

For: Burley Tobacco State and County Offices

**Calculating Burley Producer Base Quota Level (BQL)
for Tobacco Transition Payment Program (TTPP)**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The burley tobacco marketing quota and price support loan programs are ending on September 30, 2005. Payments will be made under TTPP to help tobacco producers 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. TTPP signup begins March 14, 2005, and ends June 17, 2005. If a producer does not sign up during this period, the producer will not receive a 2005 payment. Payments will be based on an eligible producer's BQL.

Late-field contracts will be approved for future payments only.

B Purpose

This notice:

- informs State and County Offices of TTPP provisions for calculating BQL for burley tobacco producers for the 2002, 2003, and 2004 crop years
- provides spreadsheets and queries to assist in calculating BQL for burley producers.

Disposal Date	Distribution
December 1, 2005	Tobacco State Offices; State Offices relay to applicable County Offices

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2 Calculating Burley Tobacco Producer BQL

A Overview

Burley tobacco BQL is the 2002 effective quota that was produced on the farm. Calculate BQL for 2002, 2003, 2004 crop years for each farm and producer according to the following subparagraphs.

B Calculating 2002 BQL

BQL for the 2002 crop year is the amount of 2002 pounds that were actually marketed without penalty, adjusted for disaster lease and transfer and considered planted undermarketings as follows:

- disaster leases are added to the marketings of the transferring farm and deducted from the marketings of the receiving farm in determining a farm's BQL
- considered planted pounds (includes only undermarketings that were not considered in the farm's 2003 effective quota) are added to the farm's actual marketings.

C Calculating 2003 BQL

BQL for the 2003 crop year is the amount of 2003 pounds that were actually marketed without penalty, adjusted for disaster lease and transfer and considered planted undermarketings, and after completing the following calculations.

Step	Calculation
1	Subtract all 2002 undermarketings from the 2003 marketings, including undermarketings from the parent farm in any special tobacco combinations. Leased pounds are apportioned undermarketing history by dividing the transferring farm's undermarketings by the transferring farm's effective quota before any temporary transfers resulting in the percentage of undermarketings that were leased.
2	Multiply the 2003 marketings remaining after step 1 times 1.12486 (the 2002 equivalent factor).
3	Add the undermarketings that were subtracted in step 1 to the sum of step 2 to determine the farm 2003 BQL.
4	Multiply the sum from step 3 times the producer's share in the 2003 crop to determine the producer's 2003 BQL.

Disaster leases are added to the marketings of the transferring farm and deducted from the marketings of the receiving farm in determining a farm's BQL.

Considered planted pounds (includes only undermarketings that were not considered in the farm's 2004 effective quota) are added to the farm's actual marketings.

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2 Calculating Burley Tobacco Producer BQL (Continued)

D Calculating 2004 BQL

BQL for the 2004 crop year is the 2004 effective quota before disaster lease and transfer, and after completing the following calculations.

Step	Calculations
1	Subtract all 2003 undermarketings from the 2004 effective quota, including undermarketings from the parent farm in any special tobacco combinations. Leased pounds are apportioned undermarketing history by dividing the transferring farm's undermarketings by the transferring farm's effective quota before any temporary transfers resulting in the percentage of undermarketings that were leased.
2	Multiply the 2004 effective quota remaining after step 1 times 1.071295 (the 2002 equivalent factor).
3	Multiply the undermarketings that were subtracted in step 1 times 1.12486 (the 2003 equivalent factor).
4	Add the effective quota from step 2 to the undermarketings in step 3 to determine the farm 2004 BQL.
5	Multiply the sum from step 4 times the producer's share in the 2004 crop to determine the producer's 2004 BQL.

3 Additional Information

A TTPP Producer BQL Queries

Queries necessary to compute the farm BQL will be downloaded to County Offices were included in Burley Information Bulletin No. 524.

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3 Additional Information (Continued)

B TTPP BQL Spreadsheets

County Office shall complete a separate spreadsheet for each FSN/year for farms with an effective quota greater than zero.

The worksheet is available on the FFAS Intranet at <http://dc.ffasintranet.usda.gov/tobacco/>.

The first version of the Excel spreadsheet is named "BQL Burley Producer Version 1."

For instructions on downloading the file, click on "Download Instructions".

The spreadsheet may be updated periodically. Visit this Web site daily to be assured that you have the most recent version. You can also be notified by e-mail when a new version of the spreadsheet is available. For instructions, click on "Notify Instructions".

When the spreadsheet is first opened, click on "Enable Macros". If you wish to save a spreadsheet for each producer, first click on "File", then "Save as", and then type in a unique file name. After entering data, save the file again. Repeat this process for each new spreadsheet.

The worksheets are "protected", so data may only be entered in the appropriate cells.

See Exhibits 1, 2, and 3 for examples of the spreadsheets.

After running all required queries, data can be entered directly from the query information.

Note: Only use the information found in the queries to load required fields in the spreadsheet.

C Automation Software

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

4 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
- calculate the 2002, 2003, and 2004 producer BQL by using the Excel spreadsheets provided for each burley farm with effective quota greater than zero for 2002, 2003, and 2004 crop years.

