

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LP-2221

For: State and County Offices

Processing 2016 LDP's for Commodities Other than Cotton

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Agricultural Act of 2014 (2014 Farm Bill) authorized 2014 through 2018 crop year MAL's and LDP's.

Beginning with the 2014 crop year:

- 5-PL payment eligibility requirements are applicable for LDP's
- the total amount of payments received, directly or indirectly by a person or legal entity for LDP's, market loan gains, and ARC and PLC payments, is limited to \$125,000 annually for all commodities except peanuts. Peanuts have a separate \$125,000 payment limitation for LDP's, market loan gains, and ARC and PLC payments.

Producers requesting an LDP must complete CCC-633 EZ, page 1 and page 2, 3, or 4, as applicable.

B Purpose

This notice advises State and County Offices:

- that the current eLDP software does not fully meet the requirements of the 2014 Farm Bill
- that a supporting system has been developed to ensure payment eligibility and payment limitation provisions are applied properly for producers requesting an LDP
- of action that shall be taken for producers requesting an LDP for eligible commodities.

Disposal Date	Distribution
June 1, 2017	State Offices; State Offices relay to County Offices

2 Processing LDP Requests for Eligible Commodities

A Introduction

The 2014 Farm Bill added eligibility requirements for producers requesting an LDP. The requirements include that producers, and members as applicable, must:

- be actively engaged in farming and meet member contribution requirements
- meet cash rent tenant provisions
- comply with the \$900K AGI provisions
- meet substantive change provisions.

In addition, LDP's are subject to the \$125,000 payment limitation that also applies to market loan gains and ARC/PLC payments.

Note: Producers may elect to place the commodity under loan and repay with a commodity certificate, which negates the 5-PL payment eligibility requirements listed above. Such amounts are not attributable to the \$125,000 payment limitation.

The current eLDP software does not accommodate the 5-PL payment eligibility and payment limitation rules as required by the 2014 Farm Bill. Software enhancements are ongoing; however, until the eLDP software is modified, all LDP transactions must also be recorded through the "Interim Loan Deficiency Payment Attribution" process to ensure eligibility is checked and payment limitation is controlled properly.

B LDP – Interim Loan Deficiency Payment Attribution Process

The "Interim Loan Deficiency Payment Attribution" is a process developed to supplement other price support software until those systems could be fully modified to meet the requirements of the 2014 Farm Bill. When amounts are recorded through the interim process, payment eligibility and payment limitation are checked to determine if the full amount can be disbursed to the producer.

A user guide has been developed for the interim process and was initially distributed to cotton and peanut State and County Offices. However, with LDP activity becoming available for other commodities, the user guide will be posted to the DAFP Intranet Home page at <http://fsaintranet.sc.egov.usda.gov/dafp/>.

The only commodities currently available through the "Interim Loan Deficiency Payment Attribution" are upland cotton and peanuts for the 2014 and 2015 crop years. Software changes are needed to add:

- 2016 as an available crop year
- other commodities, such as wheat to the list of available commodities.

2 Processing LDP Requests for Eligible Commodities (Continued)

B LDP – Interim Loan Deficiency Payment Attribution Process (Continued)

The software changes have been requested and are projected to be available on or about July 22, 2016.

Note: For questions relating to the user guide, contact Tracey Smith at 202-720-4365 for assistance.

C County Office Action

For producers requesting LDP's for eligible commodities, County Offices shall take the following action until modified software is released:

- follow 8-LP, Part 10 and accept completed LDP applications from producers

Note: An LDP application includes pages 2, 3 or 4 of CCC-633EZ, in addition to page 1 which must be submitted before or at the same time as the subsequent pages.

- County Offices shall follow the procedure in 15-PS to process the LDP request using the eLDP software
- complete CCC-770LDP checklist for each LDP request **prior** to certifying and signing payments in NPS until the “Interim Loan Deficiency Payment Attribution” process has been updated

Note: County Offices shall follow 8-LP, paragraph 23, for completing CCC-770LDP in the normal manner after the “Interim Loan Deficiency Payment Attribution” process has been updated.

If payment limitation availability cannot be determined, County Offices are encouraged to hold processing of LDP requests in the system until the interim process is available.

Additional information will be provided on processing LDP requests properly and an Information Bulletin will be issued when the required software changes are complete.