



Federal Award No: FSA20GRA0010291

This document is the administrative work plan (Work Plan) for the Sugarbeet Disaster Block Grant as required by the Agreement between the United State Department of Agriculture (USDA) Farm Service Agency (FSA) and Wyoming Sugar Company (WSC), (the Agreement). The relief funds (Relief Funds) being provided to WSC pursuant to the Agreement for distribution to its Members are a result of the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Pub. L. 116-20), the Continuing Appropriations Act, 2020 (Pub. L. 116-59) and the Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94), which provided funds for necessary expenses related to losses of crops, trees, bushes, and vines related to the consequences of eligible adverse weather events occurring in calendar years 2018 and 2019. The Further Consolidated Appropriations Act, 2020, requires “that the Secretary shall pay all sugar beet losses in 2018 and 2019 through cooperative processors...” The Secretary has directed FSA to provide \$3,140,325 delineated in the Agreement to WSC for quantity and/or quality losses associated with adverse weather events in Wyoming, specifically unseasonably early and powerful snowstorms. The first snowstorm accompanied by uncommon freezing temperatures occurred on October 8th and 9th, and the second storm occurred on October 13th and 14th.

Under this work plan the following definitions apply:

1. Cooperative Member or Member means a member of WSC who delivers sugarbeets to WSC for processing.
2. Cooperative Processor means WSC, and where the context requires, WSC means Cooperative Processor.
3. Eligible loss means, regarding 2019 crop year sugarbeets, the losses of Cooperative Processor’s members due to reduced quantities and/or quality sugarbeets delivered to the cooperative due to a qualifying weather event.
4. Eligible producer is a Cooperative Member who plants sugarbeets and assumes the production and market risks associated with the production of the sugarbeets.

An eligible producer is a person or legal entity that must be a:

- citizen of the United States;
- resident alien: for purposes of this part, resident alien means “lawful alien” as defined in 7 CFR part 1400;
- partnership consisting solely of citizens or resident aliens of the United States; or

- corporation, limited liability corporation, or other farm organizational structure organized under State law consisting solely of citizens or resident aliens of the United States.

An eligible producer is not a foreign person or legal entity containing members, stockholders or partners who are foreign persons.

5. Farming operation means a business enterprise engaged in producing agricultural products.
6. Foreign person means someone who is not a:
 - citizen of the U.S., or
 - lawful alien possessing a valid Permanent Resident Card / Resident Alien Card (I-551).
7. Linkage means that as a condition of receiving payments under the terms of the Agreement, an Eligible producer must agree to certain conditions set forth in the Agreement related to obtaining crop insurance or Noninsured Crop Disaster Assistance Program (NAP) for certain future crop years. Those Linkage requirements are as follows:
 - a. A Member who receives Relief Fund payments from WSC Processor pursuant to this Work Plan must agree to obtain Federal Crop Insurance or NAP for the 2021 and 2022 reinsurance years for each of the years the eligible producer intends to plant sugarbeets.
 - b. To comply a Member must obtain Federal Crop Insurance or Noninsured Crop Disaster Assistance (NAP) for sugarbeets at the 60/100 level of coverage (or equivalent) where insurance is available. Whole Farm Revenue Protection at the 60 percent level may also be purchased. Where Federal crop insurance is not available, eligible producers are required to purchase NAP coverage at the 60/100 level of coverage (or equivalent).
 - c. If a Member is ineligible to receive a NAP payment due to their average Adjusted Gross Income (AGI), the Member must purchase Whole Farm Revenue Protection (WFRP) at the 60/100 coverage level or equivalent, if qualified to purchase. If AGI is exceeded for NAP eligibility and the Member cannot meet WFRP eligibility, then the Member is required to obtain NAP coverage at a level of 60/100 or equivalent, if available, including paying the administrative fee and filing an annual acreage report with FSA.
 - d. If a Member ceases to plant sugarbeets in one or both years of the two-year period provided in Section 7.a of this Work Plan after receiving payments under the pursuant to the Work Plan, the Member will not be required to meet linkage requirements for the year(s) the eligible Member did not plant sugarbeets.
 - e. If a Member fails to meet the linkage requirement in one or both years, WSC is

responsible for requiring the eligible producer to refund the applicable Relief Fund payment received under the terms of this Agreement. WSC is required to remit the refunds to FSA. Thus, WSC will not issue Relief Funds to Member in the absence of a contractual right to seek reimbursement of Relief Funds from Member in the case of refund contemplated by this section.

