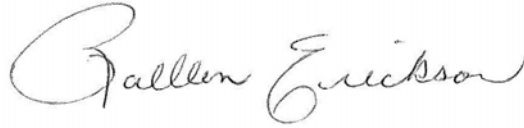


For: State and County Offices, CMA's, DMA's, and LSA's

MAL and LDP Authority for Crop Years 2015 Through 2018 and Policy Changes

Approved by: Acting Deputy Administrator, Farm Programs



1 2015 MAL's and LDP's

A Background

The Agricultural Act of 2014 (2014 Act) authorized crop year 2014 through 2018 MAL's and LDP's. On March 28, 2014, FR notice was published authorizing State and County Offices to accept MAL and LDP requests for eligible 2014 harvested or shorn commodities. This notice covered only 2014 crop year commodities.

On January 2, 2015, the Final Rule authorizing MAL's and LDP's for crop years 2015 through 2018 was published in FR.

B Purpose

This notice provides general policies and procedures for administering 2014 through 2018 crop MAL's and LDP's for all eligible commodities pursuant to the Final Rule for MAL's and LDP's published in FR on January 2, 2015.

The existing MAL and LDP programs are generally the same with only minor changes. The minor changes, effective immediately, were published in the FR Final Rule and include the following:

- farm-stored MAL collateral transferred to warehouse storage will:
 - retain the original loan rate
 - be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed
- no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

Disposal Date	Distribution
June 1, 2015	State Offices; State Offices relay to County Offices, CMA's, DMA's, and LSA's

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2 General MAL and LDP Policies

A Authorization to Administer 2015 MAL and LDP Programs

This notice provides State and County Offices, CMA's, DMA's, LSA's and cotton clerk's authorization to begin accepting 2015 crop:

- wool MAL's and LDP's, and unshorn pelt LDP's, if applicable, requests immediately

Note: Mohair MAL's and LDP's were **not** authorized in the Consolidated and Further Continuing Appropriations Act, 2015, and are suspended effective December 17, 2014, through September 30, 2015.

- MAL and LDP, if applicable, requests on honey produced and extracted beginning April 1, 2015
- MAL and LDP, if applicable, requests for all other eligible commodities after harvest.

County Offices shall continue accepting **2014** crop:

- wool and peanut MAL's and LDP's, and unshorn pelt LDP's through COB Monday, February 2, 2015
- wheat, barley, canola, crambe, flaxseed, honey, oats, rapeseed, and sesame seed MAL and LDP requests, if applicable, through COB Tuesday, March 31, 2015
- corn, cotton, soybeans, rice, grain sorghum, dry peas, lentils, mustard seed, safflower seed, large chickpeas, small chickpeas, and sunflower seed MAL and LDP requests, if applicable, through COB Monday, June 1, 2015.

Note: If the final availability date falls on a nonworkday, the final date shall be extended to the next workday.

B Producer Eligibility

MAL's and LDP's are available to eligible producers according to Exhibit 1, 8-LP, and LP notices.

Notes: All cropland on the farm for which the commodity pledged as collateral for MAL or LDP was produced, must be reported. Failure to report all cropland on a farm shall be considered noncompliance with program requirements and a violation according to 2-CP.

Market loan gain (MLG) and LDP benefits are authorized with respect to land owned by the State and used to support public schools, but limited to \$500,000 annually according to 5-PL.

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2 General MAL and LDP Policies (Continued)

C AGI and Payment Limitation

AGI and payment limitation provisions apply according to 5-PL.

AGI provisions applicable for the 2014 through 2018 crop years require that producers whose average AGI exceeds \$900,000 are **not** eligible to receive a MLG or LDP.

Note: Producers will still be allowed to receive MAL's, if they comply with all applicable eligibility requirements, but MAL **must** be repaid at principal plus interest.

The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year for Price Loss Coverage, Agricultural Risk Coverage, MLG's, or LDP for all eligible loan commodities, **other than peanuts**, may **not** exceed \$125,000. A person or legal entity that receives payments for peanuts has a separate \$125,000 payment limitation for the same programs.

D 2015 Loan Rates

The 2015 crop loan rates will be posted to the Internet, Intranet, and PSD web site when announced.

3 MAL Policies Changes

A Farm-Stored MAL Transferred to Warehouse Storage

Effective as of the date of this notice, outstanding farm-stored loan collateral transferred to warehouse storage will:

- retain the same loan rate throughout the loan term
- be allowed to transfer only the outstanding farm-stored loan quantity.

