

For: CMA's, DMA's, and LSA's

**2008 Crop Year Producer Eligibility Policy and
Shutdown and Startup of Automated CMA Process**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

According to 1-CMA, CCC-approved CMA's, DMA's, and LSA's are responsible for:

- determining that CMA members, DMA producers, and LSA producers are eligible to receive CCC MAL's and LDP's
- using the automated CMA process to determine producer eligibility and to properly allocate market gains and LDP's.

Submissions to the automated CMA process will begin for the 2009 crop year on Sunday, **July 5, 2009**. This should allow CMA's, DMA's, and LSA's adequate time to:

- make needed 2009 crop year PLM adjustments
- correct eligibility discrepancies.

B Purpose

This notice provides CMA's, DMA's, and LSA's with:

- producer eligibility provisions for the 2009 crop year
- the last date for submitting 2008 crop year eligibility files, which is **June 24, 2009**
- the beginning date for 2009 crop year submissions, which is **July 5, 2009**.

Disposal Date	Distribution
July 1, 2010	State Offices; State Offices relay to CMA's, DMA's, and LSA's

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1 Overview (Continued)

C Contact

For questions or situations **not** addressed in this notice, State Offices shall contact either of the following.

Contact Person	Phone	E-Mail
Laura Schlote	202-720-7785	laura.schlote@wdc.usda.gov
Cecile Wynne	202-720-8413	cecile.wynne@wdc.usda.gov

2 2009 Crop Year Loan and LDP Producer Eligibility

A General Eligibility Requirements

Producers applying for loans or LDP's through CMA's, DMA's, or LSA's must:

- comply with USDA HELC and WC provisions by filing AD-1026 at their administrative FSA County Office
- file FSA-578 for all cropland on the farm for which a loan or LDP is requested
- **not** have been convicted under Federal or State law of a controlled substance violation
- comply with the average AGI provisions

Note: Producers **not** complying with AGI remain eligible for a loan to be repaid with principal plus interest or with a commodity certificate exchange.

- **not** be delinquent on any nontax Federal debt according to DCIA
- **not** be disqualified because of Federal crop insurance fraud.

B PLM's Not Effective for the 2009 Crop Year

PLM is **not** applicable for crop years 2009 through 2012.

C ACRE Farm Indicator

An indicator that a farm has enrolled in the ACRE program is **not** scheduled to be included for the 2009 startup.

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3 Eligibility Requirements and Applicable CMA Process Output Fields

A HELC and WC Compliance

CMA, DMA, and LSA producers must visit their administrative FSA County Office to complete or update AD-1026 to comply or continue compliance with HELC and WC provisions. The FSA County Office maintains a flag in subsidiary files that is applicable to the current year. If a CMA, DMA, or LSA producer:

- is in violation of HEL/WC provisions, the CMA process output file will return:
 - “Y” in field [47]
 - “I” in field [1] making the producer ineligible
- does **not** file AD-1026, or the AD-1026 flag is invalid, the CMA process output file will return:
 - “Y” in field [60]
 - “I” in field [1] making the producer ineligible.

B Acreage Reporting Requirement

The 2008 Act requires that to receive loans and LDP’s, a producer must file FSA-578 for all cropland on the farm for which a loan or LDP is requested.

For producers **not** meeting the acreage reporting requirements on a farm, the CMA process now returns:

- “Y” in field [49] and “I” in field [1] when:
 - the producer’s ID number is **not** associated with a crop on any farm for which an eligibility record is requested by CMA
 - no crop shares were reported for the producer’s ID number
- “Y” in field [50] and “I” in field [1] when the cropland reported for a farm does **not** equal the cropland amount.

PSD recognizes that loans and LDP’s may be requested for crops, such as wheat, before a complete FSA-578 on other crops, such as corn, is filed. Therefore, a producer who has only reported wheat may be ineligible for a wheat loan or LDP. In these cases, according to 1-CMA, paragraph 385, CMA’s, DMA’s, and LSA’s are authorized to:

- obtain loans and LDP’s for producers they believe to be eligible
- repay loans or LDP’s if after 90 calendar days from the date of loan or LDP the producer remains ineligible.

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3 Eligibility Requirements and Applicable CMA Process Output Fields (Continued)

C Controlled Substance Violations

CMA, DMA, or LSA producer's administrative FSA County Office will:

- determine whether a producer has been convicted under Federal or State law of a controlled substance violation
- set the appropriate flag in the County Office subsidiary files.

If a producer is determined to be in violation of controlled substance provisions, the CMA process will:

- return a flag set to "Y" in field [48]
- set the flag in field [1] to "I" making the producer ineligible.

D AGI Limitation

Effective for the 2009 through 2012 crop years, an individual or entity shall **not** be eligible for marketing loan gains and LDP's, if the average AGI of the individual or entity exceeds \$500,000 nonfarm income.

Note: MAL's may still be obtained if the \$500,000 nonfarm income is exceeded, however, MAL's must be repaid at principal plus interest or commodity certificates for 2009 crop year only.

