

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

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**Loans and Loan Deficiency  
Payments for Rice  
2-LP Rice (Revision 9)**

**Amendment 20**

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**Approved by:** Deputy Administrator, Farm Programs



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**Amendment Transmittal**

**A Reasons for Amendment**

All references to:

- 8-LP parts, sections, and paragraphs have been updated because 8-LP was revised
- commodity certificates have been removed because commodity certificates are no longer an eligible option for loan repayments.

Subparagraph 1 A has been amended to correct crop years to 2008 through 2012.

Subparagraph 1 B has been amended to reference the Food, Conservation, and Energy Act of 2008 as a source of authority.

Subparagraph 2 A has been amended to update the list of FSA handbooks.

Subparagraphs 13 B, 151 D, and 151 E have been amended to update the payment limitation and AGI policies for 2009 through 2012 crop years.

Subparagraph 35 A has been amended to update the requirements for an eligible warehouse storage facility.

Subparagraph 35 B has been amended to add prepaid handling charges as an entry required on warehouse receipts.

Subparagraph 57 A has been amended to provide examples of how the loan rates are computed for the following:

- low quality rice
- rice harvested as other than grain
- contaminated rice
- rice produced on an ACRE-elected farm.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Subparagraph 91 C has been amended to update the web site for AWP repayment rates.

Subparagraphs 91 F and G have been updated to amend the payment limitation and AGI policies as they relate to loan repayments for 2009 through 2012 crop years.

Paragraphs 105 through 108 have been withdrawn because they are no longer applicable.

Subparagraph 125 D has been amended to clarify delivery of aromatic rice to CCC.

Subparagraph 127 C has been amended to change PSD contact for obtaining additional discounts to determine loan settlement values.

Subparagraph 128 B has been amended to update instructions for processing settlements in APSS when an amount is due:

- the producer
- CCC.

Subparagraph 151 I has been amended to remove the reference to APSS because all LDP's shall be processed through eLDP.

Subparagraph 152 B has been amended to update LDP provisions, including 30 percent reduction for ACRE-elected farms and lobbying disclosure requirements.

Paragraph 159 has been withdrawn because it is no longer applicable.

Subparagraph 181 B has been amended to clarify that if EWR is forfeited to CCC, the County Office must print EWR **before** releasing to record the grading factors **before** processing forfeiture.

Exhibit 7 has been amended to:

- remove rice loan rates and discounts for 2009 crop year
- add rice loan rates and discounts for 2011 crop year.

**Amendment Transmittal (Continued)**

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**Part 1 Basic Program Provisions**

**1 Overview**

**A Handbook Purpose**

This handbook provides instructions for administering marketing assistance loan and LDP  
\*--programs for 2008 through 2012 crops of rice.

**B Sources of Authority**

Authority for the policies prescribed in this handbook is in the Food, Conservation, and  
Energy Act of 2008 (Pub. L. 110-246) for 2008 through 2012 rice loan and LDP  
programs.--\*

**Section 1 General Provisions**

**2 Related Handbooks**

**A Handbooks**

Use this handbook with 8-LP and 12-PS. This table provides specific 8-LP provisions.

\*--

<b>8-LP</b>	<b>Provisions</b>
Part 1, Section 3	<ul style="list-style-type: none"> <li>• Actions for overdisbursements, overpayments, and receivables</li> <li>• appeals</li> <li>• bankruptcy cases</li> <li>• CCC-770 LDP/eLDP and CCC-770 MAL policy</li> <li>• finality rule and IRS reporting</li> <li>• lobbying activities</li> <li>• misaction/misinformation</li> <li>• prompt payment.</li> </ul>
Part 2	General loan and LDP provisions.
Part 3, Section 3	Failure to provide production evidence.
Part 4	Violations.
Part 5, Sections 1 and 2	Filing UCC-1's and CCC-10's.
Part 7	<ul style="list-style-type: none"> <li>• Repayments, releases, and loan maturity</li> <li>• CCC-681-1's</li> <li>• CCC-697's.</li> </ul>

Other related handbooks include the following.

<b>Handbook</b>	<b>Purpose</b>
2-CM	Common Management and Operating Provisions
1-CMA	CMA, DMA, and LSA Common Loan and LDP Procedures
2-CP	Acreage Compliance Determinations
1-FI	Processing Payment Initiated Through NPS
3-FI	State and County Receipts and Deposits
50-FI	Interest Rates
58-FI	Managing FSA and CCC Debts and Claims
63-FI	Assignments and Joint Payment System
5-LP	Commodity Inspectors Handbook
4-PL	Payment Eligibility, Payment Limitation, and AGI

--\*

**3 Loan and LDP Availability**

**A Availability Dates**

Loans and LDP's are available from the date loan rates are announced through May 31 of the year after the calendar year in which the crop is normally harvested.

**Nonworkday:** If the final loan availability date falls on a nonworkday, the producer's option to request a loan or LDP shall be extended until the next workday.

**4 Loan Maturity Date**

**A Loans**

Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which CCC-677 or CCC-678 is approved. See subparagraph 15 C for repledged loans.

**Nonworkday:** If the maturity date falls on a nonworkday, the producer's option to repay the loan at the AWP repayment rate shall be extended until the next workday.

## 5 Spot Checks and Production Evidence

### A Spot-Checking Loans and LDP's

Farm-stored loans and LDP's are subject to spot-check during and after the loan availability \*--period. See 8-LP, Part 3, Sections 1 and 2 for the following:

- selecting loans and LDP's for spot check
- spot check verifications.

Handle program violations, including incorrect certification, unauthorized removal, and unauthorized disposition according to 8-LP, Part 4.

### B Required Production Evidence

Production evidence is required for loan quantity or LDP selected for spot check as follows:

- outstanding farm-stored loan repaid at AWP
- certified LDP's:
- measured LDP's, when measurement service is not used as final production.

See 8-LP, Part 3, Section 3 for production evidence policy.--\*

## 6-12 (Reserved)

## Section 2 Eligibility

## 13 Eligible Rice Producer

## A Definition of Eligible Producer

An eligible producer may participate in the loan and LDP programs for a farm if the producer:

- shares in the risk of producing rice
- has beneficial interest in the rice for which a loan or LDP is requested
- has met all other eligible requirements according to 8-LP, Part 2.

**Note:** States, local Government, political subdivisions, and agencies thereof, are no longer eligible to receive any MAL, MAL benefit, or LDP payment.

\*--See 8-LP, Part 2 for determining beneficial interest.--\*

## B Other Eligibility Requirements

See 8-LP, Part 2 for producer eligibility requirements about:

- annual program requirements
- person determinations
- \* \* \*
- legal entities
- estates and trusts
- other entities
- minors
- heirs of deceased producer.

\*--See 4-PL for producer eligibility requirements for AGI.

For the 2009 through 2012 crop years, a person or legal entity shall **not** be eligible to receive market loan gains or LDP's if their average AGI exceeds \$500,000.

**Note:** CCC will **not** limit market loan gains and LDP's.

**Exception:** The person or entity is eligible for MAL, but the loan must be repaid at principal plus interest.--\*

## C Ineligible Producer

See 8-LP, Part 2 for producers who are ineligible for loan or LDP.

**14 Producers Marketing Through CMA's**

**A Approved CMA's**

CMA's approved by CCC may obtain loans or LDP's on eligible rice for the CMA members who are eligible to receive price support.

An approved CMA is considered an eligible producer. See 1-CMA for approved rice CMA's.

**B Determining Member's Eligibility**

Member eligibility is determined according to 1-CMA, Part 11.

**C Farm-Stored Loans and LDP's**

Contact PSD through the State and County Offices to determine eligibility, based on the approved CMA agreement, each year for the first loan or LDP CMA requests for farm-stored rice.