Note: The option of transferring an additional 10 percent is **no** longer an option. If an additional quantity is delivered, the producer can request a new loan on the additional quantity, if still within the loan availability period.

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3 MAL Policy Changes (Continued)

B Request to Move or Commingle Loan Collateral

Producers who have **not** previously designated additional storage structures shall request COC approval **before**:

- moving farm-stored loan collateral from 1 storage structure to another storage structure
- commingling loan collateral.

Previously, if eligible loan commodity was commingled with an ineligible commodity, the producer was required to pay for measurement service both before and after moving or commingling the commodity. It is **no** longer required that CCC verify these amounts. The producer can still request and pay for this service, if they want, but a paid-for-verification is **not** required.

4 Action

A State Office Action

State Offices shall:

- publicize the contents of this notice to the maximum extent possible
- ensure that County Offices are aware of and following the contents of this notice.

B County Office Action

County Offices shall:

- administer 2015 crop year MAL's and LDP's, as applicable, after harvest or shearing
- publicize and notify producers of the contents of this notice.

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4 Action (Continued)

C Contact

For questions about this notice, State Offices shall direct all policy questions as follows.

IF question is related and about...	THEN contact...
peanut MAL's and LDP's	Kathy Sayers by either of the following: <ul style="list-style-type: none">• e-mail to kathy.sayers@wdc.usda.gov• telephone at 979-680-5155.
cotton MAL's and LDP's	Kelly Dawson (Hereth) by either of the following: <ul style="list-style-type: none">• e-mail to kelly.hereth@wdc.usda.gov• telephone at 202-720-0448.
all other MAL and LDP eligible commodities	DeAnn Allen by either of the following: <ul style="list-style-type: none">• e-mail to deann.allen@wdc.usda.gov• telephone at 202-720-9889.
CMA's, DMA's, and LSA's	Frankie Coln by either of the following: <ul style="list-style-type: none">• e-mail to frankie.coln@wdc.usda.gov• telephone at 202-720-9011.

Eligibility Requirements

The following table lists the specific eligibility requirements and forms **required** for MAL disbursements, MLG repayments, and LDP's.

Eligibility Requirement	The following are required before...		
	MAL disbursement and principal plus interest repayment...	MAL MLG repayment...	LDP...
Acreage Report on file showing share in requested commodity	FSA-578	FSA-578	FSA-578
Actively Engaged and Cash Rent Tenant Determinations	N/A	CCC-902 and CCC-901, if an entity	CCC-902 and CCC-901, if an entity
AGI Determination	N/A	CCC-941	CCC-941
Beneficial Interest in Commodity <u>1/</u>	producer must retain beneficial interest in commodity from time of planting through date MAL is redeemed or CCC takes title	producer must retain beneficial interest in commodity from time of planting through date MAL is redeemed	producer must retain beneficial interest in commodity from time of planting through date CCC-633 EZ, Page 1 is filed in County Office
Conservation Compliance Determination	AD-1026	AD-1026	AD-1026
Controlled Substance Determination	Program participants convicted under Federal or State law of planting cultivating, growing, producing, harvesting, or storing a controlled substance are ineligible for MAL's and LDP's for current and 4 succeeding crop years.		
Delinquent Debt Determination – Producer Certification	CCC-666	CCC-666	CCC-633 EZ, Page 2, 3, or 4
Foreign Person Determination	CCC-902I, Part B and CCC-902E, Part C	CCC-902	CCC-902
Fraud Determination, including FDIC fraud	Determination made and records updated in the National Office.		
LDP Agreement	N/A	N/A	CCC-633 EZ, Page 1 filed in County Office.
Member Contribution	N/A	CCC-902 and CCC-901	CCC-902 and CCC-901.
Power of Attorney	FSA-211, CCC-605, or CCC-605P to designate agent authorized to redeem MAL collateral	FSA-211, CCC-605, or CCC-605P to designate agent authorized to redeem MAL collateral	FSA-211

1/ **Beneficial interest** means the producer maintains control of and title to the commodity.

Note: Eligibility flags for the entity and **all** entity members **must** be updated in the subsidiary file, according to 3-PL and 5-PL. If the required determinations are **not** made and the subsidiary files updated, a market gain repayment and/or LDP will be denied or reduced to the producer or payment entity. Entity members are **required** to complete CCC-941 and AD-1026, according to 5-PL and 6-CP.