payments
- instructions for the MLA producer payment history print.

C

Immediate Distribution

State Offices shall FAX this notice to County Offices immediately upon receipt.

Disposal Date	Distribution
October 1, 1999 10-30-98	State Offices; State Offices FAX to County Offices

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2 Program Crop Table

A Payment Rates

This table identifies the variables used to determine the MLA payment rates.

Crop	1998 PFC Payment Rate	Factor	MLA Payment Rate
Wheat	\$0.6627 bu.	49.72%	\$0.3295 bu.
Corn	\$0.3766 bu.		\$0.1873 bu.
Grain Sorghum	\$0.4520 bu.		\$0.2248 bu.
Barley	\$0.2840 bu.		\$0.1412 bu.
Oats	\$0.0314 bu.		\$0.0155 bu.
Upland Cotton	\$0.0817 lb.		\$0.040639 lb.
Rice	\$0.0292 lb.		\$0.014525 lb.

B How the Rates Will Be Provided

The MLA payment rates will be added to the PFC crop table during installation of County Release No. 393S.

3 Revising Amounts in MLA Field for Multicounty Producers

A Creating FY 1998 MLA Field

Notice PF-99 indicated that a new field in the payment limitation file would be used to ensure that MLA payments are issued in proportion to FY 1998 PFC payments.

To facilitate timely payments, County Release No. 393S provides an edit to the 1998 payment limitation file. This edit:

- creates a new MLA field in the payment limitation file with a maximum allocation of \$19,888 for any 1 county
- distributes the \$19,888 MLA allocation proportionally to the values in the FY 1998 PFC-SL field.

Disregard this paragraph when issuing payments for nonmulticounty producers. Producers active in only 1 county do not have payment limitation records unless combined with a producer in another county.

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3 Revising Amounts in MLA Field for Multicounty Producers (Continued)

B Verifying and Revising Amounts in MLA Field

Control County Offices shall access producers' 1998 payment limitation records to verify that MLA amounts allocated are correct. Control County Offices shall ensure that:

- any unallocated MLA amounts are properly allocated
- noncontrol County Offices timely receive changes to payment limitation amounts
- 1998 PFC payment limitation amounts are **not** altered. Make necessary changes to the 1998 MLA field only.

Note: See 2-PL, paragraphs 179 and 180 to access and update 1998 payment limitation files.

C Example for Revising Amounts in Payment Limitation File

Fred is an active producer on farms in Steuben and Livingston Counties for 1998. Steuben County, Fred's control county for payment limitation, had set Fred's PFC-SL amounts as follows:

- Steuben County 1998 PFC-SL allocation: \$32,000
- Livingston County 1998 PFC-SL allocation: \$ 8,000.

Fred has 80 percent of his PFC-SL allocation in Steuben County, with the remaining 20 percent in Livingston County. Software in County Release No. 393S will set amounts in the 1998 MLA payment limitation fields using these same percentages, as shown.

- Steuben County MLA allocation: \$15,910 (19,888 x 80%)
- Livingston County MLA allocation: \$ 3,977 (19,888 x 20%)

Steuben County would allocate the remaining \$1 using automated payment limitation software according to 2-PL, paragraph 180.

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4 Proportioning PFC Reductions

A

Proportioning Reductions Made to FY 1998 Payments

MLA payments must be issued in proportion to the FY 1998 PFC payment. Therefore, if FAV acre-for-acre or reporting violation applied to the FY 1998 PFC payment, it must be applied proportionally to the MLA payment. Follow the steps in this table to enable the system to automatically proportion the FAV acre-for-acre and reporting reductions that were made to the FY 1998 payment.

Step	Action
1	On Menu FAX07001, ENTER "11", "PFC/Compliance".
2	On Menu M00000, ENTER "3", "Acreage and Compliance Determinations".
3	On Menu MEA000, ENTER "2", "1998 Crop Year".
4	On Menu MEAL00, ENTER "9", "Compliance Determinations".
5	On Menu MEALC0, ENTER "4", "Market Loss Assistance Payment Reductions".
6	On Menu MEALH0, ENTER "1", "Calculate MLAP Reductions".

B

Menu MEALH0

This table describes the purpose of each option on Menu MEALH0. Option 2 cannot be processed until Option 1 is complete.

Option	Description
1	This option automatically proportions the acre-for-acre and reporting violation reductions that were made for the FY 1998 PFC payments to MLA payments.
2	This option allows County Offices to reprint a 1998 Market Loss Assistance Payment Reduction Report to show the proportioning of the PFC reduction.

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5 Processing MLA Payments

A

Introduction

The software developed to issue the 1998 MLA payments functions is similar to the PFC payment software, with the following exceptions:

- special payment processing is not being provided since there is not a requirement to reduce payments for GPR
- the only report options being provided are options to print PPH.

