

For: IN, KY, TN, and VA Tobacco State and County Offices

Revised Calculating Producer Base Quota Level (BQL) for Other Kinds of Tobacco Except Cigar Filler and Binder for the 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 producers make the transition from a Federally regulated program which 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. The sign-up period for TTPP began 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 but may be eligible for successive FY payments.

Payments will be based on an eligible producer's BQL and on the producer's share in the risk of producing the crop during the 2002, 2003, and 2004 crop years. An eligible producer who shared in the risk of producing the tobacco in all 3 years will be entitled to 100 percent of the producer rate, or \$3 per pound; an eligible producer who shared in the risk of producing the tobacco in any 2 of these years will be entitled to two-thirds of the producer rate, or \$2 per pound; and the producer who shared in the risk during 1 of these years will be entitled to one-third of the producer rate, or \$1 per pound. A farm's BQL may be different in 2002, 2003, and 2004 if special tobacco combinations or leases were approved during 1 or more of those years.

B Purpose

This notice:

- provides provisions for calculating BQL for producers of fire-cured, dark air-cured, and Virginia sun-cured tobacco for the 2002, 2003, and 2004 crop years
- obsoletes Notice TB-1129.

Note: There will be a forthcoming TB notice for Cigar Filler and Binder.

Disposal Date	Distribution
December 1, 2005	IN, KY, TN, and VA Tobacco State Offices; State Offices relay to applicable County Offices

2 Calculating BQL for Producers of Fire-Cured, Dark Air-Cured, and Virginia Sun-Cured Tobacco

A Calculating BQL

BQL for fire-cured, dark air-cured, and Virginia sun-cured tobacco farms for 2002, 2003, and 2004 crop years is the farm’s effective allotment multiplied times the farm’s average yield for 2001, 2002, and 2003 crop years. No yield in excess of 4,000 pounds will be used to calculate BQL without verifiable production information. BQL shall be calculated according to subparagraphs B through D for each farm and producer.

Note: No yield shall exceed 5,000 pounds per acre for these types of tobacco.

B Calculating 2002 BQL

Calculate the 2002 crop year farm and producer BQL according to the following.

Step	Action
1	Multiply the 2002 effective allotment times the farm’s average yield for 2001, 2002, and 2003.
2	Multiply the sum from step 2 times the producer’s share in the 2002 crop for the producer’s 2002 BQL.

C Calculating 2003 BQL

Use the following factors to reach the 2002 equivalent for 2003 pounds disaster leased to the farm:

- fire-cured (21) - 1.0000
- fire-cured (22-23) - .980392
- dark air-cured (35-36) - .952381
- Virginia sun-cured (37) - 1.0000.

Calculate the 2003 BQL according to the following.

Step	Action
1	Multiply the 2003 effective quota times the above adjustment factor for the applicable kind of tobacco to arrive at the farm’s 2003 BQL. Note: This includes all temporary transfers to the farm at the 2002 level.
2	Multiply the applicable sum from step 1 times the producer’s share in the 2003 crop to arrive at the producer’s 2003 BQL.

2 Calculating BQL for Producers of Fire-Cured, Dark Air-Cured, and Virginia Sun-Cured Tobacco (Continued)

D Calculating 2004 BQL

Use the following factors to reach the 2002 equivalent for 2004 pounds disaster leased to the farm:

- fire-cured (21) - 1.0000
- fire-cured (22-23) - .951837
- dark air-cured (35-36) - .92464
- Virginia sun-cured (37) - 1.0000.

Calculate the 2004 BQL according to the following.

Step	Action
1	Multiply the 2004 effective quota times the above adjustment factor for the applicable kind of tobacco to arrive at the farm's 2004 BQL. Note: This includes all temporary transfers to the farm at the 2002 level.
2	Multiply the applicable sum from step 1 times the producer's share in the 2003 crop to arrive at the producer's 2003 BQL.

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.