

For: State and County Offices

1999 Oilseeds Program (OP)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

On October 22, 1999, Pub. L. 106-78, the Agriculture, Rural Development, Food and Drug Administration, and Related Appropriations Act, 2000, authorized the Secretary to use \$475,000,000 of funds of CCC to make payments to producers who planted an eligible oilseed in 1999.

B

Purpose

This notice provides preliminary information for State and County Offices regarding 1999 OP.

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Contact

If there are any questions, contact PECD, Emergency Preparedness and Programs Branch, at 202-720-6602.

Disposal Date December 1, 2000	Distribution State Offices; State Offices relay to County Offices
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Notice PF-127

2 1999 Oilseeds Program

A

Producer Eligibility

A producer must have planted or shared in the production of an eligible oilseed **in 1999** to be eligible for the 1999 OP.

Note: Prevented planted oilseed acreage **cannot** be used to determine 1999 OP eligibility nor can it be used for history or actual yield purposes.

B

Eligible Oilseeds

1999 OP payments may be available to producers who planted or shared in the production of the following oilseeds in 1999:

- soybeans
- canola
- crambe
- flaxseed
- mustard seed
- rapeseed
- safflower seed
- sunflower seed (oil and confectionary).

Note: A producer who planted an eligible oilseed in 1999 is eligible for payment only for that specific oilseed. The planting of 1 oilseed does not make another oilseed eligible for payment.

Example: Soybeans planted by a producer in 1999 do not make sunflowers planted in 1997 or 1998 eligible.

C

Control County

OP applications shall be submitted to the county that controls payment limitation for the producer. KCMO determined the “control” county for each producer in December 1999, based on the most recent data at that time. Subsequent control county changes will not change the control county for OP purposes.

Note: This will prevent producers from requesting transfers of the control county simply to increase the average soybean yield for OP purposes. These producers may submit production evidence and receive payment based on their actual yield, if desired.

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Notice PF-127

2 1999 Oilseeds Program (Continued)

D

New Producer

A new producer of an oilseed is a producer (as determined by the producer's ID number) who shared in the production of an oilseed in 1999 but did not share in the production of that specific oilseed in 1997 or 1998.

Notes: A producer may be considered a new producer of 1 oilseed and an established producer of another oilseed.

New producers are eligible to receive payment based on their share of the 1999 planted acreage.

E

Established Producer

An established producer is a producer (as determined by the producer's ID number) who shared in the production of an oilseed in 1999 and shared in the production of that specific oilseed in 1997 or 1998.

Note: Established producers are eligible to receive payment based on the larger of the producer's share of the 1997 or 1998 planted acreage of the oilseed on all farms.

Example: An established producer has 2 farms, FSN 1 and FSN 2. The producer planted 100 acres of sunflowers in 1998 and 200 acres of sunflowers in 1997 on FSN 1. The producer planted 300 acres of sunflowers in 1998 and 100 acres of sunflowers in 1997 on FSN 2.

The total acreage of the producer for 1999 OP payment is the 1998 total acreage for FSN 1 and FSN 2 of 400 acres.

Year	FSN 1 Sunflowers	FSN 2 Sunflowers	Total Acreage
1998	100	300	400
1997	200	100	300

F

Determining Oilseed History

Notice PF-125 issued January 10, 2000, instructed County Offices to use all available practical means to notify producers, who had not already done so, of the need to certify 1997, 1998, and 1999 oilseed acreage for the purpose of verifying oilseed acreage or proving actual oilseed yields for 1999 OP. The deadline for reporting oilseed acreage for 1999 OP purposes is **February 18, 2000**.

Notice PF-127

3 Payment Acreage, Yield, and Rates

A

Payment Acreage

The payment acreage for a **new producer** of an oilseed is the producer's share of all acreage of that oilseed **planted** in 1999 on all of the producer's farms.

The payment acreage for an **established producer** of an oilseed is the higher of the producer's share of 1997 or 1998 acreage of that oilseed **planted** on all farms.

Note: Acreage not planted to an oilseed because of prevented planting, or because of crop rotation practices or other management decisions, shall not be used to determine eligibility or payment acreage.

B

Payment Yield

The payment yield for **new producers** is the higher of:

- an Olympic average of the 1994 through 1998:
 - control county average soybean yields
 - applicable national average yield for oilseeds other than soybeans
- producer's actual yield for all production of the oilseed in all counties for 1999.

