

For: State and County Offices

**Updating Market Loss Assistance (MLA) Payment Limitation Files**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

A draft bill authorizing FY 2001 MLA payments is pending in Congress. As currently written, this bill requires that FY 2001 MLA payments be issued no later than September 30, 2001. If this bill is enacted as drafted, it will add another task to the already long list of things to do by September 30, 2001. These tasks include but are not limited to the following:

- issuing other payments
- processing end-of-year records.

It is necessary that County Offices plan ahead and take some actions now in anticipation of meeting these deadlines.

Also, an overwhelming number of cases requesting authorization codes for FY 2000 MLA payments have been received. A large percentage of these requests were because of payment limitation allocations not being updated timely by control County Offices, stopping issuance of FY 2000 MLA payments by the statutory date of September 30, 2000.

Unlike past years, the legislation authorizing FY 2001 MLA payments is expected to specify that **all** expenditures shall be made no later than September 30, 2001. As a result, FSA will not have any discretionary authority to issue FY 2001 MLA payments after September 30, 2001, except in very limited cases such as appeals.

Continued on the next page

<b>Disposal Date</b>  December 1, 2001	<b>Distribution</b>  State Offices; State Offices relay to County Offices
--	---

## Notice PL-104

### 1 Overview (Continued)

---

#### B

##### Purpose

This notice:

- requires County Offices to ensure that FY 2001 MLA payment limitation files are updated in anticipation of issuing payments
- advises State and County Offices:
  - about a query that has been developed to assist County Offices in identifying producers whose FY 2001 MLA earnings may exceed their FY 2001 MLA payment limitation allocation
  - that on or about July 24, 2001, KC-ITSDO will broadcast queries that allow County Offices to generate the Producers With Projected Insufficient Payment Limitation Allocations Report

**Note:** This query is for anticipated 2001 MLA payment limitation allocations only.

- how the reports were developed and the information included on each report
  - about actions that shall be taken to ensure **FY 2001 MLA payment limitation allocations are properly established in anticipation of enactment of the proposed legislation.**
- 

### 2 Updating MLA Payment Limitation Allocations

---

#### A

##### Creating FY 2001 MLA Field

To facilitate timely payments in anticipation of enactment of this new legislation, software will be downloaded to edit the FY 2001 payment limitation file. This edit:

- creates a new MLA field in the payment limitation file with a maximum allocation of \$40,000 per “person”
- distributes the \$40,000 MLA allocation proportionally to the values in the FY 2001 PFC-SL field.

**Note:** The MLA payment process will ensure that producers that are not multi-county do not receive payment in excess of \$40,000.

---

Continued on the next page

## Notice PL-104

### 2 Updating MLA Payment Limitation Allocations (Continued)

---

#### **B Verifying and Revising Amounts in MLA Field**

The control County Office is responsible for ensuring that payment limitation allocation adjustments are updated timely. Since FY 2001 MLA payments are anticipated to be issued by September 30, 2001, County Offices shall verify and revise any producer FY 2001 MLA payment limitation allocations as soon as possible.

**Note:** Control County Offices shall not, unless absolutely necessary, modify any payment limitation allocation in the system until after the MLA payment limitation edit has been successfully performed. Any updates to payment limitation amounts occurring before successful distribution of the payment limitation may be overwritten and will need to be re-entered.

County Offices shall not wait until payment processing time to make/request allocation adjustments. Control County Offices shall ensure that:

- any unallocated MLA amounts are properly allocated
- noncontrol County Offices timely receive changes to payment limitation amounts
- FY 2001 PFC payment limitation amounts are allocated properly.

**Note:** After the MLA payment limitation edit is performed, changes to the PFC payment limitation allocation will not affect the MLA payment limitation allocation.

See 2-PL, paragraphs 179 and 180 to access and update FY 2001 payment limitation files.

---

Continued on the next page

## Notice PL-104

### 2 Updating MLA Payment Limitation Allocations (Continued)

---

#### C

#### **FY 2000 Pay Limit Update Problems**

The vast majority of requests for authorization codes for FY 2000 MLA payments resulted because payment limitation allocations were not timely updated for noncontrol County Offices. Many County Offices indicated that heavy workload prevented the required amount of time needed for updating the system to ensure the upload/download process reached all counties in time to issue the MLA payments.

