

§ 784.5

7 CFR Ch. VII (1-1-04 Edition)

without it, program benefits will not be approved. Providing a false certification may result in additional civil and criminal sanctions.

(c) Notwithstanding any other provisions of this section, payments will not be made under this section for the acquisition of rams to the extent that any such purchase, at any time during Year 1, created, or help create, a ratio of rams to ewes for the operation that was less than 1 ram to 15 ewes. However, the limitation on payments provided for in the preceding sentence shall not apply to the extent that the operation establishes to the satisfaction of the FSA County Office Committee that a lower ratio of rams to ewes is customary for the operation for breeding purposes.

§ 784.5 Year 1 eligibility.

(a) To be eligible to receive the Year 1 payments under this part, as described in § 784.1, at the rates provided in § 784.6, a sheep and lamb operation must:

(1) Be engaged in the business of producing and marketing agricultural products at the time of filing the application;

(2) Have in 1999 gross annual revenue of \$2.5 million or less; and

(3) During Year 1,

(i) Purchased rams for breeding purposes within that operation, provided that such rams must have been at least 90 days of age when purchased and must have been, or will be, maintained by the operation for at least 90 days continuously after the date of purchase; or

(ii) Enrolled sheep in an eligible sheep improvement program; or

(iii) Made sheep and lamb operation facility improvements with respect to their operation.

(b) To be eligible for payments for facility improvements made under paragraph (a)(3)(iii) of this section, the sheep and lamb operation must do the following:

(1) Submit supporting documentation of the cost of the improvements made to the facility during program Year 1. Supporting documentation must be dated during Year 1. Materials purchased prior to Year 1 are ineligible.

(2) Use facility improvements for sheep and lamb production activities continuously for at least the next three consecutive years, and

(3) Must complete the facility improvement by a date determined by the Administrator of FSA, or his designee. The Deputy Administrator for Farm Programs, FSA may authorize State and county committees to waive or modify the facility improvement completion date in cases where timeliness or failure to meet such other requirements does not adversely affect the operation of the program.

(c) Upon a failure to maintain the facility for the full three years or complete the facility improvement by the established deadline, the operation must refund the Year 1 facility payment immediately plus interest at the rate of interest determined by the Agency, from the date FSA made such benefits available to the date of repayment.

(d) With respect to payments made for activities addressed in paragraph (a)(3)(i) of this section, upon any failure to maintain a ram for the full required 90-day period after payment, unless the 90-day period referred to in paragraph (a)(3)(i) of this section has already expired, the operation must immediately refund the payment plus interest at a rate determined by the Agency.

§ 784.6 Year 1 rate of payment and limitations on funding.

Subject to the availability of funds and to the proration rules of § 784.10, Year 1 payments for qualifying operations shall be at the following rates:

(a) Up to \$100 for each eligible ram purchased, with a maximum of \$2,500 per sheep and lamb operation;

(b) \$.50 for each qualifying sheep enrolled in a qualifying sheep improvement program, up to \$500 per sheep and lamb operation; plus

(c) 20% of the cost of the qualifying facility improvements up to \$2,500 per sheep and lamb operation.

§ 784.7 Year 2, Year 3, and Year 4 time and method for application.

(a) A request for Year 2, Year 3, and Year 4 benefits under this part must be submitted on a completed Lamb Meat

Adjustment Assistance Program Payment Application. The application must be submitted to the FSA county office serving the county where the sheep and lamb operation is located but, in any case, must be received by the FSA county office by the close of business on August 15, 2001, if applying for Year 2 benefits, by the close of business on August 15, 2002, if applying for Year 3 benefits, and by the close of business August 15, 2003, if applying for Year 4 benefits. The certification section of the application must be completed prior to submission. Applications not received by the respective deadlines will be rejected and returned.

(b) The sheep and lamb operation requesting benefits under this part must certify to the accuracy of the information provided in their application for benefits. All information provided is subject to verification by FSA. Refusal to allow any agency of the Department of Agriculture to verify any information provided will result in rejection of the application or an obligation to return payments. Data furnished by the applicant will be used to determine eligibility for program benefits. Furnishing the data is voluntary; however, without it program benefits will not be approved. Providing a false certification to the Government is punishable by imprisonment, fines and other penalties.

§ 784.8 Year 2, Year 3, Year 4 eligibility.

(a) Subject to the availability of funds, Year 2, Year 3, and Year 4 payments will, as described to in § 784.1, be made for eligible marketings of slaughter lambs. Payments for slaughter lambs can be received by an operation at the rates described in § 784.9 for those eligible lambs slaughtered in Year 2, Year 3, and Year 4 if the lambs were owned continuously for 30 days prior to the marketing for slaughter and if the carcass produced meets the criteria set out in paragraph (b) of this section. Other criteria, as set out in this part, may also apply as a condition for, or limitation on, payment. See paragraphs (d) and (g) of this section for feeder lamb and purchased or retained ewe lamb payment eligibility.

(b) In order for a marketing of a slaughter lamb to qualify for payment under paragraph (a) of this section, the carcass produced by the slaughter must meet and be certified by an AMS agent to meet the following criteria:

(1) Meet the requirements of USDA Quality Grade Choice or Prime for lamb carcasses;

(2) Meet the requirements of USDA Yield Grade 2;

(3) Have a muscling confirmation score of "Average Choice" or better; and

(4) Have a 55-75 pound dressed hot carcass weight.

(c) Slaughter facilities that process less than 50 market lambs per week on a yearly basis can request approval from AMS to certify the slaughter lamb carcass requirements according to paragraph (b) of this section. To obtain approval from AMS, the slaughter facility must submit a written request for AMS approval to the address provided by FSA.

(d) Eligible slaughter lambs commingled on a pooled load for transport to a slaughter facility must complete the applicable information on the LMAAP application form. Producers with lambs on these pooled loads can receive a pro-rata portion of payment for eligible slaughter lambs that meet the criteria for payment according to paragraph (b) of this section. The LMAAP application must accompany lambs to the slaughter facility and be presented to the USDA grader for certification. The seller must comply with all other FSA guidelines to be eligible for such benefits for this program.

(e) Subject to the availability of funds, sheep and lamb operations may be eligible for the Year 2, Year 3, and Year 4 feeder lamb payments, as specified in § 784.9, if:

(1) The operation had gross sales of no more than \$2.5 million in the year preceding the year for which payment is requested; and

(2) The feeder lambs sold were owned by the operation from birth to the time of marketing and, when marketed, were certified by AMS, as thick-muscled and large-framed.

(f) An eligible sheep and lamb operation can self-certify to the eligibility