The payment yield for **established producers** shall be the highest of:

- an Olympic average of the years 1994 through 1998:
 - control county average soybean yields
 - applicable national average yield for oilseeds other than soybeans
 - the producer's actual yield for all production of that oilseed in all counties for 1997
 - the producer's actual yield for all production of that oilseed in all counties for 1998.
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Notice PF-127

3 Payment Acreage, Yield, and Rates (Continued)

C

Actual Yield

Producers may elect to provide the County Office with oilseed production records for **all** farms in which the producer received a share of that oilseed for the crop year for which the producer is requesting an actual oilseed yield. Actual yields will be computed using FSA-658. Oilseed production records must be acceptable to CCC and subject to verification. If the actual yield is higher than the control county average yield for soybeans or national average yield for all other oilseeds, the actual yield will be used to calculate the OP projected payment. See Exhibit 1.

Note: Actual yields must be computed using certified or determined acreage. If **all** farms for **all** years were not certified timely, a late-filed FSA-578D must be completed **by February 18, 2000**, for the producer to use an actual yield.

D

Payment Rates

The Secretary determined the following payment rates based on the projected eligible payment quantity for each oilseed multiplied by the applicable 5-year Olympic average price. This projected value of each oilseed was then factored by determining the percentage of the value in relation to the total outlays for OP.

1999 OP Payment Rates	
Soybeans (bu)	\$0.1409
Sunflowers (cwt)	\$0.2553
Flax (bu)	\$0.1212
Canola (cwt)	\$0.2531
Rape Seed (cwt)	\$0.2680
Safflower (cwt)	\$0.3369
Mustard Seed (cwt)	\$0.3149
Crambe (cwt)	\$0.2531

Note: The Secretary will determine a national factor that will be applied to each oilseed payment rate, after the close of signup, to ensure that total outlays will not exceed the appropriated amount. This factor may be less than, equal to, or greater than 1.000.

Notice PF-127

4 1999 OP Signup and Filing OP Application CCC-780

A

1999 OP Signup

Signup for the 1999 OP is February 28, 2000, through March 31, 2000.

B

**Producer
Notification**

A postcard (Exhibit 2) mailed from KCMO the week of January 31, 2000:

- notified 1999 oilseeds producers of possible eligibility
 - advised producers that acreage reports for 1997, 1998, and 1999 oilseeds will be accepted if filed by February 18, 2000
 - provided the address of control County Office
 - instructed the producer to apply at that control County Office.
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C

**Filing CCC-780
Application**

A producer will file **one CCC-780** in the producer's control county for all of the producer's farms. CCC-780 will include the producer's eligible acreage of each oilseed and the control county or national average yields or actual yields, as applicable. The producer will certify the data by signing CCC-780. See County Release No. 427.

D

**Issuance of
Payments**

1999 OP payments will be issued beginning April 17, 2000. No advance payments will be issued.

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Notice PF-127

4 1999 OP Signup and Filing OP Application CCC-780 (Continued)

E

**County Office
Action**

County Offices shall ensure that producers receive complete and accurate program information by providing information through the following:

- program leaflets, newsletters, and print media
 - meetings
 - radio, television, and video.
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F

**State Office
Action**

State Offices shall ensure that County Offices use all available practical means to notify producers according to subparagraph E.

G

**Additional
Program
Information**

Complete instructions will be provided in a forthcoming 1-PF amendment.

See Exhibit 3 for questions and answers.

1999 OP Payment Calculation Examples

Example 1

County A average soybean yield = 35 100 acres planted in 1999
 County B average soybean yield = 37 200 acres planted in 1999

County A is control county

Producer is a new soybean producer and proves a 33 bushel yield for 1999

Payment is calculated by multiplying 35 (average yield for control county) times \$.1409 (projected payment rate) times 300 (eligible acreage), resulting in the 1999 OP payment of \$1,479.45 before application of the national factor.

Example 2

1999

100 acres of soybeans in County A (control county) County average yield is 35.
 200 acres of soybeans in County B

1998

150 acres of soybeans in County A Producer proves actual yield of 40 for all
 1998 acreage. (18,000 bu. divided by 450 acres equals 40)
 300 acres of soybeans in County B

1997

400 acres of soybeans in County A
 100 acres of soybeans in County B

Payment is calculated by multiplying 40 (actual yield for 1998) times \$.1409 (projected payment rate) times 500 (1997 acreage), resulting in the 1999 OP payment of \$2,818.00 before application of the national factor.

1999 OP Payment Calculation Examples (Continued)

Example 3**1999**

200 acres of soybeans in State A, County A with a 30 bushel county average yield
 100 acres of sunflowers in State B, County B 1388 pounds national average yield

1998

100 acres of soybeans in State A, County A, with a 30 bushel county average yield

200 acres of soybeans in State A, County C, with a 32 bushel county average yield

300 acres of soybeans in State B, County B, with a 40 bushel county average yield

1997

600 acres of soybeans in State B, County B, with a 40 bushel county average yield

Control county is State A, County A, with a 30 bushel county average yield on soybeans and a 1388 pound national average yield for sunflowers.