All County Offices must be aware:

- of the limited amount of time available for issuance of FY 2001 MLA payments
  - that priority shall be placed on requesting and updating payment limitation allocations to ensure the September 30, 2001, statutory deadline is met.
- 

#### D

#### **Using Forms CCC-738 and CCC-739**

When necessary to communicate any of the above changes to another County Office, use either CCC- 738 or CCC-739.

**Note:** These are mandatory forms to be used for tracking changes.

See 2-PL, paragraphs 105 and 106 for instructions on completing these forms.

---

### 3 Producers With Projected Insufficient Payment Limitation Allocations Report

---

#### A Why the Query Was Developed

On or about July 23, 2001, the FY 2001 MLA payment limitation allocations were downloaded to County Offices. These allocations were set to the same values as the FY 2001 PFC SL allocation. However, since FY 2001 MLA payment rates are unknown at this time, payment limitation adjustments may be necessary for some producers.

Because of the short time that is expected to be allowed for issuing FY 2001 MLA payments, County Offices only have a limited number of subsidiary upload and download cycles to adjust payment limitation allocations before September 30, 2001. It has been determined that a tool is needed that identifies those producers whose MLA payment limitation allocation may be insufficient to cover the MLA payments if they are issued.

As a result, the “Producers With Projected Insufficient Payment Limitation Allocations” query was developed to identify the following:

- multi-county producers whose FY 2001 MLA payments are projected to exceed the producer’s established payment limitation allocation
  - combined producers where the FY 2001 MLA payments for the producers involved in the combination are projected to exceed the producer’s established payment limitation allocation.
- 

#### B Importance of Updating Payment Limitation Allocations

It is expected that legislation authorizing FY 2001 MLA payments will specify that the payments be issued by September 30, 2001. As a result, FSA is not expected to have any discretionary authority to issue FY 2001 MLA payments after September 30, 2001. Therefore, it is imperative that all MLA payments to eligible producers on approved FY 2001 PFC’s are issued timely.

Since it is unknown when MLA payment processing might begin, County Offices will have a limited amount of time to issue all MLA payments. The typical subsidiary file upload/download cycles take between 7 days to 2 weeks. **Therefore, it is important that the payment limitation adjustments are made as soon as possible.** Changes made after September 15, 2001, may not be updated before September 30, 2001. Failure to increase payment limitation allocations before payment processing begins enhances the possibility that FSA will fail to meet the expected statutory requirements.

---

Continued on the next page

## Notice PL-104

### 3 Producers With Projected Insufficient Payment Limitation Allocations Report (Continued)

---

#### C

##### How the Query Works

The payment limitation allocation adjustment query:

- calculates the producer's projected MLA payments in each county using the FY 2000 MLA payment rates

**Note:** If funded, the actual FY 2001 MLA payment rates will not be known until just before payment processing begins.

- determines the producer's established payment limitation allocation for multi-county and combined producers by reading the payment limitation file.

**Note:** The query process does not identify single county producers or producers that are not considered multi-county, such as combined producers that participate in the same county. Since these producers do not have a payment limitation record, no action is required by the County Office for these producers.

- determines the difference between the total projected MLA payment and the payment limitation allocation.
- 

#### D

##### Payment Limitation Allocations

Where possible, more allocation shall be given to other County Offices than the amount actually needed. It is better that the control County Office allocate too much to other County Offices than too little. The control County Office can:

- increase the allocation in their county as soon as it is definitively known that too much allocation was given to another County Office
- issue payments immediately after the adjustment is made.

Other County Offices must wait until a new subsidiary upload/download cycle is processed.

---

Continued on the next page

**Notice PL-104**

**3 Producers With Projected Insufficient Payment Limitation Allocations Report (Continued)**

**E**

**Information on the Report**

The query process identifies multi-county and combined multi-county producers that may earn a FY 2001 MLA payment greater than zero. This table identifies data that is included on the Producers With Projected Insufficient Payment Limitation Allocations Report.