## 15 Eligible Rice

### A Basic Eligibility Requirements

To be eligible for crop years 2009 through 2012 loans and LDP's, rice must:

- have been produced by an eligible producer
- be in existence and in storable condition
- be merchantable, and **must not** contain:
  - mercurial compounds
  - toxin-producing molds
  - other substances poisonous to humans or animals

**Note:** Contaminated commodities are eligible for nonrecourse loan at a reduced loan rate.

- meet the definition of rice in the official United States Standards for Rice
- meet the specific commodity eligibility requirements for a nonrecourse loan.

\*--**Note:** See 8-LP, Part 2 for general requirements for nonrecourse loans.--\*

### B Definition of Low Quality Rice

Low quality rice is rice that grades 6 or Sample Grade according to Exhibit 5 and the United States Standards for Rice.

See Part 5 for LDP's on low quality rice.

### C Repledged

Rice previously pledged as collateral for a loan that was redeemed with cash, at principal plus interest, may be repledged for loan during the applicable loan availability period. See subparagraph 46 C.

The maturity date for the repledged rice shall be the same as the maturity date for the initial loan.

**16 Quantity Eligible for Loan or LDP**

**A Quantity Eligible, 2009 Through 2012 Crop**

Any rice produced by a producer on a farm in crop years 2009 through 2012 is considered eligible, except as provided in paragraph 17.

**B Approved Storage**

\*--See 8-LP, Part 5 for approved storage requirements for loan.--\*

Approved storage requirements for LDP's are waived.

**C Farm-Stored Rice**

Farm-stored loans and LDP's will be limited to 100 percent of the eligible certified or measured quantity for initial loan disbursements and LDP's made during the loan availability period.

**D Warehouse-Stored Rice**

For warehouse-stored rice, price support will be limited to 100 percent of the eligible quantity recorded on warehouse receipts submitted during the loan availability period. Require the producer to obtain a replacement receipt that represents only the eligible quantity, if applicable.

**E Individual Loans or LDP's**

Any eligible rice not delivered to an approved CMA shall be eligible for individual loans or LDP's, according to subparagraph A.

**16 Quantity Eligible for Loan or LDP (Continued)****F CMA Loans or LDP's**

Approved CMA's shall be eligible for farm-stored and warehouse-stored loans or LDP's on the eligible quantity that CMA members deliver to CMA for which requests are filed according to subparagraph A.

See subparagraph 14 C for additional eligibility requirements for CMA's requesting farm-stored loans or LDP's.

**G Reasonable Quantity for Individual Producers**

The total quantity of rice eligible for loans and LDP's for a producer is limited to the quantity that could reasonably have been produced on the eligible acreage based on the conditions in the area. See 1-CMA for CMA's.

Use the price support queries, according to 12-PS, Part 14, Section 6, to determine the approximate quantity eligible for loan or LDP.

**\*--H LDP Quantity Requested and Denied for Crop Year 2008--\***

Rice requested for LDP and denied because of payment limitation only, is eligible for nonrecourse loans.

**\*--I LDP Quantity Requested and Denied for Crop Years 2009 Through 2012**

Rice requested for LDP and denied because of average adjusted gross nonfarm income only, is eligible for nonrecourse loans.--\*

**17 Quantity Ineligible for Loan or LDP**

**A Loans**

Quantities of rice are not eligible for loan if:

- previously pledged for loan and repaid with cash at a rate less than the principal plus interest \* \* \*
- LDP has been requested and made on that quantity, except for subparagraph 16 H.

\*--If ineligible rice is inadvertently placed under loan, call the loan according to 8-LP, Part 4.--\*  
The producer is required to repay the principal plus accrued interest.

**B LDP's**

Quantities of rice are not eligible for LDP if:

- previously pledged for loan and repaid with cash at a rate less than the principal plus interest \* \* \*
- LDP has been made on that quantity.

**18 Maintaining Quality and Quantity**

**A Damaged Rice**

County Offices shall remind producers requesting farm-stored loans that damaged rice may deteriorate more quickly than rice that is in good condition, and that:

- CCC will not assume any loss in quality or in quantity
- settlement will be based on the quantity and quality of the rice delivered.

**B Cautioning Producers**

County Offices shall caution producers that liquidated damages and administrative actions \*--apply according to 8-LP, Part 4 if either of the following is determined:--\*

- for loans, incorrect certification, unauthorized removal, or unauthorized disposition
- for LDP's, incorrect certification.

**19-25 (Reserved)**



## Section 4 Warehouse Receipt Requirements

### 35 General Warehouse Receipt Requirements

#### A Basic Requirements

All warehouse receipts must:

- represent eligible rice actually stored in:
  - UGRSA warehouse
  - \*--Federally licensed warehouse
  - if not Federally licensed, in compliance with State laws in a State with an operating warehouse licensing program

**Note:** See 8-LP, paragraphs 536 and 537.--\*

- be negotiable
- be issued to the producer, or in the case of loans made to approved CMA's, the receipt should be issued to CMA
- be endorsed in blank to vest title in the holder
- show ownership, if the rice is owned by the warehouse operator, solely, jointly, or in common with others
- contain a statement that the rice is insured
- be a paper or electronic receipt issued through an approved EWR provider.

\*--**Note:** See 8-LP, subparagraph 545 A for additional warehouse receipt requirements.--\*

## 35 General Warehouse Receipt Requirements (Continued)

### B Required Entries

Each warehouse receipt must show:

- name and address of storing warehouse
- warehouse code assigned by CCC
- warehouse receipt number
- date receipt was issued
- date the rice was received
- storage start date and date storage is paid through
- whether the rice was received by rail, truck, or barge
- amount of prepaid in or out charges, if any
- net weight
- class (only 1 class of rice is permitted for each loan or LDP)
- grade
- special grade designation, if applicable
- grading factors, including color, smut, moisture, and heat damage
- milling yield
- signature of warehouse operator or authorized agent
- commingled rice
- \*--prepaid in-handling charges.

**Note:** If not prepaid, a statement must be provided according to 8-LP, subparagraph 504 E.--\*

If the grading factors on the warehouse receipt do not reflect the applicable grade, the warehouse receipt **must** be returned to the producer to be corrected by the warehouseman. A corrected (new) warehouse receipt **must** be provided **before** loan approval and disbursement.

**Note:** For warehousemen operating under a merged warehouse code agreement, warehouse receipts must show the location and county to which the producer delivered the rice.

### C Liens for Charges Indicated on Warehouse Receipt

If a warehouse receipt pledged as loan collateral indicates a lien on the rice for specified charges, such as drying or hauling, the warehouse receipt shall not be accepted for loan \*--purposes. See 8-LP, Part 5, Section 3 to determine loan eligibility.--\*

Liens on rice do **not** affect LDP requests.

**Part 2 Making Loans****Section 1 Basic Loanmaking Provisions****46 Obtaining Loans****A Individual Producers**

Eligible producers may obtain loans according to 8-LP and this handbook by placing rice in approved:

- farm storage and certifying the quantity on CCC-666 or requesting measurement service, and obtaining a loan on up to 100 percent of the certified or measured quantity
- warehouse storage and obtaining loans on 100 percent of the net quantity shown on the warehouse receipt.

**B Approved CMA's**

Approved CMA's may:

- obtain farm-stored loans on rice stored on farms in approved storage structures, if other eligibility requirements are met
- obtain warehouse-stored loans on rice stored in approved warehouses
- obtain a loan on rice that members previously placed under individual-producer loans and eventually delivered to CMA only if the loan was repaid as principal plus interest
- **not** pledge as collateral for loan, any rice on which LDP has been made.

46 Obtaining Loans (Continued)

C Repledging

Producers and approved CMA's may repledge a quantity of eligible rice that was previously mortgaged to CCC as collateral for a marketing assistance loan, and the loan was repaid at principal plus interest.

The maturity date of repledged loans shall be the same as the original loan maturity date.

Rice may **not** be repledged as collateral for loan if the original loan was any of the following:

- called because of incorrect certification, unauthorized removal, or unauthorized disposition
- repaid with cash, using an AWP repayment rate.

