

Section 1614 Database

Pre-Release Briefing

December 19, 2006



The Section 1614 Database

Section 1614 of the Farm Security and Rural Investment Act of 2002 requires the Secretary to “establish procedures to track the benefits provided, directly or indirectly, to individuals or entities under titles I and II...” of the 2002 Act.



1614 Database Not a Payment Database of Record

- Official payment records generally reside in County Offices, but are aggregated in Kansas City data center. *In some cases, the official records were contained in multiple mainframe backup files.*
- Best characterized as a research database, not a compliance database.



Program Information in the 1614 Database

- **Loan deficiency payments, marketing loan gains, certificate exchange gains, direct & counter-cyclical payments, peanut buy-out payments, milk income loss payments, hard white wheat payments, user marketing certificate (cotton step II) payments, ELS competitiveness payments, etc.**
- **Conservation reserve, conservation security, wetland reserve, environment quality incentive, and grassland reserve payments, etc.**
- **Full list contained in User's Guide.**

What's in the 1614 Database?

- **“Benefits” issued to producers from Oct. 1, 2002 through Jun. 2006 by FSA, NRCS and Co-ops (FY2003 – FY2006, 3rd Qtr), to the extent our records allow.**
- **The Database has two main parts:**
 - **Benefit Transaction Records – 63.8 million records**
 - **Entity and Individual Name and Address Records 2.5 million records**
 - **Roughly 6 Gigabytes in combined total size**
- **Contains approximately \$56 billion (net) in transactions.**

What Makes the 1614 Database Unique?

- **It is the first time payments made to entities (corporations, co-ops, etc) have been attributed down to “natural persons.”**
- **For example, previous releases of payment data would show one large payment to a co-op. The 1614 database shows the benefits attributed to each member of the co-op.**
- **Certificate gains will also be attributed to individuals.**



How are Payments Attributed to ‘Natural Persons’?

- **Benefits are attributed to members of an entity by apportioning the benefits according to each member’s percentage share of that entity.**
- **The share percentage is found in the permitted entity file.**
- **No way to determine that benefits attributed to ultimate beneficiaries were actually received in cash.**

