

## II. Definitions

**Commercially Recoverable Sugar (CRS) Final Settlement Payment Pounds.** The total actual pounds of 96 sugar degrees the producer delivers to a sugarcane processor during a given crop year.

**Farm.** The acreage identified under one FSA Farm Serial Number.

**Farm Operator.** The person in general control of the farming operations on all ownership tracts of a farm during the program.

**FSA.** FSA means the Farm Service Agency.

**Ownership Tract.** A subset of the acreage of a farm associated with a separate ownership interest.

**Producer.** A person (including owners) who receives a payment or shares in the payment a sugarcane processor makes for delivery of sugarcane.

**Split-Shippers.** Farm operators who deliver their harvested cane to more than one sugarcane processor during a given crop year.

**Sugarcane Processor.** A person or entity who produces raw cane sugar by commercially processing sugarcane and has an allocation under the sugar marketing allotment program.

## III. Applicant Eligibility Requirements

Applicants must meet all the following requirements to be eligible for 2003 Hurricane Assistance Program benefits:

(1) Be a sugarcane processor located in Louisiana.

(2) Be eligible to obtain a loan under section 156(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a)).

(3) Submit the application according to the requirements and deadlines the Notice specifies.

## IV. Aggregate Amount of Assistance

Total compensation equals the market value of 150,000 tons or 300 million pounds of CCC sugar. CCC has determined that this value is 20 cents per pound (or \$60 million in total). CCC will maintain a 7 percent reserve (\$4.2 million) in the event of appeals. The reserve will be dispersed once the appeals process is satisfied.

## V. 2002-Crop Sugar Loss

(1) Loss will be measured for each ownership tract by the following formula: Loss = [sugar per acre (base year) – sugar per acre (2002 crop)] × tract acres in 2002.

(2) The base year for figuring losses will be 1999 unless the producer requests a different year (2000 or 2001).

(A) Producers have until August 18, 2003, to select a different base year.

(B) The same base year will be used for all farms with the same operator. If some tracts (cannot be ALL tracts) had no production in the base year, the State yield will be used.

(C) Tracts with production in the base year and no FSA certified acres will require the operator to:

(i) Pick a different base year; or

(ii) Make this tract ineligible for disaster benefits.

(D) Tracts with FSA certified acreage and no production in the base year will require the operator to:

(i) Pick a different base year; or

(ii) Make this tract ineligible for disaster benefits.

(E) Tracts not harvested for sugar or seed will be assigned a zero yield in the base year.

(3) Sugar per acre for each ownership tract is calculated as:

(A) The CRS Final Settlement Payment Pounds from sugarcane processor records for the applicable year divided by

(B) The ownership tract's total cane acres (minus Payment-in-Kind acres) identified in the FSA Certified Acreage Report for the same year.

(4) The 1999 average state yield will be applied to any operator with no production history in 1999, 2000 or 2001 and produces sugarcane in the 2002 crop year.

(5) In the case of split-shippers, total FSA certified acres will be prorated to each mill based on pounds of sugar each mill produced. For mills that did not identify sugar produced by ownership tract at time of delivery, the total production will be prorated to each tract based on total FSA certified acres.

(6) Farm operators have until September 2, 2003, to certify ownership tract sugar losses on their farms.

(7) Applicants must submit a CCC-prescribed form certifying the sugarcane processor's loss calculation to CCC, no earlier than September 4, 2003, and no later than September 22, 2003.

(A) No late-filed applications will be accepted.

(B) All eligible farm operators must certify the loss calculations included in the application.

## VI. 2002-Crop Eligible Tract Sugar Losses

(1) Ownership tract sugar losses are eligible if the tract's 2002-crop sugar percentage loss is equal to or greater than 20 percent.

(2) The 2002-crop sugar percentage loss for an FSA ownership tract is defined as:  $[1 - (\text{sugar per acre (2002 crop)} / \text{sugar per acre (base year)})] \times 100$ .

The eligible tract sugar losses are defined as follows: 80% of the 2002-crop sugar losses greater than or equal to 40%, plus 60% of the 2002-crop sugar losses greater than or equal to 30% and less than 40%, plus 40% of the 2002-crop sugar losses greater than or equal to 20% and less than 30%.

(4) If the computed total of all 2002-crop eligible tract sugar losses across all eligible sugarcane processors is less than, or exceeds, 300 million pounds, a factor will be applied to make this total exactly 300 million pounds.

## VII. Payment Calculation

An applicant's payment will equal the total eligible tract sugar losses for its producers multiplied by 20 cents per pound.

## VIII. Payments to Affected Producers

Applicants must share their hurricane assistance payments with affected producers according to the percentage shares for dividing net revenue as stated in their 2002 farm processor/producer contracts. Payments to producers must be made within 30 days of the date initial payments were made to eligible processors.

## IX. Contract Liability

All sugarcane processors and associated operators receiving a share of the total hurricane assistance payment are jointly and severally liable for program violations and resulting repayments, if applicable.

## X. Misrepresentation, scheme, or device

A person shall be ineligible to receive assistance under this Notice and be subject to such other remedies as law may allow, if the FSA State or county committee, or any other FSA official, determines that such person has:

(1) Adopted a scheme or other device that tends to defeat the purpose of the program operated under this Notice,

(2) Made any fraudulent representation regarding this program, or

(3) Misrepresented any fact affecting a program determination.

## XI. Creditor liens and claims; and CCC offsets and withholdings

(1) Any benefit or portion thereof due any person under this program shall be allowed without regard to questions of title under State law and without regard to any claim or lien in favor of any person, except agencies of the U.S. Government.

(2) CCC may offset or withhold any amount due CCC in accordance with the provisions of the regulations at 7 CFR part 1403 or successor regulations as designated by the Department.