\* \* \*

D Contracts

Review contracts, or require certification of no contract, if applicable, and make beneficial interest determinations according to 8-LP before approving loans **only** in situations when there is reason to believe the producer may have lost beneficial interest in the rice.

47-55 (Reserved)

**Section 2 Initial Loanmaking****56 Loanmaking****A Farm-Stored Loan Rates**

Farm-stored loan rates are established by State for the major rice-producing States. See Exhibit 7.

**B Recording Loan Rates in APSS**

Record loan rates in APSS by crop year according to 12-PS, Part 3.

**C Loan Number Register**

APSS will assign a loan number sequentially with loan numbers for each crop year.

**Notes:** If a manual loan is prepared for entry into APSS at a later date, assign a 90000 series number sequentially with the 90000 series loan numbers obtained from CCC-676 for the applicable crop year.

\*--All loans must be processed through APSS **and** disbursed through NPS.--\*

**D Lien Searches and Financing Statements**

Follow applicable procedure in 8-LP for:

- performing lien searches
- obtaining lien waivers
- filing UCC-1's or UCC-1F's, for farm-stored loans.

**56 Loanmaking (Continued)**

**E Discounts**

See Exhibit 7 for the applicable discounts for loans.

**Note:** Discounts do not apply to farm-stored loan disbursements.

**F State Assessments**

When applicable, State assessments shall be deducted from the loan amount at the applicable rate.

**G Verifying Eligible Quantity**

COC shall verify that the quantity of rice a producer pledges as collateral for loan does not exceed the producer's share of the quantity that could reasonably have been produced on the farm \* \* \*. See subparagraph 16 G.

## 57 Loanmaking for Farm-Stored Loans

### A Loan Rates

Use the applicable loan rate in Exhibit 7 to calculate the loan amount for certified or measured farm-stored loans.

The loan rate shall be:

- 20 percent of the loan rate for low quality rice, as applicable

**\*--Example:** \$6.48 base county loan rate x 20 percent = \$1.30 applicable loan rate.

- 30 percent of the loan rate for rice harvested as other than grain, as applicable

**Example:** \$6.48 base county loan rate x 30 percent = \$1.94 applicable loan rate.

- 10 percent of the loan rate for contaminated rice, as applicable

**Example:** \$6.48 base county loan rate x 10 percent = \$0.65 applicable loan rate.

- reduced by 30 percent, if producers on the farm make the irrevocable decision to elect to participate in the ACRE Program at any time during 2009 through 2012.

**Example:** \$6.48 base county loan rate x 70 percent = \$4.54 applicable loan rate.--\*

### B Requesting Farm-Stored Loans

When requesting farm-stored loans, producers shall:

- for certified loans, certify on CCC-666 the quantity in farm storage according to 8-LP, \*--Part 5
- for measured loans, request measurement service according to 8-LP, Part 5--\*
- certify whether the rice is aromatic according to subparagraph C.

STC shall not require that a loan be measured before or after disbursement. Loans are available on the quantity of eligible rice certified by the producer.

**57 Loanmaking for Farm-Stored Loans (Continued)**

**C Aromatic Rice**

Aromatic rice must be:

- pledged under separate loan agreements than loan agreements for nonaromatic rice
- stored separately from nonaromatic rice.

Advise producers pledging aromatic rice for loan that:

- for deliveries to CCC, producers are required to deliver the rice to a UGRSA-approved warehouse designated by CCC
- not all UGRSA-approved warehouses may be willing to store aromatic rice
- producers shall not receive any credit for expenses incurred in the delivery of aromatic rice.

**D Record of Measurements**

Complete and maintain CCC-677-1 according to 8-LP for measured loans and spot checks.

**Section 3 Additional Quantity for Farm-Stored Loans**

**68 Additional Quantity Limitations**

**A Increase in Quantity Only**

Additional disbursements for an increase in the loan quantity are not authorized.

**Note:** During the loan availability period, producers may request a new loan or LDP for quantities exceeding the initial loan quantity provided the producer still has beneficial interest in the rice.

**B Transfer From Farm to Warehouse**

When farm-stored rice is transferred to an approved warehouse for storage, a disbursement \*--for additional quantity may be available. See 8-LP, Part 6.--\*

**69 (Withdrawn--Amend. 2)**

**70-89 (Reserved)**



## Section 1 Loan Repayments

## 91 Loan Repayment Provisions

## A Types of Repayments

Farm-stored and warehouse-stored loans may be repaid at any time during the loan period at the lesser of:

- the AWP repayment rate, under the 2009 through 2012 marketing assistance loan provisions
- \*--principal plus accrued interest and other charges (per cwt.)--\*

## B When to Require Principal Plus Interest

Loan repayments **must include principal plus interest** on quantities delivered under CCC-681-1 and either of the following applies:

- repayment is made after the end of the grace period for CCC-681-1
- repayment is for the quantity delivered after loan maturity, even if repayment is made by the end of the grace period.

\*--See 8-LP, paragraph 26 for interest calculation procedures.--\*



**91 Loan Repayment Provisions (Continued)****C AWP Repayment Rate**

Calculate the AWP repayment rate using the world market prices posted on either of the following:

- **\*--www.fsa.usda.gov/Internet/FSA\_File/rice\_rates.xls--\***
- “Daily Market Rates” downloaded from KCCO.

**Note:** County Offices shall verify the weekly rice rates printed on the “Daily Market Rates” for correct information according to the official Wednesday announcement.

Subtract the:

- world market index from the whole kernel loan rate for the applicable class of rice to determine the market gain rate, which may be negative or positive
- market gain rate from the loan rate on CCC-677 or CCC-678 to determine the repayment cost per hundredweight.

**Note:** APSS will calculate the AWP repayment rate based on the value entered in the “World Market Index” field.

**D When Market Prices Are Announced**

Market prices will be:

- announced, at 7 a.m. e.t., Wednesday, to the extent practicable
- effective upon announcement.

91 **Loan Repayment Provisions (Continued)**

**E Locking-in Repayment Rates**

Producers may lock in a repayment rate for farm-stored rice by completing CCC-697  
\*--according to 8-LP, Part 7.

**F Payment Limitations for 2009 Through 2012 Crops**

For 2009 through 2012 crop years, CCC will **not** limit market loan gains unless the person or legal entities averages nonfarm AGI exceeds \$500,000.

**G AGI Limitation Rule for 2009 Through 2012 Crops**

A person or legal entity shall **not** be eligible to receive market loan gains during the 2009 through 2012 crop year program, if their average nonfarm AGI exceeds \$500,000.

**Exception:** The person or entity is eligible for MAL, but the loan **must** be repaid at principal plus interest.--\*

\* \* \*

**91 Loan Repayment Provisions (Continued)****H Production Evidence Required**

Loans that are repaid under the marketing assistance loan provisions require production evidence to be submitted if the loan is selected for spot check. See 8-LP, Part 3 for determining:

- acceptable production evidence
- when to submit production evidence.

**I Market Gain Reported to IRS**

The market gain is the difference between the loan principal that is liquidated and the amount needed for the loan repayment, when the loan repayment amount is less than the loan principal amount that is liquidated.

The amount of market gain is reported to IRS.

**J Spot Checks**

Farm-stored loans that are repaid under the loan provisions without production evidence remain subject to spot check according to 8-LP.

**92 Filing CCC-681-1**

**A Why File CCC-681-1**

If the proceeds from the sale of the collateral are needed to repay a farm-stored loan,  
\*--producers may file CCC-681-1 according to 8-LP, Part 7, Section 4.--\*

**93-104 (Reserved)**

**Section 2 (Withdrawn--Amend. 20)**

**105-108 (Withdrawn--Amend. 20)**

**109-124 (Reserved)**

**Part 4 Settlements and Forfeitures****125 Overview****A In This Part**

This part includes the provisions for handling settlements for farm-stored rice delivered to CCC, and for warehouse-stored rice forfeited to CCC.

