

For: State and County Offices

**Adjusted Gross Income (AGI) and Advance 2003 DCP Payments**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

Enrollment into the 2003 DCP has been ongoing since October and, as a result, many contracts have been approved for the issuance of advance 2003 direct payments. Notice PL-111 was issued November 27, 2002, and:

- provided information on the average AGI limitation based on the proposed rule published in the Federal Register on October 28, 2002
- included instructions to use CCC-526 for the issuance of advance DCP payments until further notice.

Concerns have been expressed over the ability to obtain the AGI certification from a large number of producers before the issuance of the advance payments by the end of the year.

**B**

**Purpose**

This notice provides information on:

- obtaining CCC-526 for AGI compliance
- issuance of advance 2003 direct payments.

<p><b>Disposal Date</b></p> <p>June 1, 2003</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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## Notice PL-112

### 2 Issuance of Advance 2003 Direct Payments

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#### A

##### **Contracts Enrolled on or Before November 27, 2002**

If the contract was enrolled and payment was requested, regardless of whether a certification has been obtained, County Offices are hereby authorized to issue advance 2003 direct payments if all of the following apply:

- producer enrolled in the 2003 DCP **before November 27, 2002**
- all other eligibility requirements have been met
- there is no reason to believe the producer will not be in compliance with the average AGI limitation.

**Note:** A certification of compliance with the average AGI limitation is required before the issuance of the final 2003 direct payment. Producers will be considered ineligible for both the advance and final payments if the certification is **not** filed according to Notice PL-111 and procedures to be provided at a later date.

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#### B

##### **Contracts Enrolled After November 27, 2002**

County Offices shall:

- follow the provisions of Notice PL-111 and obtain certifications of average AGI for all producers on contracts enrolled after November 27, 2002
  - also continue to follow the provisions in Notice DCP-58.
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#### C

##### **Advisory on Producer Transaction Statement**

The following advisory will print on the Producer Transaction Statement for producers who receive advance 2003 direct payments:

*This payment is subject to the average Adjusted Gross Income (AGI) limit. Failure to comply with the average AGI limit, including certification of compliance, will result in ineligibility for this payment.*

This will be transmitted out on or about Tuesday, December 24, 2002.

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