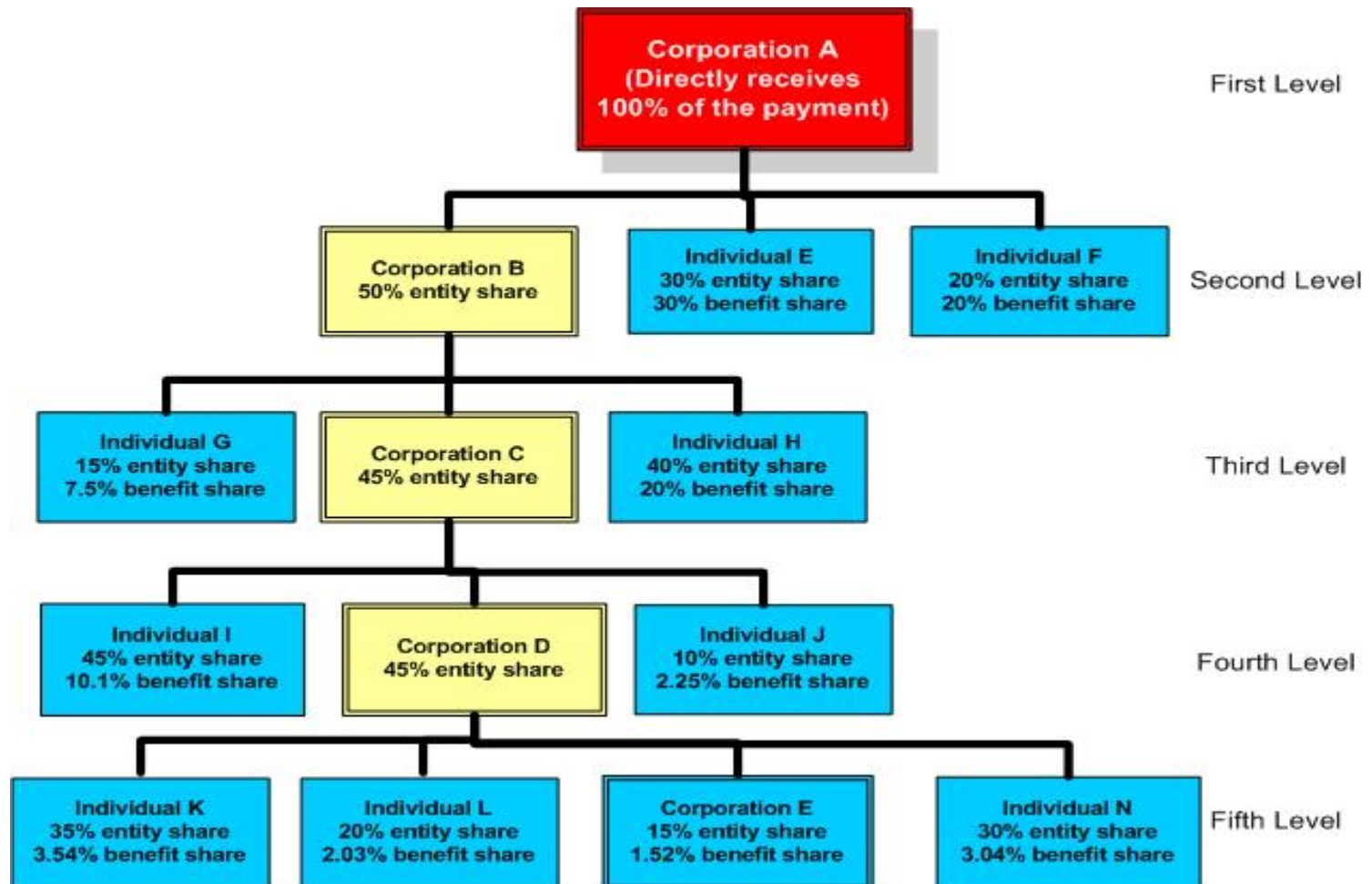


Public Access to 1614 Database

- **There are no plans to create public-facing website for online search capability.**
- **There is too much information to post for downloading.**
- **DVD data package will be provided to written requestors, for a nominal fee.**
- **Thorough analysis of 1614 data using a personal PC is very difficult given the size and level of detail in the data.**