**B Maximum Quantity for Delivery**

The quantity eligible for delivery to CCC under a farm-stored loan settlement is limited to 110 percent of the outstanding loan quantity.

**Note:** If the maximum quantity is exceeded, require the producer to obtain a corrected warehouse receipt according to 8-LP.

**C Rice Delivered Not Meeting Standards**

For farm-stored rice delivered that does not meet the minimum eligibility standards for warehouse-stored loans, settle through APSS using the discounts in Exhibit 7.

If the special grade designation “**glutinous**” or “**parboiled**” is present on a warehouse receipt, contact PSD for further instructions.

**D Aromatic Rice**

Aromatic rice must be delivered, at the producer’s expense, to a UGRSA-approved \*--warehouse designated by CCC. The UGRSA-approved warehouse **must** be able and willing to store such rice on an identity preserved basis.

Credit for excess haul according to 8-LP, Part 8 shall not be granted to producers--\* delivering aromatic rice.

## Section 1 Settlements

**126 Loan Maturity Report for Settlements****A Preparing Report**

Prepare a loan maturity report according to 12-PS, Part 9, Section 2.

**B Sending Notice of Maturity Letters**

Send notice of maturity letter to producers with outstanding farm-stored loans according to 8-LP, paragraph 797 at least 45 calendar days, but not more than 60 calendar days, before the applicable loan maturity date.

**Note:** Indicate in the maturity letter for producers with loans on aromatic rice that:

- for deliveries to CCC, producers are required to deliver the rice to a UGRSA-approved warehouse designated by CCC
- not all UGRSA-approved warehouses may be willing to store aromatic rice
- producers shall not receive any credit for expenses incurred in the delivery of aromatic rice.

## 127 Determining Loan Settlement Values

### A Basic Rule

\*--Settlements shall be based on the quantity, limited according to 8-LP, Part 8 and quality of--\* rice delivered in the settlement of the loan.

### B Settlement Rate Based on Milling Yield

Settlement rates, like loan rates for warehouse-stored loans, are based on whole kernels and broken rice times the respective national loan rates for whole kernels and broken rice for the class of rice delivered, then adjusted for discounts.

### C Discounts

For the applicable discounts, see Exhibit 7.

**Note:** To obtain discounts for factors or percentages of factors **not** shown in Exhibit 7:

- contact PSD by either of the following:
  - \*--e-mail at **deann.allen@wdc.usda.gov**
  - telephone at 202-720-9889--\*
- do **not** contact KCCO.

### D Settlement Value of Zero

If discounts applied during settlement result in the rice having a value of zero or less than zero, use zero as the settlement value.

**128 Handling Settlements**

**A Preparing CCC-691**

\*--Schedule deliveries and prepare CCC-691 according to 8-LP, Part 8.

**B CCC-692**

Process the settlement in APSS according to 12-PS, Part 9, Section 5, to generate CCC-692. If the settlement results in an amount due:

- producer, NPS will issue EFT or check
- CCC, send the producer a notification letter for the amount due according to 8-LP, Part 8 and Exhibit 11, subparagraph A.

**Note:** See 8-LP, Part 8 for charges and credits applicable to the settlement.--\*

**C Releasing Note**

After the settlement has been completed, mark the original note and security agreement as settled and return it to the producer.

**129-140 (Reserved)**

**Section 2 Forfeitures****141 Loan Maturity Report for Forfeitures****A Preparing Report**

Prepare a loan maturity report according to 12-PS, Part 9, Section 2.

**B Sending Notice of Maturity Letters**

Send notice of maturity letter to producers with outstanding warehouse-stored loans according to 8-LP and the following:

- notify each producer of the maturity date and the following options that are available:
  - redeem collateral by repaying the loan with cash, at principal plus interest
  - redeem collateral by repaying the loan with cash, at an AWP repayment rate
  - \* \* \*
  - settle the loan by forfeiting the collateral to CCC at maturity
- send the notice of maturity letter at least 45 calendar days, but not more than 60 calendar days, before the applicable loan maturity date.

**142 Refunding Prepaid Charges**

**A Handling Charges**

APSS will refund prepaid handling charges, if applicable, at the lower of the following rates:

- the approved UGRSA rate in effect on the date the rice was received at the warehouse
- the rate the producer paid to the storing warehouse.

**B Storage Refund**

When KCCO calls warehouse-stored loans before maturity or if storage was prepaid beyond loan maturity, make refunds for the period of the unearned storage not to exceed the approved UGRSA rate.

APSS will determine the amount of refund from the schedule of rates provided by KCCO for:

- the period corresponding to the date the loan was called through maturity
- the period of excess storage paid.

**143 Handling Loan Forfeitures**

**A Warehouse-Stored Loan Forfeitures**

\*--Handle loan forfeitures according to 8-LP, Part 9.--\*

Process forfeitures through APSS according to 12-PS, Part 10.

**B Releasing Note**

After warehouse receipts have been forfeited, mark the original CCC-678 “**forfeited**” and return it to the producer.

**144-149 (Reserved)**



**Part 5 Loan Deficiency Payments**

**150 Overview**

**A In This Part**

This part includes instructions for preparing and issuing LDP's.

**B Definition of LDP**

LDP's are payments made to producers who, although eligible to obtain a CCC marketing assistance loan, agree to forgo the loan in return for a payment on the rice.

The amount of LDP is the difference between the loan rate based on the national average milling yield and AWP, times the quantity.

**151 Basic LDP Provisions****A General Provisions**

LDP's:

- shall not be combined for more than 1 class of rice
- will be processed through \* \* \* eLDP
- will be made in cash subject to assignment according to 63-FI
- will be issued by EFT or check, as applicable
- shall not be subject to payment limitation for crop years 2009 through 2012
- shall be subject to AGI for crop years 2009 through 2012
- are subject to:
  - administrative offset according to 58-FI
  - \*--spot check according to 8-LP, Part 3--\*
- must be approved before the final loan availability date
- cannot be:
  - canceled or repledged once a request has been made
  - repaid to obtain a loan or LDP
- are not subject to State assessments
- will be paid when approved.

Lien searches and lien waivers are not required.

**151 Basic LDP Provisions (Continued)****B Producer Eligibility Requirements**

Producers applying for LDP must:

- meet eligibility requirements in paragraph 13
- agree to forgo obtaining a loan for the quantity on which LDP is requested.

**C CMA Eligibility Requirements**

CMA's applying for LDP must:

- meet eligibility requirements in paragraph 14
- agree to forgo obtaining a loan for the quantity on which LDP is requested.

**\*--D Payment Limitations for 2009 Through 2012 Crops**

For the 2009-2012 crop years, CCC will not limit LDP's unless the person or legal entities averages nonfarm AGI exceeds \$500,000.

**E AGI Limitation Rule for 2009 Through 2012 Crops**

A person or legal entity shall not be eligible to receive LDP benefits during the 2009 through 2012 crop year program, if their average nonfarm AGI exceeds \$500,000.--\*

**F LDP Amount Reported to IRS**

The amount of LDP is:

- the LDP rate, times the quantity
- reported to IRS.

**151 Basic LDP Provisions (Continued)**

**G Commodity Eligibility Requirements**

To be eligible for LDP, the rice must:

- not have been previously pledged as collateral for MAL
- meet the eligibility requirements in paragraph 15.

**H Waiver of Storage Requirements**

Approved storage requirements are waived when CCC-633-EZ, page 2 is approved.

**I LDP Number Register**

\* \* \* eLDP will assign an LDP number \* \* \* for each crop year.

**J Filing LDP's**

LDP's shall be maintained in 1 of the following:

- a separate LDP file for each request received
- one LDP file for each producer
- one LDP file for each producer by commodity
- a separate LDP for ACRE enrolled forms.

