

For: Wisconsin State and County Offices

**Calculating Producer 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.

Payment pounds are determined by an eligible producer's BQL. BQL is determined, in part, by multiplying the 2002, 2003, or 2004 effective allotment for a farm times the farm's 3-year average yield (2001, 2002, and 2003). In situations where there is acreage with zero production, because of a natural disaster, a farm's yield is adversely affected.

After a farm's BQL is determined, the producer's BQL is calculated based on a producer's share in the risk of producing the crop during any 2002, 2003, or 2004 crop year. A 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; one 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 one 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 were approved during 1 or more of those years.

B Purpose

This notice:

- provides revised provisions for calculating BQL for producers of cigar filler and binder tobacco for the 2002, 2003, and 2004 crop years
- obsoletes Notice TB-1130.

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

Notice TB-1154

2 Calculating Producer BQL for Producers of Cigar Filler and Binder Tobacco

A Failed Acreage

For the purposes of determining the farm's 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 producer must provide documentation 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 Farm Yield

For farms that had a complete or partial failed acreage during 2001, 2002, and/or 2003, a late filed acreage report may be filed according to 2-CP. If the documentation according to subparagraph A is approved by COC, the failed acreage shall not be included in calculating the farm's 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 producer must sign the corrected CCC-956.

C Calculating BQL

BQL for cigar filler and binder tobacco farm for 2002, 2003, and 2004 crop years is the farm's effective allotment, times the applicable crop year's BQL adjustment factor, times the farm's 3-year average yield (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 D through F for each farm and producer. Use paragraphs A and B, if applicable, to deduct acres in determining a farm's 3-year average yield.

Note: No yield shall exceed 5,000 pounds per acre for cigar filler/binder tobacco.

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2 Calculating Producer BQL for Producers of Cigar Filler and Binder Tobacco (Continued)

D 2002 BQL

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

Step	Action
1	Multiply the 2002 farm's effective allotment times the farm's 3-year average yield (2001, 2002, and 2003) to get the 2002 farm BQL total.
2	Multiply the sum from step 1 times the producer's share in the 2002 crop to get the 2002 producer BQL total.

E 2003 BQL

Calculate the 2003 crop year farm and producer BQL according to the following.

Step	Action
1	Multiply the 2003 farm's effective allotment, times BQL adjustment factor of 0.8929, times the farm's 3-year average yield (2001, 2002, and 2003) to get the 2003 farm BQL total.
2	Multiply the sum from step 1 times the producer's share in the 2003 crop to get the producer 2003 BQL total.

F 2004 BQL

Calculate the 2004 crop year farm and producer BQL according to the following.

Step	Action
1	Multiply the 2004 farm's effective allotment, times BQL adjustment factor of 0.9398, times the farm's 3-year average yield (2001, 2002, and 2003) to get the 2004 farm BQL total.
2	Multiply the sum from step 1 times the producer's share in the 2004 crop to get the producer 2004 BQL total.

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.