

**For:** Flue-Cured Tobacco State and County Offices

**Calculating Flue-Cured Producer Base Quota Level (BQL)  
for Tobacco Transition Payment Program (TTPP)**

**Approved by:** Deputy Administrator, Farm Programs



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**1 Overview**

**A Background**

The flue-cured tobacco marketing quota and price support loan programs are ending on June 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 sign up begins on March 14, 2005, and ends on 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 flue-cured tobacco producers for the 2002, 2003, and 2004 crop years
- provides spreadsheets and queries to assist in calculating BQL for flue-cured producers.

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

## Notice TB-1132

### 2 Calculating Flue-Cured Tobacco Producer BQL

#### A Overview

Flue-cured 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
- multiply 2002 penalty free overmarketings times .10497.

#### 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.
2	Multiply the 2003 marketings remaining after step 1 times 1.10497 (the 2002 equivalent factor).
3	To determine the farm 2003 BQL, add to the sum of step 2 either: <ul style="list-style-type: none"><li>• the undermarketings that were subtracted in step 1, or</li><li>• multiply 2003 penalty free overmarketings times .1173.</li></ul>
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.

**Notice TB-1132**

**2 Calculating Flue-Cured 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.

<b>Step</b>	<b>Calculations</b>
1	Subtract all 2003 undermarketings from the 2004 effective quota, including undermarketings from the parent farm in any special tobacco combinations.
2	Multiply the 2004 effective quota remaining after step 1 times 1.23457 (the 2002 equivalent factor).
3	Multiply the undermarketings that were subtracted in step 1 times 1.10497 (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 Flue-Cured Information Bulletin No. 82.

## Notice TB-1132

### 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 Flue Cured 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.

**Negative numbers must be entered into the spreadsheet as zero.**

**Notice TB-1132**

**3 Additional Information (Continued)**

**B TTPP BQL Spreadsheets (Continued)**

Dataload the spreadsheet fields according to the following.

<b>Year</b>	<b>Query Name</b>	<b>Information Needed</b>	<b>Worksheet Item Number</b>
2002	TTPPFC20	Marketings, penalty-free over-marketings, lost undermarketings	1, 5, 6
	TTPPFC21	Disaster leases by transferring farm	3
	TTPPFC22	Disaster leases by receiving farm	2
2003	TTPPFC30	Marketings, penalty-free over-marketings, lost undermarketings	1, 6, 12, 13
	TTPPFC31	Disaster leases by transferring farm	4
	TTPPFC32	Disaster leases by receiving farm	3
	TTPPFC33	Special combinations by Designated Farm of Record (DFR) with Parent FSN undermarketings greater than zero	7
2004	TTPPFC40	Farms with effective quota and 2003 undermarketings greater than zero	1, 3
	TTPPFC41	Disaster leases by transferring farm serial number (FSN)	2
	TTPPFC42	Disaster leases by receiving FSN	2
	TTPPFC43	Special combinations by Designated Farm of Record (DRF) with Parent FSN undermarketings greater than zero	6
	TTPPFC44	Farms with crop year 2002 base by FSN with owners	NA

**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 flue-cured farm with effective quota greater than zero for 2002, 2003, and 2004 crop years.

**TTPP 2002 Flue-Cured Quota Producers BQL Worksheet**

Following is an example of the 2002 Flue-Cured Quota Producers BQL Worksheet

TTPP: 2002 Flue-Cured Quota Producer Base Quota Level (BQL) Worksheet		
County: _____		
FSN: _____		
1. 2002 Marketings (Penalty Free Pounds)	(1)	_____
2. Disaster Leased In Pounds	- (2)	_____
3. Disaster Leased From Pounds	+ (3)	_____
4. 2002 Unadjusted BQL Payment Pounds	= (4)	_____ 0
5. 2002 Penalty Free Overmarketings= _____ x 0.10497	+ (5)	_____ 0
6. 2002 Actual Undermarketings - 2002 Eff. Undermarketings	+ (6)	_____
7. <b>2002 Farm BQL Pounds</b>	= (7)	<b>_____ 0</b>

**TTPP 2003 Flue-Cured Quota Producers BQL Worksheet**

Following is an example of the 2003 Flue-Cured Quota Producers BQL Worksheet

TTPP: 2003 Flue-Cured Quota Producer Base Quota Level (BQL) Worksheet			
County: <u>0</u>			
FSN: <u>0</u>			
1. 2003 Marketings (penalty free pounds)	(1)		
2. Not applicable	+ (2)		0
3. Disaster Leased In Pounds	- (3)		
4. Disaster Leased From Pounds	+ (4)		
5. Total TTPP Marketings	= (5)		0
6. Farm's 2002 Undermarketed Pounds (farm level)	- (6)		
7. 2002 Undermarketed Pounds from parent farm's of special combinations	- (7)		
8. Unadjusted BQL Pounds	= (8)		0
9. National Quota Factor for 2003	x (9)		1.10497
10. Item 8 * Item 9	= (10)		0
11. 2002 Undermarketing pounds (lesser of item 5, or 6 + 7)	+ (11)		0
12. 2003 Actual Undermarketings - 2003 Eff. Undermarketings	+ (12)		
13. 2003 penalty free overmarketings= _____ x 0.1173	+ (13)		0
<b>14. 2003 Farm BQL Pounds</b>	= (14)		<b>0</b>

**TTPP 2004 Flue-Cured Quota Producers BQL Worksheet**

Following is an example of the 2004 Flue-Cured Quota Producers BQL Worksheet

<b>TTPP: 2004 Flue-Cured Quota Producer Base Quota Level (BQL) Worksheet</b>	
County: <u>0</u>	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
FSN: <u>0</u>	
<b><u>PART 1</u></b>	
1. 2004 Effective Quota	(1) _____
2. Disaster Leased In Pounds	- (2) _____
3. Disaster Leased From Pounds	+ (3) _____
4. TTPP Effective Quota	= (4) <u>0</u>
5. Farm's 2003 Undermarketed Pounds (farm level)	- (5) _____
6. 2003 Undermarketed Pounds from parent farm's of special combinations	- (6) _____
7. Unadjusted BQL Pounds	= (7) <u>0</u>
8. National Quota Factor for 2004	x (8) <u>1.234570</u>
9. TTPP 2004 BQL Pounds @ 2002 Quota Level	= (9) <u>0</u>
<b><u>PART 2</u></b>	
10. 2003 Undermarketed Pounds (Items 5 + 6)	+ (10) <u>0</u>
11. Factored to 2002 Quota Level	x (11) <u>1.10497</u>
12. 2003 Undermarketed Lbs. @ 2002 Quota Level	= (12) <u>0</u>
<b><u>PART 3 (Final Part)</u></b>	
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	= (15) <div style="border: 1px solid black; padding: 2px;"><u>0</u></div>