Column	Explanation	
Combined Producer	Reflects whether the producer is recorded as a combined producer in the name and address file.	
County Code	County code for the county generating the report.	
Producer Name	Name, ID number, and ID type for the producer whose projected MLA payments exceed the producer's established payment limitation allocation.	
Producer ID and ID Type		
Projected MLA Payments	Total accumulated payment for the producer, including payments for: <ul style="list-style-type: none"> <li>• any producer in the county combined with the affected producer</li> <li>• member share from an interest in a joint operation.</li> </ul>	
	<b>IF the producer...</b>	<b>THEN the projected MLA payment amount is the total projected payments...</b>
	<ul style="list-style-type: none"> <li>• does not have an interest in a joint operation</li> <li>• is not a combined multi-county producer</li> </ul>	for the payee.
	is combined with a producer that participates in another county	
	is combined and at least 1 producer in the combination participates in the same county	<ul style="list-style-type: none"> <li>• for the payee</li> <li>• attributable to a payee through a joint operation interest, if applicable</li> <li>• attributable to other producers combined with the payee.</li> </ul>
is a member of a joint operation	<ul style="list-style-type: none"> <li>• for the payee as an individual producer, if applicable</li> <li>• attributable to the producer as a member of the joint operation.</li> </ul>	
MLA Payment Limitation Allocation	MLA payment limitation allocation amount for the producer in the county issuing the payment.	
Control State/County	State and county code for the producer's payment limitation control county.	

Continued on the next page

**Notice PL-104**

**3 Producers With Projected Insufficient Payment Limitation Allocations Report (Continued)**

**F**

**Generating the Report**

County Offices shall follow this table to generate the Producers With Projected Insufficient Payment Limitation Allocations Report.

<b>Step</b>	<b>Menu</b>	<b>Action</b>	<b>Result</b>
1	FAX250	<ul style="list-style-type: none"> <li>• ENTER either of the following:                             <ul style="list-style-type: none"> <li>• “3”, “Application Processing (Headquarters Office)”</li> <li>• “4”, “Application Processing (Office Selection)”</li> </ul> </li> <li>• PRESS “Enter”.</li> </ul>	Either of the following menus will be displayed: <ul style="list-style-type: none"> <li>• Menu FAX07001 if option 3 was selected</li> <li>• Menu FAX09002 if option 4 was selected.</li> </ul>
2	FAX09002	If option 4 was selected on Menu FAX250, select the applicable County Office.	Menu FAX07001 will be displayed.
3	FAX07001	<ul style="list-style-type: none"> <li>• ENTER “9”, “Common Provisions”</li> <li>• PRESS “Enter”.</li> </ul>	Menu MA0000 will be displayed.
4	MA0000	<ul style="list-style-type: none"> <li>• On the command line, ENTER “MLAPROJ,QRPRADJ1”</li> <li>• PRESS “Enter”.</li> </ul>	A series of prompts will be displayed.
5		A prompt will be displayed specifying that the report will be sent to the user’s default printer.	
		<b>IF the user enters...</b>	<b>THEN...</b>
		“Y” to continue with the query process	the next prompt will be displayed.
		“N” to exit the query process and select a different printer	Menu MA0000 will be redisplayed.

Continued on the next page

**3 Producers With Projected Insufficient Payment Limitation Allocations Report (Continued)**

**F  
Generating the  
Report  
(Continued)**

Step	Menu	Action	Result
6		<p>A prompt will be displayed asking whether a transmission file should be created to be sent to the State Office.</p> <p><b>Note:</b> This prompt will not be displayed the first time the user generates the report. The process is designed to automatically send a transmission file to the State Office the first time the process is accessed.</p>	
		<b>IF the user enters...</b>	<b>THEN...</b>
		<p>“Y” to continue with the query process and transmit a file to the State Office</p> <p><b>Note:</b> County Offices should only answer “Y” when the State Office has instructed that a transmission is required.</p>	<ul style="list-style-type: none"> <li>• the Producers With Projected Insufficient Payment Limitation Allocations Report will be generated and sent to the default printer</li> <li>• a transmission file will be sent to the State Office.</li> </ul>
		<p>“N” to continue with the query process without transmitting a file to the State Office.</p>	<p>The Producers With Projected Insufficient Payment Limitation Allocations Report will be generated and sent to the default printer.</p>

**Notice PL-104**

**4 County Office Action**

---

**A**

**Payment**

County Offices shall follow the procedure in this table **immediately** after receiving

**Limitation**

notification that the MLA queries have been broadcast from KC-ITSDO.

