



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2009

Electronic Loan Deficiency Payments

Overview

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) electronic Loan Deficiency Payment Service (eLDP) is an Internet-based service allowing producers to request LDPs online and, in most cases, receive approval and payment by direct deposit within 48 hours. eLDPs are available to eligible producers in all 50 States and are offered as an additional option to producers requesting a loan deficiency payment (LDP). LDP benefits remain available at local FSA Service Centers. However, eLDP services provide greater flexibility to producers who conduct business online and want to avoid travel time and expense to and from the local FSA office.

How eLDPs Work

USDA provides eLDP services in a secure online environment that protects participants' privacy through stringent security measures. All participating customers will have an eLDP Customer Profile set up through a software application that validates their farming and crop information. Local FSA Service Centers will maintain Customer Profiles for accuracy. Customer Profile information is provided by the customer and verified by farm

records stored in the local FSA Service Center.

FSA's eLDP customers can use a personal computer to submit an eLDP application. After the eLDP is approved by USDA, the payment is automatically routed by electronic funds transfer to the customer's bank account.

The eLDP process is available 24/7, except during routine backup and maintenance periods. The applicable LDP rate is based upon the rate in effect on the application date for the location of the stored commodity or the rate in effect for delivered quantities.

Customer Eligibility

To be eligible for eLDPs, customers must:

- Be in compliance with all annual eligibility requirements for marketing assistance loans and LDPs;
- Complete and submit form CCC-633 EZ, "Loan Deficiency Payment (LDP) Agreement and Request, page 1" at their local FSA Service Center;
- Have a valid e-mail address;
- Have an active USDA eAuthentication Level 2 account; and
- Produce and harvest an eligible loan commodity.

The CCC-633 EZ, page 1 indicates the producers' intent to request LDP benefits and must be received by mail or fax in the FSA Service Center before the producer loses beneficial interest in the commodity. The CCC-633 EZ, page 1 is not considered a complete LDP request. To obtain the eLDP benefit, the producer must either request the eLDP online or submit a CCC-633 EZ, page 2, 3 or 4, as applicable.

Commodity Eligibility

Eligible loan commodities include:

- barley;
- canola;
- chickpeas (small and large starting with the 2009 crop);
- corn;
- crambe;
- dry peas;
- flaxseed;
- grain sorghum;
- hay (eligible for LDP only)
- honey;
- lentils;
- mohair;
- mustard seed;
- oats;
- peanuts;
- rapeseed;
- rice (long and medium);
- safflower;
- silage (eligible for LDP only)
- soybeans;
- sunflower oil;
- sunflower seed;

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- upland cotton
- wheat;
- wool; and
- unshorn pelts (eligible for LDP only).

Customer Profiles

eLDP Customer Profiles are available for the following:

- Common Customers are individuals, corporations, limited-liability partnerships, limited-liability companies or limited partnerships, trusts, and estates;
- General Partnerships; and
- Joint Ventures with a tax identification number.

Before an eLDP application can be submitted, a Customer Profile must be established in the county where an eLDP is requested. Customer Profiles are updated each crop year to reflect updated eligibility and commodity information. Producers are encouraged to submit the CCC-633 EZ, page 1 prior to harvest if they plan to submit eLDPs.

FSA Service Centers will create and maintain Customer Profiles. The Customer Profile will include:

- Customer and commodity eligibility;
- Customer available payment limitation for eLDP; and
- Customer's (producer's) reasonable production, by commodity.

Customer Profiles will be updated over time by the
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customer's FSA Service Center whenever existing Customer Profile entries change. Customers are responsible for contacting the Service Center when a change to the profile is necessary.

Accessing Application Forms for Participation

Customers can request eLDP services by completing form CCC-633 EZ, page 1 online at www.sc.egov.usda.gov or at FSA or USDA Service Centers.

The eAuthentication Level 2 access can be obtained by completing the online process for approval at: www.eauth.egov.usda.gov.

Background on LDPs

USDA's Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans for certain commodities. CCC establishes loan rates for these commodities annually at the national level, and adjusts the rates locally. Marketing loans provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), then market their crops when prices rise.

Under certain circumstances, when applicable loan rates are greater than the posted county or announced national market price for eligible loan commodities, producers can repay loans at the announced applicable 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 announced market price for the applicable commodity. FSA provides marketing assistance loans and LDPs on behalf of CCC.

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. More information on marketing loans and LDPs is available in the FSA fact sheet "Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments."

For More Information

More information on the eLDP services and LDPs is available from local FSA Service Centers and FSA's Web site at: <http://www.fsa.usda.gov>, click on Price Support.

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