Subparagraph I provides step-by-step procedure for issuing MLA payments.

B

CCC-478 Changes

The MLA payment process is designed to read the CCC-478 worksheet file for 1998. MLA payments will be issued to producers on approved 1998 contracts. Changes made to CCC-478 effective for FY 1999, such as operator changes and farm reconstitutions, will not affect the MLA payment process.

C

Timing of Payments

The MLA payment process software is included in County Release No. 393-S. County Offices shall install County Release No. 393-S immediately upon receipt.

All MLA payments, except those questionable cases referenced in Notice PF-99, shall be issued to eligible 1998 PFC producers **immediately**.

Note: Producers cannot elect to defer this payment.

D

Using FSA-325

If FSA-325 has been executed for the 1998 final PFC payment to issue the payment to another payee, the same FSA-325 shall be used for the 1998 MLA payment.

E

Payment Eligibility Rules

Final PFC payment eligibility rules apply to MLA payments. See 2-PF, subparagraph 16 C for a description of the eligible and ineligible flag values.

Note: A prepayment register is not being developed for the MLA payment process. Therefore, County Offices shall process payments in the normal manner and use the nonpayment register to identify producers that cannot be paid because of eligibility conditions.

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5 Processing MLA Payments (Continued)

F

**1998 PFC
Authorized
Payments**

Some State Offices have reported that 1998 PFC payments were not issued by September 30, 1998, because of subsidiary file downloads, especially for eligibility flag conditions. MLA payments can be issued to producers, even though the PFC payment has not been issued, if all eligibility flags have since been updated. This provision also applies to cases where disputed shares have been resolved.

MLA payments shall not be issued to producers on contracts in which a case has been submitted to DAFP for approval because of misaction/misinformation or requests for relief. The MLA payment can be issued if the case is approved by DAFP.

G

**1998
Overpayments**

County Offices **shall** run the 1998 overpayment process before issuing MLA payments. Any 1998 overpayments shall be sent to the receivable system before running the MLA payments.

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5 Processing MLA Payments (Continued)

I Issuing MLA Payments Follow the procedure in this table to issue MLA payments.

Step	Action	Result
1	<p>Ensure the subsidiary file download has been received. MLA payments will not be issued to multicounty producers until the subsidiary download is received. The download may be confirmed by performing Start of Day processing after October 30 and confirming that a larger than normal Report MAD712-R001, Payment Limitation Download Report, is printed. This report will contain all records in the 1998 and 1999 payment limitation file for a county.</p> <p>Note: No other subsidiary file records will be downloaded during this processing cycle. Normal subsidiary file processing will resume on November 9, 1998.</p>	
2	<p>Ensure that the FAV acre-for-acre payment reductions have been computed according to paragraph 4.</p> <p>Notes: If the MLA payment process is accessed and the FAV acre-for-acre payment reductions have not been computed according to paragraph 4, the message, "Market Loss Assistance Payments cannot be issued until the 1998 MLA payment reductions have been computed." will be displayed.</p> <p>This step is not necessary for County Offices that did not have any 1998 FAV acre-for-acre payment reductions.</p>	
3	Access Menu MGCS00 according to subparagraph H.	Menu MGCS01 will be displayed.
4	<p>Menu MGCS01 provides the MLA payment processing options. To process MLA payments:</p> <ul style="list-style-type: none"> • ENTER "1", "Regular Payment Processing -- Compute and Issue Payments" • PRESS "Enter". 	Screen MGCLPRT2 will be displayed.
5	Select the printer where the pending payment and nonpayment registers should be queued.	Screen MGCLAA01 will be displayed.
6	<p>Like the process used in PFC payment processing, Screen MGCLAA01 allows County Offices to process payments in a variety of ways. County Offices can process MLA payments:</p> <ul style="list-style-type: none"> • by farm • by producer • for a range of farms • randomly, by selected farms • for all farms. 	After the farm or farms to be processed have been selected, Screen MGCLAF05 will be displayed.

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5 Processing MLA Payments (Continued)

**I
Issuing MLA
Payments
(Continued)**

Step	Action	Result
7	Screen MGCLAF05 is displayed with the current system date. County Offices cannot change the payment date. PRESS "Enter" to continue with the payment process.	All farms selected with a COC payment approval date for 1998 will be processed.
8	Follow 2-PF, Part 4 to complete the payment process.	

**J
Suspended
Payment Batches**

The PFC and MLA payment processes are designed to prevent multiple payment processes from continuing if a batch of payments has been suspended. Therefore, County Offices must complete suspended batches before continuing with another batch. This applies even if the FY selected for the multiple payment batches is different.