CMA, DMA, or LSA producer's administrative FSA County Office will:

- accept certification of a producer's AGI on CCC-926
- set a negative flag in subsidiary files if the producer is in violation of AGI provisions.

CMA's, DMA's, and LSA's shall:

- monitor field [54] of the CMA process file
- **deny** a market gain or LDP to producers when the AGI flag is set to "Y".

E DCIA Compliance

According to DCIA, producers who are delinquent on nontax Federal debt are ineligible for Federal loans including LDP's. CMA's, DMA's, and LSA's shall:

- **not** obtain loans and LDP's on behalf of delinquent Federal debtors, except if the debtor resolves the delinquency before the final loan availability date according to 1-CMA, paragraph 107
- monitor field [67] of the CMA process output file to identify producers who are delinquent debtors to FSA

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3 Eligibility Requirements and Applicable CMA Process Output Fields (Continued)

E DCIA Compliance (Continued)

- until DCIA electronic data is made available, obtain producer certification for DCIA by:
 - entering the following statement on an annual addendum to the CMA's uniform marketing agreement, "Are you or any co-applicant delinquent on any Federal nontax debt?"

Note: Provide blocks for the producer to check "yes" or "no" to the question.

- obtaining DCIA certification from CMA members at least annually on the addendum to the uniform marketing agreement
- obtaining LSA producer certification on the applicable CCC Cotton A-5 or a separate LSA-generated form
- obtaining DMA producer certification on CCC-678 or a separate DMA-generated form.

4 Final 2008 Crop Year Input File Submission and Output File

A Deadline and Final Output File

The deadline for final 2008 crop year **input** file submission is 6 p.m. c.t. Wednesday, **June 24, 2009**. The final 2008 crop year **output** files will be available for downloading after 2 p.m. c.t. **Friday July 3, 2009**.

5 Making Submissions for the 2009 Crop Year CMA Process

A Making Submissions and Requesting Assistance

CMA's, DMA's, and LSA's shall:

- follow the instructions in 1-CMA, paragraph 238, to determine the type of record submission

Important: For joint operations or entities, CMA's, DMA's, and LSA's shall submit the "parent" ID number in field [7] of the input file to the CMA process, **not** the individual component member ID number. The CMA process will return applicable eligibility and PLM data for each component member. Cotton Cooperatives must **not** confuse the "parent" ID number with the primary ID number that is submitted to ACRS.

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5 Making Submissions for the 2009 Crop Year CMA Process (Continued)

A Making Submissions and Requesting Assistance (Continued)

- begin regular 2009 crop year file submissions on **July 5, 2009**
- if necessary, call for technical assistance from FSA's National Help Desk at 800-255-2434. Select option 1 for web support:
 - to verify if the CMA or LSA system is functional with the Web Room
 - whenever there are transmission problems.

B Record Format of Input File

The input file:

- is named CMAssccc.MB1 ("ssccc" is the applicable State and CMA or LSA code)
- provides ITSD-ADC basic producer data to process producer eligibility and PLM data
- shall be submitted according to this notice, with a "09" in field [8]
- is created according to the following format.

Field No.	Contents	Begin	Length	Data Type
1	Record status	1	1	Character
2	CMA or LSA State code	2	2	Character
3	CMA or LSA county code	4	3	Character
4	Crop code	7	4	Character
5	State code of administrative County Office	11	2	Character
6	County code of administrative County Office	13	3	Character
7	Producer ID number	16	9	Character
8	Crop year	25	2	Character
9	Farm serial number (to delete records only)	27	7	Character
10	Filler	34	10	

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5 Making Submissions for the 2009 Crop Year CMA Process (Continued)

C Control Record File

A control file:

- provides ITSD-ADC a count of the records submitted in the input file
- is named CMAssccc.MB4 (“ssccc” is the applicable State and CMA or LSA code)
- shall be created according to the following format.

Field No.	Contents	Begin	Length	Data Type
1	State code of CMA or LSA	1	2	Character
2	County code of CMA or LSA	3	3	Character
3	Filler	6	1	
4	Number of records in input file	7	7	Character
5	Filler	14	1	
6	Date input file was prepared in the following format: yyyy/mm/dd	15	10	Character

D Preparing Files for Submission

One file will be prepared for submission and transmitted as follows:

- create a zipped transmission file named KCXXXBBS.000 (“XXX” is the assigned CMA, DMA, or LSA **ALPHA** code and “000” is the next sequential transmission ID number after the last transmission)
- the transmission file shall contain the MB1 input file and the MB4 control file
- secure the FTP file according to 1-CMA, paragraph 204.

E Submission and Download Schedule

For the 2009 crop year, the submission deadline is:

- **Sunday** by 6 p.m. c.t.; the resulting download will be available the following **Tuesday**
- **Wednesday** by 6 p.m. c.t.; the resulting download will be available the following **Friday**.