

For: State and County Offices

**FY 2001 Production Flexibility Contracts (PFC's)**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

PFC signature requirements for producers have remained basically unchanged from FY 1998 through FY 2001. Program provisions and signature requirements have been publicized extensively since the inception of the program.

Notification letters and fact sheets have been mailed annually, to known PFC participants, beginning with the 1998 fiscal year according to prescribed procedures. Producers with farm reconstitutions are notified in writing, upon completion of the reconstitution, that resulting farms must be enrolled within 30 calendar days to be eligible for any future PFC or related payments.

No changes to the PFC signature requirements were made for FY 2001; however, publicity and producer notification requirements were increased to provide every opportunity for producers to be eligible for PFC benefits. Also, State and County responsibilities were elevated to require the monitoring of signature deadlines, and to encourage a manual comparison of FSA-578 shares to PFC shares during the acreage reporting process to determine whether a succession-in-interest to PFC is required.

**B**

**DAFP**

**Expectations**

Considering the extensive publicity of PFC program requirements, DAFP:

- anticipates that very few producers nationwide will fail to timely meet PFC signature requirements for justifiable reasons
- expects County Offices to issue FY 2001 PFC payments to eligible producers by September 30, 2001.

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| <p><b>Disposal Date</b></p> <p>October 1, 2001</p> | <p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p> |
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## Notice PF-157

### 1 Overview (Continued)

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#### C

##### Purpose

This notice provides State and County Offices with:

- a reminder of certain policies relating to PFC approval
  - instructions for appropriate action if PFC signature requirements are not met.
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### 2 PFC Policy Reminders

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#### A

##### Reconstitutions

The following deadlines apply to FY 2001 farm reconstitutions:

- June 1, 2001, for producers to request a farm reconstitution
- July 2, 2001, for County Offices to **complete** reconstitutions.

**Important:** County Offices shall mail FSA-476 to each producer and owner on the resulting farm(s) upon completion of the reconstitution, and at least **one** producer or owner must sign PFC for each resulting farm within 30 calendar days.

| IF PFC is...  | AND...   | THEN...  |
|---|--|--|
| signed by at least 1 producer or owner within 30 calendar days of FSA-476 mailing | all signature requirements are met for the <b>farm</b> by August 1, 2001 | payments shall be issued to producers who timely meet all other eligibility requirements, such as timely filing CCC-502, AD-1026, and FSA-570. |
|   | 1 or more PFC signature requirements are not met by August 1, 2001       | no producers on the farm may earn FY 2001 PFC benefits.  |
| not signed by at least 1 producer or owner within 30 calendar days                | contract has not been initialized in the CCC-478 software                | the pending PFC acreage shall be reduced to zero, and the farm shall remain ineligible for PFC.  |
|   | contract has been initialized in the CCC-478 software                    | cancel CCC-478 first, then reduce the pending PFC acreage to zero according to 3-CM. The farm shall remain ineligible for PFC.                 |

**Note:** See additional information in subparagraphs D and E in cases for which signature requirements are not met.

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**Notice PF-157**

**2 PFC Policy Reminders (Continued)**

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**B**

**Designating Payment Shares** COC shall not approve PFC until **all** payment shares are designated for the farm, and **all** PFC signature requirements are met. The deadline to obtain all signatures is August 1, 2001.

| <b>IF All PFC signature requirements are...</b> | <b>THEN COC shall...</b>       | <b>AND...</b>   |
|---|--------------------------------|---|
| met for a farm by August 1, 2001                | approve PFC according to 1-PF  | payments shall be issued to producers who timely meet all other eligibility requirements, such as timely filing CCC-502, AD-1026, and FSA-570.  |
| <b>not</b> met for a farm by August 1, 2001     | <b>not</b> approve FY 2001 PFC | <ul style="list-style-type: none"> <li>• payments shall not be issued for FY 2001</li> <li>• producers may be eligible to receive FY 2002 PFC benefits, providing they meet requirements timely.</li> </ul> |

**Note:** See additional information in subparagraphs D and E in cases for which signature requirements are not met.

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**C**

**Successions-in-Interest** COC shall not approve PFC successions-in-interest until **all** payment shares are designated for the farm, and signatures are obtained from all producers affected by the succession. The deadline to obtain all signatures is August 1, 2001.

**Note:** After COC approval of PFC, County Offices shall promptly record any **payment** successions-in-interest, for cases in which predecessors have received payments on the farm in that FY, according to 2-PF, Part 12.

Successions-in-interest that are reported to, or discovered by, FSA after August 1 shall result in **no** producers on the farm earning PFC benefits for FY 2001. In this event, **all** previously issued payments on the farm must be refunded to CCC.

**Important:** COC or STC does **not** have authority to allow certain producers to retain previously issued payments whether or not their respective payment share was affected by the succession.

**Note:** See additional information in subparagraphs D and E in cases for which signature requirements are not met.

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## Notice PF-157

### 2 PFC Policy Reminders (Continued)

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#### D

#### Appeals

The requirements and deadlines in subparagraphs A through C apply to all producers in all States. Accordingly, producers who are denied PFC benefits because of these reasons shall **not** be provided with appeal rights.

**Note:** The written notification of these determinations shall afford producers the opportunity to submit a request to NAD for a determination as to whether the issue is appealable. See 1-APP and Notice APP-29.

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#### E

#### Loss of PFC Benefits

County Offices are:

- instructed to adequately publicize program provisions and monitor signature deadlines
- expected to provide producers with every opportunity to meet program deadlines. However, **producers** are responsible to ensure that they have met all program requirements to receive benefits.

Producers who miss the deadlines in subparagraphs A through C are **ineligible** to receive benefits that they may otherwise have received. All signature deadlines for FY 2001 PFC shall be strictly adhered to by COC's and STC's, and DAFP relief is very limited because of the statutory requirements and only includes such things as:

- misaction/misinformation cases, providing that the situation meets the conditions for misaction/misinformation

**Reminder:** Lack of action or advice does not constitute misaction/misinformation, and benefits may not be extended to a producer who knew, or had sufficient reason to know, that the action or advice upon which he or she relied was improper or erroneous according to 7 CFR 718.8.

- highly meritorious reasons that prohibited a producer from meeting the requirements of the statute. COC's and STC's shall not submit cases requesting DAFP relief when producers fail to timely file documents. Considering the extensive publicity of PFC program requirements, very few requests should ever be forwarded for relief.
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## Notice PF-157

### 3 Action

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#### A

#### State Office Action

SED's and STC's shall ensure that County Offices:

- understand the importance of PFC deadlines, and the consequences if deadlines are missed

**Note:** The August 1, 2001, PFC signature deadline for FY 2001 will **not** be extended, and relief authority will **not** be delegated to SED's.

- carefully follow the instructions in 1-PF, this notice, and Notice PF-158.
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#### B

#### County Office Action

County Office personnel and COC's shall:

- strictly adhere to signature deadlines, and ensure that procedures are followed
  - carefully follow instructions in Notice PF-158 to ensure that proper reviews are made and that payments are issued timely according to the statute.
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