- f. Members who are indebted to FCIC are unable to purchase crop insurance until the debt is satisfied, according to RMA regulations. Nonetheless, a Member indebted to FCIC is eligible to receive Relief Fund payments under the terms of this Work Plan provided the linkage requirements are met. It is the eligible producer's responsibility to satisfy the debt to FCIC so crop insurance can be purchased in order to meet the linkage requirements.
 - g. WSC is responsible for obtaining Member's acknowledgment, monitoring and enforcing the linkage requirements and collecting refunds from producers when linkage is not met. If a producer does not refund the applicable Relief Fund payment, the Cooperative Processor is required to remit the funds to FSA within 60 days of being notified by USDA of a failure of a producer to meet linkage.
 - h. For purposes of this Agreement, linkage requirement interpretations shall be made in a manner consistent with the FSA Wildfires and Hurricanes Indemnity Program+ 2-WHIP regulation and handbook in effect as of the date of this Agreement, including but not limited to the determination of the persons and entities that are required to meet (and to not meet) the linkage requirements.
8. Member Related Entity means a grower entity with respect to which a Member has substantial control with respect to the planting, cultivating, and harvesting of a sugarbeet crop, and which contracted with WSC to grow sugarbeets under a WSC authorized "share use" agreement for the 2019 crop year using the Member's WSC shares. For all purposes of this Work Plan, a Member and a Member Related Entity are treated as one and the same.

Objective 1: Program Communication & Education

WSC will coordinate outreach and communication of the Grant Program and the associated requirements by April 30, 2020. Activities may include, but not be limited to:

- a. Explanation of the Grant Program at stakeholder meetings in Big Horn, Fremont, and Washakie Counties; provided, however, meetings of this nature may be limited or dispensed with as necessary or as deemed reasonable by WSC in an effort to comply with orders, rules and regulations, and recommendations of the Wyoming Department of Health or other agency or authority of jurisdiction restricting the gathering of people in an effort to control the spread of the COVID-19 virus. Explanation of the Grant Program at stakeholder meetings, if any, will detail the following:
 - i. Eligibility, grower requirements, and the payment calculations as approved by the WSC board of directors;

- ii. WSC audit responsibilities;
 - iii. Relationship of WSC Members and Member's Related Entities under WSC's traditional share use agreements for contracting; and
 - iv. Related Entities not being eligible for WHIP+ benefits but obligated to the extent necessary to achieve the purposes of the Agreement.
- b. Distribution of written information at meetings, through telephone requests, published information on company website.
 - c. Regularly scheduled direct technical assistance provided by the WSC Controller.

Objective 2: Payments & Payment Calculation

1. **WSC will make Relief Fund payments to Members in the total amount of \$3,140,325 as delineated in the Agreement by paying 86% to the Members in proportion to the tonnage delivered by the Members (including Member Related Entities) to the factory for processing, and the remaining 14% to the Members in proportion to the acres planted by the Members for the 2019 sugarbeet crop year (this ratio is subject to final approval of the WSC board of directors at its March 24, 2020 meeting).** Relief Fund payments will be made within three banking days of WSC's receipt of the Member submitting an application for Relief Fund payments to WSC, along with the required release.
2. Each Member will be paid via ACH as required in Section F.2 of the Agreement.
3. WSC management will certify to the WSC board of directors, who in turn will certify to all WSC Members, that 100% of all Grant Program funds will be distributed to sugarbeet growers who contracted with WSC for the 2019 crop year.
4. Those Eligible Producers who contracted with WSC in 2019 using a Member Related Entity under a WSC approved share use agreement will receive proceeds on behalf of such Member Related Entity on the same basis as payments are calculated by WSC as if such Member and Member Related Entity are one and the same.

Objective 3: Program Implementation & Required Documentation

1. *Application package.*
 - a. The application package will include, but may not be limited to, the following items:
 - i. WSC Contract
 - ii. FSA Release
 - iii. ACH Verification
 - iv. Copy of Share Use Agreement as applicable

- b. One application for each Eligible Producer will be required, accepted, and reviewed.
 - c. The application deadline is July 31, 2020.
2. *Application Review.*
- a. The WSC Controller will conduct a complete review of all submitted applications and flag discrepancies.
 - b. All discrepancies will be presented to a committee comprised of the Chairman of the Board, the CEO, and the CFO of WSC. The Controller will present the discrepancy to the affected Member, and the affected Member will have a right to respond. A decision of the committee respecting a discrepancy, after providing a Member a meaningful opportunity to respond, will be a final, binding decision and will be implemented by WSC.
3. *Record Keeping.*
- a. WSC will keep all records associated with the Grant Program for period of seven years.
 - b. WSC will establish a contractual obligation with all Members receiving grant funds to require full cooperation in providing information required by WSC to meet all audit requirement of WSC associated with receiving the Grant award.
 - c. WSC will establish a simplified system to track linkage requirements under the Agreement. It is anticipated that the tracking system will encourage Member participation and the usage of crop insurance in the future and provide a useful administrative benefit to WSC Members.
 - d. All Relief Fund payments will be reported to the Internal Revenue Service and to Members with form 1099-M, Miscellaneous Income.

Objective 4: Internal Review

- 1. The WSC CEO and CFO will review all relevant areas of application, grower compliance, and requirements for Grant Program payments.
- 2. Via consent granted to WSC, all Eligible Producers will provide proof of Federal Crop Insurance to the WSC accounting department on or before April 1st of each applicable crop year.
 - a. WSC accounting will request crop insurance records from FSA to cross reference and confirm crop insurance coverage.
 - b. WSC shall require all Members who receive Relief Fund payments to certify that they, and if applicable, Member Related Entities, have complied with the Linkage requirements of the Agreement for crop years 2021 and 2022.