

For: State and County Offices

Availability of 2008 Advance Direct Payments

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (the 2008 Act) was enacted into law on May 22, 2008. The 2008 Act provides for the continuation of DCP for 2008 through 2012.

B Purpose

This notice informs State and County Offices of the following:

- software to issue 2008 advance direct payments for covered commodities and peanuts will be included in County Release No. 644, which should be received on or about July 3, 2008

Note: Payment processing options will be disabled until a forthcoming Information Bulletin provides software allowing payment processing options to be accessed.

- 2008 advance direct payments are authorized as of July 7, 2008, but County Release No. 644 will need to be loaded to the system and instructions in the forthcoming Information Bulletin completed before payments can be issued

- advance direct payments will be issued at 22 percent of the final direct payment rate for covered commodities and peanuts

Note: See subparagraph 2 A for a table with the 2008 advance direct payment rates.

Disposal Date	Distribution
June 1, 2009	State Offices; State Offices relay to County Offices

Notice DCP-190

1 Overview (Continued)

B Purpose (Continued)

- 2008 FAV payment reductions have been incorporated into the 2008 advance direct payment software and will be reduced from the 2008 advance direct payments when both of the following apply:
 - County Release No. 644 and instructions in the forthcoming Information Bulletin have been completed
 - farm payment reduction rates and/or violations have been entered into the compliance software according to 4-CP.

2 Advance Direct Payment Information

A Advance Direct Payment Rates

Advance direct payments for 2008 will be 22 percent of the payment rate. The following provides the 2008 advance direct payment rates.

Crop	Advance Payment Rate	Crop	Advance Payment Rate
Wheat (bu.)	\$0.1144	Other Oilseeds (lbs.)	\$0.00176
Oats (bu.)	\$0.00528	Corn (bu.)	\$0.0616
Rice (lbs.)	\$0.00517	Grain Sorghum (bu.)	\$0.077
Upland Cotton (lbs.)	\$0.014674	Peanuts (lbs.)	\$0.00396
Soybeans (bu.)	\$0.0968	Barley (bu.)	\$0.0528
Flax (bu.)	\$0.09856		

B Changes to 2008 Payment Software

2008 direct payments will **not** be issued to producers on a farm if the sum of the base acres of the farm is 10.0 acres or less, unless 1 of the following exceptions applies.

Exceptions: A payment can be issued if the total base acres for all crops on the farm are 10.0 acres or less and **all** owners of the farm are either of the following:

- socially disadvantaged producer
- limited resource producer.

Note: See 3-PL for updating values for socially disadvantaged and limited resource producers.

Notice DCP-190

2 Advance Direct Payment Information (Continued)

B Changes to 2008 Payment Software (Continued)

Producers on a farm with total base acres of 10.0 acres or less and not meeting either of the exceptions in this subparagraph will be listed on the Nonpayment Register with the message, "Producer does not meet minimum base acres provision."

Note: The initial release of 2008 direct payment software will put all producers on the Nonpayment Register if the sum of the base acres of the farm is 10.0 or less. Software is currently being modified for the exceptions listed in this subparagraph.

3 Action

A State Office Action

State Offices shall ensure that County Offices are immediately informed of the contents of this notice.

B County Office Action

County Offices shall:

- install County Release No. 644 immediately upon receipt
- follow instructions in the forthcoming Information Bulletin
- print the 2008 Direct Program Parameter file information according to 1-CM, subparagraph 108 A
- ensure that FAV payment reductions are entered according to 4-CP, Part 4
- begin issuing 2008 advance direct payments immediately.