

Questions and Answers About Karnal Bunt Compensation

Q. Who is eligible for compensation under the U.S. Department of Agriculture's (USDA) Karnal bunt compensation package?

A. In August 2001, USDA compensated certain growers, handlers, owners of seed companies, owners of grain storage facilities, flour millers, and participants in the National Karnal Bunt Survey who incurred losses and expenses because of Karnal bunt in the 1999-2000 and 2000-2001 crop seasons.

In May 2002, USDA amended its regulation in order to compensate certain growers and handlers of grain and seed affected by Karnal bunt who were not eligible for compensation under the previous rule. This amended rule also provides for compensation for certain wheat grown in Oklahoma that was comingled with wheat grown with Karnal bunt-positive wheat while being stored in Texas.

Q. Will growers from the Texas counties of Archer, Baylor, Throckmorton, and Young, where wheat tested negative at grain elevators, be eligible for compensation?

A. Growers in Archer, Baylor, Throckmorton, and Young counties in Texas, whose wheat tested negative for Karnal bunt after harvest at a grain elevator, will be eligible for compensation at a rate not to exceed \$1.80 per bushel. For example, if the market price for grain is \$3.00 and the selling price is \$1.50, then USDA will cover the difference and compensate the grower \$1.50 per bushel. If the market price is \$3.00 and the selling price is \$1.00, USDA will pay the grower \$1.80 per bushel, the maximum allowed under the compensation plan.

Q. Is compensation available for wheat held back by a grower in the 2000-2001 growing season?

A. Wheat held back from harvest by a grower in the 2000-2001 growing season for use as seed in the next growing season that tested positive for Karnal bunt spores qualifies for compensation at a rate not to exceed \$1.80 per bushel.

Q. Will growers in the counties regulated in 2001 be compensated for costs associated with the disposal of uncertified or treated seed?

A. Growers in Archer, Baylor, Throckmorton, and Young counties who produced uncertified wheat seed during the 2000-2001 growing season that tested positive for Karnal bunt spores after it was treated with fungicide are eligible for compensation for disposal costs. Treated, spore-positive seed disposed of on the owners' premises qualifies at a rate of \$1.00 per bushel. Seed disposed of by burial at a landfill or through another means approved by USDA's Animal and Plant Health Inspection Service (APHIS) qualifies at a rate of up to \$1.20 per bushel.

Q. Will growers receive compensation for comingled grain?

A. USDA will compensate growers with wheat grown in Oklahoma during the 2000-2001 growing season that was comingled with Karnal bunt-positive wheat while being stored in Texas at a rate not to exceed \$1.80 per bushel.

Q. Will compensation be offered after the 2000-2001 crop year?

A. Growers and handlers of wheat that was harvested in the counties of Archer, Baylor, Throckmorton, and Young counties during the 2000-2001 growing season will receive a 1-year extension and be eligible for compensation through the 2001-2002 crop season. However, anyone who plants in known infected fields within the four-county area will not be eligible for compensation.

Compensation will still be available in the future if a new outbreak of Karnal bunt is detected in an unregulated area. However, producers who plant wheat in previously regulated areas after the 2000-2001 season will not be compensated under the current plan.

Q. Can combine owners, custom combiners, or portable seed cleaners claim compensation?

A. The current compensation package does not include any provisions that cover the cleaning of harvesting equipment and portable seed cleaners.

Q. How long do affected growers, handlers, and seed companies have to apply for compensation?

A. Growers, handlers, and seed companies eligible for compensation must have their claims to USDA's Farm Service Agency within 90 days of the publication of the rule. The rule was published in the *Federal Register* on May 1.

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