**K Low Quality Rice**

Rice with low quality or grading U.S. No. 6 or U.S. Sample Grade according to the Official \*--U.S. Grading Standards, are eligible for LDP. See 8-LP, Part 10, Section 3.--\*

## 152 Request for LDP

### A Request

LDP requests are complete when a County Office receives a completed and signed CCC-633 EZ, pages 1 and 2.

### B General Information

LDP's must be requested:

- before beneficial interest is lost according to 8-LP, Part 2
- **\*--Note:** CCC-633 EZ, page 1 must be filed before beneficial interest is lost.--\*
- on or before the final availability date for the crop year of the commodity
- from a CMA-service County Office for CMA's according to 1-CMA.

\* \* \*

LDP requests must be:

- **\*--submitted by any of the following:**
  - in person
  - by mail
  - by FAX
  - through eForms--\*
- approved when all eligibility requirements are met
- date-stamped when CCC-633 EZ, pages 1 and 2 are received in the County Office to indicate the request date.

**\*--Note:** See 8-LP, subparagraph 1000 H for the suggested LDP checklist.

LDP's:

- will be processed through eLDP web site by the County Office or producer
- **Note:** LDP's can be processed through APSS only with authorization from PSD.
- are subject to the 30 percent loan rate reduction when calculating the LDP rate for commodities produced from an ACRE-elected farm
- exceeding \$100,000 requires the applicant to comply with lobbying disclosure requirements. See 8-LP, paragraph 28.--\*

152 Request for LDP (Continued)

**\*--B General Information (Continued)**

Issue payments when:

- CCC-633 EZ, page 1 has been filed and CCC-633 EZ, page 2 is approved
- quantity has been certified or delivery documentation was received on which beneficial interest has been lost.

**C Joint LDP's**

All producers sharing in the rice who are requesting LDP jointly shall sign CCC-633 EZ.--\*

**D Contracts**

Review contracts, or require certification of no contract, if applicable, and make beneficial interest determinations according to 8-LP before approving LDP's **only** in situations when there is reason to believe the producer may have lost beneficial interest in the rice.

**154 Eligible Quantity****A Commodity Eligibility Requirements**

To be eligible for LDP, the quantity of commodity must:

- meet eligibility requirements in paragraph 15
- have been produced by an eligible producer
- not have been previously pledged as collateral for a loan and repaid with cash at a rate less than the principal, plus interest
- not have been previously requested or paid for LDP.

A quantity of a commodity eligible to be repledged for a nonrecourse loan is eligible for LDP.

For LDP's on:

- \*--commodities harvested as other than grain, see 8-LP, Part 10, Section 2
- low quality commodities, see 8-LP, Part 10, Section 3
- contaminated commodities, see 8-LP, Part 10, Section 4.--\*

**B Quantity Requested**

Eligible producers may request LDP quantities by:

- certifying the quantity
- requesting measurement service
- certifying date of delivery
- providing delivery evidence
- providing production evidence if beneficial interest has been lost.

**Note:** CCC-633 EZ, page 1 must be on file before beneficial interest is lost in the quantity requested.

**154 Eligible Quantity (Continued)****C Certified Quantity**

Producers may request LDP by certifying the quantity. A reasonableness check using yields \*--established by COC, according to 8-LP, paragraph 230, must be completed to ensure that the commodity was produced by the producer. All certified LDP's are subject to spot check according to 8-LP, Part 3.--\*

COC set yield does not ensure that the commodity was produced; however, it establishes a guide for reasonableness of production.

**D Measured Quantity**

Eligible producers may request measurement service to obtain LDP.

If measurement service is requested on FSA-409:

- \*--complete CCC-677-1 in addition to CCC-633 EZ, page 2 according to paragraph 1008--\*
- reduce the measured quantity to the maximum eligible moisture level if the commodity contains moisture exceeding the level for the commodity according to the applicable 2-LP.

LDP's requested by measurement service are not subject to spot check.

**E Quantity Supported by Production Evidence**

If producers do not wish to certify to the quantity or date delivered, requests can be \*--completed by providing production evidence according to 8-LP, Part 3, Section 3.--\*

If production evidence is provided at time of payment request, then LDP will not be subject to spot check.

156 Completing CCC-633 EZ

B Example of CCC-633 EZ, Page 1

The following is an example of CCC-633 EZ, page 1.

\*--

This form is available electronically.

<b>CCC-633 EZ (07-31-09)</b> <b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation		<b>1. Name and Address of Producer (Include ZIP Code) (Please Print)</b> William Green 510 Hwy 123 Anywhere, ST 00001	
<b>LOAN DEFICIENCY PAYMENT (LDP) AGREEMENT AND REQUEST</b>		<b>2. Telephone or Cell Number (Include Area Code)</b> (999) 555-5544	
All eligible producers entering into this agreement MUST meet marketing assistance loan eligibility and have beneficial interest in the quantities covered by this agreement for the applicable crop year when signing this form. A producer is considered to have beneficial interest in the specified quantities if the producer has ALL of the following:		<b>3. ID Number (Last 4 Digits)</b> XXXX	<b>4. Crop Year</b> 20XX
<ul style="list-style-type: none"> <li>• title to the commodity</li> <li>• control of the commodity</li> </ul>		<b>5. State(s) and County(s)</b> State, Jones County	
File this form <b>BEFORE</b> loss of beneficial interest (title and control) to indicate your intentions to receive Loan Deficiency Payment (LDP) benefits for this crop year for all counties and all eligible harvested, sheared, or slaughtered commodities for the individual, joint operation, or entity identified in Item 1. The CCC-633 EZ - LDP Request (Page 2), Cotton LDP Request (Page 3), or Request for Wool, Mohair, or Unshorn Pelt LDP (Page 4) must be completed <b>BEFORE</b> the final loan/LDP availability date to receive LDP benefits.			
<b>PART A - TERMS AND CONDITIONS</b>			
<ul style="list-style-type: none"> <li>• The LDP rate will be based on the earlier of: a) the date beneficial interest is lost as applicable to specific commodity provisions; or b) the LDP request date as submitted on the CCC-633 EZ (Page 2) Part E, or CCC-633 EZ (Page 4) for wool, mohair, and unshorn pelts. For cotton LDP's requested on CCC-633 EZ Cotton (Page 3), the LDP rate will be based on the information provided on Page 3.</li> <li>• Quantities covered by this agreement were produced by the producer and not purchased or acquired directly or indirectly from any other source or committed under a marketing agreement to a Cooperative Marketing Association (CMA).</li> <li>• As a condition of receiving an LDP, a producer (or members of a CMA) must first resolve delinquent federal non-tax debt(s). The debt(s) must be resolved before the final loan/LDP availability date.</li> <li>• CCC may request copies of contracts and supplemental documentation to determine eligible quantity and when beneficial interest was lost.</li> <li>• If a Marketing Assistance Loan (MAL) is disbursed for a quantity covered by this agreement and the MAL is repaid at a price less than principal and interest, this agreement becomes null and void for that specific quantity.</li> <li>• All producers with an interest in the quantity covered by this agreement must sign a CCC-633 EZ Part C, to obtain LDP benefits.</li> </ul>			
<b>PART B - METHODS OF PAYMENT REQUEST (Request must be submitted by final loan/LDP availability date.)</b>			
<ul style="list-style-type: none"> <li>• For quantities represented by verifiable production evidence under this agreement, submission of evidence in combination with Part E, Part N, or Part O of this form as applicable shall be considered a request for payment. Evidence must include sufficient data to determine producer and commodity eligibility and LDP rate.</li> <li>• For quantities for which verifiable evidence is unavailable (i.e., certified quantities, fed quantities, quantities used for seed, silage, etc.), the request for payment shall be initiated by recording a certification of quantity on Part E, Part N, or Part O of this form as applicable. Additional information may be requested by CCC to determine producer and commodity eligibility and LDP rate.</li> <li>• Submission of an eLDP shall be a request for payment. The CCC-633 EZ Part E is not required for that specific quantity.</li> <li>• <b>For Cotton Producers Only:</b> Producer agrees: a) any request for a module lock-in or post-ginning LDP is irrevocable and cannot be cancelled or revised unless the LDP is denied due to AGI; b) any request for a gin-direct LDP is irrevocable on or after the date of ginning; c) entry of information on Page 3 of this application constitutes an irrevocable application for the Adjusted World Price (AWP) to be locked in on the date an accurately completed application is submitted for an LDP based on gin-provided documentation identifying the bales produced from the module/straw unit for which the AWP lock-in applies.</li> </ul>			
<b>PART C - PRODUCER SIGNATURE AND CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part C)</b>			
I/we certify all information entered on this form is true and correct. By certifying to the terms and conditions in Part A, the producer(s) hereby enters into this agreement with CCC for all eligible commodities. The producer(s) agrees: 1) any false claim or false statement may lead to civil liability or criminal prosecution; 2) LDP's may be selected for spot-check and the producer will be required to provide supplemental documents to determine program eligibility; 3) to forgo a commodity loan on the quantity requested for LDP unless a quantity is denied LDP due to payment limitation; 4) not to refund any LDP amount in order to obtain a commodity loan; 5) this agreement and subsequent payment request is subject to CCC determination of producer and commodity eligibility subject to 7 CFR Parts 1421, 1425, 1427 and 1434, 6) that CCC shall require refund of LDP, plus interest, from the date of payment if producer(s) and/or commodity is later determined ineligible by CCC; 7) CCC shall assess administrative penalties and/or liquidated damages in accordance with 7 CFR Parts 1421, 1425, 1427 or 1434, as applicable; 8) if producer(s) misrepresented the eligible quantity and/or commodity covered by this agreement; 9) the maximum eligible quantity and yield determinations must equal the quantity and yield determinations for disaster or crop insurance indemnity payments, when and if applicable; and 9) to submit the applicable CCC-633 EZ, Page 2, Page 3, Page 4 or an eLDP online request before obtaining LDP amounts.			
<b>6A. Producer's Signature (BY)</b> /s/ William Green	<b>6B. Title/Relationship (Individual Signing in a representative capacity)</b>	<b>7. Date (MM-DD-YYYY)</b> 08-01-20XX	<b>6A. Producer's Signature (BY)</b> /s/ John Dee
<b>PART D - CCC AGREEMENT (FOR CCC USE ONLY)</b>		<b>10. Date (MM-DD-YYYY)</b> 08-01-20XX	<b>11. Additional Information</b>
<b>8. Signature of CCC Representative</b> CED		<b>12. Name and Address of County FSA Office or LSA or DMA</b> Jones County FSA Office 1521 Main Street Anywhere, St 00001	
<small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1421, 7 CFR Part 1425, 7 CFR Part 1427, 7 CFR Part 1434 and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as required in applicable Routine Uses identified in the System of Records Notice for USDA/FSIS-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</small>			
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small>			