TTPP 2002 Burley Quota Producers BQL Worksheet

Following is an example of the 2002 Burley Quota Producer BQL Worksheet

TTPP: 2002 Burley Quota Producers Base Quota Level (BQL) Worksheet			
County: _____			
FSN: _____			
1. 2002 Marketings (penalty free lbs.)		(1)	_____
2. Disaster Leased In Pounds	-	(2)	_____
3. Disaster Leased From Pounds	+	(3)	_____
4. 2002 unadjusted BQL Payment Pounds	=	(4)	_____ 0
5. 2003 Overmarketing from 2002 = _____ x 0.12486	+	(5)	_____ 0
6. Recaptured lost 2003 undermarketings from 2001	+	(6)	_____
7. 2002 Final BQL Pounds for Payment	=	(7)	_____ 0
8. 2002 TTPP Total Payment: (Item 7) X \$1.00	=	(8)	_____ \$0.00
9. TTPP Annual Payment: (Item 8) / 10 (years)	=	(9)	_____ \$0.00

Farm Producers	SS#	BQL Shares % or Lbs.	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total		_____ 0%	_____ 0

Producers Checklist:

1. _____ Direct Deposit on File
2. _____ AD-1026 on File (Removing Producers from Farm Requires New AD-1026)
3. _____ Current FSA-211, Power of Attorney on File
4. _____ TTPP Contract Signed and Dated
5. _____ Web Base TTPP Contract Submitted

Employee Initials: _____ **Cc: Other Producers TTPP File Folder**

TTPP 2003 Burley Quota Producers BQL Worksheet

Following is an example of the 2003 Burley Quota Producer BQL Worksheet

TTPP: 2003 Burley Quota Producers Base Quota Level (BQL) Worksheet		
County:	0	
FSN:	0	
1. 2003 Marketings (no equitable relief pounds)	(1)	<u> </u>
2. 2003 Lost Undermarketings (under the 10% rule)	+ (2)	<u> </u>
3. Disaster Leased In Pounds	- (3)	<u> </u>
4. Disaster Leased From Pounds	+ (4)	<u> </u>
5. Total TTPP Marketings	= (5)	<u> 0</u>
6. Farm's 2002 Undermarketed Pounds (farm level)	- (6)	<u> </u>
7. Leased Farms 2002 Undermarketed Pounds (to include parent farm's of special combinations)	- (7)	<u> </u>
8. TTPP BQL Pounds	= (8)	<u> 0</u>
9. Factored to 2002 Quota Level	x (9)	<u> 1.12486</u>
10. TTPP 2003 BQL Pounds @ 2002 Quota Level	= (10)	<u> 0</u>
11. 2002 Undermarketed Pounds (Lessor of Item 5 or 6 + 7)	+ (11)	<u> 0</u>
12. Recaptured 2004 undermarketings from 2002	+ (12)	<u> </u>
13. 2004 Overmarketing from 2003 = <u> </u> x 0.05	- (13)	<u> 0</u>
14. 2003 Final BQL Pounds for Payment	= (14)	<u> 0</u>
15. 2003 TTPP Total Payment: (Item 14) X \$1.00	= (15)	<u> \$0.00</u>
16. TTPP Annual Payment: (Item 15) / 10 (years)	= (16)	<u> \$0.00</u>

TTPP 2004 Burley Quota Producers BQL Worksheet

Following is an example of the 2004 Burley Quota Producer BQL Worksheet

TTPP: 2004 Burley Quota Producers Base Quota Level (BQL) Worksheet			
County:	<u>0</u>		
FSN:	<u>0</u>		
<u>PART 1</u>			
1. 2004 Effective Quota		(1)	<u> </u>
2. Disaster Leased In Pounds	-	(2)	<u> </u>
3. Disaster Leased From Pounds	+	(3)	<u> </u>
4. TTPP Effective Quota	=	(4)	<u> 0</u>
5. 2003 Farm's Initial Undermarketings			<u> </u>
2003 Leased Out Undermarketings	-		<u> </u>
NET Undermarketed Pounds	=	(5)	<u> 0</u>
6. Farm's Leased In 2003 Undermarketed Pounds	-	(6)	<u> </u>
7. Total BQL Pounds	=	(7)	<u> 0</u>
8. Factored to 2002 Quota Level	x	(8)	<u> 1.071295</u>
9. TTPP 2004 BQL Pounds @ 2002 Quota Level	=	(9)	<u> 0</u>
<u>PART 2</u>			
10. 2003 Undermarketed Pounds (Items 5 + 6)	+	(10)	<u> 0</u>
11. Factored to 2002 Quota Level	x	(11)	<u> 1.12486</u>
12. 2003 Undermarketed Lbs. @ 2002 Quota Level	=	(12)	<u> 0</u>
<u>PART 3 (Final Part)</u>			
13. TTPP 2004 BQL Pounds (Part 1, Item 9)		(13)	<u> 0</u>
14. 2003 Undermarketed Pounds (Part 2, Item 12)	+	(14)	<u> 0</u>
15. 2004 Final BQL Pounds for Payment	=	(15)	<u> 0</u>
16. 2004 TTPP Total Payment: (Item 15) X \$1.00	=	(16)	<u> \$0.00</u>
17. TTPP Annual Payment: (Item 6) / 10 (years)	=	(17)	<u> \$0.00</u>