



Electronic Loan Deficiency Payments Pilot Program

Overview

USDA's Electronic Loan Deficiency Payments Service (e-LDP) is an Internet-based pilot service allowing producers to request and receive Loan Deficiency Payments (LDP) via the Internet.

The e-LDP service is limited to producers who farm in one of 50 pilot counties. All 50 states have one county offering the e-LDP program, which was expanded after first being piloted in 21 counties in May 2002. The e-LDP service is voluntary; producers are not required to participate. The length of the pilot is yet to be determined.

Background

USDA's Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans for barley, corn, grain sorghum, oats, soybeans, wheat, rice, and peanuts. CCC establishes loan rates for these commodities annually at the national level, and adjusts the rates locally. Marketing loans give producers the financing to store harvested crop production rather than immediately selling the crop. Producers can then pay bills without having to sell the harvested crop when prices are low. Later, when market conditions improve, a producer can sell the crop and repay the loan with the proceeds of the sale.

Under certain circumstances, when applicable loan rates are greater than the average announced market price, producers can repay loans at the market price amount without interest. Alternatively, a producer may be eligible for and choose to receive an LDP in lieu of securing a marketing loan. An LDP is the difference between the loan rate at a given location and the market price for the applicable commodity.

Marketing loans and LDPs help ensure an orderly distribution of commodities to the market throughout the year and prevent delivery of commodities as loan collateral to USDA. For more information on marketing loans and LDPs, see the Farm Service Agency (FSA) fact sheet "Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments," dated June 2003.

e-LDP Benefits

Currently, producers apply for LDPs in person, often requiring several trips to their local FSA office. Through the e-LDP service, producers have the option of applying for LDPs online at home or other locations where they have Internet access, when it is convenient for them. Besides saving producers' time traveling to and from county offices, applying online eliminates burdensome paperwork and speeds up payment processing.

USDA provides its e-LDP service on a secure online environment that protects participants' private data through stringent security measures. All participating producers will have a producer profile set up through a software application that validates personal information. Only approved producers have access to all Web programs associated with their specific profiles.

Pilot Counties

The 29 new counties in which the pilot program is being implemented are: Cherokee County, Ala.; Delta County, Alaska; Pinal County, Ariz.; Glenn County, Calif.; Adams County, Colo.; Windham County, Conn.; Sussex County, Del.; Calhoun County, Fla.; Mitchell County, Ga.; Honolulu County, Hawaii; Latah County, Idaho; Waldo County, Maine; Harford County, Md.; Hampshire County, Mass.; Montgomery County, Miss.; Humboldt County, Nev.; Coos County, N.H.; Burlington County, N.J.; Dona Ana County, N.M.; Monroe County, N.Y.; Gilliam County, Ore.; Washington County, R.I.; Sumter County, S.C.; Box Elder County, Utah; Caledonia County, Vt.; Westmoreland County, Va.; Whitman County, Wash.; Mason County, W.Va.; and Goshen County, Wyo.

The e-LDP program has been piloted in the following counties since May 2002:

Cross County, Ark.; Cass County, Ill.; Adams County, Ind.; Jasper County, Iowa; Marshall County, Kan.; Christian County, Ky.; East Carroll County, La.; Jackson County, Mich.; Lyon County, Minn.; Nodaway County, Mo.; Chouteau County, Mont.; York County, Neb.; Sampson County, N.C.; Cass County, N.D.; Sandusky County, Ohio; Texas County, Okla.; Northumberland County, Pa.; Spink County, S.D.; Obion County, Tenn.; Collin County, Texas; and Jefferson County, Wis.

Eligibility Requirements

To participate in the e-LDP pilot, individual producers must be in compliance with all annual eligibility requirements for marketing assistance loans and LDPs. In addition, applicants must currently:

- Grow one or more of the following eligible commodities: barley; corn; grain sorghum; oats; soybeans; wheat; rice; and peanuts.
- Receive program payments by direct deposit.
- Have an e-mail address.
- Have an electronic access code (to obtain this code, complete form AD-2016, "USDA Registration Form to Request Electronic Access").
- Have no delinquent FSA or Commodity Credit Corporation debts.

Eventually producers of all commodities will be eligible to participate in the e-LDP service.

Sign-up Period

Beginning Aug. 18, 2003, eligible producers who farm in the 50 pilot locations may register to begin using the e-LDP service. Producers are not required to use the e-LDP service.

How to Participate

To participate, eligible producers in the pilot counties must complete form CCC-634-E, "Request for Electronic Loan Deficiency Payment Services," and form AD-2016, "USDA Registration Form To Request Electronic Access Code." Both forms are available at participating USDA Service Centers or FSA County Offices and on the following Web site: www.sc.egov.usda.gov.

For further information on this pilot e-LDP service, contact your local USDA Service Center or FSA County Office.

For more information about this or any other FSA program, visit FSA's Web site at: www.fsa.usda.gov.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.