Page 1

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156 Completing CCC-633 EZ

C Completing CCC-633 EZ, Page 2

Complete CCC-633 EZ, page 2 according to the following.

Item	Instructions
<b>Part E – Request for LDP</b>	
13A and 13B	Enter the producer’s name, address, and telephone number, including area code. <b>Note:</b> This should be the same as in item 1.
14	Enter the last 4 digits of the applicant’s Social Security or tax ID number.
15	Enter the crop year for which LDP is requested.
16	Enter the State and county where the farm records are maintained
17	Check either “Yes” or “No” to the question, “Are you or any co-applicant delinquent on any Federal Non-tax debt?” If “Yes” is checked, explain in item 32.
18	<b>For FSA use only.</b> Enter the processing system assigned LDP number.
19	Enter the commodity for which LDP is requested along with the class, variety, or type, as applicable.  For sunflowers, ENTER “oil” or “other”, as applicable.  If the commodity requested is wheat and the class is mix, producers must indicate the predominate class of wheat.
20	Enter the net quantity and unit of measure requested for this payment.  <b>Note:</b> User may ENTER “All” if the producer selects the “date of delivery” option or a measured LDP.  For commodities harvested as other than grain, the quantity may be certified as tons, acres harvested, bushels, pounds, or cwt.  CCC is required to establish a whole grain yield according to 8-LP, *--paragraph 336.--*

156 Completing CCC-633 EZ

D Example of CCC-633 EZ, Page 2

The following is an example of CCC-633 EZ, page 2.

\*--

CCC-633 EZ (07-31-09)									
<b>PART E - REQUEST FOR LDP</b>									
13A. Contact Name and Address of Producer (Include Zip Code) (Please Print) William Green 510 Hwy 123 Anywhere, ST 00001			13B. ID Number (Last 4 digits) XXXX		14. Telephone or Cell Number (Include Area Code) (Optional) (999) 555-5544		15. Crop Year 20XX	17. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 32. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
16. State and County where Farm Records are Maintained State, Jones County									
A completed CCC-633 EZ, Page 1 must be on file before beneficial interest (title and control) is lost in the requested quantity for this to be considered a valid request for payment. This request for payment, with acceptable production evidence (if applicable), must be submitted to the County FSA office that administers the farm records for the requested commodity and quantity.									
Complete Items 19 through 23 and sign/date below. Indicate in Item 21 if this is a certified LDP, request for measurement service, or indicate production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, fed, used for seed, etc, as applicable, in Item 23. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 2.									
18. LDP No. (CCC Use Only)	19. Commodity Class, Variety, Type	*20. Net Quantity Requested and Unit of Measure (bu, tons, cwt., lbs., etc.)	21. Source of Quantity (Check one of the following)			22. Stored or Delivery Location, if applicable (State, County, Warehouse, or Bin Site)  <b>Examples:</b> Warehouse-Stored: Ohio, Athens Co., ABC Warehouse Farm-Stored: Texas, Webb Co., 30' Butler Bin, North of House	23. Effective Date of LDP Rate (MM-DD-YYYY)		24. LDP Rate (CCC Use Only)
			A. Certified	*B. Measure-ment Service	C. Production Evidence		A. Date of LDP Request or Date Beneficial Interest Was Lost	B. Check to Request Date of Delivery	
99052	Corn-YC	10,000 Bu	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Farm Stored: State, Jones Co., 36' steel bin, west of barn	10-14-20XX	<input type="checkbox"/>	Non-Acre .67
99053	Corn-YC	5,725 Bu	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Warehouse Stored: Farmers Elevator, State, Jones Co.	10-14-20XX	<input type="checkbox"/>	Non-Acre .67
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
* If measurement service is requested, I agree to pay the required fee(s) and agree this request is irrevocable. The quantity determined by measurement service will be the maximum quantity eligible at the time of this request. Producer must enter in Item 20, a specific quantity or "ALL" for this LDP application to be valid.									
<b>PART F - PRODUCER CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part F)</b>									
I certify all information entered on this form is true and correct. By completing Part E and signing and dating this form, I hereby make a request for payment from the Commodity Credit Corporation (CCC) for the commodity described above under the terms and conditions as provided on the CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request. I also understand that a CCC-633 EZ, Page 1 MUST be on file at the FSA County Office for this LDP request to be considered complete.									
25A. Producer's Signature (By) /s/ William Green	25B. Title/Relationship (Individual Signing in a Representative Capacity)	26. Share % 100	27. Date (MM-DD-YYYY) 10-14-20XX	25A. Producer's Signature (By)	25B. Title/Relationship (Individual Signing in a Representative Capacity)	26. Share %	27. Date (MM-DD-YYYY)		
<b>PART G - CCC APPROVAL (FOR CCC USE ONLY)</b>									
28. Signature of CCC Representative /s/ John Dee	29. Title of CCC Representative CED	30. Date (MM-DD-YYYY) 10-14-20XX	31. Action: <input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED		32. Additional Information/Second Party Review				

