

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CMA-134

For: State Offices, CMA's, DMA's, and LSA's

2014 Crop CMA's, DMA's, and LSA's Monitoring of Market Loan Gains (MLG's) and LDP's

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

According to the 2014 Farm Bill, all price support MLG's and LDP's received directly or indirectly by a person or legal entity, except a joint venture or general partnership, for the applicable crop year may not exceed \$125,000, to include any ARCPLC payments. Peanut MLG's and LDP's have a separate \$125,000 limitation to include any ARCPLC payments.

Before 2008, payment limitation was provided to CMA's, DMA's, and LSA's and monitored by the CMA Process (now the ADP Process) for applicable members at the parent entity level, and when applicable, also at the component member level. An End-of-Year Reporting (reconciliation) Process was also in effect.

B Purpose

This notice informs CMA's, DMA's, and LSA's of the temporary requirement to track and record 2014 crop year MLG's and LDP's for payment limitation purposes.

Note: FSA realizes there are risks associated with this temporary process as further detailed in this notice.

Disposal Date

December 1, 2014

Distribution

State Offices; State Offices relay to CMA's,
DMA's, and LSA's

2 Temporary Tracking and Recording Payment Limitations

A 2014 Crop Year Actions

For the 2014 crop year, CMA's, DMA's, and LSA's shall temporarily monitor and record payment limitation, manually or by other means, for their members based on the day the MLG is earned or the LDP is issued. Because an automated process is currently not available, the method of tracking MLG's and LDP's will be up to each CMA, DMA, and LSA to properly monitor and record payments at the highest (parent entity) level.

CMA's, DMA's, and LSA's with automation resources may develop internal automated methods for these purposes.

Note: To the extent possible, cotton CMA's and LSA's shall ensure that their members follow **all** instructions provided in Notice CN-1050.

Until an automated or alternative method of tracking payment limitation is developed and implemented, CMA's, DMA's, and LSA's shall monitor and record MLG's and LDP's received by each member according to this notice and according to 1-CMA, paragraphs 130 and 131.

B Associated Risks and Reconciliation

FSA realizes that instructions provided in this notice do involve the risk that some MLG's and LDP's may be issued that exceed an applicable payment limitation. Should these situations occur, CMA's, DMA's, and LSA's are advised that denied MLG's and ineligible LDP's **must** be collected back and refunded to CCC.

Because of the complexities associated with temporary manual payment limitation tracking, an After-the-Fact Reconciliation Process may also be necessary for CMA's, DMA's, and LSA's. If necessary, detailed instructions will be provided at that time.