Example: County Office suspends a batch of 1999 PFC payments. 1998 MLA payments cannot be processed until the 1999 PFC payment batch is completed.

6 Canceling MLA Payments

**A
When to Cancel
Payment**

The provision for canceling PFC payments also apply to canceling MLA payments. County Offices shall follow 2-PF, paragraph 171 to determine whether the MLA payment:

- can be canceled
- should be canceled through the MLA payment process or the accounting process.

Reminder: MLA payments shall not be canceled through the MLA payment process if the payment has been issued to the producer. This includes situations where:

- CCC-184 has been mailed to the producer
- EFT has been transmitted to KCMO for processing.

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6 Canceling MLA Payments (Continued)

B

Canceling MLA Payables Through MLA Payment Process

If it is determined that the payment was generated erroneously, **and CCC-184 is available in the County Office or EFT has not been transmitted**, County Offices shall follow the provisions of this table to cancel MLA payables.

Step	Action	Result
1	Access Menu MGCSD0 according to subparagraph 5 H.	Menu MGCSD1 will be displayed.
2	Menu MGCSD1 provides the MLA payment processing options. On Menu MGCSD1: <ul style="list-style-type: none"> • ENTER "3", "Special Payment Processing -- Cancel Payable" • PRESS "Enter". 	Screen MGCLC001 will be displayed.
3	Information Screen MGCLC001 advises County Offices that payments should not be canceled through this process unless the payment is available. PRESS "Enter" to continue the cancellation process.	Screen MGCLPRT2 will be displayed.
4	Select the printer where the transaction statement should be queued.	Screen MGCLAB01 will be displayed.
5	Like the process used in PFC payment processing, Screen MGCLAB01 requires County Offices to enter specific data about the payable being canceled. On Screen MGCLAB01: <ul style="list-style-type: none"> • enter the following data: <ul style="list-style-type: none"> • farm number on which the payment was issued • producer's last name or the last 4 digits of the producer's ID number • PRESS "Enter". 	Screen MGCLRD01 will be displayed.
6	For the remainder of the cancellation procedure, follow 2-PF subparagraph 172 B starting with step 5.	

7 MLA Payment History Prints

A

Introduction

The PPH report is a tool provided to County Offices to assist with payment reconciliation efforts. The PPH print contains information about:

- payments issued
- payments canceled
- receivables established
- payment reductions that have been applied to the payment.

The following reports are available to be printed:

- individual, entity or member, which may be printed by selecting the last name or ID number as applicable
- joint operation, which may be printed by selecting the joint operation name or ID number
- farm, which may be printed by selecting a single farm, range of farms, all farms, or randomly selected farms.

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7 MLA Payment History Prints (Continued)

B

Printing PPH's Follow the procedure in this table to print PPH reports.

Step	Action	Result
1	Access Menu MGCSJ0 according to subparagraph 5 H.	Menu MGCSJ0 will be displayed.
2	Menu MGCSJ0 provides County Offices with 3 report options.	
	If County Offices want to...	THEN on Menu MGCSJ0...
	print PPH for: <ul style="list-style-type: none"> • a specific farm or producer • range of farms • randomly selected farms 	<ul style="list-style-type: none"> • ENTER "1", "Print Payment History" • PRESS "Enter".
	batch print PPH for all farms in farm number order	<ul style="list-style-type: none"> • ENTER "2", "Batch Print All Farms" • PRESS "Enter".
	batch print PPH for all producers in alphabetical order	<ul style="list-style-type: none"> • ENTER "3", "Batch Print All Producers" • PRESS "Enter".
3	Select the printer where PPH should be queued.	An informational screen will be displayed. PRESS "Enter" to continue with the PPH print process. <ul style="list-style-type: none"> • Screen MGCLPJ01 will be displayed if option 1 was selected on Menu MGCSJ0. • Menu MGCSJ0 will be redisplayed after the report is sent to the print queue if option 2 or 3 was selected on Menu MGCSJ0.
4	Like the process used in PFC PPH print processing, Screen MGCLPH01 allows County Offices to print PPH in a variety of ways. County Offices can process MLA PPH's: <ul style="list-style-type: none"> • by farm • by producer • for a range of farms • randomly, by selected farms • for all farms. 	Screen MGCLPJ01 will be redisplayed after the report is sent to the print queue.

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8 Assignments for 1998 Marketing Loss Assistance

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MLA Assignments

The 1998 MLA payments are assignable and jointly payable. If a producer elects to assign this payment or make this payment jointly payable, the County Office shall:

- accept CCC-36 according to 63-FI
- establish the assignment or joint payment in the Assignment and Joint Payment System according to Notice FI-2324 using program code 98MLACOMM where COMM equals the commodity.

Note: The 1998 MLA payments are considered a new program and are **not** subject to PFC assignments already on file.