E Completing CCC-633 EZ for Measured Rice LDP's

See 8-LP, paragraph 1008 for completing measurement service LDP requests.--\*

157, 158 (Withdrawn--Amend. 8)

159 (Withdrawn--Amend. 20)

160-174 (Reserved)



181 Releasing EWR's

A General Information

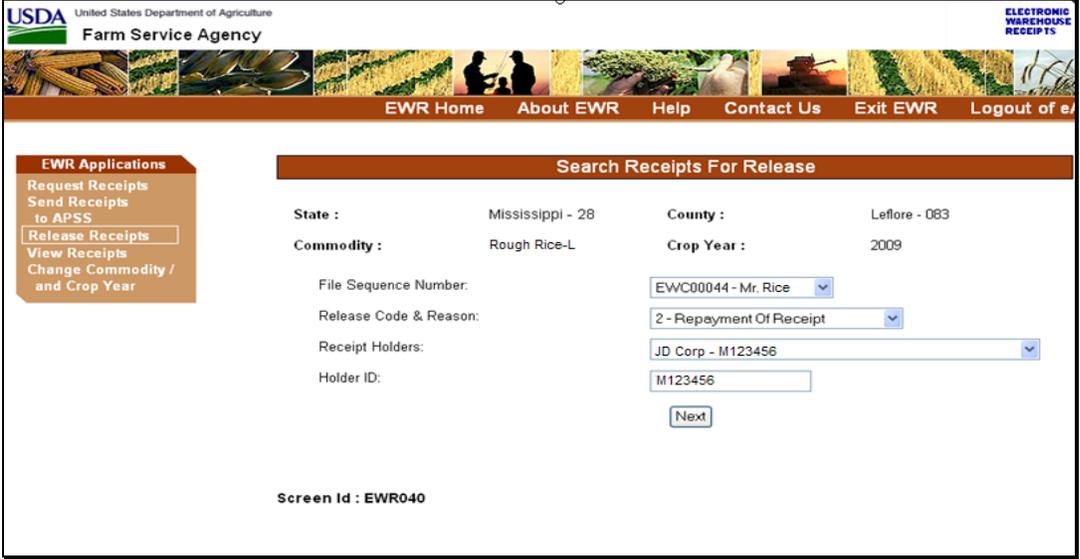
EWR's that have been downloaded by County Offices may be released for the following reasons.

Release Code/Reason	Condition	Action/Result
2 – Repayment of Receipts	Receipt under loan is being redeemed.	<p>*--Select the new Holder ID and Holder Name Information from the drop-down box or enter a new Holder ID. This should match the Holder ID provided by the--* person or entity redeeming the loan.</p> <p>Receipt will be released to the new receipt holder through the Provider system.</p> <p><b>Note:</b> If the new holder is invalid, the receipt will be returned to the County Office with an error message.</p>
4 – Reconcentration/Split	<p>Receipt:</p> <ul style="list-style-type: none"> <li>• has been approved for reconcentration</li> <li>• needs to be split on request of the producer or FSA.</li> </ul>	<p>Receipt will be returned to the shipping warehouse through the Provider system.</p> <p><b>Note:</b> See paragraph 183 for additional instructions on reconcentration using EWR's.</p>
5 – Receipt Data Error	There is an error in the receipt data.	<p>Receipt will be automatically returned to the previous holder through the Provider system.</p> <p><b>Note:</b> Needs correction by the receipt issuer.</p>
6 – Downloaded in Error	Receipt was downloaded by the County Office by mistake.	<p>Receipt will be returned to the previous holder through the Provider system.</p> <p><b>Note:</b> Receipt may be requested by any County Office.</p>
9 – Forfeiture	Receipt under loan is forfeited.	Receipt will be released to KCCO and included in CCC inventory.

181 Releasing EWR's (Continued)

B Selecting EWR's to Release

\*--If EWR is forfeited to CCC, the County Office must print the EWR **before** releasing to record the grading factors, according to 8-LP, paragraph 900.--\*

Step	Action
1	<p>CLICK <b>“Release Receipts”</b> on the left side of the navigational menu to access the release EWR's functions. The following is an example of the Search Receipts for the Release Screen that will be displayed.</p>  <p>The file sequence Number drop-down list will display the File Sequence Number and the producer name of all the files that have been completely processed.</p>

182 Viewing EWR's

B "View Receipts" Option (Continued)

Select a specific EWR from the View Receipts Screen to display or print the Receipt Detail Report.

The following is an example of the View Receipts Screen.

\*--

--\*

EWR's in:

- **FSA's** system will include EWR's that have been requested by County Offices for price support purposes
- **Provider's** system will include **all** EWR's issued by warehouses; some EWR's may **not** have been downloaded by County Offices.

## 183    **Reconcentration of Warehouse-Stored Loans Using EWR's**

### **A    General Information**

\*--8-LP, Part 6, Section 3 provides guidelines on reconcentrating loan collateral. Currently,--\* APSS does not have the ability to process a warehouse-to-warehouse transfer using EWR automatically. Warehouses electing to issue EWR's on the commodity being reconcentrated shall complete the reconcentration process according to this paragraph.

### **B    Releasing EWR's**

Upon approval of CCC-699, County Offices shall:

- print the **original** EWR using the rice EWR web-based system and attach the report to the original CCC-699
- release the **original** EWR using the rice EWR web-based system, selecting Release Code 4 - Reconcentration/Split
- notify the warehouse that EWR has been released for reconcentration.

### **C    Distributing CCC-699**

County Offices shall:

- keep original CCC-699 in County Office security file
- send warehouse operator's copy to the warehouse
- send producer's copy to producer or CMA
- file a copy of EWR in the producer's loan folder and file folder in suspense file
- follow up to ensure that:
  - the commodity is reconcentrated
  - new EWR's are received by County Offices within 30 calendar days from the date of approval
  - County Offices receive replacement EWR numbers and warehouse information from receiving warehouse.

**183    Reconcentration of Warehouse-Stored Loans Using EWR's****D    Processing Replacement EWR's**

Upon notification by the warehouse that the replacement EWR is ready for retrieval, County Offices shall use FSA's EWR web-based system for rice to:

- request the replacement EWR according to paragraph 178
- print each replacement EWR that has been downloaded.

County Offices shall:

- \*--review each replacement EWR according to 8-LP, subparagraph 630 A--\*
- contact the issuing warehouse if there are any questions about the replacement EWR.
- transfer the downloaded replacement EWR to APSS according to paragraph 179.

**E    Processing Transfers Using EWR's in APSS**

\*--County Offices shall complete the transfer process according to 8-LP, subparagraph 630 B--\* by entering the replacement EWR data manually on the applicable screens in APSS according to 12-PS, Part 5.

**F    Releasing Replacement EWR's**

Process repayments of replacement EWR's in APSS in the normal manner. County Offices shall release replacement EWR's that have been repaid according to paragraph 181 using Release Code 2 - Repayment of Receipts.



**Reports, Forms, Abbreviations, and Redelegations of Authority**

**Reports**

None

**Forms**

This table lists all forms referenced in this handbook.

<b>Number</b>	<b>Title</b>	<b>Display Reference</b>	<b>Reference</b>
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		2
CCC-666	Farm Stored Loan Quantity Certification		46, 57
CCC-633 EZ	Loan Deficiency Payment (LDP) Agreement and Request	156	151-155
CCC-676	LDP and Loan Number Register		56
CCC-677	Farm Storage Note and Security Agreement		4, 91
CCC-677-1	Farm Storage Loan Worksheet		57, 154
CCC-678	Warehouse Storage Note and Security Agreement		4, 91
CCC-681-1	Authorization for Delivery of Loan Collateral for Sale		2, 91, 92
CCC-691	Commodity Delivery Notice		131
CCC-692	Settlement Statement		128
CCC-697	Request to Lock in a Market Loan Repayment Rate		2, 90, 91
CCC-699	Reconcentration Agreement and Trust Receipt		183
CCC-770 LDP/eLDP	Loan Deficiency Payment (LDP) and eLDP Program Review Checklist		2
CCC-770 MAL	Marketing Assistance Loan (MAL) Processing Checklist		2
FSA-409	Measurement Service Record		154
UCC-1	National Financing Statement		2, 56
UCC-1F	Effective Financing Statement		56

**Abbreviations Not Listed in 1-CM**

The following abbreviations are not listed in 1-CM.