**Control County**

**Office**

Step	Action
1	Install the queries according to the Information Bulletin provided by KC-ITSDO.
2	Generate the Producers With Projected Insufficient Payment Limitation Allocations Report according to subparagraph 3 F.
3	Print a "MABDIG" diagnostic listing for: <ul style="list-style-type: none"> <li>• each producer listed on the report</li> <li>• any producer combined with the affected producer.</li> </ul>
4	For each producer, and any producer combined with the producer, listed on the payment limitation control County Office's report: <ul style="list-style-type: none"> <li>• contact all other County Offices to determine the total allocation needed for the producer using CCC-738</li> <li>• determine if the payment amount should be reduced because of:               <ul style="list-style-type: none"> <li>• cropland factor</li> <li>• permitted share</li> <li>• FAV acre-for-acre payment adjustments.</li> </ul> </li> </ul>
5	For each producer combined with the affected producer, contact all other County Offices using CCC-738 to determine the total allocation needed for the combined producers.
6	Contact the State Office for assistance if all other County Offices have not submitted the requested information within 3 work days.
7	After the information described in steps 4 and 5 is received: <ul style="list-style-type: none"> <li>• determine the projected payment limitation allocation required in each county and update the system accordingly</li> <li>• notify affected County Offices of the allocation changes being made using CCC-738.</li> </ul>

Continued on the next page

**Notice PL-104**

**4 County Office Action (Continued)**

---

**B**

**Other County Offices**

Noncontrol County Offices shall:

- run the MLA payment limitation allocation query
- request payment limitation allocation changes using CCC-739

All County Offices shall **immediately** follow the procedure in this table:

- after receiving notification that the MLA queries have been broadcast from KC-ITSDO
- anytime a payment limitation control County Office requests MLA payment information for a producer.

Step	Action
1	Install the queries according to the Information Bulletin provided by KC-ITSDO.
2	Generate the Producers With Projected Insufficient Payment Limitation Allocations Report according to subparagraph 3 F.
3	Print a “MABDIG” diagnostic listing for: <ul style="list-style-type: none"> <li>• each producer listed on the report</li> <li>• any producer combined with the affected producer.</li> </ul>
4	For each producer, and any producer combined with the producer, listed on the report determine if the earned payment amount should be reduced because of: <ul style="list-style-type: none"> <li>• cropland factor</li> <li>• permitted share</li> <li>• FAV acre-for-acre payment adjustments.</li> </ul>
5	Submit the information to the producer’s control County Office using CCC-739.
6	Contact the State Office for assistance if an increased allocation is not received within 3 subsidiary upload/download cycles.  <b>Note:</b> Do not contact the State Office if the payment limitation control County Office indicates that the producer’s allocation cannot be increased.

**Notice PL-104**

**5 State Office Action**

---

**A**

**Status Report**

State Offices are being provided with a report to monitor the progress of the MLA payment limitation allocation update process.

---

**B**

**Action**

State Offices shall:

- monitor progress of payment limitation allocation updates by reviewing the State-level query report

**Note:** County Offices must answer “Y” to the option to transmit data to the State Office.

- ensure County Offices promptly respond to requests for payment limitation allocation updates or requests for payment information
  - ensure that all steps are taken to assist County Offices so MLA payments are not unnecessarily delayed.
- 

**C**

**Generating the Report**

After normal processing of transmission files, follow the steps in this table to generate the State-level report.

Step	Action	
1	On Menu FAX250:	
	<ul style="list-style-type: none"> <li>• ENTER “MLAST,QRPRADJ1”</li> <li>• PRESS “Enter”.</li> </ul>	
2	A prompt will be displayed specifying that the report will be sent to the user’s default printer.	
	<b>IF the user enters...</b>	<b>THEN...</b>
	“Y” to continue with the query process	<ul style="list-style-type: none"> <li>• the query process will run and the report will be sent to the default printer</li> <li>• Menu FAX250 will be redisplayed.</li> </ul>
	“N” to exit the query process and select a different printer	Menu FAX250 will be redisplayed.

---