

For: OH, MN, and WI State and County Offices

**Calculating Quota Holder Base Quota Level (BQL) for Cigar Filler and Binder  
Tobacco for the Tobacco Transition Payment Program (TTPP)**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Payments that will be made under TTPP 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 price support safety net. Sign-up period for TTPP began on March 14, 2005, and will end 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 quota holder's BQL. An eligible quota holder is a person who on October 22, 2004, owned a farm to which a basic farm acreage allotment had been established for the 2004 marketing year. New farms that were established in crop years 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 FY 2005 payment, of tobacco based upon the farm's basic allotment (converted to pounds) at the 2002 marketing year level. Quota holders who own a farm with an existing CRP contract will be eligible for payments.

**B Purpose**

This notice provides revised provisions for calculating:

- 3-year county average yield (2001, 2002, and 2003)
- BQL for quota holders of cigar filler and binder tobacco.

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

## Notice TB-1153

### 2 Calculating 3-Year County Average Yields for Cigar Filler and Binder Tobacco

#### A Failed Acreage

For the purposes of determining the county 3-year average yield, failed acreage means acreage that was timely planted with the intent to harvest, but because of natural disaster the crop failed before it could be brought to harvest. For farms with total losses during all of the years 2001, 2002, and 2003, use the county average yield.

For failed acreage, the county must have been provided documentation by producer(s) that the crop was planted using farming practices consistent for the crop and area, but could not be brought to harvest because of disaster conditions. Acceptable documentation for approving disaster-affected acreage includes the following:

- existing notations on marketing cards currently on file
- existing notations on acreage reports currently on file
- crop insurance records
- photographs, if the camera electronically dated the photograph
- any other form of documentation approved by STC, such as statement of neighbors, tobacco buyers, FSA employees, or COC knowledge.

#### B Natural Disaster Adjustments to County 3-Year Average Yield

For counties that had failed acreage during 2001, 2002, and/or 2003, if the documentation according to subparagraph A was approved by COC and State Office concurs, the failed acreage shall not be included in calculating the county 3-year average yield.

Counties where the 3-year average yield has been adjusted, as approved by the State Office, must recalculate all previously filed contracts. Contracts that are modified must be reprinted with the correct BQL, and the quota holder must sign the corrected CCC-955.

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**2 Calculating 3-Year County Average Yields for Cigar Filler and Binder Tobacco (Continued)**

**C Calculating BQL**

Calculate BQL for quota holders of cigar filler and binder tobacco according to this table.

<b>Step</b>	<b>Action</b>
1	The 2004 basic allotment times the BQL adjustment factor of 0.9398.  <b>Note:</b> This will include adjustments to the farm since crop year 2002. The factor brings the 2004 basic allotment to the 2002 basic allotment level.
2	Multiple the sum of step 1 time the county 3-year average yield (2001, 2002, and 2003) to get the farm BQL.  <b>Note:</b> For any county with no production use the NASS yield of 2230.
3	Multiply the sum of step 2 times the quota holder's ownership share in the farm.  <b>Note:</b> In cases of tract contribution percentages on a farm or of undivided tract ownership, BQL must be divided among the quota holders.

**3 Action**

**A State Office Action**

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

**B County Office Action**

County Offices shall follow the provisions in this notice.