

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington DC 20250

Notice LP-2201

For: State and County Offices, CMA's, and DMA'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.

8-LP will be amended to include this policy change.

B Purpose

This notice informs State and County Offices, CMA's, and DMA'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 are limited according to 5-PL, subparagraph 174 B
- must meet eligibility requirements according to 5-PL, 8-LP, and LP 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.

Disposal Date	Distribution
March 1, 2015	All FSA Offices; State Offices relay to County Offices, CMA's, and DMA's

2 Action

A State Office Action

State Offices shall:

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

B County Office Action

County Offices shall:

- comply with the policy change in this notice in States where the benefits and payments are used to support public schools by:
 - accepting, approving, and processing LDP applications
 - accepting, approving, and processing MAL applications
 - accepting and processing MAL repayments with MLG
- disbursing the MAL's and LDP's according to 5-PL, subparagraph 174 C
- following 5-PL, 8-LP, and LP directives for eligibility requirements
- following State Office direction in recording and tracking the total amount attributed to each MLG and LDP.