STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

September 23, 1993

ALL-COUNTY LETTER NO. 93-72

TO: ALL COUNTY WELFARE DIRECTORS

Reason for this Transmittal

[ ] State Law Change
[X] Federal Law Change
[ ] Court Order or Settlement Agreement
[ ] Clarification Requested by One or More Counties
[ ] Initiated by CDSS

SUBJECT: AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE (ASCS) PAYMENTS

REFERENCE: MS 63-502.13, 63-502.2(j), 63-502.2(1)(6), 63-503.41

This is to inform the County Welfare Departments (CWDs) of the treatment of Agricultural Stabilization and Conservation Service (ASCS) cash payments for Food Stamp purposes.

There are numerous types of payments provided by ASCS administered programs, such as, Commodity Credit Corporation, acreage reduction, and conservation payments and payments due to crop loss. These payments are counted as earned, self-employment income. Other ASCS one-time and installment payments made to farmers for crop or other losses are earned, self-employment income. However if the payment is a farm loan, it is excluded from income for Food Stamp purposes. If the ASCS payments are made as the result of a Presidentially declared disaster or emergency, these payments are excluded from income and resources.

The Federal Crop Insurance Corporation (FCIC) is a separate agency within the U.S. Department of Agriculture. FCIC also provides payments to producers for crop losses, but unlike ASCS payments, the producer has to pay a premium for FCIC insurance. The Federal government subsidizes the premiums. These insurance payments are paid out as a nonrecurring lump-sum payment and must be considered a resource in the month received and thereafter until spent.

Crop insurance settlements from private companies which are made as a nonrecurring lump-sum payment also are counted as a resource in the month received and continue to be counted as a resource until spent.

If you have any questions on this information, please call Leo Zofrea, Food Stamp Program Bureau, at (916) 654-1394.

MICHAEL C. GENEST
Deputy Director
Welfare Programs Division

c: CWDA