

For: State and County Offices

New Payment Limitation Allocations

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Hurricanes Dennis, Katrina, Rita, and Wilma significantly impacted the Gulf Coast Region, and hurricane Ophelia impacted North Carolina, in 2005. Because of the severity and widespread devastation, the Secretary has determined to use the authority under The Agriculture Adjustment Act of August 24, 1935, Section 32 to implement 4 disaster programs to assist in re-establishing farmers' purchasing power in specific counties in these areas.

The following 4 disaster programs are being implemented:

- Feed Indemnity Program (FIP)
- Hurricane Indemnity Program (HIP)
- Livestock Indemnity Program (LIP)
- Tree Indemnity Program (TIP).

Note: Program procedure will be issued in future directives.

Four new payment limitation fields have been established for the hurricane disaster programs. A "person" is subject to an \$80,000 payment limitation for each of the 4 programs.

Note: Even though the programs will be implemented in a specific number of counties, this notice applies to **all** counties.

B Purpose

This notice advises **all** State and County Offices that:

- County Release No. 586 includes an edit that will establish 4 new \$80,000 payment allocation fields needed for the hurricane disaster programs

| Disposal Date | Distribution |
|-----------------|--|
| October 1, 2006 | State Offices; State Offices relay to County Offices |

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1 Overview (Continued)

B Purpose (Continued)

- the new payment limitation allocations for the hurricane disaster programs will be referred to as FIP, HIP, LIP, and TIP.
- software will be included in County Release No. 586 that provides control County Offices with the capability to update the payment limitation (PLM) allocation amounts for FIP, HIP, LIP, and TIP
- a payment limitation download will occur on or about May 1, 2006, that will distribute the initial allocation of \$80,000 equally among the eligible disaster counties.

2 File Edits and Software Changes

A Software Modifications Establishing the Fields

The following software modifications will be sent in County Release No. 586. The software:

- creates 4 new fields in the PLM with a maximum allocation of \$80,000 per person, per program
- includes an edit that will initialize the new fields to zero

Note: Control County Offices **shall not** update the new payment limitation fields until after the download occurs on or about May 1, 2006. See subparagraph B.

- adds the allocation fields to the **2005 PLM**
- modifies the 2005 MABDIG report to include the 4 new PLM allocation fields.

B Payment Limitation Download

A payment limitation download will occur on or about May 1, 2006, that will distribute the initial allocation of \$80,000 equally among the producer's eligible disaster counties.

After the download, control County Offices will have the capability to adjust allocations between a producer's eligible disaster counties as necessary. Control County Offices **shall not** update the new payment limitation fields until **after** the download occurs on or about May 1, 2006.

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2 File Edits and Software Changes (Continued)

C Overwritten Records

When the FIP, HIP, LIP, and TIP amounts are downloaded to counties, any updates to **all** existing payment limitation amounts (such as conservation, DCP, and price support) in **all** counties within the last few days before the download, may be overwritten.

Note: As a result, County Offices may be required to re-enter the overwritten data.

D Handling Allocations after the Edit

After the initial edit, when a new producer becomes multi-county or combined for the 1st time, the AS 400/System 36 will divide the allocation equally among the all of the producer's counties, **not** just the producer's eligible disaster counties. The control County Office will have authority to access and adjust the allocation as necessary between the producer's eligible disaster counties.

Note: The control County Office may not be an eligible disaster county; however, the control County Office will still be responsible for adjusting allocations between a producer's counties.