

**For:** Cotton State and County Offices, Cotton Clerks, Cotton CMA's, and LSA's

**MAL's, Market Loan Gains (MLG's), and LDP's  
Authorized to States if Used to Support a Public School**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) prohibited loans, MLG's, or LDP's to States, local Governments, political subdivisions, and agencies thereof.

The Agricultural Act of 2014 (2014 Farm Bill) also prohibited any payments, benefits, or loans to States, local Governments, political subdivisions, and agencies except when these payments, benefits, or loans are used to maintain a public school.

Price support MLG's and LDP's were added to 5-PL, subparagraph 174 B as authorized payments with respect to land owned by the State and used to support public schools, but limited to \$500,000 annually. Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments are also included in the \$500,000 annual limit. The term "public school" includes State universities.

States with a population of less than 1.5 million, using the most recent U.S. Census Bureau data, are not limited in the total payment amount for these 4 programs.

7-CN will be amended to include this policy change.

**B Purpose**

This notice informs State and County Offices, CMA's, DMA's, and LSA's that MLG's and LDP's received with respect to land owned by the State and used to support public schools:

- are authorized, but may be limited according to 5-PL, subparagraph 174 B
- must meet all eligibility requirements according to 7-CN and CN directives
- must be issued according to 5-PL, subparagraph 174 C.

**Note:** Public schools are eligible to receive MAL because a loan must first be disbursed before the loan can be repaid with MLG.

<b>Disposal Date</b>	<b>Distribution</b>
March 1, 2015	Cotton State Offices; State Offices relay to County Offices, Cotton Clerks, Cotton CMA's, and LSA's

## Notice CN-1052

### 2 Action

#### A State Office Action

State Offices shall:

- ensure that County Offices are aware of and following the contents of this notice and 5-PL, paragraph 174
- notify the applicable officials in their State of the contents of this notice
- develop a process within the State for recording and tracking the total benefit attribute to each MLG, LDP, ARC and PLC payment to a public school, if applicable.

#### B County Office, Cotton Clerks, CMA, and LSA Action

County Office, Cotton Clerks, CMA, and LSA (as applicable) shall:

- comply with the policy change in this notice from States where the benefits and payments are used to support public schools by:
  - accepting, approving, and processing MAL applications
  - accepting, approving, and processing these LDP applications
  - accepting and processing MAL repayments with MLG
- disbursing the MAL's and LDP's according to 5-LP, subparagraph 174 C
- following 5-PL, 7-CN, and CN directives for eligibility requirements
- following State Office directions in recording and tracking the total amount attributed to each MLG and LDP.