

For: State and County Offices

Providing Payment Eligibility and Payment Limitation Information

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

FSA has the responsibility to periodically advise producers and program participants of all payment eligibility and payment limitation requirements. It is the producer’s responsibility to determine how to conduct their business most efficiently and to comply with these requirements to receive the program benefits requested.

FSA personnel are to be responsive to all inquiries about these provisions. However, FSA personnel are **not** to discuss or advise producers or others, including financial institutions, about the possible impact of different farm business structures, financing arrangements, or comment on possible payment eligibility and limitation determinations based on potential farming operations. FSA is only authorized to make such determinations and provide written notice upon review of a completed CCC-502 farm operating plan submitted by the producer.

B Purpose

This notice provides reminders to State and County Offices on:

- what information must be provided
- when to provide the information
- procedures for public information.

<p>Disposal Date</p> <p>April 1, 2006</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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2 Public Information

A Annual Notice, 1-PL, Paragraph 35

Provide information on the payment eligibility and payment limitation requirements on at least an annual basis to:

- all producers
- potential program participants
- the local agri-business community.

B Required Information

The information on payment eligibility and payment limitation must include the following:

- what program payments and benefits are subject to these provisions
- specific requirements (actively engaged in farming, cash-rent tenant rule, permitted entity designation, adjusted gross income, and payment limitation amounts)
- required forms and documentation that producers must submit to FSA
- the decision-making process of the COC
- that payments will be disbursed after all forms are submitted and determinations made
- producer's responsibilities to keep FSA timely informed of any changes in the farming operation that may affect the determinations
- that all information provided by the producer is subject to verification.

C Resources

Information on payment eligibility and payment limitation can be found in:

- the Code of Federal Regulations Title 7, Part 1400 (7 CFR Part 1400)
- 1-PL for policies and procedures
- 2-PL for System 36 software operations
- 3-PL for web-based eligibility systems operation
- program fact sheets and other publications available on the FSA web site.

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2 Public Information (Continued)

D Other Activities

Other recommended activities include:

- the use of media available locally
- verification of all information before publication
- timely response to all requests for program information
- providing information according to 2-INFO.

State and County Offices shall **not** comment or provide information on:

- possible structures of farm operations to maximize payments
- potential impact of different financial arrangements and compliance with payment eligibility and payment limitation provisions
- possible determinations for projected business arrangements.

3 Action Required

A State and County Office Action

State and County Offices shall review their public information activities to ensure consistency with this notice and other current procedures.