For soybeans, Producer A is an “established” producer. For sunflowers, Producer A is a “new” producer.

Projected Payment**Soybeans**

1997 acreage is 600 acres (State B, County B). The 1998 acreage is 600 acres (100 acres - State A, County A, plus 200 acres State A, County C, plus 300 acres State B, County B). The 1997 soybean acreage is the same as the 1998 soybean acreage, 600 acres. Therefore, the producer may use either 1997 or 1998.

Payment is calculated by multiplying 30 (control county average yield) times \$.1409 (projected payment rate) times 600 (1998 acreage), resulting in the 1999 OP payment of \$2,536.20 before application of the national factor.

Sunflowers

Payment is calculated by multiplying 1388 (national average yield) times \$.2553 (projected payment rate) 100 (1999 acreage), resulting in the 1999 OP payment of \$354.36 before application of the national factor.

1999 OP Postcard Mailed from KCMO

Grant Parish FSA Office
P. O. Box 296
Colfax, LA 71417

PRSRT First Class
POSTAGE & FEES PAID
USDA-FSA
Permit No. G-96

ADDRESS SERVICE REQUESTED

Frank Farmer
119 Farmer Road
Colfax, LA 71417

Reverse of Postcard

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, provides funds for producers who planted certain oilseeds in 1999.

Our records indicate that you are a tenant, operator, or owner who planted an eligible oilseed crop on at least one farm in 1999. Accordingly, you may be eligible to receive a 1999 Oilseed Program payment based on your individual oilseed planting history.

If you have not already done so, you may file acreage reports for 1997, 1998, and 1999 for the purpose of determining acreage for the Oilseed Program. These acreage reports will only be accepted if filed by February 18, 2000.

IMPORTANT! In order to receive payments under this program, you must file one application in the Farm Service Agency office located at the return address on this card during the sign-up period, which is tentatively scheduled to run from mid-February through late-March.

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1999 Oilseeds Program Questions and Answers

Question 1: What is a “new” producer?

Answer: A “new” producer is defined as a producer (as determined by the producer’s ID number) who planted and/or shared in the production of an oilseed in 1999 but did not plant or share in the production of that specific oilseed in 1997 or 1998.

Note: A producer may be considered a “new” producer of an eligible oilseed and an “established” producer of another eligible oilseed.

Question 2: What is an “established” producer?

Answer: An “established” producer is a producer who shared in the production of an oilseed in 1999 and shared in the production of that specific oilseed in 1997 or 1998.

Question 3: If Producer A planted soybeans in 1997 and 1998, and canola in 1999, is Producer A eligible for soybeans and canola under the Oilseed Program?

Answer: No, Producer A would be considered a “new” producer for canola and eligible for an oilseed payment based upon the 1999 planted acreage. Producer A would not be eligible for soybeans because Producer A did not share in the production of soybeans in 1999.

Question 4: Multiple county Producer A plants soybeans in County X for the first time in 1999, and planted soybeans in County Y in 1997, 1998, and 1999. Does Producer A file a CCC-780 in County X as a “new” producer and a CCC-780 in County Y as an “established” producer?

Answer: No, Producer A is not considered a “new” producer for 1999. Producer A’s oilseed eligibility is based on the planted acreage for **all** farms in **all** counties in **all** States in which Producer A has an interest in that specific oilseed. Therefore, Producer A is considered an “established” producer and shall file CCC-780 in his designated control county using the higher of the 1997 or 1998 planted acreage.

Question 5: Where will eligible producers file for Oilseed Program benefits?

Answer: All producers who timely certified their oilseed acreage in 1999 have been notified by a direct mailing from KCMO. This postcard identifies the control county where the CCC-780 is to be filed.

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1999 Oilseeds Program Questions and Answers (Continued)

Question 6: Do gross revenue and payment limitation provisions apply to the Oilseed Program?

Answer: No, neither gross revenue nor payment limitation provisions apply to the Oilseed Program.

Question 7: Do assignments apply to the Oilseed Program?

Answer: Yes, County Offices shall accept assignments according to 63-FI.

Question 8: Do HELC/WC provisions apply to Oilseed Program benefits?

Answer: Yes, eligible producers shall meet the requirements in 6-CP and certify on AD-1026 that they are in compliance with HELC/WC provisions. The certification shall be for the 1999 program year.
