

For: Tobacco State and County Offices

**Calculating Quota Holder Base Quota Level (BQL) for All Kinds of Tobacco  
for Tobacco Transition Payment Program (TTPP)**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The tobacco marketing quota and price support loan programs will end with the 2004 crop. Payments will be made under TTPP that are intended to help tobacco quota holders make the transition from a federally-regulated program that provided the safety net of price support loans, to an environment in which there will be no planting restrictions, no marketing cards, and no safety net of price support. Signup for TTPP begins on March 14, 2005, and ends on June 17, 2005. If a quota holder does not sign-up during this period, that quota holder will not receive a fiscal year 2005 payment but may be eligible for successive fiscal year payments.

Payments will be based on an eligible quota holder's BQL. An eligible quota holder is a person who on October 22, 2004, owned a farm to which a basic tobacco farm marketing quota or farm acreage allotment had been established for the 2004 marketing year. New farms which were established in 2003 or 2004 are not eligible for TTPP payments. Eligible tobacco quota holders will be entitled to \$7 per pound, over a 10-year period beginning with the 2005 payment, of tobacco based upon the farm's basic quota or allotment (converted to pounds) at the 2002 marketing year level. Quota holders who own farms with an existing CRP contract will be eligible for payments.

**B Purpose**

This notice provides provisions for calculating BQL for quota holders for all kinds of tobacco for the 2002, 2003, and 2004 crop years.

<b>Disposal Date</b>  October 1, 2005	<b>Distribution</b>  Tobacco State Offices; State Offices relay to applicable County Offices
---	--

## Notice TB-1128

### 1 Overview (Continued)

#### C TTPP Software

Automation software to generate TTPP contracts, reports and inquiries will be a web-based application. Instructions will be provided in a future notice. The web-based application will calculate quota holder BQL.

### 2 Calculating BQL

#### A Burley Tobacco Quota Holder

Calculate BQL for quota holders of burley tobacco according to the following.

Farm BQL	The 2004 basic quota, multiplied by the factor of 1.071295, is the farm BQL.  <b>Note:</b> The factor brings the 2004 quota to the 2002 level.
Quota holder BQL	Multiply the farm BQL times the quota holder's ownership share in the farm.  <b>Note:</b> In the case of undivided tract ownership, BQL must be distributed among the tract quota holders.

#### B Flue-Cured Tobacco Quota Holder

Calculate BQL for quota holders of flue-cured tobacco according to the following.

Farm BQL	The 2004 basic quota, multiplied by the factor of 1.23457, is the farm BQL.  <b>Note:</b> The factor brings the 2004 quota to the 2002 level.
Quota holder BQL	Multiply the farm BQL times the quota holder's ownership share in the farm.  <b>Note:</b> In the case of undivided tract ownership, BQL must be distributed among the tract quota holders.

**Notice TB-1128**

**2 Calculating BQL (Continued)**

**C Other Kinds of Tobacco Quota Holder**

Calculate BQL for quota holders of other kinds of tobacco according to the following.

Farm BQL	Multiply the basic allotment established for the farm in 2002 times the county average yield (see note below) to arrive at the farm BQL.
Quota holder BQL	Multiply the farm BQL times the quota holder's ownership share in the farm.  <b>Note:</b> In the case of undivided tract ownership, BQL must be distributed among the tract quota holders.

**Note:** Use the following NASS yields for any county with no production:

- Fire-cured (type 21) - 1746 lbs.
- Fire-cured (types 22-23) – 2676 lbs.
- Dark Air-cured (types 35-36) – 2475 lbs.
- Virginia Sun-cured (type 37) – 1502 lbs.
- Cigar Filler/Binder (types 42-44, 54, 55) – 2230 lbs.

**3 Action**

**A State Office Action**

State Offices shall ensure that County Offices follow the provisions in this notice.

**B County Office Action**

County Offices shall follow the provisions in this notice.