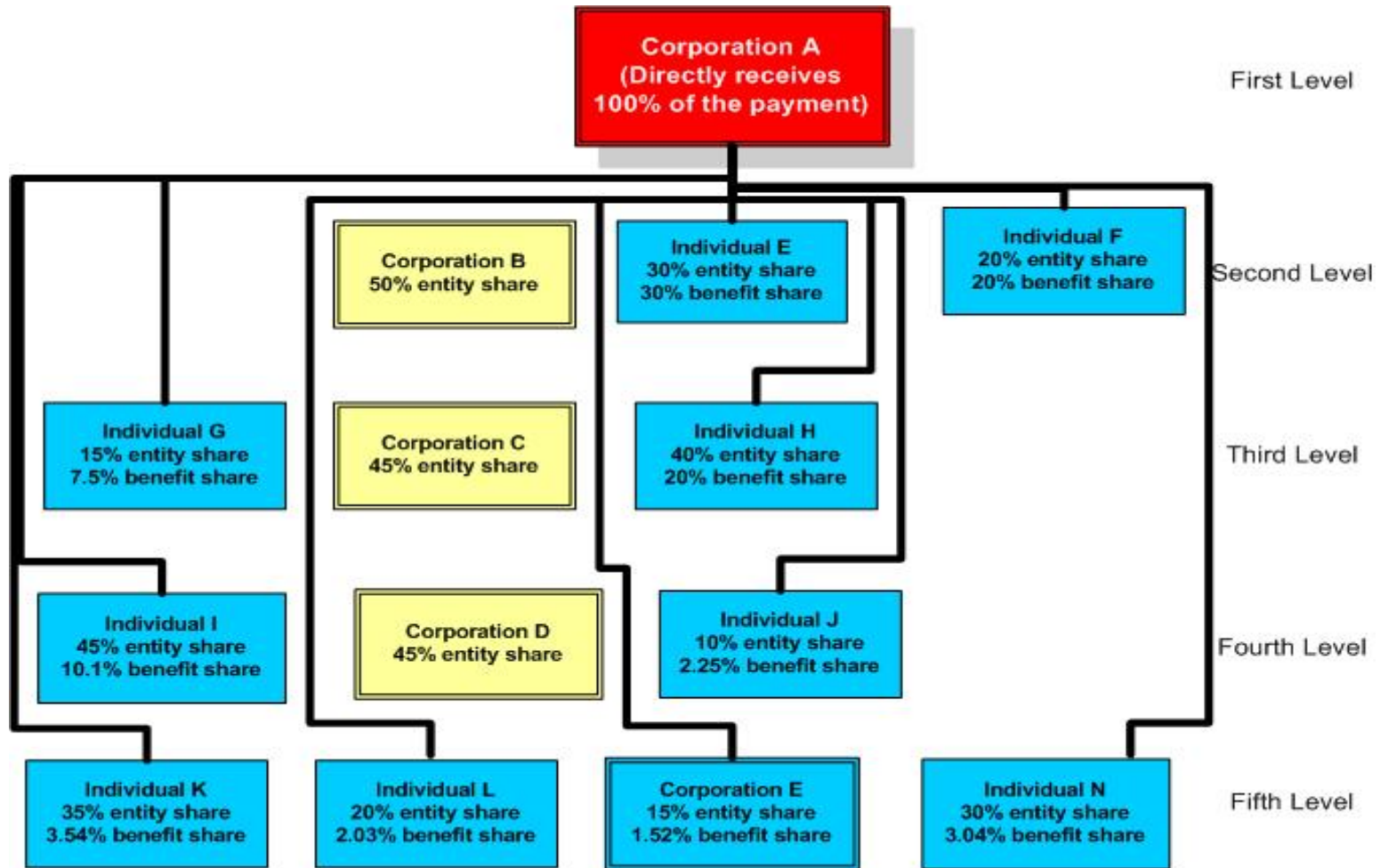


Permitted Entity Database



Note: The Permitted Entity file would contain records for all of the relationships indicated above

1614 Database



Note: Records for Corporation A (the entity directly receiving the payment) and Individuals E through N and Corporation E (the ultimate beneficiaries) will appear in the 1614 Database. Records for Corporation B, C, and D (embedded entities) will not appear in the Database.

Why the Delay in Delivering the 1614 Database?

- **Current FSA business delivery systems were designed to make sure payments are done accurately, not the attribution of benefits that is needed for 1614.**
- **Each iteration (build) of the database uncovered additional complexities that could not be foreseen until the information was combined.**
- **Lessons learned from 1614 process provide additional insight into the issues that will need to be taken into consideration for Agency modernization.**
- **Researching and correcting data anomalies is time-intensive**
 - **Improved co-op data to 99% for crop years 2003 and 2004**
 - **Receivable records included for 6 program areas**
 - **Load in charges and promotion fees incorporated**
 - **Joint marketing loan attribution to members improved**



1614 Database Anomalies

- **Changes in entity composition may have occurred after the time of payment.**
- **Incomplete crop year data for 2002, 2005, and 2006.**
- **Co-ops will submit 2005 crop data in early 2007 (annual data submission scheduled).**
- **Some data exceptions may still suggest ‘negative’ benefits, exceptionally large benefits, or incorrectly attributed benefits.**
- **Wetland Reserve Program (WRP) not included in this release (47% breakdown from NRCS). Addendum to be provided.**
- **Very small percentage of data anomalies exist overall.**