<b>Approved Abbreviation</b>	<b>Term</b>	<b>Reference</b>
CFS	central filing system	58, 175, 176, 178

**Re delegations of Authority**

None



**Rice Requirements**

**A Quality Factors**

The following table gives the quality factor standards for rice pledged for warehouse-stored loans.

<b>Quality Factor</b>	<b>Requirement</b>	<b>Low Quality Rice</b>
Grade	Must grade U.S. No. 5 or better (Loan rate based on U.S. No. 2)	U.S. No. 6 or U.S. Sample Grade
Moisture	Cannot exceed 14.0 Percent  <b>Exception:</b> The moisture percentage on the warehouse receipt may exceed 14.0 percent if the warehouse receipt is accompanied by a supplemental certificate that shows the moisture level and quantity after drying or blending.	Over 14.0 Percent  If rice is not dried to acceptable moisture percent, adjust the quantity according to subparagraph C.

**B Special Grade Designations**

Rice is eligible for loan at a reduced loan rate if any of the following special grade designations are present:

- parboiled
- smutty
- infested
- glutinous.

**Rice Requirements (Continued)**

**C Adjustments for Farm-Stored Rice**

The loan quantity for farm-stored rice may be reduced:

- at the producer's request for any reason
- \*--by COC to reflect a quantity at 14.0 percent moisture, according to 8-LP, Exhibit 12, if--\* both of the following apply:
  - the moisture is determined to be more than 14.0 percent
  - COC determines the producer has the facilities to dry the rice.

**D Aromatic Rice**

See paragraphs 57 and 125 for special storage and delivery requirements for aromatic rice.

## Loan Rates and Discounts

### \*--A Loan Values for Crop Year 2010 Whole Kernels and Broken Rice

The following table provides the loan values for crop year **2010** whole kernels and broken rice.

<b>Rough Rice Class</b>	<b>Whole Kernels (Dollars (\$) Per Cwt.)</b>	<b>Broken Rice (Dollars (\$) Per Cwt.)</b>
Long Grain	9.91	7.01
Medium Grain/Short Grain	9.65	7.01

--\*

### B Calculating Warehouse Loan Rates

Calculate the loan rate for warehouse-stored loans using the:

- whole kernel rice yield and total rice yield

**Note:** Obtain these yields from the warehouse receipt.

- loan value in subparagraph A.

### C Example of a Loan Rate Calculation

\*--An example of a loan rate calculation for **2010** crop warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value (\$9.91) = \$5.55
- broken rice yield (.12) x loan value (\$7.01) = \$0.84
- loan rate per 100 pounds is \$5.55 + \$0.84 = \$6.39--\*
- adjust for discounts according to subparagraph E.

**Note:** Discounts shall only be applied when loans are forfeited.

**Loan Rates and Discounts (Continued)**

**\*--D Farm-Stored Loan Rates for Crop Year 2010**

The following table provides the loan rates for crop year **2010** farm-stored rice:

- per cwt.
- by class.

<b>2010 Rice Farm-Stored Loan Rates by Class, Rough Basis</b>		
<b>States</b>	<b>Long Grain</b>	<b>Medium Grain/Short Grain</b>
	<b>Dollars (\$) per cwt.</b>	
Arkansas	\$6.49	\$6.28
California	6.46	6.55
Louisiana	6.45	6.43
Mississippi	6.56	6.50
Missouri	6.43	6.50
Texas	6.69	6.50
All other States	6.50	6.50

**E Crop Year 2010 Rice Grade Discounts**

The following table provides the grade discounts for crop year **2010** rice.--\*

<b>Grade</b>	<b>Discount Per Cwt.</b>
U.S. No. 2	0
U.S. No. 3	\$0.30
U.S. No. 4	\$0.60
U.S. No. 5	\$1.00
U.S. No. 6	\$2.00
Sample grade	\$5.50

**Loan Rates and Discounts (Continued)**

**\*--F Crop Year 2010 Smut Discount**

The following table provides the smut discount for crop year **2010** rice.--\*

<b>Smut Damage Percent</b>	<b>Discount Per Cwt.</b>
Trace	0
0.1 - 1.0	\$0.05
1.1 - 2.0	\$0.10
2.1 - 3.0	\$0.15

**Note:** Rice that contains more than 3 percent smut qualifies as low quality rice. Low quality or smutty rice is eligible for a nonrecourse MAL at 20 percent of the loan rate.

**Example:** Arkansas long grain rice loan is \$6.48 per cwt. x .20 = \$1.30 per cwt.

**Loan Rates and Discounts (Continued)**

**\*--G Loan Values for Crop Year 2011 Whole Kernels and Broken Rice**

The following table provides the loan values for crop year **2011** whole kernels and broken rice.

<b>Rough Rice Class</b>	<b>Whole Kernels (Dollars (\$) Per Cwt.)</b>	<b>Broken Rice (Dollars (\$) Per Cwt.)</b>
Long Grain	9.93	7.06
Medium Grain/Short Grain	9.55	7.06

--\*

**H Calculating Warehouse Loan Rates**

Calculate the loan rate for warehouse-stored loans using the:

- whole kernel rice yield and total rice yield

**Note:** Obtain these yields from the warehouse receipt.

- loan value in subparagraph G.

**I Example of a Loan Rate Calculation**

\*--An example of a loan rate calculation for crop year **2011** warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value (\$9.93) = \$5.56
- broken rice yield (.12) x loan value (\$7.06) = \$0.85
- loan rate per 100 pounds is \$5.56 + \$0.85 = \$6.41--\*
- adjust for discounts according to subparagraph K.

**Note:** Discounts shall only be applied when loans are forfeited.

**Loan Rates and Discounts (Continued)**

**\*--J Farm-Stored Loan Rates for Crop Year 2011**

The following table provides the loan rates for crop year **2011** farm-stored rice.--\*

- per cwt.
- by class.

\*--

<b>2011 Rice Farm-Stored Loan Rates by Class, Rough Basis</b>		
<b>States</b>	<b>Long Grain</b>	<b>Medium Grain/Short Grain</b>
	<b>Dollars (\$) Per Cwt.</b>	
Arkansas	\$6.48	\$6.22
California	6.33	6.54
Louisiana	6.47	6.50
Mississippi	6.58	6.50
Missouri	6.45	6.50
Texas	6.70	6.50
All other States	6.50	6.50

**K Crop Year 2011 Rice Grade Discounts**

The following table provides the grade discounts for crop year **2011** rice.--\*

<b>Grade</b>	<b>Discount Per Cwt.</b>
U.S. No. 2	0
U.S. No. 3	\$0.30
U.S. No. 4	\$0.60
U.S. No. 5	\$1.00
U.S. No. 6	\$2.00
Sample grade	\$5.50

**Loan Rates and Discounts (Continued)**

**\*--L Crop Year 2011 Smut Discount**

The following table provides the smut discount for crop year **2011** rice.--\*

<b>Smut Damage Percent</b>	<b>Discount Per Cwt.</b>
Trace	0
0.1 - 1.0	\$0.05
1.1 - 2.0	\$0.10
2.1 - 3.0	\$0.15

**Note:** Rice that contains more than 3 percent smut qualifies as low quality rice. Low quality or smutty rice is considered sample grade and is eligible for a nonrecourse MAL at 20 percent of the loan rate.

**Example:** Arkansas long grain rice loan \$6.48 per cwt. x .20 = \$1.30 per cwt.--\*